



City of Lebanon FY 2018/19 Budget Committee Meetings

*May 2, 2018 @ 12 Noon
Santiam Travel Station – 750 S. 3rd Street

AGENDA

- 1) **Call to Order** – *Mayor Paul R. Aziz*
- 2) **Roll Call** – *Donna Trippett, Administrative Assistant*
- 3) **Nominations:**
 - A. Budget Committee Chair - *Mayor Aziz*
 - B. Budget Committee Secretary - *Committee Chair*
(*Formal minutes will be recorded and prepared by Donna Trippett*)
- 4) **Approval of FY 2017/18 Budget Minutes** – *Committee Chair*
- 5) **Presentation Summary of FY 2018/19 Budget(s)** – *Gary Marks, City Manager*
(*Budget Officer*) & *Matt Apken, Finance Director*
- 6) **Presentation of Department Budgets** – *Department Director*
 - A. Administration & City Attorney (110 & 120) *Gary Marks, City Manager (Budget Officer)*
 - B. Legislative/City Clerk's Office (160) *Linda Kaser, City Clerk*
 - C. Human Resources (116) *Debi Shimmin, HR Director*
 - D. Information Technologies & GIS (540 & 542) *Brent Hurst, IT Director*
 - E. Planning (126) & Building (527) *Walt Wendolowski, Community Develop. Dir.*
 - F. Senior Services, Dial-A-Bus, Sr. Trust (190, 569 & 835) *Kindra Oliver, Senior & Dis. Services Director*
 - G. Library & Library Trusts (165, 830, 833 & 838) *Kendra Antila, Library Director*
 - H. Police & Police Trust (180 & 829) *Frank Stevenson, Police Chief*
 - I. Youth Court, Police Reserves, Equitable Sharing &
School Resource Officer (515, 516, 562 & 564) *Frank Stevenson, Police Chief*
 - J. Eng., Water, Storm & Sewer (130, 430 - 476) *Ron Whitlatch, Engineering Services Director*
 - K. State Foot & Bike Path, Infrastructure, Streets &
Signals (550, 555, 558 & 571) *Ron Whitlatch, Engineering Services Director*
 - L. CIP Fund & SDCs, 815, 840, 845 & 850s) *Ron Whitlatch, Engineering Services Director*
 - M. Finance, Muni Court, Non-Departmental, Bonds
& Bail (140,170, 195, 314, 317, 320 & 910) *Matt Apken, Finance Director*
 - N. Parks, Motel Tax, Parks Enterprise & Grants,
Custodial/Maintenance, Boat Ramp Maintenance,
Equipment Acquisition & Pioneer Cemetery
(133, 510, 533, 535, 545, 593, 820 & 825) *Matt Apken, Finance Director (for Jason W.)*

7) **Public Hearing(s)** – Chair opens and closes each hearing prior to the motion.

A. State Shared Revenues – Committee Chair

Motion: I move to recommend the City Council accept State Revenue Sharing monies as a non-dedicated revenue in the General Fund.

B. FY 2018/19 Proposed City of Lebanon Budget – Committee Chair

Motion: I move to recommend the City Council levy the permanent property tax rate of \$5.1364 per \$1,000 of assessed value for operating purposes, and \$ 1,584,600 for payment of bond principal and interest.

Motion: I move to recommend the City Council adopt the FY 2018/19 Budget in the sum of \$54,734,913 as proposed by the City's Budget Officer.

(Motion to amend: I move to amend...)

Adjourn as the Lebanon Budget Committee and convene as the NW Lebanon Urban Renewal District (URD) Budget Committee – Committee Chair.

8) **FY 2018/19 NW Lebanon URD Budget Presentation – Gary Marks**

9) **Public Hearing(s)** – Chair opens and closes each hearing prior to the motion.

A. Proposed NW Lebanon URD Taxes

Motion: I move to recommend the City Council approve the NW Lebanon URD Taxes for FY 2018/19 at the rate of 100% of the amount from the division of tax.

B. Proposed NW Lebanon URD Budget

Motion: I move to recommend the City Council adopt the FY 2018/19 NW Lebanon URD Budget in the sum of \$3,265,640 as proposed by the City's Budget Officer.

(Motion to amend: I move to amend...)

