

The Budget Committee for the City of Junction City, met at 6:30 p.m. on Thursday, May 11, 2023, at City Hall, 680 Greenwood Street and in a virtual meeting format, via internet and phone.

PRESENT: Council Members: Mayor Ken Wells (Committee Chair); Council President, Karen Leach; Councilors Sandie Thomas, Sidney Washburne, Andrea Ceniga, John Gambia, and Ken Hancock; **Citizen Members:** Vice Chair, Kara McDaniel (left at 7:18 p.m.), Jack Sumner, Sue Huntley, James Hukill, Darin Olson, and Joshua Guth; **Staff:** City Administrator, Jason Knope; and Finance Director, Mike Crocker.

1. Call to Order

Chair Wells called the meeting to order at 6:30 p.m. Councilor Ceniga declared a potential conflict of interest, as her brother in law was a Public Works employee.

2. Approval of Minutes – May 4, 2023

MOTION: Committee Member Hukill made a motion to approve the May 4, 2023 Budget Committee minutes. The motion was seconded by Councilor Washburne and passed by unanimous vote of the Committee.

3. Public Comment. None.

4. Follow Up from Previous Meeting.

Director Kaping reviewed that Public Works had a couple of changes, and Director Crocker had included the updated budget worksheets in the packet:

- Sanitation Fund: Decreased transfer to Sanitation Capital Fund so the Sanitation Fund would balance.
- Streets Capital Fund: Increased Line 20 Reserve for Street Sweeper by \$20,000 to save for a Street Sweeper.
- Sewer Capital Projects Fund: Removed \$600,000 in Line 42 Fund Balance, as this appropriation would be spent in FY 23-24 for a Vac Truck.

5. Budget Deliberations

Chair Wells asked if any Budget Committee members had any concerns, comments, or questions on the Fiscal Year 2023-2024 budget.

Committee Member Sumner asked about the dispatch positions. Administrator Knope responded that the budget included six dispatch positions, but the sixth position would only be hired if the contract for Junction City to provide dispatch services for Oakridge were approved.

Committee Member Olson stated that he had been on the Budget Committee for four or five years, and it seemed like every year things had gotten smoother and better.

Councilor Washburne asked if the Public Works line items for fuel and maintenance would be enough. Director Kaping responded yes and there was contingency if needed.

Councilor Ceniga asked if Coffin Butte would be increasing their rates. Director Kaping responded there was extra in the budget in case there were additional increases. The City saved about \$75,000 a year by going to Coffin Butte instead of taking garbage to Lane County. The Council would be working on balancing the Sanitation Fund this year.

Chair Wells noted that other than court, the Sanitation Fund was the other fund that needed to be reviewed to come up with a solution.

Committee Member Sumner asked if there would be enough to work on the Sewer Treatment Plant. Director Kaping responded that he had budgeted 3.5 million dollars in sewer, which would be enough to cover the engineers doing the facilities pre-design work. After pre-design they would go to full design, and construction would not occur for probably three years.

Committee Member Hukill asked if there would be enough water storage in case of a fire, with all the new construction underway. Director Kaping responded yes.

Councilor Gambie stated that City staff were really competent, did a tremendous job in all areas, and time and time again saved the City money. He noted that the average family income in Junction City was \$59,000, and he felt the Budget Committee should have deliberation over the next few months on City employee wages and benefits being more in line with the people in town who were paying the bill. He compared City wages and benefits to wages only for the average family.

Committee Member Guth noted that it was important to look at the market and that the City remain competitive with what other cities paid their employees; otherwise, it would be hard to get good employees who would stay and do a good job for the City.

Committee Member McDaniel shared that making sure wages were comparable and increasing wages was to ensure the City had good people and a full staff who would stay to not only take care of the community but to support and serve the community with all the new growth. She continued that the people who worked for the City were doing an excellent job and continued to go above and beyond, which they needed to be adequately reimbursed for.

Administrator Knope noted that of the 50 plus City employees, all but about 8 were represented by unions. He cautioned everybody on how they phrased conversations and noted that the unions would never agree to a cost reduction; union wages were negotiated, and the City was bound by law to honor that. The unions started when Council and management tried to take advantage of employees. The City had a good working relationship with the unions, and he wanted to keep it that way. Both unions did an outstanding job of trying to be cost conscious and mindful of impacts. He added that policy level discussions were something done at the Council level and not at Budget Committee.

Committee Member Olson stated that he believed Councilor Gambie wanted to have a discussion and get a better understanding of the big picture. Chair Wells responded that as Administrator Knope mentioned, that discussion would be at the Council level if desired by Council or if staff felt it was important to discuss. Administrator Knope stated that staff would only bring this topic to Council at the direction of the Council as a whole, as this was not a topic staff felt comfortable bringing up on its own.

Councilor Thomas noted that the City's patrol officers laid their lives on the line every day, and there were so many things that factored into what staff members did that you could not lump that in together with other wages. She continued that she was not a high wage retiree, but they

wanted good quality people working for the City. If they did not have the right people it would not work, and they must pay competitively to retain good employees.

Councilor Hancock stated that they needed to be at market value when it came to salaries or they would not have the competent staff like they have today. Fifteen years ago, the Police Department had authorization for 10 officers and the work had doubled since then, so Police and other department staff were having to do more work for less. To have apples to apples comparisons, you needed to look at what other cities were doing, and it was impossible to compare public service and private sector work. He understood and appreciated Councilor Gambie's concern for families and citizens with the rising inflation costs, and he valued the fact that the staff, Committees, and the Budget Committee had worked hard on keeping costs down in the budget. There needed to be an understanding of and education on how the union and salary comparisons worked. They would not have been able to recruit a qualified Police Chief candidate without a competitive salary as the market was very competitive.

Committee Member Sumner noted that employee compensation was not a Budget Committee discussion, but something for Council or staff to negotiate with the unions.

Chair Wells asked if there was any other discussion. There was none.

MOTION: Councilor Ceniga made a motion to approve the Fiscal Year 2023-2024 budget and the total expenditures as modified. The motion was seconded by Councilor Washburne.

Councilor Gambie disagreed that the Budget Committee should not discuss compensation, as it was a budget item. He noted that there were other factors besides market value wages that kept good employees in town, and the employment costs were really big numbers in the budget. He thought there should be more discussion on this as the people out there did not receive an increase this year and did not want to pay for everybody to get an increase that were governing them.

NOTE: The vote to approve the Fiscal Year 2023-2024 budget passed by unanimous vote of the Committee.

Committee Member McDaniel left the meeting at 7:18 p.m.

MOTION: Councilor Leach made a motion to approve the property tax rate of \$6.0445 per \$1,000 of taxable value. The motion was seconded by Committee Member Hukill and passed by unanimous vote of the Committee.

Chair Wells asked if there were other comments.

Committee Member Sumner asked if the Budget Committee would meet to have quarterly updates like in the past. Administrator Knope responded yes. Chair Wells added that the Budget Committee had met quarterly for a few years and it was good to get a recap of how the fiscal year ended and receive any other budget updates.

Councilor Washburne thanked staff for doing such a good job on the budget, as it was well prepared and easy to understand.

Chair Wells thanked staff, the Committees, and Budget Committee for all the hard work on the budget.

Councilor Leach thanked staff for their work on the budget and expressed her agreement with Committee Member Olson that the budget and process continued to get easier each year, which was appreciated.

6. Adjournment

As there was no further business, the meeting was recessed at 7:23 p.m.

ATTEST:

APPROVED:

Kitty Vodrup, City Recorder

Kenneth Wells, Chair