

The Budget Committee for the City of Junction City, met at 6:30 p.m. on Thursday, April 14, 2022, at City Hall, 680 Greenwood Street and in a virtual meeting format, via internet and phone.

**PRESENT: Council Members:** Chair, Council President Ken Wells; Mayor, Beverly Ficek; Councilors Sandie Thomas, Andrea Ceniga, John Gambee, Karen Leach, and Sidney Washburne; **Citizen Members:** Jack Sumner, Sue Huntley, James Hukill, Darin Olson, Kara McDaniel (left 7:05 p.m.), and Joshua Guth. Excused Absence: Travis Ducker; **Staff:** City Administrator, Jason Knope; Finance Director, Mike Crocker; Police Chief, Bob Morris; Deputy Chief, Eric Markell; Public Works Director, Gary Kaping; and Public Works Superintendent, Jeremy Tracer.

**1. Call to Order**

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

**2. Nominate Chair**

**MOTION:** Committee Member Hukill made a motion to elect Councilor Wells as Budget Committee Chair. The motion was seconded by Councilor Leach and passed by unanimous vote of the Committee.

**3. Approval of Minutes – January 20, 2022**

**MOTION:** Councilor Washburne made a motion to approve the January 20, 2022 Budget Committee minutes. The motion was seconded by Committee Member Huntley and passed by unanimous vote of the Committee.

**4. Public Comment**

Administrator Knope noted that a public comment had been received today via email, and hard copies were distributed to everyone at the meeting.

**5. Presentation of Budget Message**

Administrator Knope stated that the Budget Message could be found in Section 2, pages, 7 – 9, and he pointed out a few highlights: There would be an 18% increase in the capital expenditure budget, largely due to the one time dollars that would be received. Less than a 3% increase in Personnel Services and Materials and Services. Only staff change was the addition of a .25 FTE (Full Time Equivalent) at the Library and would be taking the Summer Reading Program help and turning that into a 10 hour per week, year-round position. This budget continued down the path of keeping funds balanced and contributing to reserves. As the City continued to move past COVID restrictions/impacts, the City would need to look not only at minimum wage increases but what local markets were paying, as well as trying to fill vacancies across departments which had been challenging. The City continued to see growth on the west side of town and just received applications for another 300 plus homes. The City would need to make sure there would be adequate water and sewer infrastructure and funding to accommodate future growth. Wastewater continued to move forward at a snail's pace, with DEQ (Department of Environmental Quality) working on City requirements. Wastewater Plant pre-design work was occurring, and staff hoped to see some movement in this fiscal year.

Committee Member Sumner asked where the ARPA funds were in the budget. Administrator Knope responded they were being tracked in the capital reserve funds.

## 6. Overview Presentation

Administrator Knope shared that staff would be following the same presentation of the budget as last year unless the Committee directed otherwise. He commended Director Crocker and staff for doing a great job on the budget.

## 7. Overview of Proposed Budget Document and Assumptions

Director Crocker presented an overview of the proposed budget document. He noted that new photos and graphics had been provided by HR Assistant Emily Eastland.

- Page 27 Property Taxes
  - The amount of property taxes received continued to increase, and current building development would continue to support this trend going forward.
  - Tax collections were at 96.6% at the end of March; last year that number was 92%.
  - Assessed Values continued to go up every year and increased 5.15%; last year that number was 4.14%. Market value went up 16.89% in Junction City; last year was 11.92%.
  - A 5% increase in property taxes was budgeted this year, as the average received over the last five years has been 5.41%.
- Page 28 PERS
  - Rates would not change for this budget, as it was the 2<sup>nd</sup> year of the state's biennium. PERS had a good year for their investments and earned 20.5%, which would really help the PERS fund.
- Page 39 Budget Summary
  - The revenue for most areas had increased over the last year.
  - Property taxes increased by \$231,000, and Franchise fees increased a little.
  - Intergovernmental Revenue saw a large increase, partly due to the state pandemic funds of \$691,000 that were received.
  - State Pool Interest rate was at .6%.
- Page 40 Revenue by Source. Total was \$14,024,200; last year was \$12,722,000.

