



URBAN RENEWAL AGENCY BUDGET COMMITTEE MEETING MINUTES

May 06, 2025 at 12:00 PM

Santiam Travel Station – 750 3rd Street, Lebanon, Oregon

MISSION STATEMENT

*We provide services that foster a resilient, safe, and growing community,
strengthened by our community connections*

CALL TO ORDER

The meeting was Called to Order at 12:00 PM.

ROLL CALL

PRESENT

Kenneth Jackola
Michelle Steinhebel
Dave Workman
Jeremy Salvage
David McClain
Dominic Conti
Rebecca Grizzle
Lance Caddy
Jeffrey King
Robert Waterhouse
Shantel Schroeder

ABSENT

Carl Mann
Tom Wells
Lawrence (Larry) Martin

STAFF

City Manager Ron Whitlatch
Finance Director Brandon Neish
City Recorder Julie Fisher
Community Development Director Kelly Hart
Human Resources Director Angela Solesbee
Information Technologies Director Brent Hurst
Library Services Director Kendra Antila
Police Chief Frank Stevenson
Public Works Director Jason Williams
Senior Center & LINX Director Kindra Oliver

APPROVAL OF MINUTES

Motion made to approve the 2025-04-16, 2024-04-30, and 2024-04-29 Lebanon City and Urban Renewal Agency Budget Committee minutes by Grizzle, Seconded by King.

Voting Yea: Jackola, Steinhebel, Workman, Salvage, McClain, Conti, Grizzle, Caddy, King, Waterhouse, Schroeder

1. 2025-04-16 Lebanon City and Urban Renewal Agency Budget Committee Meeting
2. 2024-04-30 Lebanon City and Urban Renewal Agency Budget Committee Meeting
3. 2024-04-29 Lebanon City and Urban Renewal Agency Budget Committee Meeting

PUBLIC HEARING(S)

Per ORS 221.770 (b) citizens have the opportunity to provide written and oral comment to the authority responsible for approving the proposed budget of the city for the fiscal year on the possible uses of the distributions, including offset against property tax levies by the city for the fiscal year.

4. State Share Revenues

The Public Hearing regarding State Revenue Sharing was opened at 12:01 PM. Finance Director Neish presented the committee with a report on revenues that are shared by the state including those for liquor, marijuana, and cigarette taxes. Those funds are received into the General Fund and used for Police and Municipal Courts for compliance and enforcement of driving under the influence and marijuana regulations and related offenses.

Chair Workman asked for any Public Comments, there were none.

The Public Hearing was closed at 12:03 PM.

5. FY 2025/2026 Proposed City of Lebanon Budget

PUBLIC HEARINGS ADJOURNMENT AND CONVENE: Adjourn as the City of Lebanon Budget Committee and Convene as the Urban Renewal Agency Budget Committee

The Public Hearing for the 2025/26 Proposed City of Lebanon Budget was opened at 12:03PM.

Chair Workman asked for any Public Comments, there were none.

The Public Hearing was closed at 12:04 PM.

The committee adjourned as the City of Lebanon Budget Committee and convened as the Urban Renewal Agency Budget Committee.

6. Proposed Urban Renewal Budget

PUBLIC HEARINGS ADJOURNMENT AND CONVENE: *Adjourn as the Urban Renewal Agency Budget Committee and Reconvene as the City of Lebanon Budget Committee*

The Public Hearing for the FY 25/26 Proposed Urban Renewal Budget was opened at 12:04 PM.

Chair Workman asked for any Public Comment, there was none.

The Public Hearing was closed at 12:05 PM.

The committee adjourned as the Urban Renewal Agency Budget Committee and reconvened as the City of Lebanon Budget Committee.

PRESENTATION(S)

The meeting was handed over to Finance Director Neish who stated the Lebanon Downtown Association, and the Chamber of Commerce would provide reports to the committee as they both receive funds from the City's Transient Lodging Tax. A presentation from each department would follow.

7. Lebanon Downtown Association

Robert Rogers with the Lebanon Downtown Association reported the LDA receives \$30,000 from the Transient Lodging Tax. That is used primarily to pay for their director. It was also

reported that there are 50 members who pay \$100 in membership fees each year. The LDA focuses on bringing visitors to the downtown thru events. The 25/26 Budget reports roughly \$70,000 in revenue which includes the \$30,000 from the City, and an estimated \$55,000 in expenses, with a net profit forecasted at \$11,000. It is the goal of the LDA to become self-sufficient.

