

The Budget Committee for the City of Junction City, met at 6:30 p.m. on Thursday, April 11, 2024, at City Hall, 680 Greenwood Street and in a virtual meeting format, via internet and phone.

PRESENT: Council Members: Chair, Councilor Ken Hancock; Mayor, Kenneth Wells; Councilors Sandie Thomas, Sidney Washburne (arrived at 6:39 p.m.), Andrea Ceniga, John Gambia (arrived at 6:32 p.m.), and Karen Leach; **Citizen Members:** Vice Chair, Kara McDaniel, Travis Ducker, Darin Olson, Jackie Pendergrass, and Julie Nowacki; **Absent:** James Hukill; **Staff:** City Administrator, Jason Knope; Finance Director, Mike Crocker; Police Chief, Mark Waddell, Public Works Director, Gary Kaping; Public Works Superintendent, Jeremy Tracer; and City Recorder, Kitty Vodrup.

1. Call to Order

Mayor Wells called the meeting to order at 6:30 p.m. He welcomed new Committee member Julie Nowacki.

2. Nominate Chair

Mayor Wells asked for Budget Committee chair nominations. Councilor Ceniga nominated Councilor Hancock. The nomination was seconded by Councilor Thomas. Councilor Hancock nominated Committee Member McDaniel. The nomination was seconded by Councilor Leach.

(Councilor Gambia arrived at 6:32 p.m.)

Councilor Hancock noted that he would be absent for a meeting this month. Committee Member McDaniel shared that she would be happy to serve as vice chair.

Mayor Wells called for a vote on appointing Councilor Hancock as chair. **VOTE:** 9 in favor – Thomas, Ceniga, Wells, Gambia, McDaniel, Ducker, Olson, Pendergrass, and Nowacki and 2 opposed – Leach and Hancock.

Mayor Wells opened the floor for nominations for vice chair. Councilor Thomas nominated Committee Member McDaniel. The nomination was seconded by Councilor Ceniga. **VOTE:** Passed by unanimous vote of the Committee members present: Thomas, Ceniga, Wells, Gambia, Leach, Hancock, McDaniel, Ducker, Olson, Pendergrass, and Nowacki.

Councilor Hancock presided as chair.

3. Approval of Minutes – February 22, 2024

MOTION: Councilor Thomas made a motion to approve the February 22, 2024 Budget Committee minutes. The motion was seconded by Councilor Leach and passed by unanimous vote of the Committee members present: Thomas, Ceniga, Wells, Gambia, Leach, Hancock, McDaniel, Ducker, Olson, Pendergrass, and Nowacki.

4. Public Comment. None.

5. Presentation of the Budget Message

Administrator Knope presented the budget message, Section 2, page 7. He noted:

- Seeing impacts of high inflation over the last several years in Materials and Services.

- Currently in union negotiations. Staff took their best guess on what Personnel Costs might be.
- Added two staff members to the Police Department and that unbalanced the Police Department budget for this coming year, but there was time to work on that and would be a project for the upcoming fiscal year.
- The big thing staff would be starting this year was the water and sewer infrastructure and the Sewer Treatment Plant. DEQ (Department of Environmental Quality) had provided the design parameters and timelines for items the City needed to be in compliance on with the Sewer Treatment Plant, and this started the 5 to 8 year process.

(Councilor Washburne arrived at the meeting at 6:39 p.m.)

- For Water projects, staff had applied for and hoped to secure a large grant for a secondary water treatment plant on the west side of town.
- Had some rate increases in sanitation this year to get that the department back on track.
- Overall, the City looked pretty good and was pretty solid. The City was not in panic mode but was definitely in planning mode. They would need to spend some time and take a look at things and how the City delivered services to see what made sense in the long run and was sustainable going forward.

6. Overview Presentation

Administrator Knope summarized the current plan: Tonight - introduce budget documents. April 18 – Public Works, April 25 – Finance/Administration/Community Services, May 2 – Police. Then the Committee would deliberate and figure out what they would like to do going forward.

7. Overview of Proposed Budget Document and Assumptions

Director Crocker presented an overview of the Budget Reference Book and Budget Document:

Budget Reference Book

- Year to Date Financial Report
- Budget Input Reference Materials
 - PERS Rates – Would stay the same, as in 2nd year of biennium.
 - General, Property, and Auto Insurance estimate increases:
 - General Liability = Budgeted 8%
 - Auto = Budgeted 14%.
 - Property = Budgeted 16%.
 - Total insurance for the above was \$261,000. Last year was \$233,000.
 - Junction City statistics from the Census Bureau and other resources included.
 - Health Insurance
 - Medical = Budgeted 10% increase. Largest increase over the last 10 years.
 - Dental = Budgeted 7.5% increase.
 - Total Insurance was \$1,288,000.

Budget Document

- Same format with 335 pages. (Last year had 283 pages).
- Director Crocker reviewed the financial trends charts and five-year forecast assumptions in Section 3.

- Director Crocker reviewed the budget summary information and charts in Section 3. Specifically noted:
 - Property Taxes Allocation – Included percentage allocations, per Council approved fiscal policy.
 - General Revenue Allocations. Same percentages as property tax allocations were applied, per Council approved fiscal policy.
- 3 Interfund Loans for water projects (page 52). One project only had two more payments.
- Section 4 was the main section with narratives and schedules, Section 5 was the Capital Expenditure Plan, Section 6 was Personnel Information, and Section 7 included the Fiscal Policies that provided the guidance on budget preparation and practices.

Director Crocker noted that this budget would be submitted to the Government Finance Officers Association (GFOA) for their review. Every year since 2019, the City had received the GFOA Distinguished Budget Presentation Award. He added that the fiscal policies over the years that Council had put into place based on best practices, had made a huge difference in good trends in the budget, such as reserves being built up, etc.

Chair Hancock stated that the General Revenue Allocations pie chart on page 39 included the department allocations to the various departments. He continued that there was a box below the chart that noted that 50% of Franchise fees went to streets, before department allocations. He asked if they could move the street franchise fees allocation into the pie chart, as he felt they would be better served by having all the General Revenue in one location. Director Crocker responded that the allocations for General Revenue were based on prior Budget Committee and Council approval and adoption; however, this was not a requirement of budget law, and these could be changed by Committee/Council. Administrator Knope added that such a change would not change the dollar amounts allocated to each department, but would change the percentages, so this would also need to be approved by Council.

Chair Hancock asked if there was a Budget Committee consensus to move the street allocation into the pie chart, so that the pie chart would reflect the entire General Revenue allocation totaling \$717,900. The Budget Committee consensus was in favor of making that change.

8. Future Meeting Dates

Next meeting was April 18, 2024 at 6:30 p.m. Future meetings: April 25, May 2, and May 9.

9. Other Business

None.

10. Recess

As there was no further business, the meeting was adjourned at 7:13 p.m.

ATTEST:

APPROVED:

Kitty Vodrup, City Recorder

Ken Hancock, Chair