



LEBANON CITY COUNCIL WORK SESSION MINUTES

August 28, 2024 at 12:00 PM

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

MISSION STATEMENT

The City of Lebanon is dedicated to providing exceptional services and opportunities that enhance the quality of life for present and future members of the community.

Mayor: Kenneth Jackola

Council President Michelle Steinhebel | Councilor Wayne Dykstra | Councilor Carl Mann

Councilor Jeremy Salvage | Councilor Kim Ullfers | Councilor Dave Workman

CALL TO ORDER WORK SESSION

The work session was called to order at 12:00 PM.

PRESENT

Mayor Kenneth Jackola
Councilor - Ward 1 Wayne Dykstra
Councilor - Ward 1 Carl Mann
Councilor - Ward 2 Kim Ullfers
Councilor - Ward 2 Dave Workman
Council President - Ward 3 Michelle Steinhebel

ABSENT

Councilor - Ward 3 Jeremy Salvage

STAFF

Interim City Manager Ron Whitlatch
Finance Director Brandon Neish
Community and Economic Development Director Kelly Hart
City Recorder Julie Fisher
City Attorney Tre' Kennedy
IT Director Brent Hurst
IT Administrative Assistant Erin Gomez
HR Director Angela Solesbee

DISCUSSION ITEMS

1. 5-Year Budget Projection Discussion

Councilor Ullfers gave an update on former Mayor Paul Aziz.

Interim City Manager Ron Whitlatch began the 5-Year Budget Projection Discussion with objectives of the work session. The meeting addressed the structural deficit, identify causes, and report what the City has done to mitigate the deficit. The most current 5-year budget

projection was presented which showed the required 17% reserves in the beginning fund balance will not be met in FY 26. Next steps will include discussing the City Services Fee, messaging examples for the webpage, social media and print, and review samples of ordinances and resolutions.

Finance Director Brandon Neish explained the effects that Measures 5 and 50, increased personnel costs, PERS increases, capital maintenance projects, and inflation on good and services has affected the budget. Measure 5 limits property taxes to \$10 while Measure 50 limits growth to 3%. Meanwhile the City is experiencing an increase in expenditures at 8% per year. The distribution of property tax dollars was explained with only 29% going to the City. In 2023 the City spent more than were received in revenue. In response, the City eliminated 9.75 FTE, 8 which had direct impact on general fund dollars. Current staff levels are the minimum needed to be able to manage and maintain current levels of service.

During the City Council Work Session on April 24th, the City Council directed staff to begin researching a City Service Fee. The Council continued discussion on the City Service Fee and what impact that would have on the community. It was discussed 61 accounts are currently enrolled in the low-income utility relief program for a discount on their utility bills. Mayor Jackola stated he would like to see the fee implemented sooner than later and stated Council has had many discussions on the topic and done its due diligence. He stated he does not believe the community is in favor of reducing services such as the library and senior center. He suggested town hall meetings for community input. There was discussion from Council on whether the fee should be \$15 or \$18 per month. The \$15 per month fee would meet the deficit, but the \$18 per month fee would allow for a small amount of growth. It was noted the fee would be reviewed each year by the City Council during the State of the Utilities discussion, and the Budget Committee during the budget process. The fee could be adjusted according to need during those reviews.

It was noted that the City of Lebanon might be the only city that does not have an operation levy or service fee already in place and with the current financial projection, does not have a choice but to move forward with the fee or reduce services. Councilor Steinhebel requested large meter customers be contacted and receive advance notification in addition to the town hall meeting and additional outreach.

The meeting concluded with direction to staff to schedule town hall meetings for community input, send notifications to customers, complete the building structure and financial system set up, and be prepared to implement the City Services Fee January 2025. A work session to review prior to implementation was scheduled for October 23, 2024 at noon.

ADJOURN WORK SESSION

The work session adjourned at 1:30 PM.

Kenneth E. Jackola, Mayor

Michelle Steinhebel, Council President

Attested:

Julie Fisher, City Recorder