

**CITY OF LEBANON 2016/2017
BUDGET COMMITTEE MEETING MINUTES
May 4, 2016**

COUNCIL PRESENT Mayor Paul Aziz and Councilors Jason Bolen, Bob Elliott, Floyd Fisher, Robert Furlow, Rebecca Grizzle and Wayne Rieskamp

MEMBERS PRESENT Virginia Colad, Kim Ullfers and Oren Wright

STAFF PRESENT City Manager Gary Marks, City Clerk Linda Kaser, Chief of Police Frank Stevenson, Finance Director/Budget Officer Dean Baugh, Community Development Director Walt Wendolowski, Engineering Services Director Ron Whitlatch, Senior Services Director Kindra Oliver, Information Services Director Brent Hurst, Maintenance Division Director Jason Williams, Library Director Carol Dinges and Assistant Finance Director Tina Huff

CALL TO ORDER/ROLL CALL

Mayor Aziz called the Budget Meeting to order at 12.00 p.m. Roll call was taken with everyone present.

ELECTION OF COMMITTEE CHAIR & SECRETARY

Elliott moved, Grizzle seconded, to nominate Kim Ullfers as the Budget Committee Chair. The motion passed with 11 yeas (Aziz, Bolen, Elliott, Fisher, Furlow, Garner, Gaston, Grizzle, Jeffers, Kirkpatrick, Rieskamp) and 1 nay (Ullfers).

Furlow moved, Grizzle seconded, to nominate Floyd Fisher as the Budget Committee Secretary. The motion passed unanimously.

APPROVAL OF 2016/2017 BUDGET MINUTES

Aziz corrected the minutes to reflect that Todd Gestrin was present.

Garner moved, Rieskamp seconded, to approve the 2016/2016 Budget Meeting Minutes as amended. The motion passed unanimously.

PRESENTATION OF CITY OF LEBANON'S BUDGET (presented by Gary Marks/Dean Baugh)

Marks received positive feedback on the draft budget format proposed for next year. Bolen requested that percentage changes be included.

Marks informed the Committee that financial policies were adopted by the City Council since the last budget meeting. The ultimate contingency goal is 19% (working reserve of 2% and contingency reserve of 17%). Since budget reductions two winters ago, the City's situation has improved dramatically, so much so that

he will present the budget to balance its fund balance growth with service needs in the General Fund.

He gave a PowerPoint presentation on the City of Lebanon Proposed Budget.

Two budgets need to be reviewed and approved by the Budget Committee:

- FY2015/16 City of Lebanon Budget
- FY2015/16 Lebanon Urban Renewal Agency Budget

The proposed budget:

- Covers the fiscal year that begins July 1, 2015 and ends on June 30, 2016.
- Provides budget authority for the services and projects that the City anticipates providing during the fiscal year.
- Contains six broad funds with sixty-one segregated self-balancing divisions or departments. Eight divisions were taken out and two were added. To further simplify the budget next year, Marks anticipates a significant reduction in divisions.
- Totals \$39,087,056 in appropriation authority and reflects a decrease of \$2,512,428 as compared to the current year adopted and revised budget. Most of the decrease has to do with a reduction in transfers, so there is actually an increase.

Amount of appropriation authority being recommended for each of the six broad funds:

General Fund	11,083,460	28%
Debt Service Fund	3,021,920	8%
Enterprise Fund (i.e. Utilities)	14,575,863	37%
Special Revenue Fund	4,602,573	12%
Capital Project Fund	5,656,148	15%
Trust and Agency Fund (i.e. Bail Payments)	147,092	0%
Total Appropriated Budget	39,087,056	
Less Internal Transfers	-4,599,033	
Total <i>Effective</i> Budget	34,488,023	

He is impressed with the Capital Project Fund percentage of 15% because many cities just resort to deferred maintenance. Lebanon is putting a lot into the renewal of the community and its infrastructure.

Responding to Kirkpatrick's question, Baugh indicated that last year's Capital Project Fund budget was \$9.8 million; this year, \$10.5 million is being proposed.

