

The City Council for the City of Junction City, met in regular session at 6:30 p.m. on Tuesday, October 13, 2020, in a virtual meeting format via internet and phone.

PRESENT: Mayor, Mark Crenshaw (joined at 6:51 p.m.); Councilors Sandie Thomas, Robert Stott, Andrea Ceniga, John Gambie (left at 7:46 p.m.), Dale Rowe and Bill DiMarco; City Administrator, Jason Knope; City Attorney, Carrie Connelly; Police Chief, Bob Morris; Public Works Director, Gary Kaping; Finance Director, Mike Crocker; and City Recorder, Kitty Vodrup.

1. Call to Order and Pledge of Allegiance

Council President DiMarco opened the meeting at 6:38 p.m. as Acting Mayor, because Mayor Crenshaw was detained from joining the meeting.

2. Changes to the Agenda

Councilor Thomas asked about adding Staff Reports to the agenda. Acting Mayor DiMarco responded that Mayor Crenshaw could address that when he joined the meeting.

3. Approval of Minutes – September 8 and 22, 2020

MOTION: Councilor Rowe made a motion to approve the September 8 and 22, 2020 minutes. The motion was seconded by Councilor Thomas and passed by unanimous vote of the Council.

4. Public Comment on Items not Listed on the Agenda

None.

The consensus of the Council was to move Recording Technology for Meetings before the JC Grange Request.

5. Recording Technology for Meetings

Administrator Knope asked the Council if they wanted to continue to offer a virtual meeting option for the public to join meetings, after the Council was able to go back to in person meetings. The Council consensus was in favor of continuing to offer this and to have Administrator Knope bring this back in an Administrative policy for Council consideration.

Mayor Crenshaw joined the meeting at 6:51 p.m. and apologized for the delay. Council President DiMarco reviewed what had taken place in the meeting and yielded the gavel to Mayor Crenshaw.

6. JC Grange Request

Administrator Knope presented the agreement to provide a grant to the Junction City Grange. Updates since the last meeting: Grant amount was \$1,650 instead of \$2,500 and would be used for paint and paint supplies. This agreement was structured the same as what the City had set for the Scandinavian Festival Association grant and would be reimbursement based and need to be completed by the end of the Fiscal Year - June 30, 2021.

Councilor Rowe stated that with his humble apologies to the members of the grange, he would simply not support this grant request. He continued that the grange was a worthy organization and he was pleased to see them restoring the old historic building. During the budget adoption hearing, the Council made a commitment to the citizens of Junction City to be frugal with their money to "tighten our belts." He made it clear during those hearings that he would not support off budget items that were not specifically included in the approved budget and he felt this was one of those items. He understood there was \$7,000 remaining in the "To Be Determined" line item and that the Council had the right to spend it, but he thought they had an obligation not to do so. He added that in this age of economic uncertainty, it was prudent to be very conservative with their assets and for him, this was that beginning and the line in the sand. While this was a worthy request, he felt this was a discretionary line item, not a budgeted item to show the citizens of Junction City that they were serious about holding expenses in line and that they had heard the citizens loud and clear.

Councilor Thomas expressed her agreement with Councilor Rowe and stated that she would not vote for it either, but it was not that she did not love everybody at the grange.

Councilor Ceniga stated that she had given this a lot of thought since the last meeting and part of her agreed with Councilor Rowe, however, the amount the grange was requesting was less than the original \$2,500 request, and the grange offered an important event space for the community. In addition, the grange was in the final stages of their project and had done a fantastic job of using volunteers and funding the project in other ways, so she wanted to support this request for them to complete their project. She noted that if this had been the start of a new project, she probably would not be in support, due to some of the things that Councilor Rowe had said.

