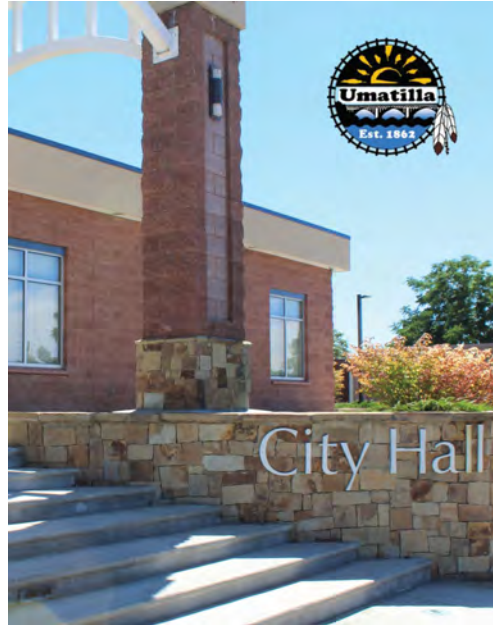


CITY OF UMATILLA, OREGON

ADOPTED 2025-2026 BUDGET

JULY 1, 2025 THROUGH JUNE 30, 2026



BUDGET COMMITTEE MEMBERS

MAYOR

Caden Sipe

COUNCIL MEMBERS

Corinne Funderburk

Daren Dufloth

Katie McMillan

Ashley Wheeler

Dennis McMillan

Bruce McLane, Chair

CITIZEN MEMBERS

Rick Cotterell

Josy Chavez

Judy Simmons

Delfino Osorio

Denise Pratt

Brett Cahill

Andrea Barrera

CITY STAFF

DEPARTMENT HEADS

David Stockdale, City Manager

Melissa Ince, Finance & Administrative Services
Director

Ronald Bridge, Police Chief

Zach Ratkai, Community Development Director

Scott Coleman, Public Works Director

Esmeralda Perches, Parks & Recreation Director

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GFOA Distinguished Budget Presentation Award

Fiscal Year 2024-2025



GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

**City of Umatilla
Oregon**

For the Fiscal Year Beginning

July 01, 2024

Christopher P. Merrill

Executive Director

Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to City of Umatilla, Oregon, for its Annual Budget for the fiscal year beginning July 01, 2024. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

City Manager's Budget Message

April 15, 2025

Fiscal Year 2025-2026

We are happy to provide you with the Fiscal Year 2025 – 2026 (“FY26”) Proposed Budget for the City of Umatilla. This Proposed Budget proved to be uniquely challenging but is both ambitious and practical. Compared to last year, you’ll notice a significant reduction in Capital Improvements due to the completion of several capital projects throughout the city like Nugent Park Playground and Pavilion, the Pedestrian Bridge Replacement, and Trail 2 as well as the start of construction for the Umatilla Business Center and design of the Police Station Replacement Project. This Proposed Budget includes the remaining funds to complete the Business Center Project, but does not include any funding for construction of the Police Station Replacement Project as we do not yet know the results of the Bond Measure 30-167 and if the Measure does not pass, it would require further analysis and discussion on the timeline and options associated with a full faith and credit loan to fund the project. This budget also includes \$25 million toward the construction of our all-new Point of Diversion (“POD”) on the Columbia River in partnership with the Confederated Tribes of the Umatilla Indian Reservation (“CTUIR”) and private industry, and the engineered design of Hash Park in preparation of seeking construction grants and other funds in the subsequent fiscal year.

This Proposed Budget encapsulates the delicate balance amelioration of existing services, expansion to keep up with historical growth, revitalization efforts, business support and economic and community development, quality of life and amenity investments, and prudent fiscal management through maintaining healthy reserves and planning for our future.

I continue to be truly amazed by the exponential growth of our remarkable community and the dedication it takes to manage that growth. The collaboration between our residents, elected officials, volunteers, contractors, consultants, and our outstanding staff is nothing short of inspiring. It is a remarkable accomplishment, and I want to once again express my deepest appreciation for the hardworking individuals who give so generously their talents and experience to the community we all care so deeply about. I would especially like to recognize, once again, the exceptional leadership and expertise of our Finance Director, Melissa Ince, whose work has been instrumental in the development of this Proposed Budget.

Together, our efforts align with and advance the City Council’s adopted 2023–2025 Goals & Strategic Plan and is also shaped by general direction from the City Council and key guidance from our adopted and draft planning documents.

We are grateful to each of our elected officials, the Umatilla Budget Committee, and especially our community members for their continued efforts throughout this important process. While this message highlights key projects, initiatives, and decision-making processes, it is not exhaustive of the many important efforts underway.

It is with great enthusiasm and pride that we present this Proposed Budget.

A Surprising Change in Umatilla’s Ad Valorem (Property Tax) Landscape

For the first time in over a decade, the citywide assessed value declined in FY25, by 6%, or approximately \$107 million, and we anticipate another 3% decrease in this Proposed Budget. These reductions have led to an estimated \$300,000 decrease in ad valorem (property) tax revenue for the city. The primary driver of this decline is from the one data center campus, that is no longer in the Enterprise Zone, and their ongoing server

replacement cycle which involves removing existing servers from the tax roll and depreciating others. Fortunately, this loss has been partially offset by over \$30 million in new construction citywide last year. Forecasting personal property taxes, unlike real property taxes, remains especially challenging, as much of this data is proprietary and protected by the Oregon Department of Revenue. While this issue isn't unique to Umatilla, the scale of fluctuation caused by personal property tied to data centers is unusual. These shifts tend to follow cycles tied to asset age and technological efficiency gains from our major industrial partners.

We expect the trend of strong residential and modest commercial growth to continue at historic rates. However, the volatility of personal property tax revenue from industry is also expected to persist. Additionally, no participants in either the Enterprise Zone or Strategic Investment Program are scheduled to roll off of their tax abatement programs and onto the tax roll over the next eight years, which means fluctuations in total property tax collections are likely to continue year-to-year through 2032.

The limits induced by Measure 5 (setting collective maximum tax rate with all districts at no more than \$10/\$1,000 and \$5/\$1,000 for education) and Measure 50 (limiting the annual increase of existing value to no more than 3% each year and creating a permanent tax rate to whatever it was in 1997) in the 1990s has put inequitable strain on municipalities throughout Oregon, including Umatilla, and has led to cities throughout the state to collectively seek changes to the property tax system (see [League of Oregon Cities' Revenue Reform Resources](#)). As stated by LOC "municipalities find it challenging to keep up with the rising cost of providing services when property tax revenues, usually their main funding source, are restricted from growing as quickly." To that effort, in December 2024, LOC published [Local revenue reform: Finding a path forward](#) to provide recommendations to cities throughout the state to partner with LOC to "lead municipal revenue reform across Oregon." LOC's associated published [Oregon Local Revenue Tools Guidebook](#), prepared by ECONorthwest, provides a series of viable potential options for cities to explore additional or alternative means to potentially seek revenue for operations, development, or revitalization. During the next year, City Council and community members will participate in several discussions that will consider which of these tools we ought to consider incorporating or updating in our own revenue toolbox. We anticipate substantial considerations to be given to explore Tax Increment Financing (TIF) available through the creation of an Urban Renewal District. This type of funding "is an attractive revenue option because of its unique ability to generate revenue without increasing or adding new taxes. TIF is one of the few revenue tools that facilitate place-based economic development and redevelopment projects..." and "is a unique and effective tool for funding capital projects related to economic development and housing" (*Guidebook p.64*). However, "overlapping taxing districts may oppose the use of TIF, as it impacts their future property tax collections" (*Guidebook p.64*). TIF, and other revenue options, will be important to consider in order to be able to further establish well-diversified revenue options for the City as part of our overall efforts toward effective fiscal management.

Continued Growth from Payments in Lieu of Taxes (PILT)

The City receives several Payments in Lieu of Taxes (PILT) through agreements established in partnership with Umatilla County, under the Strategic Investment Program (SIP) and the Greater Umatilla Enterprise Zone (GUEZ). All payments made under SIP or GUEZ are classified as PILT and are governed by individual agreements that outline specific payment terms. These PILT payments are distributed to all taxing districts associated with the locations of the participating facilities. PILT payments are relatively predictable, and we anticipate continued growth in the coming years as additional GUEZ-participating industries begin construction and receive occupancy permits, which initiate their respective PILT obligations.

For the current year, SIP payments are expected to remain steady at approximately \$3.66 million. Within the GUEZ, two facilities are currently under active abatement agreements. One facility will maintain its existing payment of approximately \$1.5 million, while a newly qualified facility is projected to contribute its first PILT payment of about \$1 million. This new payment will help offset the decline in property tax revenues and will result in a net increase to the General Fund for the fiscal year.

A 20% Reduction Across All Funds | Major Investments Completed or Started Throughout the City

Perhaps one of the most interesting facts associated with this year's budget is the noticeable 20% reduction, or a reduction of \$36.7 million, across all city funds. This is primarily due to a more than \$24 million reduction in the Capital Reserve Fund, the majority being from more than \$20 million in grant or loan funding spent by the city completing or starting major capital improvement projects last fiscal year. These projects included the all-new Nugent Park playground and pavilion, the Pedestrian Bridge Replacement Project, the Umatilla Entry Monument, Golf Course Pro Shop and Banquet Room Improvements, and the Trail 2 Project. Started last year, and continuing into this year, we will complete the Umatilla Business Center Project and the Powerline Road and Madison Street Improvement Project. Several other projects will get their start this year with design like the Hash Park Sports Complex, Water Reservoir Expansion, Wastewater Treatment Plant Facility Improvements and Expansion, and the Power City and Brownell Water and Sewer Installation Project to highlight some.

Managing Historic Growth

Umatilla continues to be a leader in growth in all of Oregon, both in population and in economic and community development. According to [Portland State University's 2024 Certified Population Estimates](#), since 2020, Umatilla is the 10th fastest growing city in all of Oregon for communities over 1,000 in population. In 2024, Umatilla was the 6th largest growing community in Oregon for towns between 5,000 and 10,000 in population and experienced the second largest growth rate in Eastern Oregon.

Growth Rate for All Oregon Cities over 1,000 in Population since 2020

	Certified Estimate	Revised Estimate	
Incorporated	July 1,	July 1,	Percent
City/Town	2024	2020	Change
Adair Village	1,403	1,102	27.31%
Estacada	5,454	4,433	23.03%
La Pine	3,110	2,549	22.01%
Sisters	3,738	3,106	20.35%
Happy Valley	27,637	23,941	15.44%
Cornelius	14,490	12,704	14.06%
Turner	2,864	2,521	13.61%
Coburg	1,419	1,252	13.34%
Woodburn	29,455	26,014	13.23%
Umatilla	8,256	7,404	11.51%

Growth Rate for Cities between 5,000 and 10,000 in Population between 2023 and 2024

	Certified Estimate	Revised Estimate	
Incorporated	July 1,	July 1,	Percent
City/Town	2024	2023	Change
Talent	6,411	6,092	5.24%
Sheridan	6,277	6,018	4.30%
Boardman	4,725	4,533	4.24%
Estacada	5,454	5,240	4.08%

Junction City	7,410	7,205	2.85%
Umatilla	8,256	8,069	2.32%
Milton-Freewater	7,289	7,206	1.15%
Eagle Point	9,866	9,759	1.10%
Creswell	5,735	5,685	0.88%
Hood River	8,574	8,503	0.83%

Though this budget certainly continues to invest in capital improvements as stated earlier, this year's budget focuses more on the services we are already providing and the tools, resources, and partnerships we use to provide those services. We are beginning the transition from an owner-operated police fleet to a lease-operated police fleet. This will help us ensure our vehicles are always maintained and a reliable public safety tool. Similarly, this budget includes the purchase of new trucks to replace old public works pickups, new and better equipment to maintain and beautify the golf course, more cameras to be placed throughout the city to better help with public safety, and parks and marina equipment to meet the needs and demands of our growing recreation and amenity services.

As I quoted in our 2020 budget "Libraries are directly and immediately involved in the conflict that divides the world, and for two reasons: first, because they are essential to the functioning of a democratic society; second, because the contemporary conflict touches the integrity of scholarship, the freedom of the mind, and even the survival of culture, and libraries, are the great symbols of the freedom of the mind" (Franklin D. Roosevelt). During these times of political volatility at the federal level that has crept into libraries, this budget provides additional resources to offset potential federal funding impacts and continues to invest in Umatilla's quality of life to enhance "the freedom of the mind" and to celebrate the "survival of [our local] culture." On a similar note, this budget begins to prepare for revitalization of the museum building to also invest in our community's rich heritage. This budget includes lead/asbestos abatement and repairs for the museum building in preparation of future improvements to provide both a welcoming and comfortable place to celebrate our history and to also meet downtown revitalization goals.

To meet the demand of growth, also means to be sure to invest in our critical infrastructure to meet the most basic service needs: water, sewer, roads, and solid waste (trash removal). We will continue our investment and partnership with CTUIR on the Point of Diversion and Pump Station Project to provide the city the water supply needed to supply the data centers with surface water to meet their cooling needs, to work to enhance and maintain wetlands at the Wanaket Wildlife Refuge and Wetlands, and to construct the initial facility space needed to meet our future potable water system needs. We will also extend water and sewer services to our neighbors in Power City and Brownell to replace their private co-op water and septic systems that have been failing for years. Additional watermain projects will also occur at the Port of Entry, Locust Street, Division Street, L Street, and at 7th Street and Yerxa. We will also perform preventive maintenance on our water reservoirs to prevent contamination, combat corrosion, and to ensure water quality. And we will procure additional land to install a future new water reservoir and start the initial design of integrating this expansion into our water system.

This Proposed Budget includes our largest investment in our local businesses to-date with at least \$400,000 through our Downtown Facade Grant and Local Business Grant programs as well as continuing to invest into expanding our tourism-related economy with festivals, recreation, and sports. Though this year's budget proposes a slight decrease in our Parks and Recreation program funding, it continues to invest in the expansion of accessing our local rivers, trails, and parks as well as the beginning of the implementation of our Wayfinding Master Plan. We continue to provide our long-cherished Landing Days celebration. This event now features local and national music artists, food vendors, sports tournaments, kids' corner, and fireworks. Returning for its third year is the Rock the Locks Music Festival scheduled for the last weekend in September at the Big River Golf Course.

Reserves & Debt Services

This Proposed Budget has an overall actual decrease in dollars in reserves across all funds, however, our percentage has increased from 11% last year to a reserve of 13% this year. Since we completed many capital projects last year, the amount in our Capital Reserve fund has decreased proportionately to the expenditure of those capital funds. The General Fund is increasing in total amount in the reserve by \$70,000 but is decreasing slightly as a percentage from 17.75% to 17.01% this year. Both our Water and Water Reserve funds are both seeing an increase in both value and percentage this year.

The city has strategically leveraged low-interest loans, state and federal grants, and public-private partnerships to advance critical infrastructure projects while maintaining a strong commitment to long-term financial sustainability. Our current debt portfolio supports vital investments in water, wastewater, transportation, and economic development, including major undertakings like the industrial wastewater system. Through careful planning, we have secured favorable financing terms, including principal forgiveness and grant awards that significantly reduce the city's overall repayment burden. In many cases, reserves have been proactively established to ensure stable and sustainable repayment capacity, and new projects have included cost-sharing arrangements with private industry to minimize the city's direct obligations.

Looking ahead, we remain confident in our ability to meet future debt service requirements through responsible fiscal stewardship and thoughtful capital planning. Projects on the horizon, such as the Reservoir Improvement Project and the Wastewater Treatment Plant upgrades, are aligned with our adopted master plans and will be pursued only with solid funding strategies in place. By maintaining a diversified funding approach, prioritizing grant opportunities, and avoiding overreliance on any single funding source, the city continues to ensure that current and future infrastructure needs are met without compromising financial health. Our prudent approach underscores a steadfast commitment to building a resilient and sustainable future for the Umatilla community.

Summary

The FY26 Proposed Budget reflects the City of Umatilla's steadfast commitment to fiscal responsibility while responding to continued historic growth and evolving community needs. Despite notable shifts in the property tax landscape, primarily driven by industrial personal property fluctuations, the city remains on solid financial footing, with well-structured reserves and diversified revenue streams. This budget strategically balances maintaining core services, investing in quality-of-life enhancements, and advancing high-impact capital projects like the Umatilla Business Center, Point of Diversion project, community infrastructure in Power City and Brownell, and a long-awaited road improvement project on Powerline Road. It also continues to prioritize equity in service delivery, modern public safety tools, and long-term planning guided by the City Council's Goals and Strategic Plan.

With a clear vision for sustainable development, the city has leveraged favorable financing tools, grant funding, and prudent debt strategies to deliver critical improvements without overextending local resources. While overall fund reserves have decreased following the completion of major capital initiatives, the reserve percentage has increased, demonstrating disciplined financial management and forward-looking stewardship. As new infrastructure, economic development, and revitalization projects progress, Umatilla remains well-positioned to support growth, foster community vibrancy, and build a strong foundation for future generations. This budget is both a roadmap and a testament to the city's commitment to thoughtful planning, collaborative progress, and long-term financial health.

Sincerely,

Dave Stockdale, City Manager

Budget Overview

Fiscal Year 2025-26

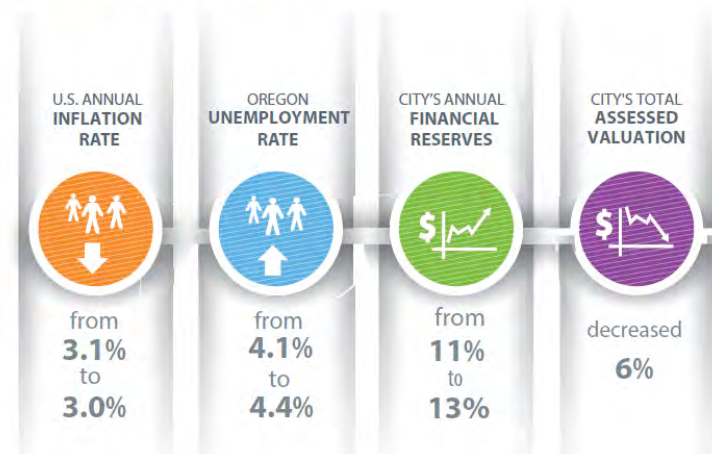
This section is meant to provide an overview of the City's Annual Budget Document. It includes a snapshot of revenue, expenses, priorities, and other important and interesting information. The resources available and the priorities of the community define how the city operates, the services provided to residents and businesses, and the decisions made by City Council during the FY2026 budget adoption process.

While many communities across Oregon and throughout the country realized significant economic and other setbacks, including challenges with external migration, Umatilla was not one of them. Umatilla continues to be a leader in Eastern Oregon in growth, both in population and in economic and community development. Growth at any time can be a monumental effort to manage, but the city's elected officials and staff have done an excellent job managing that growth while coming out of a worldwide pandemic.

The previous budget was significantly impacted by the historic inflation levels. Umatilla felt the effects as the costs of construction projects soared and every day expenses such as fuel and electricity costs continued to rise. Fortunately, the U.S. inflation rate continues to drop and we have seen costs significantly level out.

The City has been highly responsible with its budget and reserves in the past and it is those prudent and forward-thinking fiscal policies of the past that have provided us this important opportunity today to make significant investments into our community. Although our overall reserve dollar amount in reserves has decreased by approximately \$2 million, the percentage increased from 11% to 13%. This budget is unique in that over 60% (\$89.5 million) of the adopted budget is going towards Capital Projects or Capital Outlay.

CURRENT ECONOMIC CLIMATE



The development of the budget is guided by City Council strategic goals, budget policies, financial policies, legal mandates, and service level prioritization.



Goal 1: Promote a Vibrant and Growing Community by Investing in and Support of Quality of Life Improvements.



Goal 2: Promote Economic Development and Job Growth



Goal 3: Enhance and Cultivate Relationships, Partnerships, and Community Perceptions



Goal 4: Increase Public Involvement, Increase Transparency, and Enhance Cultural Diversity



Goal 5: Perform at the Highest Levels of Operational Excellence

THE **CITY BUDGET** IS...

A process to allocate resources to programs, services, and infrastructure.

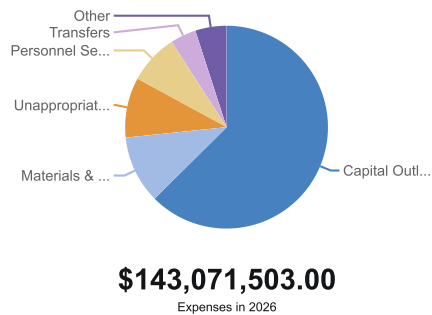
The budget matches the financial, material, and human resources available with the requirements to complete the strategic goals set by the City Council.



BUDGET DEVELOPMENT TIMELINE | FISCAL YEAR BEGINS JULY 1ST



2025-26 Budget Expenditures by Type

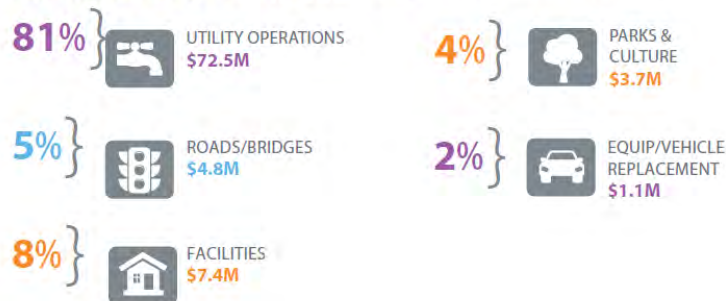


The City of Umatilla's annual budget for fiscal year **2025-26** totals **\$143,071,503**.

The budget continues to balance stable, recurring revenue sources with ongoing operations and utilizes new revenue as leverage to complete valuable capital projects.

FY2025-26

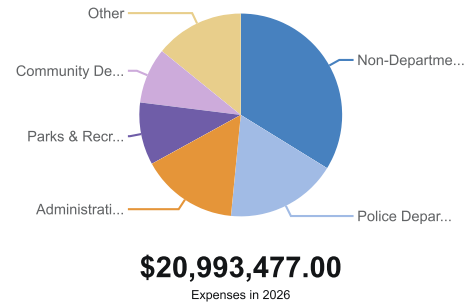
CAPITAL BUDGET BY PROJECT TYPE | TOTAL \$89.5M



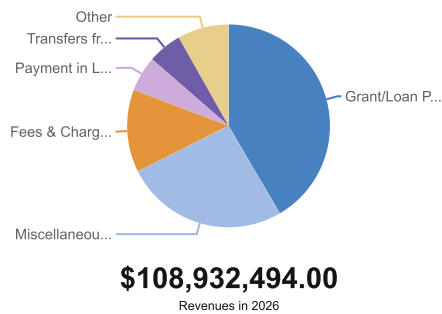
Where does the money go?

FY2025-26 **GENERAL FUND BUDGET**
Total \$21M

2025-26 General Fund Budget by Department



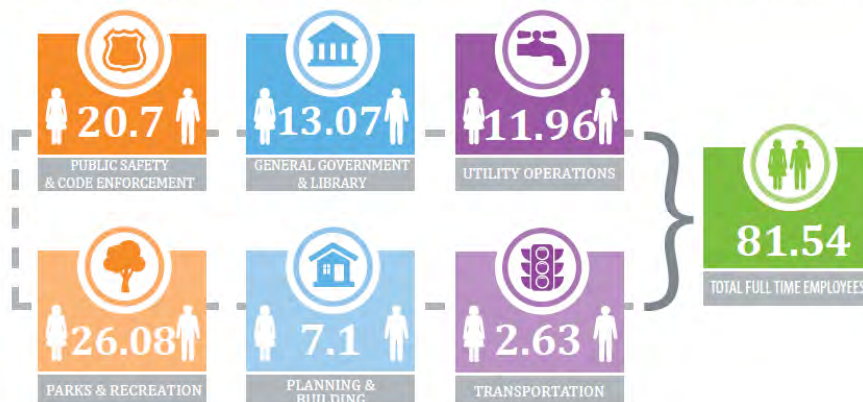
2025-26 Budget Revenue by Type



How do we pay for our services?

FY2025-26 **PROJECTED REVENUES** TOTAL \$108.9M

FY2025-26 **STAFFING BY FUNCTION** (FULL-TIME EQUIVALENT CITY EMPLOYEES)



City Overview: About Umatilla

Fiscal Year 2025-26



The City

The City of Umatilla is surrounded by rolling hills, sitting at the confluence of the Columbia and Umatilla Rivers. The natural beauty of eastern Oregon and abundant waterways have had an unmistakable influence on the development of the city over the years. The relationship between the built environment and natural landscape has been deeply intertwined, crafting a distinct identity over the years and providing the background for a vibrant and unique sense of place. Preserving and enhancing the scenery, while also embracing the rich heritage of the city will distinguish Umatilla as a city brimming with opportunity, shaping its growth over the coming years.

Form of Government

The municipal government provided by the Charter of the City of Umatilla is a Council-Manager form of government. Pursuant to the provisions of the Constitution of the State of Oregon and subject only to limitations imposed therein and by the Charter of the City of Umatilla, all powers of the City are vested in an elected City Council.

City Council

Membership

The Council is composed of six Councilors elected in the City at large and by position number. All are elected for a four-year term in staggered elections, three councilors being elected every two years. The Mayor is elected for a term of four years at alternate biennial election.

General Powers

- A. The Council interprets the needs and desires of the local community;
- B. The Council appoints and removes the City Manager;
- C. The Council approves preliminary and final plans and specifications, as well as, acquisition and disposal of City property;
- D. The Council determines the compensation and salary schedules of all employees of the City in accordance with procedures established by law and City policy;
- E. The Council provides for keeping the public informed of the purposes, needs and conditions of the City Government;
- F. The Council evaluates the programs of the City and appraises the efficiency of executive personnel;
- G. The Council formulates and approves ordinances, resolutions and policies for the City;
- H. The Council implements all actions required by law;
- I. The Council considers specific actions recommended by the Administrator;
- J. The Council adopts the budget of the city

Council Position 1

Corinne Funderburk



Council Position 2

**Council President Daren
Dufloth**



Council Position 3

Katie McMillan



Council Position 4

Ashley Wheeler



Council Position 5

Dennis McMillan



Council Position 6

Bruce McLane



Note: Lyle Smith was appointed to Position 4 in July 2025 after Councilor Wheeler resigned.



Mayor

Photo: Mayor Caden Sipe

Duties at Council Meetings

The Mayor is the presiding officer of the Council. He or she has no vote except in case of a tie vote of the members of the Council present at the meeting. He or she has the authority to preserve order, enforce the rules of the Council, and determine the order of business under the rules of the Council.

General Powers

- A. The Mayor appoints or provides for the election of all committees of the Council;
- B. The Mayor calls special meetings of the Council;
- C. The Mayor signs official City documents that require the signature of the office;
- D. The Mayor has no veto power, and signs all ordinances passed by the City Council within 3 days of their passage;
- E. The Mayor is deemed a Council member for the purpose of constituting a quorum.

City Manager

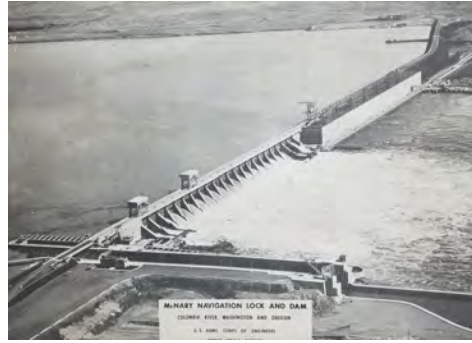
The City Manager is the Chief Administrative Officer of the city and is responsible to the Council for proper administration of all of the city's affairs. To that end, he or she has power and is required to:

- A. Attend all meetings of the Council, unless excused therefrom; attend meetings of the Council committees; keep the Council advised of the affairs and needs of the City, and make reports, upon request of the Council, or all the affairs and departments of the City.
- B. General supervision and control over appointive City officers and employees and their work, except as otherwise designated by Charter;
- C. Act as purchasing agent for all departments of the City;
- D. Ensure all laws and ordinances are enforced, except criminal offenses, which are the duty of the Chief of Police;
- E. Meet with private citizens and interested groups seeking information or bringing complaints and attempt to resolve problems and complaints fairly or report same to the Council;
- F. Supervise the operation of all public utilities owned and operated by the City and have general supervision over all City property;
- G. Sit with Council at all meetings and have the right to take part in all discussions of the Council, but shall have no vote.

History & Heritage

Rippling Water

“Water was created first, life and land were created next, land promised to take care of all life, all life promised to take care of the land.” The Old Town waterfront property, at the confluence of the Umatilla River and the Columbia River, is of national and regional significance dating back over 8,000 years of use. It was a permanent village site for the Umatilla Tribe for thousands of years, and then became the location for the city of Umatilla in 1864. When the John Day Dam was constructed in the middle of the 20th century, the Army Corps of Engineers condemned the site as a floodplain, and downtown Umatilla was moved just south of where it once stood.



The Saloon Days and Gold Rush

During the days of the commercial supremacy of Umatilla Landing, there was something to do every day and every night. In the 1860s, the town had a population of 1,500 & a floating population - those staying for short periods of time - of about the same. In those times, Umatilla was the largest city in Eastern Oregon. The men who resided in Umatilla, most of which were gold speculators, who made their way along the Columbia River in search of riches, were by no means Sunday school teachers.

Umatilla was projected to be the successful rival of Walla Walla until the gold rush subsided and the town lost its county seat. The area's fertile land then opened it up to a largely agricultural economy based on dryland wheat farming. Fruit, grain, timber, cattle, and sheep were all important agricultural products. The population of towns in nearby Grant and Union County gradually increased and subsequently decreased the population of Umatilla Landing.

Even after losing much of its population to towns further east, Umatilla was still the rendezvous for all the freighters from Grand Ronde, Powder River, and the Idaho country. When the railroad was completed in 1883, the town joined the vast throng of industrial centers. In the mining days, Umatilla rose to great prominence only to quickly decline due to changing conditions resulting from an increased population and the extension of railway lines. The railroad spurred Umatilla County's economy to boom, but this time the boom was based on grain and wool instead of from the pursuit of gold.

All-Woman Administration

In 1912, women won the right to vote in Oregon. In 1916, an all-woman administration was elected in Umatilla, when the wife of the former Mayor E.E. Starcher, Laura Starcher, pictured to the right, ran against and defeated an all-male ticket. She defeated her husband by a majority of 28 votes out of 174 ballots cast. The all-female administration included a woman Mayor, four Councilwomen, a woman Recorder, and a woman Treasurer. From 1916 to 1920, women officially governed Umatilla. In addition to routine work, the women installed water heaters and established the first city library. In her victory speech, Starcher stated, "We will not leave the enforcement of our laws to any man because past experience has proven the laws will not be strictly enforced."



City Overview: Budget Process

Fiscal Year 2025-26

Budgeting in the City of Umatilla

The budget process for the city involves teamwork and cooperation among many groups and individuals within the city, including: citizens; elected officials; other government entities; Council-appointed boards and commissions; and city staff. The process provides opportunities for the public to gain information and understanding about the city's budget and operations. In addition, citizens are given a forum to provide input regarding how the city allocates its resources.

Oregon Local Budget Law

Chapter 294 of the Oregon Revised Statutes (ORS) governs budgeting in Oregon. The objectives are as follows:

- Provide standard procedures for preparing, presenting, and administering local budgets
- Ensure citizen involvement in the preparation of the budget

ORS 294 requires all taxing districts to file their budgets with the county no later than July 15 of the new fiscal year.

As an aid to taxing districts, the Oregon State Department of Revenue has broken down the budget process into nine steps. They are as follows:

1. Appoint Budget Officer - Every local government is required to have a budget officer, either appointed by the governing body or designated in its charter. The Umatilla City Council has chosen to designate the City's finance director as the budget officer.
2. Prepare Proposed Budget - With much of the groundwork laid by the city council in various work sessions, management and staff meet and prepare an estimate of revenues and expenditures for the upcoming fiscal year. The city manager and budget officer meet with various departments in order to "balance" the budget as required by the Oregon Revised Statutes.
3. Public Notice of Meeting - Upon completion of the budget reviews, the proposed budget is prepared, and a "Notice of Budget Committee Meeting" is advertised in the local newspaper. ORS 294 requires the notice to be published at least twice, five to 30 days before the scheduled budget committee meeting date, separated by at least seven days.
4. Budget Committee Meets - At the first formal budget committee meeting, the city manager presents the budget message and the proposed budget document to the committee for review. The budget committee also hears all public comment in the first meeting and may continue the public hearing to subsequent meetings as needed.
5. Budget Committee Approves Budget - When the budget committee is satisfied that the budget will meet the needs of the citizens of Umatilla, it will approve the document and forward it to the city council for adoption. The budget committee shall also approve a rate of total ad valorem property taxes to be certified for collection.

6. Notice of Hearing and Financial Summary - After approval of the budget, a budget hearing must be held. The city council must publish, by one or more of the methods described in ORS 294.311, a summary of the recommended budget and a notice of budget hearing five to 25 days before the scheduled hearing date. If the notice is posted instead of published in the newspaper, then a second posted notice is required eight to 14 days prior to the budget hearing. Included in the notice shall be a summary of the budget comparing the most recent preceding year's actual expenditures and budget resources, the current annual budget summary with detail for each expenditure category (personnel services, materials & services, capital outlays, debt service, transfers, and operating contingencies), the major resources for financing activities and significant changes from the current year, the estimated tax levy necessary to balance the budget and an analysis of tax levy and special levies for the ensuing years and current year, the time and place of the budget hearing, the basis of accounting used in the preceding and current years, and the place where the complete budget document can be inspected by the general public.

7. Budget Hearing Held - The budget hearing must be held on the date advertised in the newspaper and must allow for public testimony on any aspect of the approved budget.

8. Adopt Budget, Make Appropriations, Levy Taxes - The city council may make changes to the budget during the budget hearing; however, there are limitations to these changes:

- a. Taxes rates and tax amounts may not be increased over the amount approved by the budget committee.
- b. Estimated expenditures in any fund may not be increased by more than \$5,000 or 10 percent, whichever is greater.

The city council may do either of these only after publishing a revised financial summary and holding another budget hearing. After considering any public testimony, the city council will then adopt a resolution that appropriates expenditures, levies the ad valorem tax rate, and categorizes the levy. The resolution must be adopted by June 30 before the next fiscal year.

9. Submit Budget to Assessor - The final step in the budget process is to file the budget and certify any necessary property tax levy to the Umatilla County assessor.

Budget Monitoring and Adjustments

During each year, expenditures and revenues are monitored for compliance with the adopted budget and state law. Monthly revenue and expenditure status reports, are provided to Management and quarterly financial reports are provided to City Council. Annually, an audit is performed and filed with the State of Oregon by an independent certified public accountant. This report includes comparisons of budgeted to actual revenues and expenditures and documents the City's budgetary compliance.

Oregon Budget Law allows for changes to the City's budget for reasons unforeseen at the time of adoption. For instance, a transfer from one appropriation category to another can be adopted by resolution of the City Council. On the other hand, certain changes, such as appropriation increases, require a supplemental budget. A supplemental budget must be adopted and appropriated before any additional money can be spent. Supplemental budgets are good only through June 30 of the fiscal year in which they are adopted. Preparing a supplemental budget does not authorize the governing body to levy additional ad valorem taxes. When the estimated expenditures contained in a supplemental budget differ by less than 10 percent of any one of the individual funds contained in the regular budget for that fiscal year, then the process used to adopt the supplemental budget is as follows:

1. The supplemental budget may be adopted by the council at a regularly scheduled council meeting. The budget committee is not required to convene.
2. Notice of the regular meeting at which the supplemental budget will be adopted must be published not less than five days before the meeting. The notice must include the name of each fund being adjusted and the amount of change in each fund's revenues and expenditures.

3. At the council meeting a resolution adopting the supplemental budget and making appropriations may be approved.

When the supplemental budget will adjust any one of the individual funds in the current budget by 10 percent or more, then a different process must be used to adopt the supplemental budget. This process is described below:

1. A public hearing must be held to discuss and adopt the supplemental budget. The city council holds the hearing. The budget committee is not required.
2. A "Notice of Hearing" of the proposed supplemental budget and a summary of the proposed supplemental budget must be published and posted not less than 5 days and not more than 30 days prior to the hearing.
3. The city council may resolve to adopt and appropriate the supplemental budget at the hearing.

Accounting and Budgetary Basis

"Basis of Accounting" refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

For both budgeting and auditing purposes, the City of Umatilla uses a modified cash basis of accounting. Under this method, revenues are recognized when they become measurable and available. Measurable means that the dollar value of the revenue is known. Available means that it is collectible within the current period, or soon enough after the end of the current period to pay off liabilities of the current period.



City Overview: Budget Calendar

Fiscal Year 2025-26

January - February

- ④ Hold informal department discussions
- ④ Gather next fiscal year revenue and expense predictions

March

- ④ Department directors submit formal budget requests
- ④ Working session with Budget Committee to discuss projects to be included in budget, funding sources, priorities, goals and expectations
- ④ Preliminary budget drafts prepared

April

- ④ Final budget review meetings with departments
- ④ Advertise notice of state revenue sharing uses
- ④ Budget Committee meetings are advertised
- ④ Finance performs final review and reconciliations and print proposed budgets
- ④ City Manager presents budget message and budget at the first Budget Committee meeting
- ④ Budget Committee discusses, deliberates and approves the budget
- ④ Budget is updated to reflect Committee changes

May

- ④ Prepare and publish Financial Summary and Notice of Budget Hearing
- ④ If necessary, publish Notice of Supplemental Budget Hearing

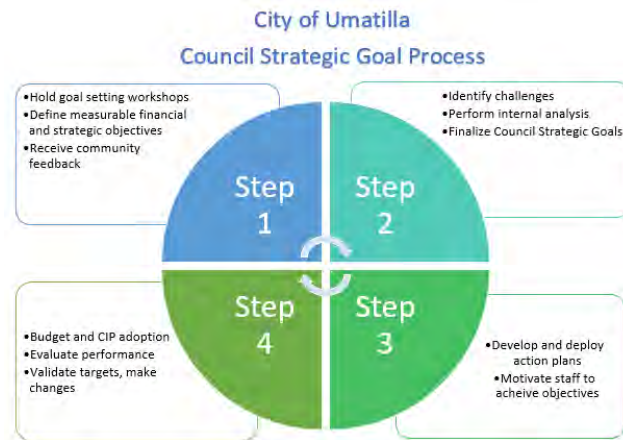
June

- ④ Council passes current year budget resolutions
- ④ Council passes resolution for state revenue sharing eligibility and proposed uses
- ④ Council holds Budget Hearing and adopts the Budget, makes appropriations and declares tax rate and bond levies

City Overview:

City Council Strategic Goals and other Planning Documents

Fiscal Year 2025-26



City of Umatilla

City Council Goals

July 1, 2025 - June 30, 2027

Purpose:

To sufficiently and appropriately manage and meet the community's expectations for high quality services, provide a general vision to manage growth and improvements, and to strengthen and diversify Umatilla's economic vitality and increase quality of life to our residents and visitors.

Guiding Principles:

The City Council sets policy direction to guide staff implementation of these goals. The 2025 – 2027 City Council Goals are to serve as a vision for the City during this set duration and is not intended to be an exhaustive list of goals. This list of goals is representative in nature and without a hierarchy of priorities. Council members will be a positive and resourceful representative for Umatilla and communicate well with residents, businesses, and our partners. City Council will support the City Manager to implement the operational aspects of these adopted goals.

Goal 1: Promote a Vibrant and Growing Community by Investing in and Support of Quality of Life Improvements.

Desired Outcome:

To sustain, grow, and enhance the City's Livability and Quality of Life by supporting and increasing public safety; encouraging increases in public health initiatives like community and private investments in medical facilities, wellness programs, and recreational activities; and emboldening a local culture that supports, encourages, promotes, and solicits events, festivals, and public gathering opportunities.

- Objective 1.1: Support proactive and alternative community policing efforts that promote prevention, rehabilitation, and substance abuse circumvention. When possible, invest in early prevention services and programs.
- Objective 1.2: At a minimum, maintain the FY26 Police Department staffing levels and funding. Prioritize increasing police staffing levels to meet or exceed the International Association of Chiefs of Police's recommended staffing levels of 2 officers per 1,000 residents and achieve this goal in the FY28's adopted budget. Support a department with a high emphasis on officer training and purchasing of state-of-the-art police technologies and equipment.
- Objective 1.3: Construct the new Umatilla Police Station. Seek to utilize federal, state, or Enterprise Zone funding to cover the debt services whenever possible.
- Objective 1.4: Financially and otherwise support the creation of new city-sponsored recreation programs for people of all ages. Increase and expand partnerships with other public facilities for public use to support such programs
- Objective 1.5: Partner with other jurisdictional public health programs and private health providers in efforts to reduce tobacco use, marijuana use, substance abuse, reduce alcoholism, and reduce obesity. Seek grant opportunities to do so and give priority use of city-owned facilities to organizations that support these efforts.
- Objective 1.6: Recognize the high benefit and resolve that one of the highest priorities to our community is to provide a city-wide trail and pathway system that encourages walking, jogging, biking, and mobile leisure as well as enhances public safety by reducing the risk of pedestrian/vehicle accidents.

- Objective 1.6.1: While ensuring to be good stewards of the public's lands, every effort should be made to maximize river front trails and public access to our rivers and beautiful natural landscapes and views that includes our rivers, mountains, hills, wetlands, and desert features.
- Objective 1.7: Continue to develop Big River Golf Course to host large multi-day Outdoor Community Festivals and events with the capacity to host no fewer than 7,500 people.
 - Objective 1.7.1: Use of Big River Golf course to host large events should occur during shoulder seasons (March/April or October/November) whenever possible.
 - Objective 1.7.2: Develop a concept plan for Big River Golf Course that includes: new pro shop and club house, possible restaurant, new on-course restroom facilities, new putting greens, updated paved pathways, and other improvements recommended by the Parks & Recreation Committee.
- Objective 1.8: Continue to cultivate professional relationships with the Umatilla Chamber of Commerce. Work collaboratively to promote events, work to increase the total number of businesses in Umatilla, and encourage community memberships and participation.
- Objective 1.9: Invest in, support, and encourage commercial revitalization, with an emphasis in the downtown.
 - Objective 1.9.1: At a minimum, maintain the FY26 grant program funding of the Downtown Facade Grant and the Local Business Grant to financially support and encourage facade improvements. If possible, work to increase the total amount available and the amount available for each applicant project.
 - Objective 1.9.2: If resources allow, increase funding to the Local Business Grant program to help potential businesses to locate their business into Umatilla commercial buildings throughout the City (does not include home-based businesses). Additional incentives should be made available to those businesses looking to locate in any downtown building that has been vacant for at least two years or any other commercial buildings that have been vacant for at least three years.
 - Objective 1.9.3: Procure, through purchase and/or condemnation, unsafe, chronically vacant, or run-down buildings. Rehabilitate and/or refurbish such newly acquired buildings or work closely with developers and investors to do so. When appropriate, keep as publicly owned buildings; otherwise, make every effort to get the newly refurbished buildings back into private ownership to encourage business and economic growth.
 - Objective 1.9.4: Follow best practices and principles for downtown urban beautification; at a minimum, encourage tree plantings, flowers, ornamental lighting and fixtures, natural and manicured landscapes, and the like. If necessary, do so through code revisions.
- Objective 1.10: Continue to explore the possible procurement of the Umatilla School District's maintenance building to provide for a Parks Department administration and storage facility.
- Objective 1.11: Complete design of Hash Park Sports Complex and seek to procure the necessary funding for construction with the goal of beginning construction in 2028 or sooner.
- Objective 1.12: Begin work on the feasibility of constructing an Aquatic Center. Further consider partnering with the City of Hermiston's HAWC (Hermiston Aquatic and Wellness Center) concept that would potentially construct a regional Aquatic Center. But, also explore options of the City of Umatilla constructing it's own Aquatic Center or all-new Community Center that would include an aquatic center with other amenities in accordance with the City's adopted Master Parks Plan.
- Objective 1.13: Make efforts to establish work place safety. Work to establish Umatilla as a community that emphasizes emergency preparedness. Make any effort possible to ensure that all City functions can operate during times of crisis or if power or other core utilities were to temporarily be unavailable. At least once during 2025-2027, coordinate and carryout a "table-top" exercise with all other emergency service organizations in the area and work to remedy any gaps that may have been identified from this exercise.
- Objective 1.14: Work to create housing at every economic level and provide investment and/or incentives to those levels of housing that are not being developed by the private sector.

- Objective 1.14.1: Earnestly pursue housing development partnerships with private developers and nonprofits that provide low-income housing. Negotiate incentives with such developers that will entice them to construct their product in Umatilla. Consider constructing infrastructure, reducing fees, providing grants, density bonuses, etc. as possible means to produce such housing.
- Objective 1.14.2: Continue to partner with neighboring communities on Project PATH. Continue to earnestly pursue grant and private funding to ensure the program sustainability. Invest in infrastructure improvements to further expand the use and capacity of PATH.
- Objective 1.14.3: City-owned property near the downtown should be developed to into multi-use housing that matches the traditionally and historical character of the downtown; with commercial buildings on the ground floor and apartments/condos on the 2nd and 3rd floors. Whenever possible, encourage as much density as reasonable as part of the City's downtown revitalization strategies.
- Objective 1.15: Work to expand high-speed internet and broadband services throughout the city. Whenever possible, pursue federal and state funding opportunities toward this effort. Solicit additional communication franchises to expand their services to Umatilla. Further investigate alternative Public Access network options in partnership with the City of Hermiston.

Goal 2: Promote Economic Development and Job Growth

Desired Outcome:

Achieve economic stability and sustained job growth, build a highly skilled and flexible local workforce, concentrate on retaining and expanding existing local businesses, recruit new businesses that are well-suited for success in our region, encourage education, strengthen tourism, promote and encourage the preservation of our historic assets and history, support residential and commercial developers, invest in infrastructure and technology, ensure adequate supply of development-ready lands for commercial/residential/industrial use, and encourage development that is environmentally sensitive.

- Objective 2.1: Continue to strongly support and encourage the development of data centers.
- Objective 2.2: Promote diversification of the commercial/industrial base.
- Objective 2.3: Reduce barriers to economic growth. Listen to commercial and industrial developers, partners, staff, and the public to reduce such barriers.
- Objective 2.4: Cooperate with local educational institutions to coordinate training/skill requirements to meet the needs of local employers. Reduce barriers to obtaining necessary or upgraded job skills.
- Objective 2.5: Cooperate with business, educational institutions, community organizations, and government to provide information to local businesses.
- Objective 2.6: Assist local and non-local firms in finding appropriate development sites for expansion and encourage local employers to grow in-place.
- Objective 2.7: Cooperate with other agencies and institutions to identify programs and services to assist in the creation of new small businesses.
- Objective 2.8: Promote start-up businesses with both financial and technical assistance. Create a city-run business incubator program that helps new businesses off-set some of the risks of starting a new business.
- Objective 2.9: Partner with the Chamber of Commerce and other organizations to create local programs which provide business development, information, and technical assistance.
- Objective 2.10: Partner with other jurisdictions and/or private organizations whenever possible to pool resources and leverage funds.