Baugh explained transfers and indicated that, less internal transfers, the effective budget has increased 8.5% from FY 2014/15 to FY 2015/16. This percentage is driven by the dramatic increase in reserves (26% throughout the entire budget) and a 7% increase in capital spending.

	<u>FY 2014/15</u>	<u>FY 2015/16</u>	<u>% Change</u>
Appropriated Budget	41,599,484	39,087,056	
Less Internal Transfers	-9,823,307	-4,599,033	
<i>Effective Budget</i>	31,776,177	34,488,023	+8.5%

Marks explained for Kirkpatrick that there is unappropriated revenue and spending reflected in the Budget Message figure of \$39,331,226.

Furlow asked for a summary of the \$5 million reduction in transfers. Marks stated that Baugh can explain this in more detail.

The General Fund contains 13 active departments or division, including:

- | | |
|-------------------------|------------------|
| Administrative Services | Finance |
| Human Resources | Library Services |
| Legislative | Municipal Court |
| Legal Services | Police Services |
| Community Development | Senior Services |
| Engineering | Non-Departmental |
| Parks | |

General Fund

- Totals \$10,120,491 in external appropriation authority.
- Provides budget authority for the 13 divisions previously listed.
- Funds 3.99 additional FTE employees versus the prior fiscal year. City staff was reduced by about 11 in the previous cutbacks.
- Provides financial support to the Information System Services Fund, PERS Bond Fund, Equipment Acquisition and Replacement Fund, and Custodial and Building Maintenance Fund (in the form of budget transfers) in the aggregate amount of \$633,664.

He graphically showed General Fund resources (beginning fund balance plus annual revenues) for FY 2012/13 through the proposed FY 2015/16 budgets. Staff is very conservative in their revenue forecasts and is careful not to exaggerate anticipated spending.

General Fund Resource Summary

- Taxes and Assessments account for 39%.
- The second largest is Franchise Fees at 21%.

Marks confirmed for Kirkpatrick that this includes only General Fund revenues and that part of the increase in this revenue is because of the large contingency reserves. He added that part of this is the result of transfers in.

Kirkpatrick asked for an estimated percentage of overall City revenue. Marks indicated that the overall City budget revenue is up 5.94% but this does not include URDs.

Regarding last year's discussion about being conservative when estimating property tax revenue, Marks explained to Kirkpatrick that the City collected about 3% more than anticipated this year. The proposed 6% increase is not above what was collected last year; it is above what was budgeted. He believes the proposed budget was put together very responsibly.

- General fund requirements balance with revenues.
- The Police share the largest portion of the General Fund at 45%.
- Before FY 2012/13, there were more situations where expenditures exceeded revenues. For the past two years (and it is the expectation this year), revenues exceeded expenditures. The City is doing such a good job with the fund balance that he prescribes a rebalancing of revenue and fund balance needs against service needs with financial policies calling for getting to the 19% contingency threshold level.

General Fund Balances:

- No legal requirements or universally-accepted standards.
- The General Fund balance is used primarily (a) to provide cash during months without significant income, and (b) to provide a safety net against unexpected revenue decline.
- The goal should be to maintain a fund balance that assures adequate funds to prudently meet financial needs (as stated above) while avoiding excessive "stockpiling" of the public's money.
- Governmental Finance Officers Association (GFOA) recommends:

"The adequacy of unreserved fund balance in the general fund should be assessed based upon a government's own specific circumstances." (GFOA Policy Statement, 2/15/2002).

"Nevertheless, GFOA recommends, at a minimum, that general-purpose governments, regardless of size, maintain unreserved fund balance in their general fund of no less than five to 15 percent of regular general fund operating revenue, or of no less than one to two months of regular general fund operating expenditures." (GFOA Policy Statement, 2/15/2002).

Kirkpatrick asked whether working contingency is the point where we are actually spending more than collecting. Marks stated that the working contingency is a 2% amount for unanticipated needs. The 17% reserve contingency will not be spent unless there is an emergency.

