

City of Hood River
City Council Work Session
September 14, 2020

Council: Mayor Kate McBride, Mark Zanmiller, Megan Saunders, Tim Counihan, Jessica Metta, Erick Haynie, Gladys Rivera

Staff: City Manager Rachael Fuller, City Attorney Dan Kearns, Finance Director/ACM Will Norris, Fire Chief Leonard Damian, Police Chief Neal Holste, Interim Public Works Director Wade Seaborn, City Recorder Jennifer Gray, GIS Analyst Jonathan Skloven-Gill

Absent:

I CALL TO ORDER – Cell Phone Reminder – 6:00 p.m.

Mayor McBride thanked the firefighters, first responders, law enforcement and national guard that have been involved in fighting the fires in Oregon.

Mayor McBride requested a moment of silence for those who lost their lives in the fires in the past week.

RECESS TO CONSIDER URBAN RENEWAL AGENDA - 6:01p.m. – 7:43 p.m.

II BUSINESS FROM THE AUDIENCE

WORK SESSION

III OPEN WORK SESSION – 7:47 p.m.

IV AGENDA ADDITIONS OR CORRECTIONS

V DISCUSSION ITEMS

1. Fourth Quarter Financial Performant Report, W. Norris

The Fourth Quarter (Q4) Financial Report includes a full year of unaudited financial data for Fiscal Year (FY) 2019-20. Final yearend numbers are typically reported in the Q1 Financial report to City Council in late October. The unusual financial conditions caused by COVID- 19 pandemic necessitates the need for more frequent financial reporting. These numbers should be regarded as a first draft of FY2019-20 results. Changes to FY2019-20 financial statements are expected as part of the normal annual financial audit process.

General Fund - Bottomline revenue trends closely followed assumptions of the FY2019-20 Q3 Financial Report provided to City Council on May 11th and built into the FY2020-21 Adopted Budget. The Q3 Financial Report expected general revenues at \$8,116,323. The unaudited actual amount is \$8,104,472. Pre-COVID revenue expectations for FY2019-20 were \$8,790,978 or \$686,506 higher. The graph below shows a timeseries of the two most COVID19 impacted City revenues, parking meter receipts and lodging taxes. After steep declines early in the pandemic, both revenue sources started to recover in June but are still far below typical. July lodging receipts collected in August were down 40% as compared to the same month the prior year. Parking meter receipts in July were down 28% from the same month the prior year.

Franchise fees and gas taxes saw a similar but less dramatic declines. Despite anecdotal reports of increased liquor and marijuana sales, those two revenues sources were mostly unchanged from pre-COVID19 expectations.

General Fund expenditures also trended below budget and helped offset soft revenues. Expenses ended the year at \$8,168,689 or \$519,630 below the FY2019-20 Budget. The net result was a \$64,217 decrease in General Fund balance over FY2019-20. This modest Fund Balance decline is relatively positive news in the context of a global pandemic and the City's heavy dependence on tourism related revenues.

Expenditures were slightly higher than pre-COVID expectations due to pandemic response related activities that have been reimbursed by the Federal government. The Fire/EMS programs ended underbudget due to extended union contract negotiations. Any changes to the budget because of contract negotiations could be accommodated with a mid-year supplemental budget. Engineering came in well above budget due to a spike in May and June spending. Engineering expenses are driven by development activity which surprisingly has not slowed during the pandemic. Engineering expenses are also partially offset by development fees. Overall, the City's finances are tracking very closely to the COVID19 projections built into FY2020-21 Adopted Budget. Actual carryforward General Fund balance is \$3,544,477 or \$99,933 higher than the \$3,444,544 included in the FY2020-21 Adopted Budget. The FY2020-21 Adopted Budget remains a reliable financial plan, but much depends on how revenues recover over the next several months. The next Q1 Financial report will be ready for City Council in the second regular meeting in October.

Other Major Revenues - Water revenues experienced significant softening at the end of FY2019-20. This is most likely due to a cooler than normal June. Reduced hotel occupancy may have been a factor as well. A worrisome spike in utility account receivable balances in June did not persist. By July, utility account receivable balances settled back into normal seasonal patterns.

Informational item only. No decision or motion needed from Council.