Adjourn and convene as Cheadle Lake Urban Renewal District (URD) Budget Committee – Committee Chair

10) **FY 2018/19 Cheadle Lake URD Budget Presentation/Discussion – Gary Marks**

11) **Public Hearing(s)** – Chair opens and closes each hearing prior to the motion.

A. Proposed Cheadle Lake URD Taxes

Motion: I move to recommend the City Council approve the Cheadle Lake URD Taxes for FY 2018/19 at the rate of 100% of the amount from the division of tax.

B. Proposed Cheadle Lake URD Budget

Motion: I move to recommend the City Council adopt the FY 2018/19 Cheadle Lake URD Budget in the sum of \$1,138,986 as proposed by the City's Budget Officer

(Motion to amend: I move to amend...)

Adjourn and convene as the North Gateway Urban Renewal District (URD) Budget Committee – Chair

12) **FY 2018/19 North Gateway URD Budget Presentation/Discussion** – Gary Marks

13) **Public Hearing(s)** – Chair opens and closes each hearing prior to the motion.

A. Proposed N. Gateway URD Taxes

Motion: *I move to recommend the City Council approve the N. Gateway URD Taxes for FY 2018/19 at the rate of 100% of the amount from the division of tax.*

B. Proposed N. Gateway URD Budget

Motion: *I move to recommend the City Council adopt the FY 2018/19 N. Gateway URD Budget in the sum of \$1,254,032 as proposed by the City's Budget Officer.*

(Motion to amend: I move to amend...)

Adjourn and reconvene as the Lebanon Budget Committee – Committee Chair

14) **Committee Comments**

15) **Next Budget Meeting** – Noon, May 3 (if needed)

16) **Adjournment** – Committee Chair

The meeting room is accessible to persons with disabilities. A request for an interpreter for the hearing impaired, or for other accommodations for persons with disabilities, should be made at least 48 hours before the meeting by contacting the City Clerk's Office at (541)258-4905.

**CITY OF LEBANON 2018/2019
BUDGET COMMITTEE MEETING MINUTES
May 2, 2018**

BUDGET COMMITTEE MEMBERS PRESENT: Mayor Paul Aziz, Councilors Jason Bolen, Bob Elliott, Floyd Fisher, Robert Furlow, Rebecca Grizzle, Wayne Rieskamp, Lance Caddy, Virginia Cloyd, Josh Port and Kim Ullfers

STAFF PRESENT: City Manager (Budget Officer) Gary Marks, City Clerk Linda Kaser, Finance Director Matt Apken, Police Chief Frank Stevenson, Community Development Director Walt Wendolowski, Engineering Services Director Ron Whitlatch, Senior Services Director Kindra Oliver, Information Services Director Brent Hurst, Library Director Kendra Antila, Human Resources Director Debi Shimmin, and Administrative Assistant Donna Trippett

- 1) **CALL TO ORDER** – Aziz called the Budget Meeting to order at 12:00 p.m.
- 2) **ROLL CALL** – Roll call was taken with Committee Member Todd Gestrin absent.
- 3) **NOMINATIONS**
 - A. **Budget Committee Chair.** *Grizzle moved, Bolen seconded, to nominate Ullfers as the Budget Committee Chair. The motion passed.*
 - B. **Budget Committee Secretary.** *Aziz moved, Bolen seconded, to nominate Grizzle as the Budget Committee Secretary. The motion passed.*
- 4) **APPROVAL OF 2017/2018 BUDGET MINUTES** – *Grizzle moved, Rieskamp seconded, to approve the 2017/2018 Budget Meeting Minutes as presented. The motion passed unanimously.*
- 5) **PRESENTATION SUMMARY OF FY 2018/19 BUDGET(S)**, presented by Gary Marks, City Manager (Budget Officer), and Matt Apken, Finance Director
 - City levels of service are maintained or more. Library hours increased with no change to the budget.
 - Contingencies/reserves are overall up 8.3%.
 - The General Fund balance goal of 19% is met at 26.8%.
 - Operating appropriations are up 6.5%.
 - Capital investment is down 44.7% and constitutes 37.5% of the overall budget, primarily due to the water treatment plant project.
 - Overall net staffing is increased by 5.5 FTE – one sworn police officer, two water plant operator positions, one Parks maintenance position, one IT position, one economic development position, one half-time Senior Services position, and not filling one existing Engineering position.
 - There will be a mid-year budget year review with potential of adding a sworn officer position.
 - The budget includes eight Strategic Plan Action Items and five Council Goals:
 - 1) Strategy 4.4 Create a URD for downtown and the Hwy. 20 strip; 2) Strategy 5.5 Develop a Ralston Park Improvement Plan; 3) Strategy 8.2 Maintain the Library and expand program offerings; 4) Strategy 9.5 Build a community garden; 5) Strategy 11.2 Develop a strategy to address wetlands mitigation; 6) Strategy 12.1 Create a community and economic development position (40% funded through the General Fund and 60% from the NW URD); 7) Strategy 13.4 Build a new water treatment plant. The plan is to open the plant in December. Both plants will run concurrently for about six months; and 8) Strategy 15.4 Maintain Police funding and staffing commensurate with community growth.