Since the City is not at 19% contingency, Kirkpatrick asked why the City would not flat line instead of taking more from the General Fund. Marks explained that the City needs to restore service levels because they were not sustainable.

General Fund Beginning and Ending Balance

- If FY 2013/14 cutbacks were not made, the ending balance of \$899,328 would have been about \$100,000. This difference was the direct result of the budget program put into place to reverse the direction of the City's General Fund.
- Marks anticipates that the almost \$1.2 million FY 2014/15 ending balance is conservative.
- He also believes that the FY 2015/16 ending balance will be \$966,754, rather than \$766,754, but staff is trying to be conservative.

General Fund Beginning & Ending Fund Balances as a % of Operating Revenue

- It is expected to be 17.4% at the end of this budget year.
- With revenue streams are coming in and the improved economy, the City can build the fund balance and also provide services to the community in a little more balanced way.
- Next year's 10.0% is well within GFOA guidelines, but Marks believes it will be closer to 12.5%. He feels that, at a minimum, the City can make about 2% progress per year to get to the 19% contingency by FY 2019/20.

Baugh confirmed for Furlow that he used straight line projections for property tax growth in the out years.

Urban Renewal Agency Budget

- Covers the fiscal year that begins July 1, 2015 and ends on June 30, 2016.
- Provides budget authority for the projects and activities the Agency anticipates providing during the fiscal year.
- Contains three segregated self-balancing divisions or departments in this budget.
- Totals \$6,246,690 in appropriation authority, and reflects a decrease of \$130,910 as compared to the current year adopted and revised budget. After transfers, there is actually an increase.

NW Lebanon URD Fund	5,202,890
Cheadle Lake URD Fund	516,500
North Gateway URD Fund	527,300
Total Appropriated Budget	6,246,690

Less Internal Transfers	-1,483,487
Total <i>Effective</i> Budget	4,763,203

	<u>FY 2014/15</u>	<u>FY 2015/16</u>	<u>% Change</u>
Appropriated Budget	6,377,600	6,246,690	
Less Internal Transfers	-2,442,004	-1,483,487	
<i>Effective Budget</i>	3,935,596	4,763,203	+21.0%

- Much of the FY 2015/16 effective budget figure of \$4.7 million is capital spending – Oak Street Project, Water Treatment Plant design and preparation – out of the NW URD.
- For the Cheadle Lake URD, the City will be looking at paying off the McKinney Apartment debt because of an upcoming project to extend Airport Road to Russell Drive.
- In the North Gateway URD, reimbursements to the Samaritan Group will increase because of all of the development at the campus.

Proposed Combined Budgets

City Budget	39,087,056
Urban Renewal Agency Budget	6,246,690
Total Appropriated Budgets	45,333,746
Less Inter-fund Transfers	-6,082,520
Total <i>Effective</i> Overall Budgets	39,251,226

- The City has had the resources, through URDs in particular, to address some of the most basic infrastructure needs that advanced our economic development and is enhanced this year.

Marks explained to Jeffers that none of this year's expenditures is for contingency. Baugh clarified that \$400,000 is an increase into contingency.

Regarding the 5.168 FTE increase, Kirkpatrick asked for explanation because of the personnel costs of about \$1 million. Baugh explained that the increased personnel cost is not only for the increased FTEs. It also includes a 2.5% COLA increase for AFSCME employees and a 1.7% COLA increase for Teamsters employees. This is also matched with the part-time and exempt employees. PERS and health insurance costs have also increased.

Baugh pointed out that the budget summary is the most important section of the budget. The budget message explains some of the changes and fund balance totals. Page 8 shows the General Fund summary by category. Page 10 shows the City budget, URDs and total budget.

He explained that because water, wastewater and NW URD funds were reorganized to eliminate inter-fund transfers, they were reduced close to \$6 million. Marks added that there will be more reorganization in next year's budget.

Responding to Furlow's question, Marks stated that it is unknown what the transfers will end up totaling but it will be significantly less than what it currently is.

Property Taxes – Staff's extremely conservative figure of a 2% increase in assessed values does not include revenue from the new hotel and other taxable construction. Collection has been coming in at 93%-95% of billed, which is very high. Compression is anticipated to be about another \$100,000-\$150,000.