There was a question on membership, and it was explained that those within the downtown area can become members and those outside the downtown area can join as Friends of the LDA.

It was asked what the LDA would do with a larger budget. Mr. Rodgers replied the LDA would invest in businesses, provide more business resources, and market outside Lebanon to promote events within Lebanon.

The LDA has applied for several large grants for building owners to improve downtown buildings. If successful, the LDA will act as a pass through for the grants and collect 4% as an administrative fee.

8. Lebanon Chamber of Commerce

Rebecca Grizzle with the Lebanon Chamber of Commerce reported on the \$40,000 the chamber receives from the Transient Lodging Tax. The Lebanon Chamber is also a visitor's center. The funding goes towards the visitor center hours, printed maps for visitors, and tourism grants. Director Grizzle stated their motto of "heads in beds" which are multiday events and bring people into town for longer periods. Those types of events can receive a grant up to \$1,000. There was discussion on a few upcoming requests by Build Lebanon Trails and the State Fiddler's Contest.

9. City Manager - Ron Whitlatch

City Manager Ron Whitlatch reported on the Executive Funds which work with Council to meet policy objectives. The stability of the General Fund was a priority and as Council implemented the City Services Fee, staff sent public communications, door hangers, notices, and conducted town hall meetings. The service fee keeps current services intact in the 5-year projection. The 5-year Strategic Plan set priorities which have given Directors specific goals. An update on those efforts included the relocation of the Council Chambers, Lobbying efforts at Salem and Washington D.C, and OCWCOG Grant application status.

The question was asked on who pays the City Services Fee, and it was explained that every residence, apartment, and business pays the fee which helps with the General Fund deficit for Parks, Senior Center, Library, Courts, Planning, and the Police Department. It was noted that Lebanon is not alone in the structural deficit and many cities already have a similar fee in place and others are implementing them soon. The 5-year budget projection helped plan forward.

10. City Recorder / Mayor & City Council - Julie Fisher

City Recorder Julie Fisher reported to the Council that two funds are in her charge, City Council and City Recorder. The City Recorder's Department assists the Council by recording all Council actions, noticing public meetings, creating the agenda and agenda packets, and ensuring all actions of the Council are transparent.

The City Recorder also acts as the archivist for City documents and historical items. It was noted one of the oldest documents in archives is from 1866.

The City Recorder's office has one full time City Recorder and a part time Deputy Recorder. The City Recorder also acts as the Election Officer, and the office is responsible for petitions, ballot titles, candidates, and certifying election results, while working with the County Elections Officer.

There were no major changes in either budget. It was noted that the large items in the budget cover the website, codification of the Lebanon Municipal Code, agenda builder program, and

the State Archives program. In the Council Budget, there was a slight increase in memberships.

11. Community Development - Kelly Hart

Community and Economic Development Director Kelly Hart reported on the Community Development Department reporting three main responsibilities; general development which oversees proposed building, building development, which is safe for communities, and economic development to help business grow. CED Hart also acts at the Government Affairs liaison.

The goals of the department are improving issuance and compliance, and to streamline processes. "It's easier from here" is the department moto. The department does all this with only 2 permit technicians and a building official. A large code update was just completed as part of the Housing Production Strategy and will be finalized by the end of this fiscal year. It was asked the feasibility of a contracted Building Official versus hiring an employee. The benefits of using NW Code Professionals are that when the Building Official is out on leave, someone is able to fill in. Also, there are many certifications that are needed for the various reviews, and it would be hard to find one person with them all. By using NW Code Professionals, we have access to their staff with their many certifications. Using the contract services makes for seamless coverage, plus we only pay for hours needed.

There was a question on the Community Development Block Grants. CED Hart explained the grants are issued through DEB NW and the City acts as a passthrough. The work has slowed since there was a change in staff that affected operation; however, DEB NW is ready to start back up. The City is a fiscal agent only and there is no financial impact.

