

**CITY OF LEBANON 2019/2020
BUDGET COMMITTEE MEETING MINUTES
May 16, 2019**

COUNCIL PRESENT Mayor Paul Aziz and Councilors Robert Furlow, Rebecca Grizzle, Wayne Rieskamp, Karin Stauder and Michelle Steinhebel

MEMBERS PRESENT Lance Caddy, Virginia Cloyd, Bob Elliott and Josh Port

STAFF PRESENT City Manager (Budget Officer) Gary Marks, Finance Director Matt Apken, Human Resources Director Lori O'Mara, Information Services Director Brent Hurst, Community Development Director Walt Wendolowski, Senior Services Director Kindra Oliver, Library Director Kendra Antila, Police Chief Frank Stevenson, Engineering Services Director Ron Whitlatch, Maintenance Services Director Jason Williams and Administrative Assistant Donna Trippett

1) CALL TO ORDER

Mayor Aziz called the Budget Meeting to order at 12:00 p.m.

2) ROLL CALL

Roll call was taken with Jason Bolen, Lance Caddy & Kim Ullfers absent.

3) NOMINATIONS

A. Budget Committee Chair

Cloyd moved, Elliott seconded, to nominate Grizzle as the Budget Committee Chair. The motion passed.

B. Budget Committee Secretary

Elliott moved, Rieskamp seconded, to nominate Stauder as the Budget Committee Secretary. The motion passed.

4) APPROVAL OF 2018/2019 BUDGET MINUTES

Rieskamp moved, Elliott seconded, to approve the 2018/2019 Budget Meeting Minutes as presented. The motion passed unanimously.

5) PRESENTATION SUMMARY OF FY 2019/20 BUDGET(S), presented by Gary Marks, City Manager (Budget Officer)

[Lance Caddy joined the meeting at 12:10 p.m.]

Marks showed a PowerPoint presentation [available in Archives] on the FY 2019/20 Budgets. Highlights of the proposed City budget:

- Levels of service are maintained or more.
- Contingencies/reserves are overall up by 17.1%.
- The General Fund balance goal of 19% is met at 33.2%.

- Operating appropriations are up 6.5%.
- Capital investment is down 4.9% and constitutes 30.9% of the overall budget.
- The Transient Tax Fund appropriates \$85,000 to the Chamber of Commerce (for the Visitors' Center and the Tourism Grant Program) and \$25,000 to the Lebanon Downtown Association (for the Main Street Manager position).
- Overall net staffing is increased by 2.7 FTE (1 LINX bus dispatcher, 1 LINX bus driver, 0.5 LINX bus driver and increase the Community Development Director position from 0.8 to 1.0).
- The budget includes five Strategic Action Items and three Council Goals:

Strategies:

- 1) 5.5: Ralston Park Improvement Plan – first funding installment of \$165,000
- 2) 8.1: Explore feasibility and utility of creating a Parks and Recreation District
- 3) 8.2: Maintain Library and expand program offerings
- 4) 15.3: Install lighting and security camera in areas of concern
- 5) 15.4: Maintain police funding and staffing with community growth

Goals:

- 1) Downtown Revitalization
- 2) City Facilities Master Plan (City Hall focus)
- 3) Maintain Police staffing commensurate with community growth

- The proposed budget covers fiscal year July 1, 2019 to June 30, 2020 and provides budget authority for services and projects the City anticipates providing during the fiscal year. It contains six funds – General Fund (26%), Debt Service Fund (6%), Enterprise Fund (37%), Special Revenue Fund (11%), Capital Project Fund (20%), and Trust and Agency Fund (0%) – with 48 segregated self-balancing divisions.
- The proposed budget totals \$59,433,182 in spending authority and reflects an increase of \$4,675,043 as compared to the current year budget. The appropriated budget less internal transfers equals the effective budget, which increased 6.3% over the current year. The effective budget less capital appropriations and contingencies equals the operating budget, which increased 11.9% (or 5.2% without the PERS payment and water debt repayment).

