



LEBANON CITY COUNCIL EXECUTIVE SESSION AND REGULAR MEETING - AMENDED MINUTES

January 14, 2026 at 5:00 PM

Library Community Meeting Room
55 Academy Street, Lebanon, Oregon

MISSION STATEMENT

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

Mayor: Kenneth Jackola

Council President Michelle Steinhebel | Councilor Dominic Conti

Councilor Jeremy Salvage | Councilor David McClain | Councilor Dave Workman

5:00 PM – EXECUTIVE SESSION

The Executive Session was Called to Order at 5:00 PM.

EXECUTIVE SESSION ANNOUNCEMENT

In attendance were Mayor Jackola, Council President Steinhebel, Councilor Workman, Councilor Conti, and Councilor McClain. Staff attending were City Manager Ron Whitlatch, Finance Director Brandon Neish, Development Services Director Shana Olson, City Recorder Julie Fisher, and IT Director Brent Hurst. Also in attendance were Sara Brown with the Lebanon Local and relator Bill Flesher.

City Attorney Tre' Kennedy read the Executive Session Announcement. No decisions were made in Executive Session.

1. Per ORS 192.660(2)(e) To conduct deliberations with persons designated by the Council to negotiate real property transactions.

ADJOURN EXECUTIVE SESSION

The Executive Session was adjourned at 5:47 PM.

6:00 PM – CITY COUNCIL REGULAR SESSION

CALL TO ORDER / FLAG SALUTE

The meeting was Called to Order at 6:00 PM

ROLL CALL

PRESENT

Mayor Kenneth Jackola

Councilor - Ward 1 Dominic Conti

Councilor - Ward 2 David McClain

Councilor - Ward 2 Dave Workman

Council President - Ward 3 Michelle Steinhebel

ABSENT

Councilor - Ward 3 Jeremy Salvage

STAFF

Ron Whitlatch, City Manager
Branon Neish, Finance Director
Julie Fisher, City Recorder
Shana Olson, Development Services Director
Brent Hurst, IT Director
Tre' Kennedy, City Attorney
Kim Hyde, Police Captain

MEDIA

Sarah Brown, Lebanon Local

CONSENT CALENDAR

The following item(s) are considered routine and will be enacted by one motion. There will not be a separate discussion of these items unless a Councilor so requests. In this case, the item(s) will be removed from the Consent Calendar and considered separately.

Motion made by to approve the Consent Calendar by Councilor - Ward 1 Conti, Seconded by Councilor - Ward 2 Workman.

Voting Yea: Councilor - Ward 1 Conti, Councilor - Ward 2 McClain, Councilor - Ward 2 Workman, Council President - Ward 3 Steinhebel

1. **AGENDA:** Lebanon City Council Agenda – January 14, 2026
2. **AGREEMENT:** *Third Street Warranty Deed*
3. **APPROVAL TO BID:** *Vine Street Water Line Replacement Project 25713*
4. **BOARD MINUTES:** *2025-10-14 Library Advisory Board*
5. **COUNCIL MINUTES:** *2025-12-10 Regular and Executive Session Minutes*
6. **LIQUOR LICENSE:** *Oregon's Indoor High Caliber Kitchen, LLC*

PRESENTATION / RECOGNITION

None

PUBLIC COMMENTS

Sarah Brown invited Council and the public to attend Connect for Lebanon, a volunteer nonprofit event. She explained that approximately 30 local nonprofit organizations that serve the community will be present to recruit volunteers. The event will be held Saturday from 11:00 a.m. to 2:00 p.m. at the Boulder Falls Event Center, and she encouraged anyone interested in volunteering, including young adults, to attend.

Ken Justus expressed continued concerns about homeless activity along Berlin Road, noting that since his prior comments his barn was broken into and his son's dirt bike was stolen. He acknowledged and praised the response of City police officers and a County Sheriff's deputy and asked for an update on actions taken since recent cleanups in other areas. City Manager Ron Whitlatch responded that the issue remains under active attention. He explained that staff and law enforcement have been attempting to contact the property owner to develop a long-term solution, as repeated trespassing enforcement alone would not resolve the situation. Individuals will be trespassed when located, but staff have not always been able to find them on site. He added that mowing or cleanup can occur within the City's right-of-way, but work on private property requires owner cooperation. The City will continue efforts to contact the property owner and monitor the area as resources allow.