12. Engineering - Ron Whitlatch

City Manager Ron Whitlatch presented the Engineering Funds as he still maintains the current engineering title. After a 5-month recruitment process, the City has still not found a qualified applicant for the position. For this reason, the Public Works Director and the Assistant Engineer are both taking a bigger role in projects. The Engineering Department has 6 full time employees, 4 work in capital and 2 in development and general review. The City contracts private development drawing review, permitting and traffic which has been cost effective. The Operation Wastewater Fund was highlighted and discussion regarding the effects of the Green Peter Reservoir Drawdown and legal services in the fund. Other items noted were funding for the Industrial Way Pond, Wastewater Treatment Plant Consulting Services, and the Lateral Replacement Program. Capital Projects were listed separately but will be included in the final budget document. Projects listed included catch basin at Elmore and J Street, traffic signal at 12th and Airport, and a street overlay project. There was discussion on how the Ziply project has taken a dedicated staff and resources that is costly.

13. Finance - Brandon Neish

Finance Director Brandon Neish oversees the Finance and Municipal Court Departments. The funds for finance support payroll, accounts payable, accounts receivable, and general accounting and utility billing. There are three full time staff in finance, each who maintain segregated duties for financial accountability.

Court has 2 full time staff and one staff who is half time court, and half-time payroll. Court works under direction of the Municipal Court Judge and deals with citations and traffic infractions.

Director Neish explained the Internal Services Fund, which include items that support multiple departments such as the Audit Contract Services. A finance reporting software will be added and will allow for continued compliance in financial reporting and aide in transparency.

It was asked about the continued escalation in PERS costs. There was a lengthy discussion around PERS, noting that there is no other option and the City is required to provide PERS. It was noted that PERS is not a sustainable model and will make or break government agencies. There were concerns over the contributions to PERS that citizens might say is out of control. The response was that PERS is dictated by the state and local governments have

no ability to change, and it was agreed by all that it is a long-term issue.

The conversation switched to development. It was asked what the plan is to offset the increased burden to the community from development. System Development Charges were explained and the fees that developer pay for developments.

It was noted that the City is always active looking for ways to new ways to do business and for additional revenue streams. Additional franchise fees, solar power, and grants were all discussed as potential revenue options.

14. Human Resources - Angela Solesbee

Human Resources Director Angela Solesbee reported that she is the only employee in the department. Some of the duties in Human Resources include managing recruitment and hiring, applicant tracking, metrics, interviewing, hiring, onboarding, and training. Compensation and benefits are other areas in her responsibility. HR works with a third-party contractor, City Insurance Services, for benefit enrollment and life changes due to events. Director Solesbee also oversees Labor Relations with two unions, and Employee Relations maintaining a positive overall culture. Training and development remain a top priority.

The challenges related mostly to constraints of having only one person in the department. It was noted there were tools available that could be implemented, however the time for learning the new programs, and setting them up for implementation, take away from the daily responsibilities and have been less of a priority.

There were no major changes noted in the Human Resources funds.

15. Information Technologies - Brent Hurst

Information Technologies Brent Hurst reported the IT Department is staffed by 6 full time employees who support the Strategic Plan, project systems, and staff.

The Council Chambers move will be complete and ready for meetings by June. That project was funded using ARPA funds.

In addition to larger projects, the department routinely works on computers, phones, mapping, audio and video, and network security. Priority is giving to the water, wastewater, and police departments.

Large projects coming soon are the upgrades to the phone system and the Emergency Operations Center, which was last upgraded in 2010.

It was noted the SCADA project is about complete.

16. Library - Kendra Antila

Library Director Kendra Antila stated the Lebanon Public Library serves the community by providing access to learning materials. The library is a safe and welcoming place for personal growth. Investing in people, almost 70K patrons visit the library annually.

The Lebanon Community Library partners with the Linn Library Consortium which allows shared library material to cardholders. The library also has a seed library for gardens. Cultural passes available include the Museum of Natural History, Cascade Raptors Center, and parking passes for Oregon State Parks.

Other items available for check-out include a sewing machine, wood burning tool kit, bingo, birdwatching kit, puppet theater and baking pans.

Programs are free to the public and include Storytime, craft times and Lego play. Many programs are funded by grants or the Friends of the Library.

There was discussion on staffing challenges with the reduction. Saturdays have now become busy at the library since they are now closed on Fridays.

