



Where Life is Sweet

HERMISTON CITY COUNCIL

180 NE 2nd Street – Hermiston, OR 97838

Regular Meeting

November 14th, 2016

A G E N D A

COUNCIL/CITY MANAGER WORK SESSION
Council Rules- 6:00PM

1. **CALL MEETING TO ORDER**– 7:00 pm
2. **DECLARATION OF QUORUM**
3. **FLAG SALUTE**
4. **PROCLAMATIONS, PRESENTATIONS & RECOGNITIONS**
 - A) Recognition- I Love My City.
 - B) Proclamation- Small Business Saturday.
5. **CITIZEN INPUT ON NON-AGENDA ITEMS** (Anyone wishing to bring anything before the council that is not on the agenda is asked to please do the following: 1. Limit discussion to not more than FIVE minutes; 2. State your name and address; 3. Direct your comments to the Mayor.)
6. **CONSENT AGENDA**
 - A) Minutes of the October 24th, work session and regular City Council meeting.
 - B) Minutes of the May 25th and August 24th, Library Board meeting.
 - C) Minutes of the September 14th, Planning Commission meeting.
 - D) Minutes of the October 4th, Faith-Based Advisory Committee meeting.
 - E) Minutes of the October 18th, and November 1st, Transit Committee meeting.
 - F) Minutes of the October 24th, Public Safety Committee meeting.
 - G) Liquor License Application - “Full On-Premises Sales, Change Ownership” for La Hacienda Mexican Restaurant located at 285 E. Main Street.

AMERICANS WITH DISABILITIES ACT NOTICE

Please contact Hermiston City Hall, 180 NE 2nd St, Hermiston, OR 97838 (Phone No. 541-567-5521) at least 48 hours prior to the scheduled meeting time if you need an accommodation.

TTY and TDD users please call Oregon Telecommunications Relay Service at 1-800-735-2900 or 711.

H) Liquor License Application - "Limited On-Premises Sales, New Outlet" for Kobe Hibachi Sushi Inc. located at 1055 S. Highway 395 Ste 100.

- I) Announcement of standing committee vacancies for the unexpired portion of a:
- i. 1-year term beginning November 28th, 2016 and ending October 31st, 2017
Parks and Recreation Committee- position #6.
 - ii. 3-year term beginning January 1st, 2017 and ending December 31st, 2019
Budget Committee- positions #1, #2, and #3.
Recreation Projects Fund Advisory Committee- positions #1 and #2.
 - iii. 4-year term beginning January 1st, 2017 and ending December 31st, 2020
Eastern Oregon Trade and Event Center Board- Combined (City/County) Motel Position.
 - iv. Remainder of a 3-year term beginning December 28th, 2016 and ending June 30th, 2017
Hispanic Advisory Committee- position #3.
- (Deadline for submitting applications is November 29th, 2016.)

Action – Motion to approve consent agenda items. Roll Call

7. ITEMS REMOVED FROM CONSENT AGENDA

8. PUBLIC HEARINGS

- A) The city council is holding a public hearing to consider: the proposed supplemental budget for the City of Hermiston for the fiscal year July 1, 2016 to June 30, 2017.
- 1) Hearing Guidelines
 - 2) Open Hearing
 - 3) Staff Report
 - 4) Public Testimony (people wishing to speak are asked to come to the microphone and state their name and mailing address and limit testimony to five minutes)
 - a. Proponents
 - b. Opponents
 - 5) Close Hearing
 - 6) Council Discussion

9. RESOLUTIONS & ORDINANCES

- A) Resolution No. 2042- Supersedes Resolution 2010 and re-adopts the financial policies for the City.
Action- Motion to approve and lay upon the record. Roll Call
- B) Resolution No. 2043- Supersedes Resolution 2011 and re-adopts the City's investment policy.
Action- Motion to approve and lay upon the record. Roll Call
- C) Resolution No. 2044- Supplement the 2016-2017 fiscal year budget (supplement #1).
Action- Motion to approve and lay upon the record. Roll Call

10. OTHER

- A) Consider a Public Transit Service Agreement with the Confederated Tribes of the Umatilla Indian Reservation (CTUIR) to provide a fixed-route intra-city bus route service within Hermiston.
Action- Motion to approve.

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B) Portland Rose Festival Discussion.

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, Community Enhancement, Public Safety, Public Infrastructure, Transit Planning, Festival Street Design.

B) Mayor’s Report –

C) Council Report –

D) Manager’s Report-

12. ADJOURNMENT

<u>UPCOMING MEETINGS AND EVENTS</u>		
(At City Hall unless otherwise specified)		
Nov 14	6:00 pm	City Council Work Session
Nov 14	7:00 pm	City Council Meeting
Nov 18	7:00 am	EOTEC Meeting (1705 E. Airport Rd)
Nov 21	7:00 pm	Hispanic Advisory Committee Meeting
Nov 23	4:00 pm	Library Board Meeting (Library)
Nov 24 & 25	THANKSGIVING HOLIDAY	CITY OFFICES CLOSED
Nov 28	4:30 pm	Public Infrastructure Committee Meeting
Nov 28	6:00 pm	City Council Work Session
Nov 28	7:00 pm	City Council Meeting
Dec 6	4:30 pm	Faith-Based Advisory Committee
Dec 7	4:00pm	Airport Advisory Committee Meeting
Dec 9	7:00 am	EOTEC Meeting (1705 E. Airport Rd)
Dec 12	6:00 pm	City Council Work Session
Dec 12	7:00 pm	City Council Meeting
Dec 14	7:00 pm	Planning Commission Meeting

Honoring All Who Have Served



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Where Life is Sweet

PROCLAMATION

Whereas, the government of Hermiston, Oregon, celebrates our local small businesses and the contributions they make to our local economy and community as they create jobs, boost our local economy, and preserve our neighborhoods; and

Whereas, according to the United States Small Business Administration, there are currently 28.8 million small businesses in the United States, and are responsible for 63 percent of net new jobs created over the past 20 years, and

Whereas, some economists state that with every \$100 spent at a small local retailer, roughly \$68 will stay in our local economy through taxes, payroll, and donations to local schools and charities; and

Whereas, advocacy groups, as well as public and private organizations across the country have endorsed the Saturday after Thanksgiving as Small Business Saturday.

Now, Therefore, I, Dr. Dave Drotzmann, Mayor of Hermiston, Oregon do hereby proclaim, November 26, 2016, as:

SMALL BUSINESS SATURDAY

in Hermiston and encourage all residents of our community to support local small businesses on Small Business Saturday and throughout the year.

SIGNED this 14th day of November, 2016

Dr. David Drotzmann, Mayor



HERMISTON CITY COUNCIL

Work Session

October 24th, 2016

Mayor Drotzmann called the work session meeting to order at 6:00 pm. Present were Councilors Primmer, Beas-Fitzgerald, Gutierrez, and Smith. Councilors Myers, Harding and Davis were excused. Staff members in attendance were City Manager Byron Smith, City Prosecutor Blaine Clooten, Assistant City Manager Mark Morgan, Clinton Spencer, Chief Edmiston, Nate Rivera, Bill Schmittle, Ron Sivey, and Lilly Alarcon-Strong. News media present was Jade Mc Dowell of the East Oregonian.

City Manager Byron Smith introduced City Prosecutor Blaine Clooten who will be filling in for City Attorney Gary Luisi while on vacation.

Geographic Information Systems (GIS) Discussion

Planning Director Clint Spencer stated GIS is more than just cartography/mapping. With GIS you have the ability to take two-dimensional data and convert it into spatial data. You can look at how multiple layers of data interrelate and use it to dive in to what you really want to know about city facilities, for example:

- when water vales are installed
- assessed lot value
- how many vehicles go thru an intersection everyday
- project tracking
- land use actions that help to show where the city is growing from year to year
- analysis for planning that can easily asses all lots that are vacant or buildable lands.
- public access to data- with mapping portals, parks department information, economic development with zoning, city produced maps, FEMA flood plan area map, etc
- basically, with enough time and effort anything that can be assigned a value can be mapped.

Mr. Spencer stated maps using the GIS system have been created for other departments, internal planning, public information tools, etc. Mr. Spencer displayed different types of maps to the Council, to include: Parcel maps, with addresses, utility billing numbers, zoning, waterlines, water meters, fire hydrants, and can create a maintenance schedule based on when infrastructure was installed.

Mr. Spencer stated the City recently purchased a large format plotter and scanner that can print 3ft of paper at one-time, and helps with digital records management. This system is also used regularly. Planning staff has been taking all of the City's building plans, digitalizing, storing, and organizing them on the City's server so they can be easily accessed.

Mr. Spencer stated the GIS system has an interactive format that the user can click on the area they are interested in and get more information. This has been available for years, but has recently been placed on the city's website for easier access to the public. The GIS system is used daily and updated regularly on the City's website.

Mr. Spencer logged onto the City's website to show the Council how easy the GIS system is to use and how much faster it is to obtain the information that is needed; it can even be used from a smart phone. Mr. Spencer stated this mapping system is very precise and servers are frequently backed up by tape. Once the Capital Improvement Plan has been completed, those items will also be listed, as well as have cost association with each project.

HERMISTON CITY COUNCIL

Work Session

October 24th, 2016

John Kirwan asked how difficult it was to find all of this information before the GIS System was purchased.

Mr. Spencer stated it wasn't difficult, but it was very time consuming. Individuals would have to come to City Hall and look through the big map binder that only have about 20 maps in them. The big map binder would not fit on a photocopier so the binder would have to be taken apart so each map needed could be photocopied and then the binder would need to be put together again. Mr. Spencer stated the GIS is a wonderful piece of information for the public.

Mr. Spencer stated this system is dependent on him as he went thru a graduate program to learn how to use it; but is simplifying the structure of the system so anyone can use it in the future.

Natural Gas

Hermiston Energy Superintendent Nate Rivera presented the Council with the new Hermiston Energy Services (HES) logo that Executive Assistant Lilly Alarcon-Strong led the project on.

The Council thanked Executive Assistant Lilly Alarcon-Strong for a job well done.

Mr. Rivera stated with Council direction, HES has been working on municipalizing natural gas services in Hermiston; as currently, Cascade Natural Gas (CNG), during peak times, has a difficult time reaching distribution services to industrial sites. Therefore, there is no provider for large employers looking to build or expand a site that has a need for a large gas supply. At this moment, HES is only looking to connecting gas services for industrial and small commercial sites. Any customer who utilized gas services through CNG would be allowed to continue their service through the company of their choosing.

Mr. Rivera presented the Council with a map of the industrial site and CNG gas lines going to the site, and explained, Trans Canada Gas also runs through Stanfield and discussions were had regarding being able to connect to their main line to serve the City's industrial site. After reviewing all options with Trans Canada Gas and CNG, it was determined the best option would be to partner with Trans Canada and run 1,300ft of gas line along HWY 395. This had the shortest route, most cost savings, easiest easement access, and had the least complications, etc.

Mr. Rivera stated to make this option financially stable, the City would need a large volume user. Once this gas utility has been built, the City becomes an owner/operator of a transmission and distribution system and takes on a large amount of liability with this utility. Mr. Rivera stated he recommends having a dedicated plan, similar to HES's plan, on how the City would handle this utility, with: a superintendent, contractors, emergency response, local training, qualified people who can deal with issues when contractors are out of the area, etc.

Mr. Rivera stated an application has been submitted to Trans Canada; an RFQ has been developed for engineering services; and a company has been chosen that can develop the City's Management Plan to handle the reporting, updating, inspections, maintenance, and operations of the natural gas system. With all of this in place, once the City has a large volume user, and with Council approval, the City would be able to move quickly move forward with a natural gas utility service.

HERMISTON CITY COUNCIL

Work Session

October 24th, 2016

Mayor Drotzmann stated this original conversation was inspired by a developer that wanted natural gas and Pioneer also wanted more natural gas than they originally had and the City was not able to get it to them without a significant cost to them and the City. Mayor Drotzmann asked what the original cost was from CNG to the City to get natural gas to the industrial area.

Mr. Rivera stated \$2.2 million, but believes this number was grossly underquoted.

Assistant City Manager Morgan stated another challenge with this besides the quoted price of over \$2 million, but CNG would only provide gas to Pioneer Seed. So if another developer wanted to use gas in that area CNG would not provide them with services without another significant cost putting the City in the exact same boat as we were in originally.

Mr. Rivera stated besides the 3 large volume users, there are about 27 other industrial low volume users.

Mayor Drotzmann asked if it would be beneficial to pull all users together and follow through with completing the utility at this time.

City Manager Smith stated staff recommends waiting for a large volume user to stabilize the system instead of getting all smaller users together. Waiting for this large volume user would be a financially wiser choice.

The Council asked how long this process would take if a large volume user needed natural gas services.

Mr. Rivera stated the City is as prepared as it can be and can quickly use the system if a large user wanted/needed it, with a turn-around time of about one year.

Assistant City Manager Morgan stated this process is very similar to when the original Regional Water System was contemplated. Having this plan ready is beneficial to the City when speaking with potential clients.

The Council agreed that it would be beneficial to wait for a large volume user to continue forward with the natural gas utility.

Councilor Kirwan stated it is great to have this investment in place for potential users. The Council agreed.

Mayor Drotzmann ended the work session at 6:55pm. The Councilors took a short break before the regular City Council meeting convened at 7:00 pm.

HERMISTON CITY COUNCIL

Regular Meeting

October 24th, 2016

Mayor Drotzmann called the regular meeting to order at 7:00 pm. Present were Councilors Primmer, Kirwan, Gutierrez, Beas-Fitzgerald, and Smith. Councilors Myers, Hardin, and Davis were excused. Staff members in attendance were City Manager Smith, City Prosecutor Blaine Clooten, Assistant City Manager Mark Morgan, Kelly Parsons, Chief Edmiston, Ron Sivey, Judge Creasing, Bill Schmittle, Clint Spencer, and Lilly Alarcon-Strong. News media present was Jade McDowell of the East Oregonian and Michael Cane of the East Oregonian. The pledge of allegiance was given.

Consent Items

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

1. Minutes of the October 10th, work session and regular City Council meeting.
2. Minutes of the September 7th, Airport Advisory Committee meeting.
3. Minutes of the September 8th, Parks and Recreation Committee.
4. Minutes of the September 13th, Transit Advisory Committee meeting.
5. Minutes of the September 19th, Hispanic Advisory Committee meeting.
6. Announcement of standing committee vacancy for the unexpired portion of a 1-year term beginning November 28th, 2016 and ending October 31st, 2017.
Parks and Recreation Committee- position #6.
(Deadline for submitting applications is October 27th, 2016.)
7. Confirmation of committee appointments for the unexpired portion of a 2-year term beginning November 1st, 2016 and ending October 31st, 2018.
Parks and Recreation Committee- position #4-Carlisle Harrison, #5-Steve Williams, #7-Michael Kay.
8. Confirmation of committee appointment for the unexpired portion of a 3-year term beginning November 1st, 2016 and ending October 31st, 2019.
Airport Advisory Committee- position #5- Ron Linn

Motion carried unanimously.

Mayor Drotzmann thanked all the committee participants who volunteer to serve their community.

Resolution No. 2041- Repeals Res. 2018 and enters into an agreement with ODOT for a Multi-Use Trail. City Manager Smith gave a brief presentation stating Resolution 2041 would repeal Resolution 2018 and authorizing the Mayor to sign an agreement with the Oregon Department of Transportation to install a Multi-Use Trail on the south side of W. Highland Ave between SW 11th St and Riverfront Park.

Councilor Primmer moved and Councilor Gutierrez seconded to approve Resolution No. 2041 and lay upon the record. Motion carried unanimously.

EOTEC Monthly Report

City Manager Smith stated the earth work contractor has begun work on the Rodeo Project, concrete walls for the rodeo area should begin to be poured in about 10 days, the EOTEC board approved a purchase contract for the barn buildings that Knerr Construction will install. The buildings are to be delivered within 8 weeks after order. The Construction Sub-Committee meets every week with Knerr and Hendon Construction to make sure decisions are made without delays.

HERMISTON CITY COUNCIL

Regular Meeting

October 24th, 2016

City Manager Smith stated County Commissioners are very open to having a joint City County and County Commission meeting regarding EOTEC to make sure both owners are on the same page regarding the project. The EOTEC Board will hold a work session on Friday, October 28th at 8:00am to discuss the future of EOTEC going forward.

Councilor Kirwan stated he continues to be concerned regarding the EOTEC timeline and would like to see a construction schedule. Councilor Kirwan asked what process is in place to make sure the timeline is being met and what the size of the barn buildings will be compared to how they are now.

City Manager Smith stated he will provide the Council with a construction schedule. The Construction Sub-Committee meets every week with constructors to make sure timelines are being met and the revised barn buildings are still more than double the current size, and will allow for possible future expansion of the buildings.

Mayor Drotzmann thanked City Manager Smith for his dedication to this project along with Michael Kay and Don Miller for meeting weekly with contractors to make sure the project timeline continues to stay on track. City Manager Smith also has a City to run, but is doing everything he can to protect the City's interest in this project for the community. Mayor Drotzmann stated he believe a collaborative meeting with County Commissioners regarding expectations and futures costs would be ideal, and encouraged the Council and audience to attend the EOTEC Work Session.

(7:21pm Councilor Beas-Fitzgerald exited the meeting)

(7:22pm Councilor Beas-Fitzgerald returned returned)

September Financial Report

Councilor Kirwan moved and Councilor Smith seconded to approve the September Financial Report as prepared by Finance Director Amy Palmer and presented by City Manager Smith. Motion carried unanimously.

Committee Report

Hispanic Advisory Committee: Councilor Gutierrez and Councilor Beas-Fitzgerald stated the Oregon Department of Agriculture attended the meeting to give information regarding the proposed new dairy in Boardman; Citizens Review Board presentation regarding foster care needs and Hispanic involvement in the Citizen Review Board; And School District Updates.

Public Safety Committee: Councilor Kirwan stated the committee met earlier this evening and reviewed crime statistics, and talked about CRASE (Citizen Response to Active Shooter Event) Training that the PD has been and is providing, personnel changes, and department goals. Councilor Kirwan asked that the Council review these goals and send any recommended additions to Chief Edmiston by December 15th.

Transportation Committee: Councilor Primmer stated location markers for the proposed bus stops, the proposed route, proposed days and time frames, and name options for the bus route will be posted throughout the City in hopes to get public feedback. The next meeting is on Tuesday November 1st.

HERMISTON CITY COUNCIL

Regular Meeting

October 24th, 2016

Assistant City Manager Morgan stated the comprehensive route will not be perfect for everyone, but looks like it will service most of the community, loops around every hour, and will help supplement the Taxi Ticket program. This free bus system is dependent on the federal grant funding, and could have costs in the future. Assistant City Manager Morgan stated the bus route proposal will be presented to the Council on November 14th and go online with the bus route on January 2nd, 2017.

Mayor's Report

Mayor Drotzmann stated he will be meeting with the Oregon Funders Group that will be traveling to Eastern Oregon and visiting Hermiston on Thursday to learn more about our community and its needs. Mayor Drotzmann stated he is extremely excited and has received wonderful feedback regarding the Water Tower. People are really proud and happy about it and the new brand. Mayor Drotzmann thanked all those who were involved in updating the City's brand.