Dayla Johnson, a Ward 2 resident, requested Council consideration of targeted parking restrictions along N. 2nd Street from Tangent Street to Mullins Drive to improve public safety, emergency access, and daily traffic flow. She described ongoing safety issues caused by the narrow roadway and parking on both sides, including reduced visibility, vehicles crossing into oncoming lanes, difficulties for school

buses and emergency responders, and pedestrians being forced into the roadway. Her specific requests included: (1) no parking on both sides from Tangent Street to the Police Department entrance to support emergency operations; (2) no parking on the west side from Olive Street to Mary Street to improve visibility; and (3) no parking on the east side from Mary Street to Mullins Drive to reduce congestion and improve safety near the medical campus.

Kay Cortez spoke in support of the request and read a letter from Maggie Estes, Director of Transportation for the Lebanon School District, stating that school buses regularly use this corridor and that on-street parking reduces the road to a single lane, creating safety concerns. Ms. Cortez also shared her personal observations as a nearby resident, noting frequent congestion, near misses, and incidents of parked vehicles being sideswiped, and emphasized the need to keep the route safe for residents, school buses, and first responders.

City Manager Ron Whitlatch indicated that staff had taken note of the concerns and confirmed that the appropriate next step would be to bring the matter back to Council through a noticed public hearing, including notification to affected neighborhoods, so Council can receive public input and consider the proposed parking changes.

PUBLIC HEARING(S)

7. Ordinance No. 1 for 2026 - Ordinance No. 3043 - A Bill for an Ordinance Vacating Public Right-of-Way on S. 3rd Street

Mayor Jackola recused himself from consideration of Ordinance No. 3043, vacating a portion of public right-of-way on S. 3rd Street, and Council President Steinhebel conducted the public hearing. The Public Hearing was opened at 6:18 PM.

City Manager Ron Whitlatch presented the staff report, explaining that the proposed vacation involves a portion of S. 3rd Street between Grant and Sherman Streets and is related to the sale of the Santiam Travel Station property. Research by staff, engineering, legal counsel, and historical City records determined that only a portion of the street was previously conveyed in fee simple, leaving an additional 23 feet of right-of-way that must be formally vacated to revert ownership to the adjacent property owner. Required public notice was provided in accordance with state law, and utility access easements will remain in place. The vacation was noted as a formality consistent with the existing sales agreement.

There was no public testimony in favor or opposition. The public hearing was closed at 6:21 p.m.

The City Attorney read the ordinance title. Motion made to approve Ordinance No. 1 for 2026 - Ordinance No. 3043 by Councilor - Ward 2 McClain, Seconded by Councilor - Ward 2 Workman.

Voting Yea: Councilor - Ward 1 Conti, Councilor - Ward 2 McClain, Councilor - Ward 2 Workman, Council President - Ward 3 Steinhebel

Voting Abstaining: Mayor Jackola

REGULAR SESSION

8. Resolution No. 1 for 2026 - A Resolution Initiating a Request for Withdrawal of Territory Pursuant to ORS 222.460 and ORS 222.465

Council considered a request from property owners along Berlin Road to withdraw their properties from the City limits, also referred to as de-annexation. Development Services Director Olson presented the staff report, explaining that the request initially involved three properties, but one applicant withdrew, leaving two remaining properties at 32777 Berlin Road and 32756 Berlin Road.

Staff outlined the applicable statutes (ORS 222.460 and 222.465), noting that while City Council may initiate a withdrawal by resolution, the statutes provide no specific evaluation

criteria, and the decision is discretionary. If initiated, the request would proceed as a formal land use action requiring public hearings before the Planning Commission and City Council, as well as separate approval by Linn County. If Council declined to initiate the request, no further action would occur.

The applicants cited limited access to City utilities, public safety concerns related to trespassing and encampments, and a desire to reduce property tax obligations. Staff reviewed service availability and found that City water and sewer connections are available approximately 1.5 miles north, police patrol and code enforcement services are provided in the area, and the City would retain jurisdiction over Berlin Road even if the properties were withdrawn. Staff also reviewed the annexation history, noting the properties were annexed to allow land divisions not permitted under County zoning, and that the applicants purchased the properties after annexation and partition approvals had already occurred.

Staff concluded that the annexations and subsequent land divisions were properly approved, utility extensions were not required at the time, and withdrawal would not further the public interest. Staff recommended that Council decline to adopt a resolution initiating the withdrawal process.

During discussion, Council expressed concern about the precedent a withdrawal could set, the lack of demonstrated public benefit, and the fact that City services and roadway responsibilities would largely remain unchanged. The City Attorney added that while the statute references "public interest," there is little case law interpreting private de-annexation requests, indicating such actions are rare.