17. Police - Frank Stevenson

Chief Stevenson reported the department has 42 full time employees enforcing laws and protecting life and property with 24/7 patrol services, emergency response, and intact community engagement programs. There are currently only 2 vacancies, last year there were 11. With more normal staffing levels, the department is able to allocate resources to traffic enforcement.

A new program will allow paperless tickets and more efficient reports from patrol vehicles that integrates into the court system, reducing redundancy. It will also aide staff with communication non-English speaking callers.

The purchase of a drone will aid in searching hard to reach areas.

The department's goal is to renew the reserve and cadet programs which are volunteer run programs for youth interested in law enforcement careers.

There was discussion on the closed jail and the staffing it would require to re-open it. It was noted to adequately staff the jail; it would take 6 certified full-time staff and a nurse practitioner that is required by insurance. Additional discussion surrounded the jail as a tool for the judge and courts, noting the accountability piece is missing.

The service Linn County Mental Health provides is a huge asset in the community policing efforts. Increased patrols in the parks and trails are making an impact in vandalism and other unwanted activities.

18. Public Works - Jason Williams

Public Works Director Williams reported on all aspects of the department including parks, streets, sewer treatment, fleet, stormwater, wastewater, water, and custodial.

There are only 2 full time employees dedicated to the 88 acres of maintained park lands and 203 acres of non-maintained areas. They also maintain areas around city facilities such as the library and senior center.

Only 1 custodian maintains all buildings. Upkeep is costly and it was noted that aging facilities are in need of repair. The HVAC at the Justice Center will need replaced and the roof is in need of repair at the old library.

Examples of regulations that affect operations cost and the end user were noted at the treatment plants. The aging facilities were not designed to operate to meet current regulations. The City is spending funds to meet constantly changing regulations. This was the reason behind the city-wide meter change out program; those and other regulations are costly. Public Works Director Williams, Mayor Jackola and City Manager Whitlatch have been advocating for funding to upgrade the wastewater treatment plant and for additional equipment needed to meet regulatory requirements.

New membranes at the Water Treatment Plants are needed as the 15-year expected life cycle was cut in half, the direct result of the Green Peter Drawdown, another regulatory mandate that affects the City. The City is actively trying to recoup those cost thru legal action.

19. Senior Center & LINX - Kindra Oliver

Director Oliver reported a continued growth in rides, and the projection estimates 75k riders served in the upcoming years. It was reported the Director is partly paid by a transit match and 250k in federal funds go towards operations and maintenance. 1.1M in state funding is used toward operations and new vehicle. There were questions from the committee regarding the continuation of federal funding, as well as the collection of fares from riders. Director Oliver stated that LINX could reinstate fares but could potentially see a decrease in riders. There are two types of services; a fixed route and a demand response; the option of charging for the demand response rides and keeping the fixed route free was discussed.

The Senior Center Budget operates with limited staffing and relies on volunteers. The Senior Center serves the community who are 50 years or older and provides many activities and classes.

20. Non-Departmental - Brandon Neish

Finance Director Neish reported on the non-departmental funds which includes items such as insurance and utilities costs for city hall, Santiam Travel Station, and other facilities. It was reported accelerated payments towards the URD to see the tax returns on the rolls.

PROPOSED FY 2025/2026 BUDGET

21. Committee Discussion on Proposed Budget

The committee received a report from Finance Director Neish regarding the projected 5-year budget forecast with the continued City Services Fee, sees no deficient in 5 years. Some of the discussion topics included alternatives to franchise fees for fiber services, which are currently not included as any franchise fees, but take city staff time, use ROW, and have a cost to the city that is not being collected.

The cost of PERS and other salary and benefits were discussed. It was explained that PERS is not optional.

State Shared Revenues have dropped. This is the first year the City has seen a decline in revenue from the liquor tax.

There was a long discussion on the Council Compensation. The Council gave up their stipend during the FY 2024/2025 budget discussion due to the financial projection of the 5-year forecast. Committee member Grizzle brought the item back up for discussion. There were still concerns about being financially solvent and it was noted each dollar adds up. The timing was less than favorable for some of the Council members. CM Whitlatch noted the stipend is not meant to reimburse for time, but for gas and extra costs for attending meetings and city events. Finance Director Neish noted the Council stipend was .04% of the overall budget total, \$37,816 covers all stipends and payroll expenses for the year. The consensus was that the Mayor would receive \$500 per month and would be the only stipend paid. The Council stipend would be revisited again next year.