General Fund:

- Provides budget authority for 13 active divisions, including Administrative Services, 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 \$1,521,309.
- Totals a little over \$12 million in external appropriation authority, which is up about 4.6% compared to last year.
- Other than moving the Community Development Director position from 0.8 to 1.0 FTE, there are no other new FTE.
- Appropriations made: \$6,000 to the Boys & Girls Club for their summer kids program, \$4,840 to Meals on Wheels, and \$8,775 to Linn Shuttle Service.

Urban Renewal Agency:

- Covers fiscal year July 1, 2019 through June 30, 2020 and provides budget authority for projects the Agency anticipates providing during the fiscal year. It contains four segregated self-balancing districts – NW Lebanon URD Fund (60%), Cheadle Lake URD Fund (12%), North Gateway URD Fund (28%) and Downtown URD Fund (0%).
- Totals \$5,817,866 in appropriation and reflects a decrease of \$159,208 as compared to the current year's adopted and revised budget. The effective budget of \$3,626,671 reflects a 16.0% decrease.

The total combined effective overall budget is \$56,096,492 (City Budget 91%, URA Budget 9%).

4) **PUBLIC COMMENTS**

Yvette Meyer, Lebanon Downtown Association (LDA) President, distributed information on the Main Street Manager position and thanked the City for their proposal to allocate \$25,000 to this position. Cassie Cruze, LDA Main Street Manager, also expressed her appreciation and stated that she is excited to be a part of downtown's revitalization.

5) **PRESENTATION OF DEPARTMENT BUDGETS**

Directors provided budget highlights for their departments.

A. Administration & City Attorney (110 & 120), presented by City Manager Marks

Administration (110): Most of the expenditure increase (\$15,000) is for new downtown Christmas decorations.

City Attorney (120): There are no changes.

Marks explained for Caddy that most services are covered by the retainer but some services have an additional cost. Stauder expressed her amazement at everything the city attorney does.

Aziz and Steinhebel asked whether the outside attorney fees (\$30,000) is for possible pending litigation. Marks said that this is for situations where our law firm has a conflict of interest or for possible litigation. Finance Director Apken added that Municipal Court public defenders are also paid from this fund.

B. Legislative/City Clerk's Office (160), presented by Finance Director Apken (for City Clerk Linda Kaser)

There are not many changes. The materials and services computer expense was increased to provide iPads to Council and there is some additional office equipment expense.

In response to Aziz's question, IT Director Hurst stated that most of the iPad cost is for hardware. The mobile device management solution and Office software will come from the IT fund.

C. Human Resource Services (116), presented by Human Resources Director O'Mara

There are no significant changes. The overall decrease of \$4,750 for contract services is partly due to only doing pre-employment physicals for safety-sensitive positions. The decrease in operating expense of \$4,900 is because gift cards are now costed to the department. There is a training increase of \$2,700 to bring some focus to employee development.

Chair Grizzle stated that the training budget seems low for the size of staff. O'Mara said that the CIS Learning Management System has a lot of free training opportunities. Bringing in speakers to provide more in-depth face-to-face training sessions would also be very valuable for staff.

D. GIS & Information Technologies (540 & 542), presented by IT Director Hurst

GIS (540): Rather than doing flyovers every five years, the City will be moving to an annual subscription-based model (essentially the same cost as flyovers once every five years). There should be cost efficiencies by doing Lebanon flyovers at the same time as doing other cities. IT is also trying to push maps out to the public, contractors and engineering firms.

IT (542): Security and training are big issues. Staff is also trying to account for additional Cloud services. Virtual desktop (should be implemented within the month) will help management and save on some hardware costs. Keeping everything up to date with video storage is a major cost.

E. Planning & Building (126 & 527), presented by Community Development Director Wendolowski

Planning (126): Staffing support handles all permits (except liquor licenses) and also works with Engineering and Maintenance. He pointed out an error on Page 40 – the 3.8 FTE should be 4.0. There has been a significant change in personnel services with the new economic development catalyst position. With two new employees joining the department, training and education was increased. Advertising costs has also increased significantly. Wendolowski confirmed for Aziz that advertising includes public hearing costs.

Building (527): The City has been using a contract building inspector since 2011 because the demand does not justify a full-time building official. Staff receives positive comments about how fast inspections and permits are taken care of. There is a slight increase in contract services because the City anticipates some larger projects.