City Managers Report

City Manager Smith presented the Council with the Umatilla County Fire District Quarterly Report. Mr. Smith stated he has been meeting with Chief Stanton and had offered to come to Council Meetings to discuss the report and answer any questions the Council may have.

Mayor Drotzmann asked that the statics show comparisons from previous quarters and years if possible.

City Manager Smith presented the Council with a time lapse video of the water tower being painted created by Water Superintendent Roy Bicknell.

The Council thanked the painters and Mr. Bicknell for a job well done.

Adjournment

There was no other business, and Mayor Drotzmann adjourned the regular meeting at 7:52pm.

SIGNED:

/s/Dave Drotzmann

MAYOR

ATTEST:

/s/Lilly Alarcon-Strong

ASSISTANT CITY RECORDER

**HERMISTON PUBLIC LIBRARY
LIBRARY BOARD MEETING
MAY 25, 2016**

Board Chairperson Lori Spencer, called the meeting to order at 4:05. Members present were, Nancy Brown, John Douglass, Anne Doherty, and Kay Bennett. Marie Baldo, Library Director was also present.

The minutes of the April 27 2016 meeting were approved as written.

Under unfinished business: The librarian discussed the budgeting problems being worked on at the District.

The board was briefed on the status of applications for the Director position and are ready to serve on any interview panels.

Under New Business: Due to the districts budget shortfalls changes to number and costs sharing for databases purchased through the District are being strongly considered. The library may need to independently make arrangements to supply popular databases such as Mango and Automotive Repair to our patrons.

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

Other matters to come before the board: None

The meeting was adjourned at 4.5pm. The next meeting is scheduled for June 22 at 4:00 pm. in the Lanham room.



**Marie L. Baldo
Library Director**

**HERMISTON PUBLIC LIBRARY
LIBRARY BOARD MEETING
AUGUST 24, 2016**

Board Chairperson Lori Spencer, called the meeting to order at 4:00. Members present were, Nancy Brown, John Douglass, and Anne Doherty. Mark Rose, Library Director was also present.

The minutes of the May 25 2016 meeting were not available for action.

Under unfinished business:

Under New Business:

Under the librarian's report:

The Friends of the Library were discussed. The next Friends meeting is August 31. The annual book sale will run from September 21 through the 24 with a membership night on the 20th. The strength of High School students is available because of the opportunity to earn college funds from the Friends and a community partner.

Mr Rose asked if there were community events that the Library should definitely be a part of. The annual Fair Parade was identified as such an event. Also mentioned was the Teen Advisory Board, lead by Mema. Hispanic representation and a 5 de Mayo event was also brought up. Mr Rose also indicated that they as board members would be asked to participate in Library events and programs.

A monthly Statistical report was presented to the Board by Mr Rose as a discussion generator. A monthly report which includes information about completed programs, upcoming programs, community outreach, and issues related to operations. On a quarterly basis statistics will be provided

Mr Rose reported that he intends to meet individually with each of the library staff prior to the next board meeting.

Other matters to come before the board: None

The meeting was adjourned at 4.50 pm. The next meeting is scheduled for September 28 at 4:00 pm. in the Lanham room.



**Mark A Rose
Library Director**

HERMISTON PLANNING COMMISSION

Regular Meeting

September 14, 2016

Chairman Saylor called the meeting to order at 7:00 PM. Commissioners Doherty, Flaiz, Caplinger, Fialka, Hamm, Erz and Medelez were present. Commissioner Rebman was absent.

Minutes

Minutes of the July 13, 2016 regular Planning Commission meeting were approved.

Hearing-Major Variance-Continued from July 13, 2016

The planning commission is continuing the hearing to consider a request for a major variance. The request must be approved by the planning commission subject to the criteria established in §157.225 of the Hermiston Code of Ordinances. The applicant wishes to obtain a variance from §157.057 (D) 3 of the Hermiston Code of Ordinances which establishes parking requirements in the Fairgrounds Overlay zone. The applicant, Eastern Oregon Trade & Event Center (EOTEC), is requesting that the City grant a variance thereby allowing the number of occupants on the property equal to the number of allowed persons per parking space. The property is described as 4N 28 13 Tax Lots 800 and 1400 and is located at 1705 E Airport Rd.

There were no conflicts of interest or ex parte contacts declared. As this is a continued hearing, the guidelines were previously read.

City Planner Spencer presented the staff report and answered questions from the commissioners.

Testimony

George Anderson, 475 E Main St- Mr. Anderson stated that he has 33 years interest in moving the fair and forming EOTEC. He feels this is a win-win. He is concerned that the Planning Commission is seeking to strangle the project with conditions. Mr. Anderson thinks condition number three has major problems. He feels the permitting process is a major proposal. He also thinks that grassing the overflow parking area is not reasonable.

Byron Smith, Chairman of the Board for EOTEC- The conditions have been reviewed and they appreciate the flexibility of allowing the first fair and rodeo to be held prior to grassing the overflow parking lot. It would be great to have the option of gravel or irrigated grass for the overflow parking lot. The board is open to using a shuttle service for attendees. They would like to see the number of attendees before the event management plan is required be a little higher.

Dan Dorran, Vice-Chair of EOTEC board and member of the County Fair Board- The irrigation and rutting is something the fair has addressed for many years and have a good handle on these issues. He also would like to thank the commissioners for their flexibility. Handicap parking is currently addressed by the fair. They use designated golf carts to shuttle people from the handicap spaces to the fair entrance.

Dennis Doherty, 1045 S 9th Place- Mr. Doherty stated he thinks people would like to see the public facility built completely and built right. He would like to see all the improvements that the money is available for. He has attended many different fairs and has never parked on anything but grass or gravel. Mr. Doherty read from the Inter-Governmental Agreement signed by the City and County. Provisions in the agreement state that the EOTEC authority is appointed by, responsible to and acting on behalf of Umatilla County and the City of Hermiston. The board is accountable to the people represented. The Board's books and records are to be made available for review. He would like to encourage the commissioners to be as generous as

they can in establishing the conditions, but put in what is needed and trust the governing bodies to do what is right.

Kim Puzey, 970 SE 5th St, member of the EOTEC board- Mr. Puzey's primary role on the board is to raise public money. He would like to ask the commissioner for flexibility so there is greater latitude to access public dollars.

Mike Kay, 1002 SE Banker Drive- Mr. Kay spoke on his own behalf. He has worked on many of these projects. He encouraged the commissioner's to look at fire suppression and dust control in the overflow parking lot. He suggested that the condition state that adequate pathways be provided from the parking lot to the event center and to trust the board and EOTEC committee to interpret it. He stated that 1,000 people is not that many and would encourage the commissioners to increase that number to 2,000 or 3,000 people.

Larry Givens, 84462 Ringer Road, Milton-Freewater- Mr. Givens is the chair of North East Area Commission on Transportation. Improvements and additions to Ott Road have been discussed. They are aware of the added needs at the intersection.

The hearing was closed at 8:07 PM.

Findings of Fact

Exceptional or extraordinary conditions apply to the property that do not apply generally to other properties in the same zone or vicinity, which conditions are a result of lot size, shape, topography or other circumstances over which the applicant has no control.

1. EOTEC is a unique facility within the city and county and one of a limited number statewide. The facility is designed to accommodate both small events and large regional events. Operation of EOTEC is bound by an existing Inter-Governmental Agreement between the City of Hermiston and Umatilla County.
2. The economics of developing a community event center and a regional trade and event center or fairgrounds are not equivalent. A community event center will generally have a daily use that is smaller and locally focused on small scale events. Regional trade shows or county fairs are rarer events which shall be specifically planned on a case by case basis depending upon the size and type of crowd anticipated.
3. The impact of developing paved parking sufficient to accommodate 2,808 paved parking spaces is fiscally prohibitive and environmentally unsound due to the need for large stormwater storage and treatment facilities for nearly 20 acres of paved surface.
4. The public benefit of 2,808 paved parking spaces is not proportional to the construction cost and ongoing maintenance costs associated with creating 20+ acres of paving when only a small fraction is used in conjunction with most events.
5. Alternative design scenarios proposed by the city such as gravel access paths, irrigated grass parking for overflow, and the potential use of the grass area for recreation purposes provide a better public benefit by lowering construction cost while simultaneously providing an opportunity for community use during otherwise passive times.

The variance is necessary for the preservation of a property right of the applicant that is substantially the same as is possessed by owners of other property in the same zone or vicinity.

6. The Hermiston Conference Center is a 21,000 square foot building which was constructed with 152 parking spaces on-site. This is a similar facility to the event center as both the event center and the

existing conference center require a one space per 100 square feet parking ratio. The existing conference center also makes use of overflow parking for very large events.

7. The two developments are not entirely equivalent due to the existing conference center's geographically constrained setting and repurposing of an existing building during development rather than greenfield development in EOTEC's case. However, the basic property right at issue is the same in both cases where a smaller economically feasible parking lot is used for daily operations and overflow is used for much larger events.

The authorization of the variance shall not be materially detrimental to the purposes of the zoning ordinance, be injurious to property in the zone or vicinity in which the property is located, or be otherwise detrimental to the objectives of any development pattern or policy.

8. The city establishes parking requirements in §157.176 of the Hermiston Code of Ordinances. These parking standards are designed to provide a reasonable number of parking spaces to accommodate what is considered the likely typical heavy use scenario. The space requirement is not intended to accommodate a "worst-case" scenario. A worst-case scenario cannot be adequately planned for and accommodated unless excessive land is developed and significant financial investment in infrastructure is made. The return on investment for a worst-case parking lot development results in rarely used parking which must be lit, maintained, drained, sealed, and periodically resurfaced, even though it might see no more than seven days of use per year.
9. The planning commission finds that the 675 spaces installed are sufficient for most typical uses of EOTEC, even in heavy use scenarios when the event center and rodeo grounds are both in use. The additional overflow area will provide sufficient worst-case scenario parking during the Umatilla County Fair or other regionally significant events provided the permitting requirements are applied to each event with attendance in excess of 2,000 and the overflow parking is designed in compliance with the conditions of approval.
10. The planning commission finds that the issuance of a variance has been publicly vetted through public hearings on July 13 and September 14, 2016. Furthermore, the planning commission finds that each issuance of a variance is considered on a case by case basis and no precedent is established through the issuance of a variance and the variance does not materially harm the purpose of the zoning ordinance.
11. The planning commission finds that the conditions of approval as adopted will prevent injury to properties in the vicinity of EOTEC.

It is impractical to maintain the zoning ordinance requirements and at the same time build, erect or use the structure.

12. Construction of the site with 2,808 paved parking spaces presents an impractical barrier to the use of the facility. Creation of 2,808 paved parking spaces is not financially feasible for EOTEC while simultaneously constructing a useable fairgrounds facility and rodeo arena.
13. The planning commission finds that the 675 proposed paved parking spaces are sufficient to accommodate the majority of uses on the site. The 675 spaces are sufficient to meet the occupancy requirement of the event center (346 spaces) and the rodeo grounds (329 spaces) during most activities. As noted in Finding #9, the event permit process and construction of overflow parking will mitigate parking issues associated with exceptionally large events.

The variance requested is the minimum variance from the provisions and standards of the zoning ordinance which will alleviate the hardship.

14. There is sufficient paved parking on the site to accommodate any event in the event center. There is sufficient paved parking on the site to accommodate typical uses in the rodeo arena. There is sufficient paved parking to accommodate any use in the barns and 4-H center. The planning commission finds that it is acceptable to provide 675 paved parking spaces and 2,200 overflow parking spaces to accommodate typical EOTEC operations. Constructing additional paved parking is not merited at this time.
15. The planning commission will require EOTEC to submit event reports for an annual review by the planning commission each January beginning in January 2018. If as a result of the annual review, the planning commission determines that additional paved parking is warranted, EOTEC will be responsible for constructing additional paved parking in the overflow area as directed by the planning commission prior to the next Umatilla County Fair.

Conditions of Approval

1. Approval of the variance is effective only for the site plan attached to this report as Exhibit C. The site plan consists of 675 paved parking spaces, the event center as constructed and occupied in May of 2016, three proposed animal barns, two restroom buildings, and one rodeo arena. Any additional public buildings, except for additional free-standing restrooms or similar non-display or event space, shall require a new variance application.
2. The planning commission will review the operations of EOTEC at the regular meeting each January for the first five years of operations beginning in January of 2018. The public will be invited to provide testimony. The planning commission will reserve the right to extend the five-year review period as deemed appropriate by the planning commission. At the annual review session, the planning commission shall review an annual report to be prepared by EOTEC which shall contain the following information:
 - a. A comprehensive list of all events at ETOEC during the previous calendar year.
 - b. A supplemental report of each event with an attendance of 2,000 or more. Reporting of events with an attendance of 2,000 or more shall be made on the report form attached to this report as Exhibit D.
3. All events which have an anticipated attendance of 2,000 or more shall submit a permit application on the form attached as Exhibit E and event management plan to be reviewed by the city. The permit application must be submitted at least three weeks in advance of the proposed event. Each application shall include:
 - a. A parking plan approved by the fire marshal detailing the overflow parking layout, location of fire lanes, and other items required by the fire district for fire and life safety access.
 - b. A traffic control plan in accordance with the event management plan developed by Lancaster Engineering and reviewed by the police department.
 - c. A site plan for each event which shows location of temporary structures, temporary restrooms, and ADA facilities. The site plan shall be reviewed and approved by the building official.
 - d. Evidence of notice to neighboring property owners in advance of large events.
4. EOTEC shall provide off-site parking and shuttle service for the 2017 county fair. An estimate of ridership shall be submitted to the planning commission for review at the January 2018 review session. The planning commission and EOTEC shall collaboratively determine if it is necessary to provide an off-site shuttle for future events.
5. When events utilizing the overflow parking are anticipated to extend more than 30 minutes after dusk, temporary lighting shall be provided for the overflow lot. A lighting plan for the spacing of the mobile light towers shall be included as part of the large event permit and the use of mobile lighting shall be documented in the event report.

6. EOTEC shall submit a plan and timeline for a permanent overflow parking lot construction for review at the January 2018 Planning Commission meeting. The final design of the overflow parking lot shall include pedestrian circulation.

Commissioner Caplinger moved and Commissioner Doherty seconded to approve the Findings of Fact as amended. Motion passed unanimously.

Commissioner Hamm moved and Commissioner Erz seconded to approve the variance with the revised conditions. Motion passed unanimously.

New Business

Replat-The City of Hermiston has received an application for a replat of property located on SE Fifth Street approximately 190 feet north of E Highland Ave. The property is approximately 1.58 acres and is presently vacant. The proposal will replat 5 existing lots into one new lot. The replatted lot will be approximately 1.58 acres. NW Housing Alternatives has purchased the property and is applying for the replat. The property is zoned Multi-Family Residential (R-3) and is described as a 4N 28 11CD Tax Lots 1800, 25100, 25200, 25300, and 25400.

City Planner Spencer presented the staff report. The criteria that are applicable to the decision to accept the proposed replat are contained in §154.15 through §154.46, §154.60 through §154.66, §157.027 and §157.101 of the Hermiston Code of Ordinances.

Staff received a letter from nearby property owners opposed to the building of apartments on the property. The letter stated instances of criminal activity and has been forwarded to the Chief of Police.

Chapter 154: Subdivisions

Design Standards

§154.15 Relation to Adjoining Street System.

The property is bordered by SE 5th Street. No new street connections are proposed.

§154.16 Street and Alley Width.

No new streets are proposed as part of this subdivision. The existing right-of-way for SE 5th Street is 50 feet in accordance with city standards.

§154.17 Easements.

A fifteen-foot drainage and utility easement shall be dedicated on the final plat along the entire frontage of the parcel. It is not clear from the proposed plat if the existing irrigation ditch is protected by an easement. It is typical for facilities of the Hermiston Irrigation District to be protected by an easement. The survey shall clarify if an easement exists prior to the city signing the plat and it shall be shown on the plat. Any development on the property will be required to respect and preserve the easement.

§154.18 Blocks.

The proposed subdivision sits at a mid-block point. There is an existing alley along the north boundary of the replat. The city requires new street connections when blocks exceed 600 feet. The property is approximately 360 feet in width. No cross street is required and the block design standards are satisfied.

§154.19 Lots.

The minimum lot size in the R-3 zone is 6,000 square feet. There is no maximum size in the R-3 zone. Multi-family lots require at least 2,000 square feet of lot area for each dwelling unit. The lot will be approximately 1.58 acres or 68,824 square feet. The parcel abuts a public street for at least 25 feet.

§154.20 Character of Development.

The property is presently vacant. It may be developed with single-family, duplex, or multi-family dwellings in the future.

§154.21 Parks, School Sites and the Like.

The comprehensive plan and parks master plan do not indicate a need for any parks or schools in the vicinity of the proposed development.

Minimum Improvements Required

§154.60 Permanent Markers

Permanent markers shall be set as shown on the final plat in accordance with ORS 92.050 through 92.080.

154.61 General Improvements

The site is adjacent to SE 5th Street. SE 5th Street is currently improved with a chip seal surface and no other street improvements. As a condition of approval the property owner will be required to sign a street improvement agreement for SE 5th Street. The street improvement agreement will bind the property to participate in or install half street paving, curbing, drainage, and sidewalk improvements along the property frontage. In addition, should the property develop in the intervening time, installation of these improvements will automatically be required under the provisions of §157.164 of the Hermiston Code of Ordinances.

§154.62 Water Lines.

All lots are served or can be served in the future by an existing municipal water line in SE 5th Street. Depending on the scope of potential future development, the water department will assess the capacity of the water line at the time a development application is made.

§154.63 Sanitary Sewer System.

All lots are served or can be served in the future by an existing municipal sanitary sewer line in SE 5th Street.

Preliminary Plat

Staff has reviewed the preliminary plat and determined the plat is prepared in accordance with §154.35(B) of the Hermiston Code of Ordinances.

Chapter 157: Zoning

§157.027 Multi-Family Residential Zone (R-3)

The minimum lot size in the R-3 zone is 6,000 square feet. There is no maximum size in the R-3 zone. Multi-family lots require at least 2,000 square feet of lot area for each dwelling unit. The lot will be approximately 1.58 acres or 68,824 square feet. The parcel abuts a public street for at least 25 feet.

§157.101 Development Hazard Overlay Zone (DH)

Comprehensive Plan Figure 12 shows the northern portion of this property as an area subject to development hazards due to a high water table. In accordance with §157.101 of the Hermiston Code of Ordinances, the city will prohibit the outdoor storage of hazardous chemicals or the underground storage of gasoline and diesel fuels unless an evaluation by a registered engineer is presented stating that the development will not contribute to groundwater pollution.

Testimony

Annette Kirkpatrick, Hermiston Irrigation District Manager, 366 E Hurlburt Ave- Federal Bureau of Reclamation easements of 50 feet from the centerline exists on the irrigation ditch. Buildings would be positioned on the diagonal to fit within the lot, without building in the easement. The district is hopeful the drain would be piped for the portion on lot 1800. It is currently an open drainage ditch and it would be an improvement to be piped.