PERS Rates – Overall, PERS rates went up about 3% this year. The recent court decision will result in another very big increase in two years.

Insurance Rates – A 10%-15% increase was estimated. Our MOD workers compensation rate went from 1.3% to below 1% so the estimated rates will likely be too high.

Personnel – Overall increase in City staffing of 5.168 FTE as compared to last year's budget.

Materials & Services – The directors kept their Materials & Services increases to below 3%, except in unusual circumstances.

Contingency – There is a 2% working contingency and 8.1% reserve contingency totaling 10.1%.

Baugh presented two changes on Page 97:

- **Building Fund, Line 527-527-61240 – ~~\$10,000~~ to \$25,000**
- **Building Fund, Line 527-527-80005 – ~~\$183,499~~ to \$168,499.**

PUBLIC HEARING (Possible Uses of State Revenue Sharing Funds)

Chair Ullfers opened the Public Hearing at 7:35 p.m. Hearing no public comments, he closed the Public Hearing at 7:36 p.m.

PUBLIC INPUT ON THE 2015/2016 BUDGET

Chair Ullfers opened the Public Hearing for FY 2015/2016 Proposed Budget at 7:36 p.m. There being no public comment, he closed the Public Hearing at 7:36 p.m.

GENERAL FUND

Directors spoke about their departments and provided budget highlights.

Administration, Economic Development – 110 (pp. 24-25) presented by Gary Marks

- Added 1 FTE – Administrative Assistant/Communications Coordinator
- Added \$40,000 for the Vision Strategic Planning Process

Human Resource Services – 116 (pp. 26-27) presented by Gary Marks

- There were no significant changes to this budget.

Bolen asked about the salaries increase from \$47,900 to \$62,915. Marks indicated that because of the position's LGPI reclassification, there was a change in compensation level.

Kirkpatrick asked whether that reclassification means that the position has more or different responsibilities. Marks stated that over time, the job had evolved to a higher level of service with more expertise, specialization and workload.

Grizzle commented that she was surprised at this position's previous low salary. Marks added that because of the recession, a few positions were allowed to waft and needed to be addressed. He confirmed for Bolen that this is essentially an adjustment for average of comparisons.

Furlow asked whether Marks anticipates a three or five-year review cycle to ensure adequate classifications. Marks reported that he has begun to significantly address them this year so things will probably be where they should be in three years.

Bolen asked why this particular position was evaluated and whether each position will be reviewed. Marks explained that this was a position where the job had changed and was not addressed. There are also some positions that were reclassified but were set aside. An employee was actually working at less than their pay range for the less-than level of the lower reclassification. He confirmed that previous administration was aware of this but it was not addressed due to constraints. He clarified for Furlow that most of these positions are exempt since the unions were kept whole with their contracts through the recession.

City Attorney – 120 (pp. 28-29) presented by Gary Marks

- Marks reminded the Committee that Kennedy works for the City on a contractual basis.

Community Development Department, Planning Services – 126 (pp. 30-31) presented by Walt Wendolowski

- There are no significant changes in the department.
- Most of the major planning projects were completed.
- Staff is working with ODOT to update the Transportation System Plan, but ODOT is funding the entire project.
- Most, if not all, of the \$21,000 increase is related to personnel issues, in terms of salary and benefits.

Building Services – 527 (pp. 96-97) presented by Walt Wendolowski

- The Building Official position will continue to be through a contract service provider for FY 2015/16. This is a very flexible and cost-effective way of running the department. The contractor is increasing the hourly rate from \$81 to \$88 but he has no issue with this as this is the first increase in about 13 years.
- Building remains relatively strong in the community. Year-to-date fees and values have greatly exceeded last year's figures.
- The department anticipates four or five major projects next year so maintaining a relative revenue stream is expected.
- There is a significant beginning fund balance of about \$145,000, but it is expected to be higher since he tends to be conservative.

Responding to Furlow's question, Wendolowski stated that the contract Building Official works from 20-25 hours per week but it may be 10-15 hours in a slow week.