Chair Grizzle commended the Community Development staff because Lebanon is known for its quick turnaround time. She likes that training for new staff is included to ensure this does not change.

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

Senior & Disabled Services (190): There are no significant changes. There is a slight increase for department operating expenses, training and office supplies. They anticipate having over 40,000 seniors attend classes, activities, events and workshops. Cascades West Council of Governments operates the Meals on Wheels program, which is expected to serve over 40,000 meals to the Lebanon community. She also spoke about new classes and groups that use the Senior Center.

Lebanon Inter-Neighborhood Express (LINX) (569): This fiscal year will provide close to 23,000 rides (4.5% increase). Significant changes include revenue (from the new employee tax) for new and enhanced transportation services. This should bring in about \$312,000, which is a net increase of about \$200,000. They will now be able to provide additional services – longer hours for loop and demand-response system to at least 6:00 p.m., service outside city limits, and some added Saturday service. The recently completed Transit Development Plan process identified these three additional transit services as ones that would most significantly benefit the community. Other Linn County transportation providers include the Linn Shuttle, Sweet Home Dial-a-Bus, and Albany's service. They are working together to try to determine timelines for adding these extra services. With these additional services, the City will be hiring an additional 1.5 FTE for driver positions, as well as an additional dispatcher to help with coverage during those extended hours.

Senior Center Trust Fund (835): There are no significant changes to this fund, which receives and expends donated funds. Responding to Aziz's question, Oliver indicated that revenue is from donations and from a portion of sales from the Friends of the Library Bookstore.

G. Library & Library Trusts (165, 830 & 838), presented by Library Director Antila

Library (165): She pointed out a correction on Page 55 – FTE should be 6.572; an on-call employee was added. There is a slight increase in personnel costs and a slight decrease in materials and services. The Library is maintaining hours of service (46 hours per week). Patron access has increased with resource sharing (use of other libraries). The Library will also be expanding programming for adults and families because of 2040 Vision input and their in-house survey. There is a reduction in expenditures for print reference materials as most are now digital and less expensive. In the same in-house survey, the Library staff was proud to receive a 93% excellent rating for customer service. Chair Grizzle and Elliott shared positive comments about the Library.

Rieskamp asked if there are frequent requests for expanded hours. Antila stated that there are not, especially since their Saturday hours were shifted from 10-2 to 12-5.

Aziz asked about computer use. Antila said that there are some difficulties since they use LINUX and not Microsoft. She has noticed patron computer logins decreasing and Wi-Fi stats increasing so more people are using their own laptops.

Library Trust (830): Funding comes in the form of grants and donations. They would like to use some of the funds as a grant match for their children's meeting room addition. Shelving would also likely come out of this trust.

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.

H. Police Services (180), presented by Police Chief Stevenson

There are no significant changes. There is a slight increase (8%) in materials and services to upgrade technology equipment. The City is upgrading its computer-aided dispatch and records management system. There is also a slight increase in personnel services due to the addition of an extra position.

Caddy asked whether the chronic overtime is because the department is understaffed or because of special events/situations. Stevenson said that much of this is due to special circumstances. In response to Aziz's question, Stevenson stated that they do not get paid for special events; it is at an overtime rate unless scheduled to work that day. He confirmed for Caddy that the overtime rate is higher than the standard rate.

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

Youth Court (515): There are no significant changes. It is going well but they are seeing more and more marijuana use. Community Policing Officer Dala Johnson teaches the required class on marijuana use.

Police Reserves (516): There are no significant changes. They will soon have four reserve officers.

Equitable Sharing (562): There are no significant changes.

Equipment Acquisition & Replacement (820): A large portion of the increase is from the auctioning of some vehicles. This will be used for updating equipment and storage.

Stauder asked whether the Police Department uses e-ticketing. Stevenson stated that this is not an option due to the computer program currently being used and because of the expense of the program.

Rieskamp asked about new technology for cars and officers. Stevenson stated that there are radios, computer, software, cameras, storage, jail doors, toilets and key access cards.

Stevenson confirmed for Furlow that some CIS report recommendations were included in the budget – updating the jail cameras, jail doors, and a few technological recommendations. The Police Department meets some recommendations, although most are part of a 3-5-year plan. He does not believe they will ever meet the recommendation for a full-time nursing staff but they are trying to do everything they can to minimize liability. There have been no lawsuits or injuries in the 10 years the jail has been in operation.

