

CITY OF LA GRANDE

Urban Renewal District Budget Committee

May 15, 2023

6:00 p.m.

Colleen F. Johnson Community Room
F. Maxine and Thomas W. Cook Memorial Library
2006 North Fourth Street

MINUTES

MEMBERS PRESENT

Justin Rock, Mayor (*Attended via electronic device*)
David Glabe, Mayor Pro Tem
Corrine Dutto, Agency Member
Nicole Howard, Agency Member
Molly King, Agency Member
Mary Ann Miesner, Agency Member
Denise Wheeler, Agency Member

Cori Brewster
Steve Clements
Max Koltuv
Roxie Ogilvie

ABSENT/EXCUSED

Mat Barber
Jeannette Hulse
Joyah Wong

STAFF PRESENT

Gary Bell, Police Chief
Lyle Bridge, WWTP/Sewer Superintendent
Carrie Bushman, Library Director
Emmitt Cornford, Fire Chief
Joe Fisher, Building Official
Carla Greenough, Police Dept. Admin. Assistant
Rob Harnack, Senior Accountant
Hannah Lehner, Assistant to the City Manager
Heather Rajkovich, Finance Director
Stu Spence, Parks and Recreation Director
Stacey Stockhoff, City Recorder

Timothy Bishop, Economic Development Director
Josie Boyk, Public Works Admin. Assistant
Kyle Carpenter, Public Works Director
Jake Dixon, Water Superintendent
Jennifer Fox, Fire Dept. Admin. Assistant
Ronda Griffin, Communications Manager
Jason Hays, Police Lieutenant
Cari Markham, Human Resource Specialist
McKayla Rollins, Aquatics & Recreation
Superintendent
Robert Strope, City Manager/District Manager

Per ORS 192.670(1), some Committee Members participated in this Regular Session by electronic communication.

ROLL CALL

Mayor Pro Tem GLABE called the meeting of the City of La Grande Urban Renewal District Budget Committee to order at 6:02 p.m. Roll Call was taken and a quorum was determined to be present.

AGENDA APPROVAL

There were no additions or changes to the agenda.

DECLARATIONS

Mayor ROCK declared a potential conflict of interest because the City of La Grande had competitively awarded contracts for towing services which may include a business in which Mayor ROCK had an interest that could receive payments from the City of La Grande's General Fund Budget or other City Budgets. Mayor ROCK did not believe the potential conflict of interest would influence his decisions regarding the City's budgets and that he could remain impartial; therefore, he would participate in the discussion and voting on the City's General Fund Budget.

Mayor ROCK declared a potential conflict of interest. Mayor ROCK had a potential conflict of interest for the City's Enterprise and Other Funds Budgets because Mayor ROCK owned a business that potentially conducted business with the Public Works Department. Based on the potential for tire sales to Public Works in the future, he would not participate in the discussion or vote on any of the Enterprise and Other Funds Budgets.

District Manager/Budget Officer Robert STROPE noted Mayor ROCK would be participating in the Urban Renewal District Budget Hearing.

CHALLENGES

None

ELECTION OF CHAIR

Mayor Pro Tem GLABE nominated Steve CLEMENTS to be Chair of the Urban Renewal Budget Committee; MIESNER provided the second.

VOTE

MSC: 10-0-1 (Yes: BREWSTER, DUTTO, GLABE, HOWARD, KING, KOLTUV, MIESNER, OGILVIE, ROCK, and WHEELER; No: None; Abstain: CLEMENTS)

Chair CLEMENTS opened the Urban Renewal District Budget Hearing at 6:06 p.m. and asked for the Budget Message.

BUDGET MESSAGE

Robert A. STROPE, Budget Officer

STROPE recapped the three (3) separate Memorandums that captured questions from the Budget Committee Members and answered by City Staff, which were provided to the Budget Committee Members prior to the hearing. These documents were available on the City's website to the public in advance of the hearing; a copy of which is now a permanent document in the master file for this Regular Session and by this reference incorporated herewith as if fully set forth.

STROPE cited a corrected thirty-five-thousand-dollar (\$35,000) error related to the Economic Development Budget, allocated for promotional activities outside the Urban Renewal District which are funded by the City's General Fund, not Urban Renewal. Staff had not reduced this \$35,000 from the transfers between the URA Debt and General Funds, nor the payment from URA to the City's General Fund for services. The correction increased the net funding in the URA budgets by the \$35,000. Prior to the start of the hearing, all members of the Budget Committee received corrected charts.