The City Attorney read the title of Resolution No. 1 for 2026, initiating a request for withdrawal of territory pursuant to ORS 222.460 and ORS 222.465. No motion was made to initiate the withdrawal, and the request therefore did not advance

9. Ordinance No. 2 for 2026- Ordinance No. 3044 - A Bill for an Ordinance Granting a Non-Exclusive Franchise for Casco Communications, Inc. dba Peak Internet

Finance Director Brandon Neish presented Ordinance No. 3044, granting a non-exclusive franchise agreement between the City and Casco Communications, Inc., doing business as PEAK Internet. He explained that PEAK's prior franchise agreement had expired, and that the City has updated its franchise templates to reflect current FCC regulations and best practices for internet service providers. The updated template was developed with assistance from specialized legal counsel and will be used for other providers as existing agreements expire.

The proposed franchise is a five-year agreement, reflecting the rapidly changing regulatory environment for internet services. The agreement allows PEAK to operate within the City's public rights-of-way while enabling the City to recover costs associated with inspections, locating utilities, traffic control, and other impacts. It also ensures the City can require relocation of PEAK's facilities in connection with capital or construction projects, at PEAK's expense and within defined timeframes.

Council discussed PEAK's presence in the community, noting PEAK is expanding service to business, institutional, and residential areas. Staff stated that revenue from internet franchises has historically been limited, but the agreement is important to protect the City's interests and maintain control over use of public rights-of-way.

The City Attorney read the ordinance title. Motion made to approve Ordinance No. 2 for 2026 - Ordinance No. 3044 by Councilor - Ward 1 Conti, Seconded by Councilor - Ward 2 Workman.

Voting Yea: Councilor - Ward 1 Conti, Councilor - Ward 2 McClain, Councilor - Ward 2 Workman, Council President - Ward 3 Steinhebel

10. Ordinance No. 3 for 2026- Ordinance No. 3045 - A Bill for an Ordinance Amending Lebanon Municipal Code Chapter 3.04 - Public Contracts

Finance Director Brandon Neish presented Ordinance No. 3045, proposing significant amendments to Lebanon Municipal Code Chapter 3.04 (Public Contracts) to modernize and standardize the City's purchasing and procurement practices. He explained that current procedures are spread between the Municipal Code and outdated policies, resulting in inconsistent practices across departments.

The proposed amendments remove detailed procurement procedures—such as purchasing authority assignments and specific selection methods—from the Municipal Code and instead place them into a consolidated administrative purchasing policy. This approach would allow greater flexibility to respond to changes in state law and operational needs without requiring frequent code amendments. Council's authority as the Local Contract Review Board would be retained, particularly for special procurements and contracts requiring Council approval.

A draft purchasing policy was provided for review, maintaining existing procurement thresholds, confirming the City Manager's contract execution authority, and requiring use of the City's financial system for intermediate procurements to ensure proper documentation, competitive quotes, audit readiness, and transparency. Emergency procurement authority would remain with the City Manager.

Staff emphasized that the changes would enhance accountability, consistency, and compliance with Oregon Revised Statutes, while improving audit and recordkeeping processes. Department directors will be consulted during the 30-day period before the ordinance becomes effective, with the finalized policy to be adopted administratively by the City Manager.

The City Attorney read the ordinance title. Motion made to approve Ordinance No. 3 for 2026 - Ordinance No. 3045 by Council President - Ward 3 Steinhebel, Seconded by Councilor - Ward 2 Workman.

Voting Yea: Councilor - Ward 1 Conti, Councilor - Ward 2 McClain, Councilor - Ward 2 Workman, Council President - Ward 3 Steinhebel

11. Adoption of Strategic Plan Update and City Council Priorities

City Manager Ron Whitlatch presented the January 2026 Strategic Plan Update and City Council Priorities Addendum for Council consideration. He explained that the update reflects the outcomes of the November 12, 2025, City Council and staff work session, which was facilitated by Sarah Wilson. During that session, Council reviewed progress and identified organizational priorities for the coming years.

Key priorities discussed and incorporated into the update include upgrades to the wastewater treatment plant, seed funding to reopen the municipal jail, exploration of a service fee to support City services for higher education, and other Council-identified initiatives outlined in the document. The updated five-year strategic action plan will be posted on the City's website.

Motion made to approve the Strategic Plan Update and City Council Priorities Addendum by Councilor - Ward 2 Workman, Seconded by Council President - Ward 3 Steinhebel.