Council Goals: 1) Downtown revitalization; 2) Water treatment plant construction; 3) City Facilities Master Plan (with a focus on City Hall); 4) Implement a wetlands mitigation strategy; and 5) Maintain Police staffing commensurate with community growth.

Proposed Budget:

- Covers FY 7/1/2018 through 6/30/2019 and provides budget authority for the services and projects that the City anticipates providing during the fiscal year. It contains six funds – General Fund (25%), Debt Service Fund (7%), Enterprise Fund (35%), Special Revenue Fund (10%), Capital Project Fund (23%), and Trust and Agency Fund (0%) – with 52 segregated self-balancing divisions or departments.
- Totals \$54,734,913 in appropriation authority and reflects a decrease of \$14,888,214 as compared to the current year budget. The appropriated budget less internal transfers equals the effective budget, which decreased 23% this year (much of it due to capital spending going down). The effective budget less capital appropriations and contingencies equals the operating budget, which increased 6.5% (or 4.4% without dual water plant operations) this year.

General Fund:

- Provides budget authority for 13 active divisions, including Administration, Finance, Human Resources, Library Services, Legislative, Municipal Court, Legal Services, Police Services, Community Development, Senior Services, Engineering, Non-Departmental, and Parks. It also provides financial support to other areas of the budget in the aggregate amount of \$844,545.
- Totals a little over \$11 million in external appropriation authority, which is up about 4.6% (\$11,306,393) compared to last year.
- Funds approximately 2.47 new FTE versus the prior fiscal year.
- After financial policies were implemented, reserves went up rather quickly. This year new staff positions will be supported. Marks anticipates future reserves to be above the 19% goal.

Urban Renewal Agency:

- Covers FY 7/1/2018 through 6/30/2019 and provides budget authority for the projects the Agency anticipates providing during the fiscal year. It contains three segregated self-balancing districts – NW Lebanon URD Fund (58%), Cheadle Lake URD Fund (20%), and North Gateway URD Fund (22%).
- Totals \$5,658,658 in appropriation and reflects a decrease of \$2,219,842 as compared to the current year adopted and revised budget. The effective budget of \$4,316,267 reflects a 28.3% decrease.

Combined effective overall budgets is \$53,637,163 (City Budget 91%, URA Budget 9%).

6) PRESENTATION OF DEPARTMENT BUDGETS – Directors provided budget highlights.

Finance Director Apken gave a summary on revenues:

- Property taxes are anticipated to increase by about \$260,000 due to underfunding the NW URD.
- Licenses/permits will be slightly increased.
- Finance and forfeitures will be slightly increased.
- Funds from the State jail and School Resource Officer IGAs have been moved from a separate fund to the General Fund.
- The General Fund includes all School District landscape maintenance IGA funds.
- Transfers are based on the worksheets found just before the General Fund tab.

A. Administration & City Attorney (110 & 120). Marks stated there are no significant changes.

B. Legislative/City Clerk's Office (160). City Clerk Kaser stated there are no significant changes. While Materials & Services decreased \$550.00, the overall budget increased slightly over \$2,000.00 due to salaries and cost of living increases. Responding to Councilor Grizzle's question, Kaser stated that the budget should allow for a couple Councilors to attend League of Oregon Cities functions. Speakers can also be brought in if there is enough interest.

C. Human Resource Services (116). HR Director Shimmin stated there are no significant changes. Contract services increased \$8,000 due to an expected increase in recruitments. Most of this year's recruitments have had to go out a second time because of insufficient numbers of qualified applicants. Operating

expense of \$11,000 reflects employee rewards, retirement, and health and wellness benefits.