- Objective 2.11: Improve in the city's economic vitality and competitiveness by investing in our utility infrastructure, transportation systems, and recreational opportunities.
- Objective 2.12: Adopt Urban Renewal Plans to address blight to improve City streets, parks, and infrastructure.
- Objective 2.13: Explore the feasibility of a city-owned industrial facility that would be available for lease to industrial customers. If viable, purchase industrial land and construct such a facility that will be no less than 40,000 square feet. If possible, do so with at a time when a commitment from a prospective leaseholder is obtained.
- Objective 2.14: Grow the city's inventory of large industrial parcels, 50 acres or more, to meet the industrial demand of the region. If necessary, pursue urban growth boundary expansion according to land use law and best practices.

Goal 3: Enhance and Cultivate Relationships, Partnerships, and Community Perceptions

Desired Outcome:

To enhance already positive local, regional, and state-wide relationships and to strengthen or improve poor relationships. To cultivate current partnerships and to expand partnerships that will help achieve Goals 1 and 2.

- Objective 3.1: Strengthen community relations and improve public perception through proactive community engagement.
 - Objective 3.1.1: Create opportunities for residents to build relationships within their neighborhoods to foster social cohesion, sense of community, and broaden understanding.
- Objective 3.2: Actively promote positive actions the City is providing in our community. Promotions may include, but are not limited to: events, parks programs, festivals, city services provided, City staff achievements, elected officials' achievements, completed projects, partnership achievements, etc.
- Objective 3.3: Continue to build upon positive Police Community Engagement activities, especially in socio-economically challenged areas to create meaningful engagement opportunities.
- Objective 3.4: Expand public involvement opportunities. Make every effort possible to ensure to provide the public the ability to participate in-person or remotely through utilization of technology. Whenever possible, use live-streaming services of Council or Committee meetings. Post recordings to the City's website to be viewed on-demand.
 - Objective 3.4.1: Actively solicit and encourage the community to become committee members, task force members, and to join advisory committees. Each position should be advertised prior to any appointment or re-appointment.
 - Objective 3.4.2: Whenever possible, provide opportunities for the public to provide feedback on strategic plans, master plans, improvements plans, etc. Participation should be made as accessible as possible and should utilize traditional methods such as town halls or in-person comment opportunities; and should utilize technology whenever possible.
 - Objective 3.4.3: Encourage city-wide "Community Honor" activities such as Community Clean Up Days, Community Day of Service, Community Historical Celebrations, and similar.
 - Objective 3.4.4: Create a Mayor's Choice: Citizen of the Year Award to be presented at either a major Community appreciation event or during a City Council meeting. The recipient of this award will have a day declared in their honor via Mayoral Proclamation.
 - Objective 3.4.5: Create programs in partnership with the School District and/or other education organizations to have students Pre-K through high school to come and lead City Council in the Pledge of Allegiance at selected Council Meetings.

Goal 4: Increase Public Involvement, Increase Transparency, and Enhance Cultural Diversity

Desired Outcome:

To develop and implement highly efficient and transparent communication methods with the public, encourage public participation through each of our processes, and welcome and engage all members of our community by eliminating barriers of participation. Promote a higher sense of community spirit and inclusiveness through celebrating culture, tradition, history, holidays, and community achievements.

- Objective 4.1: Invest in and utilize videoconferencing or webinar technology that will allow the public to interact with City Council or their appointed commissions/committees from anywhere with connection to the internet.
- Objective 4.2: Create and continue to increase on-demand city information and data available to the public on the City's website.
- Objective 4.3: At least quarterly, publish a City newsletter to be circulated in print and online.
- Objective 4.4: At least once a year, host "town hall" or informational sessions for the public to come interactively discuss topics that are important to them.
 - Objective 4.4.1: Create a City Services Academy. This program will provide a series of interactive sessions where participants will meet other community members, explore how city services are planned/funded/delivers, and provide a "behind-the-scenes" look into City operations and projects or programs.
- Objective 4.5: Expand outreach to and engagement with residents who have limited English proficiency by developing and executing strategies specifically designed to build relationships and encourage participation with this citizen group.
- Objective 4.6: Seek opportunities to partner with organizations that celebrate or teach about our diverse heritage. These may include education seminars, dances, festivals, trainings, or similar. Whenever possible, provide venue space to host such activities.
- Objective 4.7: Whenever possible, Council members or city officials should accept invitations or seek opportunities to speak/present in neighborhood groups, businesses, or other local boards or outside organizations to share information about City affairs and share these goals.

Goal 5: Perform at the Highest Levels of Operational Excellence

Desired Outcome:

Provide exceptional customer service that exceeds the public's expectations, invest in staff development, and sustain and improve the City's financial positions.

- Objective 5.1: Continue to invest in staff's professional development.
- Objective 5.2: At least twice a year, offer training to elected officials. Topics may include at least the following: use of City technology, public official ethics, public meetings, public records, roles and responsibilities, basic budgeting, media relations, or use of social media.
 - Objective 5.2.1: Each year, no later than April, have City staff provide a City tour to elected officials and their invited guests.
- Objective 5.3: Integrate a Customer Service element to annual employee performance evaluations.

- Objective 5.4: At least annually, poll the community regarding their level of satisfaction with any recent service they have received from the City.
- Objective 5.5: Increase the number of customer self-service options for those who wish to limit their direct interaction with staff or elected officials.
- Objective 5.6: Focus efforts on retention of employees. Ensure that wages and benefits are competitive, frequency of trainings are appropriate, and employee recognition and morale is a priority.
- Objective 5.7: Expand the City's social media presence being sure to utilize multiple platforms to engage with the community "where they are." Use social media as part of our overall communication efforts and to also create opportunities to bolster our sense of community, celebrate our history and diversity, and create excitement for the work we are doing and events we are sponsoring.
- Objective 5.8: Receive the Government Finance Officers Association (GFOA) Distinguished Budget Award annually.
- Objective 5.9: As part of the city's sustainable budget strategy, whenever pragmatic, maintain a prudent operational reserve of at least 20% in each of the following funds: General Fund, Street Fund, Water Fund, and Sewer Fund. Whenever possible, all major capital purchases should be planned utilizing a multi-year savings approach.

Other Planning Documents

Master Trails Plan

In February 2020, City Council adopted a new Master Trails Plan. The Umatilla Trail Plan is intended to serve as a concept for future development, improvement and management of the proposed and existing network of trails, paths and sidewalks in the city.

To develop the plan, the city hosted a variety of opportunities for public involvement, both formal and informal. Umatilla School District students contributed to the plan in a variety of formats including paper and online surveys, as well as organized events. The City Parks and Recreation Committee hosted an open house where 30 residents attended to ask questions, provide comments and to rank their priority projects for each neighborhood.

Several existing plans were considered in the development of this plan to ensure consistency at the local, county and state level. These plans were the City of Umatilla Comprehensive Land Use Plan, the Umatilla Together: Framework Plan, the Umatilla County Comprehensive Plan and The Oregon Trails 2016: A Vision for the Future - Oregon Statewide Recreation Trails Plan.

Click the links below to view any of these planning documents:

- [Umatilla Master Trails Plan](#)
- [City of Umatilla Comprehensive Land Use Plan](#)
- [Umatilla Together: Framework Plan](#)
- [Umatilla County Comprehensive Plan](#)
- [Oregon Trails 2016: A Vision for the Future](#)



Master Park Plan

In April 2021, City Council adopted a new [Master Park Plan](#). The Master Park Plan looks at the existing parks, recreational facilities, programs, and services, and determines the current and future level of services for the community based on public input. The plan prioritizes the needs and desires for upgrading and improving parks, recreational facilities, amenities, programs, and services.

Transportation System Plan

The City's recently adopted Transportation System Plan (2023) was developed to guide the management of existing transportation facilities as well as the development of future facilities. The plan was developed to forecast growth in population, employment and traffic in the next 20 years and identify improvements to meet the forecasted growth.

Water System Master Plan

The City's recently adopted Water Master Plan (2022) focuses on the overall water system, including the water supply, storage and distribution systems. The study includes an analysis of the existing system and its performance, evaluation of system needs, evaluation of improvement alternatives, prioritization of improvements, and development of an implementation schedule.

Wastewater System Study

The City's recently adopted Wastewater Facilities Plan (2024) provides an evaluation of the City's existing collection, treatment, and outfall system, and provides improvement alternatives to address deficiencies in these areas of the wastewater system. The study also provides funding alternatives and an implementation plan for the selected improvement alternatives.

City Overview: Financial Policies

Fiscal Year 2025-26

Policies Adopted by Resolution No. 55-2020 - June 2, 2020

SUMMARY OF FINANCIAL POLICIES

Accounting, Auditing and Financial Reporting

- Sets guidelines for reporting financial transactions and preparing financial reports.

Budgeting - Operations

- Relates to budgeting guidelines and preparation.

Budgeting - Capital Outlay

- Relates to establishing capital improvement plans for all major equipment and infrastructure systems provided and maintained by the City.

Long-Range Financial Plan

- Addresses longer term financial forecasting to help inform decisions.

Cash Management and Investments

- Relates to using cash flow projections to minimize debt service and investment guidelines.

Expenditures

- Addresses the City's efforts to ensure spending is consistent with the City's fiscal plans.

Revenues

- Deals with taxes, user fees and other revenues by which the City generates income to fund programs and services.

Fund Balance and Reserves

- For establishing reserves and contingency funding as needed for the various activities of the City.

Pension Funding Policies

- Addresses the funding policies of the City's pension obligations.

Debt Management

- Addresses long-term financing of the City's capital needs.

Inter-Fund Loan Policies

- Addresses loans from one fund to another.

Grants and Intergovernmental Revenues

- Establishes policies and processes for administration of grants that support the City's current priorities and policy objectives.

Financial Consultants

- Outlines the selection of auditors, bond counsel and other financial advisors.

Financial Management Policies

1. Purpose

The Comprehensive Financial Management Policies are the tools used to ensure that the City is financially able to meet its current and future service needs. The individual policies contained herein set a basis for both the financial planning, reporting and internal financial management of the City.

Municipal resources must be wisely used to ensure adequate funding for the services, public facilities, and infrastructure necessary to meet immediate and long-term needs. These policies safeguard the fiscal stability required to achieve the City's objectives and ensure long-term financial health.

2. Accounting, Auditing, and Financial Reporting

2.1 *Accounting Practices and Principles*

The City will maintain accounting practices in accordance with state and federal law and regulations, and annual financial reporting that conforms to Generally Accepted Accounting Principles (GAAP) as set forth by the Governmental Accounting Standards Board (GASB), the authoritative standard setting body for units of local government. The City's monthly and quarterly interim financial reports will be reported on the budgetary basis. At year-end, the general ledger and financials will be converted to GAAP, and the Comprehensive Annual Financial Reports and continuing disclosure statements will meet these standards.

2.2 *Financial and Management Reporting*

2.2.1 Monthly Financial Reports will be provided to management containing department revenues and expenditures actual to date with comparison to the budget. These reports will be distributed within fifteen working days of the end of each month.

2.2.2 Quarterly summary financial reports will be provided to management and city council members within approximately 45 days of the end of the quarter, usually coinciding with city council workshop dates. The quarterly report will contain revenues and expenditures in summary form for each operating fund with explanations of significant financial variations to budget.

2.2.3 Annually, a comprehensive annual financial report subjected to independent audit will be prepared in a format that conforms to the standards of the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting. The report shall be shared with the City Manager, City Council, and the Secretary of State. In accordance with state law the report shall be distributed no later than December 31st of the following fiscal year.

2.3 *Annual Audit*

2.3.1 Comprehensive Annual Financial Report

Pursuant to state law, the City shall have an annual financial and compliance audit, and prepare financial statements based on the audited financial information. The audit shall be performed by certified public accounting (CPA) firm, licensed to practice as Municipal Auditors in the State of Oregon. The annual financial report, including the auditor's opinion and specific reports as required by Oregon state regulations, shall be filed no later than six (6) months following the end of the fiscal year. The audit firm shall also provide a Single Audit of Federal and State grants, when necessary. The Director of Finance shall be responsible for establishing a process to ensure timely resolution of audit recommendations, if any.

2.3.2 Annual Financial Disclosure

As required by the Securities and Exchange Commission (SEC) Rule 15c2-12, the City will provide certain annual financial information to the Municipal Securities Rulemaking Board (MSRB). This will include any periodic materials event notices as required by the MSRB or SEC.

2.4 Signature of Checks

Pursuant to City Charter, all checks shall have two signatures, signed by the City Manager or City Recorder, and the Mayor or City Council President.

2.5 Compliance with Council Policies

The Financial Management Policies will be reviewed annually and updated, revised or refined as deemed necessary. Occasionally exceptions to the policies adopted by City Council may be appropriate and required. Exceptions will be identified, documented, and explained to City Council and/or the City Manager.

3. Budgeting - Operations

3.1 Budget Committee

In accordance with ORS 294.414 the City Budget Committee shall consist of the seven elected members of Council and an equal number of appointed citizens. Among the responsibilities of the Budget Committee shall be the review of the annual proposed budget and financial forecasts.

3.2 Oregon State Budget Regulations

All budgetary procedures will conform to existing state regulations. Oregon budget law requires each local government to prepare a balanced budget and Oregon Administrative Rules state: (1) the budget must be constructed in such a manner that the total resources in a fund equal the total expenditures and requirements for that fund, and (2) the total of all resources of the entity must equal the total of all expenditures and all requirements for the entity.

3.3 Proposed Budget Document

In accordance with ORS 294.426 the Finance Director shall file a Proposed Budget document and budget message with the City Budget Committee approximately one week prior to the first formal Budget Committee meeting.

3.4 Use of Non-Recurring Revenues

Non-recurring revenue sources, such as a one-time revenue or carryover of prior year unrestricted/unassigned balance should only be budgeted and used to fund non-recurring expenditures, such as capital purchases or capital improvement projects. The City shall avoid using non-recurring revenues for recurring program expenditures.

3.5 Budget Preparation

3.5.1 Department Directors have primary responsibility for formulating program proposals. New or expanded services should support City Council goals, City Manager priority direction and department goals. Departments are charged with implementing them once the budget is adopted.

3.5.2 All competing requests for City resources will be weighted within the formal annual budget process.

3.5.3 Actions on items that come up throughout the year with significant financial impacts should be withheld until they can be made in the full context of the annual budget process and long-range plan, unless unforeseen circumstances present themselves.

3.5.4 Annually, the City will seek to obtain the Government Finance Officers Association Distinguished Budget Presentation Award. The Budget Document will be presented in a way that clearly communicates the budget to the public and provides financial goals.

3.6 Full Cost Recovery and Overhead

Program budgets should be prepared in a manner to reflect the full cost of providing services. General support program (e.g. Administration, Legal, Finance, etc.) costs shall be allocated to the benefiting programs and funds via a method that is both fair and reasonable.

3.7 Budget Management

The City Council shall delegate authority to the City Manager in managing the budget after it is formally adopted by the City Council, including the transfer of budgeted line-items within a program. The City Manager may further delegate levels of authority for the daily operations of the budget. Expenditures/expenses are legally established at the program level within each fund. Expenditures/expenses should not exceed the adopted budget, plus supplemental changes approved by the City Council.

3.8 Amended Budget

In accordance with ORS 294.471-473 the City Council may approve changes to the adopted budget via Resolution.

3.9 Monitoring

Actual revenues and expenditures/expenses shall be monitored by the respective program manager each month. Financial reports shall be prepared within fifteen working days of the end of each month by the Finance Department and distributed to the responsible manager and City Manager. The Finance Director shall periodically review the reports and report significant variances to the City Manager. The goal of the monitoring shall be to identify potential budget and actual variances and to take corrective action soon as possible.

3.10 Operating Deficits

The City shall take immediate corrective action if at any time during the fiscal year financial monitoring indicates that an operating fund's anticipated expenditures are expected to exceed its anticipated revenues. Corrective actions may include:

- Deferral of capital equipment purchases
- Deferral of pay-as-you go capital improvements
- Expenditure reductions
- Deferral of certain positions
- Hiring freezes
- Freeze non-represented employee merit increases
- Use of fund balance
- Use of volunteers
- Increase fees
- Reduce work hours with subsequent reduction in pay
- Eliminate positions which may require laying-off employees if there are no other vacant positions for which they are qualified.

Short-term loans as a means to balance the budget shall be avoided.

The use of fund balance, which is a one-time revenue source, may be used to fund an annual operating deficit, only with a subsequent approval of a plan to replenish the fund balance if it is brought down below policy level

(see Fund Balance and Reserves Policy).

4. Budgeting - Capital Outlay

4.1 Definitions

4.1.1 Capital Outlay – Operating

Operating programs need certain furniture, equipment, vehicles, software, etc. to carry out the intended services. By definition such items costing \$2,500 or more, per item, shall be budgeted and accounted as capital outlay and shall be tracked in the City's fixed assets records. Significant repair or maintenance that extends the useful life of existing assets shall be included here provided the dollar threshold is met. The \$2,500 limit shall apply to individual items unless a group of items are intended to function together as a unified system (e.g. street lighting system).

4.1.2 Capital Outlay – Projects (also known as Capital Projects)

This category includes infrastructure projects meeting the capitalization threshold and development of master plans and design and engineering/architectural work leading to construction or repair of capital assets. Generally, the total capitalization threshold shall be not less than \$50,000. Budgets and capitalization records shall include applicable project management and administrative overhead costs.

4.2 Preparation

As part of the annual proposed budget the City shall include a list of capital projects that are necessary to preserve existing infrastructure or to expand to meet growth demands of the community. The list of projects shall embrace those included in the most recent long-range capital improvement forecast, master plans, development agreements and direction from City Council on current demands. This ensures that the City's capital improvement program includes the embodiment of the citizens and Council recommendations and the officially stated direction contained within the Comprehensive Plan.

Separate estimates for each project shall be prepared. Additionally, future annual operating and maintenance cost impacts shall be estimated.

4.3 Financing

For each project one or more resource shall be identified to pay for such costs. Prior to construction award all identified resources shall be readily available for expenditure.

Pay-As-You-Go – The city will strive to pay cash for capital improvement within the financial affordability of each fund versus issuance of debt. This necessitates advanced planning and setting aside resources for future use. This type of funding saves interest and debt issuance costs and in many cases reduces utility rate impacts on citizens and business of the City.

Grant revenues shall be sought for capital construction when determined to be advantageous to the City.

Certain assets may best be funded via debt. Refer to Debt Management Policy for discussion on when debt may be considered for projects.

4.4 Monitoring

Each capital project shall have a project manager associated with it. The project manager shall monitor the progress and assure the project is completed according to standards, on a timely basis and within budgeted levels. Monthly financial reports detailing budget-to-actual for each project shall be provided to the project

manager and City Manager. City Council will receive an update on the larger (\$100,000 minimum expended to date) projects on a quarterly basis.

4.5 Infrastructure Evaluation and Replacement/Rehabilitation

Water, wastewater, drainage, street lighting, streets and sidewalks, municipal facilities and parks infrastructure are fundamental and essential functions for public health and safety, environmental protections and the economic well-being of the City. As a result, the City's CIP should be focused on ensuring that infrastructure is replaced as necessary to protect the City's investment, to minimize future replacement and maintenance costs, and to maintain existing levels of service and accommodate growth.

4.5.1 High priority should be given to replacing/rehabilitating capital improvements prior to the time that assets have deteriorated to the point where they are hazardous, require high maintenance costs, negatively affect property values, or no longer serve their intended purpose. The decision on whether to repair, replace or to rehabilitate an existing capital asset will be based on which alternative is most cost-effective, which would include life-cycle costing, and provides the best value to the City.

5. Long-Range Financial Plan

5.1 Purpose

The goal of the Long-Range Plan is to provide the Budget Committee, City Manager and department heads with long-term goals and objectives for the City as well as the strategies needed to achieve these goals and objectives. City staff will use these goals and objectives to guide them in the development of the City's annual budget.

5.2 Operating

5.2.1 The City shall develop and maintain a financial forecast for each operating fund. The first year shall be the current year's adopted budget and the ensuing five years shall be forecasted. The forecast and report shall be prepared within six months following adoption of the budget. The most recent forecast shall be included in the proposed and adopted budget documents. The results of the forecast shall be presented to the Budget Committee.

5.2.2 The City operating forecast should enable current service levels provided to be sustained over the forecast period. The forecast shall determine if revenues need to be increased and/or expenditures/expenses reduced in order to maintain operations on a Current Funding Basis.

5.2.3 Major financial decisions should be made in the context of the Long-Range Plan.

5.3 Capital Outlay – Projects

5.3.1 The City shall annually prepare a five-year forecast of capital projects. Projects should be based upon master plans, development agreements, input from applicable Commissions and Committees and Council directed improvements. Included projects shall meet the definition of capital projects as defined earlier.

5.3.2 The primary responsibility for development of the capital project forecast shall rest with the Finance Director. The City Manager is charged with reviewing the proposed forecast and determining actions to balance needs with available resources.

5.3.3 High priority should be given to rehabilitating and replacing prior to the point when such action is critical. The decision on whether to repair or replace an existing capital asset will be based on which alternative is most cost-effective and provides the best value to the City.

5.3.4 The forecast shall coincide with the annual citywide budget process. The first year of the forecast shall be the fiscal year under budget.

5.3.5 Estimated costs shall include acquisition, design, construction, project management, equipment and furnishing and administrative charges. That is, all costs to complete the project shall be included. Multi-year projects shall clearly disclose both the components of costs as well as the total estimated cost over the life of the project.

5.3.6 Funding resource(s) shall be identified for each project. The forecast shall make every effort to balance needed improvements with resources available. Projects that exceed the projected available resources shall be identified and recommendations on alternative funding shall be incorporated in the forecast report.

5.3.7 The forecast shall be presented to the Budget Committee during the annual budget process.

6. Cash Management and Investments

6.1 Cash Flow Analysis and Projections

6.1.1 The Finance Director will forecast the City's cash inflows and outflows that will allow the City to keep its debt service costs to a minimum and to maximize the yield on temporary investments.

6.1.2 Revenue and expenditure projections will be reviewed by the Finance Director on a monthly basis to determine the validity of assumptions, new information and accuracy of seasonal or periodic fluctuations.

6.1.3 The City's cash flow shall be managed with the goal of maximizing the total return on investments.

6.2 Investments

6.2.1 Responsibility and Control:

Management responsibility for the investment program shall rest with the City's Investment Officer who shall be the Finance Director or delegate. The Investment Officer shall adhere to ORS 294.145 (Prohibited Conduct for Custodial Officer) in managing the investment program for the City.

6.2.2 Eligible Investments:

The Investment Officer will invest the City's surplus funds only in those investments authorized by ORS 294.035 to 294.046, and 294.135 to 294.155, which includes the requirement that investments shall mature within 18 months of the acquisition date. The City will not invest in stocks nor shall it speculate or deal in futures or options.

6.2.3 Eligible Financial Institutions:

The City will conduct business only with financial institutions such as banks investment brokers, investment bankers, trustees, paying agents and registrants that are deemed credit worthy.

6.2.4 Objectives:

6.2.4.1 Safety: Safety of principal is the foremost objective of the City. Each investment transaction shall be undertaken in a manner which seeks to ensure preservation of capital and avoidance of capital losses through securities defaults, erosion of market value or other risks.

6.2.4.2 Liquidity: The City's Investment Officer shall match the investment portfolio with cash flow requirements. Due to the changing requirements of cash flow caused by factors not totally within the control of the City's Investment Officer, the ability to convert a security into cash must be considered.

6.2.4.3 Yield: Investments of the City shall be acquired in a manner designed to attain the maximum rate of return through all budget and economic cycles while taking into account constraints on investment instruments,

cash flow characteristics of transactions and safety of principal.

6.2.4.4 Reporting: The Investment Officer shall maintain detail records of each investment in a form that allows for periodic reporting. On a quarterly basis, the City's outstanding investments and fiscal year to date investment income will be presented to City Council by the Finance Director or Investment Officer.

7. Expenditures

7.1 Purpose

Identify services, establish appropriate service levels and administer the expenditure of available resources to assure fiscal stability and the effective and efficient delivery of those services.

7.2 Maintenance of Capital Assets

Within the resources available each fiscal year, the City shall maintain capital assets and infrastructure at sufficient level to protect the City's investment, to minimize future replacement and maintenance costs, and to maintain service levels.

7.3 Periodic Program/Services Reviews

The City Manager and staff shall undertake periodic reviews of City programs and services for both efficiency and effectiveness. Programs or services determined to be inefficient and/or ineffective shall be recommended through the annual budget process to be reduced in scope or eliminated.

7.4 Purchasing

All City purchases of goods and services shall be made in accordance with the City's current purchasing manual and procedures.

8. Revenues

8.1 Purpose

Design, maintain and administer a revenue system that will assure reliable, equitable, diversified and sufficient revenue stream to support desired City services.

8.2 Balance and Diversification in Revenue Sources

The City shall strive to maintain a balanced and diversified revenue system to protect the City from fluctuations in any one source due to changes in local economic conditions, which may adversely impact that source.

8.3 User Fees – Non-Enterprise Funds

8.3.1 For services that benefit specific users, the City shall establish and collect fees to recover the costs of those services. Where services provide a general public benefit, the City may recover the costs of those services through property taxes, privilege fees and other unrestricted resources.

8.3.2 At a minimum, the user fees will strive to cover direct costs. Preferably the fees will cover direct plus indirect costs.

8.3.3 User fees should be reviewed, at a minimum, every two to three years and adjusted to avoid sharp changes. If the Finance Department does not initiate the fee review it shall at least analyze the changes proposed from departments and comment upon them to the City Manager.

8.3.4 Factors in setting fees shall include, but not be limited to: market and competitive pricing, effect of demand for services, and impact on users, which may result in recovering something less than direct and indirect costs.

8.3.5 The City may set a different fee for residents versus non-residents.

8.3.6 User fees not regulated by state statute should be set via the City Manager. The intent of administratively set charges is to allow flexibility and ease to establish charges that cover actual costs or discourage abuse of city assets. Fees regulated by statute shall be presented to City Council via resolution or ordinance. All fees should be included in the Master Fee Schedule.

8.4 User Fees – Enterprise Funds

8.4.1 Utility rates shall be set at levels sufficient to cover operating expenditures (direct and indirect), meet debt obligations and debt service coverage requirements, provide pay-as-you-go funding for capital improvements, and provide adequate levels of working capital.

8.4.2 The City may set a different fee for residents versus non-residents.

8.4.3 The Five-Year Financial Plan (or separate rate model study) and proposed operating budget shall serve as the basis for rate change considerations.

8.4.4 When necessary, the Five-Year Financial Plan (or separate rate model study) will be built around small rate increases annually versus higher rate increases periodically.

8.4.5 Non-consumption based charges within Enterprise Funds may be set administratively by the City Manager. Such charges include insufficient funds, late payment penalties, charges for meters, service turn-on and turn-off, etc. The intent of administratively set charges is to allow flexibility and ease to establish charges that cover actual costs or discourage abuse of city assets. All fees should be included in the Master Fee Schedule.

8.4.6 The maximum allowable system development charges (SDCs), for each of the public infrastructure systems the City operates and is allowed by state law to impose, shall be determined on a periodic basis (approximately each five years).

8.4.6.1 The Council will determine what amount of SDCs to impose.

8.5 One-Time/Unpredictable Revenue Sources

One-time, unpredictable revenue sources should not be used for ongoing expenses/expenditures. Instead, such revenue sources will be used for one-time purchases such as increase in fund balance requirements, capital equipment purchase, capital improvements, etc.

8.6 Revenue Collection

The City shall maintain high collection rates for all revenues by monitoring monthly receivables. The City shall follow an aggressive, consistent, yet reasonable approach to collecting revenues to the fullest extent allowed by law for all delinquent rate payers and others overdue in payments to the City.

8.7 Write-Off of Uncollectible Receivables (excludes court fines)

8.7.1 Receivables shall be considered for write-off as follows:

8.7.1.1 State statute authorizing the release of extinguishment, in whole or in part, of any indebtedness, liability, or obligation, if applicable.

8.7.1.2 Accounts outstanding for 3 years, identified as uncollectible, and all attempts to collect including use of a collection agency when appropriate have been taken.

8.7.2 Accounts shall be written-off annually near fiscal year-end. The Finance Director shall prepare a list of receivables determined to be uncollectible and include notation on collection efforts for each item. The list shall be submitted to the City Manager for review and approval. The City may report uncollected items to one or more credit reporting entities.

8.7.3 The write-off of uncollected accounts is a bookkeeping entry only and does not release the debtor from any debt owed to the City.

8.7.4 Municipal court fines shall follow a process established by the municipal court judge and reviewed by the City Attorney.

9. Fund Balance and Reserves

9.1 To maintain a high level of credit worthiness and to establish a financial position that can weather emergencies and economic fluctuations the City shall set aside cash reserves and contingencies within its fund balances. The Governmental Accounting Standards Board has created several categories of fund balance.

9.1.1 Nonspendable – Nonliquid assets (e.g. inventory, prepayments) and liquid assets that have legal constraints preventing their use (e.g. principal of an endowment).

9.1.2 Restricted – Assets which are constrained by an external entity (e.g. covenants in bond contracts).

9.1.3 Committed – Constraints created by the governing body on itself at its highest level of decision making. For example, the governing board might like to commit a portion of the fund balance to a “stabilization reserve” to provide cushion against unknown economic shocks and revenue declines. Constraints are enacted via resolution and must be in place prior to the end of the fiscal year.

9.1.4 Assigned – Similar to Committed except constraint is not legally binding, may be created by staff or the governing board and can be created after the end of a fiscal period. This may be used to earmark a portion of the fund balance for an intended use. For example, it could be assigned to pay for a special project.

9.1.5 Unassigned – This represents any excess of total fund balance after the prior four categories are deducted.

The order in which categories are expended can affect future financial flexibility. Generally, more restricted resources shall be expended prior to less restricted resources. As restricted balances decline from their stated goal they shall be replenished from the Assigned or Unassigned category within five years of the initial decline. The Budget Committee or City Council can designate certain revenues to be used to rebuild reserves, such as non-recurring revenues, budget surpluses or specific revenues above a certain level.

Use of dedicated resources shall be clearly disclosed within the budget document. Such use shall coincide with the intended restrictions on the dedicated resource. Generally, such use shall be for infrequent and non-recurring costs.

9.2 General Fund

9.2.1 Restricted - Reserves shall be created for any legally mandated or restricted resource which is received in the General Fund and not wholly expended by the end of the fiscal year.

9.2.2 Committed - The City may plan for and set aside cash reserves for a variety of significant infrequent outlays. Commitments may include but are not limited to building a reserve for economic sustainability, expansion and relocation costs, emergency management and response and future planning area costs. For

each committed resource the City Council shall adopt a resolution specifying the purpose, dollar amount and duration for existence of the committed amount. Committed amounts can be extended via amending resolution.

The City shall build up operational contingencies until they reach 15% of operating expenditures (personal services and material and services) to be used for unanticipated expenditures of a non-recurring nature, to meet unexpected increases in service delivery costs and for cash flow purposes. Once the target contingency has been reached, it shall be maintained.

9.2.3 Assigned - The City shall plan for and set aside cash reserves for a variety of short-term and recurring purposes. These assignments can be created by the City Council, the City Manager or the Finance Director for purposes that create a sound financial operating environment. Assignments may include but are not limited to building cash reserves for one-time or limited duration purchases such as equipment replacement, building modification and major repairs, park structure replacements, capital improvements, major software/hardware replacement, loans to other funds, etc.

9.2.4 Unassigned - By definition this is the amount remaining after provision for the above noted items. Balance in this category may be used to replenish deficiencies in the prior categories and create a resource for unforeseen financial needs.

9.3 *Special Revenue Funds*

9.3.1 Restricted - Certain funds may have restricted balances, such as building fees within the Building Fund that restricted under Oregon law.

9.3.2 Committed - The City shall build up operational contingencies until they reach 15% of operating expenditures (personal services and material and services) to be used for unanticipated expenditures of a non-recurring nature, to meet unexpected increases in service delivery costs and for cash flow purposes. Once the target contingency has been reached, it shall be maintained. This policy does not apply to debt service, internal service or certain special purpose funds.

9.3.3 Assigned - Assigned balances may be created as necessary under the same policy as for the General Fund. Any remaining resources not identified as restricted, committed or assigned for specific purpose shall be categorized as undesignated.

9.4 *Enterprise Operating Funds (Water, Sewer)*

9.4.1 Restricted - Any debt service reserve balance shall be categorized as restricted. Terms of such reserves are generally specified in the associated bond documents and covenants. It shall be the City's policy to fully comply with bond documents and covenants.

9.4.2 Committed - The City shall build up operational contingencies until they reach a minimum working capital (current assets less current liabilities) of forty-five (45) Once the target contingency has been reached, it shall be maintained.

9.4.3 Assigned - Assigned balances may be created as necessary under the same policy as for the General Fund. Provisions for rate stabilization, future capital improvements and major repairs and replacements not part of the restricted balance are typical components of assigned balances. Any remaining resources not identified as restricted, committed or assigned for specific purpose shall be categorized as undesignated.

9.5 *Debt and Capital Project Funds*

Balances in the General Obligation debt service fund are restricted by state statute and thus are always categorized as restricted. The balance should be nominal.

Balances in capital project funds (general government or enterprise) should be nominal and sufficient to cover any near-term liabilities of the fund. Larger balances may occur if the City receives cash for restricted purposes to be expended in future years. Examples include proceeds from debt issuance and receipts from developers in lieu of current construction of infrastructure.

10. Pension Funding Policies

10.1 The City participates in the State of Oregon Public Employees Retirement System (PERS) and is a member of the State and Local Government Rate Pool. The City will fund its required pension contribution requirements timely.

11. Debt Management

11.1 Purpose

To establish policies for debt financing that will provide needed facilities, land, capital equipment and infrastructure improvements while minimizing the impact of debt payments on current and future tax and rate payers. The City is given authority to borrow under various provisions in Oregon law and the City Charter. A debt, except certain lease purchase agreements, must be authorized pursuant to a resolution of the City Council.

11.2 Use of Debt Financing

Debt financing may be considered when purchase or construction of assets cannot be prudently acquired from current revenues or accumulated committed fund balances. Debt types are limited by Oregon statutes and may include general obligation bonds, limited tax obligation bonds, local improvement district bonds, bond anticipation notes, certificates of participation, lease/purchase agreements, full faith and credit bonds and revenue backed bonds. Any combination of debt may be used to finance an asset. Debt will not be used to fund current operating expenditures.

The City will pay cash for capital improvements within the financial affordability of each fund versus issuing debt. Cash resources may include system development charges, developer fees, inter-agency agreements, grants and accumulation of resources within operating funds.

The Finance Director shall perform a cost benefit analysis with the goal of minimizing the cost of financing to the City prior to presenting debt recommendations to the City Council.

11.3 Debt Margins

The City shall ensure that its debt margins are within the 3% TCV (true cash value) limitation as set forth in ORS 287A.050.

11.4 Debt Structures

The City may issue long term or short term debt. Long term debt life shall normally not exceed 20 years for general obligation bonds and 25 years for revenue bonds, but in no case longer than the useful life of the asset. Shorter repayment terms shall be considered when financially prudent.

Balloon or term payments may be considered provided financial analysis indicates such terms may be met financially without further rate or tax increases to satisfy the future large payments and without refinancing the balloon amount. Sinking funds (a committed fund balance) shall be established as necessary to provide for timely retirement of debt.

The City shall strive to begin principal reduction within a year after issuance but in no event shall a repayment structure contain more than three years of interest-only payments. Interest only years shall not extend the maximum debt life as noted above.

Short-term or interim financing are exceptions to this policy. These debt instruments are issued in anticipation of future long term debt and may be interest only and refinanced as is prudent and required for the construction of the asset. Nevertheless, the City shall strive to minimize the use and life of such debt. Except for short-term or interim financing, the City will issue debt based on a fixed rate.

11.5 Debt Refunding

The City may consider advanced refunding outstanding debt (as defined for federal tax law purposes) when it is financially advantageous to do so and complies with all limitations set forth in ORS 287A, the state statutes pertaining to authority to issue debt. At a minimum (a) the new debt shall not be longer than the remaining life of the retiring debt, (b) the net present value savings of a refunding should exceed 3.0% of the refunded maturities unless (1) a debt restructuring is necessary or (2) bond covenant revisions are necessary to facilitate the ability to provide services or to issue additional debt or (3) the refunding is combined with a new debt issuance.

The City may issue current refunding bonds (as defined for federal tax purposes) when financially advantageous, legally permissible and net present value saving equal or exceed \$100,000.

11.6 Interest Earnings on Debt Proceeds

Bond proceeds shall be promptly invested in accordance with the Investment Policy. Focus shall be on safety and maturity of investments to pay construction costs.

Use of investment interest on bond proceeds will be limited to funding changes to the bond financed project, as approved by City Council, or be applied to debt service payment on the bonds issued for such project.

11.7 Sale Process

The City shall use a competitive bidding process in the sale of debt unless the nature of the issue warrants a negotiated or private placement sale. The City will utilize a negotiated process when the issue is, or contains, a refinancing that is dependent on market/interest rate timing, if the interest rate environment or market/economic factors may affect the bond issue, or if the nature of the debt is unique and requires particular skills from the underwriters involved. Private placement (debt sold directly to a commercial bank) may be used when anticipated to result in cost savings or provide other advantages when compared to other methods of sale, or if it is determined that access to the public market is unavailable. The City shall award the bonds based on a true interest costs (TIC) basis. However, the City may award bonds based on a net interest cost (NIC) basis as long as the financial advisor agrees that the NIC basis can satisfactorily determine the lowest and best bid.

11.8 Financial Advisor

The City shall employ an independent financial advisor registered with the Municipal Securities Rulemaking Board (MSRB) for all competitive and negotiated issuances. The advisor shall attempt to involve qualified and experienced firms, which consistently submit competitive bids on local government bond underwritings. For negotiated issuances the advisor shall review the offered amortization schedule, interest scale and TIC/NIC and provide guidance on the competitiveness compared to similar issues traded currently. The advisor may also be involved with preparation of bond prospectus, rating presentations, communication with legal counsel and other services necessary for the timely and prudent issuance of debt.

11.9 Bond Ratings

Full disclosure of operations and open lines of communications shall be maintained with the rating agencies. Credit ratings on publicly traded issues will be sought from one or more of the nationally recognized municipal bond rating agencies, as recommended by the City's financial advisor.

The City will continually strive to maintain or increase the City's current bond ratings by prudently managing its funds and by reviewing and monitoring financial policies, budgets, forecasts and the financial health of the City.

11.10 Covenant Compliance and Annual Disclosure

The City will comply with all covenants stated in the bond ordinance, including providing for annual disclosure information and providing for material event notices. The Finance Director shall be responsible for maintaining the City's relationship with the rating agencies and investors. The Finance Director shall oversee the preparation of official statements, disclosure documents, annual filing under MSRB and any special notices of certain "material events," in connection with its borrowings.

11.11 Debt Security

Debt may be secured by various funding sources including:

- General Obligation Bonds, secured by property taxes
- Revenue Bonds, secured by specified revenue(s)
- Limited Tax General Obligation, secured by resources within the General Fund
- Local Improvement District Bonds, secured by liens on affected property
- Other types of debt approved by the City Council including bank line of credit and leases.

11.12 Lease/Purchase Agreements

The City may use lease/purchase agreements for the acquisition of equipment when it is cost-effective and provides for attractive terms. All lease purchase agreements will be reviewed by the Finance Director who shall determine whether a lease purchase is appropriate given the circumstances. Agreements under \$100,000 may be approved by the City Manager and larger amounts must be approved by the City Council. City purchasing policy rules are to be followed for the selection of the purchase.

12. Inter-Fund Loan Policies

12.1 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:

12.1.1 Loans may not be made from debt service funds.

12.1.2 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.

12.1.3 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.

12.1.4 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.

12.1.5 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.

12.1.6 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.

12.1.7 If the loan is to 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.

12.1.8 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.

13. Grants and Intergovernmental Revenues

13.1 Purpose

The City will seek, apply for, and effectively administer federal, state and local grants, which support the City's current priorities and policy objectives. The City should take advantage of opportunities to enhance service delivery through intergovernmental cooperation, shared revenues, and grants. However, grants shall not be pursued if the administrative and program burden is determined to exceed the benefit of outside resources.

13.2 Grant Policies

13.2.1 The City shall apply and facilitate the application for only those grants that are consistent with the objectives and high priorities identified by Council and management.

13.2.2 Determination shall be made prior to application if the City has sufficient available resources for cash match requirements.

13.2.3 Grant funding will be considered to leverage City funds. Inconsistent and/or fluctuating grants should not be used to fund ongoing programs and services.

13.2.4 The potential for incurring ongoing costs, to include assumptions of support for grant-funded positions from local revenues, will be considered prior to applying for a grant.

13.3 Grant Review Process

13.3.1 A uniform grants pre-application process will be utilized to assure the City has all the information necessary to make a decision regarding a potential grant. Information to be provided should include, but not be limited to:

- The grant being pursued and the use to which it would be placed.
- The objectives or goals of the City which will be achieved through the use of the grant.
- The local match required, if any, plus the source of the local match.
- The increased cost to be locally funded upon termination of the grant.

13.3.2 All grant agreements will be reviewed by the appropriate City staff, including Finance, Legal, and the sponsoring department, to ensure compliance with state, federal, and City regulations.

13.3.3 The City Manager shall approve all grant submissions on behalf of the City and the City Council shall approve all grant acceptances over \$100,000 or any grant requiring the authorization of the elected body.

13.4 Budgeting for Grant Expenditures

Departments seeking or receiving grant proceeds shall be responsible for including the proper amount in the budget. Only known grant awards or pending requests with a high level of assurance of award shall be budgeted. Budget amendments may be processed for grants not included in the budget but awarded and received during the fiscal year.

13.5 Grant Termination and/or Reduced Grant Funding

The City shall terminate grant-funded programs and associated positions when grant funds are no longer available, and it is determined that the program no longer supports City goals and/or is no longer in the best interest of the City, unless the City has obligated itself through the terms of the grant to maintain the positions, services, or equipment. Exceptions may be made when it is not in the City's best interest to terminate a program of service.

14. Financial Consultants

14.1 The City will employ qualified financial advisors and consultants as needed in the administration and management of the City's financial function. These areas include but are not limited to audit services, debt administration, utility rate studies, and financial modeling. The principal factors in the selection of these consultants will be experience/expertise, ability to perform the services offered, references, and methodology to name a few. In no case should price be allowed to serve as the sole criterion for the selection.

14.2 Selection of Auditors

At least every five years, the City shall request proposals from qualified firms, including the current auditors if their past performance has been satisfactory. The City Council shall select an independent firm of certified public accountants to perform an annual audit of the accounts and records, and render an opinion on the financial statements of the City.

14.3 Bond Counsel

Bond Counsel to the City has the role of an independent expert who provides an objective legal opinion concerning the issuance and sale of bonds and other debt instruments. As bond counsel are specialized attorneys who have developed necessary expertise in a broad range of practice areas, the City will always use a consultant for these services. Generally, bonds are not marketable without an opinion of a nationally recognized bond counsel stating that the bonds are valid and binding obligations stating the sources of payment and security for the bonds and that the bonds are exempt from federal and state income taxes.

Due to the complexity of the City's financial structure and the benefits that come with the history and knowledge of the City and prior debt issuances, there is no requirement for rotation.

14.4 Financial Advisory Services

The City may issue various types of securities to finance its capital improvement program. Debt structuring and issuance requires a comprehensive list of services associated with municipal transactions, including but not limited to: method of sale; analysis of market conditions; size and structure of the issue; coordinating rating agency relations; evaluation of and advice on the pricing of securities, assisting with closing and debt management; calculation of debt service schedules; and advising on financial management. As financial advisors to governmental entities have developed the necessary expertise in a broad range of services, the City will use a consultant for these services.

Due to the complexity of the City's financial structure and the benefits that come with the history and knowledge of the City, the contract with the Financial Advisor is not required to be rotated.

City Overview: Demographics and Financial Trends

Fiscal Year 2025-26

General Economic Information

Umatilla is located in northeastern Oregon, just across from the Washington border, at the confluence of the Columbia and Umatilla Rivers. The City has a total area of 4.63 square miles, of which, 4.42 square miles is land and 0.21 square miles is water. The local economy is heavily reliant on agriculture and supporting services. The City has also seen significant industrial investment in recent years through data center development.



Major Employers in the City of Umatilla

Company	Service	No. Employees
Two Rivers Correctional Institution	Correctional Facility	420
Amazon Data Services	Data/Technology	385
Umatilla School District	Education	220
City of Umatilla	Government	78
JM Manufacturing Co.	Plastic Products Manufacturing	65
Simplot Grower Solutions	Agricultural Products	50
South Basin Packing	Vegetable Packing Services	30
Columbia Harvest Foods	Grocery Store	30
Federal Employees	Government	25

* Some of these figures are estimates.

Growth, Growth and More Growth!

Interest in industrial and residential development continues in Umatilla. Data center facility construction continues and several new subdivisions are under construction. The City's population numbers grew by 187 people in the past year and the City has seen 17% population growth since 2015.

The chart below shows the ten year historical new construction value based off of building permit activity.