Shari Humphrey, 451 SE 5th St- Ms. Humphrey has been working with neighbors with single family homes trying to keep the neighborhood clean and kept up. Her property receives foot traffic trespassing and committing vandalism. She does not want another complex. Ms. Humphrey frequently calls the abatement officer as the lots are not kept clean. She stated she does not want apartments there.

Renata Morgan, 610 SE 5th St- Ms. Morgan asked neighbors around her about this and the response was that they did not want apartments across the street or up the road from them. She stated it is horrible and bad enough that they are on 6th street. Ms. Morgan stated she recently built a big shop on her property and will have to move if apartments are across the street from her. She feels people want to build homes on the lot and are not interested when she tells them the lots are zoned R-3.

Staff Recommendation

Staff has reviewed the proposed partition plat and found that it is prepared in accordance with all requirements of the Code of Ordinances. Staff recommends the planning commission approve the replat subject to the following conditions:

1. The applicant shall work with and receive certification from the Hermiston Irrigation District. The city will not sign the final plat until the irrigation district is satisfied and signs the final plat.
2. The applicant shall sign a street improvement agreement for future improvements to SE 5th Street adjacent to the property. The street improvement agreement shall commit the property to participate in the future improvement of SE 5th Street, including half street paving, curbing, drainage, and sidewalks.
3. In accordance with §157.101 of the Hermiston Code of Ordinances, the property shall not be used for the outdoor storage of hazardous chemicals or the underground storage of gasoline and diesel fuel.

4. An easement of 15 feet in width shall be added to the west property line of the property. This easement shall be for drainage, sidewalk, and utilities.
5. The existing drainage canal on the property shall be amended to reflect any existing easements on the property unless the irrigation district and surveyor present evidence that no easement protects the canal.

Commissioners discussed the stated concerns and issues regarding the neighborhood compatibility.

Commissioner Hamm moved to deny the preliminary replat based on insufficient evidence submitted in support of Hermiston Code of Ordinances 154.20. Commissioner Flaiz seconded the motion. Motion passed unanimously.

Planner Comments and Unscheduled Communications

The Holiday Inn Express is on schedule to open in November of 2016.

Meeting adjourned at 9:25PM.

Present were Pastors James Lafolette, Dean Hackett, Terry Cummings, and Rod Hardin. Jeff Snell was excused and Daniel Maxwell was absent. Staff in attendance was Lilly Alarcon-Strong.

Rod opened the meeting in prayer at 4:45 pm.

Minutes- Dean moved and Rod seconded to approve the meeting minutes of September 6th. Motion carried unanimously.

Community Prayer Event- James stated the Community Prayer Event will be held on Saturday, October 8th at 2:00 pm at Victory Square Park.

Family Promise Update- James stated he presented the Family Promise report to the City Council last week and felt it was very well received. The EO also wrote an article in the newspaper and Kris Dammeyer has also received good feedback from the article. James stated he has placed two calls into Craig Fraley and is waiting for a return call to replace him with Jeff on the Family Promise Board. A bank account will also need to be opened. As soon as the account has been opened the City can place the allocated funds into the account. James stated he and Dave Hughes are working on the 501c3 paperwork.

James presented the Committee with a proposed budget from Kris Dammeyer and asked if the Board would like to have a verbal or written contract.

Dean stated he feels that written documentation of employment, to include wages and expectations, would be best. After some discussion, the Committee agreed and Dean stated he will forward the Committee a sample of what he uses so the Committee has a starting point. The Committee can adjust it as they feel necessary.

James stated Kris has reached out to Family Promise headquarters to obtain more information about the program. Based on the information she obtained and forwarded, Kris is requesting a starting salary of \$20,000.

After some discussion Dean moved and Terry seconded to approve Kris's salary at \$24,000/ year. Motion carried unanimously.

James stated Kris will be attending trainings for Family Promise and is being encouraged to share that information with the Committee.

Pilot Rock FBAC- Rod stated Mrs. Helen Doherty a School Councilor from the Pilot Rock School District has reached out to Rod regarding forming a Faith-Based group in Pilot Rock. Mrs. Doherty stated she is part of a group that would like more information on how FBAC supports the local school district.

Dean gave the Committee background information of the formation of FBAC. After some discussion James stated he would contact Mrs. Doherty to schedule a meeting with her group, Dean, and himself regarding FBAC.

Butte Cross- Terry asked James if their church would be asking for contributions this year to pay for property taxes of the Butte Cross.

James stated he did not believe so, but would need to double check.

The Committee discussed applying for tax exemptions on the property taxes for the Cross as there are regular worship services conducted on the Butte due to the cross. James stated he would inquire on the tax exemptions.

The Committee also discussed possible upgrades to the Cross, to include: frequent painting, and installing solar lighting so the Cross could shine bright after sunset.

There was no other business and Dean adjourned the meeting in prayer at 5:25pm.

TRANSIT ADVISORY COMMITTEE

October 18TH, 2016

Transit Advisory Committee members in attendance were Doug Primmer, Juli Gregory, Krisi Avery, Barb Martin, and Jennifer Roberts. Jason Edmiston, Rod Hardin, Dean Fialka, and Cindy Schaan were not present. Also present were Assistant City Manager Mark Morgan, CTUIR Planning Director JD Tovey, and Lilly Alarcon-Strong.

Assistant City Manager Mark Morgan opened the meeting at 5:00pm and stated the Committee would wait a few mins longer for other members of the public to arrive.

Recess

At 5:05pm the group left City Hall to tour the proposed fixed-route bus system as identified in the previous meeting.

Reconvene

At 6:05pm Mark reconvened the meeting.

Identify high-usage origination and destination points

The Committee discussed the routed bus stops and made recommendations for areas that needed attention, to include:

- Good Shepherd Hospital and the Medical Plaza area across the street
- Hermiston Plaza
- SW 7th and Highland
- Elm St and 395
- Wal-Mart
- Fiesta Foods

JD stated he would work on a new route to incorporate the suggested changes and present it at the next meeting. Because the changes have added and removed stops, the bus route should continue to make a full circle within the same time frame, one hour.

Doug suggested that the City place signs at all proposed bus stop locations to see if the public has feedback they would like to share at the next Transit Committee meeting.

Mark stated the City can place temporary signs at each stop with information about the proposed inter-city bus route and a map of all the proposed bus stops within the City. Public input would need to be reviewed by the Committee at that meeting so modifications can be made before they are brought before the City Council.

Mark stated in order to meet the launch date of January 2nd, 2017, the next Committee meeting will need to be November 1st so JD has time to incorporate revisions suggested at meeting to be able to present the final draft to the City Council on November 14th.

October 18TH, 2016

Identify days and time frames buses would run

Mark stated based on the public survey feedback received, the buses will run: Monday – Friday 9:00am to 4:00pm. This days and time frames proposed also allow KAYAK to employ only one person for this route. The route will also be able to incorporate route changes throughout the year. Based on the proposed route, the estimated cost projections have not changed dramatically. Costs will rise if there is an increase of stops and/or hours of operation.

Develop a name for the fixed-route bus system

Mark stated at the last meeting, he asked that the Committee think of potential names that the fixed-out bus system could be named. Mark stated he had developed the temporary name of HART for Hermiston Area Regional Transit, but emphasized HART could be changed.

Committee members proposed names to include:

- HART- Hermiston Regional Area Transit
- Hermiston Looper
- Melon Metro
- Bulldog Express
- Spud Bus
- Tater Transit

It was also recommended that the Committee allow the public to participate in name ideas at the next meeting.

There was no other business and the meeting was adjourned at 7:03pm.

TRANSIT ADVISORY COMMITTEE

November 1st, 2016

Transit Advisory Committee members in attendance were Doug Primmer (arrived 5:17pm), Juli Gregory, Krisi Avery, Jason Edmiston, Rod Hardin, Dean Fialka, and Cindy Schaan (arrived at 5:12pm). Barb Martin, and Jennifer Roberts were not present. Also present were Assistant City Manager Mark Morgan, CTUIR Planning Director JD Tovey, and Lilly Alarcon-Strong.

Assistant City Manager Mark Morgan opened the meeting at 5:00pm

Public Comment of Proposed Bus Routing and Stop Locations

Dennis Barnett stated he is concerned that people waiting for the bus at the corner of SE 10th & E Highland Ave would disturb his cattle which graze in the pasture to the east of the proposed stop. Mr. Barnett stated he also did not see the benefit of having a stop there, as there is very little population in three of four directions from the stop.

Vernon Weber stated the stop at SE 10th is a narrow two lane county road and does not feel this would be a good stop as there is no public restrooms anywhere near the area, and feels there would be more trespassers going onto the grazing land he owns near the proposed bus stop. Mr. Weber also asked why he was not notified of this meeting and how this service was going to interact with the City's Taxi service.

Mark stated the Transit Committee meeting followed all Public Meeting Laws, in addition to that, also placed signs at all the proposed bus stops as well. The City will continue to offer Taxi Tickets and later in the meeting, this will be discussed later in the meeting.

(Cindy Schaan arrived 5:12pm)

Review Written and Verbal Public Comment for Bus Routing and Stop Locations

Doug Primmer arrived 5:17pm)

The Committee reviewed each bus stop throughout the route and took into consideration the public comment given at the beginning of the meeting and public comment provided by email and verbally before the meeting.

(Jason Edmiston exited the meeting 7:15pm)

After making appropriate revisions, Doug moved and Juli seconded to finalize the bus route as amended and present the final bus route recommendation to the City Council. Motion carried unanimously.

Intergovernmental Agreement with CTUIR

Mark stated the IGA with CTUIR has not changed much from what was previously presented. The City's contribution would be a total of \$250,000/yr to the tribes to operate the bus route. The agreement would begin January 2017 and end June 2019, with KAYAK applying for grants and executing reporting documents on behalf of the City for the first two years in operation. For the first 6 months in operation, the City would pay the tribes \$125,000; after the initial 6

November 1st, 2016

months the tribes and City will know if \$100,000 of grant funding has been approved, if not, the City will contribute the remaining \$125,000.

Taxi Ticket Fare

Mark stated after the fixed route system launches, he will recommend that the City extend Taxi Ticket services to the Urban Growth Boundary so the City can qualify to receive additional funding from the County's STF Allocation. This is the same funding that gives Pendleton almost double what Hermiston receives because Pendleton offers rides outside of their city limits.

Mark presented the Committee with financial information regarding the Taxi Ticket Program to include: ridership, revenues, expenses, and city subsidy. Currently, riders pay \$2.00 per taxi ticket which takes them anywhere (one-way) within City limits. Because the City will be not only be subsidizing the Taxi Ticket Program but the Fixed-Bus Route System as well, funding will be tight after the first 6 months and an increase of \$3.00 per taxi ticket may be needed; this is also the same amount that Pendleton charges for their taxi tickets.

JD stated the Tribes no longer use a taxi ticket program as they offer the Para-Transit Service which picks-up permanently disabled riders that cannot access the bus stop system at no cost, provided that the rider calls with at least a 24 hour notice.

JD stated after further review of the budget, he believes they will be able to offer Saturday bus service. And stated any funds that are gathered, on behalf of Hermiston, will only be used for Hermiston. Funds not used, will be saved and rolled over for the following year(s).

Doug moved and Juli seconded to leave the taxi ticket prices at \$2.00 each and review this topic again after the initial 6 months of the fixed bus route service. Motion carried unanimously.

Bus Route Name

Mark stated the Committee has discussed potential names for the new bus route and has surveyed participants online regarding a name. Based on survey results, the two names with the highest votes were:

- Watermelon Express
- HART- Hermiston Area Regional Transit

Mark stated naming the route can be held off until the November 28th City Council meeting if the Committee would prefer to wait for other recommendations from the public or the Council.

The Committee agreed to allow more input from the public and the Council in establishing a name.

Mark stated the Transit Committee may need to meet again in the spring to discuss the route and taxi ticket prices.

There was no other business and the meeting was adjourned at 8:10pm.

PUBLIC SAFETY COMMITTEE MEETING

October 24, 2016

Councilor Kirwan called the meeting to order at 5:15 pm. Present were Councilor Beas-Fitzgerald, City Manager Byron Smith, Chief Edmiston, Captain Travis Eynon, Sergeant Scott Clark, Communications Manager Amanda Hartsteen, Sergeant Kelly Parsons, Sergeant Bryan Maess (arrived 5:19pm), Lilly Alarcon-Strong and members of the audience.

3rd Quarter Crime Report

Chief Edmiston stated the calls for service number is relatively flat. There were quite a few people out on leave for military, illness, and vacation; leaving the minimum required amount of staff on duty. There was a 12% decrease in citations issued, this was not only due to understaffing, but due to the fact officers no longer issue citations to individuals with warrants.

(Sergeant Bryan Maess arrived 5:19pm)

Chief Edmiston stated there were 7 rape cases which is very unusual; but in all of these cases there were no stranger-to-stranger incidents of rape. 3 incidents were consensual but had a separation of age that led them to be a criminal act, with another one being a sex abuse case that was classified as a rape.

Chief Edmiston stated robbery had 0 incidents which is very encouraging and aggravated assaults are in normal ranges but are high from last year. Chief Edmiston stated charges of aggravated assaults can include threats of violence, regardless if a person was not injured. Burglary and car theft are both down, with larceny flattening down.

Councilor Beas-Fitzgerald asked what the age group is of those committing aggravated assaults.

Chief Edmiston stated there is no specific age group, but will look into it and get back with the committee.

Councilor Kirwan stated the overall crime statistics are flat or going down, which is a good thing especially since the City is rapidly growing.

Jason stated yes, but there is always room for improvement. Another important factor into crime statistics is that any time there is a legislative change or a new law is passed, there will be spikes in certain areas as officers will use this new "tool" to present a case to the DA's office. Chief Edmiston stated the City and Police Department are very transparent in giving crime statistics, but a big thing to consider is not only the crime statistics, but the clearance rates of those cases. The City's Police Department clears 51% of all cases, which is higher than surrounding areas. This is how the public knows its police department is being efficient and productive.

CRASE Update

Chief Edmiston stated CRASE stands for Civilian Response to Active Shooter Events. There are 3 employees who are CRASE trainers with another employee seeking training. Chief Edmiston stated during the summer, the PD reached out to the community and asked if they wanted training on what to do in case of an active shooter event or dealing with a hostile person to come to this training.

PUBLIC SAFETY COMMITTEE MEETING

October 24, 2016

Captain Eynon stated Umatilla School District employees, Umatilla Electric Cooperative employees, Regional employees of Head Start to include Umatilla and Morrow Counties, and other individuals all went through CRASE Training during this summer. County employees to include courts house, dispatchers, and other employees in the Sheriff's Department will participate in this training later this month and in the month of November. Captain Eynon stated from January through March 2017 all Hermiston School District employees will have this training as well.

Chief Edmiston stated there are also other programs called ALICE and I Love You Guys, but the PD decided to go with CRASE. The PD would also like to provide this training opportunity to High School Seniors before they graduate.

Chief Edmiston stated he is very pleased with Captain Eynon, Sergeant Osborne, and Officer Miers for all the work they have done with this training.

Councilor Kirwan stated he felt this was a great community engagement program that the PD has undertaken, but wanted to know how this training is effecting staffing and work schedules.

Chief Edmiston stated much of the time used for staffing these events were flex time to avoid large amounts of overtime.

Organizational Structure Changes

Chief Edmiston stated beginning October 3 Officer Erica Sandoval rotated back into patrol. Depending on the Sheriff's election, Detective Robert Guerrero who is running as an undersheriff may leave the department and may create a void in investigations. Instead of waiting for the election results the PD has created a 3rd detective position, which started October 17th, with Officer Freddy Sotelo. Officer Betty Nava also rotated into the School Resource Officer position starting October 17th and will report to schools on Monday, October 31st, 2016.

Chief Edmiston stated the Detective Lieutenant application process ends tomorrow. This detective lieutenant will have a special emphasis on Arson investigation as the Fire District is growing. The Umatilla County Fire District #1 will contribute \$12,000 per year to this position. The selected individual will be registered for the National Fire Academy Training which is almost entirely paid for by federal monies. The position will not come online until July 1st, 2017. The PD will be a very unique department as there are only 5 or 6 arson investigators in Oregon, and they are all with the Oregon State Police. This arson investigator will also help other agency investigations as the PD currently does. Chief Edmiston stated he believes this will be a good partnership and knows the State Police is very excited as well.

Chief Edmiston stated in January 2017, a new captain will be selected internally as Captain Johnson will be retiring. There will also be a sergeant position open as he is sure that is where the person filling the captain position will come from. Officer Tim Miers will also change roles from the School Resource Office to:

- An Evidence Technician 40% of the time,
- Training facilitator 25% of the time.

PUBLIC SAFETY COMMITTEE MEETING

October 24, 2016

- And, with the remaining 35% of the time, helping detectives when needed and being proactive in things that are happening, like aggravated assaults.

Councilor Kirwan stated with all these position changes that will create vacancies, when will new officers be hired.

Chief Edmiston stated he would like to hire lateral officers in the area that could be a good fit to the PD. But more discussions will need to be held with City Manager Smith as there will be training and budget decisions that will need to be made.

2017 Police Department Goals and Objectives

Chief Edmiston presented the 2017 Police Department Goals and Objectives and asked that if there are changes, the committee would like to see please let him know by mid-December.

Councilor Kirwan asked that Chief Edmiston forward the Goals to the entire City Council with a deadline.

Councilor Beas-Fitzgerald asked if the goals presented were attainable within the year, and if not, what the timeline is.

Chief Edmiston stated the goals range from departments, but how it is presented the goals are year to year.

Closing Comments

Councilor Kirwan stated many people have asked him how he thinks the police department is now compared to 5 years ago. Councilor Kirwan stated the leadership Chief Edmiston has provided has been great. Yes, improvements can be made but nothing is perfect and striving towards greatness is what Chief Edmiston and his staff is doing with interactions with the community.

Chief Edmiston thanked Councilor Kirwan for his comments. And stated the PD would like to (in the future) form a partnership with an entity like BMCC to help create an unbiased survey for the community to participate in regarding the PD and future services they would like to see.

There was no other business and the meeting was adjourned at 5:52 pm.



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: October 28th, 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 Rosa Duarte.

It is therefore my recommendation this license be granted.



