

**City of Hood River  
City Council Work Session  
May 11, 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, Planning Director Dustin Nilsen, Fire Chief Leonard Damian, Police Chief Neal Holste, Interim Public Works Director Wade Seaborn, City Recorder Jennifer Gray, GIS Analyst Jonathan Skloven-Gill, Planner Jennifer Kaden, Management Analyst Haley Ellett

Absent:

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

**II BUSINESS FROM THE AUDIENCE**

Peter Cornelison – he addressed Council regarding the Hood River Scavenger Hunt (30 days of Bike and Walking) and the kids bike contest.

**WORK SESSION**

**III OPEN WORK SESSION** – 6:09 p.m.

**IV AGENDA ADDITIONS OR CORRECTIONS**

**V DISCUSSION ITEMS**

1. City Response to COVID19

Fuller reported Nilsen will give a high level overview on how staff has been working on outreach, how the right way might be to compromise with some of the new physical distance requirements and how the City can partner with the business community. Norris will give an update of the business recovery efforts and the recovery package. Fuller will then talk through the emergency declaration with Council. Fuller stated at this point, staff is looking for high level input from Council. Staff can refine the plan and bring it back to Council.

Nilsen stated there has been cross departmental teamwork to evaluate some of the alternatives and sharing them with stakeholder agencies, including the Chamber and Downtown Businesses. There has been discussion on creative ways to use the right of way, both City and State. They have worked on consistent messaging and signage. The group has also looked at processes; are there ways to speed up or be more responsive but keeping in line with the laws that are in place. Making sure programs harmonize and making sure messages are getting to all groups involved. The first

approach was ideas on how to control and use the right of way; make sure there is buy in by all the stakeholders. The goal is to support the business community and the public.

Councilor Rivera stated she would like to start the conversation on what the City can do and what the City is prepared to do, to ensure the safety of the community.

Councilor Counihan agreed with Councilor Rivera. He would like a plan that accommodates and prioritizes the safety of constituents. Giving Nilsen direction on this upfront is useful. He personally feels the City should be prioritizing the physical distancing rules.

Nilsen welcomed Council to give him input at any time.

Norris stated the City of Hood River's 2020-21 Proposed Budget includes \$250,000 for a placeholder local economic relief program. The funds are from a one-time suspension of division of tax from the Heights and Waterfront Urban Renewal Districts. This staff report outlines relief program considerations and staff recommendations based on discussion with local non-profit and business leaders. The intention of this item is to inform and receive input from the City Council on funding priorities with the goal to quickly implement a local relief program if funded in the FY2020-21 Adopted Budget. Norris had Jennifer Kaden and Haley Ellett help put together idea, concepts, and dynamics to review with Council and collect feedback. Outside of direct financial relief, the City's Permitting Enhancement Program (PEP) Team is also developing regulatory and other non-monetary policy responses to assist businesses during the phased re-opening process.

Norris reviewed the core policy considerations for a Hood River local economic relief program:

#### Funding State and Federal Gaps

State and Federal governments have responded with large and rapid economic relief programs. The paycheck protection program, enhanced unemployment benefits, rental and energy assistance programs have substantially blunted the initial economic impact on a largescale. However, significant blind spots exist. Some groups left out of existing programs include migrant or undocumented individuals, businesses without employees (ex. Small lodging operators, property managers, and other sole proprietors), and grants for initial expenses associated with phased re-opening (ex. spatial dividers, personal protective equipment, online ordering systems for curbside pick-up, or other physical modifications to promote healthy distances).

#### Targeting Sectors

Need exists in the non-profit, individual, and small business sectors. City Council should consider what proportion of funds should be dedicated to each group. For example, \$150,000 for small business, \$50,000 for non-profits, and \$50,000 for individual assistance.

#### Administrative Feasibility

The City of Hood River is not well suited to administer an economic relief program directly. The City is not a charitable organization and does not operate an economic

development department. An example of a feasible City operated program is a first-come, first-served, reimbursement program up to a certain dollar amount (ex. \$3,000) to purchase COVID19 re-opening supplies for businesses within the City limits. A relief program that requires substantial or qualitative evaluation and/or ranking of applicants should be completed by an outside entity with specific expertise.

Examples of qualified outside entities include using the United Way to direct funding to non-profits, the Chamber of Commerce to award small business grants, or Mid-Columbia Community Action Council to distribute utility assistance. These outside entities are also in need of assistance and will benefit from any allowed administrative overhead. For example, the Chamber of Commerce could recall a furloughed staff person to administer a small business grant program if the City chose to utilize this organization.

