

**City of Hood River
City Council Work Session
February 10, 2020**

Council: Mayor Kate McBride, Megan Saunders, Tim Counihan, Jessica Metta, Erick Haynie (arrived at 7:19pm)

Staff: City Manager Rachael Fuller, City Attorney Dan Kearns, Finance Director/ACM Will Norris, Planning Director Dustin Nilsen, Sr. Planner Kevin Liburdy, Fire Chief Leonard Damian, Police Chief Neal Holste, City Recorder Jennifer Gray

Absent: Mark Zanmiller, Gladys Rivera

I CALL TO ORDER – Cell Phone Reminder – 6:01 p.m.

Land Acknowledgement Statement and Pledge of Allegiance

II BUSINESS FROM THE AUDIENCE

Linda Maddox, Hood River, OR – addressed Council about the Transportation System Plan. She spoke about her concern on 30th Street. Right now, it is a minor arterial. She feels it is incorrect. She has testified about this in prior meetings. She believes it should be a neighborhood connector. She questioned if they plan to have large trucks on this street that would go by Westside School. It does not make sense to her. There should be designated truck routes. Going through a residential area that is only going to get more dense, is not a good idea. She is also concerned in the Westside Plan, there is discussion about north 30th from Sherman, heading toward Cascade, the need for calming. She suggested adding parking on both sides to narrow the streets to slow down traffic.

III PRESENTATIONS

1. Hood River County Reads Proclamation, Helen James

Helen James from Hood River County Reads Program requested Councils approval and support of the 2020 Hood River County Reads program, The Highest Tide by Jim Lynch.

Motion: I move that Council proclaim their support for Hood River County Reads Program; The Highest Tide.

First: Metta

Second: Counihan

Discussion: None

Vote: Motion passed (roll called)

Ayes: McBride, Saunders, Counihan, Metta

Nays: None

Abstentions: None

Excused: Zanmiller, Rivera, Haynie

2. Bridge Replacement Project Update, Kevin Greenwood
Greenwood presented a PowerPoint to update Council on the bridge replacement progress. The PowerPoint has been added to the record.

Greenwood reviewed the current NEPA work, long term conceptual schedule and next steps. Bridge visualizations were shared, sample themes and photo simulations. There are three concepts: Historic, I-84 and Contemporary. The toll amount will depend on the funding that is received; the goal is to keep it down as low as possible.

Councilor Counihan will participate on the Bi-State Bridge Replacement Committee.

3. Presentation: FY2018-19 Annual Financial Audit, Kyle Janicki
The FY2018-19 City of Hood River and Hood River Urban Renewal Agency financial audits were completed in December. The audits reports were provided to the governing bodies of both organizations and posted to the City of Hood River's webpage at: cityofhoodriver.gov/administration/finance-reports/.

Kyle Janicki, Auditing Manager with Pauly, Rodgers and Co., presented the City and the URA audit. The City and URA received an unmodified opinion, which is a clean opinion. There were no significant findings.

Norris discussed the budget overages. He explained they were not from unauthorized spending or something that was not approved. It was expenditures that went through the required processing and normal approvals.

Motion: I moved that Council receive the FY 18/19 financial audit.
First: Saunders
Second: Metta
Discussion: None
Vote: Motion passed (roll called)
Ayes: McBride, Saunders, Counihan, Metta
Nays: None
Abstentions: None
Excused: Zanmiller, Rivera, Haynie

WORK SESSION

IV OPEN WORK SESSION – 6:41 p.m.

V AGENDA ADDITIONS OR CORRECTIONS

VI DISCUSSION ITEMS

1. Transportation System Plan Update, D. Nilsen
Nilsen explained tonight's item is information only and to inform Council on what's to come this year. No action required. The PowerPoint presentation was added to the record.

Management of the local transportation system is a core function of the City, emphasized in its adopted Goal to "Promote an efficient and safe multi-modal transportation system that alleviates

traffic and parking congestion and encourages biking, pedestrian access and public transportation”.

The primary policy and guidance document used to coordinate transportation plans, projects, and capital improvement investments necessary to maintain and develop a safe and effective transportation system is the City’s Transportation System Plan (TSP). A component of the City’s Comprehensive Plan, the TSP is also used with other plans to guide future growth and infrastructure necessary to support the community.

As part of the Westside Area Concept Plan, a series of Frameworks were developed to help envision how future growth and neighborhoods would be connected through a future street, pedestrian, and trail system. The effort focused on coordinating the city’s transportation system with other components of the City’s Comprehensive plan to address land uses, anticipated growth, infrastructure, housing needs, and future demands on public facilities. As part of the Streets and Pedestrian Frameworks, community and stakeholder agencies spent three years developing several recommended amendments to the City’s current TSP, last updated in 2011. In order to implement these recommendations, obtain funding, and authorize transportation expenditures, the City’s Transportation System Plan will need to be updated. A focused update based on improvements and recommendations developed through the Westside Area Concept Plan are included as part of the City’s 2020 workplan.