New Construction Value by Year 2015-2024

Description	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
New Construction Value	\$18,568,536	\$17,783,986	\$31,032,255	\$55,243,364	\$52,745,249	\$56,245,051	\$71,486,266
TOTAL	\$18,568,536	\$17,783,986	\$31,032,255	\$55,243,364	\$52,745,249	\$56,245,051	\$71,486,266

Description	2022-23	2023-24	2024-25	Total
New Construction Value	\$133,137,181	\$272,851,992	\$87,881,940	\$796,975,820
TOTAL	\$133,137,181	\$272,851,992	\$87,881,940	\$796,975,820

Ten Largest Property Taxpayers in the City of Umatilla

Taxpayer	Type of Business	Total Taxes	Current Assessed Value
Amazon Data Services	Data Center	\$ 10,266,459	\$ 664,257,114
Zayo Group LLC	Telecommunications	\$ 210,595	\$ 13,843,059
AAA Renovation & Construction L	Builder, Single Family	\$ 103,146	\$ 6,285,080
Pacificorp	Electrical Utility	\$ 91,033	\$ 5,981,677
KHEHRA Brother LLC	Hotel/Motel	\$ 38,774	\$ 2,523,090
Baustert John W ETAL	Unknown	\$ 35,264	\$ 2,148,760
Ness Investments LLC	Unknown	\$ 34,561	\$ 2,105,920
Umatilla Electric Coop ASSN	Electrical Utility	\$ 34,174	\$ 2,142,400
Simplot Industries INC	Agricultural Products	\$ 31,687	\$ 2,082,980
Quinones Properties LLC	Hotel/Motel	\$ 31,330	\$ 2,031,610

Demographics

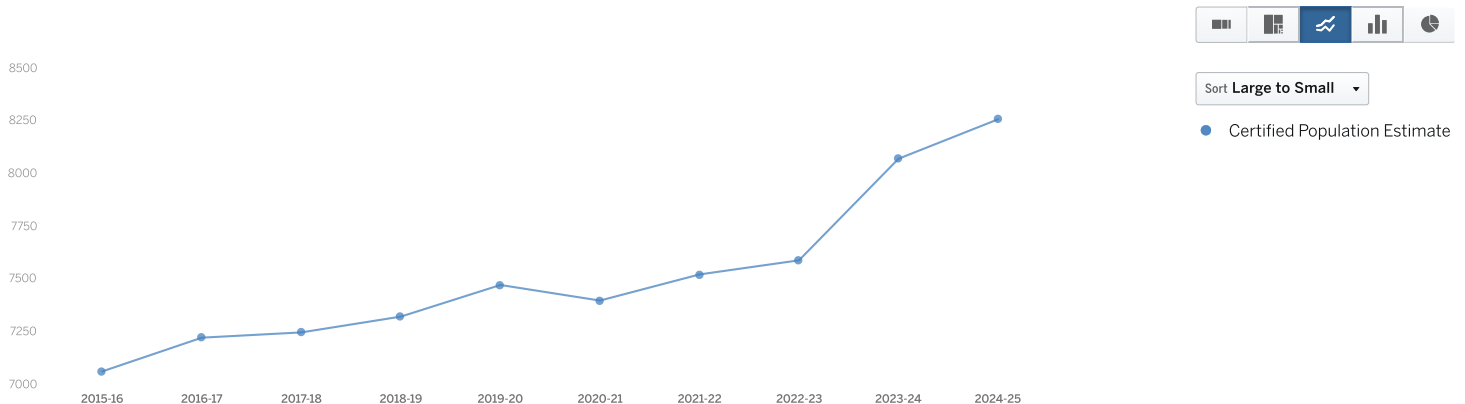
As of the census of 2020, the total population of the city was 7,363 and the racial makeup of the city is 47.5% Hispanic or Latino, 45.4% White, 2.6% African American, 1.6% Native American, 0.6% Asian, 0.3% from other races, and 2.0% from two or more races. The most recent population estimate from Portland State University is 7,810.

According to the 2019 American Community Survey results, the median age in the city was 33.9 years. 27.2% of residents were under the age of 20; 6.1% were between the ages of 20 and 24; 36.6% were between 25 and 44; 22.8% were between 45 and 64; and 7.3% were 65 years of age or older. The city is comprised of 1,748 households, with an average household size of 2.88 and average family size of 3.56. The median income for a household in the city was \$41,995, and the median income for a family was \$44,191. The per capita income for the city was \$20,998. Approximately 26.1% of the population were below the poverty line.

CITY OF UMATILLA POPULATION

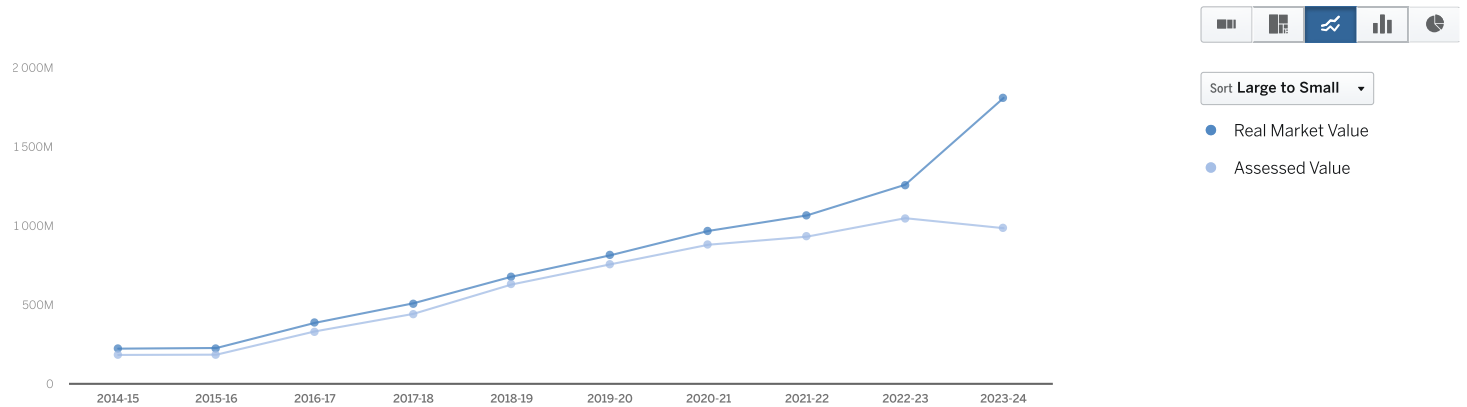
Source: Portland State Population Research Center Certified Population Estimates

Visualization



The graph of Real Market Values (RMV) versus Assessed Values (AV) shows below, the City's overall RMV has increased exponentially over the past ten years due to the significant industrial and residential growth that the City is experiencing. The decrease in AV in the last year is unusual and is a result of Amazon swapping out their existing servers at the PDX2 campus for a type of AI server that requires fewer servers to be in place. This, along with their annual depreciation deduction, resulted in a \$107 million personal property decrease. Fortunately, the decrease was partially offset by new construction growth.

Visualization



City Overview:

Short Term Factors Impacting Overall Budget Development

Fiscal Year 2025-26

During the preparation of the budget for the ensuing fiscal year, the short-term impacts of the local economy were examined in conjunction with business decisions made by the City. The following are the major assumptions used in developing the 2025-26 budget.

Property Taxes and Payments in Lieu of Taxes

Total taxable assessed value for 2024-25 is \$984,745,237 (a 6% decrease in value from the prior year), resulting in approximately \$2.9 million of property tax for the current year. The decrease is unusual and is a result of Amazon swapping out their existing servers at the PDX2 campus for a type of AI server that requires fewer servers to be in place. This, along with their annual depreciation deduction, resulted in a \$107 million personal property decrease. Fortunately, the decrease was partially offset by new construction growth. We anticipate next year will be similar, resulting in a decrease of 3% in property tax receipts in the next fiscal year, for a total projected revenue of \$2.8 million, a decrease of \$100,000. The limit under Measure 50 is a 3% annual increase in existing value. To be conservative, we based our projections of a 2% increase. We also added new construction at 75% of the real market value (RMV). Our current permanent tax rate is \$2.9191 per \$1,000 of assessed value.

PDX63/2 SIP Agreement: In the current fiscal year, we received the sixth set of payments resulting from the Strategic Investment Program (SIP) agreement on the fifth building of PDX2 and the PDX63 campus. The first category of payments is ad valorem taxes in which the first \$25 million in real market value shall be taxable at its assessed value. We received the full \$73,000 in additional annual property tax revenue for 2024-25. That is included in our normal property tax projection.

The second category is the Community Service Fee (CSF) in an amount equal to 25% of the property taxes that would be due on the exempt property, not exceeding \$500,000 in any year for 15 years. An agreement was made in July 2018 to distribute the \$500,000 among the city and the special taxing districts. The city's maximum annual distribution will remain \$91,197, the same full amount we received in this fiscal year. This payment will remain the same for the full 15-year period.

The third category is the Additional Annual Improvement Payment (AIP) of a minimum of \$4 million per year for 15 years paid to the Enterprise Zone. This payment is to be then split 50/50 between the City and Umatilla County. In the current fiscal year, our distribution increased from \$3.1 million to \$3.5 million due to the addition of another building at the Westland Road campus. We expect that amount to remain flat for the next fiscal year.

PDX130 Enterprise Zone Agreement: We received our second set of payments related to the PDX130 Enterprise Zone Agreement in the current fiscal year. These payments consisted of a \$1,425,000 Annual Improvement Payment and ad valorem taxes in which the first \$25 million in real market value shall be taxable at its assessed value, which is equivalent to just above \$75,000 due to the annual escalation clause of 3%. These payments will

continue for the full 15-year abatement period and will grow as more buildings are added. We do not anticipate an increase for the final building until FY2026-27.

PDX194 Enterprise Zone Agreement: The first two buildings of this campus received their certificate of occupancy prior to the end of 2024; therefore we will receive our first Annual Improvement Payment of \$925,000 and an Additional Annual Fee on the ad valorem amount due on \$29 million, which is equivalent to approximately \$84,000. These payments will continue for the full 15-year abatement period and will grow as more buildings are added.

Other Agreements: There are two additional Amazon campuses, PDX121 and PDX260, that have approved Enterprise Zone Agreements. We do not anticipate any payments in lieu of tax from PDX121 until FY2028-29 and from PDX260 until FY2026-27.

In August 2023, the City Council approved an Enterprise Zone agreement with Sabey Data Center Properties for a new project. We do not anticipate any payments in lieu of tax until the fiscal year ending June 30, 2029.

Utility Rates

Council approved a monthly water and sewer rate increase of 6% each as a result of the utility rate study completed by FCS Group in spring 2020. Council also approved a refuse rate increase of 12.12% on behalf of Sanitary Disposal. The average residential customer, using 7,500 gallons, will see a 7% increase in their utility bill, or a \$9.63 increase monthly.

Other Revenue Factors

The City's electrical franchise agreement cap with UEC was renegotiated in March 2020. The cap increased from \$500,000 annually to \$1 million in 2020-2024, \$1.5 million in 2025-2029 and no cap thereafter. It is anticipated the full \$1.5 million will be collected in the 2024-25 fiscal year.

Personnel Expenses

When considering COLA proposals, the city usually looks at many numbers, including the consumer price index 12-month percentage change (3% as of January 2025), annual inflation rate (2.9% for 2024) and SSA COLA (2.5% in 2025). Our recently approved collective bargaining agreements base wage adjustments off CPI so staff are recommending a cost-of-living-adjustment (COLA) of 3% for all non-union employees.

We are nearing the end of the first year of the current police collective bargaining agreement that is in effect through June 30, 2027. The agreement calls for a 3% COLA in the next fiscal year.

We are nearing the end of the third and final year of the current public works collective bargaining agreement that is in effect through June 30, 2025. We are about to commence contract negotiations but will not be under contract prior to budget adoption. As such, we will budget for a COLA of 3% for the next fiscal year.

City Council just approved a collective bargaining agreement with the Umatilla Police Sergeant's Association that is in effect until June 30, 2027. The agreement calls for a 3% COLA in the next fiscal year.

Our current PERS rates are effective until June 30, 2025. Our 2025-2027 rates are increasing from 25.30% to 28.50% for Tier 1 and Tier 2, from 17.29% to 23.44% for OPSRP General Schedule and from 22.08% to 28.71% for OPSRP Police. In addition to the employer's portion, the city pays the employee's 6% required match.

The City continues to offer the One America deferred compensation plan. Participation in the plan is voluntary, but allows for a 50% employer match of up to 3% of an employee's salary to encourage employees to save for their retirement and make up for the amount redirected from their IAP.

Medical insurance costs will increase by 9% for the next budget cycle. Delta Dental plans will increase by 5%, Willamette Dental plan premiums will increase by 7% and vision premiums will increase by 6%. The lower cost items such as life insurance and accidental death and disability will remain flat.

New Full Time Employee (FTE) Approvals

- City Attorney
- Project Manager
- Victim Advocate / Evidence Technician
- Maintenance Worker I
- Facilities Lead
- Custodian
- Part-time Public Works Administrative Assistant

Capital Improvement Projects

Umatilla Business Center

City staff has been working with Seder Architecture & Urban Design on a renovation and expansion project of the old post office building into the new City of Umatilla Business Center. This Business Center will house the Community Development Department and a multi-use room and kitchen for events and meetings in the existing building and will have a two-story expansion that will serve as a business incubator for new business owners on the lower level, while providing long term rental space on the second floor. We estimate this project will cost \$8.4 million which includes the building, parking lot and street improvements. City staff secured a \$1.4 million EDA grant application and will fund the remainder of the project from a contribution from Umatilla County of \$1 million, \$1.8 million in legislative funding and the remainder from the City's ARPA allocation and capital reserves.

Police Department - New Facility

The current police department building does not meet the needs required for the current and future growth of the department in relation to the growth of the community. We have contracted with Mackenzie, Inc. for the design of a new Police Department facility that will meet the demands of the police department for approximately 20 years. The full design is included in the current budget and all unused design funds will be carried forward to next year. The budget proposal will not include the construction of the police department because the budget structure will depend on the results of the November 2025 ballot measure. Staff will make a modification to include the project in the appropriate manner through a supplemental budget.

Powerline Road and Madison Street Improvements

In anticipation of the new intermediate school in South Hill, we are currently completing design of Phase 1 of the Powerline Road improvement project which will include to improving Powerline from 100' N of Jefferson to 200' N of Pine Tree and all of the Madison St improvements. We anticipate starting construction (estimated at \$3.9 million) early summer 2025. The city has an IGA with the Port of Umatilla to utilize \$2 million of dedicated street funding towards this project. After design, we have approximately \$3.4 million in funding and we have allocated the remaining \$500,000 in construction funding in the proposed budget.

Umatilla Marina & RV Park Improvements

The Umatilla Marina was completed spring 1991. The average lifespan of a marina built in the 1990s is 15-20 years due to the technologies/engineering of marinas during this time. The Umatilla Marina has reached the end of its useful life and is needing a full replacement. We have missing floatation, twisted fingers, splintering boards, missing hardware, and both significant potable water and electrical issues, not to mention an entire dock that has been decommissioned for more than 5 years. The Umatilla Marina is a well-used marina with seemingly countless potential.

The City is working towards design an all-new state-of-the-art marina. The new marina will include: covered single-berth slips, uncovered single berth slips, aluminum or steel framed docks, engineered decking or concrete, encapsulated floats and other highly buoyant materials, well-spaced navigable fairways, reliable and safe potable water, electrical hookups, updated sewer pumping system(s), high speed internet, new gangways and entries, replaced abutments, and other features and amenities. The City secured a grant from the Oregon State Marine Board (OSMB) to complete phase 1 of the design which includes surveying, environmental permitting, geotechnical investigations, cultural evaluations, hydraulic investigations and sediment transport analysis. The total cost of phase 1 is \$487,300 and the City's match is approximately \$357,000 which will be funded through the already allocated design funding. Approximately \$50,000 was spent in FY2023-24 and the remainder will roll forward.

Nugent Park Boat Ramp Replacement

The Nugent Park boat ramp was damaged in the flooding that occurred in 2020. Projects that occurred under that FEMA declared disaster are eligible for 90% reimbursement. After a deeper evaluation of that area, it appears it would be best to pursue design and completion of the other desired site improvements at the same time to realize economy of scale savings by only having to do the work once and to complete the improvements sooner, rather than later. The expanded scope includes a boat dock, non-motorized boat ramp, launch staging area upgrades and site lighting. The total design and construction cost of the project is \$1,325,000. FEMA will cover \$660,000 and the city will be responsible for the remaining \$665,000. This project is currently on hold due to delays with permitting from the US Army Corps of Engineers (USACE). We anticipate expending approximately \$75,000 in the current fiscal year and will carry the remainder into the next budget.

Hash Park Improvements

Our engineers put together a conceptual plan for the development of Hash Park that includes a variety of amenities including a baseball/softball sports complex, soccer fields, playground, pavilions, and open space. We anticipate the full design cost of the facility to be approximately \$800,000 and have allocated that amount in the current fiscal year. All unused funds will be rolled forward to the next fiscal year.

Water and Sewer Extension to the Power City and Brownell Areas

The City of Umatilla intends to extend water service to Power City and construct a new, compliant and reliable water distribution service to the residents of the Power City and Brownell Communities. This is a follow up to the design project (funded by a \$593,000 Community Development Block Grant). Both areas are located within the City's Urban Growth Boundary. Power City Co-Op's water system has been out of compliance since 1986 when the EPA revised water quality standards. The largest compliance issue is the status of their storage tank, that features a bitumastic (tar) lining when it was installed in 1972 and cannot meet water quality standards adopted in 1986. Additionally, the tank is severely corroded. The system as a whole is outside of its useful life and is the only well, which could fail at any time, leaving the residents without water. In both 2021 and 2022, the system failed and the City of Umatilla temporarily trucked in water to the residents. The Brownell area, which is located north of the ODOT weigh station on Hwy 730/I-82, is served by a combination of City service, a local Water Association, and on-site well systems. The Brownell area water system does not meet public works standards and is undersized. Additionally, because of the varied sources of water service in the area, maintenance costs are exceptionally high and service is unreliable. We estimate that the Power City/Brownell Water Service Project will cost approximately \$8,086,500. The City intends to fund the water project as follows:

- \$6,000,000 - Bipartisan Infrastructure Law (BIL) Funds administered by Business Oregon's Safe Drinking Water Revolving Loan Fund (SDWRLF). This will be comprised of a loan for \$2.7 million that will carry interest at 2.83% for 30 years and a \$3.3 million forgivable loan.
- \$1,906,500 - Community Development Block Grant (CDBG) Construction Funds
- \$180,000 - City Funds: Accumulated System Development Charge improvement revenue.

The City also intends to extend sewer service to the Power City and Brownell Communities. This is a follow up to the design project (funded by a \$372,500 Community Development Block Grant). The Power City area is

currently served by individual septic systems. The Brownell area is served by a mixture of private septic systems (27) and 8 customers that are already connected to the City's wastewater system. The residential members of these two communities have discussed connection to the City of Umatilla's wastewater system to increase reliability for the property owners and remove the maintenance responsibilities associated with private septic tanks. Waiting for the septic systems to fail, and create an environmental problem, or mandating the residents to connect in the future, will only increase the capital costs to the low-and-moderate income residents of this area. We estimate that the Power City/Brownell Sewer Service Project will cost approximately \$11,315,305. The City intends to fund the project with a \$500,000 contribution from a private industrial customer and the remainder with a DEQ Clean Water State Revolving Fund (CWSRF) Loan.

Umatilla River Bridge & Waterline Replacement Projects

In spring 2019, flooding caused severe damage to the Umatilla River Bridge and the potable waterline that was attached to it. The following year, additional flooding caused more damage, rendering the bridge unrepairable. The bridge is an important strategic piece of City infrastructure. The bridge has multiple utility uses; it is used as a major walking path for students and community members to cross the Umatilla River. It also holds a major fiber optic conduit and is the major potable water line for the South Hill neighborhoods. The South Hill area of Umatilla is seeing tremendous residential development and the City is concerned about adequate water supply and fire flow to that side of town. The City is currently utilizing a smaller waterline that had been previously shut off to provide water in the interim period but the pipeline is not viable as a permanent option. The City has worked with FEMA and JUB Engineers to develop a replacement project for both the bridge and waterline. To mitigate future damages to the bridge and waterline, the City will be installing a clear span arched steel truss pedestrian bridge with the same size of waterline mounted to the underside of the bridge. This bridge will be raised 5-10' from its' previous height.

The bridge replacement is a \$6.2 million-dollar project. FEMA will be covering \$4.7 million, insurance proceeds will cover \$100,000, and we anticipate a \$500,000 emergency grant and \$1 million loan from Business Oregon's Special Public Works Fund. We do not anticipate any loan payments due in the 2022-23 fiscal year. The waterline replacement is a \$1,000,000 project. FEMA will be covering approximately \$750,000 and we anticipate a \$250,000 emergency grant from Business Oregon's Special Public Works Fund for the remainder of the project costs.

CTUIR Point of Diversion and Pump Station Improvement Project

The city is currently working on an engineering and permitting project to enlarge and upgrade the surface water diversion and related pipeline transmission facilities located on the south bank of the Columbia River, which is owned by the CTUIR. This system will allow the city to supply the data centers with raw water to meet their cooling needs, increase the flexibility of our potable water system by adding the ability to divert water at a second site and allow CTUIR's water to be discharged to maintain the Wanaket Wildlife Refuge and Wetlands. The design portion of this project is anticipated at \$2.8 million, and the city's portion of the construction is estimated at \$25.2 million. For design, the city has executed a loan for 40%, or approximately \$1.1 million from Business Oregon. As of June 30, 2024, the loan balance was \$130,776 but design is currently still being completed. The loan carries a 7-year term and 1.54% interest rate. The remainder will be funded with an upfront capital reimbursement from an industrial developer. For construction, the city anticipates obtaining a \$10 million loan from Business Oregon and funding the remainder of the project with an upfront capital reimbursement from an industrial developer.

Community Support & Commitments

The city continues to observe and realize significant successes of the Port's economic development efforts, especially in the work completed in bringing large industrial partners to the city. As such, the city would like to continue to partner with the Port to make strategic investments to continue to enhance economic development in our city. To that end, City Council approved a resolution committing a payment to the Port each of the following three years. This year (FY25) in the amount of \$500,000, next year (FY26) in the amount of \$600,000, and the final year (FY27) in the amount of \$700,000. To fund the remaining contribution, I recommend we use

the additional county allocation we will receive from the PDX130 enterprise zone distribution agreement for the next two years.

We have also been engaging in conversations with other taxing districts including the Umatilla School District, Umatilla Rural Fire Protection District, Umatilla Hospital District, Umatilla Radio Data District, and West Umatilla Mosquito Control District about ways to support them and their future capital projects. We received a formal request from the Umatilla School District for a one-time contribution of \$500,000 for renovations at the current high school shop to convert/update the space for elective classes for the middle school. We have not received formal requests from the other taxing districts.

Other Expense Factors

Insurance costs will increase slightly for the 2025-26 fiscal year. Property and auto rates are increasing by 5.6%, general liability rates are increasing by 3% and auto liability rates are decreasing by 11%.

Debt Outstanding: Long-Term Debt

Fiscal Year 2025-26

Long-Term Debt

Overview of Long-Term Debt

Cities issue long-term debt to pay for long-term capital improvements. The number of years the debt is outstanding is equal to or less than the useful life of the capital investment. As set by policy, long-term debt shall not be used for operating purposes. Refer to the Financial Policies section of this document for a summary of the City of Umatilla's debt policy.

Payments on outstanding debt are referred to as debt service payments. These debt service payments are appropriated to cover the principal and interest. Historically, the City has issued general obligation bonds, full faith and credit obligations, revenue bonds and notes payable.

General obligation bonds are secured by property taxes and therefore must be pre-approved by the voters. Full faith and credit obligations are backed by the City's General Fund; however, they may be repaid from any other available resources. Revenue bonds are used to finance enterprise-related capital improvements and are repaid from their respective utility fees and charges.

Continuing Disclosure and the S.E.C.

The City of Umatilla fulfills its obligation for continuing disclosure requirements under the Securities and Exchange Commission Rule 15c2-12 by filing its audited financial reports and other required disclosures with the Municipal Securities Rulemaking Board Electronic Municipal Market Access (EMMA) database service which is available at www.emma.msrb.org.

City Credit Ratings

In February 2014, Standard & Poor's Rating Services (S&P) assigned its 'A' long-term rating to the City of Umatilla's series 2014 general obligation bonds. In their opinion the outlook was stable. The rating reflected the assessment of the following factors for the city:

- Strong budgetary flexibility, with 2013 audited reserves at 22.3% of expenditures;
- Adequate budgetary performance, which is partly driven by increased revenues and expenditures associated with data center development;
- Very strong liquidity, providing very strong cash levels to cover both debt service and expenditures;
- Adequate management, with standard financial policies; and
- Very strong debt and contingent liabilities position, with low debt levels and rapid amortization.

Debt Outstanding: Long-Term Debt Outstanding

Fiscal Year 2025-26

Long-Term Debt Outstanding

Long-Term Debt Outstanding

As of June 30, 2025, the City will have \$6,407,861 outstanding in notes payable and no outstanding bond debt, for a total of \$6,407,861 in long-term debt outstanding.

Legal Debt Limit Measures

Pursuant to Oregon Revised Statute 223.295, outstanding general obligation debt for cities in Oregon cannot exceed three percent of the real market value of all properties within city limits. For Umatilla, this maximum is \$54.3 million, of which, the City has zero outstanding.

Computation of Legal Debt Margin

Real Market Value (RMV) \$1,808,708,080

Debt Limit Rate 3%

Debt Limit \$ 54,261,242

**Source of RMV: Umatilla County Assessor's Office*

Debt Service Obligations

NOTES PAYABLE

Banner Bank - Big River Golf Course

The City borrowed \$1,700,000 from Banner Bank in December 2020. The note proceeds were used to purchase Big River Golf Course. The note carries interest at 2.79% and matures in 2040. The loan is paid using General Fund revenue. This note is recorded as a debt of the governmental funds.

Umatilla Pedestrian Bridge Replacement

In spring 2019, flooding caused severe damage to the Umatilla River Bridge and the potable waterline that was attached to it. The following year, additional flooding caused more damage, rendering the bridge unrepairable. The bridge is an important strategic piece of City infrastructure. The bridge has multiple utility uses; it is used as a major walking path for students and community members to cross the Umatilla River. It also holds a major fiber optic conduit and is the major potable water line for the South Hill neighborhoods. The South Hill area of Umatilla is seeing tremendous residential development and the City is concerned about adequate water supply and fire flow to that side of town. The City is currently utilizing a smaller waterline that had been previously shut off to provide water in the interim period but the pipeline is not viable as a permanent option. The City has worked with FEMA and JUB Engineers to develop a replacement project for both the bridge and waterline. To mitigate future damages to the bridge and waterline, the City will be installing a clear span arched steel truss pedestrian bridge with the same size of waterline mounted to the underside of the bridge. This bridge will be raised 5-10' from its' previous height.

The bridge replacement is a \$6.2 million-dollar project. FEMA will be covering \$4.7 million, insurance proceeds will cover \$100,000, and we anticipate a \$500,000 emergency grant and \$1 million loan from Business Oregon's Special Public Works Fund. As of June 30, 2025, the City has requested \$1,056,010 in project reimbursements from IFA, but only received \$1,011,728. The remainder will be received in FY2025-26. Of the amount received, the first \$500,000 was an emergency grant. We do not anticipate any loan payments due in the 2025-26 fiscal year.

The waterline replacement is a \$700,000 project. FEMA will be covering approximately \$500,000 and we anticipate a \$200,000 emergency grant from Business Oregon's Special Public Works Fund for the remainder of the project costs.

IFA Final Design

The City borrowed \$444,815 from Oregon Infrastructure Finance Authority (IFA) in November 2016. The note proceeds were used to complete final design and execute bid documents for a discharge pipeline which enables the City to separate industrial wastewater from the data centers and re-use that water for irrigation purposes. Repayment commenced in December 2019. The loan is due in seven payments and will carry interest at 1.42% from the date of disbursement. This note is reported as a debt of the enterprise funds.

CWSRF Industrial Wastewater Line Construction Project

The City borrowed \$2,342,420 from the State of Oregon Department of Environmental Quality Clean Water State Revolving Loan Fund in November 2017. The note proceeds were used to construct the industrial wastewater line and outfall structure. The project has reached substantial completion and a loan amendment was recently executed increasing the amount by \$550,000 to \$2,892,420. The City received the final loan disbursement in FY2022, bringing the final project cost to \$2,838,214. The note agreement allows for \$500,000 principal forgiveness upon project completion (which is reflected in the reductions column) and requires the City to restrict one half of the average annual debt service, or \$50,284. The note will be due in thirty annual payments and will carry interest at 1.56% from the date of disbursement. The note is reported as a debt of the enterprise funds.

IFA 6th Street Waterline Improvement Project Refunding Note

The City executed an interim financing agreement \$667,378 from IFA in February 2019. The note proceeds were used to complete a waterline improvement project which included relocating water mains and services out of the ODOT right-of-way, upsizing approximately 1,000 feet of water mains to 8-inch, replacing 11 fire hydrants, demolishing or abandoning failing or undersized pipes and looping the new 8-inch water main at the corner of 6th and B Streets. The loan will be due February 12, 2022 or upon receipt of the refunding proceeds and will carry interest at 2.10% from the date of disbursement.

The refunding note beginning balance of \$546,193 reflects a reduction in the original loan amount to reflect (a) the de minimus rounding amount on the State Bonds passed on to all State Bond borrowers, and (b) the premium paid by the purchaser of the State Bonds in exchange for a higher nominal interest rate. After accounting for the reduction in principal and the higher nominal interest rate, the effective interest rate on the refunding is 2.485%. The note matures in December 2045. This note is reported as a debt of the enterprise funds.

CWSRF Planning Loan for Wastewater Facilities Plan Update

In February 2021, the City entered into a \$234,000 planning loan from the DEQ Clean Water State Revolving Fund with a 5-year repayment term at an interest rate of 0.54%. The City needs a new planning document that considers the residential, commercial and industrial growth over the last 20 years and future growth that will eventually create discharge quality issues. The plan will include a description of existing sewer treatment and collection systems, capacity and compliance analysis, anticipated needs for future facilities, and a description of

future facilities including schedule, cost and financing. In March 2023, the City executed a loan amendment increasing the amount to \$260,500. The project was completed in the 2022-23 fiscal year with the first payment due in the 2023-24 fiscal year.

IFA Intake and Pipeline Design Note (CTUIR Point of Diversion and Pump Station Improvement Project)

The city is currently working on an engineering and permitting project to enlarge and upgrade the surface water diversion and related pipeline transmission facilities located on the south bank of the Columbia River, which is owned by the CTUIR. This system will allow the city to supply the data centers with raw water to meet their cooling needs, increase the flexibility of our potable water system by adding the ability to divert water at a second site and allow CTUIR's water to be discharged to maintain the Wanaket Wildlife Refuge and Wetlands. The design portion of this project is anticipated at \$2.5 million and the city's portion of the construction is estimated at \$25.2 million. For design, the city is taking out a loan for 40%, or approximately \$1.5 million from Business Oregon. The remainder will be funded with an upfront capital reimbursement from an industrial developer. For construction, the city will be applying for a \$10 million loan from Business Oregon and funding the remainder of the project with an upfront capital reimbursement from an industrial developer. As of June 30, 2025, the City has requested \$1,041,422 in project reimbursements from IFA and received the full amount requested. The remainder will be received in FY2025-26. We do not anticipate any loan payments due in the 2025-26 fiscal year.

Power City & Brownell Area Water Extension - Construction Project

The City of Umatilla intends to extend water service to Power City and construct a new, compliant and reliable water distribution service to the residents of the Power City and Brownell Communities. This is a follow up to the design project currently underway (funded by a \$593,000 Community Development Block Grant). Both areas are located within the City's Urban Growth Boundary. Power City Co-Op's water system has been out of compliance since 1986 when the EPA revised water quality standards. The largest compliance issue is the status of their storage tank, that features a bitumastic (tar) lining when it was installed in 1972 and cannot meet water quality standards adopted in 1986. Additionally, the tank is severely corroded. The system as a whole is outside of its useful life and is the only well, which could fail at any time, leaving the residents without water. In both 2021 and 2022, the system failed and the City of Umatilla temporarily trucked in water to the residents. The Brownell area, which is located north of the ODOT weigh station on Hwy 730/I-82, is served by a combination of City service, a local Water Association, and on-site well systems. The Brownell area water system does not meet public works standards and is undersized. Additionally, because of the varied sources of water service in the area, maintenance costs are exceptionally high and service is unreliable.

The City of Umatilla estimates that the Power City/Brownell Water Service Project will cost approximately \$8,086,500. The City intends to fund the project as follows:

- \$6,000,000 - Bipartisan Infrastructure Law (BIL) Funds administered by Business Oregon's Safe Drinking Water Revolving Loan Fund (SDWRLF). These funds have the potential for approximately 50% of principal forgiveness.
- \$1,906,500 - Community Development Block Grant (CDBG) Construction Funds
- \$180,000 - City Funds: Accumulated System Development Charge improvement revenue.

As of June 30, 2025, the City has requested \$210,795 in project reimbursements from IFA and received the full amount requested. The remainder will be received in FY2025-26.

Long-Term Debt Activity for FY 2024-25

	Balance as of June 30, 2024	Additions	Reductions	Balance as of June 30, 2025
<u>Governmental Activities:</u>				
Notes Payable:				
Banner Bank - Golf Course	\$ 1,512,248	\$ -	\$ (74,138)	\$ 1,438,110
Umatilla Museum & Historical Foundation	\$ 31,250	\$ -	\$ (31,250)	\$ -
IFA Pedestrian Bridge Replacement	\$ 270,092	\$ 741,636	\$ -	\$ 1,011,728
Total Governmental Activities	\$ 1,813,590	\$ 741,636	\$ (105,388)	\$ 2,449,838
<u>Business-Type Activities:</u>				
Notes Payable:				
IFA Final Design	\$ 130,776	\$ -	\$ (65,348)	\$ 65,428
CWSRF IWW Construction	\$ 2,243,398	\$ -	\$ (64,449)	\$ 2,178,949
IFA 6th St Waterline Imp	\$ 510,096	\$ -	\$ (12,239)	\$ 497,857
CWSRF Wastewater Planning Loan	\$ 231,866	\$ -	\$ (57,499)	\$ 174,367
IFA Intake and Pipeline Design	\$ 654,928	\$ 386,494	\$ -	\$ 1,041,422
Total Business-Type Activities	\$ 3,771,064	\$ 386,494	\$ (199,535)	\$ 3,958,023
Total Long-Term Debt Obligations	\$ 5,584,654	\$ 1,128,130	\$ (304,923)	\$ 6,407,861

Future Debt Plans

Power City & Brownell Area Sewer Extension - Construction Project

The City of Umatilla also intends to extend sewer service to the Power City and Brownell Communities. This is a follow up to the design project currently underway (funded by a \$372,500 Community Development Block Grant). The Power City area is currently served by individual septic systems. The Brownell area is served by a mixture of private septic systems (27) and 8 customers that are already connected to the City's wastewater system. The residential members of these two communities have discussed connection to the City of Umatilla's wastewater system to increase reliability for the property owners and remove the maintenance responsibilities associated with private septic tanks. Waiting for the septic systems to fail, and create an environmental problem, or mandating the residents to connect in the future, will only increase the capital costs to the low-and-moderate income residents of this area. The Power City/Brownell Sewer Service Project will cost approximately \$11,315,305. The City intends to fund the project as follows:

- \$10,815,305 - DEQ Clean Water State Revolving Fund (CWSRF) Loan
- \$500,000 - Private Donation

Wastewater Treatment Plant Improvement Project

The wastewater facilities plan calls out several improvements needed at the WWTP. These include UV disinfection, headworks screen and sludge drying. It also calls for correcting an inverse pipe slope issue at Switzler. The City has submitted a construction loan application to the DEQ Clean Water State Revolving Loan Fund for a loan of \$10.7 million.

Reservoir Improvement Project

The water master plan identifies many reservoir projects that we have grouped into an Oregon Safe Drinking Water loan application. Not only do we have reservoirs that need to be recoated, but the city is also in need of an additional drinking water reservoir at the golf course. The total cost of design and construction is estimated at \$8 million. Currently, the program does not have enough funding to award our loan. As an alternative, we have reached out to Business Oregon to see if we could utilize a Special Public Works Fund planning loan to fund the initial design and land acquisition in the amount of \$828,900. These planning loans are typically low interest with 7-year repayment terms.

Debt Outstanding: Future Principal and Interest Payments Due

Fiscal Year 2025-26

Refer to the tables below for the Governmental and Enterprise Debt Service Schedules.

Debt Service Schedule**Governmental**

Year Ending June 30,	Governmental Activities			
	Banner Bank - Golf Course		Total	
	Principal	Interest	Principal	Interest
2026	\$ 75,306	\$ 39,597	\$ 75,306	\$ 39,597
2027-2030	\$ 322,086	\$ 136,635	\$ 322,086	\$ 136,635
2031-2035	\$ 457,464	\$ 117,051	\$ 457,464	\$ 117,051
2036-2040	\$ 525,439	\$ 49,076	\$ 525,439	\$ 49,076
2041-2045	\$ 57,815	\$ 792	\$ 57,815	\$ 792
Total	\$ 1,438,110	\$ 343,152	\$ 1,438,110	\$ 343,152
Due within one year	\$ 75,306	\$ 39,597	\$ 75,306	\$ 39,597
Due after one year	\$ 1,362,804	\$ 303,554	\$ 1,362,804	\$ 303,554
Total	\$ 1,438,110	\$ 343,152	\$ 1,438,110	\$ 343,152

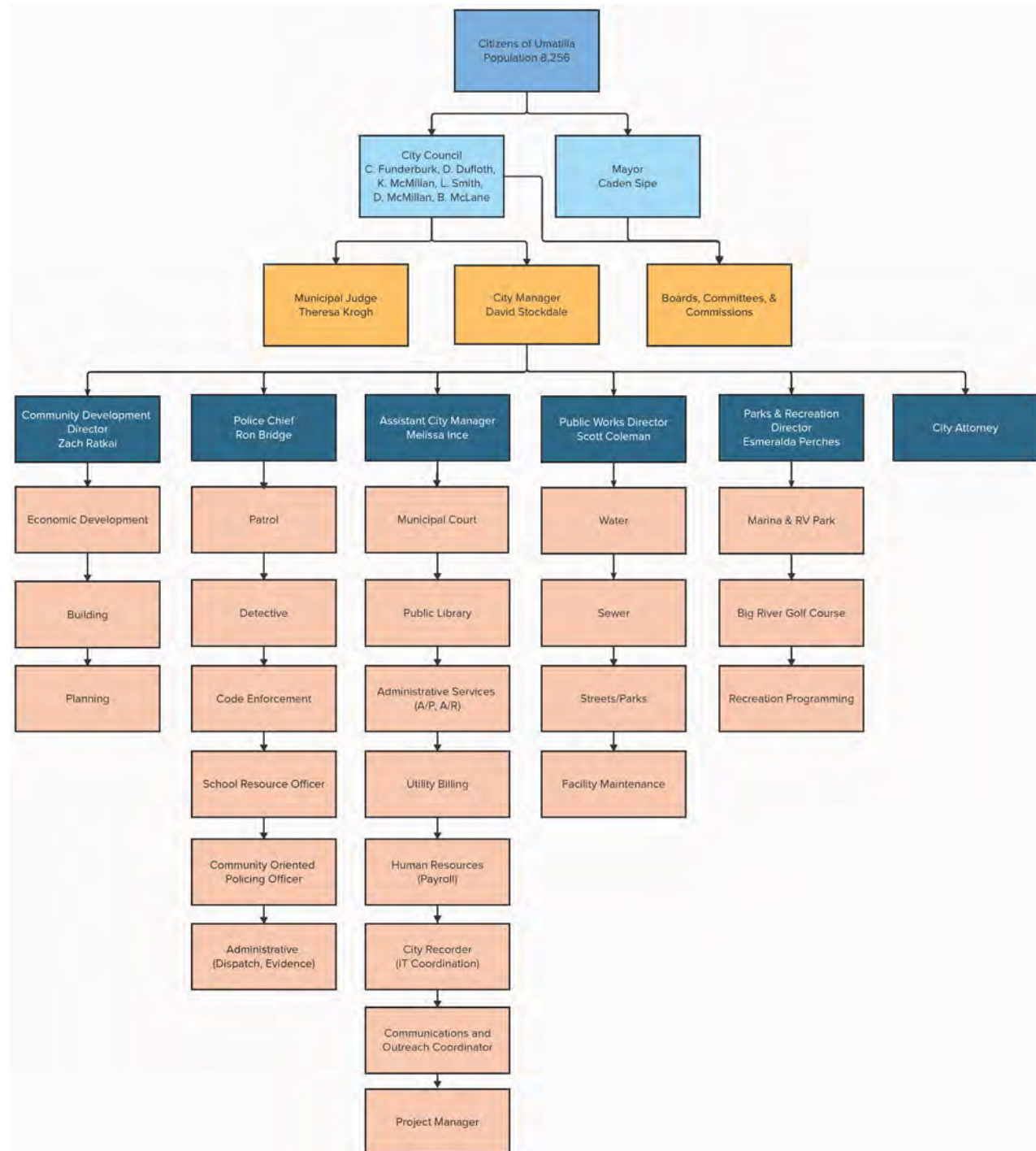
Debt Service Schedule**Enterprise (Business-Type)**

Year Ending June 30,	Enterprise Activities					
	CWSRF Industrial Wastewater Line Construction Project Loan		IFA Final Design Loan		IFA 6th Street Waterline Improvement Project Refunding Note	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 65,458	\$ 44,470	\$ 65,428	\$ 929	\$ 12,351	\$ 21,648
2027-2030	\$ 272,248	\$ 164,113	\$ -	\$ -	\$ 65,639	\$ 79,606
2031-2035	\$ 364,991	\$ 172,518	\$ -	\$ -	\$ 101,578	\$ 79,416
2036-2040	\$ 394,482	\$ 133,539	\$ -	\$ -	\$ 126,159	\$ 51,285
2041-2045	\$ 426,353	\$ 91,413	\$ -	\$ -	\$ 156,355	\$ 20,389
2046-2050	\$ 460,802	\$ 45,880	\$ -	\$ -	\$ 35,775	\$ 1,073
2051-2055	\$ 194,615	\$ 4,789	\$ -	\$ -	\$ -	\$ -
Total	\$ 2,178,949	\$ 656,722	\$ 65,428	\$ 929	\$ 497,857	\$ 253,417
Due within one year	\$ 65,458	\$ 44,470	\$ 65,428	\$ 929	\$ 12,351	\$ 21,648
Due after one year	\$ 2,113,491	\$ 612,252	\$ -	\$ -	\$ 485,506	\$ 231,769
Total	\$ 2,178,949	\$ 656,722	\$ 65,428	\$ 929	\$ 497,857	\$ 253,417

Year Ending June 30,	CWSRF Wastewater Planning Loan			
	Loan		Total	
	Principal	Interest	Principal	Interest
2026	\$ 57,810	\$ 864	\$ 201,047	\$ 67,911
2027-2030	\$ 116,557	\$ 788	\$ 454,444	\$ 244,507
2031-2035	\$ -	\$ -	\$ 466,569	\$ 251,934
2036-2040	\$ -	\$ -	\$ 520,641	\$ 184,824
2041-2045	\$ -	\$ -	\$ 582,708	\$ 111,802
2046-2050	\$ -	\$ -	\$ 496,577	\$ 46,953
2051-2055	\$ -	\$ -	\$ 194,615	\$ 4,789
Total	\$ 174,367	\$ 1,652	\$ 2,916,601	\$ 912,720
Due within one year	\$ 57,810	\$ 864	\$ 201,047	\$ 67,911
Due after one year	\$ 116,557	\$ 788	\$ 2,715,554	\$ 844,809
Total	\$ 174,367	\$ 1,652	\$ 2,916,601	\$ 912,720

Personnel: Organizational Chart

Fiscal Year 2025-26



Personnel: Position & Salary Ranges

Fiscal Year 2025-26

Positions & Salary Ranges

					Compensation Plan (pay range by position)		
FY 22-23	FY 23-24	FY 24-25	Increase (Decrease)	FY 25-26	Position Title	Low Step	High Step
City Administration							
1	1	1		1	City Manager	178,706	
0	0	0		1	City Attorney	122,016	165,264
1	1	1		-1	City Recorder	*	*
0	0.75	1		-1	Communications & Outreach Specialist	*	*
0.25	0.25	0.25		0.25	Office Interns	\$14.05/hr	\$17/hr
2.25	3	3.25		-1			
Finance & Administrative Services							
Assistant City Manager / Finance & Administrative Services Director						122,016	165,264
1	1	1		1	Administrative Services Manager	89,748	105,504
0	1	1		1	Human Resources Manager	89,748	105,504
0	1	1		1	Senior Accountant	89,748	105,504
1	0	0		0	Human Resources Analyst	77,364	94,632
1	1	1		1	Utility Billing Clerk	54,540	69,564
0	0	0		1	Project Manager	96,576	113,520
0	0	0		1	City Recorder	80,952	97,272
0	0	0		1	Communications & Outreach Specialist	63,936	81,552
4	5	5		3			
Municipal Court							
0.25	0.25	0.25		0.25	Municipal Judge	32,461	32,461
1	1	1		1	Court Clerk	54,540	69,564
1.25	1.25	1.25		0			
Library							
1	1	1		1	Library Director	80,952	97,272
1	1	2		2	Library Aide	46,248	59,028
1	1	0.5		0.5	Part Time Library Aide	\$22.24/hr	\$28.38/hr
0	.08	.08		.08	Library Intern	\$14.05/hr	\$17/hr
3	3.08	3.58		3.58			
Community Development							
1	1	1		1	Community Development Director	112,016	137,952
1	1	1		1	Building Official	103,632	121,800
1	1	1		1	Development Manager	89,748	105,504
1	1	1		1	Senior Planner	89,748	105,504
0	0	1		1	Building Inspector III	96,576	113,520
0	0	0		0	Building Inspector II	89,748	105,504
1	1	1		1	Building Inspector I	83,364	101,568
0	1	0		0	Building Permit Lead	63,936	81,552
1	0	1		1	Building Permit Specialist	54,540	69,564
6	6	7		7			
Parks & Recreation							
1	1	1		1	Parks & Recreation Director	112,016	137,952
0	0	0		1	Recreation Manager	89,748	105,504
1	1	1		1	Golf Course Administrative Supervisor	80,952	97,272
0	0	0		1	Golf Course Superintendent	80,952	97,272
2	3	3		3	Recreation Coordinator	63,936	81,552
1.5	1.5	1.5		0.3	RV Park Office Clerk	46,248	59,028
0	0	0		3	Maintenance Worker I	48,732	63,732
1.5	1.5	1.5		-0.3	Pro Shop Attendants	46,248	59,028
0	0	0.5		-0.5	Recreation Assistant	46,248	59,028
0	0	0		1.75	Seasonal Maintenance Worker	\$16.25/hr	\$18.25/hr
1	1.44	1.94		1.06	Recreation Team Member	\$14.05/hr	\$17/hr
0.5	0.5	0.5		-0.5	Seasonal RV Park Office Clerk	\$14.05/hr	\$17/hr
0.5	0.5	0.5		0.25	Seasonal Pro Shop Attendants	\$14.05/hr	\$17/hr
9	10.44	11.44		7.06			
Public Works							
1	1	1		1	Public Works Director	112,016	1165,264
1	1	1		1	Public Works Superintendent	110,928	129,708
1	0	0		0	Public Works Supervisor	89,748	105,504
1	1	1		-1	Golf Course Superintendent	*	*
3	3	3		1	Public Works Lead	61,632	80,592
3	3	3		3	Maintenance Worker II	51,564	67,444
7	9.5	11		-2	Maintenance Worker I	48,732	63,732
0	0	0		0.75	Custodian	\$17/hr	\$22.25/hr
2.25	2.75	2.75		-1.75	Seasonal Maintenance Worker	\$16.25/hr	\$18.25/hr
0	0	0		0.5	Part Time Administrative Assistant	\$22.23/hr	\$28.38/hr
19.25	21.25	22.75		-2.5			
Police							
1	1	1		1	Police Chief	122,016	165,264
1	1	1		1	Police Lieutenant	110,928	129,708
2.5	3	3		3	Police Sergeant	96,576	113,520
8	9	9		1	Police Officer	65,196	91,764
0	0	0.5		0.5	Part-Time Officer	\$35/hr	\$35/hr
0	0	0.25		0.2	Reserve Officers	\$25/hr	\$25/hr
1	1	1		1	School Resource Officer	65,196	91,764
1	1	1		1	Code Enforcement Officer	65,196	91,764
0	0	0		0.75	Victim Advocate/Evidence Technician	54,192	76,284
1	1	1.75		1	Dispatcher	65,196	91,764
1	1.75	1		-0.75	Police Office Clerk	54,192	76,284
16.5	18.75	19.5		0.75			
61.25	68.77	73.77		7.76	Total Full-Time Equivalent (FTEs)	* Indicates position moved to another department	

Summary of Changes

Administration

As the city has continued to grow, our need for legal services has significantly grown with it. We will continue to need coordination with outside counsel for specialized legal services, but those efforts would be better served being coordinated through in-house counsel. The number of contracts, projects, capital improvements, HR issues, finances, etc. has reached a point where in-house coordination can offset some of the costs that are spent on outside attorneys. The day-to-day operations of this position would exist in the administration department but would also work directly with the City Council. The position cost, including benefits, is estimated at \$225,000. To offset a portion of the cost, we expect our outside legal bills will decrease by \$75,000.