Committee Member Sumner noted that licenses and fees went down by \$19,000 and asked why with all the new homes being built. Director Kaping responded that it was tough to estimate building permits and he tried to budget conservatively.

- Page 41 Allocation of Property Taxes to Departments
  - Allocations reflected the updated percentages directed by Council a few months ago.
  - Total property taxes = 3.4 million dollars; last year 3.185 million.
- Pages 42 and 43 General Revenue. Total General Revenue \$605,400; last year was \$597,000.

Committee Member McDaniel asked if the estimated Franchise fees were just to be conservative or what was expected. Director Crocker responded what was expected. Chair Wells noted that a few franchise agreements had been recently renewed, so those fees were current.

- Page 52 Budget Summary by Fund and Type. Total budget appropriations all funds were \$21,948,000.
- Page 54 Budget Matrix. Showed where the \$21,948,000 was budgeted.
- Page 56 Current Debt Obligations
  - The City had no outside debt obligations.
  - There were two small interfund loans.
- In the departmental sections, would notice more performance measures, objectives, and accomplishments.
- Budget was published on the City's website
- Page 280 Personnel
  - Budgeted for 51 FTEs. Only change was addition of a part time position in Library.
  - COLA same as last year = 2.5%.
  - Minimum wage would be going up to \$13.50 on July 1<sup>st</sup>.
  - Compensation study changes for 9 non-represented positions was approved by Council on April 12<sup>th</sup> and were included in the budget.
  - Health insurance rates decreased by .44% and .20% for dental.
  - Insurance increases: General Liability by 15%, auto 14%, and property 12%.

Committee Member Olson noted that the Reserve and Ending Fund Balance chart on Page 29 showed FY 21-22 budget of \$14,140,300 and the actual to be \$20,213,107. Director Crocker responded that the actual amount was what was anticipated, as the City was still in that current budget year; however, if that estimate was accurate, the City would receive 6 million more than what was budgeted.

Committee Member Olson asked if that extra could be used to pay off the two interfund loans. Director Kaping responded no, as he had to pay back out of the fund that the money was borrowed from.

Committee Member Sumner asked if positions listed on the Personnel page were all in the budget, and he used the HR Admin Manager position as an example. Director Crocker responded that only the ones that had an FTE number beside them were in the budget.

Committee Member Sumner noted that on page 282, there were 7 listed next to Communication Officer II positions. Chief Morris responded that the department was trying to recruit lateral transfers and if they budgeted at the lower amount, they would be in a deficit.

Councilor Ceniga asked if they would be having a total of 7 dispatchers or adding 7. Administrator Knope responded there would be a total of 7.

Committee Member Sumner asked if the Council had decided on uses of the relief money for water and sewer. Administrator Knope responded that this had not been finalized but was an ongoing discussion at the Council level.

**8. Future Meeting Dates**

Chair Wells noted that the Budget Calendar listed Committee meetings on subsequent Thursdays through May 5<sup>th</sup>, with the next meeting being held on Thursday, April 21, 2022 at 6:30 p.m.

Chair Wells asked about the department review schedule. Administrator Knope responded that next week would be Public Works, followed by the Police Department, and then Community Services/General Fund. He added that if there was some time after the PW or PD presentations, they could provide the Community Services/GF review at those meetings.

Public Works budget review for next meeting: Pages 97 through 104 and 158 through 229.

**9. Other Business**

Committee Member Olson noted that it was nice to be able to tell the citizens that the City had more money coming in than going out.

Committee Member Sumner asked when the new City Hall would open up. Administrator Knope responded after festival and that demolition of the Q-Hut would start within the next few weeks.

**10. Recess**

As there was no further business, the meeting was recessed at 7:16 p.m.

ATTEST:

APPROVED:

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Kitty Vodrup, City Recorder

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Ken Wells, Chair