Finance Director Neish led the committee through the remainder of the budget highlighting key areas. It was reported that the budget reserve is 2.2 million, and the year-end estimate is 1.7 million. Other key items to note were property taxes, franchise fees, rate increases, and the City Services Fee.

22. Approval of City Budget and Tax Levies

Motion to approve the FY 2025/2026 Budget in the amount of \$95,677,938 and levy taxes in the amount of \$5.1364 per \$1,000 assessed value and \$2,000.000 for the general obligation levy as proposed by the City's Budget Officer and recommended the City of Lebanon City Council adopt the fiscal year budget made by Grizzle, Seconded by King.

Voting Yea: Jackola, Steinhebel, Workman, Salvage, McClain, Conti, Grizzle, Caddy, King, Waterhouse

PROPOSED FY 2025/2026 URA BUDGET

ADJOURNMENT AND CONVENE: Adjourn as the City of Lebanon Budget Committee and Convene as the Urban Renewal Agency Budget Committee

23. Committee Discussion on Proposed URA Budget

NW URD- there was discussion about acceleration of debt service payments in order to collapse the URD in 2027, which is 5 years sooner than scheduled. This would return \$350k per year in property tax revenue for the City. All other districts such as the fire, school, and county would receive tax back as well.

Gateway URD- projects are ready to begin and this budget will be used for work on N. 5th Street, and traffic control on Hwy 20 and Reese Parkway.

Downtown URD - no expenditures were reported from the Downtown URD. This URD generates 30k in property tax revenue per year. There was discussion on closing this URD.

24. Approval of URA Budget and Tax Levies

Motion to recommend the Urban Renewal Agency approve the NW Lebanon URD taxes for FY 2025*2026 at the tax increment value of \$2,000,000 made by King, Seconded by Jackola.
Voting Yea: Jackola, Steinhebel, Workman, Salvage, McClain, Conti, Grizzle, Caddy, King, Waterhouse

Motion to recommend the Urban Renewal Agency approve the Cheadle Lake URD taxes for the FY 2025/2026 at the rate of 100% of the amount from the division of tax made by Waterhouse, Seconded by King.

Voting Yea: Jackola, Steinhebel, Workman, Salvage, McClain, Conti, Grizzle,

Motion to recommend the Urban Renewal Agency approve the N. Gateway URD taxes for FY 2025/2026 at the rate of 100% of the amount from the division of tax made by Grizzle, Seconded by Jackola.

Voting Yea: Jackola, Steinhebel, Workman, Salvage, McClain, Conti, Grizzle, Caddy, King, Waterhouse

Motion to recommend the Urban Renewal Agency approve the Downtown URD taxes for FY 2025/2026 at the rate of 100% of the amount from the division of tax made by King, Seconded by Waterhouse.

Voting Yea: Jackola, Steinhebel, Workman, Salvage, McClain, Conti, Grizzle, Caddy, King, Waterhouse

Motion to recommend the Urban Renewal Agency approve the Mill Race URD taxes for FY 2025/2026 at the rate of 100% of the amount from the division of tax made by King, Seconded by Salvage.

Voting Yea: Jackola, Steinhebel, Workman, Salvage, McClain, Conti, Grizzle, Caddy, King, Waterhouse

Motion to recommend the FY 2025/2026 in the amount of \$8,469,526 as proposed by the Agencies Budget Officer and recommend the Lebanon Urban Renewal Agency Board, adopt the fiscal year budget made by Grizzle, Seconded by Salvage.

Voting Yea: Jackola, Steinhebel, Workman, Salvage, McClain, Conti, Grizzle, Caddy, King, Waterhouse

ADJOURNMENT AND CONVENE: *Adjourn as the Urban Renewal Agency Budget Committee and Reconvene as the City of Lebanon Budget Committee*

PUBLIC COMMENTS

COMMITTEE COMMENTS

Mayor Jackola thanked staff and the committee for their time. It was noted that the City is seeking ways to do things differently, maximize resources, and find ways to save.

ADJOURNMENT

The meeting adjourned at 3:21 PM.