Finance – 140 (pp. 36-37) presented by Dean Baugh

- A Finance Clerk position, to be shared between Finance and Municipal Court, was added.
- There was not much of a change in Materials & Services.

Furlow asked whether the position that was eliminated was split between Finance and Municipal Court. Baugh stated that the reductions included a full-time Finance and a half-time Municipal Court positions.

Municipal Court – 170 (pp. 46-49) presented by Dean Baugh

- Materials & Services increased slightly more than 3% because he believes it was underfunded the last couple of years.
- There has been an increase in appointed attorney fees.
- The number of cases has also increased quite a bit.

Baugh stated for Furlow that the City does not receive revenue from the State to offset appointed attorney fees, although some of it is reimbursed by the individual.

Non-Departmental – 195 (pp. 56-57) presented by Dean Baugh

- This fund includes city-wide expenses like copy paper, insurance and utilities.
- City Grants budget includes \$5000 for the Boys & Girls Club, \$4000 for Meals on Wheels and \$7,189 for the Linn Shuttle Service.

In response to Furlow's question, Baugh indicated that the Chamber of Commerce payment is taken out of Fund 510. Furlow felt it appropriate to acknowledge that this budget is adding an additional (outside of City staff) Chamber staff employee as an investment in the community. Marks explained that because of the addition of the Boulder Falls Inn, a three-fold increase in transient room tax revenues is expected. The Council approved a plan to increase the visitor center hours to be open on Saturdays, which necessitated expanding a part-time position to full-time.

A Visitor Improvement Program (VIP) Fund (559) will also be set up where about half of the transient room tax monies will be for capital needs and projects related to the visitor industry. Baugh added that \$82,000 is being budgeted to the fund this year, but this is to be held until the visioning process is complete.

URBAN RENEWAL DISTRICT(S)

Baugh reported that staff did not budget for contingency in the URDs because the State only allows so much to be spent and it is a process to get it back if something were to happen. Leftover funds are put into improvements in case it is needed.

In addition to what Marks mentioned, projects also include the Airport Road extension and most of Oak Street being rebuilt. Samaritan is also putting in the new transportation buildings, a nurses' college and another medical building this year.

Whitlatch answered Furlow that the Oak Street project will take place between Williams Street and Airway Road.

NW Lebanon Urban Renewal – 925 (pp. 181-183) presented by Dean Baugh

Cheadle Lake Urban Renewal – 935 (pp. 185-187) presented by Dean Baugh

North Gateway Urban Renewal – 940 (pp. 189-191) presented by Dean Baugh

- Extra funds were budgeted to repay Samaritan Hospital for public infrastructure.

DEBT SERVICE FUND

G.O. Fund Debt Service – 314 (pp. 60-61) presented by Dean Baugh

Water/Wastewater/NWURD Bond Department Service – 317 (pp. 62-63) presented by Dean Baugh

Pension Bond Series 2002 – 320 (pp. 64-65) presented by Dean Baugh

- No significant changes; the City has not issued more debt.
- The City will be issuing debt for the Airport Road Extension. Marks clarified that the Airport Road extension will not take place during this budget year; the fund is being prepared so that the project can be done next year.
- Over the next couple of years, there will be another debt for the new water treatment plant.

Chair Ullfers called for a ten-minute recess.

Legislative – 160 (pp. 38-39) presented by Linda Kaser

- Added .75 FTE (Administrative Assistant) to support the City Clerk's office reducing Contract Services by \$11,500.
- \$4000 added for Maintenance & Equipment for Santiam Travel Station upgrades.

Kaser confirmed for Aziz that the current contract person will become permanent part-time.

Library – 165 (pp. 40-44) presented by Carol Dinges

- Added 1 FTE to allow the Library to be open more hours. The goal is to again be open on Mondays.
- The only budget increases are the result of increases in fixed costs.

In response to Furlow's question, Dinges stated that they anticipate adding eight hours.