D. Information Technologies & GIS (540 & 542). IT Director Hurst reported:

GIS (540): The biggest change is a slight increase in staffing; the additional employee will be partially allocated to GIS. The proposed budget is \$4,400 less than the current year because the City flyover was completed.

IT (542): The \$71,000 increase reflects an additional staff person and a capital expenditure fiber project that will benefit the water treatment plant, City, Fire District, and School District.

E. Planning & Building (126 & 527). Community Development Director Wendolowski reported:

Planning (126): There will be a staffing increase (economic development position). Advertising costs increased significantly. The Planning aspect is slower than last year, but department staff is very busy since they are also support for Maintenance and Engineering.

Building (527): The City contracts for building official, building inspector, and plans examiner services. There may be a change within the next few months because of new Building Codes Division Administrative Rules that prohibit the hiring an outside contractor to do this work.

F. Senior Services, Dial-A-Bus, Senior Trust (190, 569 & 835). Senior Services Director Oliver reported:

Senior & Disabled Services (190): The biggest change is an additional part-time person to answer phones, assist at the front counter, and help with projects. Over 40,000 people are expected for classes, events, and workshops this fiscal year. Added new classes were very successful and well-received. Inquiries and referrals have increased 2%-3% over the last fiscal year. CWCOG will have served just under 40,000 meals onsite and in the community this fiscal year.

Oliver confirmed for Councilor Elliott that the additional staff person will allow her to handle her own duties. Grizzle thanked Oliver for doing so much with a small budget. Oliver expressed appreciation for the activities coordinator and for their volunteers.

Dial a Bus (569): This budget is comprised primarily of state and federal grants. Over 22,000 rides will be provided this year. Over the last five fiscal years, ridership has gone up over 38%. In the last six weeks, they have had to add a third driver 60% of the time to meet the demand. The new deviated fixed route should be up within the next few weeks and should decrease the request for (more expensive) demand-response rides. The increase for the cost of that service is reflected in contract services. She received preliminary word on receiving a grant so there is \$78,000 revenue and expense to purchase a replacement bus. With grant funds, she was able to increase the dispatcher/scheduler position from 0.8-time to a full-time position. This will be completed funded but is not included in the budget.

Assuming the worst-case scenario, Apken reported that this will be about a \$39,300 difference (\$13,3000 from wages). A budget amendment for a \$39,300 increase for Fund 569 would be needed if the Budget Committee wishes to approve this.

Responding to Rieskamp's question, Oliver stated that the buses are in good shape but are over their useful life of 5 years/150,000 miles. She confirmed that they can try to sell or trade them in

SC Trust Fund (835): There are no significant changes to this fund. In response to Cloyd's question about plans for the reserve fund, Oliver stated that there are quite a few things on their wish list, including expanding the air conditioning to the lower portion of the building. The floors also need to be repaired or replaced. She added that there is also about \$100,00 in the equipment acquisition and outlay program.

G. Library & Library Trusts (165, 830, 833 & 838). Library Director Antila reported:

Library (165): There are no significant changes or proposed changes in staffing this year. Everything to make items circulatable comes out of department and operating supplies, which is increased. Based on

the Vision, they have made a concerted effort to increase family and adult programming; there has been a 46% increase this year. There is a significant decrease in building maintenance because the City will be taking over HVAC maintenance.

Grizzle commented that the Library programs are very successful. Elliott commended Antila and stated that the Library staff are always pleasant and helpful.

Library Trust (830): There are no significant changes in this fund. The Library just received a \$10,000 grant which is reflected in the current fiscal year.

Library-Harriman Trust (833): This is a finite fund and is specifically used for children's room materials. This year toys and puzzles will be replaced, and shelving purchased. Library-Snedaker Trust (838): This finite fund is specifically used for children's and reference materials. It is being used to pay for the Ancestry subscription.

Ullfers called for a 15-minute recess. [Bolen left the meeting.]

- H. **Police Services (180)**. Chief Stevenson stated that the new jail position will allow patrol officers to stay on the streets. The \$5,000 increase in the crime prevention line item is from funds received through traffic safety classes. There is a decrease in contract services because Maintenance has taken over most of these responsibilities. Department operating expense includes funds for the canine program, with hopes of having Lexi Honor certified in September. For education reimbursement, two staff members will be taking advantage of college classes. The training budget for certifications and specialized training (child abuse, drug detection) increased slightly.