Councilor DiMarco stated that the City was behind the curve on providing public space to the community. They had taken actions over the last year or two to talk about that in Committee and Council as far as encouraging organizations like the festival to organize their needs and ask the City for help, and he felt this request was in that same spirit. He thought they were struggling with the budget in the sense that it was a snapshot in time. They could not capture what would change during the year, so they tried to build in some flexibility in terms of contingencies and things like that over the last couple of years. One philosophical difference he had from some others was he did not think a balanced budget concept was intended to shackle the Council from delivering services to the public as things changed. He noted that the City did come in with a large one million dollar surplus this year in the General Fund and an even greater amount in the overall budget. Part of that was the Police contract with the U of O that was paid in advance, but over half of it was because the City had done very well. He thought there was a problem with too narrowly interpreting the expenses versus revenue, so it stuck them to what the situation was on that particular day when the budget was adopted. He thought the concepts that Councilor Rowe expressed were totally valid and it was just a mechanical issue for Councilor DiMarco, where he thought the Council needed to be able to serve the public and be a little more responsive as things changed. He noted that for this amount of money, when contrasted with the surplus, he could not get too worried about it at this time. He thought the City had done the best job they could, and the budget was prospering. He just did not want to be too restrictive in how they were able to reach out and help the community.

Councilor Gambia expressed appreciation for the thought that had gone into the comments that had been made. He thought it was excellent that people had thought so much about this and he commended everyone for that.

Councilor Stott stated that he thought this was a small amount of money for helping a group like this. He added that the City had helped other organizations over time, and he did not have a problem helping the grange.

Mayor Crenshaw stated that as the City collected taxes from its citizens, the City also promised to provide services for those things. While by nature he was a fiscal conservative, he wanted to agree with Councilor Rowe that they should look for every opportunity to tighten their belt; however, at this time he compared this to the value that was there. With this simple \$1,650 request, they were actually able to help the grange leverage quite a bit to be able to provide a lot of service to the community, so there was a ton of value to be considered with what this little bit of money could actually do for the City.

Councilor Thomas noted that Councilor DiMarco mentioned there was a big windfall and extra money, but when she looked around and talked to people, the City's streets were in desperate need. The request might not be a lot of money and they may have a windfall, but the City had lots of things that needed to be taken care of to keep the City up to date for the things that the people of this town needed like streets and water.

Mayor Crenshaw responded that he believed things like this project actually complemented exactly what Councilor Thomas was saying. A citizen had told the Mayor about a year and a half ago that he was very interested in helping try to improve the appearance of our town, and projects like this grange project were definitely the direction that this expenditure would take them. Although it was only improving one property at this particular time, that helped to lead the rest of the community in heading that same direction.

Councilor Thomas provided the example of Addison Street being in poor condition and needing repair. Director Kaping responded that Addison was not a City or county street and belonged to the property owners. Councilor Thomas noted that there were other streets in that area that were also bad.

Mayor Crenshaw asked if there were any public comments.

Ms. Rechelle Salgado, JC Grange Representative, thanked the Council for considering the grant request and for the thought that had gone into measuring the request against City priorities. She noted that the grange had always been a group of people that had brought their own craftsmanship and volunteer time and efforts to the grange. The grange provided a place where folks could get together and hold events, and grange members had been part of the Scandinavian Festival and been very much a part of the history of Junction City. She felt like the City participating and the grange's efforts to maintain and improve the facility were very important. She appreciated the City of Junction City and the opportunity for the City and the grange to work together to continue to make the grange a place where people could meet and cherish and enjoy.

MOTION: Councilor Stott made a motion to approve the grant agreement with the JC Grange and authorize the Mayor to sign the necessary documents. The motion was seconded by Councilor DiMarco and passed by a vote of 4 to 2, with Councilors Stott, Ceniga, Gambee, and DiMarco voting in favor and Councilors Thomas and Rowe voting against.

7. Master Fee Schedule Annual Review

Director Crocker noted that this was the annual update to the Master Fee Schedule, which was a summary of all the City's fees across all departments; this action did not set or change any fees, as those had been set by various resolutions and ordinances. This item was delayed a little bit to include the recent Utility rate changes passed by Council.

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

MOTION: Councilor Stott made a motion to adopt the City of Junction City 2020 Master Fee Schedule. The motion was seconded by Councilor Rowe and passed by unanimous vote of the Council.

8. Revenue Allocation Review

Director Crocker stated that this was a review of the percentages that allocated property taxes and general revenue to various departments. This information was reviewed by the Finance and Judiciary Committee on September 3rd, and the Committee forwarded to Council. In Fiscal Year (FY) 2016-2017, Council and the Budget Committee began this allocation, and property taxes and general revenue were grouped and allocated based on Council's direction. The revenue allocation fiscal policy stated that the Council would review these percentages every five years.