After outlining the procedure for the Budget Hearings, STROPE stated that the Urban Renewal District Proposed Budget for Fiscal Year 2023-24 reflected the guidance

provided by the Urban Renewal Agency at their annual Retreat, which again included affirmation of continuing to fully fund core economic development efforts first and to under levy surplus property taxes. Based on that guidance, the Proposed Budget had an under levy of Urban Renewal to provide more revenues to the City's General Fund as well as additional revenues to other taxing districts. The under levy was an annual decision, and at the discretion of the Agency. In addition to funding core programs, the intent was to maintain an ending fund balance of approximately \$250,000. The Proposed Budget included a total unappropriated ending fund balance of \$437,041, plus \$150,000 of contingency.

STROPE noted that the Proposed Budget included funding for the Economic Development Director, core economic development program funding, and project funding for the Agency's existing programs. The Agency had created a new Program using the currently budgeted \$225,000 for the Business Park Call for Projects and \$200,000 Traded Sector Incentive called the Traded Sector/Business Park Call for Projects Business Attraction Incentive Program. Proposed total allocation was \$1,350,000 in project funding, which was the same amount budgeted for Fiscal Year 2022-23. Non-Business Park Call for Projects program totaled \$350,000, of which, \$37,787 was identified as a carried over from the 2022-23 Fiscal Year. The Agency identified, pro-actively targeted improvement projects totaled \$500,000, all of which was carried over from 2022-23 Fiscal Year. The Traded Sector/Business Park Call for Projects Business Attraction Incentive Program included \$425,000, all of which was carried over from 2022-23 Fiscal Year. Lastly, the Façade Grant Program included \$75,000. An additional \$182,119 awarded under prior years' Call for Projects Program was being carried forward from the remaining open projects.

STROPE stated that because of the regulatory constraints surrounding Urban Renewal, the City of La Grande and the Urban Renewal Agency have an agreement that provides for the transfer of funds from the Agency to the General Fund for services, including funding of the Economic Development Department and La Grande Main Street Downtown (LGMSD) at \$25,000. The Agency had not planned to provide funding for any outside third-party agency or organization for economic development efforts in the coming fiscal year, other than the existing services provided by LGMSD.

PUBLIC COMMENTS

None

COMMITTEE DISCUSSION

In response to MIESNER's question regarding remaining responsibilities of businesses with outstanding debt, Timothy BISHOP, Economic Development Director, cited contractor availability was at the forefront of challenges facing each business. BISHOP outlined details for remaining

responsibilities from each business: Front Office Solutions – roof and heating, ventilation, and air conditioning (HVAC). Bohnenkamp Building – second floor housing conversion. Smokehouse – interior renovations, anticipated completion by July 2023. Local Station – Ten (10) panels remaining for installation, noting a carry-over from 2022. BISHOP shared his belief that contractor challenges would continue to impact future project schedules.

In response to Chair CLEMENTS' question pertaining to the debt fund estimates, STROPE confirmed collections were still incoming, while highlighting estimated delinquent funds were forty thousand dollars (\$40,000) to a budget of twenty-five thousand dollars (\$25,000).

DUTTO inquired on the amount of private funding associated with Urban Renewal dollars, to which, BISHOP stated Call for Projects required a minimum fifty percent (50%) match. BISHOP stated he was unable to provide the exact dollar amounts in the present hearing, but noted two (2) projects in particular, the Bohnenkamp Building project and the Elks Lodge project, which greatly exceeded the private funding requirement. BISHOP committed to sharing the details upon a later date to the committee.

In response to KOLTUV's question regarding the merger of two (2) funds, STROPE noted a matrix had been created for job creation, addressing that previously the maximum awarded amount under the Traded Sector was two hundred thousand dollars (\$200,000) and a maximum under the agency owned Business Park lots was one hundred thousand dollars (\$100,000). Under the merged policy, the Traded Sector, if funds were available, could provide up to an incentive of five hundred thousand dollars (\$500,000) for traded sector new construction.

Chair CLEMENTS closed the Hearing at 6:31 p.m. to entertain a Motion from the Budget Committee.

The following Motion was introduced by DUTTO; OGILVIE providing the Second:

MOTION: I move that the Urban Renewal District certify to the County a request that \$52,837,073 in increment value be used for the purpose of dividing taxes and that the Urban Renewal District Budget for Fiscal Year 2023-2024 be approved as amended; and further, that it be forwarded to the Urban Renewal Agency for consideration and adoption during its Regular Session on June 7, 2023.

COMMITTEE DISCUSSION

None

VOTE

MSC: 11-0 (Yes: BREWSTER, CLEMENTS, DUTTO, GLABE, HOWARD, KING, KOLTUV, MIESNER, OGILVIE, ROCK, and WHEELER; No: None)

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At 6:32 p.m. Chair CLEMENTS adjourned the Budget Committee to Consider the Approval of the Budget Committee Minutes during the Agency's Regular Session on June 7, 2023.

**Justin B. Rock
Mayor**

**Steve Clements
Chair**

ATTEST:

**Stacey M. Stockhoff
City Recorder**

APPROVED:
