

The City Council for the City of Junction City, met in a work session at 6:30 p.m. on Tuesday, March 24, 2026, in the Council Chambers, 680 Greenwood Street, Junction City, Oregon and in a virtual meeting format via internet and phone.

**PRESENT:** Mayor, Kenneth Wells; Council President, Karen Leach; Councilors Sandie Thomas, Sidney Washburne, Andrea Ceniga, Ken Jamieson, and Ken Hancock; Interim City Administrator, Spencer Nebel; Public Works Director, Gary Kaping; and City Recorder, Kitty Vodrup.

### **1. Call to Order, Pledge of Allegiance, and Roll Call**

Mayor Wells opened the work session at 6:30 p.m., led the Pledge of Allegiance, and took roll call.

### **2. City Administrator Recruitment**

Administrator Nebel presented information on the City Administrator Recruitment process and options for Council consideration. The Council would be required to adopt a resolution, outlining the recruitment process and job profile for this position, which would then allow the Council to review applications, deliberate, and interview candidates in executive session.

#### **Recruiter Options**

Administrator Nebel shared that the Council had three options for doing the City Administrator recruitment: 1. Retain services of a search firm, 2. Enter into an IGA with Local Government Personnel Services, or 3. Use Administrator Nebel and internal staff. Using outside agencies would cost \$20,000 to \$30,000. Administrator Nebel had experience in the recruitment process and, Junction City had an HR Manager and other staff that could assist.

#### **Recruitment Process**

1. Stakeholder Interviews. To gather background information on key issues facing Junction City and the types of qualities that the community was looking for in the next City Administrator. Administrator Nebel would interview Council members, staff, and community members.
2. Outreach to General Public. Conduct through online surveys and setting up in person meetings to gather community input.
3. Initial Draft of the Job Profile. Would include things like minimum education, experience level, desired skills, critical policy directives, and pay range. Council would review and provide consensus direction on the job profile.
4. Resolution. Once Council consensus was received on the job profile and hiring process, Council would consider a resolution adopting the position profile, standards, criteria, and policy directives to be used in hiring a City Administrator.
5. Schedule: To include deadlines for deciding on the recruitment process, receiving stakeholder input, drafting the job profile, adopting the resolution, advertising, application period, interviews, background checks, etc.
6. Initial Screening. Administrator Nebel would conduct an initial screening of candidates via Zoom and would present a report to Council in Executive Session, and Council would give direction on what candidates would be invited for full interviews.
7. Receptions. Before Council interviewed the candidates, Administrator Nebel would recommend setting up a reception for the community to meet the candidates and a reception for staff to meet the candidates.
8. Interview Committees. He would recommend using a commonly used process for a City Administrator recruitment which would be to have three interview committees: 1. Citizens Panel, 2. Professional Managers Panel, and 3. Staff Panel. The results of these interviews would be communicated to Council.

Administrator Nebel noted that the draft schedule he had included in the Council packet was aggressive, and he recommended backing the schedule up by four weeks, so he could give attention to the budget preparation.

The Council consensus was for the recruitment process to be done in house by Administrator Nebel, as he had the experience to do that and it would save the City money and to move the schedule back by four weeks, to allow Administrator Nebel to focus on the budget. Council members expressed support for getting the internal and external feedback, as Administrator Nebel had reviewed.

Administrator Nebel asked Council for community stakeholder names. Council members shared: Kara McDaniel, Rhonda Giles, Cathie Campbell, Owen Foust, Ed Madrid, Scandinavian Festival representatives, a local pastor, other law enforcement agency members who live in Junction City, Fire Chief Brandon Nicol, Julie Nowacki, Jeff Curran, and Cindy Montgomery.

Administrator Nebel responded that he had interviewed Council members, would continue with staff interviews and begin citizen stakeholder interviews. He would also bring back a revised recruitment process schedule to the April 14, 2026 Council meeting.

### 3. Enterprise Fund Reorganization Options

Administrator Nebel stated that the Council had asked him to review information and provide advice regarding the projections that indicated there would be a future deficit in the water and sewer funds based on current expenditure trends going forward. With less than one week on the job, he presented his initial thoughts, observations, and recommendations.

#### Background

- The Projects Crew was created to address a lot of the smaller projects that had been identified as part of the City's aging infrastructure. The labor and materials costs to operate the Projects Crew were included in a rate study, and rates were raised to proceed with some critical improvements to the water and sewer system for the City of Junction City.
- Council requested a report from staff on the impact of services and projects if rates were not increased and that report was provided to Council in December 2025. Staff then presented a revised report with options to Council in February 2026, at which time the Council direction was to wait and have the Interim City Administrator review and provide input.