OREGON LIQUOR CONTROL COMMISSION LIQUOR LICENSE APPLICATION

Application is being made for:

LICENSE TYPES <input checked="" type="checkbox"/> Full On-Premises Sales (\$402.60/yr) <input checked="" type="checkbox"/> Commercial Establishment <input type="checkbox"/> Caterer <input type="checkbox"/> Passenger Carrier <input type="checkbox"/> Other Public Location <input type="checkbox"/> Private Club <input type="checkbox"/> Limited On-Premises Sales (\$202.60/yr) <input type="checkbox"/> Off-Premises Sales (\$100/yr) <input type="checkbox"/> with Fuel Pumps <input type="checkbox"/> Brewery Public House (\$252.60) <input type="checkbox"/> Winery (\$250/yr) <input type="checkbox"/> Other: _____	ACTIONS <input checked="" type="checkbox"/> Change Ownership <input type="checkbox"/> New Outlet <input type="checkbox"/> Greater Privilege <input type="checkbox"/> Additional Privilege <input type="checkbox"/> Other _____
--	--

90-DAY AUTHORITY
 Check here if you are applying for a change of ownership at a business that has a current liquor license, or if you are applying for an Off-Premises Sales license and are requesting a 90-Day Temporary Authority

APPLYING AS:
 Limited Partnership Corporation Limited Liability Company Individuals

CITY AND COUNTY USE ONLY

Date application received: 10-27-2016

The City Council or County Commission:
HERMISTON
(name of city or county)

recommends that this license be:
 Granted Denied

By: _____ (signature) _____ (date)
 Name: _____
 Title: _____

OLCC USE ONLY

Application Rec'd by: SJP

Date: 7-22-16

90-day authority: Yes No

1. Entity or Individuals applying for the license: [See SECTION 1 of the Guide]
 ① Rosa Duarte ③ _____
 ② _____ ④ _____
2. Trade Name (dba): LA HACIENDA MEXICAN RESTAURANT
3. Business Location: 285 E main st hermiston umatilla OR 97838
(number, street, rural route) (city) (county) (state) (ZIP code)
4. Business Mailing Address: 285 E main st hermiston OR 97838
(PO box, number, street, rural route) (city) (state) (ZIP code)
5. Business Numbers: SJP (541) 561-5955
(phone) (fax)
6. Is the business at this location currently licensed by OLCC? Yes No
7. If yes to whom: martha Echeverria Type of License: Full on-premises Sales
8. Former Business Name: La Hacienda Mexican RESTAURANT
9. Will you have a manager? Yes No Name: _____
(manager must fill out an Individual History form)
10. What is the local governing body where your business is located? umatilla county, oregon
(name of city or county)
11. Contact person for this application: Rosa Duarte SJP 851-1204 *
(name) (phone number(s))
1505 S Rd 40 E Trailer 48
(address) (fax number) (e-mail address)

I understand that if my answers are not true and complete, the OLCC may deny my license application.

Applicant(s) Signature(s) and Date:
 ① Rosa Duarte Date 7/3/16 Date _____
 ② _____ Date _____ ④ _____ Date _____





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: November 1st, 2016
SUBJECT: Liquor License Application – Kobe Hibachi Sushi Inc.

After review of the liquor license application for the “Limited On-Premises Sales, New Outlet” for Kobe Hibachi Sushi Inc. located at 1055 South Highway 395 Ste 100, 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 Feng Chen and Mario Montes.

It is therefore my recommendation this license be granted.



OREGON LIQUOR CONTROL COMMISSION LIQUOR LICENSE APPLICATION

Application is being made for:

LICENSE TYPES <input type="checkbox"/> Full On-Premises Sales (\$402.60/yr) <input type="checkbox"/> Commercial Establishment <input type="checkbox"/> Caterer <input type="checkbox"/> Passenger Carrier <input type="checkbox"/> Other Public Location <input type="checkbox"/> Private Club <input checked="" type="checkbox"/> Limited On-Premises Sales (\$202.60/yr) <input type="checkbox"/> Off-Premises Sales (\$100/yr) <input type="checkbox"/> with Fuel Pumps <input type="checkbox"/> Brewery Public House (\$252.60) <input type="checkbox"/> Winery (\$250/yr) <input type="checkbox"/> Other: _____	ACTIONS <input type="checkbox"/> Change Ownership <input checked="" type="checkbox"/> New Outlet <input type="checkbox"/> Greater Privilege <input type="checkbox"/> Additional Privilege <input type="checkbox"/> Other _____
---	--

90-DAY AUTHORITY
 Check here if you are applying for a change of ownership at a business that has a current liquor license, or if you are applying for an Off-Premises Sales license and are requesting a 90-Day Temporary Authority

APPLYING AS:
 Limited Partnership Corporation Limited Liability Company Individuals

CITY AND COUNTY USE ONLY

Date application received: 11/01/2016

The City Council or County Commission:
City of Hermiston
(name of city or county)

recommends that this license be:
 Granted Denied

By: _____
(signature) (date)

Name: _____

Title: _____

OLCC USE ONLY

Application Rec'd by: FETTERHOFF

Date: 10/21/16

90-day authority: Yes No

1. Entity or Individuals applying for the license: [See SECTION 1 of the Guide]

① KOBE HABACHI SUSHI INC.
 ② 1 HIBACHI ④ _____

2. Trade Name (dba): KOBE HABACHI SUSHI

3. Business Location: 1055 S HIGHWAY 395 STE 100 HERMISTON OR 97838
(number, street, rural route) (city) (county) (state) (ZIP code)

4. Business Mailing Address: Same as above
(PO box, number, street, rural route) (city) (state) (ZIP code)

5. Business Numbers: N/A (503) 360-4785
(phone) (fax)

6. Is the business at this location currently licensed by OLCC? Yes No

7. If yes to whom: _____ Type of License: _____

8. Former Business Name: _____

9. Will you have a manager? Yes No Name: FENG CHEN
(manager must fill out an Individual History form)

10. What is the local governing body where your business is located? HERMISTON OR Clatsop County
(name of city or county)

11. Contact person for this application: MARIO MONTES
(name)
430 S 15th Ave. Gtneilo WA 99394
(address) (fax number)
(509) 760-5836 -
(phone number(s))
montes6310@yahoo.com
(e-mail address)

I understand that if my answers are not true and complete, the OLCC may deny my license application.

Applicant(s) Signature(s) and Date:

① FENG CHEN Date 09/27/16 ② _____ Date _____

② MARIO MONTES Date 09/27/16 ④ _____ Date _____



STAFF REPORT

For Meeting of November 14, 2016

MAYOR AND MEMBERS OF THE CITY COUNCIL

Agenda Item #

NO. 2016-

SUBJECT:

Resolutions 2042
and 2043

Subject

Consider resolution 2042 re-adopting the City's financial policies and resolution 2043 re-adopting the City's investment policy.

Summary and Background

Resolution 2042 (supersedes Resolution 2010) re-adopts the financial policies for the City. The City Council adopted written financial policies on August 26, 2013 and adopted revised policies in 2014 and 2015. The policy document provides for an annual review to ensure continued relevance and to identify any gaps that should be addressed with new policies. I am not recommending any changes to the financial policies this year so they simply need to be reviewed by Council and re-adopted.

Resolution 2043 (supersedes Resolution 2011) re-adopts the City's investment policy. Per ORS 294.135 investments made by political subdivisions of Oregon may not exceed a maturity of 18 months or the date of anticipated use of the funds, whichever period is shorter, unless the governing body has adopted a written investment policy. The policy must provide for re-adoption not less than annually. The City Council adopted an investment policy on August 26, 2013 and re-adopted it in 2014 and 2015. I am not recommending any changes to the policy this year so it also just needs to be reviewed by Council and re-adopted.

Fiscal Information

None.

Alternatives and Recommendation

Alternatives

Adopt either resolution 2042 or 2043, neither resolution or both.

Recommendation

Adopt both resolutions.

Requested Action/Motion

Approve both resolutions.

Reviewed by:



Department Head



City Manager Approval

City of Hermiston

RESOLUTION NO 2042

A RESOLUTION RE-ADOPTING FINANCIAL POLICIES FOR THE CITY OF
HERMISTON AND SUPERSEDING RESOLUTION NO. 2010

WHEREAS, the City of Hermiston is committed to the highest level of financial integrity, and

WHEREAS, the City of Hermiston is accountable to its citizens for the use of public dollars, and

WHEREAS, written, adopted financial policies have many benefits, such as assisting the Council and City Manager in the financial management of the City and fostering public confidence, and

WHEREAS, the City Council enacted Resolution 2010 on December 28, 2015 revising its written financial policies for the City of Hermiston, and

WHEREAS, the written, financial policies have been reviewed and determined that no revisions are currently needed, now, therefore,

IT IS HEREBY RESOLVED that the Financial Policies, attached hereto as Exhibit "A", are hereby re-adopted as the City of Hermiston's Financial Policies.

IT IS FURTHER RESOLVED that this resolution is effective immediately upon its passage and that Resolution No. 2010 is superseded by this resolution.

Dated this 14th day of November 2016.

CITY OF HERMISTON

By: _____
MAYOR

ATTEST:

By: _____
CITY RECORDER

CITY OF HERMISTON FINANCIAL POLICIES



*Adopted August 26, 2013
Revised November 24, 2014
Revised December 28, 2015
Re-adopted November 14, 2016*

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I. STATEMENT OF PURPOSE

The City of Hermiston is committed to the highest level of financial integrity. We are accountable to our citizens for the use of public dollars, and resources should be used wisely to ensure adequate funding for the services, public facilities and infrastructure necessary to meet the community's present and future needs.

Written, adopted financial policies have many benefits, such as assisting the Council and City Manager in the financial management of the City, saving time and energy when discussing financial matters, fostering public confidence, and providing continuity over time as Council and staff members change. The purpose of the financial policies is to enable the City to achieve and maintain a long-term stable and positive financial condition. The policies are adopted by the City Council and establish the framework for Hermiston's overall financial planning and management, to guide day-to-day and long-range fiscal planning and decision making, and to achieve the following general financial goals:

1. Ensure the financial integrity of the City.
2. Provide an adequate financial base to sustain a sufficient level of municipal services to maintain the social well-being and physical condition of the City.
3. Provide and maintain essential public facilities, utilities and capital equipment.
4. Enhance policy setting for and sound management of City government by providing accurate and timely information on current and anticipated financial conditions.
5. Protect and enhance the City's credit ratings.
6. Provide the financial stability needed to navigate through economic downturns, adjust to changes in the service requirements of the community and respond to other changes as they affect the City's residents.

II. ACCOUNTING AND FINANCIAL REPORTING POLICIES

1. The City will comply with generally accepted accounting principles (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB) and the Government Finance Officers Association (GFOA); Oregon Revised Statutes relating to Municipal finance; and prevailing federal, state and local statutes and regulations.
2. The City will prepare a Comprehensive Annual Financial Report (CAFR) and submit its CAFR to the GFOA's "Certificate of Achievement for Excellence in Financial Reporting" program.
3. Monthly financial reports showing revenue and expenditure activity for each fund will be distributed to the City Manager and City Council.
4. A system of internal controls and procedures will be maintained to provide reasonable assurance of the safeguarding of assets and proper recording of financial transactions and compliance with applicable laws and regulations.
5. The City will maintain accounting records by fund. Per GAAP, proprietary funds will use the accrual basis of accounting and government funds will use the modified accrual basis of accounting. Changes in the basis of accounting will be explained in the budget message for the year in which the change is planned.
6. In accordance with Oregon Administrative Rules, the City will have its accounts and fiscal affairs audited annually in accordance with generally accepted auditing standards (GAAS) as promulgated by the American Institute of Certified Public Accountants (AICPA).
7. Full disclosure will be provided in the financial statements and bond representations.

III. BUDGET POLICIES

1. The operating budget shall serve as the annual financial plan for the City. It will serve as the policy document of the City Council for implementing Council goals and objectives.
2. The City Council will adopt and maintain a balanced annual operating budget in conformance with existing state and local regulations. Per Local Budget Law, the City Council shall adopt the budget at the fund, department or program level as appropriate.
3. Budget control and accountability is maintained at the same level it is appropriated.
4. The Budget Officer shall annually prepare and present a proposed operating budget to the Budget Committee no later than May 30 of each year, and the City Council will adopt the budget no later than June 30 of each year.
5. Historical trend analysis will be performed on both revenues and expenditures as part of the budget process. Efforts will be made to identify potential deviations from the trends and this information will be factored into revenue and expenditure forecasts.
6. Funds may not be expended or encumbered for the following fiscal year until the budget has been adopted by the City Council.
7. The budget process will be coordinated so that major policy issues and department goals and objectives are identified and incorporated into the budget.
8. Monthly reports comparing budgeted to actual revenues and expenditures will be distributed to the City Manager and City Council. Significant variances will be investigated and explained.
9. The operating budget will be constrained to the total amount approved by the Budget Committee and as adjusted and adopted by the City Council.
10. A mid-year review process will be conducted by the City Manager to make any necessary adjustments to the adopted budget.
11. All resolutions adjusting the budget will be prepared by the Finance Department for Council approval to ensure compliance with budget laws.

IV. CAPITAL MANAGEMENT POLICIES

1. The City will maintain its physical assets at a level adequate to protect the City's capital investment and to minimize future operating maintenance and replacement costs. The budget will provide for adequate maintenance and orderly replacement of capital assets from current revenues when possible.
2. The City will determine the least costly funding method for its capital projects and will obtain grants, contributions and low-cost state or federal loans whenever possible.
3. The City will establish capital equipment reserves to provide for funding of vehicles and equipment. The City will also establish major repairs and replacement reserves to provide for funding of major repairs and replacements.
4. The City will utilize "pay-as-you-go" funding for capital improvement expenditures considered recurring, operating or maintenance in nature. The City may also utilize "pay-as-you-go" funding for capital improvement expenditures when current revenues and adequate fund balances are available or when issuing debt would adversely affect the City's credit rating.
5. The City will consider the use of debt financing for capital projects under the following circumstances:
 - a. When the project's useful life will exceed the terms of the financing;
 - b. When resources are deemed sufficient and reliable to service the long-term debt; and
 - c. When market conditions present favorable interest rates for City financing.

V. DEBT POLICIES

Local government debt should not be viewed as revenue to supplement local government or municipal operating budgets. Rather, bonds are loans with significant costs and are incurred with an obligation for current and “future” taxpayers to repay. Issuing debt is theoretically justified on the basis of several factors, for example:

- Borrowing distributes costs and payments for a project or improvement to those who will benefit from it over its useful life rather than requiring today’s taxpayers or rate payers to pay for future use.
- During times of inflation, debt allows future repayment of borrowed money in cheaper dollars.
- Borrowing can improve a municipality’s liquidity to purchase needed equipment or for project construction and improvements. Debt issuance also does not exhaust current cash-on-hand, allowing such dollars to be used for operating expenses.

The following statements describe the City’s policies in regards to issuing and managing debt.

1. The City will comply with all statutory debt limitations imposed by Oregon Revised Statutes.
2. Proceeds from debt will be used for the purpose(s) specified in the debt issue. Funds remaining after the project is completed will be used in accordance with the provisions stated in the bond ordinance that authorized the issuance of the debt.
3. Interest earnings on bond proceeds will be limited to 1) funding the improvements specified in the authorizing bond ordinance, or 2) payment of debt service on the bonds.
4. The City will comply with all bond covenants, arbitrage requirements, EMMA filings, disclosure and other requirements specified by law.
5. The City will not issue long-term debt to finance current operations or to balance the budget.
6. The City may use short-term debt or inter-fund loans as permitted, to cover temporary shortages due to timing of cash flows which may result from delay in issuance of long-term debt.
7. The term of debt will not exceed the useful life of the improvements to be financed.
8. Outstanding debt may be *currently*¹ refunded to achieve interest cost savings or to remove debt covenants and structures which are not consistent with financial management goals. Outstanding debt may be *advance*² refunded when advantageous, legally permissible, prudent or net present value savings greater than 3% are available through refunding.
9. Total indebtedness including direct and overlapping debt will be analyzed in determining financial condition.
10. The City will prefer maturity schedules that yield level debt service payments over other schedules.
11. General and non-general obligation debt financings may be sold on a negotiated basis if it is found that the sale by negotiation provides significant cost or other advantages.
12. Agreement with commercial banks or other financial entities may be entered into for purposes of acquiring lines of credit that will provide access to credit under terms and conditions judged prudent and advantageous.

¹ Refundings are defined as current when new bonds are sold to refinance outstanding bonds prior to their maturities but after the call date has occurred or is about to occur. The refunding cannot take place earlier than three months before the call and any time afterwards. Under federal law the bond redemption must occur within 90 days of selling the new bonds or it will be considered an advance refunding. Under Oregon state law the bond redemption must occur within one year of selling the new bonds or is considered an advance refunding.

² Advance refundings occur when outstanding bonds are refinanced 90 days prior to their maturities and prior to the call dates for federal law purposes and one year for State of Oregon purposes.

VI. INTER-FUND LOAN POLICIES

In accordance with ORS 294.468 the City may loan money from one fund to another, provided the loan is authorized by an official resolution or ordinance of the City Council. In addition, the City will comply with the requirements and limitations of ORS 294.468 as follows:

- Loans may not be made from debt service funds.
- Loans made from debt service reserve funds created to provide additional security for outstanding bonds or other borrowing obligations are limited to amounts in the fund that are in excess of the amount the City has covenanted to maintain in reserve.
- Loans may not be made from moneys credited to any fund when there are constitutional provisions that restrict those moneys to specific uses, unless the purpose for which the loan is made is a use allowed under such constitutional provisions.
- The resolution or ordinance must state the fund from which the loan is made, the fund to which the loan is made, the purpose of the loan, and the principal amount of the loan.
- If the loan is an operating loan (a loan to cover operating expenses) it must be repaid to the fund from which it is borrowed by the end of the fiscal year, or the repayment must be budgeted and made in the next fiscal year.
- If the loan is a capital loan (a loan for the purpose of financing the design, acquisition, construction, installation or improvement of real or personal property), it must be repaid in full within 10 years of the date of the loan. The resolution or ordinance must set forth a schedule under which the principal and interest is to be budgeted and repaid. It must also state the rate of interest. The rate of interest may be the current rate of return on monies invested in the Local Government Investment Pool (LGIP) or such other rate as the governing body determines.
- If the loan will be repaid in the current fiscal year, no action by the City Council is necessary in regard to the budget. The budget does not need to be adjusted to show the loan transaction.
- If the loan will be repaid in one or more future fiscal year(s), the loan repayment must be budgeted and a separate debt service appropriation made for the expenditure.

VII. FUND BALANCE POLICY

The purpose of this policy is to outline the procedure for categorizing the different components of ending fund balance in conformity with GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions". The goal of Statement 54 is "to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions."¹ It also "establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds."¹

DEFINITIONS:

Governmental Fund – a type of fund in governmental accounting which is used to account for activities supported by taxes and general City revenues. Governmental funds are defined as the general, debt service, special revenue and capital projects funds.

Fund Balance – the difference between the assets and liabilities reported in a governmental fund.

Special Revenue Fund – a type of governmental fund used to account for the proceeds of specific revenue sources (other than for major capital projects) that are legally restricted to expenditures for specific purposes.

FUND BALANCE CLASSIFICATIONS:

In order of most to least restrictive fund balance classifications are:

- *Nonspendable* – resources that cannot be spent because they are either not in a spendable form, such as inventories or prepaid items, or legally or contractually required to be maintained intact.
- *Restricted* – resources that are constrained either (a) through external imposition by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) by law through constitutional provisions or enabling legislation.
- *Committed* – resources that can only be used for the specific purposes as determined by a formal action of the City Council. The Council can modify or rescind the action at any time. The same type of action that imposed the restriction must be used to modify or remove the restriction.
- *Assigned* – resources that are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. An example of this is the annual budget. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed.
- *Unassigned* fund balance is the residual classification for the general fund and includes all spendable amounts that are not restricted, committed or assigned.