VI ADJOURN WORK SESSION – 8:00 p.m.

REGULAR COUNCIL MEETING

I OPEN REGULAR COUNCIL MEETING – 8:00 p.m.

II AGENDA ADDITIONS OR CORRECTIONS

III CONSENT AGENDA

1. Council Meeting Minutes – August 24 and August 31, 2020

Motion: To approve the Consent Agenda
First: Metta
Second: Saunders
Discussion: None
Vote: Motion passed (roll called)
Ayes: McBride, Zanmiller, Saunders, Counihan, Metta, Haynie
Nays: None
Abstentions: None
Excused: None

IV REGULAR BUSINESS ITEMS

1. Award Professional Service Contract for Preliminary Design of the Elevated Sewer Replacement, W. Seaborn

The City owns an above-ground sanitary sewer located between Interstate 84 and the Union Pacific Railroad (UPRR) tracks. The sewer line has nearly outlived its useful life and is sited in a virtually inaccessible location. The purpose of this project is to remove the elevated sewer and replace it in a more accessible location. The elevated sewer serves an area bounded roughly by 12th Street to the west, Indian Creek to the South, the Hood River to the east and the railroad tracks to the north. The sewer was constructed with 18" concrete pipe on concrete piers in the 1950's. The sewer was constructed to a grade of 0.12% and likely has sections of reverse slope due to settlement of the piers. The elevated sewer is nearly half a mile long and has no vehicular access. It is also vulnerable to damage from errant vehicles leaving I-84, derailment of train cars and falling trees. In 2011, a truck broke through the guardrail on I-84 and hit one of the piers.

An alternatives analysis for replacement of the elevated sewer was completed in October 2017. The study evaluated five alternative alignments. The preferred alignment involves two pump stations. The main pump station would be located near the Mount Hood Railroad depot. A 10" force main would cross the railroad tracks and Interstate 84 through existing penetrations beneath the 2nd Street bridge deck. It would then follow Riverside Drive to the wastewater treatment plant. A second, smaller pump station would be located north of Industrial Street approximately in line with 6th Street. A 6" force main would run west from here to intersect an existing gravity sewer at 10th Street. This alignment will involve easement and property acquisition but places the majority of the system within City and ODOT right-of-way.

In December 2019, the City was awarded a FEMA Hazard Mitigation Grant Program – Post Fire grant for preliminary design of the elevated sewer replacement. The grant is in the amount of \$400,000 and requires a 25% match (\$300K FEMA / \$100K City). These FEMA funds were left over from the Eagle Creek Fire in 2017.

The City issued a request for proposals (RFP) from qualified firms to provide the preliminary design for the elevated sewer replacement project. The scope of work includes 30% design plans for the force mains and pump stations, structural and geotechnical investigations, ODOT and UPRR coordination, environmental permitting and land acquisition estimates. The final

outcome of the preliminary design phase will be construction and land acquisition cost estimates that the City can use to pursue further funding for final design and construction. Starting June 29, 2020, the RFP was advertised in the Oregon Contractor Plan Center, Daily Journal of Commerce, Tri City Construction Council, Premier Builders Exchange, Salem Contractor Exchange, SW Washington Contractors 7017, Hermiston Plan Center, Central Oregon Builders Association, McGraw-Hill Construction Dodge, Construct Connect and the Columbia Gorge News.

Six firms submitted proposals on July 23, 2020. The six proposals were evaluated by using a 'Content and Evaluation Criteria' set in the RFP.

City staff has entered scope and fee negotiations with the highest ranked firm, Tetra Tech. Negotiations are currently underway. A draft scope of services is attached. The scope and fee are still under review, but the fee will not exceed \$400,000.

Fuller recognized Seaborn work on identifying the source of funding (FEMA Hazard Mitigation Grant Program) and applying for this grant. She thanked him for his work, it is a very important project.