Finance & Administrative Services

The City Recorder and Communications & Outreach Specialist now report to the Finance & Administrative Services Department.

Over the past several years, we have seen a marked increase in the number of projects being launched across departments, which has placed considerable strain on our current leadership team. With multiple projects running concurrently, there is a need for an additional experienced Project Manager who can oversee these projects and drive them toward successful completion. This is especially critical as we negotiate contracts with new developers. The new Project Manager will be responsible for managing timelines, budgets, team coordination, risk management, and stakeholder communication, ensuring that all projects are completed within scope, on time, and on budget. Given the increasing complexity of the projects and the need for more dedicated leadership, hiring an additional Project Manager is essential for maintaining the quality and effectiveness of our project execution. The position cost, including benefits, is estimated at \$170,000. Currently, we are contracting a Project Manager to assist with contract development and negotiations. We are receiving private reimbursements to cover the cost of this position. We have negotiated that those payments will continue at a higher reimbursement rate of \$300,000 for the next three years, allowing General Fund revenue to grow prior to sustaining this expense.

Parks & Recreation

The Parks & Recreation Director now oversees the maintenance staff at Big River Golf Course. You will see a reduction in those staff in the Public Works counts and an increase in Parks & Recreation.

Public Works

Wastewater treatment plants often operate with minimal staffing. As Umatilla has grown, there has been a significant increase in workload without adding any additional staff. This budget includes one additional employee to help distribute the workload more evenly, reducing stress and increasing efficiency. The position cost, including benefits, is estimated at \$105,000.

As the city expands, its facilities—including public buildings, parks, and infrastructure—need regular maintenance and management. A dedicated facilities lead will oversee this, ensuring that everything runs smoothly, minimizing downtime, and preventing costly repairs due to neglect. This position will allow the city to address issues proactively rather than reactively, helping to streamline city operations. The position cost, including benefits, is estimated at \$120,000.

The contractor that has been cleaning city hall and the police department is no longer able to perform the services. When a city contracts custodial services, it often pays premium prices for the contractor's administrative overhead, profits, and subcontractor markups. Hiring a full-time custodian can reduce these additional costs. A staff custodian is more likely to have a vested interest in the maintenance and cleanliness of city facilities. They are part of the team, which fosters a sense of ownership and responsibility, leading to higher quality work. This budget includes the custodian position at 25 hours per week and they will report to the Facilities Lead. The position cost, including benefits, is estimated at \$40,000. The reduction in materials and services cost is approximately \$20,000 per year.

The Public Works Director has a wide range of responsibilities, from managing daily operations to long-term projects. These duties often include overseeing budgets, coordinating with various departments, attending meetings, and handling public inquiries. A part-time administrative assistant will allow the Director to delegate administrative tasks such as answering phones, scheduling meetings, processing paperwork, and managing correspondence, which will free up time for the Director to focus on higher-priority tasks and strategic decision-making. A part-time administrative assistant provides the necessary support without the financial commitment of a full-time position. The position cost, including benefits, is estimated at \$36,000.

Police Department

As a victim advocate this employee will serve as a liaison between victims and the criminal justice system, ensuring that victims receive emotional support, resources, and guidance throughout the investigative and court process. This role enhances community trust, improves victim cooperation, and helps reduce trauma for those affected by crime. Additionally, as an evidence technician this employee will be responsible for the intake, storage, organization, and proper handling of evidence. The position cost, including benefits, is estimated at \$120,000. We currently have a .75 FTE office position open that will not be filled and that funding of approximately \$97,000 will go towards covering this position.

Budget Summary: Description of Funds

Fiscal Year 2025-26

Budgeting in Umatilla

The City of Umatilla budgets at the "fund" level. A fund is a fiscal and accounting entity with self-balancing accounts to record cash and other financial resources, related liabilities, and balances and changes, which are segregated for specific activities and objectives. Funds are grouped into three types:

1. Governmental Funds

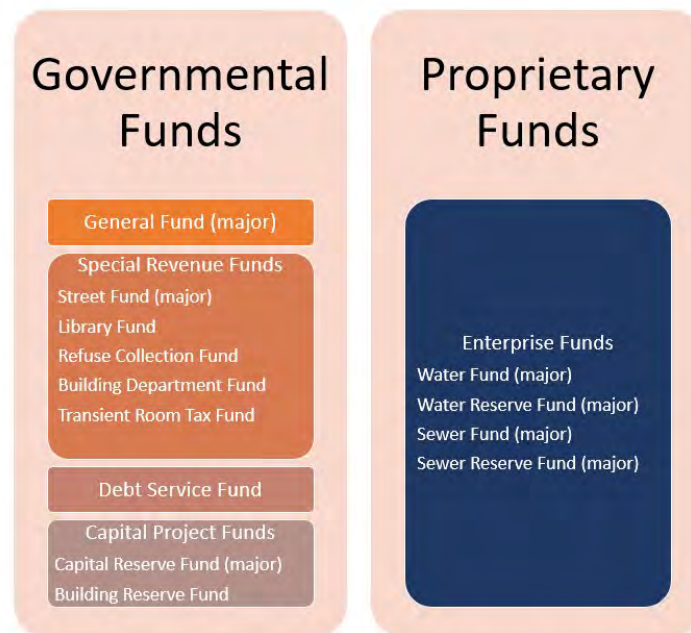
Governmental Funds are used to account for most of the city's functions and include general, special revenue, debt service, and capital project funds.

2. Proprietary Funds

Enterprise funds are used to account for city activities that are similar to those found in the private sector.

3. Fiduciary Funds

Fiduciary funds account for resources received and held by the city in a fiduciary capacity. The City of Umatilla does not currently have any fiduciary funds.



All funds in the funds structure are appropriated in the FY26 Budget.

Major Fund: A fund whose revenues or expenditures are at least ten percent of the total for their fund category (governmental or proprietary).

Note: The audited financial statements also list the Debt Service Fund, Refuse Collection Fund and Building Department Fund as major funds in an attempt to keep reporting consistent from year to year.

DESCRIPTION OF FUNDS

Governmental Funds:

The City of Umatilla has four types of governmental funds, all of which are appropriated in the 2025-26 budget. The general fund is a government's basic operating fund and accounts for everything not accounted for in another fund. Special revenue funds are intended to be used to report specific revenue sources that are limited to being used for a particular purpose. Debt service funds account for the repayment of debt. Capital projects funds account for the construction, rehabilitation, and acquisition of capital assets, such as buildings, equipment and roads. Here is a listing of all governmental funds.

GENERAL FUND

The General Fund is the City's general operating fund, and it accounts for the administrative, planning, municipal court, cemetery and park maintenance, marina, police protection, code enforcement and golf course functions of the City. Principal sources of cash consist of licenses, permits and fees, franchise fees, fines and forfeitures, investment income, and tax base levy.

SPECIAL REVENUE FUNDS

Street Fund

The Street Fund accounts for the City's share of the State of Oregon's special gas tax revenues. This revenue is restricted to street related maintenance, repair, and construction, streetlights, and maintaining bike paths.

Library Fund

The Library Fund accounts for the City's library. Revenue is derived from the Umatilla County Special Library District tax base levy, as well as a transfer from the General Fund. Expenditures are for the cost of operations and salaries of personnel. The city council appoints five members to the library board. The board meets once a month to review the library's activities. Libraries, within the district, can access each other's book inventory lists. The libraries can exchange and borrow books from each other. This is important to our small library because of the limited space and funds for books.

Refuse Collection Fund

The Refuse Collection Fund is a pass-through fund. The City contracts with Sanitary Disposal, Inc. for waste management services. The City bills for the garbage services and retains 16% of the total collected which is split between a franchise fee (5%) and administrative fee (11%).

Building Department Fund

The Building Department Fund accounts for all revenue generated from building and electrical permit activity. The City of Umatilla collects the permit applications and fees. We have historically contracted with the City of Hermiston for inspection services based upon an hourly rate, plus 50% of plan review fees collected. In the previous fiscal year we were able to hire our own dedicated Building Inspector which has created a huge cost savings in contracted work.

Transient Room Tax Fund

The Transient Room Tax Fund accounts for motel tax revenues the City receives from motel customers. The expenditure division is in accordance with state law with 70% of receipts going to tourism related projects and 30% to the general city projects. The city collects 3.5% as a tax on rooms as set by vote of the people. The City also collects a Tourism Promotion Assessment of \$2.00 per hotel room rented per night and \$1.00 per RV/Tent Site rented per night. This money is remitted quarterly and split equally between the Eastern Oregon Trade and

Event Center (to promote tourism in the region) and the City of Umatilla (to fund tourism promotion, facility design and construction of the Umatilla Marina & RV Park, Big River Golf Course and the Umatilla Community Center.)

CAPITAL PROJECT FUNDS

Capital Reserve Fund

The Capital Reserve Fund was established for the purpose of replacing public works, police and city hall equipment as needed. Revenue is derived from transfers from the water, sewer, street, and general funds.

Building Reserve Fund

The Building Reserve Fund was established for the purpose of purchasing and retiring debt on City Hall. Revenue is derived from the enterprise fund payments in lieu of taxes made by Calpine (formerly US Generating). City Council moved to dissolve the fund after the City Hall loan was paid off in April 2023.

DEBT SERVICE FUND

The Debt Service Fund was established to account for principal and interest transactions on the City's general obligation bonds. The Debt Service Fund receives a portion of the property tax levy and acts as a reserve and sinking fund for bonded debt liability. This fund is used to pay general obligation bonds. These bonds are voter approved and paid with property taxes. Each year the city figures out how much it needs to pay bonds for that year and through December of the following year. The city then levies that amount plus an amount for uncollected taxes.

General obligation bonds are not subject to the property tax limitation, if they are voter approved and used for capital construction.

With the payoff of the 1978 Water Bond in December 2018, there was no need to levy any additional taxes for Debt Service this year.

Proprietary Funds:

The City maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in government-wide financial statements. The City uses enterprise funds to account for its local water and sewer services, all of which are appropriated in the 2024-25 budget.

ENTERPRISE FUNDS

Water Fund

The Water Fund accounts for operating the water system of the City. Revenue is derived from charges for services to water users and expenditures are for costs of personnel salaries, and operations and maintenance of the city's water system.

Sewer Fund

The Sewer Fund accounts for operating the City's sewer system and treatment facility. Revenue is derived from charges for services to sewer users and expenditures are for personnel, operation and maintenance costs and payment on the loan for the sewer plant.

Water & Sewer Reserve Funds

The Water and Sewer Reserve Funds were established for the purpose of replacing major capital improvements in the water and sewer department. Revenue is derived from transfers from the water and sewer departments, System Development Charges on new construction and reimbursements received from financing capital projects.

Functional Units

This table provides where the City's functional units are accounted for by fund type and fund.

Functional Units				
Governmental Funds				Proprietary Funds
General Fund	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Enterprise Funds
Administration - City Manager's Office - City Council - City Recorder - Finance - Human Resources - Information Technology - City Hall Facility	Street Fund - Street Maintenance - Street Construction - Sidewalks - Bike Paths - Bridges - Street Lighting - Street Fleet Maintenance	Debt Service Fund - Debt Service	Capital Reserve Fund - Vehicle Purchases - Land Acquisition - Equipment Purchases - Capital Projects ▪ Parks ▪ Downtown ▪ City-wide	Water Fund - Administration - Engineering - Systems Operation - Water Fleet Maintenance - Debt Service
Community Development - Economic Development - Planning - Zoning - Recreation - Transportation	Library Fund - Collection Management - Material Distribution - Programming			Water Reserve Fund - Water Infrastructure Expansion - Capital Projects - Major Infrastructure Repairs
Municipal Court	Refuse Collection Fund - Administration			
Parks - Park Maintenance - Trail Maintenance - Marina & RV Park	Building Department Fund			Sewer Fund - Administration - Engineering - Systems Operation - Sewer Fleet Maintenance - Debt Service
Public Safety - Police - School Resource Officer - Code Enforcement - Emergency Management	Transient Room Tax Fund - Motel Tax Collection - Tourism Promotion			Sewer Reserve Fund - Sewer Infrastructure Expansion - Capital Projects - Major Infrastructure Repairs

Budget Summary: Understanding the Budget Format

Fiscal Year 2025-26

	Historical Data			Next FY Budget		
	Actual FY 2022-23	Actual FY 2023-24	Budget FY 2024-25	Proposed FY 2025-26	Approved FY 2025-26	Adopted FY 2025-26
Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7

The City of Umatilla presents budgeted financial information in tables by fund, and for the General Fund, by department. Each table includes several columns.

Column 1 – Description

Resources are grouped by revenue type; requirements are grouped by expenditure type.

Column 2, 3 & 4 – Actual historical data for prior three years

Revenues and expenditures for the prior fiscal years are shown in the second, third and fourth columns of the budget detail for each fund.

Column 5, 6 & 7 – Next fiscal year budget figures

Revenues and expenditures for the next fiscal year are shown on a proposed, approved and adopted basis.

Budget Summary:

Consolidated Financial Schedule

by Fund Type

Fiscal Year 2025-26

FY2025-26 Consolidated Financial Schedule by Fund Type

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	ENTERPRISE FUND	2025-26 ADOPTED BUDGET
	FY2026	FY2026	FY2026	FY2026	FY2026	FY2026
Revenues						
Beginning Fund Balance	\$5,619,655	\$9,062,759	\$10,007,012	\$4,627	\$9,444,956	\$34,139,009
Property Taxes	\$2,842,416	–	–	\$10	–	\$2,842,426
Payment in Lieu of Tax	\$6,103,220	–	\$0	–	–	\$6,103,220
Franchise Fees	\$1,866,517	–	–	–	–	\$1,866,517
Fees & Charges	\$1,608,122	\$5,803,905	\$84,840	–	\$6,899,145	\$14,396,012
Intergovernmental	\$896,140	\$1,075,092	–	–	–	\$1,971,232
Capital Donations	–	–	\$650,000	–	–	\$650,000
Grant/Loan Proceeds	–	\$669,289	\$3,639,779	–	\$40,967,422	\$45,276,490
SDC Revenue	–	–	–	–	\$440,000	\$440,000
Interest	\$250,000	\$240,000	\$350,000	\$175	\$295,000	\$1,135,175
Miscellaneous	\$977,290	\$42,000	\$0	–	\$27,312,490	\$28,331,780
Transfers from Other Funds	\$830,117	\$1,103,525	\$2,736,000	\$0	\$1,250,000	\$5,919,642
REVENUES TOTAL	\$20,993,477	\$17,996,570	\$17,467,631	\$4,812	\$86,609,013	\$143,071,503
Expenses						
Personnel Services	\$7,966,702	\$1,676,634	–	–	\$1,733,385	\$11,376,721
Materials & Services	\$5,932,485	\$6,387,435	\$0	–	\$3,112,059	\$15,431,979
Debt Service	–	–	\$114,904	\$0	\$1,053,459	\$1,168,363
Transfers	\$3,522,525	\$195,096	\$650,000	–	\$1,552,021	\$5,919,642
Capital Outlay	\$0	\$1,105,440	\$15,925,778	–	\$72,467,241	\$89,498,459
Operating Contingency	\$1,500,000	\$1,945,000	–	–	\$2,450,000	\$5,895,000
CWSRF Loan Reserve	–	–	–	–	\$76,859	\$76,859
Unappropriated Fund Balance	\$2,071,765	\$6,686,965	\$776,949	\$4,812	\$4,163,989	\$13,704,480
EXPENSES TOTAL	\$20,993,477	\$17,996,570	\$17,467,631	\$4,812	\$86,609,013	\$143,071,503
Revenues Less Expenses	\$0	\$0	\$0	\$0	\$0	\$0

Changes in Fund Balance

Fund Title	7/1/2025	FY2025-26 Budget		Change in	Budgeted 6/30/26	%
	Fund Balance	Revenues	Expenditures	Fund Balance	Fund Balance	Change
General Fund	5,619,655	15,373,822	17,421,712	(2,047,890)	3,571,765	-36.4%
Special Revenue Funds						
Street Fund	724,949	1,452,814	1,720,922	(268,108)	456,841	-37.0%
Library Fund	123,314	447,092	504,047	(56,955)	66,359	-46.2%
Refuse Collection Fund	174,284	1,870,330	1,872,330	(2,000)	172,284	-1.1%
Building Department Fund	7,517,066	1,928,500	1,534,045	394,455	7,911,521	5.2%
Transient Room Tax Fund	523,146	3,235,075	3,733,261	(498,186)	24,960	-95.2%
Debt Service Fund	4,627	185	-	185	4,812	4.0%
Capital Project Funds						
Capital Reserve Fund	10,007,012	7,460,619	16,690,682	(9,230,063)	776,949	-92.2%
Building Reserve Fund	-	-	-	-	-	0.0%
Enterprise Funds						
Water Fund	659,310	4,040,723	4,202,719	(161,996)	497,314	-24.6%
Water Reserve Fund	1,035,695	45,065,117	45,534,059	(468,942)	566,753	-45.3%
Sewer Fund	611,715	2,984,145	2,878,485	105,660	717,375	17.3%
Sewer Reserve Fund	7,138,236	25,074,072	27,302,902	(2,228,830)	4,909,406	-31.2%
TOTALS	34,139,009	108,932,494	123,395,164	(14,462,670)	19,676,339	-42.4%

The most common reason for a budgeted decrease in fund balance is the use of reserves for capital projects. For most funds, this is a planned use of funds. Funds with a decrease of more than 10% are discussed below.

General Fund - Large, non-routine transfers to the Capital Reserve Fund from payments in lieu of tax that have accumulated over the past several years. These transfers will fund items such as park expansion/improvement projects, street improvement projects, wayfinding plan implementation, technology and camera upgrades, city sponsored festivals and equipment purchases.

Street Fund - Completion of the Umatilla Bridge replacement project and design of the 7th and 8th Street design projects.

Library Fund - Additional personnel expense caused by FTE increase, which is mostly offset by support transfer from the General Fund.

Transient Room Tax Fund - Use of City Funds for City Sponsored Festivals.

Capital Reserve Fund - High levels of one time capital purchases/projects including the Umatilla Business Center, Police Department Building Replacement, Umatilla Monument Entryway project, public works equipment, land acquisition, park expansion and improvements, trail improvement projects and the Powerline Road and Madison Street improvement project.

Water Fund - Large temporary water infrastructure project carrying over from previous fiscal year.

Water Reserve Fund - Planned Capital Projects: Power City and Brownell Water Utility Expansion, Waterline Replacement Project completion, Reservoir Improvements Design project.

Sewer Reserve Fund - Planned Capital Projects: Power City and Brownell Sewer Utility Expansion, Wastewater Treatment Plant Upgrades.

Budget Summary:

Four Year Consolidated Revenues & Expenditures by Fund

Fiscal Year 2025-26

2025-26 Consolidated Revenues and Expenses by Fund

	2022-23 ACTUALS	2023-24 ACTUALS	2024-25 ADOPTED BUDGET	2025-26 PROPOSED BUDGET	2025-26 APPROVED BUDGET	2025-26 ADOPTED BUDGET
	FY2023	FY2024	FY2025	FY2026	FY2026	FY2026
Revenues						
General						
General Fund	\$19,405,861	\$22,898,972	\$19,725,571	\$20,993,477	\$20,993,477	\$20,993,477
GENERAL TOTAL	\$19,405,861	\$22,898,972	\$19,725,571	\$20,993,477	\$20,993,477	\$20,993,477
Special Revenue Fund						
Street Fund	\$2,786,158	\$4,315,871	\$2,488,288	\$2,177,763	\$2,177,763	\$2,177,763
Library Fund	\$493,930	\$509,903	\$495,426	\$570,406	\$570,406	\$570,406
Refuse Fund	\$1,105,727	\$1,472,752	\$1,642,811	\$2,044,614	\$2,044,614	\$2,044,614
Building Department Fund	\$7,478,231	\$9,113,325	\$10,255,318	\$9,445,566	\$9,445,566	\$9,445,566
Transient Room Tax Fund	\$824,527	\$2,367,476	\$2,938,734	\$3,758,221	\$3,758,221	\$3,758,221
SPECIAL REVENUE FUND TOTAL	\$12,688,573	\$17,779,327	\$17,820,577	\$17,996,570	\$17,996,570	\$17,996,570
Debt Service						
Debt Service Fund	\$4,225	\$4,421	\$4,591	\$4,812	\$4,812	\$4,812
DEBT SERVICE TOTAL	\$4,225	\$4,421	\$4,591	\$4,812	\$4,812	\$4,812
Capital Projects						
Capital Reserve Fund	\$14,688,349	\$17,054,165	\$41,608,985	\$17,467,631	\$17,467,631	\$17,467,631
Building Reserve	\$318,471	\$20,659	\$0	\$0	\$0	\$0
CAPITAL PROJECTS TOTAL	\$15,006,820	\$17,074,824	\$41,608,985	\$17,467,631	\$17,467,631	\$17,467,631
Enterprise						
Water Fund	\$3,643,312	\$5,882,320	\$6,606,112	\$4,700,033	\$4,700,033	\$4,700,033
Sewer Fund	\$3,322,022	\$3,359,452	\$3,724,693	\$3,595,860	\$3,595,860	\$3,595,860
Water Reserve Fund	\$3,100,162	\$3,898,539	\$61,251,919	\$46,100,812	\$46,100,812	\$46,100,812
Sewer Reserve Fund	\$5,243,300	\$6,166,476	\$29,049,306	\$32,212,308	\$32,212,308	\$32,212,308
ENTERPRISE TOTAL	\$15,308,795	\$19,306,787	\$100,632,030	\$86,609,013	\$86,609,013	\$86,609,013
REVENUES TOTAL	\$62,414,274	\$77,064,331	\$179,791,754	\$143,071,503	\$143,071,503	\$143,071,503
Expenses						
General						
General Fund	\$11,803,849	\$16,117,354	\$19,725,571	\$20,993,477	\$20,993,477	\$20,993,477
GENERAL TOTAL	\$11,803,849	\$16,117,354	\$19,725,571	\$20,993,477	\$20,993,477	\$20,993,477
Special Revenue Fund						
Street Fund	\$2,455,750	\$2,817,684	\$2,488,288	\$2,177,763	\$2,177,763	\$2,177,763
Library Fund	\$272,323	\$369,066	\$495,426	\$570,406	\$570,406	\$570,406
Refuse Fund	\$962,649	\$1,544,422	\$1,642,811	\$2,044,614	\$2,044,614	\$2,044,614

	2022-23 ACTUALS	2023-24 ACTUALS	2024-25 ADOPTED BUDGET	2025-26 PROPOSED BUDGET	2025-26 APPROVED BUDGET	2025-26 ADOPTED BUDGET
	FY2023	FY2024	FY2025	FY2026	FY2026	FY2026
Building Department Fund	\$1,404,004	\$1,352,260	\$10,255,318	\$9,445,566	\$9,445,566	\$9,445,566
Transient Room Tax Fund	\$777,640	\$2,052,997	\$2,938,734	\$3,758,221	\$3,758,221	\$3,758,221
SPECIAL REVENUE FUND TOTAL	\$5,872,367	\$8,136,429	\$17,820,577	\$17,996,570	\$17,996,570	\$17,996,570
Debt Service						
Debt Service Fund	–	\$12,132	\$4,591	\$4,812	\$4,812	\$4,812
DEBT SERVICE TOTAL	–	\$12,132	\$4,591	\$4,812	\$4,812	\$4,812
Capital Projects						
Capital Reserve Fund	\$2,148,168	\$4,704,827	\$41,608,985	\$17,467,631	\$17,467,631	\$17,467,631
Building Reserve	\$297,863	\$16,417	\$0	\$0	\$0	\$0
CAPITAL PROJECTS TOTAL	\$2,446,031	\$4,721,244	\$41,608,985	\$17,467,631	\$17,467,631	\$17,467,631
Enterprise						
Water Fund	\$2,352,715	\$6,065,026	\$6,606,112	\$4,700,033	\$4,700,033	\$4,700,033
Sewer Fund	\$2,487,514	\$2,701,443	\$3,724,693	\$3,595,860	\$3,595,860	\$3,595,860
Water Reserve Fund	\$1,380,928	\$3,577,074	\$61,251,919	\$46,100,812	\$46,100,812	\$46,100,812
Sewer Reserve Fund	\$297,473	\$99,272	\$29,049,306	\$32,212,308	\$32,212,308	\$32,212,308
ENTERPRISE TOTAL	\$6,518,631	\$12,442,815	\$100,632,030	\$86,609,013	\$86,609,013	\$86,609,013
EXPENSES TOTAL	\$26,640,877	\$41,429,975	\$179,791,754	\$143,071,503	\$143,071,503	\$143,071,503
Revenues Less Expenses	\$35,773,397	\$35,634,357	\$0	\$0	\$0	\$0

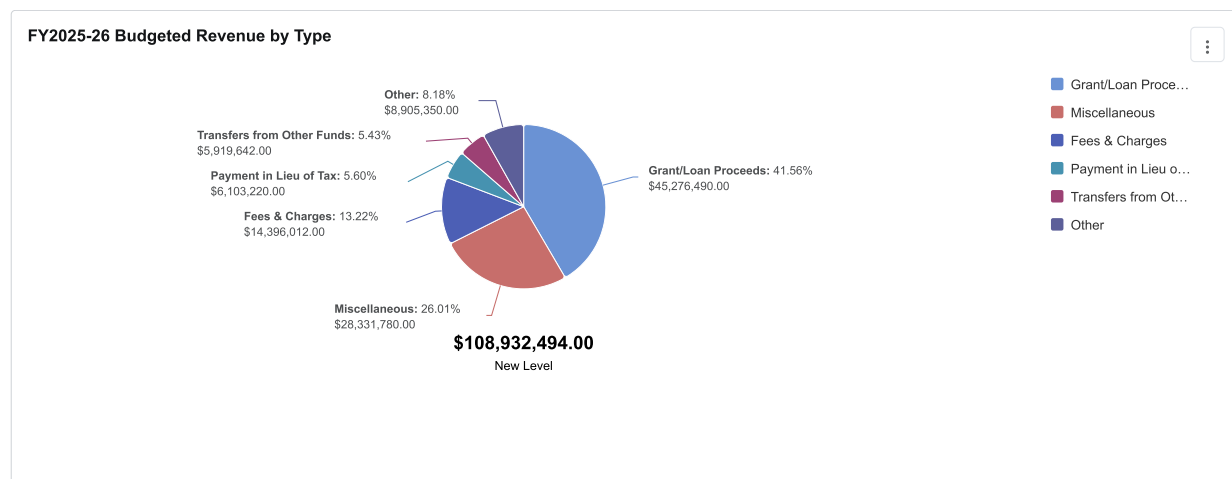
Budget Summary: Sources and Uses of Funds

Fiscal Year 2025-26

Revenue Trends & Assumptions

This section describes the City's major revenue sources, explains the underlying assumptions for the revenue estimates, and discusses significant revenue trends.

The revenue sources and assumptions used in this budget are summarized below. Of the available revenues anticipated in 2025-26, nearly 95 percent of the total is represented by these seven revenue categories: Property Taxes (2.6%), Payment in Lieu of Tax (5.6%), Fees & Charges (13.2%), Intergovernmental (1.3%), Miscellaneous (26%), Capital Grants/Loans (41.6%) and Transfers from Other Funds (5.4%).



MAJOR REVENUES

Fees & Charges (13.2%)

Charges for water, sewer, industrial wastewater, refuse, building permits and many other minor fees are charged to all users in the City of Umatilla. These fees are set by resolution and are evaluated and updated on an annual basis. The City Council approves water, sewer, and industrial wastewater rates based on costs to provide services, and within City Charter limitations. For FY2025-26 the City Council approved a 6% water and sewer rate increase that is factored into the budget based upon a comprehensive rate study completed by FCS Group in FY2020 and the historical levels of inflation we are experiencing.

Fees and Charges by Fund

	2022-23 ACTUALS	2023-24 ACTUALS	2024-25 ADOPTED BUDGET	2025-26 PROPOSED BUDGET	2025-26 APPROVED BUDGET	2025-26 ADOPTED BUDGET
	FY2023	FY2024	FY2025	FY2026	FY2026	FY2026
Revenues						
General						
General Fund	\$1,480,737	\$1,660,036	\$1,451,137	\$1,608,122	\$1,608,122	\$1,608,122
GENERAL TOTAL	\$1,480,737	\$1,660,036	\$1,451,137	\$1,608,122	\$1,608,122	\$1,608,122
Special Revenue Fund						
Refuse Fund	\$1,017,446	\$1,329,674	\$1,480,247	\$1,870,330	\$1,870,330	\$1,870,330
Building Department Fund	\$3,699,399	\$2,680,027	\$2,471,000	\$1,663,500	\$1,663,500	\$1,663,500
Transient Room Tax Fund	\$164,418	\$1,096,393	\$1,922,650	\$2,270,075	\$2,270,075	\$2,270,075
SPECIAL REVENUE FUND TOTAL	\$4,881,263	\$5,106,094	\$5,873,897	\$5,803,905	\$5,803,905	\$5,803,905
Capital Projects						
Capital Reserve Fund	\$69,611	\$60,775	\$807,420	\$84,840	\$84,840	\$84,840
CAPITAL PROJECTS TOTAL	\$69,611	\$60,775	\$807,420	\$84,840	\$84,840	\$84,840
Enterprise						
Water Fund	\$2,257,570	\$2,926,615	\$4,204,900	\$3,945,000	\$3,945,000	\$3,945,000
Sewer Fund	\$2,369,370	\$2,489,968	\$2,775,650	\$2,954,145	\$2,954,145	\$2,954,145
ENTERPRISE TOTAL	\$4,626,941	\$5,416,584	\$6,980,550	\$6,899,145	\$6,899,145	\$6,899,145
REVENUES TOTAL	\$11,058,552	\$12,243,488	\$15,113,004	\$14,396,012	\$14,396,012	\$14,396,012

Property Taxes (2.6%) and Payment in Lieu of Tax (5.6%)

Total taxable assessed value for 2024-25 is \$984,745,237 (a 6% decrease in value from the prior year), resulting in approximately \$2.9 million of property tax for the current year. The decrease is unusual and is a result of Amazon swapping out their existing servers at the PDX2 campus for a type of AI server that requires fewer servers to be in place. This, along with their annual depreciation deduction, resulted in a \$107 million personal property decrease. Fortunately, the decrease was partially offset by new construction growth. We anticipate next year will be similar, resulting in a decrease of 3% in property tax receipts in the next fiscal year, for a total projected revenue of \$2.8 million, a decrease of \$100,000. The limit under Measure 50 is a 3% annual increase in existing value. To be conservative, we based our projections of a 2% increase. We also added new construction at 75% of the real market value (RMV). Our current permanent tax rate is \$2.9191 per \$1,000 of assessed value.

PDX63/2 SIP Agreement: In the current fiscal year, we received the sixth set of payments resulting from the Strategic Investment Program (SIP) agreement on the fifth building of PDX2 and the PDX63 campus. The first category of payments is ad valorem taxes in which the first \$25 million in real market value shall be taxable at its assessed value. We received the full \$73,000 in additional annual property tax revenue for 2024-25. That is included in our normal property tax projection.

The second category is the Community Service Fee (CSF) in an amount equal to 25% of the property taxes that would be due on the exempt property, not exceeding \$500,000 in any year for 15 years. An agreement was made in July 2018 to distribute the \$500,000 among the city and the special taxing districts. The city's maximum annual distribution will remain \$91,197, the same full amount we received in this fiscal year. This payment will remain the same for the full 15-year period.

The third category is the Additional Annual Improvement Payment (AIP) of a minimum of \$4 million per year for 15 years paid to the Enterprise Zone. This payment is to be then split 50/50 between the City and Umatilla County. In the current fiscal year, our distribution increased from \$3.1 million to \$3.5 million due to the addition of another building at the Westland Road campus. We expect that amount to remain flat for the next fiscal year.

PDX130 Enterprise Zone Agreement: We received our second set of payments related to the PDX130 Enterprise Zone Agreement in the current fiscal year. These payments consisted of a \$1,425,000 Annual Improvement Payment and ad valorem taxes in which the first \$25 million in real market value shall be taxable at its assessed value, which is equivalent to just above \$75,000 due to the annual escalation clause of 3%. These payments will continue for the full 15-year abatement period and will grow as more buildings are added. We do not anticipate an increase for the final building until FY2026-27.

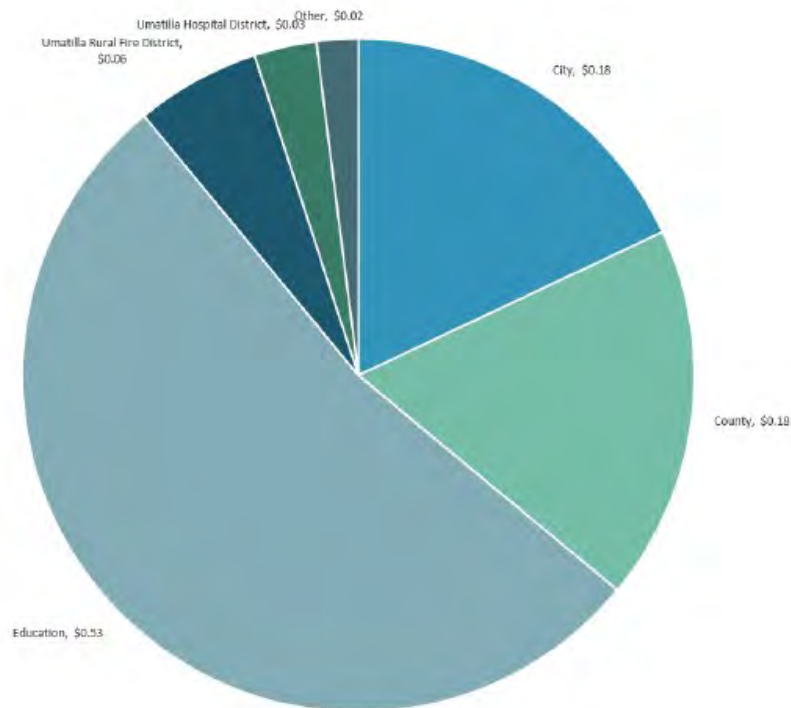
PDX194 Enterprise Zone Agreement: The first two buildings of this campus received their certificate of occupancy prior to the end of 2024; therefore we will receive our first Annual Improvement Payment of \$925,000 and an Additional Annual Fee on the ad valorem amount due on \$29 million, which is equivalent to approximately \$84,000. These payments will continue for the full 15-year abatement period and will grow as more buildings are added.

Other Agreements: There are two additional Amazon campuses, PDX121 and PDX260, that have approved Enterprise Zone Agreements. We do not anticipate any payments in lieu of tax from PDX121 until FY2028-29 and from PDX260 until FY2026-27.

In August 2023, the City Council approved an Enterprise Zone agreement with Sabey Data Center Properties for a new project. We do not anticipate any payments in lieu of tax until the fiscal year ending June 30, 2029.

Umatilla County assesses property taxes on behalf of the county, schools, special districts and the City of Umatilla. Of this tax bill, 18% of the total is allocated to the City of Umatilla. Of every dollar paid, \$0.18 goes to the City. The remaining \$0.82 of that paid dollar is divided as follows: \$0.18 Umatilla County; \$0.53 Education; \$0.06 Umatilla Rural Fire Protection District; \$0.03 Umatilla Hospital District; and \$0.02 Other.

See chart below for property tax allocation per \$1.00 paid.



Property Taxes and Payment in Lieu of Tax by Fund

	2022-23 ACTUALS	2023-24 ACTUALS	2024-25 ADOPTED BUDGET	2025-26 PROPOSED BUDGET	2025-26 APPROVED BUDGET	2025-26 ADOPTED BUDGET
	FY2023	FY2024	FY2025	FY2026	FY2026	FY2026
Revenues						
General						
General Fund	\$8,455,437	\$7,370,210	\$7,526,240	\$8,945,636	\$8,945,636	\$8,945,636
GENERAL TOTAL	\$8,455,437	\$7,370,210	\$7,526,240	\$8,945,636	\$8,945,636	\$8,945,636
Debt Service						
Debt Service Fund	\$16	\$8	\$10	\$10	\$10	\$10
DEBT SERVICE TOTAL	\$16	\$8	\$10	\$10	\$10	\$10
Capital Projects						
Capital Reserve Fund	\$166,056	–	\$0	\$0	\$0	\$0
CAPITAL PROJECTS TOTAL	\$166,056	–	\$0	\$0	\$0	\$0
REVENUES TOTAL	\$8,621,509	\$7,370,219	\$7,526,250	\$8,945,646	\$8,945,646	\$8,945,646

Intergovernmental Revenue (1.3%)

State revenues are distributed to cities based on state statute, which defines formulas incorporating population and per capita income. The League of Oregon Cities provides the source data for State Revenue Sharing projections. Pursuant to ORS 221.770, the City of Umatilla must elect to receive its proportionate share of the revenues to be apportioned to the cities by the State of Oregon for the fiscal year.

Intergovernmental Revenue by Fund

	2022-23 ACTUALS	2023-24 ACTUALS	2024-25 ADOPTED BUDGET	2025-26 PROPOSED BUDGET	2025-26 APPROVED BUDGET	2025-26 ADOPTED BUDGET
	FY2023	FY2024	FY2025	FY2026	FY2026	FY2026
Revenues						
General						
General Fund	\$842,005	\$1,098,543	\$928,545	\$896,140	\$896,140	\$896,140
GENERAL TOTAL	\$842,005	\$1,098,543	\$928,545	\$896,140	\$896,140	\$896,140
Special Revenue Fund						
Street Fund	\$589,703	\$977,370	\$716,000	\$766,000	\$766,000	\$766,000
Library Fund	\$269,669	\$278,917	\$289,100	\$309,092	\$309,092	\$309,092
SPECIAL REVENUE FUND TOTAL	\$859,372	\$1,256,288	\$1,005,100	\$1,075,092	\$1,075,092	\$1,075,092
REVENUES TOTAL	\$1,701,377	\$2,354,830	\$1,933,645	\$1,971,232	\$1,971,232	\$1,971,232

Transfers from Other Funds (5.4%)

Transfers from Other Funds occur when revenues are transferred between funds. For example, revenue is received by a fund providing an internal service such as information technology services from a fund receiving the service, where the cost of the service is shown as an expense. These transfers also occur when one fund transfers revenue to a dedicated future capital purchase or reserve account.

Transfers from Other Funds by Fund

	2022-23 ACTUALS	2023-24 ACTUALS	2024-25 ADOPTED BUDGET	2025-26 PROPOSED BUDGET	2025-26 APPROVED BUDGET	2025-26 ADOPTED BUDGET
	FY2023	FY2024	FY2025	FY2026	FY2026	FY2026
Revenues						
General						
General Fund	\$81,280	\$645,382	\$560,512	\$830,117	\$830,117	\$830,117
GENERAL TOTAL	\$81,280	\$645,382	\$560,512	\$830,117	\$830,117	\$830,117
Special Revenue Fund						
Street Fund	\$12,525	\$12,525	\$12,525	\$12,525	\$12,525	\$12,525
Library Fund	\$20,000	–	\$60,000	\$130,000	\$130,000	\$130,000
Transient Room Tax Fund	\$226,000	\$1,221,000	\$681,000	\$961,000	\$961,000	\$961,000
SPECIAL REVENUE FUND TOTAL	\$258,525	\$1,233,525	\$753,525	\$1,103,525	\$1,103,525	\$1,103,525
Debt Service						
Debt Service Fund	–	–	\$0	\$0	\$0	\$0
DEBT SERVICE TOTAL	–	–	\$0	\$0	\$0	\$0
Capital Projects						
Capital Reserve Fund	\$2,899,189	\$2,757,600	\$2,340,935	\$2,736,000	\$2,736,000	\$2,736,000
CAPITAL PROJECTS TOTAL	\$2,899,189	\$2,757,600	\$2,340,935	\$2,736,000	\$2,736,000	\$2,736,000
Enterprise						
Water Fund	\$1,500,000	–	\$750,000	\$0	\$0	\$0
Sewer Fund	–	–	\$0	\$0	\$0	\$0
Water Reserve Fund	\$340,000	\$460,000	\$401,600	\$350,000	\$350,000	\$350,000
Sewer Reserve Fund	\$665,800	\$800,000	\$1,100,000	\$900,000	\$900,000	\$900,000
ENTERPRISE TOTAL	\$2,505,800	\$1,260,000	\$2,251,600	\$1,250,000	\$1,250,000	\$1,250,000
REVENUES TOTAL	\$5,744,794	\$5,896,507	\$5,906,572	\$5,919,642	\$5,919,642	\$5,919,642

Miscellaneous Revenue (26%)

Miscellaneous revenue makes up a large percentage of the City's total revenue. The majority of these fees are reflected in the Water and Sewer Reserve Funds and include large capital project reimbursements from an industrial customer. The General Fund also reflects repayment of the interfund operating loan from the Water Fund.

Miscellaneous Revenue by Fund

	2022-23 ACTUALS	2023-24 ACTUALS	2024-25 ADOPTED BUDGET	2025-26 PROPOSED BUDGET	2025-26 APPROVED BUDGET	2025-26 ADOPTED BUDGET
	FY2023	FY2024	FY2025	FY2026	FY2026	FY2026
Revenues						
General						
General Fund	\$2,345,615	\$2,876,126	\$1,531,848	\$977,290	\$977,290	\$977,290
GENERAL TOTAL	\$2,345,615	\$2,876,126	\$1,531,848	\$977,290	\$977,290	\$977,290
Special Revenue Fund						
Street Fund	\$1,211,151	\$405,250	\$0	\$0	\$0	\$0
Library Fund	\$1,015	\$947	\$2,000	\$2,000	\$2,000	\$2,000
Building Department Fund	\$111,295	\$71,799	\$66,000	\$40,000	\$40,000	\$40,000
Transient Room Tax Fund	–	–	\$0	\$0	\$0	\$0
SPECIAL REVENUE FUND TOTAL	\$1,323,461	\$477,997	\$68,000	\$42,000	\$42,000	\$42,000
Capital Projects						

	2022-23 ACTUALS	2023-24 ACTUALS	2024-25 ADOPTED BUDGET	2025-26 PROPOSED BUDGET	2025-26 APPROVED BUDGET	2025-26 ADOPTED BUDGET
	FY2023	FY2024	FY2025	FY2026	FY2026	FY2026
Capital Reserve Fund	\$735,681	\$44,426	\$20,000	\$0	\$0	\$0
Building Reserve	\$265,844	–	\$0	\$0	\$0	\$0
CAPITAL PROJECTS TOTAL	\$1,001,525	\$44,426	\$20,000	\$0	\$0	\$0
Enterprise						
Water Fund	\$66,738	\$148,816	\$452,199	\$55,723	\$55,723	\$55,723
Sewer Fund	\$109,235	–	\$5,000	\$5,000	\$5,000	\$5,000
Water Reserve Fund	\$1,267,468	\$713,311	\$32,500,000	\$25,076,000	\$25,076,000	\$25,076,000
Sewer Reserve Fund	\$1,101,086	\$27,991	\$0	\$2,175,767	\$2,175,767	\$2,175,767
ENTERPRISE TOTAL	\$2,544,527	\$890,118	\$32,957,199	\$27,312,490	\$27,312,490	\$27,312,490
REVENUES TOTAL	\$7,215,128	\$4,288,667	\$34,577,047	\$28,331,780	\$28,331,780	\$28,331,780

Grant/Loan Proceeds by Fund (41.6%)

Grant and loan proceeds for capital projects make up a large percentage of the City's total revenue. For example, the Water Reserve Fund includes Community Development Block Grant proceeds and loan proceeds for the Power City and Brownell Water Utility Extension project, FEMA and emergency grant proceeds for the Waterline Replacement project and loan proceeds for the Reservoir Improvements Project. The Sewer Reserve Fund includes loan proceeds for the Power City and Brownell Sewer Utility Extension project and loan proceeds for the Wastewater Treatment Plant Improvements Project. The Street Fund includes the Umatilla Bridge Replacement Project FEMA and loan proceeds. The Capital Reserve Fund includes the EDA grant funding for the Umatilla Business Center and the pass through grant funds from the Port of Umatilla to complete the Powerline Road and Madison Street Improvement Project.

Grant/Loan Proceeds by Fund

	2022-23 ACTUALS	2023-24 ACTUALS	2024-25 ADOPTED BUDGET	2025-26 PROPOSED BUDGET	2025-26 APPROVED BUDGET	2025-26 ADOPTED BUDGET
	FY2023	FY2024	FY2025	FY2026	FY2026	FY2026
Revenues						
Special Revenue Fund						
Street Fund	–	\$2,584,541	\$1,481,264	\$669,289	\$669,289	\$669,289
SPECIAL REVENUE FUND TOTAL	–	\$2,584,541	\$1,481,264	\$669,289	\$669,289	\$669,289
Capital Projects						
Capital Reserve Fund	\$24,237	\$284,177	\$24,439,708	\$3,639,779	\$3,639,779	\$3,639,779
CAPITAL PROJECTS TOTAL	\$24,237	\$284,177	\$24,439,708	\$3,639,779	\$3,639,779	\$3,639,779
Enterprise						
Water Fund	–	\$1,500,000	\$0	\$0	\$0	\$0
Water Reserve Fund	–	\$853,728	\$27,173,762	\$19,436,117	\$19,436,117	\$19,436,117
Sewer Reserve Fund	–	–	\$21,516,305	\$21,531,305	\$21,531,305	\$21,531,305
ENTERPRISE TOTAL	–	\$2,353,728	\$48,690,067	\$40,967,422	\$40,967,422	\$40,967,422
REVENUES TOTAL	\$24,237	\$5,222,446	\$74,611,039	\$45,276,490	\$45,276,490	\$45,276,490

General Fund & Departments Within: General Fund Overview

Fiscal Year 2025-26

The General Fund is a governmental fund used to account for the City's administrative, planning, municipal court, cemetery and park maintenance, marina, police protection, code enforcement and golf course functions of the City.