Police Trust (829): There are no significant changes.

J. **Engineering, Water, Storm & Sewer (130, 430-476)**, presented by Engineering Services Director Whitlatch

Public Works & Engineering (130): There are no significant changes. FTEs went from 9 to 8 because a project engineer position was eliminated with the operation of the water treatment plant.

Water Utility (430): The water treatment plant is running well. Staff will be working out the kinks during the next year. About \$500,000 was set aside as a reserve for future equipment acquisition.

In response to Furlow's question, Whitlatch indicated that the Jacobs water contract terminates June 30, 2019.

Water Treatment Plant (433): Staff has been ultraconservative with this fund since there is no history with the new plant. This budget includes the last City of Albany payment of \$75,000. He confirmed for Chair Grizzle that any excess monies will stay in the water fund.

Water Utility CIP (435): Staff is proposing about \$1.375 million in capital expenses, which includes the old water treatment plant, final membrane contract payment of \$125,000, and the 7th Street waterline replacement project. Some items that were eliminated during the new water treatment plant value engineering process are also being added back for ease of operation. The water meter changeout program is still going on.

The committee praised staff for the smooth water treatment plant transition; there were no citizen complaints about water quality.

Whitlatch confirmed for Elliott that the last payment to Albany will be made this year. Other than dealing with the master plan, Lebanon should not have much dealings with Albany once the 2nd Street intake is eliminated. Whitlatch confirmed for Caddy that the canal is one of Albany's water sources and they take care of it.

Storm Drainage Utility (450): There is a \$46,000 debt service payment to the street SDC from the canal underdrain change order. Staff has budgeted half of the new proposed storm drainage master plan and will put an RFP out soon. The last plan was done in 1989 so it needs to be updated. The storm system works very well overall. Lebanon has a good cleaning program but the whole system needs to be modeled to upsize pipes. Both storm drainage and wastewater received a 2.3% rate inflationary increase but there was enough in the water fund to absorb the increased water costs.

Wastewater Utility (470) & Wastewater Utility Capital Improvement Program (475): The biggest change is the capital Westside Interceptor Project (south of Walker Road). The City is not allowing any further development until they can get a handle on the capacity issue. A preliminary report from the consulting firm is expected in June and there will likely be a Council work session in August because this greatly impacts development. It looks as though the City will be able to get a DEQ loan for about 2.4% with a half million dollars in forgivable principle. The downside is that it will tie the City to federal regulations that may push the project to 2021.

Apken pointed out that funds reserved for future equipment expenditures was moved from the 820 fund back to their respective utility fund.

The solids handling system will have to be dealt with at some point. A majority of contract services is for an outside attorney. Steinhebel asked why the attorney is budgeted from this fund as opposed to the legal fund and whether rates may go up because of this. Whitlatch stated that this is an outside contract for wastewater. Marks explained that wastewater is an enterprise fund so all expenses must be contained within that fund so that property tax payers are not paying for this. The general fund is separate for those

funds that do not have dedicated revenue streams. Since revenues come from rate payers, Steinhebel asked whether this could cause rate increases. Whitlatch stated that there are bigger issues that would cause a rate increase. Marks said that the legal fees are such a small portion compared to the overall size of the wastewater fund so he does not feel that it would be a major driver in increasing rates. The objective is to receive a settlement for something that did not work the way it was marketed to the City; he believes the case is strong and the City will see a return.

K. State Foot and Bike Path, Infrastructure, Streets & Signals (550, 555, 558 & 571), presented by Engineering Services Director Whitlatch

State Foot & Bike Path (550): one percent of the City's gas tax revenue goes to this fund. The City has used this for the sidewalk access ramp replacement program. The project to do three intersections on Grove Street was just put out to bid. The cost is \$3,000-\$4,000 per corner. Staff will continue to look at more intersections as funding allows.

Grizzle asked about the State's study a couple of years ago. Whitlatch said that because the State was sued for failure to put in appropriate access ramps, their criteria is now very stringent so they are having trouble getting bids for the ramps.

