

The City Council for the City of Junction City, met in regular session at 6:30 p.m. on Tuesday, September 22, 2020, in a virtual meeting format via internet and phone.

**PRESENT:** Mayor, Mark Crenshaw; Councilors Sandie Thomas, Robert Stott, Andrea Ceniga, John Gambee, Dale Rowe, and Bill DiMarco; City Administrator, Jason Knope; City Attorney, Carrie Connelly; Public Works Director, Gary Kaping; Finance Director, Mike Crocker; and City Recorder, Kitty Vodrup.

**1. Call to Order and Pledge of Allegiance**

Mayor Crenshaw called the meeting to order at 6:35 p.m. and led the Pledge of Allegiance.

**2. Changes to the Agenda**

Remove Item 3 Junction City Historical Society Grant Request, per the request of the Historical Society to postpone this item.

**3. JC Grange Request**

Administrator Knope presented the \$2,500 request from the Junction City Grange to be used as part of a cash match for a \$5,000 State Grange grant application for maintenance to the grange building. This was reviewed by the Finance and Judiciary Committee and they forwarded this item to Council for further consideration. If the Council was interested in funding this request, there was \$7,000 available in the Projects to be Determined line item in State Shared Revenue.

Ms. Rechelle Salgado, JC Grange Representative, shared that she was encouraged to submit this request to the Council, and she provided history of the grange building which was built in 1930. She noted that they had done their due diligence to involve the community in this project, and the grange had served the community by being a great place for people to meet.

Discussion followed and four of the seven Council members were in favor of having staff bring back the grant paperwork for Council consideration.

**4. Budget Review and Update**

Director Crocker stated that the Finance and Judiciary Committee had reviewed this update at their last meeting and asked that it be forwarded to Council. He reviewed the following:

Attachment A – Ending Fund Balances as of 06-30-20

- There were some very healthy increases in many of the funds, and the General Fund showed a surprising year with a higher balance than had been expected. A couple of things contributed to this: Receipt of the Oregon Coronavirus Relief Fund Grant of \$101,000 at the end of June, of which \$67,000 went into the General Fund, and the University of Oregon paid an entire year in advance of \$357,000 for the dispatch contract.

Attachment B – Ending Fund Balance Requirements

- This chart showed the department progress in meeting the minimum fund balance fiscal policy requirement from one year to the next; this was not a reflection of how the departments did on their budget. Good progress was made in many departments and there was still some work to do.

Attachment C – Franchise Fee Revenue

- Franchise fees received had been stable over the last five years; this was a significant budget item with receipts of \$450,000 per year.

Attachment D – Completed Residential Housing Units

- 48 housing units were completed in Fiscal Year (FY) 2019-2020 for a value of 5.8 million dollars.
- 25 housing units were completed in FY 2018-2019 for a value of 5.4 million.
- Four biggest building projects currently underway:
  - Country Crossroads – 140-unit apartments with 17 buildings on 18<sup>th</sup>. 5 buildings were completed last year and 12 were expected to be completed this fiscal year.
  - Maple Springs Apartments – 129 units and building permits were in process.
  - 11<sup>th</sup> Street Duplexes – 16 living units and they had applied for building permits.
  - Rolling Meadows Phase - 90 units and they were in the subdivision application process.

Director Crocker stated that there was a significant amount of development that would be occurring in Junction City this fiscal year and into FY 2021-2022.

Director Kaping noted that the value on the building permits were a reflection of costs to build and not the market or property tax value.

#### **5. Recovery Program Discussion**

Director Kaping stated that the Council discussed a Ratepayers Assistance Program at the July 28<sup>th</sup> Council Work Session and that discussion converted to looking at a Recovery Program. The Public Works Committee reviewed and looked at criteria examples; Community Lending Works used a percentage of loss of income and if a customer had lost more than 20% of their income, they qualified for the program. The Committee discussed using the 20% reduction of income for a one-time credit of \$100 and other ideas but wanted to bring this to the Council for full discussion. Director Kaping added that he viewed a Recovery Program as something that would be at the end of whenever COVID ended.

Director Kaping continued that a few months ago, the Public Works Committee agreed to let staff put out a reminder letter (not a shut off notice) that accounts were past due and to please contact Public Works to make a payment arrangement. The first month the letter was sent out, a total of \$18,496.61 was collected, with 72 customers paying on their accounts and 31 of them paying in full. Another letter was sent out the following month and a total of \$33,047.65 was collected, with 157 customers paying and 67 paying in full. So, in total, \$51,544.26 was collected, just by sending out reminder letters.

Councilor DiMarco asked what the outstanding balance was now. Director Kaping responded that there was still \$34,330.78 past due. Some of those customers regularly received past due notices pre-COVID; some of those were probably not paying because they were not being shut off and some probably needed some help.