#### Initial Thoughts

- Administrator Nebel gave credit to the City of Junction City for doing projections and looking ahead, as a lot of cities did not do that.
- This was not an immediate crisis, as the projections were pointing to a potential financial problem if steps were not taken in a few years. It was an issue that in the long run the City would need to deal with.
- Junction City was similar to many cities of its age and had a lot of old water and wastewater infrastructure that was starting to fail and needed to be upgraded and replaced, which was an expensive process. On top of that, Junction City was under a Mutual Agreement and Order (MAO) to make major changes in addressing wastewater infrastructure. This order would result in significant financial penalties for the City if those issues were not addressed.
- The MAO required Junction City to do a different type of treatment from the lagoon system, and options included building a new wastewater plant or connecting to the Metropolitan wastewater system. Both were very expensive, and Council would need to address how that was going to be paid in the future.
- The City established the Projects Crew to focus on smaller projects. Administrator Nebel noted that he had worked with many Public Works Departments over the years and the amount of project work the Junction City Public Works Department accomplished was significant; in Newport, most of that work was contracted out. Many projects in Junction City were done by in house staff, which was a good thing that the City had the level of talent that could replace watermains, etc. He had not had a chance to compare numbers thoroughly but believed that the City was able to save money to do work in house rather than contract it out.
- The City had not increases rates over the past two budget cycles for water and wastewater. Administrator Nebel noted that was problematic with a system that was deteriorating and needed substantial investment in order to keep providing safe drinking water and meet requirements for treating wastewater in the community.

#### Observations

- Water and Sewer Rates. Nobody liked to increase utility rates. Costs increased every year, and if the City was not increasing rates to cover at least the cost of living increases, the City would be falling farther behind. If the City had a brand new system that did not need a lot of work going forward, there might be a case for not raising rates over a few years, but Junction City was not in that position. The City needed to make a significant investment in its infrastructure over the next few years.
- Rate Studies. The City had utilized rate studies in the past. The way the rate study worked was the consultant looked at operational costs, capital investment needs and borrowing needs and they put together a rate recommendation for Council. A rate study would need to

be done, once the City had an idea of what the costs would be to connect with the Metropolitan wastewater system, as that would show what the impact would be to the ratepayers for that system. The City should make sure that it set up a rate structure that incrementally increased rates on a year-to-year basis, to reduce the huge jumps that were more difficult for people to deal with.

- Cost of Living. Administrator Nebel provided the actual and assumed cost of living increase percentages 2020 to 2025. This showed that the actual increases were at a rate much higher than what was assumed when the rate study was done that showed a 2 to 3% per year for labor and materials would cover costs. The assumed cumulative rate increase percentages per the rate projections over the five-year period was that there would be an increase of 12.5%, but the actual increase over that five-year period was 21%. The rate study was done prior to COVID and the subsequent inflation; \$1 in 2020 would only buy about \$.76 worth of materials in 2026. Without increasing rates to keep up with inflation, the amount of work that could be done regarding materials and labor would continue to diminish in a community that had significant aging infrastructure needs.
- Labor Costs. Another thing that impacted this was labor costs, as a new contract with the AFSCME Union was approved by Council, which provided compensation that was comparable to other communities around Junction City; this was an important thing to do to remain a competitive workforce.
- Mutual Agreement and Order. This was impacting things now and would continue to impact City costs for water and wastewater going forward.
- Future Rates. Utility rates should be reviewed each year and adjusted accordingly to meet the needs that were established in the budget. Incremental increases were much better received than large catch-up rate increases. It was not fun to raise rates, and people did not want rates increased, especially those on a fixed income. He provided an example that even those on Social Security did receive a cost of living increase each year.
- Staff Reorganization. Administrator Nebel said that he did not think that the reorganization should be done at this point and maybe not for a number of years. Part of that would depend on the revenue coming in for the water and wastewater system in future years, but he thought the current structure was providing a good benefit to the utilities by accomplishing a lot of this work with the staff the City had versus having to contract out some of these smaller projects or not doing smaller projects that risked more failure of the utility system.

#### Conclusions/Recommendations

- Administrator Nebel did not recommend that any reorganization take place as part of the budget development for this year coming up.
- Administrator Nebel planned to recommend a water and sewer increase as part of the proposed budget.
- As part of the budget, staff would get comparable utility rates from similar communities to show how Junction City compared. In his preliminary review, Junction City had a pretty good deal on rates, compared to others.
- Beyond this next fiscal year and with the significant investments the City would need to make to address compliance issues outlined in the MAO, staff, Council, and the new City Administrator would need to determine how to pay for those improvements and what would be the best way to structure that going forward. Administrator Nebel believed that the City's preliminary decision to go forward with connecting to the Metropolitan Wastewater Management Commission was the best alternative that the City had. The City building and operating its own wastewater plant was far different than the lagoon system that the City currently utilized to treat wastewater. A wastewater plant would be much more labor intensive, and the City would be paying directly for chemicals and as regulations changed in the future, the City would have to address those additional expenses with its own facility versus connecting with the Metropolitan system. Since the Metropolitan system was a much larger system, they had much more capacity to address some of the things that may come out going forward in the future.
- A comprehensive rate study should be done, once the City had cost estimates for connection to the Metropolitan wastewater system.

