

HERMISTON: Expects to receive \$5.5 million in property tax revenue

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and Highway 395, decorative signage around town and landscaping at the Hinkle-to-Umatilla railroad crossings.

"I don't know the specific project [the \$100,000 will fund] but I've seen the list and a number of those could be good additions to the community," city manager Byron Smith said.

In his first budget as Hermiston city manager, Smith also proposed setting \$100,000 aside to "start looking at what our needs would be" in relation to city hall. City staff have outgrown the building at 180 N.E. Second St., moving into annexes like the old Carnegie library, and Smith said the current building has a number of problems relating to the Americans with Disabilities Act.

In the reserve fund, accounts were created to get the ball rolling on several park projects, including \$85,000 to create a skate park.

The city also set aside \$123,000 to complete improvements at Victory Square Park soon, including the addition of restrooms, a new roof for the picnic shelter, increased lighting and more parking.

Sunset Park will also get an upgrade after the city purchased additional property next to the park last year. A fund of \$39,000 is set aside to move the Public Works entrance currently dividing the two properties, and an additional \$45,000 was set aside for landscaping, irrigation and other park improvements.

"We're hoping that will include a new playground," Parks and Recreation director Larry Fetter said.

Street superintendent Ron Sivey said his department has almost finished its 10-year goal to recondition every city street and will be completing a project along Highland Avenue when school is out.

The city's proposed budget for 2015-2016 includes \$340,000 for street construction, up from \$250,000 for 2014-2015. Sivey said the city would like to start focusing more on construction rather than just maintenance, paving roads like the stretch of June Avenue off of Highway 395.

Money is also set aside in the budget to help pay for an Oregon Department of Transportation project to install traffic signals at the corner of Northwest 11th Street and Elm Avenue.

As far as internal spending goes, the city budgeted up to

DROUGHT: No specific timeframe for signing the declarations

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In Morrow County, flows from Willow Creek were just 6 cubic feet per second above the dam near Heppner, which is much lower than the season's average of 26 cfs. Meanwhile, the U.S. Drought Monitor has the entire state of Oregon listed in some degree of drought — from abnormally dry on the coast, to severe and extreme drought in most of Eastern Oregon.

A state-declared drought would allow the Water Resources Department in each of the affected counties to issue temporary water rights and transfers where needed for irrigation and stream health.

District Watermaster Greg Silbernagel said the declaration allows the department to turn around drought-related rights more quickly, though where those rights could be applied is somewhat limited locally. He said the area that could benefit most is Milton-Freewater and the Walla Walla Basin, since irrigators closer to Hermiston are located in a critical groundwater area.

"Those aquifers are already being monitored very heavily," Silbernagel said. "Therefore, we wouldn't give out more groundwater permits to make an already appropriated system worse."

A spokeswoman for Gov. Brown said there is no specific timeframe for signing the declarations.

\$10,000 for tablets and other departments requested money for similar technology as the city prepares to push toward a paperless system.

Departments budgeted for equipment upgrades and minor capital improvement projects, including new siding on Hermiston Police Department's annex building. Police Chief Jason Edmiston said the department is seeing "huge savings in overtime right now" since the department switched to 12-hour shifts.

Overall the city's budget is about \$4.5 million larger last year, in part because of a \$2 million community development block grant for construction of a new senior center on Aspen Drive behind Wal-Mart.

The city expects to receive \$5.5 million in property tax revenue, up from \$4.8 million in 2014-2015, helped along by the expiration of an enterprise zone tax break for DuPont Pioneer.

Hermiston Energy Services, water and sewer funds are projected to see an increase in revenue from recent rate increases. HES customers will get their first bill reflecting the rate increase this month.

"We'll be monitoring that," Smith said.

Total personnel in the proposed budget are 111.73 full-time equivalents, down just slightly from 112.03 FTE in the current year.

The city council plans to hold a public hearing and a vote on the budget during its June 8 meeting. A draft of the proposed budget can be found online at www.hermiston.or.us/finance/budget.

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REBATES: Students protested against kicker

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least 2 percent. When that occurs, the unanticipated revenue gets kicked back to taxpayers as income tax credits. The last time Oregonians got a kicker was in 2007, when they got back a total of more than \$1 billion after a booming economy brought in revenue more than 19 percent higher than expected.

Once the tax rebates are out, state economists said, state lawmakers will have an additional \$463 million in resources to spend.

The report of a strengthening economy drew optimism from lawmakers who have said they'd invest some of that money in public education.

Gov. Kate Brown said in a statement the robust economic growth translates into an extra \$100 million for public schools. Senate Majority Leader Diane Rosenbaum said that means about 40 percent of the increased revenues will be dedicated to the K-12 budget.

House Republican Leader Mike McLane, of Powell Butte, said while the revenue forecast was a sign the state's economy

was on the upswing, Democrats in the Legislature have been underfunding schools despite the additional revenue. In March, Democrats and Republicans butted heads over the education budget, with Republicans saying the state had plenty of money but that Democrats weren't making education a high enough priority.

"The Legislature doesn't have a revenue problem, it has a leadership and priorities problem," McLane said. "Oregon taxpayers know how to spend their money better than we do," he added.

Despite the rosy outlook, news of the tax rebate drew chants and protests from students sitting in the committee hearing who wanted the money to be siphoned back into higher education. Shouting "the kicker has got to go," a handful of protesters were escorted from the room, but kept up their chants outside the doors while economists continued with their report.

A spokesman for the Oregon State Police said they arrested 10 people and charged them with interfering with legislative operations.

PENDLETON

PSD superintendent cautiously optimistic about revenue forecast

East Oregonian

Despite a new state revenue forecast that projects a \$105 million increase to the education budget over the next two years, the Pendleton School District isn't out of the woods quite yet.

"We're not going to have any finality until the end of the Legislative session," Peterson said.

While saying the new projections from the revenue is a "step in the right direction," Peterson said the new development won't be included in the budget draft to be presented at the district's budget meeting May 21.

"We can't build our budget with money that's potentially not going to be there," he said.

While district officials aren't factoring one form

of economic uncertainty into their budget, they're currently including another.

The district's first budget meeting will come two days after May 19, when election results will determine whether Pendleton voters will re-approve the district's \$2.35 million operation levy, which imposes a property tax rate of 40 cents per \$1,000 in assessed value.

According to district officials, this isn't an "either/or" proposition — the district needs both a larger state budget and the successful passage of the levy in order to avoid cuts to programs and faculty.

Originally instituted in 2000, the levy was renewed by voters in 2005 with a vote of 58 percent, although the margin fell to 54 percent when it was renewed a second time.

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