PROCEDURES:

When the option is available to use restricted or unrestricted resources for any purpose, the City expends restricted resources first. When the option is available to use committed, assigned, or unassigned resources for any purpose, the City expends committed resources before assigned resources and assigned resources before unassigned.

¹ Governmental Accounting Standards Board Summary of Statement No. 54

VIII. EXPENDITURE POLICIES

1. The City will strive to ensure operating expenditures are supported by on-going operating revenues. Before the City undertakes any agreements that would create fixed, on-going expenditures, the cost implications of such agreements will be fully determined for current and future years.
2. Capital expenditures may be funded from one-time revenues.
3. Department heads are responsible for managing their budgets within the total appropriation for their department.
4. Expenditures will be controlled through appropriate internal controls and procedures.
5. All purchases of goods and services must comply with the City's Public Contracting Regulations, guidelines and procedures and with Oregon State laws and regulations.
6. The City will actively work to control expenditures to ensure City services and programs provided to its citizens and taxpayers are cost-effective and efficient.
7. Expenditures will be estimated realistically and prudently.

IX. FINANCIAL PLANNING POLICIES

1. The City will prepare a long-term financial plan to promote responsible planning for the use of resources. The long-term financial plan will include projected revenues, expenditures and reserve balances for the next five years.
2. The City's financial plan will be strategic, reflecting the Council's and the community's priorities for service while providing resources that realistically fund routine operations.
3. Long-term projections of revenues and expenditures will be realistic, conservative and based on best practices established by the Government Finance Officers Association.

X. INVESTMENT POLICY

The City's Investment Policy was adopted by Resolution 1946 on August 26, 2013.

The City's Investment Policy was re-adopted by Resolution 1968 on November 24, 2014.

The City's Investment Policy was re-adopted by Resolution 2011 on December 28, 2015.

The City's Investment Policy was re-adopted by Resolution 2043 on November 14, 2016.

X. RESERVE POLICIES

Maintaining adequate levels of reserves in the City's various funds is essential to mitigate current and future risks, such as revenue shortfalls and unanticipated expenditures, and to ensure stable services, tax rates and user fees. In addition, credit rating agencies monitor reserve levels to evaluate a government's continued creditworthiness. Thus, appropriate reserve levels also serve to lower the cost of borrowing.

1. **General Fund Reserves** – The City will maintain a minimum unrestricted fund balance¹ of 15% (two months) of General Fund annual operating expenditures.
2. **Utility Fund Reserves** - The City will maintain a minimum working capital² of forty-five (45) days of its Utility Fund annual operating expenses.
3. **Hermiston Energy Services (HES) Fund Reserves** - The City will maintain a minimum working capital of forty-five (45) days of HES Fund annual operating expenses.
4. **Reserve Fund** – The City will use the Reserve fund to accumulate money for long-term goals and projects of the City. Resources will be provided for the Reserve Fund primarily through appropriations from the operating funds and must be used for the specifically authorized goals listed in the resolution adopted to establish each account in the fund.
5. **Debt Service Reserves** - The City will maintain reserves for debt service as established by applicable bond covenants and other contractual agreements.

¹ Unrestricted fund balance is comprised of *committed*, *assigned* and *unassigned fund balance*. Fund balance is *committed* when Council takes action to constrain the use of the resources. The constraint must be removed by Council action. Examples include pool fees to be used for pool operations or recreation program fees to be used for recreation program expenses. Fund balance is *assigned* when the Council expresses its intent that the resources are to be used for a specific purpose. An example of this is the annual budget. *Unassigned* fund balance is the remaining amount and represents resources that have not been restricted, committed or assigned.

² Working capital is defined as current assets less current liabilities.

XI. REVENUE POLICIES

1. The City will seek to establish and maintain a diversified and stable revenue system to prevent undue or unbalanced reliance on any one source of funds.
2. The City will avoid the use of one-time revenues to fund ongoing expenditures.
3. User fees and charges will be established for services provided that benefit specific individuals or organizations. User fees and charges will be set at a level sufficient to recover full cost of service whenever practical to minimize subsidization by taxpayers. The City will periodically review user fees and charges and adjust them as needed for additional service costs and inflation.
4. The City will not respond to long-term (greater than one year) revenue shortfalls with deficit financing and borrowing to support on-going operations. Expenses will be reduced to conform to the long-term revenue forecasts and/or revenue increases will be considered.
5. Revenues will be estimated realistically and conservatively.
6. Utility funds will be self-supporting through user fees. User charges shall be levied on all users of the system which shall cover the cost of operation and maintenance, debt service and other administrative costs of treatment works.
7. The City will seek to collect all revenues that are due, using methods and practices that comply with all state, federal and other applicable laws and regulations. When necessary, discontinuing service, employing collection agencies, filing liens and other methods of collection, such as imposing penalties, collection and late charges, may be used.
8. Grants for programs or items which address the City's current priorities and policy objectives may be considered to leverage City funds.
9. The City will consider the matching requirements and other implications in terms of ongoing obligations that will be required in connection with the acceptance of a grant before accepting it.
10. All grants, awards and other state and federal funds will be managed to comply with the laws, regulations and guidance of the grantor.

XII. POLICY MAINTENANCE AND CONSIDERATIONS

1. **Review**

The Financial Policies shall be reviewed annually to ensure continued relevance and to identify any gaps that should be addressed with new policies.

2. **Policy Adoption and Amendments**

These Financial Policies and any modifications to them must be formally approved in writing by the City Council of the City of Hermiston.

RESOLUTION NO 2043

A RESOLUTION RE-ADOPTING THE WRITTEN INVESTMENT POLICY FOR THE CITY OF HERMISTON AND SUPERSEDING RESOLUTION NO. 2011

WHEREAS, pursuant to ORS 294.135 investments made by political subdivisions may not exceed a maturity of 18 months or the date of anticipated use of the funds, whichever period is shorter, except that investments having a maturity longer than 18 months may be made when the governing body has adopted a written investment policy, and

WHEREAS, the written investment policy must provide for re-adoption not less than annually by the governing body, and

WHEREAS, the City Council enacted Resolution 1946 on August 26, 2013, adopting a written investment policy that provided for review at least annually, and

WHEREAS, the City Council enacted Resolution 2011 re-adopting the written investment policy on December 28, 2015, now therefore,

IT IS HEREBY RESOLVED that the Investment Policy, attached hereto as Exhibit "A", is hereby re-adopted as the City of Hermiston's Investment Policy.

IT IS FURTHER RESOLVED that this resolution is effective immediately upon its passage and that this resolution supersedes Resolution No. 2011.

Dated this 14th day of November 2016.

CITY OF HERMISTON

By: _____
MAYOR

ATTEST:

By: _____
ASSISTANT CITY RECORDER

CITY OF HERMISTON INVESTMENT POLICY



Where Life is Sweet

*Adopted August 26, 2013
Re-adopted November 24, 2014
Re-adopted December 28, 2015
Re-adopted November 14, 2016*

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I. STATEMENT OF PURPOSE

The City of Hermiston's investment policy defines the parameters within which funds are to be invested. The City of Hermiston is a municipal corporation that provides a variety of services to its citizens. These include police protection, streets and street maintenance, sewer and water treatment, provision of building permits, city planning, library services and parks and recreation activities. This policy formalizes the framework, pursuant to ORS 294.135, for the City of Hermiston's investment activities to ensure effective and judicious management of funds within the scope of this policy. These guidelines are intended to be broad enough to allow designated investment staff to function properly within the parameters of responsibility and authority, yet specific enough to adequately safeguard the investment assets.

II. GOVERNING AUTHORITY

The City of Hermiston's investment program shall be operated in conformance with Oregon Revised Statutes and applicable Federal Law. Specifically, this investment policy is written in conformance with ORS 294.035; 294.040; 294.052; 294.135; 294.145; and 294.810. All funds within the scope of this policy are subject to regulations established by the state of Oregon. Any revisions or extensions of these sections of the ORS shall be assumed to be part of this Investment Policy immediately upon being enacted.

III. SCOPE

This policy applies to activities of the City of Hermiston with regard to investing the financial assets of all funds. The amount of money falling within the scope of this policy over the next three years is expected to range between \$10 million and \$20 million.

IV. OBJECTIVES

The primary objectives, in priority order, of investment activities shall be:

1) Safety

Preservation of principal is the most important objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The goal is to mitigate credit risk and interest rate risk.

2) Liquidity

The investment portfolio shall remain sufficiently liquid to meet all reasonably anticipated operating requirements. Furthermore, the portfolio should consist largely of securities with active secondary or resale markets. A portion of the portfolio also may be placed in the Oregon Short Term Fund which offers next-day liquidity. Where possible and prudent, the portfolio should be structured so that investments mature concurrent with anticipated demands.

3) Return

The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into consideration the safety and liquidity needs of the portfolio. Although return consists of both principal return (gains and losses due to market value fluctuations) and income return (yield), this policy discourages active trading and turnover of investments. Investments should generally be held to maturity.

V. STANDARDS OF CARE

1) Prudence

The standard of prudence to be used by investment officials shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported and appropriate action is taken to control adverse developments within a timely fashion as defined in this policy.

The "prudent person" standard states:

“Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.”

2) Ethics and Conflicts of Interest

Officers and employees involved in the investment process shall refrain from personal activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose any material interests in financial institutions with which they conduct business. Disclosure shall be made to the governing body. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the City of Hermiston. Officers and employees shall, at all times, comply with the State of Oregon Government Standards and Practices code of ethics set forth in ORS Chapter 244.

3) Delegation of Authority and Responsibilities

a. Governing Body

The City Council will retain ultimate fiduciary responsibility for invested funds. The City Council will receive reports, pursuant to, and with sufficient detail to comply with ORS 294.155.

b. Delegation of Authority

Authority to manage investments within the scope of this policy and operate the investment program in accordance with established written procedures and internal controls is granted to the Finance Director, hereinafter referred to as Investment Officer, and derived from the following: ORS 294.035 to 294.053, 294.125 to 294.145, and 294.810. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Investment Officer. The Investment Officer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials. All participants in the investment process shall seek to act responsibly as custodians of the public trust. No officer or designee may engage in an investment transaction except as provided under the terms of this policy and supporting procedures.

c. Investment Adviser

The Investment Officer may engage the services of one or more external investment managers to assist in the management of the entity's investment portfolio in a manner consistent with this investment policy. If the City of Hermiston hires an investment adviser to provide investment management services, the adviser is authorized to transact with its direct dealer relationships on behalf of the City of Hermiston. Such external managers may be granted discretion to purchase and sell investment securities in accordance with this Investment Policy. Investment advisers may be hired on a non-discretionary basis.

VI. TRANSACTION COUNTERPARTIES, INVESTMENT ADVISERS AND DEPOSITORIES

1) Broker/Dealers

The Investment Officer shall determine which broker/dealer firms and registered representatives are authorized for the purposes of investing funds within the scope of this investment policy. A list will be maintained of approved broker/dealer firms and affiliated registered representatives. The following minimum criteria must be met prior to authorizing investment transactions:

- a. Broker/Dealer firms must meet the following minimum criteria:
 - i. Be registered with the Securities and Exchange Commission (SEC);
 - ii. Be registered with the Financial Industry Regulatory Authority (FINRA);
 - iii. Provide most recent audited financials; and
 - iv. Provide FINRA Focus Report filings.
- b. Approved broker/dealer employees who execute transactions with the City of Hermiston must meet the following minimum criteria:
 - i. Be a registered representative with the Financial Industry Regulatory Authority (FINRA);
 - ii. Be licensed by the state of Oregon; and
 - iii. Provide certification (in writing) of having read; understood; and agreed to comply with the most current version of this investment policy.
- c. The Investment Officer may require additional criteria be met before engaging broker/dealer firms and registered representatives. Additional requisites may include:
 - i. Positive references from at least three other local government clients;
 - ii. Requirement that approved registered representatives provide notification within 30 days of any formal investigations or disciplinary actions initiated by federal or state regulators;
 - iii. Requirement that prospective registered representatives have an established history of advising local governments with similar amounts of assets under management.
- d. Periodic (at least annual) review of all authorized broker/dealers and their respective authorized registered representatives will be conducted by the Investment Officer. Such review will include inquiries to determine:
 - i. Existence of any pending investigations by securities regulators;
 - ii. Significant changes in net capital;
 - iii. Pending customer arbitration cases;
 - iv. Regulatory enforcement actions.

2) Investment Advisers

A list will be maintained of approved advisers selected by conducting a process of due diligence. The following items are required for all approved Investment Advisers:

- a. The investment adviser firm must be registered with the Securities and Exchange Commission (SEC) or licensed by the state of Oregon (*Investment adviser firms with assets under management greater than \$100 million must be registered with the SEC, otherwise the firm must be licensed by the state of Oregon*);
- b. All investment adviser firm representatives conducting investment transactions on behalf of the City of Hermiston must be registered representatives with FINRA;
- c. All investment adviser firm representatives conducting investment transactions on behalf of the City of Hermiston must be licensed by the state of Oregon;
- d. Certification, by all of the adviser representatives conducting investment transactions on behalf of the City of Hermiston, of having read, understood and agreeing to comply with this investment policy.

A Periodic (at least annual) review of all authorized broker/dealers and their respective authorized registered representatives will be conducted by the Investment Officer. Such review will include inquiries to determine:

- a. Pending investigations by securities regulators;
- b. Significant changes in net capital;
- c. Pending customer arbitration cases;
- d. Regulatory enforcement actions.

3) Depositories

All financial institutions who desire to become depositories must be qualified Oregon Depositories pursuant to ORS Chapter 295.

4) Competitive Transactions

- a. The Investment Officer should obtain and document competitive bid information on all investments purchased or sold in the secondary market. Competitive bids or offers should be obtained, when possible, from at least three separate brokers/financial institutions or through the use of a nationally recognized trading platform.
- b. In the instance of a security for which there is no readily available competitive bid or offering on the same specific issue, then the Investment Officer shall document quotations for comparable or alternative securities.
- c. When purchasing original issue instrumentality securities, no competitive offerings will be required as all dealers in the selling group offer those securities at the same original issue price.
- d. If an investment adviser provides investment management services, the adviser must retain documentation of competitive pricing execution on each transaction and provide upon request.

VII. ADMINISTRATION AND OPERATIONS

1) Delivery vs. Payment

All trades of marketable securities will be executed (cleared and settled) by delivery vs. payment (DVP) to ensure that securities are deposited in the City of Hermiston's safekeeping institution prior to the release of funds.

2) Third-Party Safekeeping

Securities will be held by an independent third-party safekeeping institution selected by the City of Hermiston. All securities will be evidenced by safekeeping receipts in the City of Hermiston's name. Upon request, the safekeeping institution shall make available a copy of its Statement on Standards for Attestation Engagements (SSAE) No. 16.

3) Internal Controls

The Investment Officer, the City Manager and the Hermiston City Council are responsible for establishing and maintaining an adequate internal control structure designed to reasonably assure that invested funds are invested within the parameters of this Investment Policy and protected from loss, theft or misuse. Specifics for the internal controls shall be documented in writing. The established control structure shall be reviewed and updated periodically by the Investment Officer. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and the valuation of costs and benefits requires estimates and judgments by management. The internal controls shall address the following points at a minimum:

- a. Compliance with Investment Policy;
- b. Control of collusion;
- c. Separation of transaction authority from accounting and record keeping;
- d. Custodial safekeeping;
- e. Avoidance of physical delivery of securities whenever possible and address control requirements for physical delivery where necessary;

- f. Clear delegation of authority to subordinate staff members;
- g. Confirmation of transactions for investments and wire transfers in written or digitally verifiable electronic form;
- h. Dual authorizations of wire and automated clearing house (ACH) transfers;
- i. Staff training;
- j. Review, maintenance and monitoring of security procedures both manual and automated.

4) Audit

An external auditor shall provide an annual independent review to assure compliance with Oregon state law and Hermiston's policies and procedures.

VIII. SUITABLE AND AUTHORIZED INVESTMENTS

1) Permitted Investments

The following investments are permitted pursuant to ORS 294.035, 294.040 and ORS 294.810:

- a. **US Treasury Obligations:** US Treasury and other government obligations that carry the full faith and credit guarantee of the United States for the timely payment of principal and interest;
- b. **US Agency Obligations:** Senior debenture obligations of US federal agencies and instrumentalities of US government sponsored enterprises (GSE);
- c. **Oregon Short Term Fund**
- d. **Bank Time Deposits/Savings Accounts/Certificates of Deposit**

2) Approval of Permitted Investments

If additional types of securities are considered for investment, per Oregon state statute they will not be eligible for investment until this policy has been amended and the amended version adopted by the City of Hermiston City Council.

3) Prohibited Investments

- a. **Private Placement or "144A" Securities**
Private placement or "144A" securities are not allowed. For purposes of the policy, SEC Rule 144A securities are defined to include commercial paper privately placed under section 4(a)(2) of the Securities Act of 1933.
- b. **US agency mortgage-backed Securities**
US agency mortgage-backed securities such as those securities by FNMA and FHLMC are not allowed.
- c. **Corporate Indebtedness**
Although allowable under Oregon state statute, the City of Hermiston shall not purchase Commercial Paper or Corporate Bonds.
- d. **Repurchase Agreements**
Although allowable under Oregon state statute, the City of Hermiston shall not invest in Repurchase Agreements.
- e. **Municipal Debt**
Although allowable under Oregon state statute, the City of Hermiston shall not invest in Municipal Debt.
- f. **Bankers Acceptances**
Although allowable under Oregon state statute, the City of Hermiston shall not invest in Bankers Acceptances.

g. Securities Lending

The City of Hermiston shall not lend securities nor directly participate in a securities lending program

4) Bank Demand Deposits and Time Deposits

- a. All bank demand deposits and time deposits (e.g. certificates of deposit and savings accounts) shall be held in qualified Oregon depositories in accordance with ORS Chapter 295.
- b. Bank demand deposits in qualified depository institutions are considered cash vehicles and not investments and are therefore outside the scope and restrictions of this policy. Pursuant to ORS 294.035(3)(d), time deposits, certificates of deposit and savings accounts are considered investments and within the scope of this policy.

IX. INVESTMENT PARAMETERS

1) Credit Risk

Credit risk is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. Credit risk will be mitigated by the following guidelines:

a. Diversification

It is the policy of the City of Hermiston to diversify its investments. Where appropriate, exposures will be limited by security type, maturity, issuance, issuer and security type. Allowed security types and investment exposure limitations are detailed in the table below.

b. Investment Credit Ratings

Investments must have a rating from at least two of the following nationally recognized statistical ratings organizations (NRSRO): 1) Moody’s Investor Service; 2) Standard & Poor’s; and Fitch Ratings Service as detailed in the table below. Ratings used to apply the guidelines below should be investment level ratings and not issuer level ratings.

c. Diversification and Credit Exposure Constraints

The following table limits exposures among investments permitted by this policy.