Director Crocker reviewed Attachment A – Five Year Allocation History Charts and noted that the percentages had not changed. The only fluctuation was the 22% that was allocated to Community Services had been adjusted through the years on allocation splits to the Community Services departments. He noted that for general revenue, the Council had directed that an additional 10% of Franchise Fees would go towards the Street Fund each year, to a maximum of 50%. The budget cycle coming up for FY 2021-2022 would be the 5th year and the Street Fund would be at the 50% mark. Director Crocker also reviewed Attachment B – Ending Fund Balance Requirement Charts, which was a quick reference to where the various operating funds were at. He added that the City Administrator had recommended that no changes be made to the allocations at this time. This would allow staff and the Finance and Judiciary Committee time to work through the Court department budget, as well as evaluate the impact of the 50% franchise fee allocation to the Street Fund.

Mayor Crenshaw asked if the Finance and Judiciary Committee members had any comments.

Councilor DiMarco, Chair of the Finance and Judiciary Committee, noted that the Council was fulfilling the original intent which was to review in five years. This was a very general direction of the Council back then to review and no specifics were given as to what that review entailed or whether the Council was compelled to do anything or not; that was why this was before the Council tonight.

Mayor Crenshaw asked if there were other Councilor comments.

Councilor Rowe stated that what they had been given was the budget revenue allocations, but they did not have any expenditure allocations. He continued that it was relatively easy to project what they thought revenue was going to be with the growth of the town, but what he did not know was what was the corresponding growth in each department; so he could not analyze whether or not an allocation was appropriate unless he knew if the departments were going to have more or less needs. He suggested that departments come back and give the Council a projection of what expenditures would be in a year and five years so they could look at that and make a decision of whether these percentages were really appropriate or not. He suggested sending back to Committee or to look at this as a whole in a Council Work Session.

Administrator Knope responded that there was only one problem in trying to project expenditures, whether it was one year or five years. Growth was not the only piece of that projection, and there were a number of policy related issues that needed to be addressed first at the committee level so that staff could bring back accurate information and make a recommendation. An example was how many officers per thousand was an appropriate number in Junction City, which was something that had been looked at about 10 years ago, but never finalized. He noted that one thing to keep in mind was that there was historical evidence that the allocations worked, citing the Library example of starting in the hole and now being above their minimum fund balance. The Council could choose not to do anything at this point and come back in six months to a year and review if they wanted to. That would give everybody time to work on these things, including looking at the Court Department to make sure that it could live within its bucket; the Court Department had not gone through the same process that the other departments had gone through yet. If the Council wanted a report using today's numbers with the budget for FY 20-21 plus a percentage added to it, they could do something like that fairly quickly but he would not guarantee the accuracy of it because they hadn't gone through the other work yet.

Councilor Rowe thanked Administrator Knope for the clarification and comment, which pointed out a couple of problems that they needed to correct. He liked the idea of a compromise and coming up with some sort of percentage or maybe keeping it the same, so that staff could do their job on the Court, yet they put it on the docket of the Finance and Judiciary Committee to actually work towards getting some real data and real numbers.

Administrator Knope responded that he did not think this was something that the Finance and Judiciary Committee could tackle itself and was something that needed to be broken up into a couple of pieces and tackled by a couple of different committees, like Finance and Judiciary and Public Safety. Councilor Rowe expressed his agreement.

Mayor Crenshaw stated that this made perfect sense and he complimented Councilor Rowe for his interest on this topic. Mayor Crenshaw continued that reviewing pending policies was very important, which would beget what the allocations should be. He noted that they had just got the bucket system off the ground and in operation; the paradigm being that each department avoid the use it or lose it mentality, which created the unnecessary spending. He noted that it would take a lot of work to come up with a reason to want to make any changes to this at all. He understood the Administrator's recommendation at this point was there was nothing to indicate the need for a change. He agreed with Administrator Knope that each of the Committees should be looking at what their needs were and to work towards finding funds to make all departments successful.

Councilor Ceniga asked if the alley ways were under streets, and she expressed lack of maintenance and safety concerns with alley ways in town, especially in the downtown area. Administrator Knope responded that alley ways were under streets, and the Public Works Committee had begun discussions on alley ways at their last meeting. Unfortunately, alley ways had taken the lowest rung on the totem pole, simply due to the fact that there was not adequate funding in streets; however, the Committee was looking at ways to get some of these alley ways back into the mix.