Aziz asked whether there are any IT projects proposed in this budget. Dinges stated that this is ongoing and that they are working with IT to put together a long-range strategic plan. At the present time, everything is operational but technology equipment has such a short life-span (three to four years). One self-check machine is believed to be adequate so this will significantly reduce that annual ongoing maintenance cost.

She confirmed for Aziz that the Library is now set up to accept credit cards.

Gaston asked whether the conference room is being used. Dinges shared that it is being utilized almost daily – sometimes by City or Library functions, but it is mostly used for community and civic meetings.

Police Department – 180 (pp. 50-52) presented by Frank Stevenson

Significant Highlights:

- Added 1 FTE Communications Specialist, which will increase the number of dispatchers to seven. This will increase double coverage in the dispatch center.
- Materials & Services have basically remained the same but there were increasing costs in ammunition, etc.
- The SRO position was changed to full-time. He will spend a majority of his time in the school when school is in session. When not in session, he will be an extra patrol officer. The Lebanon School District pays for 75% of the cost.

Aziz asked about the number of full-time officers. Stevenson indicated that the department is currently down three officers. Recruitment for one position just opened up yesterday.

Stevenson confirmed for Furlow that all of the vacancies are in the patrol units.

Senior & Disabled Services – 190 (pp. 54-55) presented by Kindra Oliver

- The Activities Coordinator is in the budget for full-time. This position also provides coverage for the Senior Center front counter and the Dial-a-Bus dispatcher and scheduler.

- Materials & Services are basically the same with some slight increases for utilities, etc.

Elliott asked about the status of the building rental. Oliver stated that it is about the same as it has been the past two years. A church group uses the building three times a week but usage will go down since they purchased their own building. On the other hand, this will free the building up for weddings, etc.

Dial-A-Bus – 569 (pp. 124-126) presented by Kindra Oliver

- They are receiving about \$15,000 for cameras and GPS equipment for the Dial-a-Bus fleet. This will provide some safety and security for drivers and riders and create dispatching efficiencies.
- They are also receiving an additional \$12,000 for the next fiscal year and \$15,000 for FY 2016/17 to provide more hours of service. The thought is to provide a loop service, which is what was in place from about 1998-2002, to create more efficiencies and which will likely result in more rides.
- The Dispatcher/Scheduler is budgeted at 0.8.

Regarding the bus loop, Aziz asked whether appointments would have to be made. Oliver stated that they are looking at different options, depending on funds. She will again be working with ODOT going through the public input process. The idea would be to have stops on a schedule. The hesitation is wanting to make sure this service can continue. The Dial-a-Bus will still be a demand-response system.

Responding to Kirkpatrick's question, Oliver stated that the bus loop service was stopped because of budget cuts. The Center has four vehicles (van, backup bus, and two 2009 vehicles).

Oliver confirmed for Garner that the Dial-a-Bus is open to the general public at all times on a first-come, first-served basis, but they provide 90% of their rides to seniors or disabled.

Senior Services Trust – 835 (pp. 148-149) presented by Kindra Oliver

- There are no changes.

SPECIAL REVENUE FUND

Geographic Information System (GIS) – 540 (pp. 102-103) presented by Brent Hurst

- Materials & Services were kept fairly even.
- Salary costs make up the bulk of the changes in this fund.

Information Services (IS) – 542 (pp. 104-106) presented by Brent Hurst

- The department is continuing to keep computer systems running and trying to replace equipment as they go obsolete.

- Salary expenses again make up the bulk of the increases.

Regarding the upgraded Windows platforms, Aziz asked whether the City is using Windows 7. Hurst indicated that there are some machines with Windows 8.1 but he is interested in taking some directly to Windows 10 this summer. He plans to get rid of the Windows 2003 servers in the next couple of months.

He confirmed for Furlow that the department has 3 FTE and is very busy.

ENTERPRISE FUND (Self Supporting Funds)

Water Utility – 430 (pp. 68-72) presented by Ron Whitlatch

- Council approved a 2.8% rate increase for next year to keep current with inflation.
- About 95% of the approximately \$3.1 million in the capital water account will be used for construction projects associated with the new water treatment plant, design and debt service.
- A small portion of this will also be used to fund minor waterline replacement projects.
- About \$623,000 is allocated to run the existing water treatment plant. Within this amount is the annual payment (which is yet to be determined) to the City of Albany for canal maintenance.