Councilor Saunders stated she is struggling. She would like to support everyone in need but she is worried if they do too low of an amount in any or all of the groups in need, they are just throwing money at a problem and not solving it. She does not know what the right amount of money is. She is going to push for some other Urban Renewal District money to help local businesses. She is not sure if there is a way to measure what would be an effective amount. She believes the City has the responsibility to support all three entities.

Norris stated in his discussions with the entities, he asked them what amount of money moves the needle. It is important to note, there are a lot of programs out there already. The City would be plugging into a patchwork. They would be finding the people who are not getting help.

Councilor Metta stated what ever amount they come up is not going to be enough. It will help some people but not everyone. Something needs to be done. She supports the idea of splitting the money between the three groups.

Councilor Zanmiller recommended not setting an amount of money to be given. The City should build and maintain relationships with the three entities. When there is an immediate need to respond, then the money should be distributed.

Councilor Haynie stated as he reviewed the materials, and he has some concerns. He feels he needs to understand the diversion of money being taken from urban development. He is unsettled a bit when it comes to diverting urban development dollars, to what would be more social services-type spending. He believes that, if money is spent in this way, the City does not have the administrative back-end or skill set to administer social services programming, but that a nonprofit entity would have better administrative competency to administer supplemental dollars to those in need. He also has a general budget concern in terms of regular City operations. The City is in the black and that is such a blessing as a municipality. As he sees dollars going out the door, he questions what next fiscal year will look like. They are headed towards uncertain times and there are a lot of deserving sources for funding. To him, the City should make sure they can keep the lights on, Police, Fire, clean water, and a good sewer system, before spending on new programming. He is uneasy about sending dollars out the door without a clear understanding of what they are trying to accomplish. If spending is approved, he would like to see the correct 501C3 that has established credibility in the community and can be relied on to use the dollars appropriately.

Norris confirmed money would not be taken from Urban Renewal. They would be putting Urban Renewal in suspended animation, as if they did not exist for one year.

Mayor McBride stated she is very leery about spending any money until they absolutely know that the City does not need it to function.

Fuller summarized Councils input. There is a desire to investigate existing programs to potentially assist the most vulnerable in the community, as well as small businesses who are not being served. To invest in public spaces to accommodate physical distance. Lower barriers. Focus on non-profits that are established and that can meet the need. Respond to the most urgent needs when they arise. Fuller stated these directions from Council give staff parameters, as they work on this over the next several months.

Fuller stated with the County potentially receiving approval to move to Phase I, she wanted to give Council an update on the plan for internal City operations. The City will be following the Oregon Health Authority Guidelines and will continue to deliver all services remotely, limiting person to person contact, continuing safety protocols for employees in the field and City facilities will continue to be closed to the public. The City Emergency Declaration will be extended with the opportunity for another review on May 26. The City will continue to coordinate with County and other agency partners on recreation and overnight lodging. All agency partners are anticipating the opening of recreation to be slow and deliberate. They will continue with education and voluntary compliance as they manage this collectively.

Holste gave a report on what his department saw at the Waterfront Park last weekend. No issues at the neighbor parks.

There was discussion on how to effectively close the Waterfront Park to the public, fencing the park. There was consensus with Council to add fencing at the Waterfront Park. Staff will continue discussions with agency partners, to see if there is additional signage and fencing to make it clear the park is closed.

Councilor Saunders asked if there is anything else that can be done about people not following the governor orders, nonessential travel ban, social distancing rules and guidelines. It is only going to get worse as the weather improves.

Mayor McBride stated she has talked to Fuller about this. This is State level. The City can encourage people not to come, but you cannot force people to do what they should be doing.

**VI ADJOURN WORK SESSION – 7:40 p.m.**

**REGULAR COUNCIL MEETING**

**I OPEN REGULAR COUNCIL MEETING – 7:40 p.m.**

**II AGENDA ADDITIONS OR CORRECTIONS**

### III CONSENT AGENDA

1. Council Meeting Minutes – March 9, 2020 and April 13, 2020
2. OLCC Permit Application Approval  
- Hood River Taqueria, Off Premises

**Motion:** To approve the Consent Agenda

**First:** Saunders

**Second:** Metta

**Discussion:** Councilor Saunders had an edit on page 19; her estimate on the LID should be half a million to one million. Gray will make the correction.