Engineering Development Review (555): About 65% of costs for one staff member comes out of this fund. It deals with public improvement permits, drawing reviews, fees and inspection. Not much has changed; staffing was increased a little making it more realistic.

Surface Transportation Program (571): Through ODOT's fund exchange, federal gas funds are used to do pavement overlays, etc. This year's project, Park Drive from Milton to Glenwood, is currently out for bid. If the budget is approved, staff is looking at adding \$200,000-\$250,000 possibly for N. Main Street, Sherman Street (Second to Park), and Grant Street (Main to Park).

In response to Aziz's question, Whitlatch stated that there will be some base repair, but there are only funds to do a good overlay, which will hold up for a while.

L. CIP Fund & SDCs (815, 840, 845, 852, 872 & 892), presented by Engineering Services Director Whitlatch

State Highway Signal Maintenance (815): This fund houses money put aside for the Weldwood Drive signal and helps with ODOT signal maintenance.

Street Capital Improvement Projects (840): There is \$40,000 in state grant funds for final payment of the 5th & Tangent crosswalk project. There is about \$310,000 in reserve for an Airway Road overlay but no major improvements (such as widening the road) will be made as part of the Westside Interceptor next fiscal year.

Infrastructure Deferral (845): There are no significant changes.

SDC – Storm Drainage (852): The City will do a master plan.

SDC – Wastewater Improvements (872): All of it will be going towards the Westside Interceptor Project. Staff is looking to see whether a Parks Master Plan can be done next year as well. Marks explained that SDCs are paid by developers and are used to expand the public systems.

SDC – Water Improvements (892): All water SDCs was used on the new water treatment plant.

Chair Grizzle called for a five-minute break.

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

Finance (140): There has been a small increase in dues and subscriptions and office equipment for possible replacement.

Municipal Court (170): There are no significant changes.

Non-Departmental (195): Improvements include \$32,000 for the City Hall switch replacement, \$140,000 for the downtown lighting/audio project, and \$102,750 for the Academy Square landscaping. There is an increase in the transfer to IS for electronics updates. About \$47,000 (plus \$105,000 from the utility funds) will go towards new software. Also in the equipment acquisition and repair fund is \$165,00 towards the future Ralston Park project and \$250,000 for a future City Hall project. There is a large decrease in contract services due to no master plan project and no urban renewal set up plans. Working and operating contingencies are increased to over \$2 million; this maintains the Council goal of 19%.

Cloyd asked whether the new software will change the budget format. Apken stated that the budget is currently done in Excel and has nothing to do with the accounting software. Marks added that it is also currently hard to run reports. Apken stated that the new software could be implemented towards the end of next fiscal year and should include an integrated budget.

G.O. Fund Revenue (314): Because there is sufficient reserve, the City will decrease the amount of property taxes collected next year.

Full, Faith & Credit Bond (317): There are no significant changes.

Pension Bond Series 2000 (320): There are no significant changes.

Bail (910): Revenues match expenditures in this fund.

N. Parks, Motel Tax, Parks Enterprise & Grants, Custodial/Maintenance, Boat Ramp Maintenance, Equipment Acquisition & Pioneer Cemetery (133, 510, 533, 535, 545, 593, 820 & 825), presented by Maintenance Services Director Williams

Parks (133): The reduction is due to an error in which fund an employee was out of. Materials and services increased to cover operating expenses. Of the \$333,000, \$195,000 is for parks and trails utility costs. This fund also covers maintenance for all School District properties.

Furlow asked whether there have been discussions with the School District about changes for the coming year. Williams said that last year's contract was increased by \$50,000 so he believes the City is fine this year.

Motel Tax (510): The monument sign was paid for this year. Academy Square landscaping improvements and portions of Main Street improvement projects will be paid for next year. This fund is also used to support Strawberry Festival and Parade traffic control. Apken added that this fund includes the \$25,000 allocation for the LDA downtown manager.

Parks Enterprise (533): This fund consists of Gill's Landing camping fees, park shelter rental fees and Cheadle Lake usage fees. There are no significant changes.

Parks Grant (535): The City has an active grant with the State for Century Park; the project should be completed at the beginning of next fiscal year. The only other grant possibility is for a recreational trails grant but the City is not applying for any other grants this fiscal year.