Kirkpatrick asked whether any extra amount to the City of Albany will come out of contingency. Whitlatch stated that it will likely come out of the capital reserve fund.

Aziz thanked staff for their foresight in setting funds aside in a water treatment plant equipment replacement fund to hopefully eliminate the need for future rate increases.

Storm Drainage Utility – 450 (pp. 74-77) presented by Ron Whitlatch

- Council also approved a 2.8% rate increase for next year to keep current with inflation.
- This fund is primarily used for cleaning, televising and minor maintenance.
- It generates a little over \$400,000 per year which does not allow much to be done. Staff has managed to save some money over the last few years and is able to do some small projects.

Wastewater Utility – 470 (pp. 78-790) presented by Ron Whitlatch

- Council also approved a 2.8% rate increase for next year to keep current with inflation.
- This year's major capital projects include replacing the effluent pump station.
- Every year, funds are also used for a small sewer replacement. Staff is finding that more neighborhood sewers are failing, basically due to age. He anticipates this to be a record year for lateral replacements.

Responding to Councilor Grizzle's question, Whitlatch stated that the initial amount for the sewer lateral replacement program was about \$50,000. By word of mouth and because of the age of infrastructure, the City is starting to see a large increase in requests. Staff came back to Council in the spring with a budget amendment and will be close to spending all of the \$140,000 available.

- Revenues from a transfer of \$1,265,000 to the Wastewater Treatment Plan and Operations Fund will be used to fund operations of the wastewater treatment plant and environmental programs associated with wastewater. CH2MHill is only proposing a 1.5% increase in their contract amendment this year.
- The remaining funds will go towards the Westside Interceptor Project. The design phase will be started as staff is available.

State Foot and Bike Path – 550 (pp. 110-111) presented by Ron Whitlatch

- The City receives about \$8000 annually.
- Staff managed to save some funds the last four or five years for sidewalk access ramps on 5th Street (south of Oak Street).

STP Street Project – 571 (pp. 128-129) presented by Ron Whitlatch

- The City receives roughly \$170,000 each year for a portion of the federal gas, but the State holds those funds until the City uses it.
- This provides a source of funding for utility projects where there are street failures.

Street Capital Improvement Projects Fund – 840 (pp. 152-153) presented by Ron Whitlatch

- Funds (\$310,000) are in reserve for Airway Road.
- Of the \$49,000 for improvements, most will be used for bridge rehabilitation projects.

SDC Funds – 852, 853, 862, 863, 872, 873, 882, 883, 892, 893 (pp. 156-175) presented by Ron Whitlatch

- SDC funds are used for future growth.
- No big projects are scheduled out of these funds this year, so they will continue to build and generate some interest.
- The majority of wastewater SDCs that are being saved will go towards the Westside Interceptor Project.
- Eligible water SDC funds will be used to assist with funding a new water treatment plant.
- Because it is a growth allocation, use of street, storm drainage and parks SDC funds are very limited. Staff is able to leverage about 30% parks SDCs for trails, which substantially helps with grants.

Gaston asked whether there is a need for another SDC review. Whitlatch stated that the City just entered the last phase so updates are due in the next few years. As master plans update, SDCs should also be updated so that those funds can be spent on master plan projects.

Parks – 133 (pp. 34-35) presented by Jason Williams

- This fund is holding pretty steady.
- The slight increase is mainly to catch up Materials & Services and Equipment Acquisitions.