Voting Yea: Councilor - Ward 1 Conti, Councilor - Ward 2 McClain, Councilor - Ward 2 Workman, Council President - Ward 3 Steinhebel

12. WWTP Master Plan Discussion

Public Works Director Jason Williams presented an overview of the Wastewater Treatment Plant Facilities Master Plan, developed with assistance from consultant Kennedy Jenks. He explained that the plan evaluates facility needs through the year 2045 and outlines phased capital improvement projects necessary to maintain regulatory compliance and reliable operations. The total estimated cost of the identified projects is approximately \$95.6 million.

Director Williams reviewed the history of the wastewater treatment plant, noting it was originally constructed in 1954 and last significantly updated in 1976, and that the City has continued to maintain compliance through ongoing repairs and upgrades. The master plan

identifies priority projects, with Phase One focusing on solids handling systems, and will guide future pre-design and funding efforts.

City Manager Whitlatch emphasized that the plan is being presented for public review and Council consideration as part of the required process to remain eligible for future funding. Adoption is expected at a later meeting. Consultant Mark Ellington of Kennedy Jenks advised Council to focus on the executive summary and recommended projects, which summarize the technical analysis, costs, and proposed improvements. Staff and consultants noted their availability to answer questions as Council continues its review.

The plan is anticipated to return to Council for adoption in March.

13. Department Report

City Manager Ron Whitlatch reported that the City's budget process is underway and progressing well. A budget calendar will be provided to Council, with a proposed approach that includes more focused and in-depth budget meetings than in prior years. He reminded Council of the January 28 Council meeting, which will include interviews for the vacant Council position followed by a work session on the proposed jail levy, with a consultant expected to participate.

He also reported that the City received a grant to conduct a wetlands delineation on industrial property near Linn-Benton Community College, extending toward Highway 34. The grant includes an 85/15 match, and all property owners are participating. The study supports potential industrial development and will remain useful even if the current development interest does not proceed.

City Attorney's Report:

The City Attorney provided updates on two recent legal developments of note. First, he discussed an Oregon Ethics Commission matter involving the City of Salem, where serial communications among elected officials regarding a city manager resignation were found to violate public meetings law. He cautioned Council that the Ethics Commission's interpretation appears to be expanding and may further restrict communications among members of governing bodies. Council was advised to exercise caution, particularly regarding discussions of matters that are before or likely to come before Council.

Second, he summarized a recent Court of Appeals decision involving a public records dispute between PETA and OHSU. While the trial court had awarded substantial attorney fees due to delayed records production, the Court of Appeals ruled that the applicable statute does not authorize attorney fee awards in such cases. The City Attorney noted the case as an important clarification of public records law and associated liabilities.

ITEMS FROM COUNCIL

Councilor Workman raised a concern regarding delays in processing mailed utility payments, noting a customer's check mailed on January 8 did not post until January 23, causing confusion about timing and potential late fees.

Finance Director Brandon Neish explained that the City outsourced check processing (via a lockbox in Portland) about three years ago due to the high volume of mailed payments, which previously overwhelmed staff. While this system ensures checks are processed by the bank within 24 hours of receipt, mail delays, USPS timing, and some online bank payments that are still mailed as physical checks can extend the time before a payment posts to the customer's account.

To mitigate issues, the City has implemented a 30-day grace period for late fees, monitors accounts for good payment history, and recommends customers use the Dropbox at City Hall for faster processing. Staff also track each payment and can adjust accounts to prevent late fees when delays are verified. Complaints have decreased since the early COVID period, but occasional delays—especially around holidays—still occur.

Overall, the City continues to balance efficiency, customer service, and operational constraints related to mailed and check-based payments

PUBLIC/PRESS COMMENTS

An opportunity for citizens and the press to comment on items of city business.

None

NEXT SCHEDULED COUNCIL MEETING(S) 2026-01-28 City Council Regular Meeting and Work Session at Noon. 2026-02-11 City Council Meeting

ADJOURNMENT

The meeting adjourned at 7:23 PM

INSTRUCTIONS FOR TESTIFYING ON AGENDA AND NON-AGENDA ITEMS:

Everyone is welcome to attend City Council meetings. If you cannot attend, written testimony must be received by noon prior to the meeting via email to city.recorder@lebanonoregon.gov. Persons who desire to access the Zoom meeting to give oral testimony regarding a Public Hearing can contact the City Recorder by email at city.recorder@lebanonoregon.gov by noon prior to the meeting so that the City Recorder can provide instructions.

City Council meetings are recorded and available on the City's YouTube page at:

<https://www.youtube.com/user/CityofLebanonOR/videos>

The meeting location 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 to the City Recorder at 541.258.4905.