

The Budget Committee for the City of Junction City, met at 6:30 p.m. on Thursday, April 13, 2023, at City Hall, 680 Greenwood Street and in a virtual meeting format, via internet and phone.

**PRESENT: Council Members:** Council President, Karen Leach; Councilors Sandie Thomas, Sidney Washburne, Andrea Ceniga, John Gambee, and Ken Hancock; Excused Absence: Mayor Ken Wells; **Citizen Members:** Vice Chair, Kara McDaniel, Jack Sumner, Sue Huntley, James Hukill, Darin Olson, and Joshua Guth; **Staff:** City Administrator, Jason Knope; Finance Director, Mike Crocker; and City Recorder, Kitty Vodrup.

**1. Call to Order**

Council President Leach called the meeting to order at 6:30 p.m.

**2. Nominate Chair**

**MOTION:** Councilor Hancock made a motion to appoint Mayor Ken Wells as Budget Committee Chair. The motion was seconded by Councilor Washburne and passed by unanimous vote of the Committee.

**MOTION:** Councilor Thomas made a motion to appoint Committee Member McDaniel as Vice Chair. The motion was seconded by Committee Member Sumner and passed by unanimous vote of the Committee.

Vice Chair McDaniel presided over the meeting.

**3. Approval of Minutes – February 16, 2023**

**MOTION:** Councilor Washburne made a motion to approve the February 16, 2023 Budget Committee minutes. The motion was seconded by Committee Member Sumner and passed by unanimous vote of the Committee.

**4. Public Comment for Items not Listed on the Agenda**

Committee Member Olson said he was impressed with how well-prepared Mayor Wells for Budget Committee discussions.

**5. Presentation of Budget Message**

Administrator Knope presented the Budget Message (Section 2, Page 7).

- Not too many changes.
- FTE (Full Time Equivalent) Changes:
  - Reduce 2 dispatchers
  - Add 10<sup>th</sup> Police Officer
  - Add Account Technician in Finance
  - Increase .25 Library position
  - Admin Aide in Administration going from 1 FTE to .75 FTE
  - Result Citywide = Decreasing by 1.5 FTEs from 52 to 50.55.
- Started to see the impacts of inflation in preparing this budget. Biggest impact seen in Sanitation department. The Sanitation Fund Ending Fund Balance (EFB) decreased by roughly \$200,000 in the proposed budget. Council and staff would have a bit of work to do in the upcoming year to work through the Sanitation Fund. Fortunately, due to the City's past practices in budgeting, the City had some balance in that fund so there would be time to work on this.

## 6. Overview Presentation

Administrator Knope presented an overview of the sections that were included in the budget document (Introduction, Trends and Summaries, Funds and Departments, Capital Expenditure Plan, Personnel Services, Fiscal Policies, and Glossary). There was also a Budget Reference Materials notebook, and he encouraged everyone to review that as it had a lot of detail and good information.

## 7. Overview of Proposed Budget Document and Assumptions

Director Crocker presented an overview of the budget document and assumptions.

### Budget Document

- Not a lot of changes. Credited HR Assistant Emily Eastland on new photos.
- Financial Trends Section 3.
  - Page 24. Total revenue went up \$310,000. Steady increase every year. Would see increases across the board as well in expenditures and property taxes.
  - Page 25. Property tax assumptions for Fiscal Year (FY) 23-24 = 5% increase.
  - Page 26. New PERS rates would take effect July 1, 2023. \$168,000 increase from last year, which was much better than what had been forecasted a few years ago.
  - Page 27. General Fund EFB continued to grow each year. Reserve and EFP for all funds were budgeted at \$14,736,300 in FY 22-23 (current year) and was estimated would actually have an EFB of \$23,292,620. This was due to things like contingencies not being spent and rolled over, expenditures or projects not being as high as anticipated or being carried over, revenue coming in higher than anticipated, etc. A good share of this was also savings for future Capital Expenditures and System Development Charges.
  - Page 38. Budget Summaries Revenue by Source. Chart same as last year, but interest went from 1% to 2%.
  - Page 40: General Revenue Sources. \$663,600. That number was \$605,000 last year. Electricity franchise increased by \$30,000 and NW Natural increased by \$25,000.
  - Page 50/51: Summary of all funds in entire budget.
  - Page 52/53: Budget Matrix – Appropriations in proposed budget for all funds. \$24,328,300.
  - Page 54: City's internal loan fund debt schedule. No outside debt.
- Funds and Departments (Section 4). Where budget schedules reside.
  - Page 63. General Fund Revenue and Expenditure Five Year Forecasts. Would see this same format in every department. Each department budget included performance measures, accomplishments, and objectives.

### Assumptions for the Proposed Budget

- City's fiscal policies were part of assumptions in preparing the budget. i.e., revenue, fund balance, contingency policies, etc.
- COLA (Cost of Living Adjustment) = 2.5%.
- Insurance
  - Health Increase = 5.5%
  - Dental Increase = 0.0%
  - Property Increase = 17%
  - Auto/Liability Increase = 12%

**8. Future Meeting Dates**

Next meeting: Thursday, April 20, 2023 at 6:30 p.m. Start with Police Department.

**9. Other Business**

Chair

**10. Recess**

As there was no further business, the meeting was recessed at 7:28 p.m.

ATTEST:

APPROVED:

\_\_\_\_\_  
Kitty Vodrup, City Recorder

\_\_\_\_\_  
Kara McDaniel, Vice Chair