Mayor Aziz asked whether there will be a second phase to the Community Garden/Porter Park. Williams stated that the playground should be done this summer.

Custodial & Maintenance (545): The only increase is for materials and services. Staff is asking the building maintenance electrician to make some improvements. Rieskamp asked whether this is an additional staff position. Williams stated that the position was added last fiscal year, but it is technically a replacement for a position eliminated in 2000.

Street Maintenance (558): Because of the way the gas tax payments come in, assumptions have to be made. Apken explained that the significant increase is because he did not quite understand it well enough last year; this year should include a better estimate. With the increase, maintenance will partner with engineering to do some desperately needed streets projects. A portion of \$430,000 will be used for overlays.

Boat Ramp Maintenance (593): The City receives payments from the Oregon State Marine Board for maintenance of Gill's Landing and Cheadle Lake boat ramps. Staff is working with the State for possible funding to replace the Gill's Landing boat ramp.

Equipment Acquisition and Replacement (820): Upcoming equipment purchases include a street sweeper and a large sludge truck; this will come back to Council. This fund also includes monies to help with the downtown project.

6) **Public Hearing(s)**

A. State Shared Revenues – Chair Grizzle opened the public hearing at 2:27 p.m.

Marks explained 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 comments, Chair Grizzle closed the public hearing at 2:27 p.m. Aziz 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.

B. FY 2019/20 Proposed City of Lebanon Budget

Elliott moved, Steinhebel 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 \$1,151,330 for payment of bond principal and interest. The motion passed unanimously.

Steinhebel moved, Elliott seconded, to recommend the City Council adopt the FY 2019/20 Budget in the sum of \$59,433,182 as proposed by the City's Budget Officer. The motion passed unanimously.

Chair Grizzle adjourned as the Lebanon Budget Committee and convened as the NW Lebanon Urban Renewal District (URD) Budget Committee.

7) **FY 2019/20 NW Lebanon URD Budget Presentation/Discussion, by Finance Director Matt Apken**

The City started underfunding the URD in 2018 so the funds were redistributed to the other taxing districts. The plan is to continue this going forward. There are no significant changes. Debt is being paid. In the case of opportunity to mitigate wetland issues, approval to use operating contingency can be brought to Council.

8) **Public Hearing(s)**

A. Proposed NW Lebanon URD Taxes

Chair Grizzle opened the public hearing at 2:30 p.m. Hearing no comments, she closed the public hearing at 2:30 p.m. Elliott moved, Rieskamp seconded, to recommend the City Council approve the NW Lebanon URD Taxes for FY 2019/20 at the tax increment value of \$105,000,000. The motion passed unanimously.

B. Proposed NW Lebanon URD Budget

Chair Grizzle opened the public hearing at 2:31 p.m. Hearing no comments, she closed the public hearing at 2:31 p.m. Stauder moved, Elliott seconded, to recommend the City Council adopt the FY 2019/20 NW Lebanon URD Budget in the sum of \$3,496,097 as proposed by the Agency's Budget Officer. The motion passed unanimously.

Chair Grizzle adjourned as the NW Lebanon URD Budget Committee and convened as the Cheadle Lake Urban Renewal District (URD) Budget Committee.

9) **FY 2019/20 Cheadle Lake URD Budget Presentation/Discussion**, by Finance Director Matt Apken

There are no significant changes. Improvement amounts have gone down because the loan proceeds were spent. The \$161,000 for improvements will be mainly in Porter Park plans. Marks added that funds were used for extension of Airport Road to Russell Drive, improvements to Russell Drive over the past two fiscal years, partial funding to the water treatment plant project, and the Porter Park community garden.

10) **Public Hearing(s)**

A. Proposed Cheadle Lake URD Taxes

Chair Grizzle opened the public hearing at 2:33 p.m. Hearing no comments, she closed the public hearing at 2:33 p.m. Elliott moved, Stauder seconded, to recommend the City Council approve the Cheadle Lake URD Taxes for FY 2019/20 at the rate of 100% of the amount from the division of tax. The motion passed unanimously.