The primary revenue sources include property taxes, payments in lieu of taxes, intergovernmental such as state shared revenues, cigarette and liquor taxes, various grants, franchise fees, license and permits, charges for services, transfers from other funds for administrative services benefitting those funds, and miscellaneous.



General Fund Budget Highlights

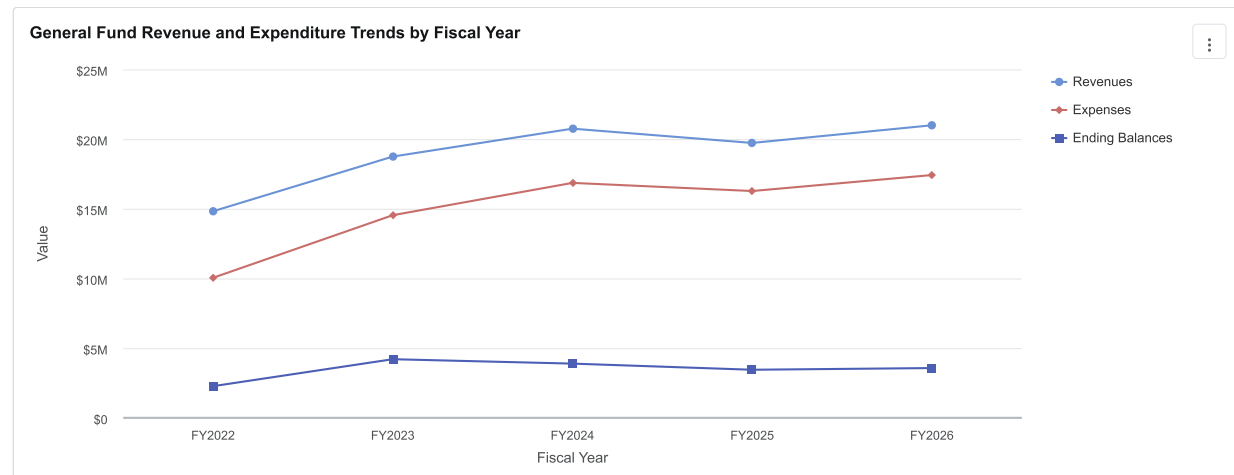
Significant Revenue Factors

Property taxes continue to increase as a result of industrial and residential development, particularly related to the data centers. We had an unusual decrease in collections in the 2024-25 fiscal year due to Amazon swapping out their existing servers at the PDX2 campus for a type of AI server that requires fewer servers to be in place. This, along with their annual depreciation deduction, resulted in a \$107 million personal property decrease. Fortunately, the decrease was partially offset by new construction growth. We anticipate next year will be similar, resulting in a decrease of 3% in property tax receipts in the next fiscal year, for a total projected revenue of \$2.8 million, a decrease of \$100,000.

The sixth year of revenue from the Strategic Investment Program (SIP) was received in the 2024-25 FY. These payments, combined with the Enterprise Zone Community Service Fee (CSF) and new Enterprise Zone Payments, will result in total Payment in Lieu of Taxes of \$6.1 million for the 2025-26 FY.

The electrical franchise cap with Umatilla Electric Cooperative was re-negotiated in March 2020 and will increased to \$1.5 million in 2025. .

Although we are very fortunate to see increased revenue, we must recognize that with significant growth, comes increased costs. Personnel costs will see increases as we implement a modest COLA, increase the total FTE count in administration and finance and account for insurance premium increases.



General Fund

2025-26 General Fund Budget Summary

	2022-2023 ACTUALS	2023-2024 ACTUALS	2024-2025 ADOPTED BUDGET	2025-2026 PROPOSED BUDGET	2025-2026 APPROVED BUDGET	2025-2026 ADOPTED BUDGET
	FY2022	FY2024	FY2025	FY2026	FY2026	FY2026
Revenues						
Beginning Fund Balance	\$4,867,577	\$7,602,013	\$5,609,777	\$5,619,655	\$5,619,655	\$5,619,655
Property Taxes	\$2,512,394	\$2,931,117	\$3,231,374	\$2,842,416	\$2,842,416	\$2,842,416
Payment in Lieu of Tax	\$2,676,721	\$4,439,093	\$4,294,866	\$6,103,220	\$6,103,220	\$6,103,220
Franchise Fees	\$1,643,167	\$1,330,233	\$1,867,512	\$1,866,517	\$1,866,517	\$1,866,517
Fees & Charges	\$1,156,210	\$1,515,242	\$1,451,137	\$1,608,122	\$1,608,122	\$1,608,122
Intergovernmental	\$882,683	\$908,044	\$928,545	\$896,140	\$896,140	\$896,140
Interest	\$29,290	\$304,075	\$250,000	\$250,000	\$250,000	\$250,000
Miscellaneous	\$967,018	\$2,262,441	\$1,531,848	\$977,290	\$977,290	\$977,290
Transfers from Other Funds	\$88,480	\$645,382	\$560,512	\$830,117	\$830,117	\$830,117
REVENUES TOTAL	\$14,823,540	\$21,937,639	\$19,725,571	\$20,993,477	\$20,993,477	\$20,993,477
Expenses						
Personnel Services	\$3,702,175	\$5,334,169	\$6,425,516	\$7,966,702	\$7,966,702	\$7,966,702
Materials & Services	\$2,624,969	\$5,989,706	\$6,821,032	\$5,932,485	\$5,932,485	\$5,932,485
Transfers	\$3,702,794	\$4,589,625	\$3,028,460	\$3,522,525	\$3,522,525	\$3,522,525
Capital Outlay	\$19,683	\$0	\$0	\$0	\$0	\$0
Operating Contingency	–	–	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000
Unappropriated Fund Balance	–	–	\$1,950,563	\$2,071,765	\$2,071,765	\$2,071,765
EXPENSES TOTAL	\$10,049,621	\$15,913,501	\$19,725,571	\$20,993,477	\$20,993,477	\$20,993,477
Net Fund Balance	\$4,773,920	\$6,024,139	\$0	\$0	\$0	\$0

General Fund & Departments Within: Administration

Fiscal Year 2025-26



The Administration Department consists of the five main sections as listed below. These sections define the Administration Department for operating and budget adoption purposes.

City Manager's Office

The City Manager is in charge of day-to-day operations of the city, ensuring that all functions of the city perform in an effective and efficient manner. This is done through planning, review and evaluation of services. The Manager also works to implement the policies and goals established by the City Council through resolutions, ordinances and budget.

City Hall

Includes maintenance expenditures for City Hall and City owned property not otherwise assigned to a specific fund or department such as the Umatilla Community Center.

Mayor and City Council

We continue to budget for training opportunities for the Mayor and City Council members including funds for the Oregon Mayors Association Conference and the League of Oregon Cities Conference. We also include funds for an annual goal setting retreat and local training opportunities.

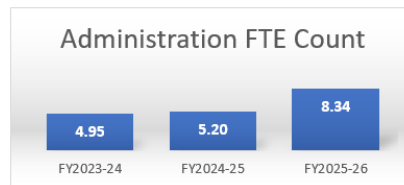
Finance & Administrative Services

The Finance & Administrative Services Department coordinates the preparation of the City's annual budget and provides valuable financial information to the City's Budget Committee and City Council. It is essential that the City's decision makers have current, accurate financial information when determining budgetary priorities and levels of service. This department provides accounting services for all City financial operations, including payroll

and fringe benefits, accounts payable, accounts receivable and general ledger accounting. The department also performs all Human Resources functions such as administering labor relations, classification and compensation and employee benefits. The department provides policy guidance and acts as an internal consultant on human resources-related issues; implements and manages the attraction and selection of City employees; maintains and equitable and competitive salary and benefits structure; coordinates required and career development training programs for City employees; and strives to promote and maintain a positive labor relations climate between the employee bargaining unit and the City.

City Recorder

The City Recorder is responsible for the maintenance of all city records and documents, as well as the public notification process. The recorder performs a variety of duties supporting the City Council, City Manager and Committees, Boards, and Commissions and maintains responsibility for the City's municipal codes for resolutions and ordinance and serves as the City's Election Officer. The City Recorder also coordinates all Information Technology (IT) requests with the City's contracted IT Service Providers.



Priorities & Performance Measures - City Council

Priority - City Council Goal 3: Objectives 3.1 and 3.4

Hold regular City Council meetings to discuss and set policy direction.

Outcomes

The Umatilla City Council holds a regular City Council meeting once per month, as well as a work session once per month. When necessary, the City Council holds executive sessions per ORS 192.660. The City Council is committed to professional and transparent public meetings where they set policy direction for the City.

Measure	FY2022-23	FY2023-24	FY2024-25
Regular City Council Meetings Held	12	21	24
City Council Work Sessions/Special Meetings Held	10	2	6
City Council Executive Sessions Held	21	15	26
Ordinances Adopted	15	3	6
Resolutions Adopted	51	41	49

Measure	FY2022-23	FY2023-24	FY2024-25
Social Media Outlets Managed by the City	18	18	20
City Facebook Followers	15,916	15,837	17,880
City Twitter Followers	98	111	94
City Instagram Followers	1,411	1,813	2,599
City TikTok Followers	-	1,025	1,049
City Newsletter Editions	4	2	4
Website Sessions	73,232	108,259	190,127
Unique Website Users	47,765	45,382	47,467

Priorities & Performance Measures - City Recorder

Priority - City Council Goal 4

Maintain open and transparent communication with the public to keep them informed on City business.

Outcomes

The City of Umatilla strives to provide open and transparent communications to the community and the media. The City Recorder serves as the Public Information Officer and provides oversight of the outward facing communications in order to provide a clear and consistent message to the public. Providing the information on a variety of outlets and platforms allows the message to reach a diverse population.

Priorities & Performance Measures - Finance & Administrative Services

Priority - City Council Goal 5: Objective 5.8

Maintain professional financial management of the City's operations.

Outcomes

The City of Umatilla strives to provide professional financial management for all City operations. Maintaining the integrity of our financial positioning is important to keep our operations sustainable, efficient, effective and stable.

Measure	FY2022-23	FY2023-24	FY2024-25
Independent Auditor Opinion	Unmodified	Unmodified	Unmodified (projected)
GFOA Distinguished Budget Presentation Award	Yes	Yes	Yes
Credit Rating	A	A	A

Administration Budget Highlights

Training

This budget continues to demonstrate a strong emphasis on training. Employees will be attending trainings such as the League of Oregon Cities Conference, CityCounty Insurance Services Conference, Caselle Conference, Oregon Association of Municipal Records Conference, Government Finance Officers Association Conference and International City/County Management Association Conference.

Technology

There are several technology upgrades incorporated into this budget. Below is a list of several planned technology upgrades:

- Citywide camera upgrades.
- New copy machines for City Hall.
- Replacement of laptops.

Community Support & Commitments

The city continues to observe and realize significant successes of the Port's economic development efforts, especially in the work completed in bringing large industrial partners to the city. As such, the city would like to continue to partner with the Port to make strategic investments to continue to enhance economic development in our city. To that end, City Council approved a resolution committing a payment to the Port each of the following three years. This year (FY25) in the amount of \$500,000, next year (FY26) in the amount of \$600,000, and the final year (FY27) in the amount of \$700,000. To fund the remaining contribution, I recommend we use the additional county allocation we will receive from the PDX130 enterprise zone distribution agreement for the next two years.

We have also been engaging in conversations with other taxing districts including the Umatilla School District, Umatilla Rural Fire Protection District, Umatilla Hospital District, Umatilla Radio Data District, and West Umatilla Mosquito Control District about ways to support them and their future capital projects. We received a formal request from the Umatilla School District for a one-time contribution of \$500,000 for renovations at the current high school shop to convert/update the space for elective classes for the middle school. We have not received formal requests from the other taxing districts.

General Fund: Administration Department

25-26 General Fund - Administration Dept Expenses

	2022-2023 ACTUALS	2023-2024 ACTUALS	2024-25 ADOPTED BUDGET	2025-2026 PROPOSED BUDGET	2025-2026 APPROVED BUDGET	2025-2026 ADOPTED BUDGET
	FY2023	FY2024	FY2025	FY2026	FY2026	FY2026
Expenses						
Personnel Services						
Regular Earnings	\$322,617	\$429,330	\$551,888	\$826,223	\$826,223	\$826,223
Overtime Earnings	\$4,922	\$10,555	\$15,000	\$15,000	\$15,000	\$15,000
FICA	\$24,071	\$32,440	\$43,367	\$63,894	\$63,894	\$63,894
Health Insurance	\$65,578	\$89,036	\$129,294	\$204,890	\$204,890	\$204,890
Retirement	\$69,255	\$107,164	\$145,509	\$266,309	\$266,309	\$266,309
Workers Compensation	\$635	\$1,483	\$1,437	\$1,604	\$1,604	\$1,604
Life Insurance	\$59	\$78	\$101	\$148	\$148	\$148
Unemployment Tax	\$975	\$2,150	\$2,810	\$4,133	\$4,133	\$4,133
Disability Insurance	\$270	\$350	\$480	\$705	\$705	\$705
PERSONNEL SERVICES TOTAL	\$488,383	\$672,586	\$889,886	\$1,382,906	\$1,382,906	\$1,382,906
Materials & Services						
City Attorney	\$63,455	\$32,857	\$50,000	\$50,000	\$50,000	\$50,000
Engineering	\$132,032	\$77,456	\$166,000	\$131,000	\$131,000	\$131,000
Minor Computer Equipment	\$35,549	\$77,314	\$55,000	\$46,600	\$46,600	\$46,600
Supplies	\$9,990	\$12,064	\$13,000	\$20,000	\$20,000	\$20,000
Postage	\$2,303	\$1,957	\$2,500	\$2,500	\$2,500	\$2,500
Heat/Light	\$673	\$1,264	\$1,100	\$4,000	\$4,000	\$4,000
Telephone	\$11,364	\$4,651	\$8,000	\$6,500	\$6,500	\$6,500
Printing/Advertising	\$8,320	\$7,043	\$15,000	\$15,000	\$15,000	\$15,000
Training/Travel	\$24,495	\$28,511	\$66,900	\$74,600	\$74,600	\$74,600
Insurance	\$5,666	\$10,641	\$12,385	\$13,130	\$13,130	\$13,130
Audit	\$30,128	\$40,800	\$40,800	\$45,000	\$45,000	\$45,000
Elections	—	—	\$1,000	\$1,000	\$1,000	\$1,000
Umatilla Promotion	\$12,709	\$16,980	\$20,000	\$20,000	\$20,000	\$20,000
City Merchandise	\$8,460	\$12,408	\$20,000	\$20,000	\$20,000	\$20,000
Dues and Fees	\$18,685	\$41,436	\$35,000	\$40,000	\$40,000	\$40,000
COVID-19 Relief	—	—	\$0	\$0	\$0	\$0
Building Maintenance	\$34,884	\$51,738	\$52,500	\$52,500	\$52,500	\$52,500
Equipment Operation	—	\$17,441	\$5,000	\$2,500	\$2,500	\$2,500
Safety Committee	—	—	\$2,500	\$2,500	\$2,500	\$2,500
Community Support/Commitments	—	\$2,000,000	\$500,000	\$600,000	\$600,000	\$600,000
Lease/Easement Renewals	—	—	\$8,000	\$8,000	\$8,000	\$8,000
Miscellaneous	-\$1,198	\$64,763	\$25,000	\$50,000	\$50,000	\$50,000
Mayor & Council Expenses	\$5,448	\$14,576	\$17,400	\$17,400	\$17,400	\$17,400
City Manager Expenses	\$5,850	—	\$5,000	\$5,000	\$5,000	\$5,000
Neighborhood Cleanups	—	—	\$0	\$0	\$0	\$0
Downtown Revitalization Grant	—	—	\$0	\$0	\$0	\$0
Employee Education Assistance	\$8,519	\$657	\$20,000	\$20,000	\$20,000	\$20,000
Computer Licenses/Support	\$330,750	\$417,722	\$560,000	\$585,000	\$585,000	\$585,000
Staff Support/Meetings	\$21,071	\$14,635	\$30,000	\$30,000	\$30,000	\$30,000

	2022-2023 ACTUALS	2023-2024 ACTUALS	2024-25 ADOPTED BUDGET	2025-2026 PROPOSED BUDGET	2025-2026 APPROVED BUDGET	2025-2026 ADOPTED BUDGET
	FY2023	FY2024	FY2025	FY2026	FY2026	FY2026
Enterprise Zone CSF Funds	–	–	\$0	\$0	\$0	\$0
SIP CSF Funds	–	–	\$0	\$0	\$0	\$0
SIP Annual Improvement Payment	–	–	\$0	\$0	\$0	\$0
MATERIALS & SERVICES TOTAL	\$769,154	\$2,946,915	\$1,732,085	\$1,862,230	\$1,862,230	\$1,862,230
EXPENSES TOTAL	\$1,257,537	\$3,619,501	\$2,621,971	\$3,245,136	\$3,245,136	\$3,245,136

General Fund & Departments Within: Community Development

Fiscal Year 2025-26

The Community Development Department was created in 2017. For operational purposes, this department includes Planning, Economic Development and Building. For budget purposes, this section includes the Planning and Economic Development divisions. The Building division has its own budget section.

The Community Development/Planning Department, under the direction of the Community Development Director, provides four primary services: current planning, long-range planning, citizen involvement, and economic development. They also initiate and facilitate community dialogues about how the community would like to see Umatilla grow now and in the future.

Core Services

Current Planning

- Direct and administer the day to day land use, development and zoning related activities of the City.
- Respond to citizen issues regarding alleged land-use offenses.

Long Range Planning

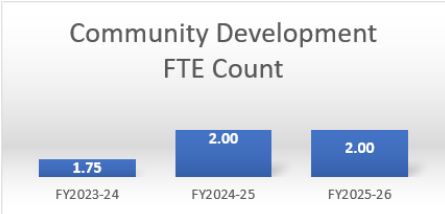
- Maintain and update the comprehensive plan; analyze and forecast economic growth related trends; and, assist in the preparation of utility master plans (i.e., transportation, water, sewer and parks) as per local, state or federal dictates.
- Initiate strategic long-range plans that reflect the community's values and opportunities.
- Inform the City Council on matters of land use policy that affect Umatilla

Citizen Involvement

- Support the Umatilla Planning Commission.
- Ensure that the City is reaching out and allowing opportunities for public input and engagement in city planning activities.
- Continue to promote public outreach as the hallmark of city programs and projects.

Economic Development

- Advise and assist public, business and industry, and other agencies directly or indirectly involved in Umatilla's economic development.
- Work as a partner in collaboration with the Umatilla Chamber of Commerce and Port of Umatilla to promote economic development within the city.



Priorities & Performance Measures

Priority - City Council Goal 2

Provide professional and timely land use and application processing services for developers, business, and property owners.

Outcomes

The Planning Division of Community Development is committed to assisting the public, business owners, and developers navigate the land use process. Through pre-development meetings, over-the-counter contacts, and processing applications, they work with applicants to make their projects successful.

FY22-23 Planning Applications	
Category	Jun 2023
Zoning Permit	7
Site Plan Review	7
Conditional Use Permit	6
Partitions	5
Annexations	3
Other	7

FY23-24 Planning Applications	
Category	Jun 2024
Conditional Use Permit	7
Site Plan Review	5
Replat	2
Plan Amendment	2
Appeal	1
Other	4

FY24-25 Planning Applications	
Category	2025
Conditional Use Permit	5
Site Plan Review	5
Property Line Adjustment	5
Replat	2
Subdivision	2
Other	2



Community Development Budget Highlights

Consultants

The planning department has budgeted \$95,000 in consulting fees to include a GIS consultant, a comprehensive plan update, a broadband consultant in partnership with Hermiston and other minor engineering or consulting needs.

New Business Grant and Downtown Façade Grant Programs

In the 2021-22 fiscal year, the City created an all-new Local Business Grant program which was very successful. This grant provides funding to new or existing businesses looking to expand their business or make needed facility improvements. It can also be combined with the Downtown Façade Grant if the business is located in the downtown. For the upcoming year, the total allocation of both grant programs is \$400,000 which is an increase from the prior year of \$150,000.

Wayfinding Plan Implementation

The city hired a consultant to prepare a wayfinding plan that was presented to the City Council in June 2023. Staff are waiting to bring the finalized plan to City Council for approval until the design for Umatilla Entry Monument can be finalized and incorporated into the plan this summer. In the upcoming fiscal year, we have allocated \$125,000 to complete phase one of the plan which includes eleven gateway and district identification signs.

Project PATH

City staff has been working with the surrounding cities and Umatilla County on a regional homeless solution, called Project PATH (Practical Assistance through Transitional Housing). As of budget adoption, there are no funds currently identified to fund PATH next year. To date, the majority of our funding has been through direct legislative appropriations with other funds coming from grants or private funding in partnership with Stepping Stones Alliance. PATH now qualifies for appropriations through the Continuum of Care (CAPECO), but there is no guarantee how much, if any, we will receive. We have also asked our legislators to fund PATH through direct appropriations to fund both day to day operations and to help establish a healthy program reserve. For budgeting purposes, we will plan for the worst-case scenario of not receiving any funding. We project annual operational expenses of \$750,000 and have proposed a cost share between our partnering cities and the County. Our share of the cost is \$240,000 and we anticipate our partners contributing the additional \$510,000 needed to balance the budget.



General Fund: Community Development Department

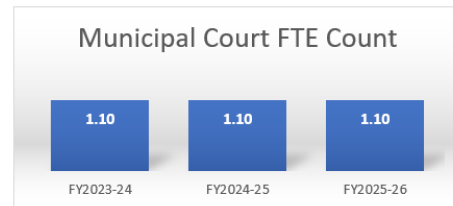
25-26 General Fund- Community Development Dept Expenses

	2022-2023 ACTUALS	2023-2024 ACTUALS	2024-25 ADOPTED BUDGET	2025-2026 PROPOSED BUDGET	2025-2026 APPROVED BUDGET	2025-2026 ADOPTED BUDGET
	FY2023	FY2024	FY2025	FY2026	FY2026	FY2026
Expenses						
Personnel Services						
Regular Earnings	\$162,149	\$178,024	\$212,380	\$210,197	\$210,197	\$210,197
Overtime Earnings	–	–	\$1,000	\$2,500	\$2,500	\$2,500
FICA	\$12,165	\$13,240	\$16,324	\$16,271	\$16,271	\$16,271
Health Insurance	\$37,886	\$35,256	\$47,838	\$44,807	\$44,807	\$44,807
Retirement	\$35,630	\$45,569	\$56,068	\$68,924	\$68,924	\$68,924
Workers Compensation	\$939	\$1,300	\$1,640	\$1,718	\$1,718	\$1,718
Life Insurance	\$35	\$35	\$40	\$40	\$40	\$40
Unemployment Tax	\$491	\$876	\$1,067	\$1,063	\$1,063	\$1,063
Disability Insurance	\$160	\$161	\$192	\$192	\$192	\$192
PERSONNEL SERVICES TOTAL	\$249,455	\$274,462	\$336,549	\$345,712	\$345,712	\$345,712
Materials & Services						
Insurance	–	–	–	\$6,000	\$6,000	\$6,000
Code Enforcement/Abatement	–	–	\$0	\$0	\$0	\$0
City Attorney	\$3,180	\$4,375	\$30,000	\$10,000	\$10,000	\$10,000
Land Use Planner	–	–	\$0	\$0	\$0	\$0
Engineering/Consultants	\$303,774	\$92,781	\$342,500	\$95,000	\$95,000	\$95,000
Capital Improvement Planning	–	–	\$60,000	\$60,000	\$60,000	\$60,000
Supplies	\$2,338	\$3,212	\$7,000	\$3,000	\$3,000	\$3,000
Postage	–	–	\$500	\$500	\$500	\$500
Printing/Advertising	\$3,483	\$1,788	\$5,000	\$5,000	\$5,000	\$5,000
Training/Travel	\$1,962	\$12,555	\$30,050	\$27,200	\$27,200	\$27,200
RARE Student	–	–	\$0	\$0	\$0	\$0
Dues and Fees	\$1,685	\$2,364	\$1,750	\$1,750	\$1,750	\$1,750
Downtown Facade Grants	\$48,167	\$91,739	\$100,000	\$150,000	\$150,000	\$150,000
6X26 Mural Project	–	\$15,493	\$70,000	\$140,000	\$140,000	\$140,000
New Business Grant Program	\$34,707	\$55,301	\$150,000	\$250,000	\$250,000	\$250,000
Project PATH	\$275,989	\$449,571	\$645,550	\$750,000	\$750,000	\$750,000
Miscellaneous	\$1,617	\$1,706	\$2,500	\$2,500	\$2,500	\$2,500
Planning Commission Expenses	\$566	–	\$4,000	\$2,000	\$2,000	\$2,000
Computer Support	–	–	\$0	\$0	\$0	\$0
Building Maintenance	–	–	–	\$12,000	\$12,000	\$12,000
MATERIALS & SERVICES TOTAL	\$677,466	\$730,886	\$1,448,850	\$1,514,950	\$1,514,950	\$1,514,950
EXPENSES TOTAL	\$926,921	\$1,005,348	\$1,785,399	\$1,860,662	\$1,860,662	\$1,860,662

General Fund & Departments Within: Municipal Court

Fiscal Year 2025-26

The Umatilla Municipal Court is part of the integrated judicial system for Oregon and serves as the judicial system for the City of Umatilla. This court handles traffic and criminal misdemeanor violations, Port of Entry citations and City ordinance violations.



Priorities & Performance Measures

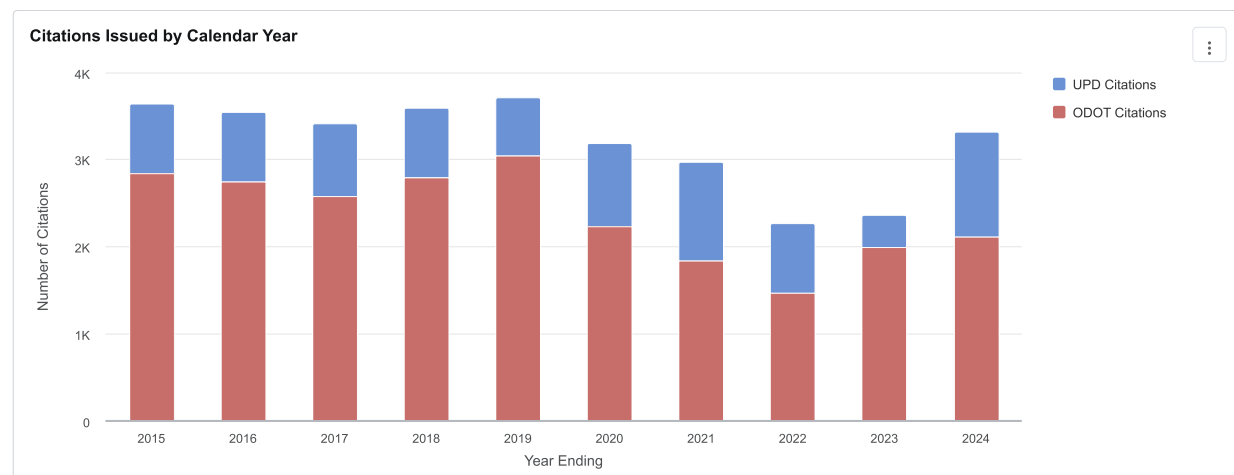
Priority

Management and processing of citations submitted to the Municipal Court.

Outcomes

Effectively managing the citations submitted to the Umatilla Municipal Court allows defendants to work through the local judicial system in an efficient manner, while providing a high level of service and care.

Citations issued by the Oregon Department of Transportation (ODOT) and the Umatilla Police Department (UPD) by year.



Data Updated: Aug 18, 2025, 4:37 PM

Municipal Court Budget Highlights

Staffing

Judge Krogh continues to contract with the City part-time and the Court Clerk has taken over the daily administrative functions of the Municipal Court.

There is a slight increase in the personnel budget due to increased insurance costs and cost of living adjustments. There is also a small increase in materials and services due to the pass through fee to the state and county that result from increased citation collections.

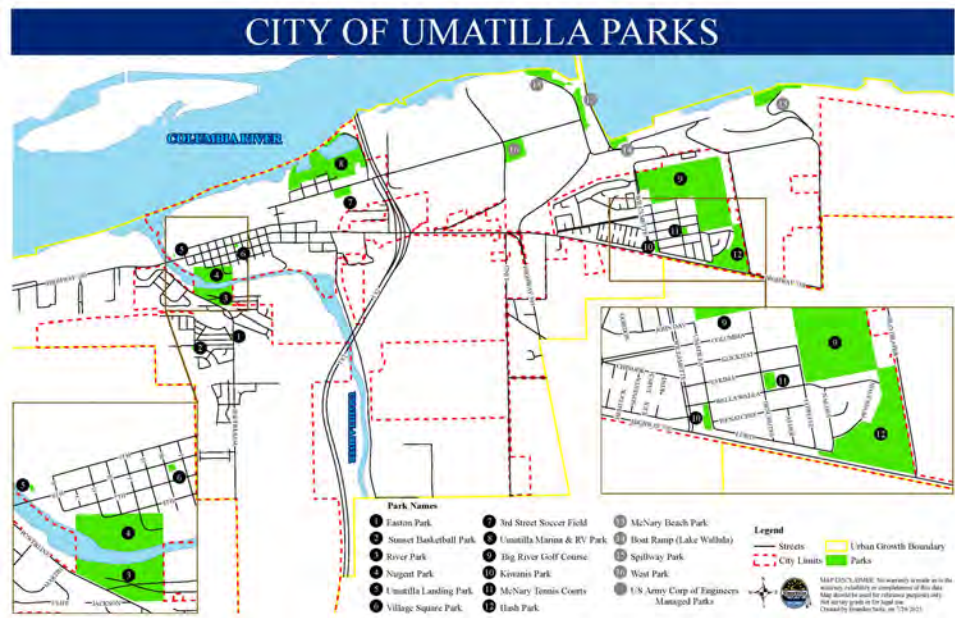
General Fund: Municipal Court Department

25-26 General Fund- Municipal Court Dept Expenses

	2022-2023 ACTUALS	2023-2024 ACTUALS	2024-25 ADOPTED BUDGET	2025-2026 PROPOSED BUDGET	2025-2026 APPROVED BUDGET	2025-2026 ADOPTED BUDGET
	FY2023	FY2024	FY2025	FY2026	FY2026	FY2026
Expenses						
Personnel Services						
Regular Earnings	\$74,495	\$67,981	\$89,308	\$94,301	\$94,301	\$94,301
Overtime Earnings	–	\$392	\$0	\$0	\$0	\$0
FICA	\$5,509	\$5,072	\$6,832	\$7,214	\$7,214	\$7,214
Health Insurance	\$21,034	\$21,732	\$23,283	\$25,255	\$25,255	\$25,255
Retirement	\$10,526	\$10,442	\$14,945	\$19,691	\$19,691	\$19,691
Workers Compensation	\$61	\$86	\$69	\$73	\$73	\$73
Life Insurance	\$17	\$17	\$17	\$17	\$17	\$17
Unemployment Tax	\$223	\$331	\$447	\$472	\$472	\$472
Disability Insurance	\$56	\$61	\$82	\$82	\$82	\$82
PERSONNEL SERVICES TOTAL	\$111,921	\$106,114	\$134,983	\$147,105	\$147,105	\$147,105
Materials & Services						
Officiation Services	\$1,688	\$1,100	\$2,000	\$2,000	\$2,000	\$2,000
Attorney Fees	\$238	–	\$2,000	\$0	\$0	\$0
NSF Checks	\$278	\$225	\$1,500	\$500	\$500	\$500
Supplies	\$2,288	\$1,691	\$2,500	\$2,500	\$2,500	\$2,500
Postage	\$4	–	\$110	\$110	\$110	\$110
Telephone	\$115	\$120	\$150	\$150	\$150	\$150
Training/Travel	\$4,770	\$4,524	\$8,550	\$7,500	\$7,500	\$7,500
Insurance	\$2,795	\$3,250	\$3,900	\$4,135	\$4,135	\$4,135
Refunds	\$13,222	\$10,219	\$15,000	\$15,000	\$15,000	\$15,000
Dues and Fees	\$1,851	\$6,194	\$5,000	\$6,200	\$6,200	\$6,200
State and County Assessments	\$264,133	\$299,902	\$300,000	\$340,000	\$340,000	\$340,000
Miscellaneous	\$209	\$20,259	\$5,000	\$1,500	\$1,500	\$1,500
Computer Support	–	–	\$0	\$0	\$0	\$0
MATERIALS & SERVICES TOTAL	\$291,590	\$347,484	\$345,710	\$379,595	\$379,595	\$379,595
EXPENSES TOTAL	\$403,511	\$453,598	\$480,693	\$526,700	\$526,700	\$526,700

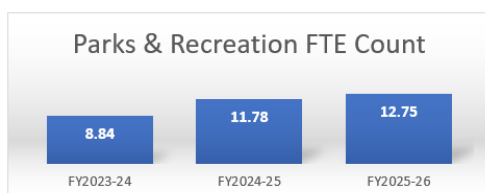
General Fund & Departments Within: Parks & Recreation

Fiscal Year 2025-26



The Parks and Recreation Department was created in 2022 and is responsible for providing recreation activities and special events to the community, as well as oversight of the office operations at the Umatilla Marina & RV Park and Big River Golf Course.

The Parks and Recreation Department is also responsible for the maintenance and operation of the city's parks and open space. The City has more than 227 acres of parkland including the Umatilla Marina & RV Park and Big River Golf Course. There are 16 parks in total, 12 are owned and operated by the City and 4 are US Army Corps properties. The maintenance portion of the city park facilities currently falls under the supervision of Public Works.



Priorities & Performance Measures

Priority - City Council Goal 1: Objective 1.6

Support and maintain parks and natural areas, and provide public facilities that enhance the quality of life for all residents of Umatilla.

Outcomes

Utilizing established and proven maintenance standards and construction practices, the City of Umatilla is able to provide efficient and effective methods for maintaining the parks program.

Measure	FY2022-23	FY2023-24	FY2024-25
Acres of City Park Land	230	230	230
Number of City Parks	17	17	17
Miles of Trails Maintained	34	34	34
Miles of Sidewalks	17	17	17



Measure	FY2022-23	FY2023-24	FY2024-25
Recreation Programs Offered	35	27	32
Program Registrations	925	1485	1248

Priority - City Council Goal 1: Objective 1.4

To sustain, grow, and enhance the City's Livability and Quality of Life by supporting and increasing public safety; encouraging increases in public health initiatives like community and private investments in medical facilities, wellness programs, and recreational activities; and emboldening a local culture that supports, encourages, promotes, and solicits events, festivals, and public gathering opportunities.

Outcomes

Participating in recreational activities provides a wide variety of benefits for our community and its' residents. These benefits include promoting physical health, reducing stress, connecting families, developing strong communities, increasing community pride and reducing vandalism and crime.

Parks and Recreation Budget Highlights

Staffing

In the 2024-25 fiscal year, the Parks & Recreation Assistant was eliminated and replaced with a Parks & Recreation Manager. That and insurance cost increases account for the majority of the personnel budget increase.

Consulting

Last year, our engineers put together a conceptual plan for the development of Hash Park that includes a variety of amenities including a baseball/softball sports complex, playground, splash pad, dog park, pavilions and open space. We anticipate the full design cost of the facility to be at least \$800,000. This funding is allocated in the 2025-26 fiscal year budget in the capital reserve fund.

6x26 Project

Through the past few budget cycles, the City Council has approved a mural project “6x26” which will add six murals throughout the city by 2026. The first mural at Nugent Park is complete. We will roll forward the current allocation of \$70,000 and increase the allocation to \$140,000 to push to complete five murals next year.

Recreation

This budget continues to emphasize recreation and events. The approved budget includes a modest increase to the programming budget as well as funding for recreation equipment such as a LED billboard and F-150. It also includes \$16,000 to enclose the existing shop at the old public works shop by Nugent Park. The department is very low on storage space for their recreation equipment and this would provide a cost-effective solution to add storage space that would be secure and protected from the outside elements.

Maintenance

This budget includes equipment for the parks maintenance department including a F-150, replacement mower and a utility trailer to transport mowers for a total allocation of \$100,000.



General Fund:

Parks & Recreation Department

25-26 General Fund - Parks & Recreation Dept Expenses

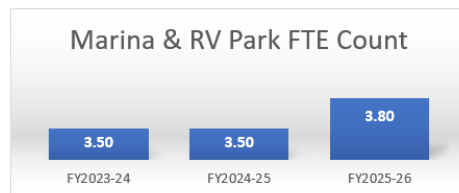
	2022-2023 ACTUALS	2023-2024 ACTUALS	2024-25 ADOPTED BUDGET	2025-2026 PROPOSED BUDGET	2025-2026 APPROVED BUDGET	2025-2026 ADOPTED BUDGET
	FY2023	FY2024	FY2025	FY2026	FY2026	FY2026
Expenses						
Personnel Services						
Regular Earnings	\$502,741	\$578,644	\$720,043	\$868,713	\$868,713	\$868,713
Overtime Earnings	\$20,596	\$43,068	\$53,000	\$53,000	\$53,000	\$53,000
FICA	\$38,639	\$47,256	\$59,138	\$70,511	\$70,511	\$70,511
Health Insurance	\$98,127	\$95,488	\$133,323	\$236,398	\$236,398	\$236,398
Retirement	\$75,240	\$141,547	\$183,577	\$249,717	\$249,717	\$249,717
Workers Compensation	\$5,728	\$13,978	\$17,280	\$18,639	\$18,639	\$18,639
Life Insurance	\$118	\$132	\$169	\$190	\$190	\$190
Unemployment Tax	\$1,601	\$3,084	\$3,860	\$4,601	\$4,601	\$4,601
Disability Insurance	\$472	\$532	\$806	\$902	\$902	\$902
PERSONNEL SERVICES TOTAL	\$743,262	\$923,728	\$1,171,196	\$1,502,671	\$1,502,671	\$1,502,671
Materials & Services						
Engineering	\$15,406	\$95,354	\$825,000	\$10,000	\$10,000	\$10,000
Contracted Services	–	\$17,765	\$25,000	\$25,000	\$25,000	\$25,000
Supplies	\$1,840	\$4,770	\$3,500	\$3,500	\$3,500	\$3,500
Printing/Advertising	–	\$14,232	\$15,000	\$14,000	\$14,000	\$14,000
Telephone	–	\$495	\$4,000	\$4,000	\$4,000	\$4,000
Building Maintenance	–	–	–	\$15,500	\$15,500	\$15,500
Postage	–	–	\$1,500	\$1,500	\$1,500	\$1,500
Training/Travel	\$24,510	\$47,678	\$44,300	\$48,400	\$48,400	\$48,400
Insurance	\$3,093	\$6,643	\$8,025	\$8,500	\$8,500	\$8,500
Uniform Allowance	\$5,044	\$4,707	\$5,000	\$5,000	\$5,000	\$5,000
Gas/Oil	\$19,098	\$17,257	\$19,500	\$19,500	\$19,500	\$19,500
Electricity	\$2,226	\$2,564	\$3,502	\$6,500	\$6,500	\$6,500
Dues and Fees	\$7,559	\$12,003	\$10,500	\$11,500	\$11,500	\$11,500
Equipment Operation	\$43,131	\$45,575	\$40,000	\$40,000	\$40,000	\$40,000
Minor Recreation Equipment	\$17,347	\$9,173	\$37,600	\$36,800	\$36,800	\$36,800
Park Maintenance	\$83,417	\$68,572	\$80,000	\$90,000	\$90,000	\$90,000
Recreation Programs	\$89,474	\$154,958	\$135,000	\$150,000	\$150,000	\$150,000
Tree Maintenance/Program	\$9,265	\$43,844	\$25,000	\$25,000	\$25,000	\$25,000
Community Garden	–	–	\$60,000	\$60,000	\$60,000	\$60,000
Ice Rink Maintenance	\$6,928	–	\$7,500	\$7,500	\$7,500	\$7,500
Miscellaneous	\$6,654	\$6,360	\$7,500	\$7,500	\$7,500	\$7,500
Park & Rec Committee Expenses	–	\$321	\$1,000	\$1,000	\$1,000	\$1,000
MATERIALS & SERVICES TOTAL	\$334,991	\$552,272	\$1,358,427	\$590,700	\$590,700	\$590,700
Capital Outlay						
Equipment	–	–	\$0	\$0	\$0	\$0
Recreation Equipment	–	–	\$0	\$0	\$0	\$0
CAPITAL OUTLAY TOTAL	–	–	\$0	\$0	\$0	\$0
EXPENSES TOTAL	\$1,078,253	\$1,476,000	\$2,529,623	\$2,093,371	\$2,093,371	\$2,093,371

General Fund & Departments Within: Umatilla Marina & RV Park

Fiscal Year 2025-26



The City of Umatilla operates the Umatilla Marina & RV Park under a long-term lease with the US Army Corps of Engineers. The RV Park offers 35 spacious RV and tent sites with incredible views of the Columbia River. The Umatilla Marina offers berthing for up to 97 boats ranging in length from 24 to 60 feet.



Marina & RV Park Budget Highlights

Equipment

The marina purchased two electric tricycles that are available to rent this year and they have been very popular. They allow guests and residents of all ages to explore downtown Umatilla. This budget includes \$6,600 to purchase two more electric tricycles to allow more access and encourage families to ride together.

Maintenance

Marina staff have requested various minor maintenance allocations including \$2,500 to replace the vinyl flooring and doors at the office, \$3,000 to purchase flags and flowers to enhance the curb appeal of the park, \$4,500 to purchase ten fire rings for the tent area and \$2,000 to purchase a grader to pull behind the gator to level the gravel in the park.

Marina Improvements

The Umatilla Marina was completed spring 1991. The average lifespan of a marina built in the 1990s is 15-20 years due to the technologies/engineering of marinas during this time. The Umatilla Marina has reached the end of its useful life and is needing a full replacement. We have missing floatation, twisted fingers, splintering boards, missing hardware, and both significant potable water and electrical issues, not to mention an entire dock that has been decommissioned for more than 5 years. The Umatilla Marina is a well-used marina with seemingly countless potential.

The city is working towards the design of an all-new state-of-the-art marina. The new marina will include covered single-berth slips, uncovered single berth slips, aluminum or steel framed docks, engineered decking or concrete, encapsulated floats and other highly buoyant materials, well-spaced navigable fairways, reliable and safe potable water, electrical hookups, updated sewer pumping system(s), high speed internet, new gangways and entries, replaced abutments, and other features and amenities. The Oregon State Marine Board (OSMB) awarded the city a grant of \$129,764 to complete phase 1 of the design which includes surveying, environmental permitting, geotechnical investigations, cultural evaluations, hydraulic investigations, and sediment transport analysis. The total cost of phase 1 is \$487,300 and the City's match is \$357,537. We have completed the survey work but are experiencing delays with the US Army Corps of Engineers (USACE) on the permits required to proceed with scheduling a barge and completing the Geotech work. The unspent funds will roll forward so we can continue the work as soon as possible.



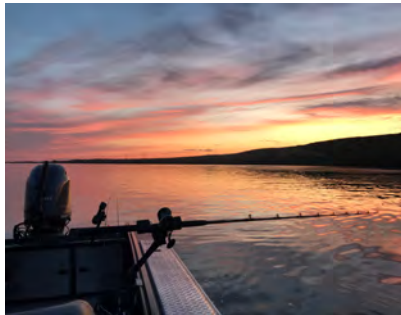
Current Marina and RV Park Rates:

RV Sites \$46/night

Tent Sites \$20/night

Moorage ranges \$75-\$180/month depending on dock and maximum boat length

Dry Storage \$50/month with discount available for moorage customers



General Fund: Marina & RV Park Department

25-26 General Fund - Marina & RV Park Expenses

	2022-2023 ACTUALS	2023-2024 ACTUALS	2025-2026 ADOPTED BUDGET	2024-25 ADOPTED BUDGET	2025-2026 PROPOSED BUDGET	2025-2026 APPROVED BUDGET
	FY2023	FY2024	FY2024	FY2025	FY2026	FY2026
Expenses						
Personnel Services						
Regular Earnings	\$101,276	\$162,545	\$162,545	\$161,494	\$198,240	\$198,240
Overtime Earnings	\$2,037	\$11,416	\$11,167	\$12,500	\$12,500	\$12,500
FICA	\$7,685	\$13,034	\$13,034	\$13,311	\$16,122	\$16,122
Health Insurance	\$36,414	\$42,156	\$42,156	\$44,362	\$72,795	\$72,795
Retirement	\$18,315	\$39,011	\$38,988	\$35,505	\$66,137	\$66,137
Workers Compensation	\$2,229	\$4,749	\$4,751	\$4,952	\$5,427	\$5,427
Life Insurance	\$40	\$54	\$54	\$50	\$71	\$71
Unemployment Tax	\$291	\$852	\$852	\$870	\$1,054	\$1,054
Disability Insurance	\$117	\$168	\$168	\$240	\$336	\$336
PERSONNEL SERVICES TOTAL	\$168,404	\$273,986	\$273,715	\$273,284	\$372,682	\$372,682
Materials & Services						

	2022-2023 ACTUALS	2023-2024 ACTUALS	2025-2026 ADOPTED BUDGET	2024-25 ADOPTED BUDGET	2025-2026 PROPOSED BUDGET	2025-2026 APPROVED BUDGET
	FY2023	FY2024	FY2024	FY2025	FY2026	FY2026
Attorney Fees	\$6,667	\$5,353	\$5,353	\$15,000	\$15,000	\$15,000
Contracted Services	\$21,077	\$38,974	\$12,077	\$474,900	\$37,600	\$37,600
Supplies	\$6,522	\$3,258	\$3,231	\$7,500	\$7,500	\$7,500
Postage	\$409	\$384	\$384	\$375	\$375	\$375
Marina Resale	\$17,772	\$32,582	\$32,582	\$32,500	\$40,000	\$40,000
Minor Equipment	—	—	—	—	\$8,700	\$8,700
Building Maintenance	—	—	—	—	\$2,500	\$2,500
Telephone	\$3,243	\$3,368	\$3,334	\$4,400	\$5,100	\$5,100
Printing/Advertising	\$9,494	\$12,313	\$12,313	\$14,000	\$14,000	\$14,000
Insurance	\$16,833	\$19,851	\$19,851	\$23,850	\$24,625	\$24,625
Training/Travel	—	\$1,579	\$1,579	\$8,850	\$17,350	\$17,350
Uniform Allowance	\$644	\$287	\$287	\$2,000	\$2,000	\$2,000
Refunds	\$7,365	\$5,817	\$5,817	\$6,000	\$6,000	\$6,000
Electricity	\$42,495	\$50,163	\$50,163	\$48,000	\$58,500	\$58,500
Dues and Fees	\$24,815	\$28,654	\$28,654	\$26,000	\$26,000	\$26,000
Park Maintenance	\$153,661	\$258,797	\$257,693	\$146,200	\$143,000	\$143,000
Boyd's Place	\$20,303	\$19,244	\$19,211	\$20,000	\$25,000	\$25,000
Transient Room Tax	\$17,837	\$20,085	\$20,085	\$23,600	\$23,600	\$23,600
Miscellaneous	—	—	\$0	\$5,000	\$2,500	\$2,500
Computer Support	—	—	—	\$0	\$0	\$0
MATERIALS & SERVICES TOTAL	\$349,138	\$500,710	\$472,617	\$858,175	\$459,350	\$459,350
Capital Outlay						
Equipment	—	\$48	\$0	\$0	\$0	\$0
Buildings/Fixtures	—	—	—	\$0	\$0	\$0
CAPITAL OUTLAY TOTAL	—	\$48	\$0	\$0	\$0	\$0
EXPENSES TOTAL	\$517,542	\$774,744	\$746,331	\$1,131,459	\$832,032	\$832,032

General Fund & Departments Within: Police Department

Fiscal Year 2025-26

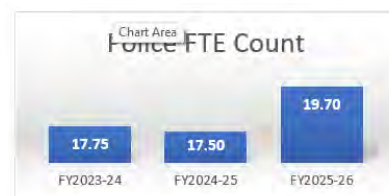
OUR CORE VALUES:

Safety: We operate with unwavering honesty and uphold the highest ethical standards. Trust is the foundation of our relationship with the entire community.