Referring to the line items for vehicle maintenance and vehicle leases, Caddy asked whether all police cars are now leased. Stevenson stated that the department is moving away from leasing and is now doing lease-to-own, which does not cover maintenance.

- I. **Youth Court, Police Reserves, Equitable Sharing, School Resource Officer, Equipment Acquisition & Replacement & Police Trust (515, 516, 562, 564, 820 & 829)**. Chief Stevenson reported:

Youth Court (515): The program has been successful. Much of the funding comes from fines and is used for refreshments for the volunteers.

Police Reserves (516), Equitable Sharing (562), Equipment Acquisition & Replacement (820), Police Trust (829): There are no significant changes in these funds.

School Resource Officer (564): Apken stated that funds for the Student Resource Officer is put into a specific revenue line item in the General Fund but the expense is under Police personnel expense. Stevenson confirmed for Aziz that the contract is automatically renewed annually. He added that the officer spends quite a bit of time at the high school but tries to visit every school throughout his day.

- J. **Engineering, Water, Storm & Sewer (130, 430-476)**. Director Whitlatch reported on the following:

Water Utility (430): A 2.7% inflationary increase is proposed. To ensure that there are no issues, running two water plants for six months has been budgeted for. Albany will be paid for use of the Canal with the existing intake at the 2nd Street plant. Minimal funds for demolition is included until it is decided what will be done with the old plant. Capital has gone down substantially. The water treatment plant project is on budget and on time.

Responding to Furlow's question, Whitlatch stated that he anticipates recruiting for the operator positions within the next two to three weeks. The hope is to have operators on board in July or August.

Storm Drainage Utility (450): A 2.7% inflationary increase is proposed. This utility does not generate a lot of revenue; it is mainly used for maintenance. The majority of capital will be spent on the Cheadle Lake underdrain, as per the City of Albany agreement. With all of the regulations, the project will cost about \$500,000.

Wastewater Utility (470): Staff was able to save enough this year, so no inflationary increases are proposed. There are some big capital projects coming up, but the annual inflationary revenue is not intended to cover that capital.

Wastewater Treatment Plant Operation (473): Staff is assuming a 3%-4% increase with Jacobs (CH2M Hill). The capital line item was increased by about \$80,000 because of needs, like the HVAC and some major pump replacements.

Sewer & Lateral Replacement (474): It looks as though this budget has gone down by about \$250,000, but some of that was just spent and carried over through the years. The majority was spent this year. Next year main replacements will be \$250,000 and laterals \$90,000. The very popular lateral replacement program is successful in reducing infiltration and inflow and is a big help to homeowners. Funds will likely run out this year, so it will be partially funded through capital.

Grizzle asked whether this fund should have a bigger budget. Whitlatch stated that he knows that he has \$30,000-\$40,000 in capital, if needed. The ordinance says that the homeowner must wait until next budget year if no funds are available, but that has not been necessary. Whitlatch agreed with Grizzle's comment that this can be revisited because we should not have to go against an ordinance.

Whitlatch confirmed for Rieskamp that most of the line failures are in north and northeast Lebanon and east of the truck route. Failure is primarily due to a combination of age and street traffic.

Wastewater Utility Capital Improvement Program (475): All of this year's funds have been budgeted for the next phase of the Westside Interceptor project. The hope is to have the contract design done by fall with the next phase put out to bid early next year. Airway Road will likely be rebuilt at that time.

Wastewater Bond Debt Service (476): This does not change much annually.

K. State Foot and Bike Path, Infrastructure, Streets & Signals (550, 555 & 571). Whitlatch reported on the following:

State Foot & Bike Path (550): Some sidewalk access ramps on Oak Street were done last year. Another small project (10-12 corners) will take place this year but staff is not sure of the locations since they are needed in so many areas. There is a big need to fund sidewalks and access ramps.

Aziz stated that he would like to see more money put into this fund and to make downtown accessibility a priority. Marks shared that Lebanon is one of the cities chosen by the State to do a related pilot project. Rieskamp asked how much of the two blocks on each side of Main Street is ADA accessible. At Aziz's request, Whitlatch stated that he can get that information.

Engineering Development Review (555): Speaking to Grizzle's concern, Whitlatch indicated that the Engineering position being cut is not the Supervisor position, but rather a Project Engineer position.