B. Proposed Cheadle Lake URD Budget

Chair Grizzle opened the public hearing at 2:34 p.m. Hearing no comments, she closed the public hearing at 2:34 p.m. Aziz moved, Stauder seconded, to recommend the City Council adopt the FY 2019/20 Cheadle Lake URD Budget in the sum of \$681,591 as proposed by the Agency's Budget Officer. The motion passed unanimously.

Chair Grizzle adjourned as the Cheadle Lake URD Budget Committee and convened as the North Gateway Urban Renewal District (URD) Budget Committee.

11) **FY 2019/20 North Gateway URD Budget Presentation/Discussion**, by Finance Director Matt Apken

A large portion of the expenses is to repay Samaritan for their infrastructure costs, per the economic agreement. The large increase to Parks and Streets SDCs is due to funds being paid back by the water, wastewater and storm drainage SDCs as they received a larger portion because projects needed to be completed.

In response to Chair Grizzle's question, Apken said that he believes the agreement ends in 2028. Most of the infrastructure is already in place but there are plans for a new building.

12) **Public Hearing(s)**

A. Proposed North Gateway URD Taxes

Chair Grizzle opened the public hearing at 2:37 p.m. Hearing no comments, she closed the public hearing at 2:37 p.m. Elliott moved, Rieskamp seconded, to recommend the City Council approve the North Gateway URD Taxes for FY 2019/20 at the rate of 100% of the amount from the division of tax. The motion passed unanimously.

B. Proposed North Gateway URD Budget

Chair Grizzle opened the public hearing at 2:38 p.m. hearing no comments, she closed the public hearing at 2:38 p.m. Rieskamp moved, Elliott seconded, to recommend the City Council adopt the FY 2019/20 North Gateway URD Budget in the sum of \$1,639,178 as proposed by the Agency's Budget Officer. The motion passed unanimously.

Chair Grizzle adjourned as the North Gateway URD Budget Committee and convened as the Downtown Urban Renewal District (URD) Budget Committee.

13) **FY 2019/20 Downtown URD Budget Presentation/Discussion**, by Finance Director Matt Apken

This is the first year of the Downtown URD so the City does not know what to expect for tax dollars. Staff does not anticipate being able to do any type of project. There will likely be fees to the State.

14) **Public Hearing(s)**

C. Proposed Downtown URD Taxes

Chair Grizzle opened the public hearing at 2:39 p.m. Hearing no comments, she closed the public hearing at 2:39 p.m. Elliott moved, Steinhebel seconded, to recommend the City Council approve the Downtown URD Taxes for FY 2019/20 at the rate of 100% of the amount from the division of tax. The motion passed unanimously.

D. Proposed Downtown URD Budget

Chair Grizzle opened the public hearing at 2:40 p.m. Hearing no comments, she closed the public hearing at 2:40 p.m. Port moved, Steinhebel seconded, to recommend the City Council adopt the FY 2019/20 Downtown URD Budget in the sum of \$1,000 as proposed by the Agency's Budget Officer. The motion passed unanimously.

Chair Grizzle adjourned as the Downtown URD Budget Committee and reconvened as the Lebanon Budget Committee.

15) **Committee Comments**

Caddy expressed concern about the health implications of 5G since smaller towns are being wired. He plans to bring a presentation to the June Council meeting; he feels Lebanon could set the trend to ban 5G until health data comes in. Aziz felt that the Council should at least take a look at this issue before it inundates the City.

Aziz thanked staff for all their hard work on the budget. The document is easier to understand. He feels that funding (\$25,000) the LDA position will be well spent because they have been doing a good job. He thanked the Budget Committee for their participation.

Elliott commented that he is pleased that the water treatment plant is online. Two issues that Council should address is the City Hall replacement and the Library Children's Room.

Cloyd agreed with Aziz in that the budget document is much improved. She feels that staff has done a phenomenal job of redistributing money where it is needed – retaining staff and doing some capital projects. Being on the Budget Committee has been an amazing experience and she attributes it to Marks, Apken and the rest of staff.

Chair Grizzle thanked the citizens on the Budget Committee for taking the time to go through the budget and the process because it is very important.

- 16) **Next Budget Meeting** – No further Budget Committee meetings are needed for this year.
- 17) **Adjournment** – Chair Grizzle adjourned the meeting at 2:51 p.m.

[Minutes prepared by Donna Trippett]