Issue Type	Maximum % of Holdings	Minimum Ratings Moody’s/S&P/Fitch
US Treasury Obligations	100%	None
US Agency Securities	100%	-
Per Agency (Senior Obligations Only)	100%	-
Oregon Short Term Fund	Maximum allowed per ORS 294.810	-
Bank Time Deposits/Savings Accounts/Certificates of Deposit ⁽²⁾	50%	-
Per Institution	25%	

⁽¹⁾ 25% Maximum per ORS 294.035(D)

⁽²⁾ As authorized by ORS 294.035(3)(d)

d. Portfolio Credit Rating

The minimum weighted average credit rating of the portfolio’s rated investments shall be Aa/AA/AA by Moody’s Investors Service, Standard & Poor’s, and Fitch Ratings Service respectively.

2) Liquidity Risk

Liquidity risk is the risk that an investment may not be easily marketable or redeemable. The following strategies will be employed to mitigate liquidity risks:

- a. The value of at least 25% of funds available for investing or three months of budgeted operating expenditures will be invested in the Oregon Short Term Fund, with a qualified depository institution,

or investments maturing in less than 90 days to provide sufficient liquidity for expected disbursements.

- b. Funds in excess of liquidity requirements are allowed for investments maturing in greater than one year. However, longer-term investments tend to be less liquid than shorter term investments. Portfolio investment maturities will be limited as follows:

Maturity Constraints	Minimum % of Total Portfolio
Under 90 days	25% or three months estimated operating expenditures
Under 3 years	50%
Under 5 years	100%

- c. Reserve or Capital Improvement Project monies may be invested in securities exceeding the maximum term if the maturities of such investments are made to coincide as nearly as practicable with the expected use of the funds.

3) Interest Rate Risk

Longer-term investments have the potential to achieve higher returns but are also likely to exhibit higher market value volatility due to the changes in the general level of interest rates over the life of the investment(s). Interest rate risk will be mitigated by providing adequate liquidity for short-term cash needs and by making longer-term investments only with funds that are not needed for current cash flow purposes. Certain types of securities, including variable rate securities, securities with principal pay-downs prior to maturity, and securities with embedded options, will affect the interest rate risk profile of the portfolio differently in different interest rate environments. The following strategies will be employed to control and mitigate adverse changes in the market value of the portfolio due to changes in interest rates:

- a. Where feasible and prudent, investment maturities should be matched with expected cash outflows to mitigate market risk;
- b. To the extent feasible, investment maturities not matched with cash outflows, including liquidity investments under one year, should be staggered to mitigate re-investment risk;
- c. No commitments to buy or sell securities may be made more than 14 days prior to the anticipated settlement date or receive a fee other than interest for future deliveries;
- d. The maximum percent of callable securities in the portfolio shall be 75%;
- e. The maximum stated final maturity of individual securities in the portfolio shall be five years, except as otherwise stated in this policy;
- f. The maximum portfolio average maturity (measured with state final maturity) shall be three years.

X. INVESTMENT OF PROCEEDS FROM DEBT ISSUANCE

- 1) Investments of bond proceeds are restricted under bond covenants that may be more restrictive than the investment parameters included in this policy. Bond proceeds shall be invested in accordance with the parameters of this policy, applicable bond covenants, ORS Chapter 294 and tax laws.
- 2) Funds from bond proceeds and amounts held in a bond payment reserve or proceeds fund may be invested pursuant to ORS 294.052. Investments of bond proceeds are typically not invested for resale and are maturity matched with outflows. Consequently, surplus funds within the scope of ORS 294.052 are not subject to this policy’s liquidity risk constraints within section IX (2).

XI. INVESTMENT OF RESERVE OR CAPITAL IMPROVEMENT FUNDS

Pursuant to ORS 294.135(1)(b), reserve or capital improvement project monies may be invested in securities exceeding three years when the funds in question are being accumulated for an anticipated use that will occur more than 18 months after the funds are invested, then, upon the approval of the City Council, the maturity of the investment or investments made with the funds may occur when the funds are expected to be used.

XII. GUIDELINE MEASUREMENT AND ADHERENCE

1) Guideline Measurement

Guideline measurements will use par value of investments.

2) Guideline Compliance

- a. If the portfolio falls outside of compliance with adopted investment policy guidelines or is being managed inconsistently with this policy, the Investment Officer shall bring the portfolio back into compliance in a prudent manner and as soon as prudently feasible.
- b. Violations of portfolio guidelines as a result of transactions, actions to bring the portfolio back into compliance and reasoning for actions taken to bring the portfolio back into compliance shall be documented and reported to the City Council.
- c. Due to fluctuations in the aggregate surplus funds balance, maximum percentages for a particular issuer or investment type may be exceeded at a point in time. Securities need not be liquidated to realign the portfolio; however, consideration should be given to this matter when future purchases are made to ensure that appropriate diversification is maintained.

XIII. REPORTING AND DISCLOSURE

1) Compliance

The Investment Officer shall prepare a report at least quarterly that allows the City Council to ascertain whether investment activities during the reporting period have conformed to the investment policy. The report should be provided to the investment oversight body. The report will include, at a minimum, the following:

- a. A listing of all investments held during the reporting period showing: par/face value; accounting book value; market value; type of investment; issuer; credit ratings; and yield to maturity;
- b. Weighted average maturity of the portfolio at period-end;
- c. Maturity distribution of the portfolio at period-end;
- d. Average portfolio credit quality of the portfolio at period-end;
- e. Average weighted yield to maturity of the portfolio;
- f. Distribution by type of investment;
- g. Transactions since last report;
- h. Distribution of transactions among financial counterparties such as broker/dealers;
- i. Violations of portfolio guidelines or non-compliance issues that occurred during the prior period or that are outstanding. This report should also note actions (taken or planned) to bring the portfolio back into compliance.

2) Performance Standards/Evaluation

At least annually, the Investment Officer shall report comparisons of investment returns to relevant alternative investments and comparative Bond Indices. The performance of the portfolio should be compared to the performance of alternative investments such as available certificates of deposit; the Oregon Short Term Fund; US Treasury rates or against one or more bond indices with a similar risk profile.

When comparing performance, all fees and expenses involved with managing the portfolio shall be included in the computation of the portfolio's rate of return.

3) Marking to Market

The market value of the portfolio shall be calculated at least quarterly and a statement of the market value of the portfolio shall be issued at least quarterly.

4) Audits

Management shall establish an annual process of independent review by the external auditor to assure compliance with internal controls. Such audit will include tests deemed appropriate by the auditor.

XIV. POLICY MAINTENANCE AND CONSIDERATIONS

1) Review

The Investment Policy shall be reviewed at least annually to ensure its consistency with the overall objectives of preservation of principal, liquidity and return, and its relevance to current law and financial and economic trends.

2) Exemptions

Any investment held prior to the adoption of this policy shall be exempted from the requirements of this policy. At maturity or liquidation, such monies shall be reinvested as provided by this policy.

3) Policy Adoption and Amendments

This Investment Policy and any modifications to this policy must be formally approved in writing by the City Council of the City of Hermiston.

This policy must be submitted to the Oregon Short Term Fund (OSTF) Board for review if:

- a. This policy allows maturities beyond 18 months unless the funds are being accumulated for a specific purpose, including future construction projects, and upon approval of the City Council, the maximum maturity date matches the anticipated use of the funds (ORS 294.135(1)(b) and 294.135(3)), and either
 - i. This policy has never been submitted to the OSTF Board for comment; or
 - ii. Material changes have been made since the last review by the OSTF Board.

Regardless of whether this policy is submitted to the OSTF Board for comment, this policy shall be re-submitted not less than annually to the City Council for approval.

STAFF REPORT

For Meeting of November 14, 2016

MAYOR AND MEMBERS OF THE CITY COUNCIL

NO. 2016-

SUBJECT: 2016-17
Supplemental
Budget

Subject

Resolution to supplement the 2016-17 annual budget.

Summary and Background

Resolution number 2044 is being presented tonight for Council approval. The resolution authorizes additional expenditures in the Utility Fund and the Reserve Fund. The Utility Fund supplemental request is \$1,420,200 and the Reserve Fund request is \$11,050.

The Utility Fund request is for the following:

- \$1,390,100 for draining the sludge lagoon (originally budgeted in 2015-16 but unspent as of June 30, 2016);
- \$9,880 for additional engineering costs to monitor the treatment plant; and
- \$22,220 for pump repair parts.

The Reserve Fund request is for higher than anticipated costs to purchase pick-up trucks for the Sewer department.

Fiscal Information

The total supplemental budget request is \$1,431,250.

Alternatives and Recommendation

Alternatives

1. Do not supplement the budget.
2. Supplement the budget for a different amount

Recommendation

I recommend that Resolution 2044 be adopted.

Requested Action/Motion

Motion to adopt resolution 2044.

Reviewed by:



Department Head: Amy Palmer



City Manager Approval

RESOLUTION NO. 2044

WHEREAS, ORS 294.471 permits the governing body of a municipal corporation to adopt a supplemental budget for the fiscal year for which the regular budget has been prepared if an occurrence or condition that was not known at the time the budget was prepared requires a change in financial planning or creates a pressing necessity for prompt action; and

WHEREAS, the conditions requiring a change in financial planning are listed in Exhibit A attached to and made a part of this resolution, now, therefore,

BE IT RESOLVED that due to the conditions listed in Exhibit A that were not known at the time the budget was prepared, the total budget for the City of Hermiston for the fiscal period beginning July 1, 2016 is hereby supplemented in the amount of **\$1,431,250**. The amounts for the purposes shown below are hereby appropriated:

UTILITY FUND

Requirements:

Materials & Supplies	<u>1,420,200</u>
Total Utility Fund Requirements	1,420,200

RESERVE FUND

Requirements:

Capital Outlay	<u>11,050</u>
Total Reserve Fund Requirements	11,050

Total Appropriations **\$1,431,250**

This resolution shall become effective immediately upon its passage as of the date and year set out below.

PASSED by the Common Council this 14th day of November, 2016

SIGNED by the Mayor this 14th day of November, 2016

MAYOR

ATTEST:

ASSISTANT CITY RECORDER

Fund No.	Description	2016-17 Adopted Budget	Budget Supp Res 2044	2016-17 Amended Budget
2	Bonded Debt Fund	699,925	-	699,925
3	General Fund	15,187,125	-	15,187,125
4	Street Fund	1,730,474	-	1,730,474
5	Transient Room Tax Fund	830,460	-	830,460
6	Utility Fund	7,310,820	1,420,200	8,731,020
7	Recreation Fund	375,000	-	375,000
8	Reserve Fund	6,330,090	11,050	6,341,140
10	Muni Court Fund	281,900	-	281,900
11	Misc Spec Rev Fund	35,000	-	35,000
12	Conference Ctr Fund	237,525	-	237,525
13	Energy Services Fund	11,970,249	-	11,970,249
15	Regional Water Fund	1,317,060	-	1,317,060
19	Christmas Express	34,690	-	34,690
20	Law Enforcement Fund	78,880	-	78,880
21	Library Fund	57,200	-	57,200
32	Sr Center Const Fund	2,706,300	-	2,706,300
Total		49,182,698	1,431,250	50,613,948

	2016-17 Adopted Budget	Budget Supp Res 2044	2016-17 Amended Budget
UTILITY FUND			
Taxes & Assessments	20,900		20,900
Interest	8,000		8,000
Service Charges	5,378,920		5,378,920
Transfers In	263,000		263,000
Cash Forward	1,640,000	1,420,200	3,060,200
Total Resources	7,310,820	1,420,200	8,731,020
Sewer	3,495,515	1,420,200	4,915,715
Water	3,040,305		3,040,305
Capital outlay	-		-
Transfers Out:			
Bonded Debt Fund	-		-
General Fund	-		-
Reserve Fund	-		-
Reserve for Future Expenditure	775,000		775,000
Total Requirements	7,310,820	1,420,200	8,731,020

EXHIBIT A

	2016-17 Adopted Budget	Budget Supp Res 2044		2016-17 Amended Budget
RESERVE FUND				
Interest Earnings	50,000			50,000
From Other Agencies	1,161,850			1,161,850
Service Charges	45,000			45,000
Transfers In	939,882			939,882
Cash Forward	4,133,358	11,050		4,144,408
Total Resources	6,330,090	11,050		6,341,140
Materials & Services	817,274			817,274
Capital Outlay	4,026,798	11,050		4,037,848
Transfers Out:				
Utility Fund	263,000			263,000
HES Fund	-			-
Debt Service	165,000			165,000
Contingency	65,245			65,245
Reserve for Future Expenditures	992,773			992,773
Total Requirements	6,330,090	11,050	-	6,341,140

Total Budget	49,182,698	1,431,250	-	50,613,948
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Total Appropriations	45,370,520	1,431,250	-	46,801,770
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EXHIBIT A

UTILITY FUND

Authorize expenditure of \$1,390,100 from cash for draining the sludge lagoon, \$9,880 for engineering costs to monitor the treatment plant, and \$22,220 for pump repair parts.

RESERVE FUND

Authorize expenditure of \$11,050 from cash for additional costs to purchase pick-ups for Sewer Dept.

<p>STAFF REPORT</p> <p>For Meeting of November 14, 2016</p> <p>MAYOR AND MEMBERS OF THE CITY COUNCIL</p>	<p>Agenda Item #</p> <p>NO. 2016-</p> <p>SUBJECT: Public Transit Service Agreement</p>
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Subject

Consider a Public Transit Service Agreement with the Confederated Tribes of the Umatilla Indian Reservation (CTUIR) to provide fixed-route intra-city bus service within Hermiston.

Summary and Background

This agreement will result in CTUIR (KAYAK Transit) providing and operating a dedicated fixed-route bus system within Hermiston.

Service

- Hourly fixed-route service within Hermiston
- Minimum 9am to 4pm; Monday through Friday
- Free and open to all members of the public
- “Paratransit” – Door-to-Door service for those within the service area who are physically unable to access bus stops or independently navigate the system.

Routing & Stopping Locations

There is no perfect route through the City. A draft of routing and stopping locations were initially developed by KAYAK Transit in an attempt to:

1. Ensure that nearly all of the City’s population is within at least ¼ mile walking distance of a bus stop.
2. Ensure that the bus gets to the top destinations, while still having stops which are close enough to residential areas that people can access the system.
3. Accomplish 1 & 2 within an hourly loop to make sure it is usable.

The proposed routing and stopping locations were reviewed by the Public Transit Advisory Committee for more than 5 hours over the course of two public meetings, where every individual location was closely scrutinized and weighed in relation to its benefit to the overall system. The proposed routing features many changes recommended by the PTAC, including several changes which were a direct result of public comments received. The PTAC at its November 1 meeting unanimously recommended that the City Council approve the proposed routing and stopping locations, with the understanding that KAYAK will work with the City to review and make minor adjustments every quarter, and major adjustments annually.

Public Involvement

There has been extensive public involvement in the development of the proposed bus system, which includes:

- Advertisement for and creation of a Public Transit Advisory Committee, with members representing:
 - (2) Hermiston City Council
 - (1) Hermiston Planning Commission
 - (2) Good Shepherd Medical Center
 - (1) Taxi Program Riders (Eastern Oregon Support Services Brokerage)
 - (1) Hermiston Police
 - (3) Hermiston Chamber of Commerce
 - (2) General Public
- Multiple News Releases, which resulted in newspaper coverage
- Multiple radio stories on FM radio in both Hermiston & Pendleton
- 2 Presentations to the Hispanic Advisory Committee
- 2 Presentations to the Hermiston Chamber of Commerce
- 2 Presentations to the Hospital's "Healthy Communities Coalition"
- 4,000+ interactions with postings to the City's Facebook page
- Physical placement of signs notifying adjacent property owners of the proposed bus stops and routing, which advertised the last PTAC meeting for comment.

Financial Information

Contractual Funding

A large amount of the projected funding for this system depends on Federal 5311 Grants which have not yet been approved, however City and CTUIR Staff have been in regular contact with ODOT, and feel confident in this funding source. To be safe, however, this agreement outlines a very specific process in the event that funding is denied.

The anticipated 5311 Funding would be available July, 2017 through June, 2019. Additionally, the lowest amount that this grant source will issue, if an award is made, is \$100,000 per year. Therefore, Schedule 2.1 of this agreement establishes that the City will cover all system costs between January and July, 2017, but will only cover the difference between grant funds and expenses for the following two fiscal years. In the event that funding is not approved, the City will only commit to continue operating this system through the end of 2017. Since the City will be aware of whether funds have been approved as early as May, 2017, there will be approximately seven months to work with CTUIR and ODOT to identify other funding sources.

While this appears to be a "build it and they will come" approach to acquiring grant funding, the timelines and nature of these funds makes this approach necessary. 5311 Funding applications occur only once every two years. Additionally, transit funding is both very suspicious of "proposed" systems, and very protective of existing systems. By having this system up and operational at the time of application, it allows the City and KAYAK to easily squelch the hundreds of "what if" questions that come with an application for a new system, because we can show that the system is currently in operation. If a system is not in place at the time of application, and the request is denied because there are too many unanswered "what ifs," then the next time that the City will have the opportunity to pursue these funds won't be until Spring of 2019.

FY '16-'17

Revenue

The Public Transit Subcommittee recommended leaving the Taxi Ticket price at \$2 per ticket for FY '16-'17, but recommended that the Council consider raising this price for FY '17-'18. We anticipate no additional grant funding in this year, and are anticipating Taxi Ticket Revenues to remain steady as a "Worst Case Scenario," because for every \$2 we bring in in revenue, the City must subsidize an additional \$4.60. This is the "worst case," because if less ticket revenue is brought in, then expenses will drop more quickly than revenues.

Expense

It appears that the "worst case scenario" under this proposed agreement would still keep this year's Transportation budget under budgeted expenditures. This is possible because Taxi System utilization has declined compared to previous years, and this budget included an additional \$70,000 for system improvements this year.

FY '17-'18

Revenue

There are many variables at work in FY '17-'18, including:

- Taxi Ridership: This is anticipated to decline slightly, as some riders, who can, will shift to the free fixed-route service. However, to be conservative, this decline is only estimated to be slight, as the true level of market share transfer is unknown.
- County Grant Funding: The City Hermiston has historically received ~\$28,000 per year from Umatilla County to assist with our taxi program. Meanwhile, the City of Pendleton has received ~\$50,000 annually through the same program. The main justification given for this discrepancy has been that the City of Pendleton allows residents within 7 miles of their City Limits to access their system, while the City of Hermiston does not. With the addition of the bus system (and required Para-Transit service), residents within an area similar to Hermiston's UGB will be able to access Hermiston's system. Since more people live just within Hermiston's UGB than live within 7 miles of Pendleton, Umatilla County should be expected to provide Hermiston with funding at least similar to Pendleton in FY '17-'18.
- 5311 Grant Funding: If any funding is awarded, it will not be less than \$100,000 per year, however it is currently projected to be \$115,000 per year.

Because changes in any of these variables has a large impact on the financial viability of this service, the Public Transit Advisory Committee recommended that the Council examine the possibility of raising the Taxi Ticket price to \$3 per ticket in FY '17-'18.

