



City Of Heppner

Gateway to the Blues

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February 05, 2026

Senate Committee on Commerce and General Government
900 Court St. NE
Salem, OR 97301

Dear Committee Members;

My name is John Doherty, and as the City Manager for the City of Heppner, I am providing information on how our City is affected by current grant match requirements. We are specifically asking for **support for Senate Bill 1585**. The following is how our City will benefit with the passing of this Bill.

The cost of infrastructure continues to skyrocket, and small cities throughout Oregon are deeply affected by tight budgets. We rely on a combination of property taxes, (with all its limitations), limited state funds, and rates/fees that are passed on to our citizens to efficiently operate our cities. Our infrastructure, and other projects important to our citizens, continue to lose traction due to deferred maintenance, while growth of reserve funds takes years to amass. Grants are an important strategy that we can tap into when trying to meet the requirements of providing adequate infrastructure and projects important to the livability of our City, which are highly desired/requested by our citizens.

Current local match requirements for numerous grants are a significant barrier to our ability to provide revenue for important projects. These include a recently awarded OPRD grant, open grants through Business Oregon, and ongoing applications through ODOT for Small Cities Allotment transportation improvement grants.

Heppner has a standard operating budget ranging between \$8 Million and \$13 Million on an annual basis. We currently have planned urgent water infrastructure improvements that total \$11 Million in 2026 dollars. With limited reserve funds available, we will rely on financing and grants to fund these projects. We also have ~\$2 Million of urgent and necessary wastewater facilities maintenance and improvement needs to stay compliant with DEQ regulations, for which we've yet to pursue funding. Our tax base is not sufficient to pay for these improvements solely through tax receipts, therefore, grant solutions become one of the only ways we can meet the expectations of our City Council, and ultimately our citizens. Costs for improvements that do not come in the form of grants or "forgivable loans," will be born upon citizens in the form of rate increases.

Finding a viable solution requires collaboration; we can find an equitable way to make SB 1585 work for small cities. We recognize that a program like this may reduce grant funding pools but know we can arrive at a solution that will continue to be a long-term investment in the viability of Oregon's small communities. Without a solution, small cities in Oregon will continue to deal with deteriorating infrastructure while projects important to our citizens will take decades to complete.

I respectfully ask all members support of **Senate Bill 1585**.

Please feel free to reach out to me with any questions or comments. I can be reached at (541) 676-9618 or manager@cityofheppner.org

Sincerely,

John Doherty
City Manager

THE CITY OF HEPPNER

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