Service: We are committed to providing professional and compassionate service to all members of the community. Our officers actively engage with the community to address concerns and build lasting relationships.

Accountability: We take responsibility for our actions and decisions. We are transparent in our interactions, fostering trust and confidence throughout the entire community.

Our vision is a Umatilla where every individual in the community feels safe, valued, and connected. We aspire to be a model police department, setting standards for excellence in law enforcement, community engagement, and public service.



Priorities & Performance Measures

Measure	FY2022-23	FY2023-24	FY2024-25
Police Training Hours	1167	1290	3521

Priority - City Council Goal 1: Objective 1.2

Increase public safety by professionally promoting safety and livability through education and enforcement.

Outcomes

The Umatilla Police Department utilizes best practices and frequent training to ensure that patrol operations meet a high professional standard.

Education and enforcement of laws helps ensure the livability and quality of life that is a priority for the City of Umatilla.

Police Activity by Type FY22-23		Police Activity by Type FY23-24		Police Activity by Type FY24-25	
Category	Jun 2023	Category	Jun 2024	Category	Jun 2025
Code	921	Traffic Citations	1,328	Traffic Citations	1,265
Criminal	748	Code	876	Criminal	784
Assists	411	Criminal	807	Code	759
Traffic Citations	391	Assists	410	Assists	495
Arrests	228	Arrests	289	Arrests	322

Police Department Budget Highlights:

Staffing

This budget captures the second year of a new police collective bargaining agreement that is in effect through June 30, 2027. The agreement grants a salary increase of 3% in the first and second years and 2.5% in the third year.

City Council just approved a collective bargaining agreement with the Umatilla Police Sergeant's Association that is in effect until June 30, 2027. The agreement calls for a 3% COLA in the next fiscal year.

This budget includes funding for a Victim Advocate / Evidence Technician position. As a victim advocate this employee will serve as a liaison between victims and the criminal justice system, ensuring that victims receive emotional support, resources, and guidance throughout the investigative and court process. This role enhances community trust, improves victim cooperation, and helps reduce trauma for those affected by crime.

Additionally, as an evidence technician this employee will be responsible for the intake, storage, organization,

and proper handling of evidence. The position cost, including benefits, is estimated at \$120,000. We currently have a .75 FTE office position open that will not be filled and that funding of approximately \$97,000 will go towards covering this position.

Dispatch Fees

The City continues to contract with Umatilla County for dispatch services. The amount due for the 2025-26 fiscal year is \$196,810, which is an increase of \$20,000 from the previous year.

Equipment

The police department submitted several equipment requests for FY2025-26 that were funded. These expenditures are funded through transfers to the Capital Reserve Fund and include:

- The annual cost to lease and outfit six new patrol vehicle \$80,000
- Axon body worn cameras and dash system \$54,000
- Long gun replacement \$50,000
- Radar Replacement \$20,000
- E-bikes \$12,000

Capital Projects

Police Department Building Replacement

The current police department building does not meet the needs required for the current and future growth of the department in relation to the growth of the community. We have contracted with Mackenzie, Inc. for the design of a new Police Department facility that will meet the demands of the police department for approximately 20 years. The full design is included in the current budget and all unused design funds will be carried forward to next year. The budget proposal will not include the construction of the police department because the budget structure will depend on the results of the November 2025 ballot measure. Staff will make a modification to include the project in the appropriate manner through a supplemental budget.



General Fund:

Police Department

25-26 General Fund - Police Department Expenses

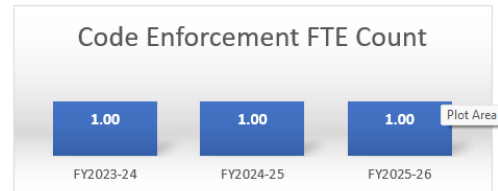
	2022-2023 ACTUALS	2023-2024 ACTUALS	2024-25 ADOPTED BUDGET	2025-2026 PROPOSED BUDGET	2025-2026 APPROVED BUDGET	2025-2026 ADOPTED BUDGET
	FY2023	FY2024	FY2025	FY2026	FY2026	FY2026
Expenses						
Personnel Services						
Regular Earnings	\$1,197,756	\$1,394,496	\$1,623,286	\$1,820,403	\$1,820,403	\$1,820,403
Overtime Earnings	\$25,073	\$43,343	\$45,000	\$55,000	\$55,000	\$55,000
FICA	\$92,663	\$108,414	\$127,624	\$140,000	\$140,000	\$140,000
Health Insurance	\$276,066	\$336,564	\$412,957	\$458,494	\$458,494	\$458,494
Retirement	\$327,923	\$348,518	\$428,065	\$635,138	\$635,138	\$635,138
Workers Compensation	\$15,030	\$30,944	\$35,551	\$39,784	\$39,784	\$39,784
Life Insurance	\$299	\$429	\$467	\$488	\$488	\$488
Unemployment Tax	\$3,675	\$7,454	\$8,341	\$9,251	\$9,251	\$9,251
Disability Insurance	\$1,381	\$1,483	\$1,728	\$1,800	\$1,800	\$1,800
PERSONNEL SERVICES TOTAL	\$1,939,865	\$2,271,644	\$2,683,019	\$3,160,358	\$3,160,358	\$3,160,358
Materials & Services						
Engineering	\$104,768	\$186,709	\$0	\$0	\$0	\$0
Minor Equipment	\$4,123	\$16,264	\$86,400	\$29,100	\$29,100	\$29,100
Supplies	\$6,126	\$9,511	\$11,500	\$11,500	\$11,500	\$11,500
Postage	\$727	\$989	\$1,000	\$1,300	\$1,300	\$1,300
Heat/Light	\$9,006	\$11,132	\$10,250	\$11,500	\$11,500	\$11,500
Telephone	\$19,307	\$16,665	\$20,000	\$33,700	\$33,700	\$33,700
Training/Travel	\$19,516	\$22,075	\$45,000	\$45,000	\$45,000	\$45,000
Insurance	\$14,532	\$16,900	\$20,300	\$21,500	\$21,500	\$21,500
Uniform Allowance	\$16,274	\$30,160	\$34,700	\$35,000	\$35,000	\$35,000
Physicals	\$1,900	\$4,649	\$0	\$0	\$0	\$0
Gas/Oil	\$38,162	\$35,323	\$42,000	\$48,000	\$48,000	\$48,000
Legal Services	–	–	\$20,000	\$0	\$0	\$0
Dues and Fees	\$2,697	\$5,650	\$24,500	\$24,500	\$24,500	\$24,500
Equipment Operation	\$11,317	\$44,598	\$0	\$0	\$0	\$0
Building Maintenance	\$9,744	\$14,923	\$15,000	\$15,000	\$15,000	\$15,000
Vehicle Maintenance	\$21,012	\$15,002	\$21,850	\$21,850	\$21,850	\$21,850
Range Operation	–	\$7,271	\$5,000	\$1,500	\$1,500	\$1,500
Officer Wellness	–	–	\$0	\$20,000	\$20,000	\$20,000
School Resource Officer	\$1,139	\$4,308	\$10,000	\$10,000	\$10,000	\$10,000
Dispatch Fees/Coverage	\$136,810	\$156,810	\$176,810	\$196,810	\$196,810	\$196,810
Miscellaneous	\$18,198	\$43,651	\$20,000	\$20,000	\$20,000	\$20,000
Accred Police Dept/Lexipol	\$7,554	\$8,507	\$8,000	\$8,600	\$8,600	\$8,600
Computer Support	\$0	–	\$0	\$0	\$0	\$0
Reserve Officers	\$198	–	\$2,700	\$2,700	\$2,700	\$2,700
Contractual Services	\$2,982	\$15,936	\$0	\$0	\$0	\$0
Code Enforcement	\$0	–	\$0	\$0	\$0	\$0
Dog Holding Facility	\$3,860	\$6,515	\$8,000	\$8,000	\$8,000	\$8,000
MATERIALS & SERVICES TOTAL	\$449,954	\$673,548	\$583,010	\$565,560	\$565,560	\$565,560
Capital Outlay						
Safety Equipment	–	–	\$0	\$0	\$0	\$0

2022-2023 ACTUALS		2023-2024 ACTUALS	2024-25 ADOPTED BUDGET	2025-2026 PROPOSED BUDGET	2025-2026 APPROVED BUDGET	2025-2026 ADOPTED BUDGET
FY2023		FY2024	FY2025	FY2026	FY2026	FY2026
Equipment	\$24,835	\$1,181	\$0	\$0	\$0	\$0
CAPITAL OUTLAY TOTAL	\$24,835	\$1,181	\$0	\$0	\$0	\$0
EXPENSES TOTAL	\$2,414,653	\$2,946,373	\$3,266,029	\$3,725,918	\$3,725,918	\$3,725,918

General Fund & Departments Within: Code Enforcement

Fiscal Year 2025-26

The City's Code Enforcement Officer is responsible for maintaining city code ordinances regarding vehicles (i.e. parking complaints, abandoned vehicles), domesticated animals (i.e. dogs running at large, nuisance animals) and properties (i.e. nuisance violations, noxious uncontrolled vegetation, junk nuisances). This department also funds the free community cleanup events that the City hosts several times each year.



Priorities & Performance Measures

Priority

Provide professional and timely code enforcement services supporting an attractive, clean and safe community for Umatilla residents and businesses.

Outcomes

The Code Enforcement Division of the Police Department is committed to assisting the public in improving the livability and quality of life in Umatilla. The Code Enforcement Officer responds to complaints in the community related to City Code, as well as works in coordination with the Police Department and Municipal Court to address violations.

Code Activity by Type FY22-23		Code Activity by Type FY23-24		Code Activity by Type FY24-25	
Category	Jun 2023	Category	Jun 2024	Category	Jun 2025
Animals	389	Animals	340	Animals	309
Property	288	Vehicles	165	Property	258
Vehicles	244	Property	135	Vehicles	192

Free Community Cleanup Event



General Fund: Code Enforcement Department

25-26 General Fund - Code Enforcement Expenses

	2022-2023 ACTUALS	2023-2024 ACTUALS	2024-25 ADOPTED BUDGET	2025-2026 PROPOSED BUDGET	2025-2026 APPROVED BUDGET	2025-2026 ADOPTED BUDGET
	FY2023	FY2024	FY2025	FY2026	FY2026	FY2026
Expenses						
Personnel Services						
Regular Earnings	\$85,150	\$89,362	\$94,101	\$96,829	\$96,829	\$96,829
Overtime Earnings	–	\$125	\$1,000	\$2,000	\$2,000	\$2,000
FICA	\$6,514	\$6,846	\$7,275	\$7,560	\$7,560	\$7,560
Health Insurance	\$16,546	\$18,081	\$19,884	\$21,609	\$21,609	\$21,609
Retirement	\$23,178	\$27,813	\$29,480	\$37,103	\$37,103	\$37,103
Workers Compensation	\$500	\$1,050	\$1,114	\$1,147	\$1,147	\$1,147
Life Insurance	\$27	\$27	\$27	\$27	\$27	\$27
Unemployment Tax	\$258	\$447	\$476	\$494	\$494	\$494
Disability Insurance	\$91	\$91	\$96	\$96	\$96	\$96
PERSONNEL SERVICES TOTAL	\$132,263	\$143,842	\$153,453	\$166,865	\$166,865	\$166,865
Materials & Services						
Telephone	–	\$43	\$350	\$350	\$350	\$350
Code Enforcement/Abatement	\$361	\$1,793	\$15,000	\$15,000	\$15,000	\$15,000
Neighborhood Cleanups	\$1,315	\$300	\$25,000	\$25,000	\$25,000	\$25,000
City Attorney	–	–	\$1,000	\$1,000	\$1,000	\$1,000
Supplies	\$65	\$2	\$500	\$500	\$500	\$500
Postage	–	–	\$150	\$150	\$150	\$150
Training/Travel	\$1,299	\$790	\$3,000	\$3,000	\$3,000	\$3,000
Clothing Allowance	–	–	\$300	\$300	\$300	\$300
Gas/Oil	\$746	\$1,981	\$2,500	\$2,500	\$2,500	\$2,500
Dues and Fees	\$151	–	\$250	\$250	\$250	\$250
Equipment Operation	–	\$372	\$2,000	\$2,000	\$2,000	\$2,000
Miscellaneous	–	\$255	\$500	\$500	\$500	\$500
MATERIALS & SERVICES TOTAL	\$3,937	\$5,537	\$50,550	\$50,550	\$50,550	\$50,550
EXPENSES TOTAL	\$136,200	\$149,379	\$204,003	\$217,415	\$217,415	\$217,415

General Fund & Departments Within: Transportation

Fiscal Year 2025-26

Subsidized Taxi Ride Service

In November 2018, the City entered into an agreement with Umatilla Cab Company to provide curb-to-curb senior and disabled transportation service to Umatilla residents anywhere within the incorporated boundaries of the City of Umatilla and City of Hermiston. The cost to the rider of a one-way ride is \$8.00 from Umatilla to Hermiston or vice versa. This program is growing in ridership each year.



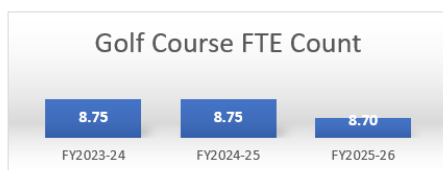
General Fund: Transportation Department

25-26 General Fund - Transportation Expenses

	2022-2023 ACTUALS	2023-2024 ACTUALS	2025-2026 ADOPTED BUDGET	2024-25 ADOPTED BUDGET	2025-2026 PROPOSED BUDGET	2025-2026 APPROVED BUDGET
	FY2023	FY2024	FY2024	FY2025	FY2026	FY2026
Expenses						
Materials & Services						
Supplies	–	–	\$0	\$750	\$750	\$750
Taxi Program	\$2,686	\$3,383	\$3,383	\$4,500	\$4,500	\$4,500
MATERIALS & SERVICES TOTAL	\$2,686	\$3,383	\$3,383	\$5,250	\$5,250	\$5,250
EXPENSES TOTAL	\$2,686	\$3,383	\$3,383	\$5,250	\$5,250	\$5,250

General Fund & Departments Within: Golf Course

Fiscal Year 2025-26



Golf Course Budget Highlights

Equipment

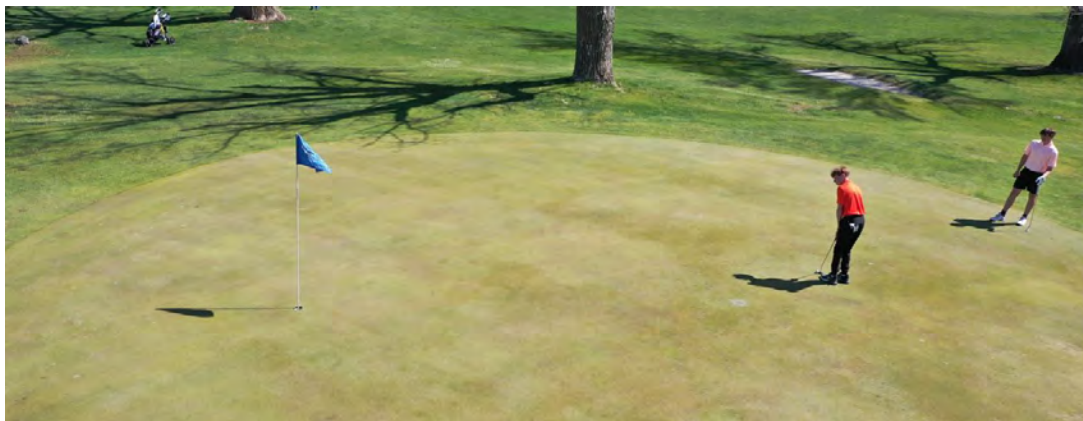
This budget includes an allocation of \$24,000 to purchase two sets of reel swaps for mowers to spike, roll and finish greens. It also includes \$12,000 to purchase a greens mower spiker that will allow for additional aeration to the greens and \$15,000 to purchase a pull behind blower to clear fairways and greens of debris year-round. The parks and street departments will also be able to utilize this equipment. It also includes \$15,000 for a utility cart to be used primarily by maintenance staff during the week. It can also be used by staff at city events as needed.

Maintenance

The existing maintenance shop is not adequate and in disrepair. Public works is proposing to design and build a 40x120x16 replacement pole building shop with concrete and electrical. The total cost, including utility work, will be approximately \$600,000 and is included in the 2025-26 budget.

Pro Shop

Pro shop staff have requested \$10,000 to purchase a variety of men's and women's rental clubs. We currently do not have any true sets. They are mix and match and at least twenty years old. They have also requested \$25,000 for the electrical upgrades needed to serve the commercial equipment, new tables and chairs for the recently renovated banquet room.



General Fund: Golf Course

25-26 General Fund - Golf Course Expenses

	2022-2023 ACTUALS	2023-2024 ACTUALS	2024-25 ADOPTED BUDGET	2025-2026 PROPOSED BUDGET	2025-2026 APPROVED BUDGET	2025-2026 ADOPTED BUDGET
	FY2023	FY2024	FY2025	FY2026	FY2026	FY2026
Expenses						
Personnel Services						
Regular Earnings	\$332,613	\$426,622	\$497,188	\$543,008	\$543,008	\$543,008
Overtime Earnings	\$9,955	\$16,961	\$15,000	\$15,000	\$15,000	\$15,000
FICA	\$26,215	\$33,924	\$39,182	\$42,688	\$42,688	\$42,688
Health Insurance	\$62,034	\$101,507	\$109,907	\$125,075	\$125,075	\$125,075
Retirement	\$64,480	\$94,762	\$112,112	\$152,063	\$152,063	\$152,063
Workers Compensation	\$2,240	\$5,896	\$6,441	\$7,024	\$7,024	\$7,024
Life Insurance	\$97	\$131	\$131	\$131	\$131	\$131
Unemployment Tax	\$973	\$2,217	\$2,561	\$2,790	\$2,790	\$2,790
Disability Insurance	\$348	\$463	\$624	\$624	\$624	\$624
PERSONNEL SERVICES TOTAL	\$498,955	\$682,482	\$783,146	\$888,403	\$888,403	\$888,403
Materials & Services						
Minor Equipment	—	—	—	\$28,000	\$28,000	\$28,000
Attorney Fees	—	—	\$5,000	\$5,000	\$5,000	\$5,000
Contracted Services	\$14,793	—	\$0	\$0	\$0	\$0
Postage	—	\$132	\$250	\$250	\$250	\$250
Pro Shop Lease	\$18,525	\$18,900	\$18,900	\$18,900	\$18,900	\$18,900
Telephone	\$1,267	\$2,184	\$3,200	\$3,200	\$3,200	\$3,200
Printing/Advertising	\$95	\$963	\$20,000	\$20,000	\$20,000	\$20,000
Training/Travel	\$167	\$808	\$8,500	\$18,950	\$18,950	\$18,950
Insurance	\$9,096	\$10,670	\$12,875	\$13,650	\$13,650	\$13,650
Uniform Allowance	\$1,264	\$1,703	\$6,200	\$6,200	\$6,200	\$6,200
Fuel	\$19,551	\$19,377	\$22,000	\$22,000	\$22,000	\$22,000
Electricity	\$28,974	\$43,926	\$40,000	\$70,000	\$70,000	\$70,000
Dues and Fees	\$11,116	\$24,755	\$17,000	\$25,000	\$25,000	\$25,000
Building Maintenance	—	\$184	\$56,300	\$22,300	\$22,300	\$22,300
Golf Course Maintenance	\$217,794	\$292,728	\$90,400	\$112,500	\$112,500	\$112,500
Pro Shop Operation	—	—	\$130,850	\$130,850	\$130,850	\$130,850
Miscellaneous	-\$15	\$593	\$5,000	\$5,000	\$5,000	\$5,000
MATERIALS & SERVICES TOTAL	\$322,627	\$416,922	\$436,475	\$501,800	\$501,800	\$501,800
EXPENSES TOTAL	\$821,582	\$1,099,404	\$1,219,621	\$1,390,203	\$1,390,203	\$1,390,203

General Fund & Departments Within: Non-Departmental

Fiscal Year 2025-26

Non-Departmental activities of the General Fund include the Operating Contingency, Transfers Out and the Unappropriated Fund Balance.

Transfers Out for the 2025-26 fiscal year include:

Purpose	Amount	To
Hash Park Design Funds	\$800,000	Capital Reserve Fund
LGGP Pickleball Court Match Funds	\$120,000	Capital Reserve Fund
Golf Course Equipment	\$146,000	Capital Reserve Fund
Museum Building Improvements	\$100,000	Capital Reserve Fund
Police Vehicle	\$75,500	Capital Reserve Fund
Police Equipment Reserve	\$140,000	Capital Reserve Fund
Shop Bldg Reserve	\$10,000	Capital Reserve Fund
Citywide Cameras / Technology	\$40,000	Capital Reserve Fund
Park Equipment	\$119,000	Capital Reserve Fund
Recreation Equipment	\$35,000	Capital Reserve Fund
Land Acquisition / Golf Course Debt	\$290,000	Capital Reserve Fund
Marina Equipment	\$8,500	Capital Reserve Fund
Powerline Rd/Madison Construction	\$500,000	Capital Reserve Fund
Powerline Rd/730 Design	\$35,000	Capital Reserve Fund
Street Light Maintenance	\$12,525	Street Fund
Library Support	\$130,000	Library Fund
Chamber & Museum Support	\$21,000	Transient Room Tax Fund
City Sponsored Festivals	\$940,000	Transient Room Tax Fund
Total Transfers Out	\$3,522,525	

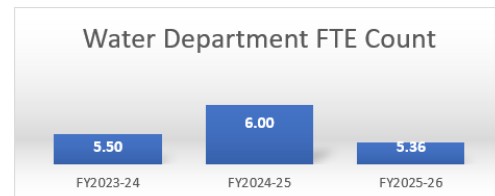
General Fund: Non-Departmental

25-26 General Fund - Non-Departmental Expenses

	2022-2023 ACTUALS	2023-2024 ACTUALS	2024-25 ADOPTED BUDGET	2025-2026 PROPOSED BUDGET	2025-2026 APPROVED BUDGET	2025-2026 ADOPTED BUDGET
	FY2023	FY2024	FY2025	FY2026	FY2026	FY2026
Expenses						
Transfers						
Transfers	\$4,244,964	\$4,589,625	\$3,028,460	\$3,522,525	\$3,522,525	\$3,522,525
TRANSFERS TOTAL	\$4,244,964	\$4,589,625	\$3,028,460	\$3,522,525	\$3,522,525	\$3,522,525
Operating Contingency						
Operating Contingency	–	–	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000
OPERATING CONTINGENCY TOTAL	–	–	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000
Unappropriated Fund Balance						
Unappropriated Fund Balance	–	–	\$1,950,563	\$2,071,765	\$2,071,765	\$2,071,765
UNAPPROPRIATED FUND BALANCE TOTAL	–	–	\$1,950,563	\$2,071,765	\$2,071,765	\$2,071,765
EXPENSES TOTAL	\$4,244,964	\$4,589,625	\$6,479,023	\$7,094,290	\$7,094,290	\$7,094,290

Water Fund

Fiscal Year 2025-26



The City of Umatilla Public Works Department achieved the Oregon Health Authority's Oregon Drinking Water Services Outstanding Performance certification in 2015.

To achieve this certification, the City's water system received an onsite survey to review water system sources, treatment, storage facilities, distribution system, operation and maintenance procedures, monitoring, and management for the purpose of evaluating the system's capability of providing safe water to the public.

Priorities & Performance Measures

Priority - City Council Goal 2: Objective 2.11

Efficiently maintain and professionally operate the City's water utility.

Outcomes

Providing a continuously maintained water utility system though needed repairs, maintaining reservoirs, pressure reducing valves, and pump station management ensures the highest quality of water, uninterrupted water service, and needed fire protection to the residents of Umatilla.

Measure	FY2022-23	FY2023-24	FY2024-25
Total water produced (in millions of gallons)	559	576	579
Number of water utility accounts	1,882	1,976	2,171
Number of wells maintained	4	4	4
Number of pumps maintained	11	11	11
Number of reservoirs maintained	6	6	6
Miles of distribution pipe	47	47	47

Water Fund Budget Highlights

Rates

City Council approved a monthly water rate increase of 6% effective July 1, 2025. The average residential customer, using 7,500 gallons, will see a \$3.04 monthly increase. These increases have allowed us to significantly increase the annual transfer to reserve to save for future infrastructure replacement and expansion.

Staffing

This budget accounts for the first year of the public works collective bargaining agreement that is in effect through June 30, 2028. The agreement grants a salary increase of 3% for maintenance worker I and II and 5% for public works leads.

Maintenance

The city previously implemented a clay valve maintenance program to replace 4 per year at an estimated cost of \$12,000. The clay valves are systematic valves that regulate and sustain water pressure throughout the city. This program will carry forward annually so that all valves are replaced every five years.

Water Master Plan

Several improvement projects have been identified in our Water Master Plan. The plan calls out three 8-inch water main installations for the Port of Entry, Locust Street and Division Street. We allocated \$138,600 in design funding for these projects in the current fiscal year. The design work commenced this spring and approximately \$115,000 will be carried into the next fiscal year.

The plan also calls for four 8-inch watermain installations for Division Street, L Street, 7th Street and Yerxa Avenue. The design cost for these projects is anticipated at \$150,000 and is scheduled to begin next fiscal year. It would be cost effective to complete the necessary road improvements for this area at the same time. The additional design funds needed are approximately \$280,000. Staff will be looking into Safe Routes to School funding for construction.

The plan also identifies many reservoir projects that we have grouped into an Oregon Safe Drinking Water loan application. Not only do we have reservoirs that need to be recoated, but the city is also in need of an additional drinking water reservoir at the golf course. Drinking water reservoirs require semi-regular recoating to prevent contamination, combat corrosion, extend their lifespan, maintain water quality, and ensure regulatory compliance. The total cost of design and construction is estimated at \$8 million. Currently, the program does not have enough funding to award our loan. We have reached out to Business Oregon to see if we could utilize a Special Public Works Fund planning loan to fund the initial design and land acquisition in the amount of \$828,900.

Another identified project is to upsize the existing waterline in the 5th Street alleyway between G and I Street. This will allow for redevelopment of city owned property downtown. In the current budget we allocated \$111,000 towards design. Design is underway and approximately \$50,000 will be carried into the next fiscal year.

Equipment

The water department requested \$50,000 to purchase an F-150 XL crew cab vehicle which was funded in the approved budget.



Water Fund

2025-26 Water Fund Budget Summary

	2022-2023 ACTUALS	2023-2024 ACTUALS	2024-2025 ADOPTED BUDGET	2025-2026 PROPOSED BUDGET	2025-2026 APPROVED BUDGET	2025-2026 ADOPTED BUDGET
	FY2023	FY2024	FY2025	FY2026	FY2026	FY2026
Revenues						
Beginning Fund Balance	\$73,294	\$1,290,597	\$1,181,013	\$659,310	\$659,310	\$659,310
Fees & Charges	\$2,026,524	\$2,818,869	\$4,204,900	\$3,945,000	\$3,945,000	\$3,945,000
Grant/Loan Proceeds	—	\$1,500,000	\$0	\$0	\$0	\$0
Interest	\$10,807	\$16,291	\$18,000	\$40,000	\$40,000	\$40,000
Miscellaneous	\$32,688	\$148,736	\$452,199	\$55,723	\$55,723	\$55,723
Transfers from Other Funds	\$1,500,000	—	\$750,000	\$0	\$0	\$0
REVENUES TOTAL	\$3,643,312	\$5,774,494	\$6,606,112	\$4,700,033	\$4,700,033	\$4,700,033
Expenses						
Personnel Services	\$574,304	\$658,753	\$792,366	\$821,624	\$821,624	\$821,624
Materials & Services	\$1,255,442	\$3,021,520	\$3,173,009	\$2,080,090	\$2,080,090	\$2,080,090
Debt Service	\$35,499	\$1,591,249	\$1,609,499	\$818,499	\$818,499	\$818,499
Transfers	\$487,470	\$424,850	\$564,690	\$482,506	\$482,506	\$482,506
Operating Contingency	—	—	\$300,000	\$300,000	\$300,000	\$300,000
Unappropriated Fund Balance	—	—	\$166,548	\$197,314	\$197,314	\$197,314
EXPENSES TOTAL	\$2,352,715	\$5,696,371	\$6,606,112	\$4,700,033	\$4,700,033	\$4,700,033
Net Fund Balance	\$1,290,597	\$78,123	\$0	\$0	\$0	\$0

Transfers Out for the 2025-26 fiscal year include:

Purpose	Amount	To
Shop Bldg Reserve	\$10,000	Capital Reserve Fund
Jet Rodder Trailer Reserve	\$57,500	Capital Reserve Fund
Backhoe Reserve	\$20,000	Capital Reserve Fund
Building Maintenance City Hall	\$4,514	General Fund
Computer Support	\$32,092	General Fund
City Hall Staff Rent	\$8,400	General Fund
Water Project Reserve	\$350,000	Water Reserve Fund
Total Transfers Out	\$482,506	

Water Reserve Fund

Fiscal Year 2025-26

The Water Reserve Fund accounts for major capital improvement projects and infrastructure replacement of the water department. Revenue is derived from transfers from the water department, System Development Charges on new construction and reimbursements received from financing capital projects.

Water Reserve Fund Budget Highlights

Water Extension to the Power City and Brownell Areas

The City of Umatilla intends to extend water service to Power City and construct a new, compliant and reliable water distribution service to the residents of the Power City and Brownell Communities. This is a follow up to the design project currently underway (funded by a \$593,000 Community Development Block Grant). Both areas are located within the City's Urban Growth Boundary. Power City Co-Op's water system has been out of compliance since 1986 when the EPA revised water quality standards. The largest compliance issue is the status of their storage tank, that features a bitumastic (tar) lining when it was installed in 1972 and cannot meet water quality standards adopted in 1986. Additionally, the tank is severely corroded. The system as a whole is outside of its useful life and is the only well, which could fail at any time, leaving the residents without water. In both 2021 and 2022, the system failed and the City of Umatilla temporarily trucked in water to the residents. The Brownell area, which is located north of the ODOT weigh station on Hwy 730/I-82, is served by a combination of City service, a local Water Association, and on-site well systems. The Brownell area water system does not meet public works standards and is undersized. Additionally, because of the varied sources of water service in the area, maintenance costs are exceptionally high and service is unreliable. We estimate that the Power City/Brownell Water Service Project will cost approximately \$8,086,500. The City intends to fund the water project as follows:

- \$6,000,000 - Bipartisan Infrastructure Law (BIL) Funds administered by Business Oregon's Safe Drinking Water Revolving Loan Fund (SDWRLF). This will be comprised of a loan for \$2.7 million that will carry interest at 2.83% for 30 years and a \$3.3 million forgivable loan.
- \$1,906,500 - Community Development Block Grant (CDBG) Construction Funds
- \$180,000 - City Funds: Accumulated System Development Charge improvement revenue.

Umatilla River Bridge - Waterline Replacement Project

In spring 2019, flooding caused severe damage to the Umatilla River Bridge and the potable waterline that was attached to it. The following year, additional flooding caused more damage, rendering the bridge unrepairable. The bridge is an important strategic piece of City infrastructure. The bridge has multiple utility uses; it is used as a major walking path for students and community members to cross the Umatilla River. It also holds a major fiber optic conduit and is the major potable water line for the South Hill neighborhoods. The South Hill area of Umatilla is seeing tremendous residential development and the City is concerned about adequate water supply

and fire flow to that side of town. The City is currently utilizing a smaller waterline that had been previously shut off to provide water in the interim period but the pipeline is not viable as a permanent option. The City has worked with FEMA and JUB Engineers to develop a replacement project for both the bridge and waterline. To mitigate future damages to the bridge and waterline, the City will be installing a clear span arched steel truss pedestrian bridge with the same size of waterline mounted to the underside of the bridge. This bridge will be raised 5-10' from its' previous height.

The waterline replacement is a \$1,000,000 project. FEMA will be covering approximately \$750,000 and we anticipate a \$250,000 emergency grant from Business Oregon's Special Public Works Fund for the remainder of the project costs.

CTUIR Point of Diversion and Pump Station Improvement Project

The city is currently working on an engineering and permitting project to enlarge and upgrade the surface water diversion and related pipeline transmission facilities located on the south bank of the Columbia River, which is owned by the CTUIR. This system will allow the city to supply the data centers with raw water to meet their cooling needs, increase the flexibility of our potable water system by adding the ability to divert water at a second site and allow CTUIR's water to be discharged to maintain the Wanaket Wildlife Refuge and Wetlands. The design portion of this project is anticipated at \$2.8 million and the city's portion of the construction is estimated at \$25.2 million. For design, the city is taking out a loan for 40%, or approximately \$1.1 million from Business Oregon. The remainder will be funded with an upfront capital reimbursement from an industrial developer. For construction, the city will be applying for a \$10 million loan from Business Oregon and funding the remainder of the project with an upfront capital reimbursement from an industrial developer.

Water Reserve Fund

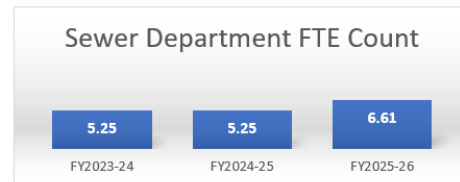
2025-26 Water Reserve Fund Budget Detail

	2022-2023 ACTUALS	2023-2024 ACTUALS	2024-2025 ADOPTED BUDGET	2025-2026 PROPOSED BUDGET	2025-2026 APPROVED BUDGET	2025-2026 ADOPTED BUDGET
	FY2023	FY2024	FY2025	FY2026	FY2026	FY2026
Revenues						
Beginning Fund Balance						
18-6100 - Beginning Fund Balance	\$1,316,628	\$1,719,234	\$986,967	\$1,035,695	\$1,035,695	\$1,035,695
BEGINNING FUND BALANCE TOTAL	\$1,316,628	\$1,719,234	\$986,967	\$1,035,695	\$1,035,695	\$1,035,695
Grant/Loan Proceeds						
18-6152 - Federal Grant Proceeds	–	\$157,041	\$2,522,027	\$2,157,013	\$2,157,013	\$2,157,013
18-6151 - Grant/Loan Proceeds	–	\$696,687	\$24,651,735	\$17,279,104	\$17,279,104	\$17,279,104
GRANT/LOAN PROCEEDS TOTAL	–	\$853,728	\$27,173,762	\$19,436,117	\$19,436,117	\$19,436,117
SDC Revenue						
18-6155 - SDC For Water System Improvmt	\$153,727	\$127,766	\$174,590	\$193,000	\$193,000	\$193,000
SDC REVENUE TOTAL	\$153,727	\$127,766	\$174,590	\$193,000	\$193,000	\$193,000
Interest						
18-6162 - Interest Earnings	\$22,339	\$23,062	\$15,000	\$10,000	\$10,000	\$10,000
INTEREST TOTAL	\$22,339	\$23,062	\$15,000	\$10,000	\$10,000	\$10,000
Miscellaneous						
18-6175 - Other Revenue	\$1,267,468	\$713,311	\$32,500,000	\$25,076,000	\$25,076,000	\$25,076,000
MISCELLANEOUS TOTAL	\$1,267,468	\$713,311	\$32,500,000	\$25,076,000	\$25,076,000	\$25,076,000
Transfers from Other Funds						
18-6622 - Transfers	\$340,000	\$160,000	\$401,600	\$350,000	\$350,000	\$350,000

	2022-2023 ACTUALS	2023-2024 ACTUALS	2024-2025 ADOPTED BUDGET	2025-2026 PROPOSED BUDGET	2025-2026 APPROVED BUDGET	2025-2026 ADOPTED BUDGET
	FY2023	FY2024	FY2025	FY2026	FY2026	FY2026
TRANSFERS FROM OTHER FUNDS TOTAL	\$340,000	\$160,000	\$401,600	\$350,000	\$350,000	\$350,000
REVENUES TOTAL	\$3,100,162	\$3,597,101	\$61,251,919	\$46,100,812	\$46,100,812	\$46,100,812
Expenses						
Materials & Services						
18-70-3-20 - Legal	\$9,531	–	\$0	\$0	\$0	\$0
18-70-3-41 - Engineering	\$153,128	\$0	\$249,600	\$344,070	\$344,070	\$344,070
MATERIALS & SERVICES TOTAL	\$162,659	\$0	\$249,600	\$344,070	\$344,070	\$344,070
Capital Outlay						
18-70-4-14 - Well & Pump Repairs/SDC Funded	\$24,340	\$67,249	\$51,107	\$47,297	\$47,297	\$47,297
18-70-4-15 - Water Improvements/SDC Funded	–	–	\$796,831	\$908,120	\$908,120	\$908,120
18-70-4-16 - Water Systems Imp or Repairs	\$117,650	\$438,149	\$162,000	\$12,000	\$12,000	\$12,000
18-70-4-17 - Develop Water Right	–	\$971,730	\$2,655,554	\$0	\$0	\$0
18-70-4-19 - Replace Electronic Meters	\$22,795	\$15,315	\$77,000	\$77,000	\$77,000	\$77,000
18-70-4-20 - Replace Hydrants	–	–	\$16,772	\$16,772	\$16,772	\$16,772
18-70-4-21 - PC/Brownell Water Project	–	\$3,297	\$8,086,500	\$7,667,400	\$7,667,400	\$7,667,400
18-70-4-23 - Waterline Replacement Project	–	\$218,192	\$355,000	\$355,000	\$355,000	\$355,000
18-70-4-22 - POD/Pump Station Imp Project	\$1,053,484	\$1,379,113	\$39,816,926	\$35,357,500	\$35,357,500	\$35,357,500
18-70-4-24 - Reservoir Improvements	–	–	\$7,988,000	\$748,900	\$748,900	\$748,900
CAPITAL OUTLAY TOTAL	\$1,218,269	\$3,093,044	\$60,005,690	\$45,189,989	\$45,189,989	\$45,189,989
Operating Contingency						
5-21 - Operating Contingency	–	–	\$500,000	\$400,000	\$400,000	\$400,000
OPERATING CONTINGENCY TOTAL	–	–	\$500,000	\$400,000	\$400,000	\$400,000
Unappropriated Fund Balance						
18-70-8-25 - Unappropriated Fund Balance	–	–	\$496,629	\$166,753	\$166,753	\$166,753
UNAPPROPRIATED FUND BALANCE TOTAL	–	–	\$496,629	\$166,753	\$166,753	\$166,753
EXPENSES TOTAL	\$1,380,928	\$3,093,044	\$61,251,919	\$46,100,812	\$46,100,812	\$46,100,812
Net Fund Balance	\$1,719,234	\$504,057	\$0	\$0	\$0	\$0

Sewer Fund

Fiscal Year 2025-26



The Sewer Fund is an enterprise fund used to account for the maintenance and operation of the city sewer utility. A new sewer plant was built down by the Columbia River in 1999 and is operated by the Public Works Department. The Wastewater Division employs certified professionals who operate and maintain the City's Wastewater/Sewer operations. Wastewater Operations Division is responsible for the operation and oversight of the City of Umatilla Wastewater Treatment Plant (WWTP). The plant operates 24/7 and treats an average of 700 thousand gallons of waste water per day.

Wastewater that enters the treatment plant (influent) is about 99% water and 1% solids. The wastewater flows through a series of treatment processes that screen out large solids, remove smaller solids that sink or float, and then removes smaller materials that are dissolved in the wastewater. This treatment process involves physical, chemical and biological treatment techniques.

The Wastewater Treatment Plant is a state-of-the-art wastewater treatment plant that utilizes many complex processes to produce treated wastewater and recycled water. Wastewater undergoes primary, secondary and tertiary treatment and disinfection before being released into the Columbia River.

Performance Measures

Priority - City Council Goal 2: Objective 2.11

Efficiently maintain and professionally operate the City's wastewater utility infrastructure.

Measure	FY2022-23	FY2023-24	FY2024-25
Design capacity of WWTP (in millions of gallons per day)	3.2	3.2	3.2
Total amount of wastewater treated (in millions of gallons)	238	265	271
Number of sewer utility accounts	1,794	1,886	2,086
Number of lift stations maintained	6	6	6
Number of pumps maintained	12	12	12
Miles of sewer lines	35	35	35

Outcomes

Providing a continuously maintained wastewater system through needed system repairs, maintaining pump stations, maintaining manholes, performing line cleaning, video inspection of sewer lines, and operation and maintenance of the wastewater treatment plant to our best ability ensures compliance with our NPDES permit and uninterrupted service at all times for the residents of Umatilla.

Sewer Fund Budget Highlights

Rates

City Council approved a monthly sewer rate increase of 6% effective July 1, 2025. The average residential customer, using 7,500 gallons, will see a \$3.59 monthly increase. These increases have allowed us to significantly increase the annual transfer to reserve to save for future infrastructure replacement and expansion.

Staffing

This budget accounts for the first year of the public works collective bargaining agreement that is in effect through June 30, 2028. The agreement grants a salary increase of 3% for maintenance worker I and II and 5% for public works leads.

Wastewater treatment plants often operate with minimal staffing. As Umatilla has grown, there has been a significant increase in workload without adding any additional staff. An additional employee would help distribute the workload more evenly, reducing stress and increasing efficiency. The position cost, including benefits, is estimated at \$105,000 and is included in the adopted budget.

Wastewater Facilities Plan

The recently adopted Wastewater Facilities Plan calls out several improvements needed at the WWTP. These include UV disinfection, headworks screen and sludge drying. We allocated \$1.4 million in the current fiscal year towards design. Design is underway and approximately \$1.1 million will roll forward to complete the design in the 2025-26 fiscal year. The City has submitted a construction loan application to the DEQ Clean Water State Revolving Loan Fund for a loan of \$10.7 million.

Another identified project is the extension of sewer from the Lind Road lift station to Project PATH. The total cost of the project (design and construction) is \$3.2 million. The design portion of the project is \$320,000. We allocated design funds in the upcoming fiscal year and would like to roll the funds forward with an escalation to \$360,000. These funds will have offsetting revenue from the other Project PATH partners of \$240,000.

Another identified project is an industrial wastewater pipeline extension from the data centers in the port industrial park to the golf course and the expansion of the golf course pond to provide additional storage and irrigation for the golf course and Hash Park. We will receive a private industrial contribution of \$1.5 million to put towards this project. We will use that funding to start design in the next fiscal year and will place the remaining funds into reserve to use towards construction.

Over the past several years, we have been talking to the Oregon Department of Corrections (ODOC) about a rehabilitation project for 81 manholes along the McNary interceptor. We have not identified construction funding but are advocating for a state legislative appropriation. In the meantime, we need to allocate \$230,000 for design in the upcoming fiscal year.

Equipment

In the 2020-21 fiscal year, the sewer department started transferring \$25,000 per year into reserve to cover the replacement cost of a new boom truck. Our current truck is undersized and is a 1987. This budget includes an allocation of \$150,000 to make the purchase.

We have also been saving for a Vactor Truck that would replace a 2000 Sterling. The tank on that truck rotted and they no longer make replacement parts. This budget includes an allocation of \$580,000 to make the purchase.



Sewer Department Fund

2025-26 Sewer Fund Budget Summary

	2022-2023 ACTUALS	2023-2024 ACTUALS	2024-2025 ADOPTED BUDGET	2025-2026 PROPOSED BUDGET	2025-2026 APPROVED BUDGET	2025-2026 ADOPTED BUDGET
	FY2023	FY2024	FY2025	FY2026	FY2026	FY2026
Revenues						
Beginning Fund Balance	\$832,329	\$834,507	\$919,043	\$611,715	\$611,715	\$611,715
Fees & Charges	\$2,365,831	\$2,489,296	\$2,775,650	\$2,954,145	\$2,954,145	\$2,954,145
Interest	\$14,626	\$34,977	\$25,000	\$25,000	\$25,000	\$25,000
Miscellaneous	\$109,235	–	\$5,000	\$5,000	\$5,000	\$5,000
REVENUES TOTAL	\$3,322,022	\$3,358,780	\$3,724,693	\$3,595,860	\$3,595,860	\$3,595,860
Expenses						
Personnel Services	\$642,831	\$664,128	\$724,065	\$911,761	\$911,761	\$911,761
Materials & Services	\$580,112	\$649,426	\$682,350	\$662,249	\$662,249	\$662,249
Debt Service	\$461,301	\$208,511	\$236,133	\$234,960	\$234,960	\$234,960
Transfers	\$803,270	\$1,068,000	\$1,333,365	\$1,069,515	\$1,069,515	\$1,069,515
Operating Contingency	–	–	\$250,000	\$250,000	\$250,000	\$250,000
CWSRF Loan Reserve	–	–	\$76,859	\$76,859	\$76,859	\$76,859
Unappropriated Fund Balance	–	–	\$421,921	\$390,516	\$390,516	\$390,516
EXPENSES TOTAL	\$2,487,514	\$2,590,066	\$3,724,693	\$3,595,860	\$3,595,860	\$3,595,860
Net Fund Balance	\$834,507	\$768,714	\$0	\$0	\$0	\$0

Transfers Out for the 2025-26 fiscal year include:

Purpose	Amount	To
Sewer Dept Equipment	\$107,500	Capital Reserve Fund
Shop Bldg Reserve	\$10,000	Capital Reserve Fund
Building Maintenance City Hall	\$4,514	General Fund
Computer Support	\$39,101	General Fund
City Hall Staff Rent	\$8,400	General Fund
Sewer Project Reserve	\$900,000	Sewer Reserve Fund
Total Transfers Out	\$1,069,515	

Sewer Reserve Fund

Fiscal Year 2025-26

The Sewer Reserve Fund accounts for major capital improvement projects and infrastructure replacement of the sewer department. Revenue is derived from transfers from the sewer department, System Development Charges on new construction and reimbursements received from financing capital projects.