Expenses

If the Taxi Ticket Price is held the same, and the other assumptions hold, it is anticipated that the annual City subsidy to pay for both the Taxi System and Bus system will be approximately \$150,000. However, it should be noted that due to fluctuations

over the years, the City's subsidy for the Taxi system alone has fluctuated between \$90,000 and \$140,000 per year.

Alternatives and Recommendation

Alternatives

1. Motion to approve the Public Transit Service Agreement
2. Motion to table the Public Transit Service Agreement

Recommendation

Staff recommends approval of the agreement at this meeting, because KAYAK Transit needs time to hire and train staff in order to begin operations by January 2, 2017.

Requested Action/Motion

Motion to approve

Department Head- Mark Morgan, Assistant City Manager



City Attorney- Blaine Clouten, Deputy City Attorney

S//: Blaine Clouten

TRANSPORTATION SERVICES AGREEMENT BETWEEN
THE CONFEDERATED TRIBES OF THE UMATILLA INDIAN RESRVATION
AND
THE CITY OF HERMISTON

This Services Agreement (this "Agreement") is entered into on November ____, 2016 between the Confederated Tribes of the Umatilla Indian Reservation ("CTUIR"), and the City of Hermiston, a municipal corporation of the State of Oregon ("City").

In consideration of the mutual promises, terms and conditions contained in the agreement, now therefore the parties do hereby agree to the following:

1. SERVICES AND TERM

1.1 Description of Services. The CTUIR will perform the services described in Schedule 1.1 ("Services") and will consult with and advise City on all matters concerning the Services.

1.2 Term. The Services under this Agreement shall commence on January 2, 2017 and termination on June 30, 2019 unless otherwise extended or terminated in accordance with the terms of this Agreement.

2. COMPENSATION/CONSIDERATION AND RELATIONSHIP

2.1 Compensation. City will pay the CTUIR in accordance with the compensation schedule set forth in Schedule 2.1. City will not provide any benefits to CTUIR, and CTUIR will be responsible for obtaining CTUIR's own benefits, including insurance, medical reimbursement, and retirement plans. City's payment of compensation under this Agreement constitutes City's approval and acceptance of the Services to which the payment relates.

2.2 Independent Contractor. The CTUIR agrees to employ, at its own expense, all personnel reasonably necessary to perform the Services required by this agreement. These personnel are not employees of the City. The CTUIR shall ensure that all personnel engaged in performing Services are fully qualified to undertake the work in accordance with applicable tribal, state, or federal laws. The CTUIR is an independent contractor. The CTUIR is not an agent or employee of the City. The CTUIR and the City are not engaged in a joint venture or partnership. Neither party can represent or bind the other.

2.3 Taxes and Licenses. City will not withhold any taxes from any payments made to the CTUIR. The CTUIR is be responsible for paying all taxes arising out of or resulting from the performance of the Services, including, without limitation, income, social security, worker's compensation, and employment insurance taxes. The CTUIR will be responsible for obtaining any and all licenses, approvals, and certificates necessary or appropriate to perform the Services.

2.4 Indemnity. The CTUIR shall indemnify, defend, and hold City and its officers, employees, agents and all other affiliated representatives harmless from all claims, lawsuits and actions of whatever nature brought against those parties which arise from the CTUIR's performance of Services or omissions under this Agreement. The CTUIR is not required to indemnify the City for any liability arising out of negligent acts or omissions of the City, their employees, or representatives.

3. TERMINATION

3.1 Termination by Mutual Agreement or Prior Notice. In addition to the terms in **Exhibit A #10**, this Agreement may be terminated at any time by the mutual written agreement of City and the CTUIR. Either party may terminate this Agreement for any reason or no reason by giving the other party one hundred and twenty (120) days' prior written notice of such termination. Upon termination of this Agreement, City will pay the CTUIR any and all amounts accruing or owing to the CTUIR under this Agreement. Conflict of language between the "Agreement" and "Exhibit A" shall be interpreted with greater weight to the "Agreement," so long as such interpretation is not a violation of the law.

3.2 Remedies. If a party fails to perform any obligations under this Agreement, the non-defaulting party may, in addition to any other remedy provided to the non-defaulting party under this Agreement, pursue any and all remedies available to the non-defaulting party at law or in equity. All available remedies are cumulative and may be exercised singularly or concurrently.

4. FEDERAL REQUIREMENTS

4.1 Federal Funding. Some or all of City's funding for this Agreement comes from certain grand funds from the Oregon Department of Transportation (ODOT), and as such all required federal terms and conditions must be, and hereby are, incorporated into this Agreement.

4.2 Requirements for Pass-Through Entities. The provisions of 2 CFR 200.331(a) pertaining to the obligations of a pass through entity receiving federal funds, are hereby incorporated into this agreement as presently exist or as are amended in the future.

4.3 Certifications and Assurances and FTA Master Agreement.

CTUIR must comply with all applicable federal requirements contained in the Certifications and Assurances available at http://www.fta.dot.gov/grants/1ZSZ5_93.html. The Certifications and Assurances, including as they may be changed during the term of this Agreement, are by this reference incorporated herein.

CTUIR further agrees to comply with all applicable requirements included in the Master Agreement that is signed and attested to by State. This Master Agreement is incorporated by reference and made part of this Agreement. Said Master Agreement is available upon request from State by calling (503) 986-3300, or at <http://www.fta.dot.gov/documents/2.1-Master.pdf>. Without limiting the foregoing, the following is a summary of some requirements applicable to transactions covered by this Agreement and the funds described in Schedule 2.1:

a. CTUIR shall comply with Title VI of the Civil Rights Act of 1964 (78 Stat. 252., 42 U.S.C. § 2000d) and the regulations of the United States Department of Transportation ("US DOT") (49 CFR 2.1, Subtitle A). CTUIR shall exclude no person on the grounds of race, religion, color, sex, age, national origin, or disability from the benefits of aid received under this Agreement. CTUIR will report to City on at least an annual basis the following information: any active lawsuits or complaints, including dates, summary of allegation, status of lawsuit or complaint including whether the parties entered into a consent decree.

b. CTUIR shall comply with FTA regulations in Title 49 CFR 2.7 Nondiscrimination on the Basis of Disability in Programs or Activities Receiving Federal Financial Assistance which implements the Rehabilitation Act of 1973, as amended, the Americans with Disabilities Act of 1990, 49 CFR 37, and 49 CFR 38.

c. CTUIR shall not discriminate on the basis of race, color, national origin, or sex in the award and performance of any USDOT-assisted contract or in the administration of its Disadvantaged Business Enterprise ("DBE") program or the requirements of 49 CFR Part 26. CTUIR shall take all necessary and reasonable steps under 49 CFR Part 2.6 to ensure nondiscrimination in the award and administration of US DOT-assisted contracts. CTUIR's DBE program, if applicable, as required by 49 CFR part 2.6 and as approved by USDOT, is incorporated by reference in this agreement. Implementation of this

program is a legal obligation and failure to carry out its terms shall be treated as a violation of this agreement.

d. CTUIR shall not discriminate on the basis of race, color, national origin, or sex in the performance of this Agreement. CTUIR shall carry out applicable requirements of 49 CFR Part 2.6 in the performance of this USDOT-assisted contract. Failure by the CTUIR to carry out these requirements is a material breach of this Agreement, which may result in the termination of this Agreement or such other remedy as City deems appropriate.

e. CTUIR, a contractor receiving in excess of \$100,000 in federal funds, must certify to City that they have not and will not use federal funds to pay for influencing or attempting to influence an officer or employee of any federal department or agency, a member of Congress, or an employee of a member of Congress in connection with obtaining any federal grant, cooperative agreement or any other federal award. If non-federal funds have been used to support lobbying activities in connection with the Project, CTUIR shall complete Standard Form LLL, Disclosure Form to Report Lobbying and submit the form to City at the end of each calendar quarter in which there occurs an event that requires disclosure. Restrictions on lobbying do not apply to influencing policy decisions. Examples of prohibited activities include seeking support for a particular application or bid and seeking a congressional earmark

4.4 Federally Mandated Insurance Requirements.

CTUIR shall obtain insurance specified under TYPES AND AMOUNTS and meeting the requirements under ADDITIONAL INSURED, NOTICE OF CANCELLATION OR CHANGE, and CERTIFICATES OF INSURANCE before performance of the Services commences, and ii) maintain the insurance in full force throughout the duration of this Agreement. The insurance must be provided by insurance companies or entities that are authorized to transact the business of insurance and issue coverage in the State of Oregon and that are acceptable to City. City shall not authorize work to begin until the insurance is in full force. Thereafter, City shall monitor continued compliance with the insurance requirements on an annual or more frequent basis. In no event shall City permit work when City is aware that CTUIR is not in compliance with the insurance requirements.

a. TYPES AND AMOUNTS.

i. WORKERS COMPENSATION. Insurance in compliance with ORS 656.017, which requires all employers that employ subject workers, as defined in ORS 656.027, to provide workers' compensation coverage for those workers, unless they meet the requirement for an exemption under ORS 656.126(2). Employers' liability insurance with coverage limits of not less than \$500,000 must be included.

ii. COMMERCIAL GENERAL LIABILITY. Commercial General Liability Insurance covering bodily injury, death, and property damage in a form and with coverages that are satisfactory to City. This insurance shall include personal injury liability, products and completed operations. Coverage shall be written on an occurrence form basis, with not less than the following amounts as determined by City:

Bodily Injury, Death and Property Damage: \$1,500,000 per occurrence (for all claimants for claims, arising out of a single accident or occurrence).

iii. AUTOMOBILE Liability Insurance: Automobile Liability. Automobile Liability Insurance covering all owned, non-owned and hired vehicles. This coverage may be written in combination with the Commercial General Liability Insurance (with separate limits for "Commercial General Liability" and "Automobile Liability"). Automobile Liability Insurance must be in not less than the following amounts as determined by City:

Bodily Injury, Death and Property Damage: \$1,500,000 per occurrence (for all claimants for claims arising out of a single accident or occurrence).

b. ADDITIONAL INSURED. The Commercial General Liability Insurance and Automobile Liability insurance must include City, its officers, employees and agents as Additional Insureds but only with respect to the COIC's activities to be performed under the Project. Coverage must be primary and non-contributory with any other insurance and self-insurance.

c. NOTICE OF CANCELLATION OR CHANGE. CTUIR or its insurer must provide 30 days' written notice to City before cancellation of, material change to, potential exhaustion of aggregate limits of, or non-renewal of the required insurance coverage(s).

d. CERTIFICATE(S) OF INSURANCE. CTUIR shall provide the City a certificate(s) of insurance for all required insurance before the CTUIR performs Services. The certificate(s) or an attached endorsement must specify all entities and individuals who are endorsed on the policy as Additional Insured.

4.5 Federal Regulations and Required Third Party Contract Clauses. The federal regulations and required third party contract clauses outlined in **Exhibit A** are hereby incorporated into this Agreement.

5. MISCELLANEOUS

5.1 Severability. Any provision of this agreement held to be unenforceable will not affect the enforceability of any other provision.

5.2 Notices. All notices must be in writing. A notice is deemed given when personally delivered or delivered by facsimile transmission (with electronic conformation of delivery), or will be deemed given three business days following delivery of the notice by U.S. mail, postage prepaid to the address of the other party shown below (or any other address that a party may designate by notice to the other party), unless that day is a Saturday, Sunday, or legal holiday, in which event it will be deemed delivered on the next following business day.

The CTUIR:

CTUIR Planning Department
Attn: J.D. Tovey
46411 Timine Way
Pendleton, OR 97801
Fax: _

To City:

City of Hermiston
Attn: Byron Smith
180 NE 2nd St.
Hermiston, OR 97838
Fax:

5.3 No General Waiver. The waiver or failure to enforce, insist upon, or comply with any term in this agreement does not constitute a general waiver or relinquishment of that term.

5.4 Entire Agreement/Integration. This agreement supersedes all prior or contemporaneous oral or written agreements between the parties. This Agreement contains the entire agreement between and among the parties regarding the matters set forth herein and is conclusive and binding on and inures to the benefit of the administrators, representatives, employees, agents and successors of each.

5.5 Assignment and Binding Effect. This agreement is not assignable by the CTUIR and binds any successor.

5.6 Force Majeure. The CTUIR's performance of its obligations under this Agreement will be excused by delays due to strikes, labor disputes, lockouts, labor trouble, inability to procure labor or materials (or reasonable substitutes for them), failure of power, governmental sanctions or requirements, restrictions or laws, fire or other damage, war or civil disorder, or any other causes beyond the reasonable control of the CTUIR (each a "Delay Event"). Notwithstanding anything contained in this Agreement to the contrary, The CTUIR will not be liable for any damages, costs, or expenses suffered by City (or any other party) due to the occurrence of any Delay Event including, without limitation, any damages, costs, or expenses City may suffer as a result of a delay in the performance of the Services.

5.7 Governing Law. This Agreement is governed by the laws of the State of Oregon, and venue for any action concerning this Agreement will lie in Umatilla County.

5.8 Amendment and Additional Provisions. No change, amendment, or modification of this agreement is valid unless it is in writing and executed by the parties.

5.10 Mediation. In addition to **Exhibit A #14**, in the event any claim, dispute, or controversy arising out of or related to this Agreement occurs (a "Dispute"), City and the CTUIR in good faith seek a fair and prompt negotiated resolution of the Dispute and will meet at least once to discuss and seek a resolution of the Dispute. If the Dispute is not resolved by negotiated resolution, the Dispute may be settled by mediation by a mediator mutually agreed upon by the parties.

5.11 Interest. If any payment required to be paid by City under this Agreement is not paid when due, all amounts payable will bear interest at eighteen percent (18%) per annum, commencing on the payment due date and ending on the date payment is made in full.

5.12 Saving Clause. If any provision of this Agreement, or application of a provision to any party or circumstance, is held invalid, the remainder of this Agreement, or the application of that provision to other persons or circumstances, must not be affected thereby.

5.13 Further Assurances. The parties agree to execute and deliver any further documents, tangible items, materials and instruments as are necessary or convenient to carry out the terms and purposes of this Agreement.

This agreement is signed as of the date stated in the introductory clause and may be executed in counterparts or by facsimile.

**CONFEDERATED TRIBES OF THE
UMATILLA INDIAN RESERVATION**

CITY OF HERMISTON

By: _____
J. David Tovey, Jr.
Executive Director

By: _____
[Name, Title]

[INSERT CONTRACTOR'S NAME]

By: _____
[Name, Title]

SCHEDULE 1.1

Description of Services

The CTUIR will perform the following Services:

1. Provide community connector service between Hermiston and other communities within the CTUIR's transportation system Monday through Friday. Specific services include:
 - a. Fixed-Route Intra-City service within Hermiston, which will complete six circuits through the city between 9am to 4pm daily.
 - b. Any and all required Para-Transit Service as is currently, or may in the future be, required by the Federal Transit Authority.
 - c. Intra-City service within Hermiston shall be scheduled so as to connect with a CTUIR transportation system Inter-City service within the Hermiston City Limits at least twice per day.

SCHEDULE 2.1

Compensation Schedule

1. Compensation. The CTUIR will provide the services described in Schedule 1.1 as an expansion to its existing system. A majority of the funding to pay for this expansion shall be through the receipt of additional Oregon Department of Transportation (ODOT) grant money specifically for this service. CTUIR will make all applications for, and be the recipient of, this grant funding, while the City will provide all matching funds to cover any costs of this service expansion not covered through grant funding.
 - A. Quarterly Invoice- January 2, 2017 through June 30, 2017
The CTUIR's performance of the Services will be billed quarterly by the CTUIR at the rate of \$ 62,500 per quarter for the 1st two quarters of this agreement and \$ 31,250 per quarter for the remainder of this agreement, within 30 days following the end of each quarter. Any delayed billing will not alleviate City's obligation to pay for Services provided. The CTUIR will submit quarterly invoices to City for the Services performed during the immediately preceding quarter. City will pay the amount due under each Invoice within thirty (30) days after City's receipt of the Invoice.
 - B. Quarterly Invoice- July 1, 2017 through June 30, 2019
If CTUIR is awarded additional ODOT grant money specifically for this service in an amount equal to, or greater than, \$100,000 per year, then City will be billed quarterly by the CTUIR at a rate equal to the total amount of service expenses less the amount of service expenses reimbursable through the ODOT grant. This invoice will be issued within 30 days following the end of each quarter. Any delayed billing will not alleviate City's obligation to pay for Services provided. The CTUIR will submit quarterly invoices to City for the Services performed during the immediately preceding quarter. City will pay the amount due under each Invoice within thirty (30) days after City's receipt of the Invoice.

Total compensation from City for this Agreement shall not exceed \$ 150,000 between January 2, 2017 and June 30, 2017, nor shall it exceed \$150,000 per year city fiscal year between July 1, 2017 through June 30, 2019.
 - C. Quarterly Invoice- July 1, 2017 through December 31, 2017
If CTUIR is not awarded additional ODOT grant money specifically for this service in an amount equal to, or greater than, \$100,000 per year, then the City will be billed quarterly by the CTUIR at the rate of \$62,500 per quarter, within 30 days following the end of each quarter. Any delayed billing will not alleviate City's obligation to pay for Services provided. The CTUIR will submit quarterly invoices to City for the Services performed during the immediately preceding quarter. City will pay the amount due under each Invoice within thirty (30) days after City's receipt of the Invoice.

EXHIBITA

FEDERAL REGULATIONS & REQUIRED THIRD-PARTY CONTRACT CLAUSES

ALL OR PART OF THIS AGREEMENT IS FEDERALLY FUNDED. CTUIR shall comply with the following applicable federal regulations in addition to all other specifications, terms and conditions of this Agreement.

1. ENERGY CONSERVATION REQUIREMENTS

42 U.S.C. 6321 et seq.

49 CFR Part 18

CTUIR agrees to comply with mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act.

2. CLEAN WATER REQUIREMENTS

33 U.S.C. 1251

A. CTUIR agrees to comply with all applicable standards, orders or regulations issued pursuant to the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251 et seq. CTUIR agrees to report each violation to City and understands and agrees that City will, in turn, report each violation as required to assure notification to the Federal Transit Administration ("FTA") and the appropriate Environmental Protection Agency ("EPA") Regional Office.

B. CTUIR also agrees to include these requirements in each subcontract exceeding \$100,000 financed in whole or in part with Federal assistance provided by FTA.

3. LOBBYING

31 U.S.C. 1352

49 CFR Part 19

49 CFR Part 20

Byrd Anti-Lobbying Amendment, 31 U.S.C. 1352, as amended by the Lobbying Disclosure Act of 1995, P.L. 104-65 [to be codified at 2 U.S.C. § 1601, et seq.]

Contractors, including CTUIR, who apply or bid for an award of \$100,000 or more, shall file the certification required by 49 CFR part 20, "New Restrictions on Lobbying." Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier shall also disclose the name of any registrant under the Lobbying Disclosure Act of 1995 that has made lobbying contacts on its behalf with non-Federal funds with respect to that Federal contract, grant or award covered by 31 U.S.C. 1352. Such disclosures are forwarded from tier to tier up to the recipient.