Mayor Crenshaw stated that as he recalled from the conversation on the Ratepayers Assistance Program, it was the general consensus of the Council that now was not the right time to develop that, but the conversation shifted to recognizing that the City would need a recovery period from the indebtedness of households. He wanted to make sure that was what they were talking about this evening, to create a plan to make the utilities portion of the City's budget whole and create a way for the indebtedness to be recovered. His thoughts were not to issue anyone a credit but consider a reasonable period of time for them to make their account whole. The City could use funds that had been set aside to make the City's Utility account whole and then those would be repaid as households paid on their accounts. Director Kaping responded that one way to approach that would be if the City was still \$30,000 in the hole towards the end of this fiscal year, \$30,000 of the \$60,000 that had been set aside could be used to make the fund whole again, but those customers would still end up paying those bills and that money would go back into the City's accounts.

Mayor Crenshaw noted that the direction he wanted to persuade the Council would by no means be a completion of this discussion, as they were not even ready to start a Recovery Process and were not out of the woods for the losses of income that some of our community members were enduring. He continued that the greatest concern with a credit or forgiveness of debt was that some customers could take advantage of that, not leaving the monies available for those in need; therefore, he would discourage forgiving any of the debt. He thought they should simply create a viable plan for those citizens to reasonably reduce debt overall, hopefully to zero. Then at a later date, they could consider the outcome of uncollected debt.

Director Kaping provided the example of making the City's Utility Account whole in May with set aside City funding and then nothing would be deducted from the customer's bill; they would still owe on their account balance and would need to pay that. Mayor Crenshaw responded that was what he was thinking; they would basically move funds for budgetary purposes and then the actual indebtedness could then be spread out over time, depending on the account balance.

Director Kaping noted that right now, Public Works did offer those payment plans to current customers that were behind. A payment agreement was prepared that said they were going to pay extra on their bill each month, varying from \$20 to \$100 a month or whatever they could afford, to start catching up on their bill.

Mayor Crenshaw noted that if they would have shut people off a while back, the customers would not have been able to build up as much in debt as some of them had. He asked if Director Kaping had an example of the highest level of indebtedness so far. Director Kaping responded that one customer had not paid since February and currently owed \$900.

Mayor Crenshaw asked if the Council had any more direction on where potentially to take this program. Director Kaping noted that he could provide examples of what worked and provided the example of a business that owed \$6,000. Public Works set up a payment arrangement for him and he was able to catch up and completely pay off his debt within two years. So, this program worked; they just needed to get customers to participate.

Mayor Crenshaw stated that in listening to Director Kaping's comments, there may not actually be a need for this discussion or need for anything additional to the program. His concern basically was if there were too many large bills of indebtedness, that would create too much of a short fall in the Utility Budget that they might end up having to adjust rates again for everyone else.

Director Kaping stated that they could assess that as the year moved on and referred to the \$60,000 set aside for some kind of relief, recovery, or however the Council wanted to title it. They could watch this throughout the year and see if it got better or worse. Over the last few months, he had seen that it was getting better as more people were going back to work and people were finally collecting unemployment. For the majority of responsible people, they wanted to pay their bills, catch up, and sign a payment arrangement that got them back on the right track. If he could just continue doing what Public Works had been doing over the last couple of months, he thought they were going to see that number continue to drop every month.

Councilor Rowe expressed his agreement with Mayor Crenshaw and Director Kaping and stated that they should leave the money in the line item in case they needed it. He thought they should table the Recovery Program until perhaps the first of the year and see where they were and if they did need to transfer money budgetarily. He thought this was good news and thanked Director Kaping for the fine work and good report.

Councilor Gambie echoed Councilor Rowe's comments and noted that he appreciated finding out that the balance was down to around \$30,000. He asked what that the past due normally was per month, pre-COVID. Director Kaping responded that they had past dues down to \$5,000 per month. He added that he and the previous Public Works Director (Administrator Knope), helped get that back on track; they just needed to get through COVID.

Councilor Thomas thanked Director Kaping for all his work and said that she thought putting this on the back burner was a good idea at this time.

Mayor Crenshaw noted that he thought the direction was clear for Director Kaping to keep doing what he was doing and they would discuss the need for a Recovery Program as they got closer to being out of the situation that they were in.

**6. Executive Session per ORS 192.660(2)(f) to Consider Information or Records that are Exempt by Law from Public Inspection.**

Mayor Crenshaw called Executive Session at 7:43 p.m. Regular session reconvened at 8:23 p.m.

**7. Other Business**

**MOTION:** Councilor Stott made a motion to have HBH Engineering petition the Environmental Quality Commission in the amount not to exceed \$79,723.00 and authorize the Public Works Director to sign the necessary documents. The motion was seconded by Councilor DiMarco.

Mayor Crenshaw asked if there were any public comments. There were none.

**VOTE:** The motion passed by unanimous vote of the Council.

Mayor Crenshaw noted that this was money well spent by the City of Junction City and could potentially save million of dollars on the Wastewater Treatment Facility.

Mayor Crenshaw noted that he did want to give an opportunity to any members of the public to give testimony on items other than what they had talked about this evening, and he opened the floor for public comments. There were no comments.

**8. Adjournment**

As there was no further business, the meeting was adjourned at 8:35 p.m.

ATTEST:

APPROVED:

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Kitty Vodrup, City Recorder

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Mark Crenshaw, Mayor