Parks Grant Fund – 535 (pp. 100-101) presented by Jason Williams

- This fiscal year, Council gave authorization to apply for three parks grants. A grant from the Oregon State Marine Board would supply a flushable ADA-accessible restroom to Cheadle Lake. The grant request was for \$48,600. There is a good chance of receiving this grant because of the high level of match (\$49,400 of in-kind services and grant match in SDCs and extension of utilities).
- The second grant is made possible because the Budget Committee elected to start a fund (\$50,000) to replace failing park structures. It was again possible in this budget so there is a total of \$100,000. Of this, \$50,000 of this will be leveraged for River Park. Of the \$340,000 total project cost, the grant request is for only \$165,000. The City has a 51% match, which increases scoring criteria. This project will replace the restroom, shelter and build a trail.
- The third grant is a Small Government Grant through Oregon Parks and Recreation and is made possible by the McDaniel family cash donation to develop a baseball field at Christopher Columbus Park. This was used to leverage against the Christopher Columbus Park project, along with SDCs and in-kind labor and equipment. Of the \$134,500 project cost, the City is only requesting \$47,500. The project includes replacing the old playground equipment, installing a restroom, and developing the ball field and access trails.

Kirkpatrick asked whether the City is working with BLT on this project. Williams stated that the group helps with all trail aspects of grants.

Streets – 558 (pp. 114-116) presented by Jason Williams

- This is funded through gas tax allocation. Its revenue has slightly climbed but it is not projected to be very much. Revenue is very limited in streets so funds have to be saved to do a project. It will be maintenance as usual this year.

Bolen asked Williams to expand on the elimination of the entire transfer into this fund (\$150,000) for street light operation expenses. Williams explained that the fund historically received a transfer of \$150,000 from franchise fees to offset street light and traffic signal power costs but this ended when the General Fund had difficulties.

APPROVAL OF FY 2015/2016 CITY OF LEBANON BUDGET

Grizzle moved, Elliott seconded, THAT THE CITY OF LEBANON BUDGET COMMITTEE APPROVE TAXES FOR THE 2015/16 FISCAL YEAR AT THE RATE OF \$5.1364 PER \$1,000 OF ASSESSED VALUE FOR OPERATING PURPOSES AND THE AMOUNT OF \$1,427,741 FOR PAYMENT OF BOND PRINCIPAL AND INTEREST AND FORWARD THE APPROVED BUDGET AS AMENDED TO CITY COUNCIL. The motion passed unanimously.

Chair Ullfers adjourned the regular order of business of the Lebanon Budget Committee and convened as the Lebanon Urban Renewal Agency's Budget Committee at 8:54 p.m.

URBAN RENEWAL DISTRICT(S)

NW Lebanon Urban Renewal – 925 (pp. 181-184) presented by Gary Marks

Bolen moved, Jeffers seconded, THAT THE LEBANON URBAN RENEWAL AGENCY BUDGET COMMITTEE APPROVE TAXES FOR THE 2015/16 FISCAL YEAR OF 100% OF THE AMOUNT FROM THE DIVISION OF TAX AND FORWARD THE APPROVED BUDGET AS AMENDED TO THE CITY COUNCIL. The motion passed unanimously.

Baugh pointed out that the following motions do not need to be approved as amended.

Cheadle Lake Urban Renewal – 935 (pp. 185-187) presented by Gary Marks

Gestrin moved, Elliott seconded, THAT THE LEBANON URBAN RENEWAL AGENCY BUDGET COMMITTEE APPROVE TAXES FOR THE 2015/16 FISCAL YEAR OF 100% OF THE AMOUNT FROM THE DIVISION OF TAX AND FORWARD THE APPROVED BUDGET TO THE CITY COUNCIL. The motion passed unanimously.

North Gateway Urban Renewal – 940 (pp. 189-191) presented by Gary Marks

Elliott moved, Garner seconded, THAT THE LEBANON URBAN RENEWAL AGENCY BUDGET COMMITTEE APPROVE TAXES FOR THE 2015/16 FISCAL YEAR OF 100% OF THE AMOUNT FROM THE DIVISION OF TAX AND FORWARD THE APPROVED BUDGET AS AMENDED TO THE CITY COUNCIL. The motion passed unanimously.

ADJOURNMENT

Chair Ullfers adjourned the regular order of business of the Lebanon Urban Renewal Agency's Budget Committee at 8:55 p.m.

[Minutes prepared by Donna Trippett]