The proposed update and project scope are intentionally narrow but still constitute a significant update to the TSP that relies on the Streets and Pedestrian Framework recommendations project guidance. Specially, the scope involves updating: 1) Bike and pedestrian trail routes, 2) Arterial street alignments, 3) Typical street cross sections, 4) The Mount Adams intersection on Cascade with a possible roundabout, and 5) Infrastructure cost estimates and financially constrained project lists for vehicle, bike, and pedestrian modes.

Status and Next Steps:

Transportation System Plans are periodically updated and processed in coordination with the Oregon Department of Transportation. They typically require a consultant-driven, staff-supported project and legislative process that meets Oregon Administrative Rules and Statutes. Currently, staff is preparing an anticipated budget and work scope to solicit requests for qualifications and the selection of a lead transportation consulting firm. The outcome of this request and firm evaluation will be forwarded to Council with a request to select a consultant and approve a contract for services.

VII ADJOURN WORK SESSION – 6:54 p.m.

REGULAR COUNCIL MEETING

I OPEN REGULAR COUNCIL MEETING – 6:54 p.m.

II AGENDA ADDITIONS OR CORRECTIONS

III CONSENT AGENDA

1. Council Meeting Minutes – January 13, 2020

Motion: To approve the Consent Agenda with the amendments to the minutes as

discussed.
First: Saunders
Second: Metta
Discussion: Saunders asked that her two statements in the hydro-electric feasibility study discussion be revised for clarity. Her preference is they go for the larger ILT option. Gray will make the edits.
Vote: Motion passed (roll called)
Ayes: McBride, Saunders, Coughlin, Metta
Nays: None
Abstentions: None
Excused: Zanmiller, Rivera, Haynie

IV REGULAR BUSINESS ITEMS

1. Second Quarter Financial Performance Report, W. Norris

The City of Hood River's Budget Preparation Resolution 2016-19 requires that, "Each year, the City Council shall review the actual beginning fund balances shown in the external audit. If the General Fund amount is in excess of the budgeted amount, the City Council shall determine the disposition of the excess". Beginning Fund Balances represent a point in time snapshot of the City's cash, investments, and short-term receivables net of short-term liabilities attributable to each of the City's eight (8) Funds. Fiscal year beginning fund balances are calculated after all outstanding invoices and revenues are received for the prior fiscal year and the transactions are reviewed by an external auditor. Actual Beginning Fund Balances differ from Budgeted Beginning Fund Balances because budgets are set prospectively based on forecasting assumptions. The difference in timing is why it is useful to routinely compare Actual against Budgeted Fund Balances as the City's Budget Preparation Resolution (Res. 2016-19) requires.

The Second Quarter (Q2) Supplemental Budget adjusts budgeted beginning balances to audited amounts. The graph below summarizes the differences between budgeted and final audited Beginning Fund Balances for the City's eight (8) funds for Fiscal Year 2019-20. All Public Works related funds began the year with higher than budgeted beginning balances. This is largely due to capital project delays associated with staff turnover. Adjustments to project timing do not alter the City's long-term financial plans as the project expenditures will still occur.

The General Fund and Internal Service Fund were the only two funds to start FY2019-20 with less than their Budgeted Beginning Fund Balances. The Internal Service Fund was within 0.4% of Budget and simply reflects minor forecasting variation. The General Fund was under budget by \$108,632. The lower General Fund Balance was due primarily to an unusually large amount of Engineering Dept. invoices that were not received until the final two months of the fiscal year or later making precise yearend forecasting challenging. This onetime delay in processing invoices can be attributed to Public Works staff turnover and is not expected to reoccur in FY2019-20.

Norris noted there are two scrivener errors on the resolution that can be stated as corrected in the motion. He will make the edits before Mayor McBride signs the resolution.

Motion: I move that City Council approve Resolution 2020-02, with the edits

discussed, to make appropriations and adjust the Adopted Budget for Fiscal Year 2019-20.

First: Saunders
Second: Coughlin
Discussion: None
Vote: Motion passed (roll called)
Ayes: McBride, Saunders, Coughlin, Metta
Nays: None
Abstentions: None
Excused: Zanmiller, Rivera, Haynie

2. Q2 Supplemental Budget - Beginning Balance Review, W. Norris

The Second Quarter (Q2) Financial Report includes six months of financial data through one half of the 2019-20 Fiscal Year (FY). The attached report includes full-year estimates-to-close based on historical spending patterns and staff knowledge of upcoming expenditures. The attached projections should be interpreted as staff's best estimate given financial data through December 31, 2019. The Q2 revenue and expenditure projections become the basis for constructing FY2020-21 budget build.

Both yearend General Fund revenues and expenditure projections increased from the prior Q1 Financial Report with minimal net impact to expected FY2019-20 ending fund balance. The most recent three-year financial forecast published in the FY2019-20 Adopted Budget anticipated a General Fund ending balance of \$3.84 million. The current projections are higher but tracking closely at \$4.08 million.