Surface Transportation Program (571): A portion will be used for the Russell Drive project and the J & E Streets/Airport Road project. He confirmed for Grizzle that he is keeping apprised of Albany's proposed gas tax. Most cities are using a gas tax or street fee to fund their street needs.

L. CIP Fund & SDCs (815, 840, 845, 872, 882 & 892). Whitlatch reported on the following:

State Highway Signal Maintenance (815): This is used to help pay for ODOT's involvement in traffic signal maintenance. He believes Building Maintenance Technician Rush will be doing much of the electronics work.

Street Capital Improvement Projects (840): The City is sharing the cost of the Russell Drive project with Linn County. Money is also being set aside to update the City's street rating, which will hopefully take place this year. \$310,000 has been set aside for Airway Road.

Infrastructure Deferral (845): Nothing has changed in this fund.

SDC – Wastewater Improvements (872): The Westside Interceptor is 90% eligible for SDC funds.

SDC – Streets Improvements (882): About \$1.4 million is being budgeted for Airway Road.

SC – Water Improvements (892): The water treatment plant is 34% or 44% eligible for SDC use.

M. Finance, Municipal Court, Non-Departmental, Bonds & Bail (140, 170, 195, 314, 317, 320 & 910).
Director Apken presented:

Finance (140): There is a 2.1% increase for COLA and a 10% conservative projection for healthcare costs. Responding to Furlow's question about premium timeframes, Apken stated that the current rate is set through December 31 so the premiums would take effect halfway through the fiscal year.

Municipal Court (170): Other equipment increased \$7,500 for new teleconference equipment.

Non-Departmental (195): The audit expense has gone up quite a bit because with the water treatment plant project, federal audit requirements include a single audit, which requires extra work. Contract services increased substantially due to the following projects: downtown urban renewal, Hwy. 20 urban renewal, wetlands mitigation, and the City facilities master plan. Last year, we stopped budgeting for individual department transfers and moved them to non-departmental. Overall transfers for salaries and benefits from other funds decreased this year.

G.O./Full Faith & Credit Fund Debt Service (314): It is not uncommon for some of the debt services to go up.

2013 Full Faith & Credit Debt Service (317): There have been increases but they are all based on the agreements.

Pension Bond Series 2002 (320): This is comparable to last year.

Apken explained for Caddy that the City's PERS contributions are part of the big pool of money that is unfunded. While it is a pooled fund, the state also looks at the contributions to determine who is underfunded or overfunded.

In response to Grizzle's question, Apken stated that the City will see PERS increases for the next two years. Marks added that the current increases are to make up for the error in the late 1990s to meet the obligations to current retirees.

Responding to Caddy's question, Apken stated that he does not believe that there is any way to renegotiate or refund pension bonds. Staff can look for savings via refunding or paying them off.

Bail (910): This fund fluctuates.

N. Parks, Motel Tax, Parks Enterprise & Grants, Custodial/Maintenance, Boat Ramp Maintenance, Equipment Acquisition & Pioneer Cemetery (133, 510, 533, 535, 545, 593, 820 & 825). Directors Apken and Williams presented the following:

Parks (133): Some salaries were increased; there is an increase in staffing of one employee. Funding received from the School District was moved out of the Parks Grant fund into the General Fund (increase in personnel services). Materials and services related to extra work at the School District increased. Caddy commended the City for having some of the cleanest parks he has ever seen.

Motel Tax (510): More funds were received than expected. The VIP Program will fund some of the projects discussed. An operating contingency of \$148,000 is expected. The \$18,000 in improvements are for things not budgeted for, such as Strawberry Plaza or sign projects.

Park Enterprise (533): Revenues were left as they were. Contract services increased with the School District landscaping position. There are additional capital improvement projects – Century Park (major work), Ralston Park, Christopher Columbus, plus other parks. The budget for Cheadle Lake Park is the same as last year.

Responding to Grizzle's question, Marks stated that the improvements to Cheadle Lake will come out of the current budget. He believes that Williams included funds for accessibility improvements next year. Apken

noted that improvements would not necessarily come out of this fund.

Park Grant (535): This will fund the majority of the Century Park project. Rieskamp shared that he plans to ask Williams if the tennis/basketball courts will have new lighting. Grizzle suggested looking at grants for more energy efficient lighting.

Custodial & Maintenance (545): An increase in department/operating supplies is projected due to assuming maintenance of the HVAC systems.