**Vote:** Motion passed (roll called)

Ayes: McBride, Zanmiller, Saunders, Counihan, Metta, Haynie

Nays: None

Abstentions: None

Excused: None

### IV REGULAR BUSINESS ITEMS

1. Third Quarter Financial Performance Report, W. Norris

The Third Quarter (Q3) Financial Report includes nine months of financial data through seventy-five percent 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 are based on actual financial data through March 31st with expectations of COVID19 impacts. The Q3 revenue and expenditure projections are the basis for the FY2020-21 General Fund beginning balance.

#### General Fund Revenues

Financial data through March 31st only hinted of COVID19 impacts to select revenues. Parking was the first and most pronounced revenue source to show early signs of decline amid the pandemic. Meter receipts were down 32% in March as compared to the same month in 2019. Meter receipts can vary month-to-month due to coin emptying schedules. Parking fine revenue was down 70% year over year, but this also coincides with staff turnover in the parking enforcement officer position.

Transient Room Tax (TRT) collected in March for February stays was up slightly from the same time the prior year. Preliminary collections numbers in April for March stays shows a 50% decline in TRT from the same time period last year. Projections anticipate an 80% TRT decrease for April, May, and June stays.

Ambulance revenues were particularly strong in March, exceeding \$100,000 in a single month. The projections are for lower receipts over the next several months due to recent decreases transfers observed during the COVID19 pandemic, down approximately 20% from the same period in 2019. Despite the reduced transfers, ambulance revenues are still expected to exceed budget due to a strong first three quarters of the year. In addition, new GEMT revenue noted in the Q2 financial report and a Federal CARES act reimbursement of 19,537.57 further offsets any revenue softening. It is also important to note that payments trail transports, meaning that the revenue impacts of fewer ambulance trips may not be observed in billing receipts for several months.

#### General Fund Expenditures

Anticipated General Fund expenditures are generally unchanged from the prior quarterly

financial report. Operating department projections changed by \$15,113 or one tenth of one percent from December's financial report. Fire/EMS expenditures continued to trend approximately \$90,000 over budget as noted in the prior financial report. This overage is due largely to ambulance transport overtime. A yearend supplemental budget will address this overage by recognizing higher than anticipated ambulance revenues and appropriating additional Fire/EMS overtime.

The largest change from the Q2 financial report is in non-departmental expenditures for direct COVID19 response. This includes increased public communications expenditures, one-week of lunches for area families in need over Spring Break, and additional other smaller response expenditures.

Overall, the projected yearend General Fund financial position decreased by roughly \$640,000 as compared to the Q2 financial report provided to City Council in January. The yearend estimate now predicts a \$164,150 (2%) deficit where pre-COVID19 forecasts estimated a surplus. This change is almost entirely attributable to revised revenue expectations associated from COVID19 impacts.

#### Other Major Revenues

The biggest financial risk outside of the General Fund is the temporary moratorium on utility late fees, interest, and shut-offs enacted under the COVID19 State of Emergency. The impact of unpaid bills will not be apparent in topline revenue because charges are still accruing with or without payment. Instead, staff is monitoring monthly accounts receivable (AR) balances. AR balances are the sum of all unpaid bills. These figures will spike upward if a large proportion of customers choose to defer utility payments.

The graph in the staff report shows monthly water, sewer, and stormwater AR balances going back to June, 2010. Balances increase seasonally during the summer with increased water usage. Balances have also increased slowly over time as the number of utility customers grow and rates increase incrementally. April's AR balance showed no discernable spike, suggesting that customers are remaining current on their utility bills for the time being.

Gas taxes received through April are not yet showing signs of weakening. However, improved air quality reports and dropping gas prices indicate fuels sales are down. Over the middle-term, lower gas prices may increase receipts because gas tax rates are a flat number of cents per gallon and not a percentage of sales price.

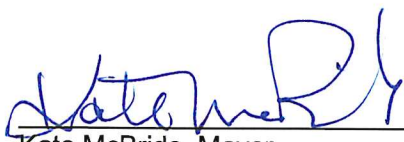
## **V REPORT OF OFFICERS**

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

## **VI MAYOR**

## **VII COUNCIL CALL**

## **VIII ADJOURN – Adjourned by unanimous consent at 8:05 p.m.**

  
Kate McBride, Mayor

  
Jennifer Gray, City Recorder

Approved by City Council on 6/8/2020