Below are specific and notable changes from the Q1 Financial Report the City Council received in November:

General Fund Revenues

Yearend revenue estimates increased \$179 thousand or 2.1% to \$8.79 million. \$103 thousand of the upward revision is due to the inclusion of Ground Emergency Medical Transport (GEMT) reimbursements. GEMT is a federal program that helps close the funding gap between what medical transports cost and the amount Medicare and Medicaid reimburse. The program requires state participation. Oregon joined the program two-years ago. Due to delays in program set up, this fiscal year will include two years of GEMT reimbursement payments for transports provided in Fiscal Years 2018-19 and 2019-20. Future budgets will only include a single year of GEMT reimbursements on an ongoing basis.

Revenue estimates were also increased to a lesser extent due to increases in local marijuana taxes. The prior quarterly financial report did not have enough collection data to make a reasonable projection of this relatively new revenue source. With two quarterly payments received in FY2019-20, the City is now projecting total receipts to be \$125 thousand which is a significant increase from the prior year. However, this still represents only 1.4% of total General Fund revenues.

General Fund Expenditures

FY2019-20 General Fund expenditure estimates also increased from the prior quarter, up \$64,000 or 0.8%. Increases were led by the Fire/EMS Department personnel expenditure which were partially due to increases in medical transports as well as higher than usual sick leave use that required backfill overtime.

Increases in the Fire/EMS expenditure estimates were partially mitigated by a decrease in projected Engineering Dept. expenditures. Engineering expenses have varied widely in the last two years as staff turnover has altered how the City uses consulting services in the development review process and for special projects such as updating the City's Engineering Standards. With half of the fiscal year complete, allowances in the yearend projections for this uncertainty can be reduced. Even though Engineering expenditures are up 97% compared to this same time last year, the yearend estimates anticipate final expenses to be roughly similar to FY2018-19. This is because there are no additional major engineering special projects expected in the next six months.

Other Major Revenues

The City's other major revenues outside of the General Fund are gas taxes and utility charges. Yearend projections for these revenues are up slightly but essentially unchanged with the inclusion of three additional months of financial data.

Motion: I move that Council receive and file the quarterly financial report period ending December 31, 2019.
First: Saunders
Second: Metta
Discussion: None
Vote: Motion passed (roll called)
Ayes: McBride, Saunders, Counihan, Metta
Nays: None
Abstentions: None
Excused: Zanmiller, Rivera, Haynie

Mayor McBride recognized Norris for his work on this report. Norris makes it very easy to understand difficult financial information. She really appreciates his explanations.

V REPORT OF OFFICERS

- A. Department Heads
 - 1. Announcements
 - 2. Planning Director Update

- B. City Recorder

- 1. Reading of Ordinance 2054 (Building Code Changes) for the second time by title only

Motion: To read 2054 Building Code Changes for the second time by title only.
First: Counihan
Second: Metta
Discussion: None
Vote: Motion passed (roll called)
Ayes: McBride, Saunders, Counihan, Metta
Nays: None
Abstentions: None
Excused: Zanmiller, Rivera, Haynie

Gray read the ordinance by title only. The Mayor announced that Ordinance 2054 had passed its second reading and would become law in 30 days.

VI MAYOR

Mayor McBride noted Hood River has been designated as a Tree City again; more to come.

Mayor McBride received a letter notifying her Hood River is on Oregon Medal of Honor Highway. A plaque has been received for someone who was from Hood River. She will discuss this with Fuller and bring it back to Council.

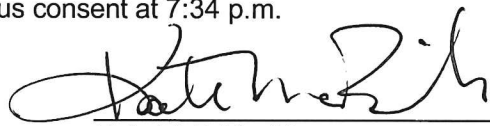
There was discussion regarding members of Council participating on the Bridge Replacement Committee and the Energy Committee. Councilor Counihan will sit on both committees. Councilor Metta will be a sub for the Bridge Replacement Committee.

The March 23 City Council meeting has been cancelled. There will be a Work Session scheduled the week prior, March 17, 4pm – 6pm.

VII COUNCIL CALL

Councilor Haynie spoke to Council about the ODOT STIP funding distribution. This is part of what the ACT Region 1 discusses. They are not the deciders and it's hard to be an effective voice, but they can make recommendations. The group that represents Hood River has had the concern that Hood River does not receive money that is needed to do real projects. They are going to try to have a meeting with Rep. Williams who he has spoken to informally. She has been very receptive to having a discussion. Before that happens Councilor Haynie wants to test to determine if they have a problem, make sure everyone on the committee are on the same page, be thoughtful and clear on the ask to Rep. Williams. He will be taking a step back from the rush to speak with Rep. Williams to make sure they have an actual problem. Councilor Haynie reviewed numbers on a pie chart he provided. He's trying to get behind the numbers, but it has been difficult. He wants to build consistency between the ACT members before speaking with Rep. Williams. There might eventually be an approach to inform her there is a structural problem with rural communities that are close to the larger cities; not getting their fair share of the funds. They first need to get smart behind the numbers. Council discussed the ODOT projects that have been identified for Hood River.

VIII **ADJOURN** – Adjourned by unanimous consent at 7:34 p.m.


Kate McBride, Mayor


Jennifer Gray, City Recorder

Approved by City Council on 3/9/2020