4. ACCESS TO RECORDS AND REPORTS

49 U.S.C. 5325

18 CPR 18.36 (i)

49 CPR 633.17

The following access to records requirements apply to this Agreement:

A. **CTUIR** agrees to provide City, the PTA Administrator, the Comptroller General of the United States or any of their authorized representatives access to any books, documents, papers and records of **CTUIR** which are directly pertinent to this contract for the purposes of making audits, examinations, excerpts and transcriptions. **CTUIR** also agrees, pursuant to 49 C.P.R. 633.17 to provide the PTA Administrator or his authorized representatives including any Project Management Oversight ("PMO") contractor access to **CTUIR**'s records and construction sites pertaining to a major capital project, defined at 49 U.S.C. 5302(a)1, which is receiving federal financial assistance through the programs described at 49 U.S.C. 5307,5309 or 5311.

B. Where any purchaser which is the PTA recipient or a subgrantee of the PTA recipient in accordance with 49 U.S.C. 5325(a) enters into a contract for a capital project or improvement (defined at 49 U.S.C. 5302(a)1) through other than competitive bidding, the contractor shall make available records related to the contract to the purchaser, the Secretary of Transportation and the Comptroller General or any authorized officer or employee of any of them for the purposes of conducting an audit and inspection.

C. **CTUIR** agrees to permit any of the foregoing parties to reproduce by any means whatsoever or to copy excerpts and transcriptions as reasonably needed.

D. **CTUIR** agrees to maintain all books, records, accounts and reports required under this Agreement for a period of not less than three years after the date of termination or expiration of this Agreement, except in the event of litigation or settlement of claims arising from the performance of this contract, in which case **CTUIR** agrees to maintain same until City, the PTA Administrator, the Comptroller General, or any of their duly authorized representatives, have disposed of all such litigation, appeals, claims or exceptions related thereto. Reference 49 CPR 18.39(i)(11).

E. FTA does not require the inclusion of these requirements in subcontracts.

5. FEDERAL CHANGES

49 CPR Part 18

CTUIR shall at all times comply with all applicable PTA regulations, policies, procedures and directives, including without limitation those listed directly or by reference in the Master Agreement between the State of Oregon and FTA, as they may be amended or promulgated from time to time during the term of this Agreement. **CTUIR**'s failure to so comply shall constitute a material breach of this Agreement.

6. CLEANAIR
42 U.S.C. 7401 et seq
40 CFR 15.61
49 CFR Part 18

A. **CTUIR** agrees to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act, as amended, 42 U.S.C. §§ 7401 et seq — **CTUIR** agrees to report each violation to City and understands and agrees that City will, in turn, report each violation as required to assure notification to PTA and the appropriate EPA Regional Office.

B. **CTUIR** also agrees to include these requirements in each subcontract exceeding \$100,000 financed in whole or in part with Federal assistance provided by PTA.

7. CONTRACT WORK HOURS AND SAFETY STANDARDS ACT
40 USC 3701(b)(1)(B)(iii) and (b)(2)
29 CFR 5.2(h)
29 CFR 5.5(b)
49 CFR 18.36(i)(6)

A. **Overtime requirements.** No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.

B. **Violation; liability for unpaid wages; liquidated damages.** In the event of any violation of the clause set forth in paragraph (A) of this section the contractor and any subcontractor responsible therefore shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (A) of this section, in the sum of \$10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (A) of this section.

C. **Withholding for unpaid wages and liquidated damages-**CTUIR shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (B) of this section.

D. **Subcontracts-** CTUIR or any subcontractor shall insert in any subcontracts the clauses set forth in paragraphs (A) through (D) of this section and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for

compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs (A) through (D) of this section.

8. NO GOVERNMENT OBLIGATION TO THIRD PARTIES

A. City and CTUIR acknowledge and agree that, notwithstanding any concurrence by the Federal Government in or approval of the solicitation or award of the underlying agreement, absent the express written consent by the Federal Government, the Federal Government is not a party to this Agreement and shall not be subject to any obligations or liabilities to City, **CTUIR**, or any other party (whether or not a party to that contract) pertaining to any matter resulting from the underlying Contract.

B. **CTUIR** agrees to include the above clause in each subcontract financed in whole or in part with Federal assistance provided by PTA. It is further agreed that the clause shall not be modified, except to identify the subcontractor who will be subject to its provisions.

9. PROGRAM FRAUD AND FALSE OR FRAUDULENT STATEMENTS AND RELATED ACTS

31 U.S.C. 3801 et seq.

49 CFR Part 3118 U.S.C. 1001

49 U.S.C. 5307

Program Fraud and False or Fraudulent Statements or Related Acts.

A. CTUIR acknowledges that the provisions of the Program Fraud Civil Remedies Act of 1986, as amended, 31 U.S.C. § 3801 et - **and** U.S. DOT regulations, "Program Fraud Civil Remedies," 49 C.F.R. Part 31, apply to its actions pertaining to this Agreement. Upon execution of this Agreement, CTUIR certifies or affirms the truthfulness and accuracy of any statement it has made, it makes, it may make, or causes to be made, pertaining to this Agreement or the PTA assisted project for which this Agreement work is being performed. In addition to other penalties that may be applicable, **CTUIR** further acknowledges that if it makes, or causes to be made, a false, fictitious, or fraudulent claim, statement, submission, or certification, the Federal Government reserves the right to impose the penalties of the Program Fraud Civil Remedies Act of 1986 on CTUIR to the extent the Federal Government deems appropriate.

B. **CTUIR** also acknowledges that if it makes, or causes to be made, a false, fictitious, or fraudulent claim, statement, submission, or certification to the Federal Government under a contract connected with a project that is financed in whole or in part with Federal assistance originally awarded by FTA under the authority of 49 D.S.C. § 5307, the Federal Government reserves the right to impose the penalties of 18 U.S.C. § 1001 and 49 D.S.C. § 5307(n)(1) on **CTUIR**, to the extent the Federal Government deems appropriate.

C. **CTUIR** agrees to include the above two clauses in each subcontract financed in whole or in part with Federal assistance provided by FTA. It is further agreed that the clauses shall not be modified, except to identify the subcontractor who will be subject to the provisions.

10. TERMINATION

49 U.S.C. Part 18

FTA Circular 4220.1F

A. Termination for Convenience (General Provision). City may terminate this Agreement, in whole or in part, at any time by written notice to CTUIR when it is in City's best interest. CTUIR shall be paid its costs, including contract close-out costs, and profit on work performed up to the time of termination. CTUIR shall promptly submit its termination claim to City to be paid CTUIR. **If** CTUIR has any property in its possession belonging to City, CTUIR will account for the same, and dispose of it in the manner City directs.

B. Termination for Default [Breach or Cause] (General Provision). **If** CTUIR does not deliver supplies in accordance with the contract delivery schedule, or, if the contract is for services, **CTUIR** fails to perform in the manner called for in the contract, or if **CTUIR** fails to comply with any other provisions of this Agreement, City may terminate this Agreement for default. Termination shall be effected by serving a notice of termination on **CTUIR** setting forth the manner in which **CTUIR** is in default. **CTUIR** will only be paid the contract price for supplies delivered and accepted, or services performed in accordance with the manner of performance set forth in the Agreement.

If it is later determined by City that CTUIR had an excusable reason for not performing, such as a strike, fire, or flood, events which are not the fault of or are beyond the control of **CTUIR**, City, after setting up a new delivery of performance schedule, may allow **CTUIR** to continue work, or treat the termination as a termination for convenience.

C. Opportunity to Cure (General Provision). City in its sole discretion may, in the case of a termination for breach or default, allow CTUIR ten (10) days in which to cure the defect. In such case, the notice of termination will state the time period in which cure is permitted and other appropriate conditions

If CTUIR fails to remedy to City's satisfaction the breach or default of any of the terms, covenants, or conditions of this Agreement within ten (10) days after receipt by CTUIR of written notice from City setting forth the nature of said breach or default, City shall have the right to terminate this Agreement without any further obligation to CTUIR. Any such termination for default shall not in any way operate to preclude City from also pursuing all available remedies against CTUIR and its sureties for said breach or default.

D. Waiver of Remedies for any Breach. In the event that City elects to waive its remedies for any breach by CTUIR of any covenant, term or condition of this Agreement, such waiver by City shall not limit City's remedies for any succeeding breach of that or of any other term, covenant, or condition of this Agreement.

E. Termination for Convenience (Professional or Transit Service Contracts). City, by written notice, may terminate this Agreement, in whole or in part, when it is in City's interest. **If** this Agreement is terminated, City shall be liable only for payment under the payment provisions of this Agreement for services rendered before the effective date of termination.

F. Termination for Default (Supplies and Service). **If** CTUIR fails to deliver supplies or to perform the services within the time specified in this Agreement or any extension or if CTUIR fails to comply with any other provisions of this contract, City may terminate this Agreement for default.

City shall terminate by delivering to CTUIR a notice of termination specifying the nature of the default. CTUIR will only be paid the contract price for supplies delivered and accepted, or services performed in accordance with the manner or performance set forth in this Agreement.

If, after termination for failure to fulfill contract obligations, it is determined that CTUIR was not in default, the rights and obligations of the parties shall be the same as if the termination had been issued for the convenience of City.

G. Termination for Default (Transportation Services). If CTUIR fails to pick up the commodities or to perform the services, including delivery services, within the time specified in this Agreement or any extension or if CTUIR fails to comply with any other provisions of this Agreement, City may terminate this Agreement for default. City shall terminate by delivering to CTUIR a notice of termination specifying the nature of default. CTUIR will only be paid the contract price for services performed in accordance with the manner of performance set forth in this Agreement.

If this Agreement is terminated while CTUIR has possession of City goods, CTUIR shall, upon direction of City, protect and preserve the goods until surrendered to City or its agent. City and CTUIR shall agree on payment for the preservation and protection of goods. Failure to agree on an amount will be resolved under the Dispute clause (defined below).

If, after termination for failure to fulfill contract obligations, it is determined that CTUIR was not in default, the rights and obligations of the parties shall be the same as if the termination had been issued for the convenience of City.

11. GOVERNMENT-WIDE DEBARMENT AND SUSPENSION

This Agreement is a covered transaction for purposes of 49 CFR Part 29. As such, CTUIR is required to verify that none of CTUIR, its principals, as defined at 49 CFR 29.995, or affiliates, as defined at 49 CFR 29.905, are excluded or disqualified as defined at 49 CFR 29.940 and 29.945.

CTUIR is required to comply with 49 CFR 29, Subpart C and must include the requirement to comply with 49 CFR 29, Subpart C in any lower tier covered transaction it enters into. By signing and submitting its bid or proposal, the bidder or proposer certifies as follows:

The certification in this clause is a material representation of fact relied upon by CTUIR. If it is later determined that the bidder or proposer knowingly rendered an erroneous certification, in addition to remedies available to CTUIR, the Federal Government may pursue available remedies, including but not limited to suspension and/ or debarment. The bidder or proposer agrees to comply with the requirements of 49 CFR 29, Subpart C while this offer is valid and throughout the period of any contract that may arise from this offer. The bidder or proposer further agrees to include a provision requiring such compliance in its lower tier covered transactions.

12. PRIVACY ACT

5 U.S.C. 552

The following requirements apply to CTUIR and its employees that administer any system of records on behalf of the Federal Government under any contract:

A. **CTUIR** agrees to comply with, and assures the compliance of its employees with, the information restrictions and other applicable requirements of the Privacy Act of 1974, 5 U.S.C. § 552a. Among other things, CTUIR agrees to obtain the express consent of the Federal Government before CTUIR or its employees operate a system of records on behalf of the Federal Government. CTUIR understands that the requirements of the Privacy Act, including the civil and criminal penalties for violation of that Act, apply to those individuals involved, and that failure to comply with the terms of the Privacy Act may result in termination of the underlying contract.

B. CTUIR also agrees to include these requirements in each subcontract to administer any system of records on behalf of the Federal Government financed in whole or in part with Federal assistance provided by FTA.

13. CIVIL RIGHTS REQUIREMENTS
29 U.S.C. § 623, 42 U.S.C. § 2000
42 U.S.C. § 6102, 42 U.S.C. § 12112
42 U.S.C. § 12132, 49 U.S.C. § 5332
29 CFR Part 1630, 41CFR Parts 60 et seq.

The following requirements apply to this Agreement:

A. Nondiscrimination. In accordance with Title VI of the Civil Rights Act, as amended, 42 U.S.C. § 2000d, section 303 of the Age Discrimination Act of 1975, as amended, 42 U.S.C. § 6102, section 202 of the Americans with Disabilities Act of 1990, 42 U.S.C. § 12132, and Federal transit law at 49 U.S.C. § 5332, CTUIR agrees that it will not discriminate against any employee or applicant for employment because of race, color, creed, national origin, sex, age, or disability. In addition, CTUIR agrees to comply with applicable Federal implementing regulations and other implementing requirements FTA may issue.

B. Equal Employment Opportunity. The following equal employment opportunity requirements apply to the underlying agreement:

(i) Race Color. Creed. National Origin Sex. In accordance with Title VII of the Civil Rights Act, as amended, 42 U.S.C. § 2000e, and Federal transit laws at 49 U.S.C. § 5332, CTUIR agrees to comply with all applicable equal employment opportunity requirements of U.S. Department of Labor (U.S. DOL) regulations, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor," 41 C.F.R. Parts 60 et seq., (which implement Executive Order No. 11246, "Equal Employment Opportunity," as amended by Executive Order No. 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," 42 U.S.C. § 2000e note), and with any applicable Federal statutes, executive orders, regulations, and Federal policies that may in the future affect construction activities undertaken in the course of the Project. CTUIR agrees to take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, creed, national origin, sex, or age. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. In addition, CTUIR

agrees to comply with any implementing requirements FTA may issue.

(ii) Age. In accordance with section 4 of the Age Discrimination in Employment Act of 1967, as amended, 29 U.S.C. § 623 and Federal transit law at 49 U.S.C. § 5332, CTUIR agrees to Refrain from discrimination against present and prospective employees for reason of age. In addition, CTUIR agrees to comply with any implementing requirements FTA may issue.

(iii) Disabilities. In accordance with section 102 of the Americans with Disabilities Act, as amended, 42 U.S.C. § 12112, CTUIR agrees that it will comply with the requirements of U.S. Equal Employment Opportunity Commission, "Regulations to Implement the Equal Employment Provisions of the Americans with Disabilities Act," 29 C.F.R. Part 1630, pertaining to employment of persons with disabilities. In addition, CTUIR agrees to comply with any implementing requirements FTA may issue.

C. **CTUIR** also agrees to include these requirements in each subcontract financed in whole or in part with Federal assistance provided by FTA, modified only if necessary to identify the affected parties.

14. BREACHES AND DISPUTE RESOLUTION

49 CPR Part 18

PTA Circular 4220.1P

A. **Disputes**. Disputes arising in the performance of this Agreement which are not resolved by agreement of the parties shall be decided in writing by City's city manager. This decision shall be final and conclusive unless within ten (10) days from the date of receipt of its copy, CTUIR mails or otherwise furnishes a written appeal to City's city manager. In connection with any such appeal, **CTUIR** shall be afforded an opportunity to be heard and to offer evidence in support of its position. The decision of City's city manager shall be binding upon CTUIR and CTUIR shall abide by the **decision**.

B. **Performance During Dispute**. Unless otherwise directed by City, CTUIR shall continue performance under this Agreement while matters in dispute are being resolved.

C. **Claims for Damages**. Should either party to the Agreement suffer injury or damage to person or property because of any act or omission of the party or of any of his employees, agents or others for whose acts he is legally liable, a claim for damages therefore shall be made in writing to such other party within a reasonable time after the first observance of such injury of damage.

D. **Remedies**. Unless this contract provides otherwise, all claims, counterclaims, disputes and other matters in question between City and CTUIR arising out of or relating to this Agreement or its breach will be decided by arbitration if the parties mutually agree, or in a court of competent jurisdiction within the State of Oregon.

E. **Rights and Remedies**. The duties and obligations imposed by this Agreement and the rights and remedies available there under shall be in addition to and not a limitation of any duties, obligations, rights and remedies otherwise imposed or available by law. No action or failure to act

by City or CTUIR shall constitute a waiver of any right or duty afforded any of them under this Agreement, nor shall any such action or failure to act constitute an approval of or acquiescence in any breach there under, except as may be specifically agreed in writing.

15. DISADVANTAGED BUSINESS ENTERPRISE (DBE)
49 CFR Part 26

A. This Agreement is subject to the requirements of Title 49, Code of Federal Regulations, Part 26, *Participation by Disadvantaged Business Enterprises in Department Of Transportation Financial Assistance Programs*. The national goal for participation of Disadvantaged Business Enterprises (DEE) is 10%. The agency's overall goal for DEE participation is .5 %. A separate contract goal has not been established for this procurement.

B. CTUIR shall not discriminate on the basis of race, color, national origin, or sex in the performance of this Agreement. CTUIR shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of this DOT-assisted Agreement. Failure by CTUIR to carry out these requirements is a material breach of this Agreement, which may result in the termination of this contract or such other remedy as City deems appropriate. Each subcontract CTUIR signs with a subcontractor must include the assurance in this paragraph (see 49 CFR 26.13(b)).

16. INCORPORATION OF FEDERAL TRANSIT ADMINISTRATION (FTA) TERMS FTA
Circular 4220.1F

The preceding provisions include, in part, certain Standard Terms and Conditions required by USDOT, whether or not expressly set forth in the preceding contract provisions. All contractual provisions required by USDOT, as set forth in FTA Circular 4220.1F, are hereby incorporated by reference. Anything to the contrary herein notwithstanding, all FTA mandated terms shall be deemed to control in the event of a conflict with other provisions contained in this contract. **CTUIR** shall not perform any act, fail to perform any act, or refuse to comply with any City requests which would cause City to be in violation of the FTA terms and conditions.

17. DRUG AND ALCOHOL TESTING

CTUIR agrees to establish and implement a drug and alcohol testing program that complies with 49 CFR Parts 653 and 654, produce any documentation necessary to establish its compliance with Parts 653 and 654, and permit any authorized representative of the USDOT or its operating administrations, the State Oversight Agency of Oregon, or City, to inspect the facilities and records associated with the implementation of the drug and alcohol testing program as required under 49 CFR Parts 653 and 654 and review the testing process. CTUIR agrees further to certify annually its compliance with Parts 653 and 654 before July 1st and to submit the Management Information System (MIS) reports before October 1st of each year to the Transportation Business Administrator, 1250 NE Bear Creek Rd., Bend, OR 97701. (To certify compliance CTUIR shall use the "Substance Abuse Certifications" in the "Annual List of Certifications and Assurances for Federal Transit Administration Grants and Cooperative Agreements," which is published annually in the Federal Register).

Hermiston Route and Service Area

Legend

-  Bus Stops
-  BusRoute
-  QtrMileBuffer_dissolve
-  3QTRMileBuffer_dissolve
-  Hermiston City Limits