Councilor Washburne stated that he would like to see the comparable rates from other cities, before they raise rates.

Councilor Ceniga expressed her agreement with Councilor Washburne. She expressed appreciation for the list of projects that the Projects Crew had accomplished being included in

the packet and noted that the City was lucky to have the staff they did to be able to do these important utility projects in house.

Councilor Leach shared that this was a good report, and she agreed that they should not do any reorganization for now. Raising rates was not fun to do, but they were not going to have a choice. She agreed with finding out what comparable cities were charging for rates, as Junction City was not alone in this. She expressed appreciation to Administrator Nebel and Director Kaping.

Councilor Jamieson asked Director Kaping about changing the block rate. Director Kaping responded that if the City increased the block rate, people who used more water would pay more and those who used less would pay less. The last time the City did the rate study, they discussed this option, but Council chose to stay with a fixed rate. Next time the City did a rate study, they could include this option.

Councilor Hancock expressed appreciation to Administrator Nebel for the report and noted his agreement that they should not do a reorganization at this time. He thought it had been premature to even consider something like that. He was thankful that they were pulling back the reins, doing homework and some studies and making decisions based upon empirical data, as that was the way they should do it. He asked if staff could find out how many other cities were facing an MAO when doing the rate comparisons to other cities, as the MAO was something Junction City had to do and that would have a devastating impact on rates. He hoped that in the future when people retired, they could look at the organizational structure and possibly combine positions, etc. to save money.

Administrator Nebel responded that the organizational structure should be reviewed on a regular basis to determine what was the best way of providing services going forward. Every city was organized a little differently. There was a certain amount of work to be done, and it needed to be determined what was the best use of human resources to get that work done and what was the balance between doing work in-house versus contracting that work out. Those things needed to be reviewed from time to time to determine if the methods and structure in place were the best structure going forward or whether there should be changes. He added that he would add this to the list of issues in the transition handbook for the new City Administrator.

Councilor Hancock stated that the projections in the budget were really important and extending them out past a few years would be beneficial. Administrator Nebel responded that the City's budget document included a lot of information, and the projections were helpful in flagging a future budget problem well in advance.

Mayor Wells stated that it was good to get an outsiders view of what they lived with every day, and he appreciated how Administrator Nebel addressed this. He agreed that they did not need to reorganize and that gathering comparable city rates would be a good idea as they prepare for this next budget cycle. When the City did the last rate study, that was pre-COVID and everything increased in price, and it was good that Administrator Nebel had included the assumed and actual cost of living increases. He appreciated seeing the over 50 items on the list of projects that had been accomplished by the Projects Crew.

#### **4. Policy – Complaints against the City Administrator**

Administrator Nebel stated that Council had asked him to review the draft policy for complaints against the City Administrator. He thought the basic outline was good, but he had worked with Attorney Wolf to update and add more clarity on the complaint reporting and processing. Changes included: Employees were encouraged to approach the City Administrator first regarding their concerns, but if they were not comfortable doing that, they could file the complaint to the Mayor, Human Resources Manager, or Council President; the policy clarified that the HR Manager would submit a written copy or summary of a verbal complaint in writing to the Mayor; the Mayor would provide a copy of the complaint to the Councilors as a confidential communication, so the Council would be aware of it; the Mayor could discuss the complaint informally with the City Administrator to work towards resolution of issues, and/or the Mayor could schedule a special Council meeting to discuss in Executive Session; and the City Administrator would be notified of the complaint, unless the complaint was criminal in nature or if notice to the City Administrator would jeopardize the investigation.

Councilor Hancock expressed appreciation for the updated policy. He suggested that the City look into entering into an Intergovernmental Agreement with Local Government Personnel

Services (LGPS) so the City could use their services to handle any complaints against the City Administrator, which would remove the awkwardness that could occur with complaints going to the City's HR Manager who worked for the City Administrator.

Mayor Wells asked what the City of Creswell did, since they did not have an HR person. Administrator Nebel responded that he did not think they had a policy on complaints against the City Administrator.

Councilor Jamieson said that he thought the Council should review any complaints, so they would know exactly what was going on.

Councilor Hancock responded that LGPS had legal services and HR representatives that the complaint could go to and they would advise the Council. He agreed that the Council needed to know about complaints and by using LGPS, it removed involvement from the City's HR Manager who answered to the City Administrator and it would give the City an independent legal body to talk to.