- Motion:** I move that we authorize the City Manager to sign a professional services contract with Tetra Tech for preliminary design of the Elevated Sewer Replacement Project in an amount not to exceed \$400,000.
- First:** Saunders
- Second:** Counihan
- Discussion:** Councilor Haynie stated he is fully supportive of this project. Due to an indirect business interest of his employer, some of the firms that are not being recommended (not Tetra Tech), there could be some perception of bias on his part. He will be recusing himself from voting.
- Vote:** Motion passed (roll called)
Ayes: McBride, Zanmiller, Saunders, Counihan, Metta, Haynie
Nays: None
Abstentions: Haynie
Excused: None

V REPORT OF OFFICERS

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

VI MAYOR

Mayor McBride gave an update on the Bi-State Working Group on the Bridge Replacement project. They applied and received a \$5 million Build Grant. Klickitat County was involved with the Port in getting this grant. The money will allow the working group and all the work that needs to be done preliminary, for replacement to continue after the environmental impact study is finished. That study should be done late spring or summer of next year. The money will be used to continue drawings. There is a lot of work that needs to be done. They were extremely excited to receive the grant. The working group is working on a more official memorandum of understanding between all the parties that have been working group at this point. They have a very skeleton draft of a MOU. When complete it will be sent out to all the entities for approval, so they can

become much more official. They are hoping to morph into a Bi-State Commission.

Mayor McBride spoke with Chair Mike Oates after the City Council and the BOC had their joint meeting on September 8. Oates and Jeff Hecksel are trying to get some additional information from the Health Department Director. Their hope is to have a presentation at their next meeting regarding more COVID testing.

VII COUNCIL CALL

Councilor Saunders stated the Census results through September 11, shows the City's response rate is down 30% from the State in general. She asked that everyone reach out to their networks and try to get responses up.

Councilor Metta gave an update on the Business Grants through MCEDD. She does not have the exact number on how much was given out in Hood River County, but it was around \$75,000. They were hoping for \$100,000. She added Business Oregon is going to use more of their funding to give out additional grants. MCEDD expects the additional money. They are asking for some of the restrictions to be lifted. They are helpful that more businesses will be able to receive help.

Councilor Metta stated after the Council meeting when the police facility was discussed, she started thinking about a few things. She thinks they need to do more work on communicating the policing model used by the City and statistics that show the HRPD is very different. They use a policing model that works with the community to build ties. She believes they need to do more work to communicate that work. She does not want to lose the opportunity to talk about this work; other communications (newsletter) would be good.

She is also thinking about how she hears support for our police by City Council and how she supports them, but how do they give them the tools they need to do their job better. She asked Council to think about a Work Plan item they can bring partners together, to evaluate the communities mental health and addiction needs, and determine how to best meet those needs. She does not see the City's roll providing mental health services, but it means they are supporting the health and safety of our community.

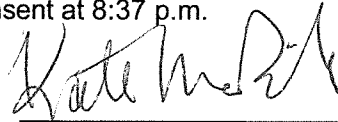
Councilor Counihan noted there will be City Tree Committee meeting on October 6 at 12pm, by Zoom. He acknowledged that the smoke and fires have been difficult for all and that he empathized with everyone that having to endure the effects of the fire and pandemic.

Councilor Rivera thanked firefighters, first responders and volunteers who have put themselves at risk, to ensure everyone's safety. She also thanked all the growers and farm works that are working in these conditions. She also thanked the Mayor and firefighters of Guanajuato, Mexico (City of Ashland's Sister City), for their help fight the fires. She added the importance of wearing a mask to reduce the spread of COVID19.

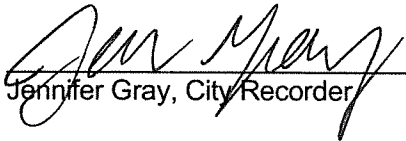
Councilor Haynie gave a moment of thanks that our community is still here and safe, not like others that have been burnt to the ground by the fires. The communications from the City regarding the fires have been very good, he wanted to commend staff for their work. This information is important to those who are isolated even more now, than before. He thanked the Police and Fire Department for the work they are doing during for the safety of others.

Council Haynie stated with respect to the mental health issue, that is something he has been on his mind. He supports looking for a way to provide additional resources. He sits on the Hood River Providence Foundation Board and this is something that is on their radar. There might be some resources to collaborate. There are others in the community who have a heart for this issue, that would be a good resource.

VIII ADJOURN – Adjourned by unanimous consent at 8:37 p.m.



Kate McBride, Mayor



Jennifer Gray, City Recorder

Approved by City Council on 9/28/2020