Sewer Reserve Fund Budget Highlights

Sewer Extension to the Power City and Brownell Areas

The City intends to extend sewer service to the Power City and Brownell Communities. This is a follow up to the design project currently underway (funded by a \$372,500 Community Development Block Grant). The Power City area is currently served by individual septic systems. The Brownell area is served by a mixture of private septic systems (27) and 8 customers that are already connected to the City's wastewater system. The residential members of these two communities have discussed connection to the City of Umatilla's wastewater system to increase reliability for the property owners and remove the maintenance responsibilities associated with private septic tanks. Waiting for the septic systems to fail, and create an environmental problem, or mandating the residents to connect in the future, will only increase the capital costs to the low-and-moderate income residents of this area. We estimate that the Power City/Brownell Sewer Service Project will cost approximately \$11,315,305. The City intends to fund the project with a \$500,000 contribution from a private industrial customer and the remainder with a DEQ Clean Water State Revolving Fund (CWSRF) Loan.

Industrial Partnership

We have two capital projects in the wastewater fund that will be funded through private industrial reimbursements in the next fiscal year. The first is design of sanitary sewer in South Hill at a remaining estimated cost of \$350,000, and the second is the design of expansion of the pond at the Golf Course at an estimated cost of \$1.5 million. You will see the revenue and corresponding expenses for these in the Sewer Reserve Fund.

Wastewater Treatment Plant Improvement Project

The wastewater facilities plan calls out several improvements needed at the WWTP. These include UV disinfection, headworks screen and sludge drying. It also calls for correcting an inverse pipe slope issue at Switzler. The City used reserves funds for design and has submitted a construction loan application to the DEQ Clean Water State Revolving Loan Fund for a loan of \$10.7 million.



Sewer Reserve Fund

2025-26 Sewer Reserve Fund Budget Detail

	2022-2023 ACTUALS	2023-2024 ACTUALS	2024-2025 ADOPTED BUDGET	2025-2026 PROPOSED BUDGET	2025-2026 APPROVED BUDGET	2025-2026 ADOPTED BUDGET
	FY2023	FY2024	FY2025	FY2026	FY2026	FY2026
Revenues						
Beginning Fund Balance						
19-6100 - Beginning Fund Balance	\$3,200,043	\$4,945,826	\$6,062,871	\$7,138,236	\$7,138,236	\$7,138,236
BEGINNING FUND BALANCE TOTAL	\$3,200,043	\$4,945,826	\$6,062,871	\$7,138,236	\$7,138,236	\$7,138,236
Grant/Loan Proceeds	–	–	\$21,516,305	\$21,531,305	\$21,531,305	\$21,531,305
SDC Revenue						
19-6155 - SDC For Sewer System Improvmt	\$187,226	\$153,647	\$195,130	\$247,000	\$247,000	\$247,000
SDC REVENUE TOTAL	\$187,226	\$153,647	\$195,130	\$247,000	\$247,000	\$247,000
Interest						
19-6162 - Interest Earnings	\$89,145	\$237,283	\$175,000	\$220,000	\$220,000	\$220,000
INTEREST TOTAL	\$89,145	\$237,283	\$175,000	\$220,000	\$220,000	\$220,000
Miscellaneous						
19-6175 - Other Revenue	\$1,101,086	\$13,995	\$0	\$2,175,767	\$2,175,767	\$2,175,767
MISCELLANEOUS TOTAL	\$1,101,086	\$13,995	\$0	\$2,175,767	\$2,175,767	\$2,175,767
Transfers from Other Funds						
19-6622 - Transfers	\$665,800	\$800,000	\$1,100,000	\$900,000	\$900,000	\$900,000
TRANSFERS FROM OTHER FUNDS TOTAL	\$665,800	\$800,000	\$1,100,000	\$900,000	\$900,000	\$900,000
REVENUES TOTAL	\$5,243,300	\$6,150,751	\$29,049,306	\$32,212,308	\$32,212,308	\$32,212,308
Expenses						
Materials & Services						
19-70-3-41 - Engineering & UIC Permitting	\$103,282	–	\$1,696,600	\$25,650	\$25,650	\$25,650
MATERIALS & SERVICES TOTAL	\$103,282	–	\$1,696,600	\$25,650	\$25,650	\$25,650
Capital Outlay						
19-70-4-18 - PC/Brownell Improvements	–	\$18,222	\$11,315,305	\$11,315,305	\$11,315,305	\$11,315,305
19-70-4-10 - Golf Course Pond/IWW Pipeline	–	–	–	\$1,500,000	\$1,500,000	\$1,500,000
19-70-4-12 - McNary Manhole Rehab	–	–	–	\$230,000	\$230,000	\$230,000

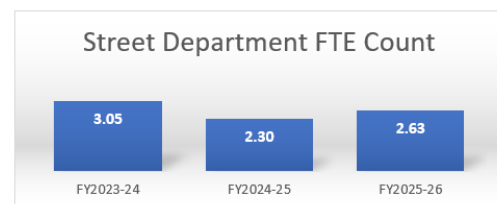
	2022-2023 ACTUALS	2023-2024 ACTUALS	2024-2025 ADOPTED BUDGET	2025-2026 PROPOSED BUDGET	2025-2026 APPROVED BUDGET	2025-2026 ADOPTED BUDGET
	FY2023	FY2024	FY2025	FY2026	FY2026	FY2026
19-70-4-11 - Lind Rd/PATH Sewer	–	–	–	\$360,000	\$360,000	\$360,000
19-70-4-13 - Powerline Rd Sewer Ext	–	–	–	\$353,800	\$353,800	\$353,800
19-70-4-14 - Sewer Improvements/SDC Funded	–	–	\$624,805	\$784,346	\$784,346	\$784,346
19-70-4-15 - Sewer Repairs/SDC Funded	\$174,500	\$61,140	\$182,362	\$332,801	\$332,801	\$332,801
19-70-4-16 - Sewer Imp/Repairs	\$19,692	\$19,911	\$290,000	\$600,000	\$600,000	\$600,000
19-70-4-17 - WWTP Capacity Improvements	–	–	\$10,701,000	\$11,801,000	\$11,801,000	\$11,801,000
CAPITAL OUTLAY TOTAL	\$194,192	\$99,272	\$23,113,472	\$27,277,252	\$27,277,252	\$27,277,252
Operating Contingency						
5-21 - Operating Contingency	–	–	\$1,000,000	\$1,500,000	\$1,500,000	\$1,500,000
OPERATING CONTINGENCY TOTAL	–	–	\$1,000,000	\$1,500,000	\$1,500,000	\$1,500,000
Unappropriated Fund Balance						
19-70-8-25 - Unappropriated Fund Balance	–	–	\$3,239,234	\$3,409,406	\$3,409,406	\$3,409,406
UNAPPROPRIATED FUND BALANCE TOTAL	–	–	\$3,239,234	\$3,409,406	\$3,409,406	\$3,409,406
EXPENSES TOTAL	\$297,473	\$99,272	\$29,049,306	\$32,212,308	\$32,212,308	\$32,212,308
Net Fund Balance	\$4,945,826	\$6,051,479	\$0	\$0	\$0	\$0

Street Fund

Fiscal Year 2025-26

The Street Fund is a special revenue fund used to account for the maintenance and operation of the city's streets, sidewalks, signage, medians, and rights-of-way.

The Street Department is in charge of snow removal and minor preventative maintenance of over 18.5 miles of roadway. These responsibilities include striping, roadway signage, and maintenance of oversight of City-owned curb, gutter, and street lighting.



Performance Measures

Priority

Maintain roads and right of way to the highest quality standards.

Outcomes

Continuously maintaining the 18.5 street lane miles and right of way in the City's street system to the highest possible standard within the available budget enhances the quality and livability of the community.

Street Fund Budget Highlights

Revenues

City revenues from the State Highway Trust Fund have seen significant per capita dollar increases over the past several years due to the passage of the transportation package, HB 2017, during the 2017 legislative session. The full implementation of the incremental 10-cent fuel tax increase has been completed as of January 1, 2024. This revenue is expected to remain relatively flat for FY2025-26. This results in a total apportionment of approximately \$670,000, which is an increase of \$50,000 from the current year's revenue budget due to the population increase.

The Surface Transportation Block Grant (STBG) exchange fund program for Street Projects is undergoing extensive revisions. Our prior balance of funds was used this year to purchase a new street sweeper. The State will automatically be sending out our annual allocations, rather than making us request them for specific projects. We anticipate the allocation for 2025-26 to be close to \$96,000.

Staffing

This budget accounts for the first year of the public works collective bargaining agreement that is in effect through June 30, 2028. The agreement grants a salary increase of 3% for maintenance worker I and II and 5% for public works leads.

Maintenance

There are several areas in town that need attention. Some areas could benefit from chip/fog/slurry sealing, oiling and crack sealing. Other areas likely require more costly full grinding and overlay projects. Based upon our recent asphalt condition assessment, the City should be allocating a minimum of \$260,000 per year with the understanding that more would be needed to fix roads that are in poor or very poor condition. State road funds do not currently support that level of annual maintenance but we are recommending setting aside a minimum of \$26,000 for crack sealing, pothole repair and striping.

Transportation System Plan

In anticipation of the new intermediate school in South Hill, we are currently completing design of Phase 1 of the Powerline Road improvement project which will include to improving Powerline from 100' N of Jefferson to 200' N of Pine Tree and all of the Madison St improvements. We anticipate starting construction (estimated at \$3.9 million) early summer 2025. The city has an IGA with the Port of Umatilla to utilize \$2 million of dedicated street funding towards this project. After design, we have approximately \$3.4 million in funding and will need to allocate the remaining \$500,000 in construction funding in the proposed budget.

Phase 2 of the Powerline Road Improvements will include design and construction of a roundabout at the Powerline/US-730 intersection. The total cost is anticipated to range between \$6-10 million. ODOT has offered to take the lead on developing a concept plan in the next fiscal year. They estimate that this concept will cost \$300,000. We currently have development agreements in place with Monte Vista, Fastrack and the Umatilla School District and anticipate approximately \$400,000 to be available by the end of next fiscal year and another \$386,000 to be collected in future years. We also anticipate negotiating a development agreement with Amazon for their road improvement requirements which will result in additional funding for this project. We will be actively working to identify other potential sources of construction funding to secure and complete the improvements by October 2029. Until the permanent improvements can be made, we may need to invest in temporary improvements based upon annual trip counts that will determine if the intersection is failing. Those

improvements will include surveying, striping and potentially adding asphalt to accommodate a dedicated turn lane. These temporary improvements are estimated to cost \$50,000.



Umatilla Bridge/Waterline Replacement Project

In spring 2019, flooding caused severe damage to the Umatilla River Bridge and the potable waterline that was attached to it. The following year, additional flooding caused more damage, rendering the bridge unrepairable. The bridge is an important strategic piece of City infrastructure. The bridge has multiple utility uses; it is used as a major walking path for students and community members to cross the Umatilla River. It also holds a major fiber optic conduit and is the major potable water line for the South Hill neighborhoods. The South Hill area of Umatilla is seeing tremendous residential development and the City is concerned about adequate water supply and fire flow to that side of town. The City is currently utilizing a smaller waterline that had been previously shut off to provide water in the interim period but the pipeline is not viable as a permanent option. The City has worked with FEMA and JUB Engineers to develop a replacement project for both the bridge and waterline. To mitigate future damages to the bridge and waterline, the City will be installing a clear span arched steel truss pedestrian bridge with the same size of waterline mounted to the underside of the bridge. This bridge will be raised 5-10' from its' previous height.

The bridge replacement is a \$6.2 million-dollar project. FEMA will be covering \$4.7 million, insurance proceeds will cover \$100,000, and we anticipate a \$500,000 emergency grant and \$1 million loan from Business Oregon's Special Public Works Fund. The project is nearing completion so minimal funding for project closeout is included in the adopted budget. We do not anticipate any loan payments due in the 2025-26 fiscal year.

Street Fund

2025-26 Street Fund Budget Summary

	2022-2023 ACTUALS	2023-2024 ACTUALS	2024-2025 ADOPTED BUDGET	2025-2026 PROPOSED BUDGET	2025-2026 APPROVED BUDGET	2025-2026 ADOPTED BUDGET
	FY2023	FY2024	FY2025	FY2026	FY2026	FY2026
Revenues						
Beginning Fund Balance	\$966,730	\$330,408	\$273,499	\$724,949	\$724,949	\$724,949
Intergovernmental	\$589,703	\$977,370	\$716,000	\$766,000	\$766,000	\$766,000
Grant/Loan Proceeds	–	\$1,735,961	\$1,481,264	\$669,289	\$669,289	\$669,289
Interest	\$6,606	\$5,776	\$5,000	\$5,000	\$5,000	\$5,000
Miscellaneous	\$1,210,593	\$205,150	\$0	\$0	\$0	\$0
Transfers from Other Funds	\$12,525	\$12,525	\$12,525	\$12,525	\$12,525	\$12,525
REVENUES TOTAL	\$2,786,158	\$3,267,190	\$2,488,288	\$2,177,763	\$2,177,763	\$2,177,763
Expenses						
Personnel Services	\$265,831	\$378,548	\$318,205	\$369,240	\$369,240	\$369,240
Materials & Services	\$187,186	\$267,280	\$435,575	\$287,025	\$287,025	\$287,025
Transfers	\$166,250	\$410,210	\$432,919	\$129,166	\$129,166	\$129,166
Capital Outlay	\$1,836,483	\$1,604,672	\$741,724	\$935,491	\$935,491	\$935,491
Operating Contingency	–	–	\$400,000	\$325,000	\$325,000	\$325,000
Unappropriated Fund Balance	–	–	\$159,865	\$131,841	\$131,841	\$131,841
EXPENSES TOTAL	\$2,455,750	\$2,660,711	\$2,488,288	\$2,177,763	\$2,177,763	\$2,177,763
Net Fund Balance	\$330,408	\$606,480	\$0	\$0	\$0	\$0

Transfers Out for the 2025-26 fiscal year include:

Purpose	Amount	To
Shop Bldg Reserve	\$10,000	Capital Reserve Fund
Bike Paths	\$6,000	Capital Reserve Fund
Street Equipment	\$76,000	Capital Reserve Fund
Backhoe Reserve	\$20,000	Capital Reserve Fund
Computer Support	\$14,747	General Fund
Building Maintenance City Hall	\$919	General Fund
City Hall Staff Rent	\$1,500	General Fund
Total Transfers Out	\$129,166	

Capital Reserve Fund

Fiscal Year 2025-26

The Capital Reserve Fund was established for the purpose of replacing equipment, land acquisition and funding shared capital projects as needed. Revenue is derived from transfers from the water, sewer, street, library, building and general funds.

Capital Reserve Budget Highlights

Equipment

Major equipment purchases to be made in the 2025-26 fiscal year include six leased vehicles for the Police Department, two F-150 pickup trucks, mower and utility trailer, and LED billboard for the Parks Department, a boom and vac truck for the Sewer Department, variable message boards and light towers for the Street Department, and a mower spiker and blower for the Golf Course.

Technology Upgrades

This budget continues to emphasize technology. In addition to the routine computer support and annual license fees paid out of the General Fund, this budget includes computer upgrades and upgrades to the city's camera system.

Capital Projects

Nugent Park Boat Ramp Replacement: The Nugent Park boat ramp was damaged in the flooding that occurred in 2020. Projects that occurred under that FEMA declared disaster are eligible for 90% reimbursement. After a deeper evaluation of that area, it appears it would be best to pursue design and completion of the other desired site improvements at the same time to realize economy of scale savings by only having to do the work once and to complete the improvements sooner, rather than later. The expanded scope includes a boat dock, non-motorized boat ramp, launch staging area upgrades and site lighting. The total design and construction cost of the project is \$1,325,000. FEMA will cover \$660,000 and the city will be responsible for the remaining \$665,000. This project is currently on hold due to delays with permitting from the US Army Corps of Engineers (USACE). We anticipate expending approximately \$75,000 in the current fiscal year and will carry the remainder into the next budget.

Hash Park Improvements: Our engineers put together a conceptual plan for the development of Hash Park that includes a variety of amenities including a baseball/softball sports complex, soccer fields, playground, pavilions, and open space. We anticipate the full design cost of the facility to be approximately \$800,000 and have allocated that amount in the current fiscal year. All unused funds will be rolled forward to the next fiscal year.

Marina Improvements: The city is working towards the design of an all-new state-of-the-art marina. The new marina will include covered single-berth slips, uncovered single berth slips, aluminum or steel framed docks, engineered decking or concrete, encapsulated floats and other highly buoyant materials, well-spaced navigable

fairways, reliable and safe potable water, electrical hookups, updated sewer pumping system(s), high speed internet, new gangways and entries, replaced abutments, and other features and amenities. The Oregon State Marine Board (OSMB) awarded the city a grant of \$129,764 to complete phase 1 of the design which includes surveying, environmental permitting, geotechnical investigations, cultural evaluations, hydraulic investigations, and sediment transport analysis. The total cost of phase 1 is \$487,300 and the City's match is \$357,537. We have completed the survey work but are experiencing delays with the US Army Corps of Engineers (USACE) on the permits required to proceed with scheduling a barge and completing the Geotech work. The unspent funds will roll forward so we can continue the work as soon as possible.

Umatilla Business Center: City staff has been working with Seder Architecture & Urban Design on a renovation and expansion project of the old post office building into the new City of Umatilla Business Center. This Business Center will house the Community Development Department and a multi-use room and kitchen for events and meetings in the existing building and will have a two-story expansion that will serve as a business incubator for new business owners on the lower level, while providing long term rental space on the second floor. We estimate this project will cost \$8.4 million which includes the building, parking lot and street improvements. City staff secured a \$1.4 million EDA grant application and will fund the remainder of the project from a contribution from Umatilla County of \$1 million, \$1.8 million in legislative funding and the remainder from the City's ARPA allocation and capital reserves. We anticipate project completion by the end of 2025.

Capital Reserve Fund

2025-26 Capital Reserve Fund Budget Detail

	2022-2023 ACTUALS	2023-2024 ACTUALS	2024-2025 ADOPTED BUDGET	2025-2026 PROPOSED BUDGET	2025-2026 APPROVED BUDGET	2025-2026 ADOPTED BUDGET
	FY2023	FY2024	FY2025	FY2026	FY2026	FY2026
Revenues						
Beginning Fund Balance						
05-6100 - Beginning Fund Balance	\$10,604,084	\$12,540,181	\$13,050,922	\$10,007,012	\$10,007,012	\$10,007,012
BEGINNING FUND BALANCE TOTAL	\$10,604,084	\$12,540,181	\$13,050,922	\$10,007,012	\$10,007,012	\$10,007,012
Payment in Lieu of Tax						
05-6130 - Co-Gen Plant Calpine	\$83,028	—	\$0	\$0	\$0	\$0
PAYMENT IN LIEU OF TAX TOTAL	\$83,028	—	\$0	\$0	\$0	\$0
Fees & Charges						
05-6143 - TIF.MV-Poweline/Hwy730	\$12,731	\$22,634	\$753,500	\$66,080	\$66,080	\$66,080
05-6144 - TIF.MV-Poweline/Tyler	\$8,448	\$15,019	\$53,920	\$18,760	\$18,760	\$18,760
05-6142 - TIF.F-Poweline/Hwy730	\$46,919	\$21,946	\$0	\$0	\$0	\$0
FEES & CHARGES TOTAL	\$68,098	\$59,598	\$807,420	\$84,840	\$84,840	\$84,840
Capital Donations						
05-6150 - Capital Donations	—	\$450,000	\$450,000	\$650,000	\$650,000	\$650,000
CAPITAL DONATIONS TOTAL	—	\$450,000	\$450,000	\$650,000	\$650,000	\$650,000
Grant/Loan Proceeds						
05-6152 - Federal Grant Proceeds	—	—	\$1,994,505	\$1,638,610	\$1,638,610	\$1,638,610
05-6151 - Grant/Loan Proceeds	\$24,237	\$284,177	\$22,445,203	\$2,001,169	\$2,001,169	\$2,001,169
GRANT/LOAN PROCEEDS TOTAL	\$24,237	\$284,177	\$24,439,708	\$3,639,779	\$3,639,779	\$3,639,779
Interest						
05-6162 - Interest Earnings	\$274,032	\$917,007	\$500,000	\$350,000	\$350,000	\$350,000
INTEREST TOTAL	\$274,032	\$917,007	\$500,000	\$350,000	\$350,000	\$350,000

	2022-2023 ACTUALS	2023-2024 ACTUALS	2024-2025 ADOPTED BUDGET	2025-2026 PROPOSED BUDGET	2025-2026 APPROVED BUDGET	2025-2026 ADOPTED BUDGET
	FY2023	FY2024	FY2025	FY2026	FY2026	FY2026
Miscellaneous						
05-6175 - Other Revenue	\$735,681	\$44,426	\$20,000	\$0	\$0	\$0
MISCELLANEOUS TOTAL	\$735,681	\$44,426	\$20,000	\$0	\$0	\$0
Transfers from Other Funds						
05-6622 - Transfers	\$2,899,189	\$2,757,600	\$2,340,935	\$2,736,000	\$2,736,000	\$2,736,000
TRANSFERS FROM OTHER FUNDS TOTAL	\$2,899,189	\$2,757,600	\$2,340,935	\$2,736,000	\$2,736,000	\$2,736,000
REVENUES TOTAL	\$14,688,349	\$17,052,989	\$41,608,985	\$17,467,631	\$17,467,631	\$17,467,631
Expenses						
Debt Service						
7-11 - Principal Payments	\$102,630	\$100,758	\$104,497	\$75,306	\$75,306	\$75,306
7-12 - Interest Payments	\$43,533	\$45,405	\$41,657	\$39,598	\$39,598	\$39,598
DEBT SERVICE TOTAL	\$146,163	\$146,163	\$146,154	\$114,904	\$114,904	\$114,904
Transfers						
6-22 - Transfers	—	\$450,000	\$360,994	\$650,000	\$650,000	\$650,000
TRANSFERS TOTAL	—	\$450,000	\$360,994	\$650,000	\$650,000	\$650,000
Capital Outlay						
05-70-4-67 - Range Project	\$31,512	\$0	\$0	\$0	\$0	\$0
05-70-4-68 - FEMA Park Repairs	\$1,227	\$221,238	\$1,133,249	\$1,526,186	\$1,526,186	\$1,526,186
05-70-4-78 - Wayfinding Implementation	—	—	\$125,000	\$85,000	\$85,000	\$85,000
05-70-4-60 - Citywide Cameras/Technology	—	—	\$280,000	\$40,000	\$40,000	\$40,000
05-70-4-59 - Police Department Building	—	—	\$21,742,535	\$755,000	\$755,000	\$755,000
05-70-4-79 - Minor Property Improvements	\$73,828	\$7,544	\$125,000	\$205,000	\$205,000	\$205,000
05-70-4-81 - Park Equipment	\$85,329	\$198,290	\$53,000	\$100,000	\$100,000	\$100,000
05-70-4-82 - Shop Building Reserve	—	\$8,800	\$0	\$25,000	\$25,000	\$25,000
05-70-4-83 - Sewer Dept Equip & Jet Truck	\$46,468	\$320,421	\$50,000	\$730,000	\$730,000	\$730,000
05-70-4-84 - Water Department Equipment	\$4,871	\$177,173	\$196,750	\$0	\$0	\$0
05-70-4-85 - Police Computer Reserve	\$8,985	\$30,214	\$49,500	\$0	\$0	\$0
05-70-4-86 - Library Equipment Reserve	—	\$9,228	\$0	\$0	\$0	\$0
05-70-4-87 - City Hall Computer Reserve	\$59,219	\$57,555	\$67,000	\$68,600	\$68,600	\$68,600
05-70-4-88 - Marina Computer Reserve	\$33,515	—	\$0	\$0	\$0	\$0
05-70-4-90 - Police Equip Reserve	—	\$8,962	\$54,000	\$136,000	\$136,000	\$136,000
05-70-4-91 - Land Acquisition	\$85,907	\$25,000	\$410,000	\$160,000	\$160,000	\$160,000
05-70-4-92 - Park Expansion & Improvements	\$47,955	\$275,304	\$276,500	\$1,100,000	\$1,100,000	\$1,100,000
05-70-4-93 - Office Equipment Replacement	\$1,816	—	\$34,000	\$30,000	\$30,000	\$30,000
05-70-4-94 - Streets Equipment	\$167,054	\$78,657	\$19,750	\$78,000	\$78,000	\$78,000
05-70-4-95 - Police Cars	\$143,119	\$114,191	\$96,000	\$80,000	\$80,000	\$80,000
05-70-4-96 - Bike Paths/Pedestrian Improve	\$38,603	\$481,076	\$0	\$0	\$0	\$0
05-70-4-97 - Cemetery Improvements	—	\$9,930	\$49,700	\$0	\$0	\$0
05-70-4-98 - Street Sweeper	—	—	\$359,060	\$0	\$0	\$0
05-70-4-99 - Building Dept Equipment	\$60,093	\$21,097	\$170,000	\$0	\$0	\$0
05-70-4-63 - TIF Powerline/Tyler	—	—	\$2,476,917	\$3,069,500	\$3,069,500	\$3,069,500
05-70-4-62 - TIF Powerline/730	—	—	\$899,400	\$400,000	\$400,000	\$400,000

	2022-2023 ACTUALS	2023-2024 ACTUALS	2024-2025 ADOPTED BUDGET	2025-2026 PROPOSED BUDGET	2025-2026 APPROVED BUDGET	2025-2026 ADOPTED BUDGET
	FY2023	FY2024	FY2025	FY2026	FY2026	FY2026
05-70-4-64 - Regional Homeless Solution	\$32,430	\$1,220,140	\$0	\$0	\$0	\$0
05-70-4-65 - Golf Course Improvements	\$574,484	\$325,655	\$50,000	\$600,000	\$600,000	\$600,000
05-70-4-66 - Golf Course Equipment	\$147,099	\$178,773	\$81,000	\$66,000	\$66,000	\$66,000
05-70-4-71 - City Hall Vehicle	\$75,650	—	\$20,000	\$0	\$0	\$0
05-70-4-72 - Marina Equipment	\$15,345	—	\$12,000	\$11,600	\$11,600	\$11,600
05-70-4-73 - Marina Improvements	\$76,673	\$122,252	\$15,000	\$340,212	\$340,212	\$340,212
05-70-4-74 - Recreation Equipment	\$14,595	\$59,807	\$74,200	\$105,000	\$105,000	\$105,000
05-70-4-75 - Business Center	\$94,739	\$46,568	\$8,276,343	\$6,214,680	\$6,214,680	\$6,214,680
05-70-4-76 - Umatilla Falls Improvements	\$81,491	\$31,465	\$1,949,368	\$0	\$0	\$0
CAPITAL OUTLAY TOTAL	\$2,002,005	\$4,029,341	\$39,145,272	\$15,925,778	\$15,925,778	\$15,925,778
Unappropriated Fund Balance						
05-70-8-25 - Unappropriated Fund Balance	\$0	—	\$1,956,565	\$776,949	\$776,949	\$776,949
UNAPPROPRIATED FUND BALANCE TOTAL	\$0	—	\$1,956,565	\$776,949	\$776,949	\$776,949
EXPENSES TOTAL	\$2,148,168	\$4,625,504	\$41,608,985	\$17,467,631	\$17,467,631	\$17,467,631
Net Fund Balance	\$12,540,181	\$12,427,485	\$0	\$0	\$0	\$0

Transfers Out for the 2025-26 fiscal year include:

Purpose	Amount	To
Port of Umatilla Committed Payment	\$650,000	General Fund
Total Transfers Out	\$650,000	

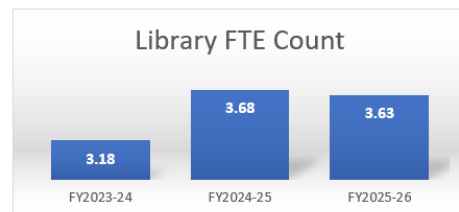
Library Fund

Fiscal Year 2025-26



The Library Fund accounts for the City's library. Revenue is derived from the Umatilla County Library District tax base levy, as well as a transfer from the General Fund. Expenditures are for the cost of operations and salaries of personnel. The City Council appoints five members to the Library Advisory Committee which meets quarterly to review the library's activities. Libraries, within the district, can access each other's book inventory lists. The libraries can exchange and borrow books from each other.

The mission of the Umatilla Public Library is to provide quality materials and services that fulfill educational, informational, cultural and recreational needs of the entire community in an atmosphere that is welcoming, respectful and business like.



Meet the Umatilla Public Library Staff!

Pictured below are (1) Library Director Susie Sotelo, (2) Library Aide Kellie Lamoreaux, (3) Library Aide Arianna Strong and (4) Library Aide Jenn Matters



Priorities & Performance Measures

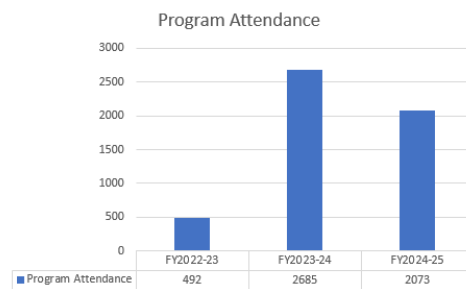
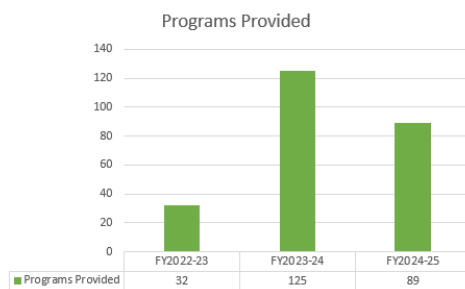
Priority

Provide a variety of books to reach patrons of all ages, while shifting circulation needs due to the pandemic.

Outcomes

Offering a variety of books allows us to reach children, teens and adults in our community. This priority will also apply to programming offerings post pandemic.

Library Program Offering Statistics



Library Foot Traffic: Three-Year Comparison

Data

Summary Details

Foot Traffic Count	2022-23	2023-24	2024-25	Total
Indoor	8,493	9,731	11,446	29,670
Computers	1,856	3,080	3,476	8,412
Study Rooms	349	307	534	1,190
Delivery	103	105	60	268
Total	10,801	13,223	15,516	39,540



Library Circulation Report: Three-Year Comparison

Note: Categories without figures for FY23-24 and FY24-25 were not tracked. Library decided to add another metric for program attendance to replace those categories.

Data

Summary

Details

Category	2022-23	2023-24	2024-25	Total
Adult Fiction	1,853	1,840	2,903	6,596
Juvenile Fiction	1,654	1,937	2,779	6,370
E-Books	1,409	1,527	956	3,892
Movies	618	855	1,046	2,519
Audiobooks	511	348	314	1,173
Young Adult	120	137	792	1,049
Adult Non-Fiction	254	163	578	995
Spanish	84	73	241	398
E-books	133	0	0	133
Large Print	120	0	0	120
Graphic Novel	84	0	0	84
Juvenile Non-Fiction	70	0	0	70
Magazines	43	0	0	43
Equipment	23	0	0	23
Total	6,976	6,880	9,609	23,465

Library Fund Budget Highlights

Revenues

Estimates from the Umatilla County Special Library District show that the library will receive an increase of approximately \$20,000 in tax distribution revenue in the next fiscal year. This is based on current year assessed valuation increases and the new distribution formula.

Library Fund

2025-26 Library Fund Budget Summary

	2022-2023 ACTUALS	2023-2024 ACTUALS	2024-2025 ADOPTED BUDGET	2025-2026 PROPOSED BUDGET	2025-2026 APPROVED BUDGET	2025-2026 ADOPTED BUDGET
	FY2023	FY2024	FY2025	FY2026	FY2026	FY2026
Revenues						
Beginning Fund Balance	\$198,143	\$221,607	\$138,326	\$123,314	\$123,314	\$123,314
Intergovernmental	\$269,669	\$278,917	\$289,100	\$309,092	\$309,092	\$309,092
Interest	\$5,235	\$8,431	\$6,000	\$6,000	\$6,000	\$6,000
Miscellaneous	\$883	\$647	\$2,000	\$2,000	\$2,000	\$2,000
Transfers from Other Funds	\$20,000	—	\$60,000	\$130,000	\$130,000	\$130,000
REVENUES TOTAL	\$493,930	\$509,603	\$495,426	\$570,406	\$570,406	\$570,406
Expenses						
Personnel Services	\$207,439	\$270,982	\$321,706	\$379,991	\$379,991	\$379,991
Materials & Services	\$54,884	\$68,606	\$78,860	\$96,870	\$96,870	\$96,870
Transfers	\$10,000	\$27,225	\$30,000	\$27,186	\$27,186	\$27,186
Operating Contingency	—	—	\$20,000	\$20,000	\$20,000	\$20,000
Unappropriated Fund Balance	—	—	\$44,860	\$46,359	\$46,359	\$46,359
EXPENSES TOTAL	\$272,323	\$366,813	\$495,426	\$570,406	\$570,406	\$570,406
Net Fund Balance	\$221,607	\$142,789	\$0	\$0	\$0	\$0

Transfers Out for the 2025-26 fiscal year include:

Purpose	Amount	To
Computer Support	\$27,186	General Fund
Total Transfers Out	\$27,186	

Refuse Collection Fund

Fiscal Year 2025-26

The Refuse Collection Fund is a pass-through fund. The City contracts with Sanitary Disposal, Inc. for waste management services. The City bills for the garbage services and retains 16% of the total collected which is split between a franchise fee (5%) and administrative fee (11%).

City Council did approved a refuse rate increase of 12.12% effective July 1, 2025. The impact to the the average household customer with a 90-gallon can is \$3.00 per month.



Refuse Collection Fund

2025-26 Refuse Fund Budget Summary

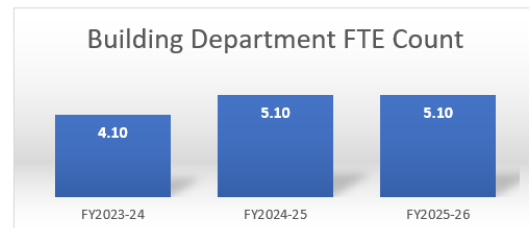
	2022-2023 ACTUALS	2023-2024 ACTUALS	2024-2025 ADOPTED BUDGET	2025-2026 PROPOSED BUDGET	2025-2026 APPROVED BUDGET	2025-2026 ADOPTED BUDGET
	FY2023	FY2024	FY2025	FY2026	FY2026	FY2026
Revenues						
Beginning Fund Balance	\$94,533	\$143,078	\$162,564	\$174,284	\$174,284	\$174,284
Fees & Charges	\$1,011,194	\$1,327,383	\$1,480,247	\$1,870,330	\$1,870,330	\$1,870,330
REVENUES TOTAL	\$1,105,727	\$1,470,461	\$1,642,811	\$2,044,614	\$2,044,614	\$2,044,614
Expenses						
Materials & Services	\$801,677	\$1,294,177	\$1,482,247	\$1,872,330	\$1,872,330	\$1,872,330
Transfers	\$160,973	—	\$0	\$0	\$0	\$0
Operating Contingency	—	—	\$100,000	\$100,000	\$100,000	\$100,000
Unappropriated Fund Balance	—	—	\$60,564	\$72,284	\$72,284	\$72,284
EXPENSES TOTAL	\$962,649	\$1,294,177	\$1,642,811	\$2,044,614	\$2,044,614	\$2,044,614
Net Fund Balance	\$143,078	\$176,284	\$0	\$0	\$0	\$0

Building Department Fund

Fiscal Year 2025-26



The Building Department Fund accounts for all revenue generated from building and electrical permit activity. The City of Umatilla collects the permit applications and fees.



Performance Measures

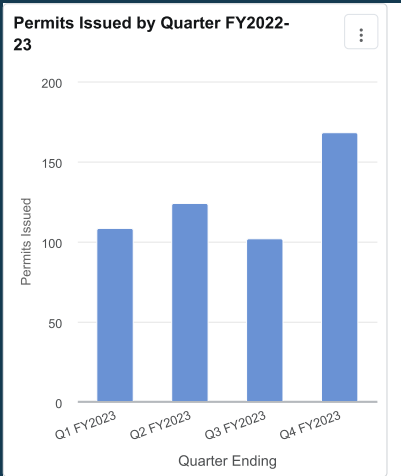
Strategy

Provide professional and timely building inspection and permitting services for developers, business and property owners.

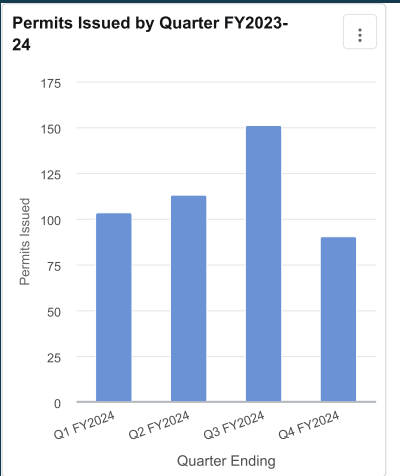
Outcomes

The Building Division of Community Development is committed to assisting the public, business owners, and developers navigate the inspection and permitting process. Through pre-development meetings, over-the-counter contacts, and processing applications, they work with citizens and contractors to make their projects successful, while following established City and Building Codes.

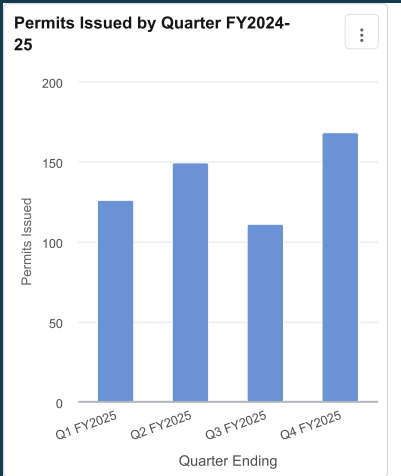
Building Permit Activity: Three-Year Comparison



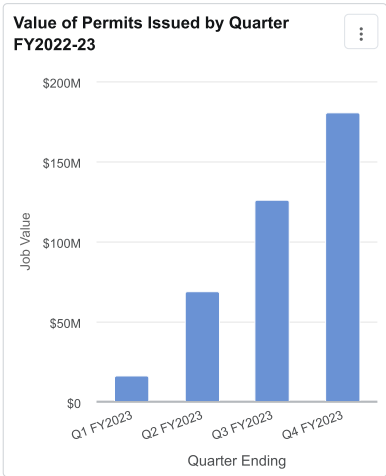
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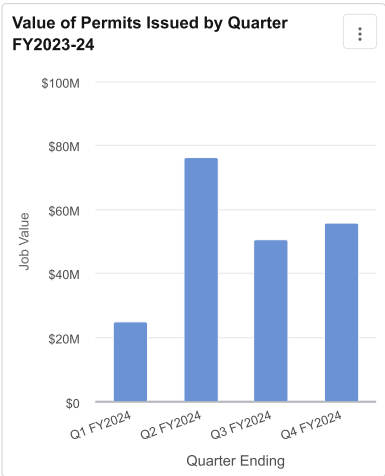
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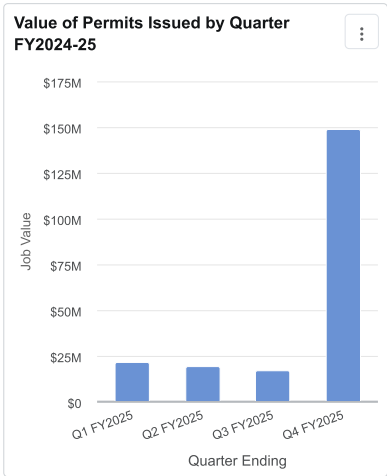
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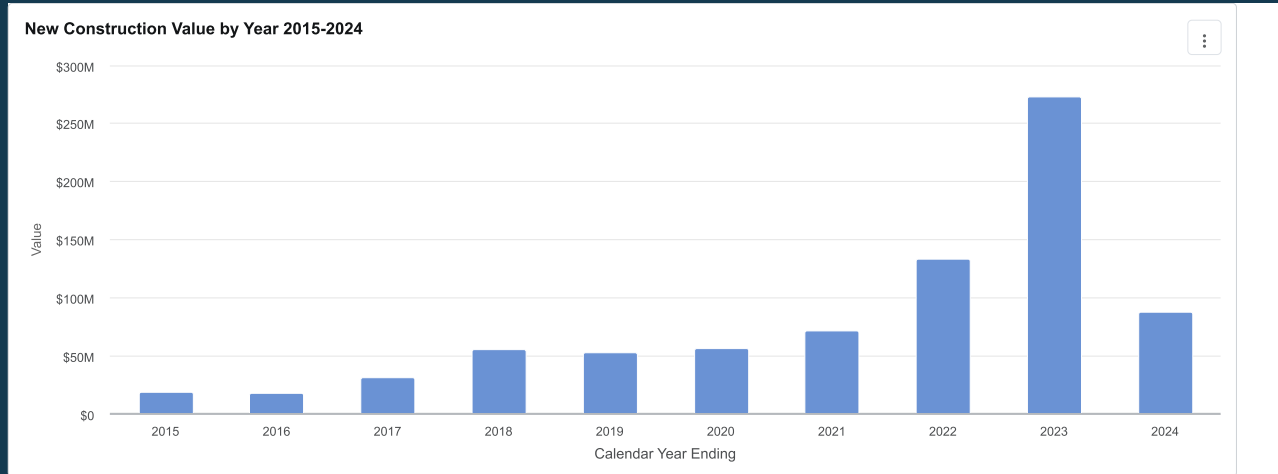
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10 Year Development Analysis



Building Department Fund Budget Highlights

Revenues

The Building Department Fund is thriving. Both residential and industrial development remain steady and we anticipate this activity to continue into next year. This is reflected in the rising level of permit and plan review revenue.

Building Department Fund

2025-26 Building Dept Fund Budget Summary

	2022-2023 ACTUALS	2023-2024 ACTUALS	2024-2025 ADOPTED BUDGET	2025-2026 PROPOSED BUDGET	2025-2026 APPROVED BUDGET	2025-2026 ADOPTED BUDGET
	FY2023	FY2024	FY2025	FY2026	FY2026	FY2026
Revenues						
Beginning Fund Balance	\$3,603,349	\$6,074,227	\$7,493,318	\$7,517,066	\$7,517,066	\$7,517,066
Fees & Charges	\$3,664,142	\$2,651,912	\$2,471,000	\$1,663,500	\$1,663,500	\$1,663,500
Interest	\$100,220	\$287,272	\$225,000	\$225,000	\$225,000	\$225,000
Miscellaneous	\$110,520	\$71,389	\$66,000	\$40,000	\$40,000	\$40,000
REVENUES TOTAL	\$7,478,231	\$9,084,800	\$10,255,318	\$9,445,566	\$9,445,566	\$9,445,566
Expenses						
Personnel Services	\$480,976	\$478,739	\$799,330	\$885,601	\$885,601	\$885,601
Materials & Services	\$890,188	\$762,910	\$710,500	\$609,700	\$609,700	\$609,700
Transfers	\$32,840	\$110,180	\$156,144	\$38,744	\$38,744	\$38,744
Operating Contingency	—	—	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000
Unappropriated Fund Balance	—	—	\$7,089,344	\$6,411,521	\$6,411,521	\$6,411,521
EXPENSES TOTAL	\$1,404,004	\$1,351,829	\$10,255,318	\$9,445,566	\$9,445,566	\$9,445,566

	2022-2023 ACTUALS	2023-2024 ACTUALS	2024-2025 ADOPTED BUDGET	2025-2026 PROPOSED BUDGET	2025-2026 APPROVED BUDGET	2025-2026 ADOPTED BUDGET
	FY2023	FY2024	FY2025	FY2026	FY2026	FY2026
Net Fund Balance	\$6,074,227	\$7,732,972	\$0	\$0	\$0	\$0

Transfers Out for the 2025-26 fiscal year include:

Purpose	Amount	To
Building Maintenance City Hall	\$3,547	General Fund
Computer Support	\$28,597	General Fund
City Hall Staff Rent	\$6,600	General Fund
Total Transfers Out	\$38,744	

Debt Service Fund

Fiscal Year 2025-26

The Debt Service Fund was established to account for principal and interest transactions on the City's general obligation bonds. The Debt Service Fund receives a portion of the property tax levy and acts as a reserve and sinking fund for bonded debt liability. This fund is used to pay general obligation bonds. These bonds are voter approved and paid with property taxes. Each year the city figures out how much it needs to pay bonds for that year and through December of the following year. The city then levies that amount plus an amount for uncollected taxes.

General obligation bonds are not subject to the property tax limitation, if they are voter approved and used for capital construction.

With the payoff of the 1978 Water Bond in December 2018, there was no need to levy any additional taxes for Debt Service this year. The fund continues to collect past year taxes and a small amount of interest.

Debt Service Fund

2025-26 Debt Service Fund Budget Summary

	2022-2023 ACTUALS	2023-2024 ACTUALS	2024-2025 ADOPTED BUDGET	2025-2026 PROPOSED BUDGET	2025-2026 APPROVED BUDGET	2025-2026 ADOPTED BUDGET
	FY2023	FY2024	FY2025	FY2026	FY2026	FY2026
Revenues						
Beginning Fund Balance	\$4,115	\$4,225	\$4,406	\$4,627	\$4,627	\$4,627
Property Taxes	\$17	\$10	\$10	\$10	\$10	\$10
Interest	\$93	\$188	\$175	\$175	\$175	\$175
REVENUES TOTAL	\$4,225	\$4,423	\$4,591	\$4,812	\$4,812	\$4,812
Expenses						
Unappropriated Fund Balance	–	–	\$4,591	\$4,812	\$4,812	\$4,812
EXPENSES TOTAL	–	\$0	\$4,591	\$4,812	\$4,812	\$4,812
Net Fund Balance	\$4,225	\$4,423	\$0	\$0	\$0	\$0

Transient Room Tax Fund

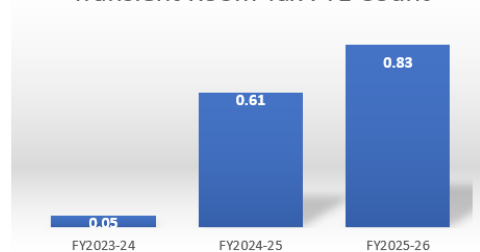
Fiscal Year 2025-26



Umatilla Landing Days Fireworks over the Columbia River.