Mayor Wells stated that the job of the HR Manager was to get the complaint to the Mayor, and it was the Mayor's job to forward that to the Council. The Mayor would then contact legal.

Councilor Hancock responded that LGPS had legal services.

Mayor Wells noted that the City already was paying for contracted legal services.

Councilor Hancock asked if that was an hourly or flat rate. Administrator Nebel responded that there was an hourly rate and there might be a retainer, but he would need to double check that.

Mayor Wells stated that the City had contracted time with the current attorneys. He continued that he had worked for several companies and each had HR departments, and he thought the City needed to utilize the HR staff that the City had. Administrator Nebel added that the policy read that an employee could submit complaints to the HR Manager, Mayor, or Council President, so it was not required that they go to HR.

Councilor Hancock said that he liked the idea of having a legal entity that was separate from everything that did HR work for the City and was not part of the normal in-house process.

Councilor Thomas wondered if it would be more comfortable for staff to have someone process complaints who was not directly tied to the City. She added that it would not cost anything to set this up. Mayor Wells responded that there would be costs.

Councilor Hancock stated that it would not cost anything to get the IGA in place, and LGPS would charge an hourly rate. He added that he did not know if the hourly rate would be less or more than what the City was paying currently with its legal firm. Administrator Nebel responded that if this was something the Council wanted him to look at, he could certainly see how LGPS would deal with that.

Councilor Leach stated that she was not sure. If the City has an HR person, that was their job, and the City already had attorneys that were paid to do this. Each complaint would need to be addressed separately, depending on the circumstances, as not all complaints were the same.

Councilor Ceniga shared that she would like to look into what Councilor Hancock was talking about with LGPS services, just to review that option. She continued that as Councilor Leach had said, the City did have HR staff and it was their job to process these kinds of things. She did want employees to feel that they had options and to feel comfortable in who they filed a complaint with and to feel protected and heard.

Councilor Washburne stated that he thought they should look at what LGPS could provide, as it would not hurt to look at it.

Councilor Thomas expressed her agreement with Councilor Washburne.

Administrator Nebel responded that if a majority of Council wanted him to, he could get some information from LGPS to understand how they provide services and what the cost for services

would be, related to this. He also would ask them about their costs to do background checks, as an option for the City Administrator recruitment.

The Council consensus was for Administrator Nebel to bring back that information.

Mayor Wells shared that maybe Administrator Nebel could also get some clarification on the City's contract with Local Government Law Group. Administrator Nebel responded that he would provide a summary of how that worked as well, so everyone was aware.

Council consensus yes.

Administrator Nebel responded that he would do some research and could provide a report for the April 28<sup>th</sup> Council Work Session, even though he would not be at that meeting.

Council consensus was good with that.

## 5. Community Meetings

Administrator Nebel stated that Community Meetings were held quarterly and the next round of meetings were to be held April 7<sup>th</sup> – 9<sup>th</sup>. He suggested holding these meetings at the Community Center, as they had not secured locations in other areas of town yet and to reduce the number of days from three to two, with meetings occurring on April 7<sup>th</sup> and April 8<sup>th</sup>. Topics would include Public Works and Police updates, as well as talking about the City Administrator Recruitment and getting feedback from citizens.

The Council consensus was in favor.

## 6. Administrator Projects Update

Administrator Nebel reported that he had summarized things he was working on in his report and would be happy to answer any questions; the Tri-County Chamber Gala would be held on April 4<sup>th</sup>; he would recommend updating the Agenda Item Summary template to remove Committee Recommendations and add a Section called Fiscal Effects. If there were no objections, he would bring that to Council on April 14<sup>th</sup>.

The Council consensus was in favor.

## 7. Public Works Projects Update

Director Kaping reported:

- The projects document had changed to included a new section for completed projects in Appendix B. Administrator Nebel had suggested a few other changes, and those would be implemented in the next report.
- The Outfall Inspection had been completed.
- The City's Engineer was working on a scope and fee to do the Mixing Zone Study.
- The Facilities Plan went to DEQ and it was sent back to the City for a format change, in case the City wanted to borrow money from certain entities. The City's Engineer was working on that format change and should have that done soon.
- Public Works was still ahead of schedule on all projects and in compliance.

## 8. Other Business

Councilor Ceniga asked if the Police Department had any project updates. Sergeant Denton Tipler reported:

- Contractors were working on the laundry facility, interview room, and armory room.
- Officers were doing various trainings. JCPD would be hosting an in-house background investigator training with other outside agencies in the next month.
- The Lieutenant position closed on March 15<sup>th</sup>, and there were 8 applicants.

## 9. Adjournment

As there was no further business, the work session was adjourned at 8:03 p.m.

ATTEST:

APPROVED:

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Kitty Vodrup, City Recorder

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Kenneth Wells, Mayor