Boat Ramp Maintenance Assistance (593): It does not appear that we will be receiving the grant this year so there will likely not be a lot of activity.

Equipment Acquisition and Replacement (820): The majority of the \$607,500 in capital expenditures is for vehicles. Some of the funding for a \$150,000 sludge truck will come out of this fund, but the majority will come from the water and wastewater funds. A vac truck will also be purchased for about \$350,000. About \$1.4 million is in contingency for future replacement. Apken confirmed for Aziz that the sludge truck will help haul solid waste from the wastewater treatment plant.

Pioneer Cemetery Restoration Trust (825): No additional funding is expected, and no particular projects are planned but, if needed, some improvements were budgeted for.

Public Comments:

Wyatt King, representing the Lebanon Downtown Association (LDA), asked for \$10,000 to fund the Main Street Manager position on a recurring basis. This would provide about 70% of the funding for this position at 19 hours per week. He described the LDA's role in some of the Strategic Plan's action items and the importance of the Main Street manager position. He also briefly spoke about their goal of pushing for downtown residences, promoting tourism, and the upcoming URD. To cover the remaining funds and to grow funding for the position, they have a major funding source in development. They raised over \$1,200 through new programs and hope to earn \$10,000 in annual pledges in the first year and grow from there. This does not take into consideration funds from events like Concerts in the Park and Holidays in the Park.

Marks stated that the City has funded this position for the past two years for a total of \$28,000. The intent was that LDA find funding to make it sustainable on their own. This would be a General Fund expenditure; Apken added that this can be done if the Budget Committee feels it is a priority.

Grizzle asked how Albany funds their downtown association. King stated that the City of Albany contributes a little but a majority of their funding comes from the Central Albany Revitalization Area (CARA). Marks explained that CARA is funded from a URD; Lebanon will be looking at replicating this to some degree. Grizzle stated that she has always been an advocate for the LDA and is in favor of using tourism funds to help downtown tourism activity. She supports their request for another year but feels they should discuss alternate funding in the future.

Ullfers commented that this is a \$2,000 increase over last year's request. Marks indicated that he believes tourism funds can be used since tourism is being promoted through this position. Ullfers expressed concern because the LDA has said that they will be self-sufficient every year; he would like to see a plan going forward.

In response to Rieskamp's question, Marks stated that the duties of the new City economic development position would not be the same as the downtown manager, but it would be an assist. Rieskamp stated that he supports this year's funding, but they must get their own source of revenue at some point. Aziz stated that he reluctantly supports this request and agreed with Rieskamp and Grizzle about future funding. Elliott agreed. Furlow stated that he supports this request because they are only five months into a successful start; the first manager's failure should be taken into consideration. If the LDA is in the same position next year, they should restructure their financing to exclude the City as a potential major donor.

King provided history of the manager position and stated that they feel good about where they are currently at and are excited about upcoming events and projects.

Rieskamp moved, Furlow seconded, to provide \$10,000 out of the motel tax fund for the LDA Main Street Manager position. The motion passed unanimously.

7) Public Hearing(s):

A. State Shared Revenues – Chair Ullfers opened the Public Hearing at 3:20 p.m.

Marks stated that the legislature provides revenues to cities and requires a public hearing to allow the public to weigh in on potential uses for the money. These funds are used for all of the services that the General Fund supports.

Hearing no public comments, Elliott moved, Rieskamp seconded, to recommend the City Council accept State Revenue Sharing monies as non-dedicated revenue in the General Fund. The motion passed unanimously. The Public Hearing was closed at 3:22 p.m.

B. FY 2018/19 Proposed City of Lebanon Budget – Chair Ullfers opened the Public Hearing at 3:23 p.m. There were no public comments.

Rieskamp moved, Elliott seconded, to recommend the City Council levy the permanent property tax rate of \$5.1364 per \$1,000 of assessed value for operating purposes, and \$1,584,600 for payment of bond principal and interest. The motion passed unanimously.

Furlow moved, Grizzle seconded, to recommend the City Council amend the FY 2018/19 Budget to include revenue of \$39,300 to the Senior Services budget and expense of \$10,000 from Fund 511 for the Lebanon Downtown Association.

Chair Ullfers closed the Public Hearing at 3:35 p.m. and adjourned as the Lebanon Budget Committee and convened as the NW Lebanon Urban Renewal District (URD) Budget Committee at 3:25 p.m.