The Transient Room Tax Fund accounts for motel tax revenues the City receives from motel customers. The expenditure division is in accordance with state law with 70% of receipts going to tourism related projects and 30% to the general city projects. The city collects 3.5% as a tax on rooms as set by vote of the people. The City also collects a Tourism Promotion Assessment of \$2.00 per hotel room rented per night and \$1.00 per RV/Tent Site rented per night. This money is remitted quarterly and split equally between the Eastern Oregon Trade and Event Center (to promote tourism in the region) and the City of Umatilla (to fund tourism promotion, facility design and construction of the Umatilla Marina & RV Park, Big River Golf Course and the Umatilla Community Center.)

Transient Room Tax FTE Count



Transient Room Tax Budget Highlights

City Sponsored Festivals

Over the past few years, City staff has heard an overwhelming desire from the community for more events. This budget includes funding for two major events.

Landing Days – We anticipate \$69,650 in revenue from Landing Days from sources such as vendors, the beer garden, and car show. The total event expense is estimated at \$96,490 (not including the additional payment to the Umatilla Chamber of Commerce).

Rock the Locks – We anticipate \$2.1 million in revenue from Rock the Locks. This includes ticket sales, camping passes, merchandise sales, sponsorships, parking and vendor revenue sharing. The total event expense is estimated at \$3 million. The bulk (approximately 45%) is attributable to entertainment but also includes nearly \$200,000 in efforts to increase sound reduction to nearby neighbors. There are many other expenses to consider such as security, advertising, sound barriers, ticketing vendor, cashless technology fees, lighting and audio, our event consultant and many other lower cost items. These levels assume attendance of 6,025 on Friday, 6,150 on Saturday and 5,900 on Sunday.

Chamber Support

The City continues to allocate fifty percent of the Transient Room Tax collected, as well as a \$21,000 General Fund contribution, to cover the Umatilla Chamber of Commerce's operating expenses.

Rock the Locks Music Festival



Transient Room Tax Fund

2025-26 Transient Room Tax Fund Budget Summary

	2022-2023 ACTUALS	2023-2024 ACTUALS	2024-2025 ADOPTED BUDGET	2025-2026 PROPOSED BUDGET	2025-2026 APPROVED BUDGET	2025-2026 ADOPTED BUDGET
	FY2023	FY2024	FY2025	FY2026	FY2026	FY2026
Revenues						
Beginning Fund Balance	\$428,442	\$46,887	\$334,584	\$523,146	\$523,146	\$523,146
Fees & Charges	\$164,418	\$1,090,878	\$1,922,650	\$2,270,075	\$2,270,075	\$2,270,075
Interest	\$5,667	\$3,197	\$500	\$4,000	\$4,000	\$4,000
Transfers from Other Funds	\$226,000	\$1,221,000	\$681,000	\$961,000	\$961,000	\$961,000
REVENUES TOTAL	\$824,527	\$2,361,962	\$2,938,734	\$3,758,221	\$3,758,221	\$3,758,221
Expenses						
Personnel Services	\$6,815	\$29,598	\$31,368	\$41,802	\$41,802	\$41,802
Materials & Services	\$770,825	\$1,951,126	\$2,727,736	\$3,521,510	\$3,521,510	\$3,521,510
Capital Outlay	–	–	\$152,911	\$169,949	\$169,949	\$169,949
Unappropriated Fund Balance	–	–	\$26,719	\$24,960	\$24,960	\$24,960
EXPENSES TOTAL	\$777,640	\$1,980,724	\$2,938,734	\$3,758,221	\$3,758,221	\$3,758,221
Net Fund Balance	\$46,887	\$381,238	\$0	\$0	\$0	\$0

Umatilla Landing Days Parade



Building Reserve Fund

Fiscal Year 2025-26

The Building Reserve Fund was established for the purpose of purchasing and retiring debt on City Hall. Revenue is derived from the enterprise fund payments in lieu of taxes made by Calpine (formerly US Generating). City Council moved to dissolve the fund after the City Hall loan was paid off in April 2023.



Building Reserve Fund Detail

2025-26 Building Reserve Fund Budget Summary

	2022-2023 ACTUALS	2023-2024 ACTUALS	2024-2025 ADOPTED BUDGET	2025-2026 PROPOSED BUDGET	2025-2026 APPROVED BUDGET	2025-2026 ADOPTED BUDGET
	FY2023	FY2024	FY2025	FY2026	FY2026	FY2026
Revenues						
Beginning Fund Balance	\$178,358	\$20,608	\$0	\$0	\$0	\$0
Interest	\$7,191	\$0	\$0	\$0	\$0	\$0
Miscellaneous	\$132,922	–	\$0	\$0	\$0	\$0
REVENUES TOTAL	\$318,471	\$20,608	\$0	\$0	\$0	\$0
Expenses						
Debt Service	\$297,863	–	\$0	\$0	\$0	\$0
Transfers	–	\$16,417	\$0	\$0	\$0	\$0
EXPENSES TOTAL	\$297,863	\$16,417	\$0	\$0	\$0	\$0
Net Fund Balance	\$20,608	\$4,191	\$0	\$0	\$0	\$0

Interfund Transfer Detail

Fiscal Year 2025-26

PURPOSE	AMOUNT	FROM	TO
Hash Park Design Funds	\$800,000	General Fund	Capital Reserve Fund
LGGP Pickleball Court Match Funds	\$120,000	General Fund	Capital Reserve Fund
Golf Course Equipment	\$146,000	General Fund	Capital Reserve Fund
Museum Building Improvements	\$100,000	General Fund	Capital Reserve Fund
Police Vehicle	\$75,500	General Fund	Capital Reserve Fund
Police Equipment Reserve	\$140,000	General Fund	Capital Reserve Fund
Shop Bldg Reserve	\$10,000	General Fund	Capital Reserve Fund
Citywide Cameras / Technology	\$40,000	General Fund	Capital Reserve Fund
Park Equipment	\$119,000	General Fund	Capital Reserve Fund
Recreation Equipment	\$35,000	General Fund	Capital Reserve Fund
Land Acquisition / Golf Course Debt	\$290,000	General Fund	Capital Reserve Fund
Marina Equipment	\$8,500	General Fund	Capital Reserve Fund
Powerline Rd/Madison Construction	\$500,000	General Fund	Capital Reserve Fund
Powerline Rd/730 Design	\$35,000	General Fund	Capital Reserve Fund
Street Light Maintenance	\$12,525	General Fund	Street Fund
Library Support	\$130,000	General Fund	Library Fund
Chamber & Museum Support	\$21,000	General Fund	Transient Room Tax Fund
City Sponsored Festivals	\$940,000	General Fund	Transient Room Tax Fund
Shop Bldg Reserve	\$10,000	Water Fund	Capital Reserve Fund
Jet Rodder Trailer Reserve	\$57,500	Water Fund	Capital Reserve Fund
Backhoe Reserve	\$20,000	Water Fund	Capital Reserve Fund
Building Maintenance City Hall	\$4,514	Water Fund	General Fund
Computer Support	\$32,092	Water Fund	General Fund
City Hall Staff Rent	\$8,400	Water Fund	General Fund
Water Project Reserve	\$350,000	Water Fund	Water Reserve Fund
Sewer Dept Equipment	\$107,500	Sewer Fund	Capital Reserve Fund
Shop Bldg Reserve	\$10,000	Sewer Fund	Capital Reserve Fund
Building Maintenance City Hall	\$4,514	Sewer Fund	General Fund
Computer Support	\$39,101	Sewer Fund	General Fund
City Hall Staff Rent	\$8,400	Sewer Fund	General Fund
Sewer Project Reserve	\$900,000	Sewer Fund	Sewer Reserve Fund
Shop Bldg Reserve	\$10,000	Street Fund	Capital Reserve Fund
Bike Paths	\$6,000	Street Fund	Capital Reserve Fund
Street Equipment	\$76,000	Street Fund	Capital Reserve Fund
Backhoe Reserve	\$20,000	Street Fund	Capital Reserve Fund
Computer Support	\$14,747	Street Fund	General Fund
Building Maintenance City Hall	\$919	Street Fund	General Fund
City Hall Staff Rent	\$1,500	Street Fund	General Fund
Port of Umatilla Committed Payment	\$650,000	Capital Reserve	General Fund
Computer Support	\$27,186	Library	General Fund
Building Maintenance City Hall	\$3,547	Building Dept Fund	General Fund
Computer Support	\$28,597	Building Dept Fund	General Fund
City Hall Staff Rent	\$6,600	Building Dept Fund	General Fund
TOTAL TRANSFERS	\$5,919,642		

Budget Publications

Fiscal Year 2025-26

FORM OR-LB-1

NOTICE OF BUDGET HEARING

A public meeting of the Umatilla City Council will be held on June 17, 2025 at 7:00 pm at 700 8th St, Umatilla, Oregon. The purpose of this meeting is to discuss the budget for the fiscal year beginning July 1, 2025 as approved by the Budget Committee. A summary of the budget is presented below. A copy of this budget may be inspected or obtained at Umatilla City Hall 700 8th Street, Umatilla, Oregon, between the hours of 8:00 a.m. and 5:00 p.m. This budget is for an annual budget period. This budget was prepared on a basis of accounting that is the same as the preceding year.

Contact: Melissa Ince

Telephone: 541-922-3226

Email: melissa.ince@umatilla.gov

FINANCIAL SUMMARY - RESOURCES			
TOTAL OF ALL FUNDS	Actual Amount 2023-2024	Adopted Budget This Year 2024-2025	Approved Budget Next Year 2025-2026
Beginning Fund Balance/Net Working Capital	35,773,398	36,217,290	34,139,009
Fees, Licenses, Permits, Fines, Assessments & Other Service Charges	19,080,237	22,225,602	23,206,289
Federal, State & all Other Grants, Gifts, Allocations & Donations	5,374,491	43,954,231	36,756,494
Revenue from Bonds and Other Debt	2,211,178	66,920,500	38,767,008
Interfund Transfers / Internal Service Reimbursements	7,096,507	5,906,572	6,154,602
All Other Resources Except Current Year Property Taxes	2,123,863	1,336,175	1,205,675
Current Year Property Taxes Estimated to be Received	2,931,177	3,231,384	2,842,476
Total Resources	74,590,801	179,791,754	143,071,503

FINANCIAL SUMMARY - REQUIREMENTS BY OBJECT CLASSIFICATION			
Personnel Services	7,814,918	9,412,556	11,376,721
Materials and Services	14,004,752	18,057,509	15,431,979
Capital Outlay	8,826,329	123,159,069	89,498,459
Debt Service	1,945,923	1,991,786	933,403
Interfund Transfers	7,096,507	5,906,572	6,154,602
Contingencies		5,570,000	5,895,000
Special Payments			
Unappropriated Ending Balance and Reserved for Future Expenditure	34,902,372	15,694,262	13,781,339
Total Requirements	74,590,801	179,791,754	143,071,503

FINANCIAL SUMMARY - REQUIREMENTS AND FULL-TIME EQUIVALENT EMPLOYEES (FTE) BY ORGANIZATIONAL UNIT OR PROGRAM *			
Name of Organizational Unit or Program			
FTE for that unit or program			
Name: Administration	3,570,538	2,624,471	3,247,636
FTE	4.95	5.20	8.34
Name: Community Development	979,852	1,785,399	1,860,662
FTE	1.75	2.00	2.00
Name: Court	450,777	480,693	526,700
FTE	1.10	1.10	1.10
Name: Parks & Recreation	1,440,808	2,529,623	2,093,371
FTE	8.84	10.78	12.75
Name: Marina and RV Park	746,331	1,131,459	832,032
FTE	3.50	3.50	3.80
Name: Police	2,926,591	3,266,029	3,725,918
FTE	17.75	17.50	19.95
Name: Code Enforcement	149,396	204,003	217,415
FTE	1.00	1.00	1.00
Name: Golf Course	1,056,201	1,219,621	1,390,203
FTE	8.75	8.75	8.70
Name: Water	9,371,595	67,858,031	50,800,845
FTE	5.50	6.00	5.36
Name: Sewer	9,509,531	32,773,999	35,808,168
FTE	5.25	5.25	6.61
Name: Streets	3,267,190	2,488,288	2,177,763
FTE	3.05	2.30	2.63
Name: Library	509,603	495,426	570,406
FTE	3.18	3.68	3.63
Name: Refuse	1,470,461	1,642,811	2,044,614
FTE	0.00	0.00	0.00
Name: Building	9,084,800	10,255,318	9,445,566
FTE	4.10	4.10	5.10
Name: Transient Room Tax	2,361,962	2,938,734	3,758,221
FTE	0.05	0.61	0.83
Not Allocated to Organizational Unit or Program	27,695,165	48,097,849	24,571,983
FTE	0.00	0.00	0.00
Total Requirements	74,590,801	179,791,754	143,071,503
Total FTE	68.77	71.77	81.80

STATEMENT OF CHANGES IN ACTIVITIES and SOURCES OF FINANCING *			
No notable reduction or changes in service for the upcoming year. The police statement project is not included in the proposed budget which caused a reduction in capital outlay. The city is currently looking at different funding options for the \$19.8m project. The city does have executed loan agreements for the Power City/Brownell water and sewer extension projects but have not spent any of the funding yet. The city also has a loan agreement pending contract for construction of the Umatilla Intake and Pipeline project that will be executed in the next fiscal year. All three of these loans make up the \$27m in debt authorized but not incurred.			

PROPERTY TAX LEVIES			
	Rate or Amount Imposed 2023-2024	Rate or Amount Imposed This Year 2024-2025	Rate or Amount Approved Next Year 2025-2026
Permanent Rate Levy (rate limit \$2.9191 per \$1,000)	2.9191	2.9191	2.9191
Local Option Levy	0	0	0
Levy For General Obligation Bonds	0	0	0

STATEMENT OF INDEBTEDNESS		
LONG TERM DEBT	Estimated Debt Outstanding on July 1.	Estimated Debt Authorized, But Not Incurred on July 1
General Obligation Bonds	\$0	\$0
Other Bonds	\$0	\$0
Other Borrowings	\$5,907,705	\$27,315,305
Total		

Notice of Property Tax and Certification of Intent to Impose a
Tax, Fee, Assessment or Charge on Property

To assessor of Umatilla County

FORM OR-LB-50
2025-2026

☐ Check here if this is
an amended form.

• Be sure to read instructions in the Notice of Property Tax Levy Forms and Instruction booklet.

The City of Umatilla has the responsibility and authority to place the following property tax, fee, charge or assessment

on the tax roll of Umatilla County. The property tax, fee, charge or assessment is categorized as stated by this form.

<u>PO Box 130</u>	<u>Umatilla</u>	<u>OR</u>	<u>97882</u>	<u>06/27/2025</u>
Mailing Address or District	City	State	ZIP Code	Date
<u>Melissa Ince</u>	<u>Finance Director</u>	<u>541-922-3226 x 104</u>	<u>melissa.ince@umatilla.gov</u>	
Contact Person	Title	Complete Telephone	Contact Person Email	

CERTIFICATION - You must check one box if your district is subject to Local Budget Law.

- ☒ The tax rate or levy amounts certified in Part I are within the tax rate or levy amounts approved by the budget committee.
☐ The tax rate or levy amounts certified in Part I were changed by the governing body and republished as required in ORS 294.456.

PART I: TAXES TO BE IMPOSED

		Subject to General Government Limits Rate-or- Dollar Amount		Excluded from Measure 5 Limits Dollar Amount of Bond Levy
1. Rate per \$1,000 or Total dollar amount levied (within permanent rate limit) . . .	1	2.9191		
2. Local option operating tax	2			
3. Local option capital project tax	3			
4. City of Portland Levy for pension and disability obligations	4			
5a. Levy for bonded indebtedness from bonds approved by voters prior to October 6, 2001	5a.			
5b. Levy for bonded indebtedness from bonds approved by voters on or after October 6, 2001	5b.			
5c. Total levy for bonded indebtedness not subject to Measure 5 or Measure 50 (total of 5a + 5b)	5c.			0

PART II: RATE LIMIT CERTIFICATION

6. Permanent rate limit in dollars and cents per \$1,000	6	2.9191
7. Election date when your new district received voter approval for your permanent rate limit	7	
8. Estimated permanent rate limit for newly merged/consolidated district	8	

PART III: SCHEDULE OF LOCAL OPTION TAXES - Enter all local option taxes on this schedule. If there are more than two taxes, attach a sheet showing the information for each.

Purpose (operating, capital project, or mixed)	Date voters approved local option ballot measure	First tax year levied	Final tax year to be levied	Tax amount -or- rate authorized per year by voters

Part IV. SPECIAL ASSESSMENTS, FEES AND CHARGES*

Description	ORS Authority**	Subject to General Government Limitation	Excluded from Measure 5 Limitation
1			
2			

*If fees, charges, or assessments will be imposed on specific property within your district, you must attach a complete listing of properties, by assessor's account number, to which fees, charges, or assessments will be imposed. Show the fees, charges, or assessments uniformly imposed on the properties. If these amounts are not uniform, show the amount imposed on each property.

**The ORS authority for putting these assessments on the roll must be completed if you have an entry in Part IV.

500-004-050 (Rev. 10-1-13)

(see the back for worksheet for lines 5a, 5b, and 5c)

File with your assessor no later than JULY 15, unless granted an extension in writing.

LB 50 119

Budget Resolutions

Fiscal Year 2025-26

RESOLUTION NO. 42-2025

A RESOLUTION ADOPTING THE 2025-2026 BUDGET

BE IT RESOLVED, that the City Council of the City of Umatilla hereby adopts the budget for the fiscal year 2025-2026, in the total sum of \$143,071,503. This budget is now on file at Umatilla City Hall, 700 Sixth Street, Umatilla, Oregon 97882.

PASSED by the City Council and **SIGNED** by the Mayor this 17th day of June, 2025.


Caden Sipe, Mayor

ATTEST:


Nanci Sandoval, City Recorder



RESOLUTION NO. 43-2025

**A RESOLUTION APPROPRIATING BUDGET AMOUNTS
FOR FISCAL YEAR 2025-2026**

BE IT RESOLVED that the amounts for the fiscal year beginning July 1, 2025 and for the purposes shown below are hereby appropriated as follows:

GENERAL FUND

Organizational Unit or Program:

Administration	\$ 3,247,636
Community Development Department	1,860,662
Municipal Court Department	526,700
Parks and Recreation Department	2,093,371
Marina and RV Park	832,032
Police Department	3,725,918
Code Enforcement	217,415
Transportation	5,250
Golf Course	1,390,203

Not Allocated to Organizational Unit or Program:

Operating Contingency	1,500,000
Transfers	<u>3,522,525</u>

GENERAL FUND TOTAL **\$ 18,921,712**

WATER FUND

Organizational Unit or Program:

Water	\$ 2,901,714
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Not Allocated to Organizational Unit or Program:

Operating Contingency	300,000
Debt Service	818,499
Transfers	<u>482,506</u>

WATER FUND TOTAL **\$ 4,502,719**

SEWER FUND

Organizational Unit or Program:

Sewer	\$ 1,574,010
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Not Allocated to Organizational Unit or Program:

Operating Contingency	250,000
Debt Service	234,960
Transfers	<u>1,069,515</u>

SEWER FUND TOTAL **\$ 3,128,485**

STREET FUND*Organizational Unit or Program:*

Streets \$ 1,591,756

Not Allocated to Organizational Unit or Program:

Operating Contingency 325,000

Transfers 129,166

STREET FUND TOTAL \$ 2,045,922**CAPITAL RESERVE FUND***Not Allocated to Organizational Unit or Program:*

Capital Outlay \$ 15,925,778

Debt Service 114,904

Transfers 650,000

CAPITAL RESERVE TOTAL \$ 16,690,682**LIBRARY FUND***Organizational Unit or Program:*

Library \$ 476,861

Not Allocated to Organizational Unit or Program:

Transfers 27,186

Contingency 20,000

LIBRARY FUND TOTAL \$ 524,047**REFUSE FUND***Organizational Unit or Program:*

Refuse \$ 1,872,330

Not Allocated to Organizational Unit or Program:

Contingency 100,000

REFUSE FUND TOTAL \$ 1,972,330**BUILDING DEPARTMENT FUND***Organizational Unit or Program:*

Building \$ 1,495,301

Not Allocated to Organizational Unit or Program:

Transfers 38,744

Contingency 1,500,000

BUILDING DEPARTMENT FUND TOTAL \$ 3,034,045**DEBT SERVICE FUND***Not Allocated to Organizational Unit or Program:*

None \$ 0

DEBT SERVICE FUND TOTAL \$ 0

TRANSIENT ROOM TAX FUND

Organizational Unit or Program:

Transient Room Tax	\$ 3,733,261
TRANSIENT TAX FUND TOTAL	\$ 3,733,261

WATER RESERVE FUND

Organizational Unit or Program:

Water	\$ 45,534,059
<i>Not Allocated to Organizational Unit or Program:</i>	
Contingency	400,000
WATER RESERVE FUND TOTAL	\$ 45,934,059

SEWER RESERVE FUND

Organizational Unit or Program:

Sewer	\$ 27,302,902
<i>Not Allocated to Organizational Unit or Program:</i>	
Contingency	1,500,000
SEWER RESERVE FUND TOTAL	\$ 28,802,902

Total APPROPRIATIONS, all funds	\$ 129,290,164
Total Unappropriated and Reserve Amounts, all funds	\$ 13,781,339
TOTAL ADOPTED BUDGET	\$ 143,071,503

PASSED by the City Council and **SIGNED** by the Mayor this 17th day of June, 2025.


Caden Sipe, Mayor

ATTEST:


Nanci Sandoval, City Recorder



Resolution No. 43-2025 Page 3

RESOLUTION NO. 44-2025

**A RESOLUTION LEVYING AD VALOREM TAXES AND CATEGORIZING TAXES
FOR THE 2025-2026 FISCAL YEAR**

BE IT RESOLVED that the following ad valorem property taxes are hereby imposed for tax year 2025-2026 upon the assessed value of all taxable property within the city: (1) At the rate of \$2.9191 per \$1,000 of assessed value for permanent rate tax.

BE IT RESOLVED that the taxes imposed are hereby categorized for purposes of Article XI section 11b as:
General Government Limitation Permanent Rate Tax..... \$2.9191/1,000

PASSED by the City Council and **SIGNED** by the Mayor this 17th day of June, 2025.



Caden Sipe, Mayor

ATTEST:



Nanci Sandoval, City Recorder





Oregon

Tina Kotek, Governor

Department of Administrative Services

Enterprise Goods & Services | Shared Financial Services

155 Cottage Street NE

Salem, OR 97301-3969

PHONE: 503-378-2222

FAX: 503-378-2901

RESOLUTION NO. 45-2025

**A RESOLUTION DECLARING THE CITY'S ELECTION TO RECEIVE
STATE REVENUES**

The City of Umatilla ordains as follows:

Section 1. Pursuant to ORS 221.770, the city hereby elects to receive state revenues for fiscal year 2025-2026.

Passed by the Common Council the 17th day of June, 2025.

Approved by the Mayor this 17th day June, 2025.

Mayor

Attest

I *certify that a public hearing before the Budget Committee was held on
April 15, 2025 and a public hearing before the City Council
was held on June 17, 2025, giving citizens an opportunity
to comment on use of State Revenue Sharing.

City Recorder



Mission: We support state government to serve the people of Oregon.

Overview of Capital Improvement Projects

Fiscal Year 2025-26

The City does not currently have an approved Capital Improvement Plan. City Council recently approved an updated Water Master Plan, Wastewater Facilities Plan and Transportation System Plan. These, along with the Master Park Plan and Master Trails Plan, will ultimately be compiled together into a Capital Improvement Plan that will provide a multi-year plan for major capital expenditures that matches available resources with project needs. In the meantime, the City Council and Budget Committee have prioritized and approved the following comprehensive list of capital projects based upon staff recommendations and planning documents for FY2025-26 that align with the City Council Goals for 2025-2027. Many of these are also discussed within the individual fund pages.

The City of Umatilla is actively working on projects that bring to our community exciting new services and updates to keep up with the demand for growth. We currently have nearly \$90 million in project costs, with more than \$4.3 million in grants received, \$3.8 million in legislative funding received and \$7.8 million in loans secured. Some of these projects have already started and will cross fiscal years and are not fully accounted for in the 2025-26 budget.

Total Projects Costs Allocated in FY2025-26 Budget: \$89.5 million



Umatilla Business Center



Project Scope: Renovation and expansion project of the old post office building into the new City of Umatilla Business Center. This Business Center will house the Community Development Department and a multi-use room and kitchen for events and meetings in the existing building and will have a two-story expansion that will serve as a business incubator for new business owners on the lower level, while providing long term rental space on the second floor. The project also includes parking lot and street improvements.

Total Project Cost: \$8.4 million

State Legislature: \$1.8 million
County Funds: \$1 million
EDA Grant: \$1.4 million
City Funds: \$4.2 million (\$1.6m ARPA allocation, remainder City reserves)

Timeline: Anticipated construction completion December 2025.

Powerline Road and Madison Street Improvement Project



Project Scope: Improving Powerline from 100' N of Jefferson to 200' N of Pine Tree and all of the Madison St improvements.

Total Project Cost: \$3.9 million
HB2017 funds Port of Umatilla: \$2 million
City Funds: \$1.9 million

Timeline: Anticipated construction completion November 2025.

Umatilla Pedestrian Bridge & Waterline Replacement



Project Scope: To reconstruct an all-new pedestrian bridge over the Umatilla River to replace the bridge that was damaged by the 2019 and 2020 floods. Includes raising the bridge by approximately 5' and extending it by approximately 120' in length. Also includes replacing the 18" waterline that was damaged .

Total Project Cost: \$7.2 million

FEMA Funds: \$5.5 million
Insurance Funds: \$100,000
Special Public Works Grant Funds (Business Oregon Grant): \$750,000
City Funds (loan): \$850,000

Timeline: The City has been working with FEMA since February 2019. Anticipated construction completion September 2025.

Reservoir Improvement Project



Project Scope: The water master plan identifies many reservoir projects that we have grouped into an Oregon Safe Drinking Water loan application. Not only do we have reservoirs that need to be recoated, but the city is also in need of an additional drinking water reservoir at the golf course. The total cost of design and construction is estimated at \$8 million. Our loan application includes both design and construction.

Total Project Cost: \$8 million
Special Public Works Planning Loan (Business Oregon): \$828,900
Construction Funds: TBD

Timeline: If awarded the loan, design would start in spring 2026, construction timeline contingent on funding.

Pickleball Courts



Project Scope: The tennis courts have surpassed their useful life and are no longer in adequate condition for play. Due to their outdated state, repairs are no longer a cost-effective solution. To better serve the community, we propose converting the space into a pickleball facility, including parking and lighting. Pickleball continues to grow in popularity, and this upgrade would provide a modern, accessible recreation area for all ages.

Total Project Cost: \$300,000
LGGP Grant: \$180,000
City Funds: \$120,000

Timeline: Contingent upon grant award.

Wastewater Treatment Plant Improvements - Construction



Project Scope: This proposed project will have four primary elements, which were addressed in the City's most recent Wastewater Facility Plan: CP1 Switzler Ave. Collection, WW#1 Headworks Automatic Screen; WW#3 UV Disinfection; WW#4B Sludge Drying - Belt Filter Press.

Total Project Cost: \$10.7 million
Clean Water State Revolving Loan (DEQ): \$10.7 million

Timeline: Design is currently underway. If awarded the loan, construction would commence in 2026.

Police Department - New Facility



Project Scope: Design and construct a suitable modern police facility with enough space and training areas is critical to the success of keeping our community safe. The project will include design and bid document preparation.

Total Project Cost: \$21.6 million

City Funds: \$1.8 million allocated for design.
Construction: TBD - bond proceeds if approved November 2025.

Timeline: Design currently underway. Exploring funding options. Construction likely starting in FY2025-26.

Nugent Park Boat Ramp Replacement



Project Scope: Replace the Nugent Park boat ramp destroyed by flooding in 2020 and add a new boat dock, launch staging area upgrades and site lighting.

Total Project Cost: \$1,325,000

FEMA Funds: \$660,000
City Funds: \$665,000

Timeline: Design completion in spring 2025.
Construction spring 2026 - fall 2027.

Hash Park Improvements - Design



Project Scope: Design project including a variety of amenities including a baseball/softball sports complex, playground, splash pad, dog park, pavilions and open space

Total Project Cost: \$800,000

City Funds: \$800,000

Remainder: TBD

Timeline: This project is estimated to begin fall 2023. Concept completion summer 2024. Phased final design to begin late 2025.

Construction estimated at \$20.7 million. Funding TBD.

Umatilla Marina & RV Park Improvements - Design Phase 1



Project Scope: Design of an all-new state-of-the-art marina. The new marina will include covered single-berth slips, uncovered single-berth slips, aluminum or steel framed docks, engineered decking or concrete, encapsulated floats, well-spaced navigable fairways, electrical hookups at each slip, high speed internet, and other features and amenities. Phase 1 of the design which includes surveying, environmental permitting, geotechnical investigations, cultural evaluations, hydraulic investigations and sediment transport analysis.

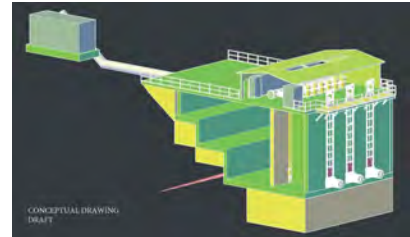
Total Phase 1 Project Cost: \$487,300

Oregon State Marine Board Grant: \$130,300

City Funds: \$357,000

Timeline: This project is anticipated to start early 2023. It will take a minimum of three years, most likely four to five, from start of design to construction completion.

CTUIR Point of Diversion and Pump Station Improvement Project



Project Scope: Enlarge and upgrade the surface water diversion and related pipeline transmission facilities located on the south bank of the Columbia River, which is owned by the CTUIR. This system will allow the city to supply the data centers with raw water to meet their cooling needs, increase the flexibility of our potable water system by adding the ability to divert water at a second site and allow CTUIR's water to be discharged to maintain the Wanaket Wildlife Refuge and Wetlands.

Total Project Cost: \$37.5 million

Business Oregon Loans: \$11 million

Contribution from Private Industrial Customer: \$26.5 million

Timeline: Design commenced in August 2022 and will take approximately three years due to extensive permitting and cultural efforts. We estimate construction to occur between fall 2025 and spring 2027.

Power City & Brownell Area Water Utility Expansion



Project Scope: To construct an all-new City water services pipeline out to the Power City area down Lind Rd. and area behind the Port of Entry off Brownell Road.

Construction Project Cost: \$8,086,500

Bipartisan Infrastructure Law Funds Loan \$6,000,000 (~50% principal forgiveness)
Community Development Block Grant: \$1,906,500
City Funds: \$180,000

Timeline: Design is complete. The City anticipates bidding the construction project late 2024 with an 18 month construction window.

Power City & Brownell Area Sewer Utility Expansion

Community Development Block Grant
2015 Federal Fiscal Year Application
• 2015 Federal of Distribution must be read and used as the primary source of information.

Section I: General Application Information

Section I A: Applicant

Organization Name: City of Umatilla	Organization Type: City
Street Address: 1000 N. 1st St.	Mailing Address: 1000 N. 1st St. Ste. 100
City: Umatilla, Oregon 97882	County: Umatilla, Oregon 97882
Office Phone: (503) 753-1234	Web Site: www.umatilla.org

Section I B: Project Contact

Name: John Doe	Title: Mayor
Phone: (503) 753-1234	Email: john.doe@umatilla.org
Authorized Signer Name: John Doe	Authorized Signer Title: Mayor

Section I C: State Representation

House District Number: 22	Senator Name: Bob Smith
House District Number: 22	Representative Name: Greg Smith

Section I D: Project Overview

Project Name: Power City Sewer Pipeline Expansion	Project Category: Sewer
Project Location: (503) 753-1234	Project Status: Design
Project Type: Sewer	Project Status: Design

Project Scope: To construct an all-new City sewer services pipeline out to the Power City area down Lind Rd. and area behind the Port of Entry off Brownell Road.

Construction Project Cost: \$11,315,305

DEQ Clean Water State Revolving Fund Loan \$10,815,305
Contribution from Private Industrial Customer: \$500,000

Timeline: Design is complete. The City anticipates bidding the construction project late 2024 with an 18 month construction window.

Impact of Capital Improvement Projects on the Operating Budget

As you can see, the City has done a tremendous job at securing grants and legislative funding to minimize the impact of these capital projects on our operating budget. For the projects that we have not been able to secure outside funding for, we have utilized payment in lieu of tax revenue to complete the projects. There is always an opportunity cost of diverting those funds, but the city evaluates each project to make sure that it meets City Council goals and is the best use of those funds.

For the enterprise funds, projects such as extending water and sewer service to the Power City and Brownell areas and completing the CTUIR point of diversion upgrade project will add costs to the operating budget through increased debt service. These projects, along with several major improvements on the horizon, were all accounted for in the comprehensive utility rate study which is driving our annual 6% rate increase in water and sewer to be able to keep up with the operating and capital improvement projects.

Other projects, such as street improvements and park improvement projects will not result in any additional debt service, but will generate additional maintenance costs that will only have a minor impact on the operating budget.

In some instances, as is the case with our recently completed Industrial Wastewater Pipeline project, you will see increases in certain costs and decreases in others. In that project, the City incurred approximately \$140,000 of additional debt service per year but was able to divert non-contact cooling water from data centers and discharge it into a nearby irrigation canal for re-use. This project freed up significant capacity in our wastewater treatment plant and the debt service will be covered entirely by users of the system.

Glossary & Acronyms

Fiscal Year 2025-26

Glossary

Accrual: An accounting entry made to ensure revenues are reported on the income statement when they are earned and expenses are reported when the expense occurred, as matched with the related revenues, regardless of when cash is received or spent.

Actual: Actual, as used in the fund summaries, revenue summaries and department and division summaries within the budget document, represents the actual financial results. This category is presented on a budgetary basis, and thus excludes full-accrual audit items such as depreciation and amortization.

Ad Valorem Tax: A tax based on the assessed value of taxable property.
Adoption: Formal action by the City Council which sets the spending limits for the fiscal year.

Amortization: The process of paying off debt through a series of fixed payments over time.

Appropriations: The legal authorization granted by the City Council to make expenditures and incur obligations.

Approved Budget: The financial plan agreed upon by the Budget Committee.

Assessed Valuation (AV): The value set by the county assessor on real and personal taxable property as a basis for levying taxes. A tax initiative passed in 1997 that reduced AV below real market value and set a 3% maximum annual growth rate in the AV, exclusive of certain improvements.

Audit: An objective examination and evaluation of the financial statements of an organization to make sure that the financial records are a fair and accurate representation of the transactions they claim to represent.

Balanced Budget: A situation in the budgeting process where total authorized expenses are less than or equal to total resources available.

Beginning Fund Balance: The amount of unexpended funds carried forward from one fiscal year to another.

Bond: A written promise to pay a sum of money (principal or face value) at a future date (maturity date) along with periodic interest paid at a specified percentage of the principal (interest rate). Bonds are typically used to finance long-term capital improvements.

Budget: A financial operating plan with estimated expenditures and expected revenues for a given period.

Budget Calendar: The schedule of key dates which a government follows to prepare and adopt the budget.

Budget Committee: A group comprised of the elected officials plus an equal number of citizens for the purpose of reviewing the proposed budget and recommending changes leading to an approved budget.

Budget Document: A written report showing a government's comprehensive financial plan for a specified period, typically one or two years, that includes both capital and operations.

Budget Message: The opening section of the budget which provides the City Council and the public with a general summary of the most important aspects of the budget, changes from the current and previous fiscal year, and recommendations regarding the financial policy for the coming period.

Capital Improvement: A term defined in the ORS 310.410 (10) to include land, structures, facilities, machinery, equipment or furnishings having a useful life of longer than one year.

Capital Improvement Project: Any project having improvements of significant value and having a useful life of five years or more. Capital projects include the purchase of land, design, engineering and construction of buildings, and infrastructure items such as parks, streets, bridges, drainage, street lighting, water and sewer systems and master planning.

Capital Outlay: Includes the purchase of land, the purchase or construction of buildings, structures, and facilities of all types, plus machinery and equipment. It includes expenditures that result in the acquisition or addition of a capital asset or increase the capacity, efficiency, span of life, or economy of operating as an existing capital asset. For an item to qualify as a capital outlay expenditure it must meet all of the following requirements: (1) have an estimated useful life of more than one year; (2) have a cost of \$2,500 or more per item; and (3) be a betterment or improvement. Replacement of a capital item is classified as capital outlay under the same code as the original purchase. Replacement or repair parts are classified under materials and services.

Cash Basis Accounting: Recording revenues and expenditures at the time they are received or paid.

Contingency: An appropriation of funds to cover unforeseen events which occur during the budget year. City Council must approve all contingency transfers.

COVID-19: A respiratory disease caused by SARS-CoV-2, a coronavirus discovered in 2019. The virus spreads mainly from person to person through respiratory droplets produced when an infected person coughs, sneezes, or talks. Some people who are infected may not have symptoms.

Debt Service: Payment of principal and interest on borrowed funds.

Debt Service Fund: The fund established to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Deficit: (1) The excess of the liabilities of a fund over its assets; (2) The excess of expenditures over revenues during an accounting period, or in the case of proprietary (enterprise) funds, the excess of expenses over revenues during an accounting period.

Encumbrances: The formal accounting recognition of commitments to expend resources in the future.

Ending Fund Balance: The residual non-restricted funds that are spendable or available for appropriation after the end of the fiscal year, or during the fiscal year, if a state of emergency is declared by the City Manager.

Enterprise Funds: The funds established to account for operations, including debt service, that are financed and operated similarly to private businesses - where the intent is the service is self-sufficient, with all costs supported predominantly by user charges.

Expenditures: Decreases in net financial resources, including current operating expenses, debt service and capital outlays.

Fiduciary Funds: Fiduciary Funds are either Trust Funds or Agency Funds. Trust Funds are used to account for assets held by the government in a trustee capacity. Agency Funds are used to account for assets held by the government as an agent for individuals, private organizations, and other governments and/or funds.

Fiscal Year: The time period designated by the city signifying the beginning and ending period for recording financial transactions. The fiscal year begins July 1 and ends June 30.

Franchise Fee: Charged to all utilities operating within the City and is a reimbursement to the General Fund for the utility's use of City streets and right-of-ways.

Full-Time Equivalent: The budgetary equivalent of one position, continuously filled full-time for the entire fiscal year and which may be comprised of any combination of part-time and full-time positions.

Fund: A division in the budget with independent fiscal and accounting requirements.

Fund Balance: The net ending balance of a Fund's financial resources that are spendable or available for appropriation.

General Fund: The general operating fund of the city. It is used to account for all financial resources except those required to be accounted for in other fund.

Generally Accepted Accounting Principles (GAAP): A collection of commonly-followed accounting rules and standards for financial reporting. The specifications of GAAP, which is the standard adopted by the U.S. Securities and Exchange Commission (SEC), include definitions of concepts and principles, as well as industry-specific rules. The purpose of GAAP is to ensure that financial reporting is transparent and consistent from one organization to another.

Governmental Fund: One if the three groups of funds for which financial statements are prepared, the others including Proprietary and Fiduciary. Activity not explicitly accounted for as Proprietary or Fiduciary activity are reported in the Governmental Fund type. Governmental Funds include special revenue funds, debt service funds, capital project funds, permanent funds, and the General Fund.

Interfund Transfer: Amounts transferred from one fund to another, shown as an expenditure in the originating fund and a revenue in the receiving fund.

Line Item: A specific group of similar items defined by detail in a unique account in the financial records.

Major Fund: Funds whose revenues, expenditures/expenses, assets, or liabilities (excluding extraordinary items) are at least 10 percent of corresponding totals for all governmental or enterprise funds and at least 5 percent of the aggregate amount for all governmental and enterprise funds. Any other fund may be reported as a major fund if the government's officials believe that fund is particularly important to financial statement users. Funds that do not fall into these categories are considered non-major.

Measure 47/50: A 1997 voter approved initiative which rolled back assessed values to 90 percent of their levels in fiscal year FY 1995-96 and limits future annual increases to three percent, except for major improvements. Property tax rates are now considered permanent and not subject to change. Voters may approve local initiatives above permanent rates provided a majority of voters approves.

Measure 5: A constitutional limit on property taxes passed by voters in the State of Oregon in November 1990. The new law sets maximum tax rates on individual properties of no more than \$5 per real market value for education taxing districts and \$10 for general government taxing districts.

Permanent Tax Rate: Under Measure 47/50, each taxing district such as school districts, city governments, counties, and special districts were assigned a permanent tax rate maximum in fiscal year 1997-98. This

permanent tax rate applies to property taxes for core operations. The permanent tax rate for the City of Umatilla was set at \$2.9191 per \$1,000 of assessed value.

Personnel Services: Includes the compensation paid to employees plus the City's contribution for employee benefits such as retirement, social security, health and dental insurance, and workers' compensation costs.

Property Tax: Based off of the assessed value of property (which in Oregon is much lower than the real market value) times the permanent tax rate and are used as the source of monies to pay general obligation debt and core city services.

Proposed Budget: Financial and operating program prepared by the budget officer and staff, submitted to the budget committee for consideration.

Proprietary Fund: Proprietary Fund is one of the three groups of funds for which financial statements are prepared, along with the Governmental and Fiduciary Funds. Proprietary funds are employed to report on business-like activities, financed primarily by revenues generated by the activities themselves, such as water, sewer and stormwater utilities.

Real Market Value (RMV): The estimated value of property as if it were sold. Within the City, the average real market value exceeds the assessed value by just about half. This disparity is the result of voter approved tax Measure 47/50 passed in 1997.

Reserve Funds: Established to accumulate resources from one fiscal year to another for a specific purpose.

Revenues: Monies received or anticipated during the year to finance city services.

Supplemental Budget: Prepared to meet unexpected needs or to spend revenues not anticipated at the time the regular budget was adopted. The supplemental budget cannot be used to increase a tax levy.

Systems Development Charges (SDCs): Charges paid by developers and builders to fund expansion of infrastructure systems necessary due to increased usage. Such charges may be collected for water, sewer, surface water, streets and parks and are paid by developers and builders as part of the permit process.

Tax Base: In Oregon, a designated amount of property tax which can be levied for operating expenses without annual voter approval. The original base must be established by the voters at a general or primary election. Thereafter, the base can be increased by 6% annually without the approval of the voters.

Tax Rate: The amount of property tax paid by property owners for each \$1,000 of their property's assessed value. This rate is computed by dividing the total amount of the tax levies by the total assessed value for the city.

Unappropriated Ending Fund Balance: Represents the portion of the ending fund balance that is not appropriated to be spent in the current year. It must be segregated for future use and is not available for current appropriation or expenditure, except in the event when the City Manager declares an emergency.

Working Capital: Capital used for day-to-day operations, calculated as the current assets minus the current liabilities.

Acronyms

ADA Americans with Disabilities Act	MSRB Municipal Securities Rulemaking Board
ADS Amazon Data Services	NIC Net Interest Cost
APA American Planning Association	NPDES National Pollutant Discharge Eliminating System
ARPA American Rescue Plan Act of 2021	OAR Oregon Administrative Rules
AV Assessed Value	OBDD Oregon Business Development Department
BLM Bureau of Land Management	ODOT Oregon Department of Transportation
BRGC Big River Golf Course	OEM Oregon Emergency Management
CAD Computer-Aided Dispatch	OMA Oregon Mayors Association
CAFR Comprehensive Annual Financial Report	OR Oregon
CBA Collective Bargaining Agreement	ORS Oregon Revised Statutes
CDBG Community Development Block Grant	OSMB Oregon State Marine Board
CDD Community Development Department	OTC Oregon Tourism Commission
CET Construction Excise Tax	OWRD Oregon Water Resources Department
CFS Cubic Feet per Second	PATH Practical Assistance through Transitional Housing
CIP Capital Improvement Plan	PERS Public Employees Retirement System
CIS Citycounty Insurance Service	POD Point of Diversion
COLA Cost of Living Adjustment	PW Public Works
CPA Certified Public Accountant	RMV Real Market Value
CPI Consumer Price Index	ROW Right-of-way
CSF Community Service Fee	RTP Recreational Trails Program
CTUIR Confederated Tribes of the Umatilla Indian Reservation	RV Recreational Vehicle
CWSRF Clean Water State Revolving Fund	S&P Standard & Poors
DEQ Oregon Department of Environmental Quality	SAIF State Accident Insurance Fund
DLCD Oregon Department of Land Conservation and Development	SCADA Supervisory Control and Data Acquisition
DSL Oregon Department of State Lands	SDC System Development Charges

EDA Economic Development Administration	SEC Securities and Exchange Commission
EDU Equivalent Dwelling Units	SIP Strategic Investment Program
EMMA Electronic Municipal Market Access	SRO School Resource Officer
EPA Environmental Protection Agency	SPWF Special Public Works Fund
FASB Financial Accounting Standards Board	STBG Surface Transportation Block Grant
FEMA Federal Emergency Management Agency	STF Surface Transportation Fund
FICA Federal Income Contributions Act	TCV True Cash Value
FTE Full-Time Equivalent	TIC True Interest Cost
FY Fiscal Year	TGM Traffic Growth Management
GAAP Generally Accepted Accounting Principles	TPA Tourism Promotion Assessment
GASB Governmental Accounting Standards Board	TRCI Two Rivers Correctional Institution
GFOA Government Finance Officers Association	TRT Transient Room Tax
GIS Geographic Information Systems	TSP Transportation System Plan
HB House Bill	UAL Unfunded Accrued Liability
HR Human Resources	UCSLD Umatilla County Special Library District
IFA Oregon Infrastructure Financing Authority	UEC Umatilla Electric Cooperative
IT Information Technology	UGB Urban Growth Boundary
LCWF Oregon Parks and Recreation Land and Water Conservation Fund	UIC Underground Injection Control Device
LGGP Oregon Parks and Recreation Local Government Grant Program	UPD Umatilla Police Department
LOC League of Oregon Cities	USACE United States Army Corps of Engineers
MGD Million Gallons per Day	WTF Water Treatment Facility
	WWTP Wastewater Treatment Plant



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