8) FY 2018/19 NW Lebanon URD Budget Presentation/Discussion

Apken stated that we are planning to underfund at the same level as this past year. Marks explained that we have accomplished most of the projects in the urban renewal plan and no longer need to levy the full amount, which benefits the overlapping jurisdictions. We need to levy the amount for the residual administrative cost and to pay the existing debt. All expenses related to this fund are mostly to pay debt. We are required to hold a reserve for debt service. There are some transfers to the General Fund for materials and salaries/benefits; and there is a large operating contingency.

9) Public Hearing(s):

A. Approval of NW Lebanon URD Taxes – Chair Ullfers opened the Public Hearing at 3:27 p.m. Hearing no comments, the Public Hearing was closed at 3:27 p.m.

Elliott moved, Furlow seconded, to recommend the City Council approve the NW Lebanon URD Taxes for FY 2018/19 up to the rate of 100% of the amount from the division of tax. The motion passed unanimously.

B. Approval of NW Lebanon URD Budget – Chair Ullfers opened the Public Hearing at 3:28 p.m. Hearing no comments, Chair Ullfers closed the Public Hearing at 3:28 p.m.

Aziz moved, Rieskamp seconded, to recommend the City Council adopt the FY 2018/19 NW Lebanon URD Budget in the sum of \$3,265,640 as proposed by the City's Budget Officer. The motion passed unanimously.

Chair Ullfers adjourned as the NW Lebanon URD Budget Committee and convened as the Cheadle Lake Urban Renewal District (URD) Budget Committee at 3:28 p.m.

10) FY 2018/19 Cheadle Lake URD Budget Presentation/Discussion

Marks stated that we are continuing to spend the bond funds received when they were sold last year to fund the improvements on Russell Drive, the extension of Airport Road, and construction of the community garden.

11) Public Hearing(s):

A. Approval of Cheadle Lake URD Taxes

Chair Ullfers opened the Public Hearing at 3:29 p.m. Hearing no comments, Elliott moved, Grizzle seconded, to recommend the City Council approve the Cheadle Lake URD Taxes for FY 2018/19 at the rate of 100% of the amount from the division of tax. The motion passed unanimously. The Public Hearing was closed at 3:29 p.m.

B. Approval of Cheadle Lake URD Budget

Chair Ullfers opened the Public Hearing at 3:30 p.m. Hearing no comments, Rieskamp moved, Elliott seconded, to recommend the City Council adopt the FY 2018/19 Cheadle Lake URD Budget in the sum of \$1,138,986 as proposed by the City's Budget Officer. The motion passed unanimously. The Public Hearing was closed at 3:29 p.m.

Chair Ullfers adjourned as the Cheadle Lake URD Budget Committee and convened as the North Gateway Urban Renewal District (URD) Budget Committee at 3:31 p.m.

12) FY 2018/19 North Gateway URD Budget Presentation/Discussion

Marks explained as part of a development agreement with Samaritan, as tax value is added to the district, then we are obligated to pay back a portion of infrastructure costs they incurred. In response to Grizzle, Marks stated that he believes the agreement ends in 2028.

13) Public Hearing(s):

A. Approval of North Gateway URD Taxes

Chair Ullfers opened the Public Hearing at 3:33 p.m. Hearing no comments, Elliott moved, Caddy seconded, to recommend the City Council approve the North Gateway URD Taxes for FY 2018/19 at the rate of 100% of the amount from the division of tax. The motion passed unanimously. The Public Hearing was closed at 3:33 p.m.

B. Approval of North Gateway URD Budget

Chair Ullfers opened the Public Hearing at 3:34 p.m. Hearing no comments, Elliott moved, Grizzle seconded, to recommend the City Council adopt the FY 2018/19 North Gateway URD Budget in the sum of \$1,254,032 as proposed by the City's Budget Officer. The motion passed unanimously. The Public Hearing was closed at 3:34 p.m.

Chair Ullfers adjourned as the North Gateway URD Budget Committee and reconvened as the Lebanon Budget Committee at 3:34 p.m.

14) Committee Comments: Mayor Aziz expressed his appreciation to Apken and staff for their hard work. He also thanked the citizens and Budget Committee members.

15) Public Comments – There were none.

16) Adjournment – 3:35 p.m.

[Minutes prepared by Donna Trippett]