Councilor Rowe, Chair of the Public Works Committee, noted that the Committee thanked Councilor Ceniga for her comments and concerns and stated that they would keep this on the agenda and keep addressing the situation. He invited Councilor Ceniga to attend those meetings.

Mayor Crenshaw asked for a Council consensus that there would be no changes to the allocations at this time, and Administrator Knope would have his staff leads work with Committee Chairs to get this discussion on Committee agendas. The Council consensus was unanimously in agreement.

9. Business Pandemic Impact Support Program Update

Councilor Gambee left the meeting at 7:46 p.m.

Administrator Knope provided an update on the Business Pandemic Impact Support Program. There was still a lot of strong support and use of the program, and businesses continued to be very appreciative of what the City had been doing. There was \$150,000 left in funding for this program, which should last through the end of this calendar year. He would soon have a discussion with the Finance and Judiciary Committee and Council on what they would like to do with the program going forward.

Councilor Rowe asked if sub-totals could be added for each month on the summary report. Administrator Knope responded that he would be happy to add those.

10. Councilor Comments/Questions

Councilor Rowe said to all the Councilors that even though they might disagree on items such as financial information, budgetary concerns, and what not, they were all trying to get to the same end and take care of our City. He appreciated working with each and every Council member and would maybe even get a few converts along the way.

Councilor Thomas asked if they could add Staff Reports to the Agenda. Mayor Crenshaw responded that they could, and he would add after Councilor Comments.

Councilor Thomas added that there were always going to be times that they were not going to agree on everything. Mayor Crenshaw responded that he thought that represented the City well. When someone disagreed, that caused them to analyze an issue greater, so that was a service that they were additionally providing to the community.

Councilor DiMarco noted that he appreciated Councilor Rowe's comments about the budgeting issue and agreed with those. He continued that the City budgeted at a pretty high level and he invited folks to compare to other nearby cities or taxing districts to the level of transparency in the document and the inclusive process that the City followed. The concept of revenues matching expenditures strictly every year, helped the City get control of some lax philosophies from the past, but when the City was prosperous, it shackled them in the way they could respond quickly to situations. He thought if they all had an open mind and understood that the system was designed for them to disagree until they came to a consensus and then to support that and support each other. He thought that was a great way to look at things and thought everybody was on that page on the Council which he appreciated.

11. Staff Reports

Attorney Connelly reported that she recently attended a virtual Oregon City Attorney Fall Conference. Current areas of focus were affordable housing and COVID responses. The legislature would hold a session in early 2021, and she would bring forth any items that affected the City.

Director Crocker reported that the City Prosecutor and Finance Software RFPs (Request for Proposals) had been posted. The City received new PERS rates for the biennium, which would begin July 1, 2021. Senate Bill 1049 had a positive effect on reducing the City's PERS rates; if the FY 20-21 budget were used for comparison, would result in a \$41,000 savings and lower percentage increases going forward than had been forecasted. The unfunded liability for retirement payments the City would owe in the future went from 5.3 million dollars a year ago to 4.96 million. For property taxes, market values for Junction City had increased by over 6%, and the assessed values for property taxes should be coming out in the next few weeks.

Mayor Crenshaw stated that regardless of market value going up 6%, he believed the maximum the assessed value could go up was 3%. Director Crocker responded yes, but the City also included an amount for growth so anything above that 3% would be because of growth during the year.

Councilor DiMarco noted that this just eluded to one of the things that made it such an interesting budgeting experience; the City budgeted very conservatively for a 4% growth and routinely came in at 6 or 7% lately. So that again added that incoming money that the City had to determine how to use if they were sticking strictly to the narrow definition of a balanced budget.

Chief Morris reported that they had been very busy with investigations; one was at JC Retirement and the other was a criminal investigation that had been going on since the first of September.

Director Kaping reported that the \$25,000 street project was just finished on 6th Street. Two slurry seal projects were on the books for when the weather was good. He reached out to an asphalt contractor to get a bid on some alley work and reached out to an attorney to assist the City with a challenge and was waiting to receive numbers. The metal building should arrive tomorrow, and they were waiting on plans for foundation/footing so that could be poured. The three projects on Oaklea were going well and moving along. He received the 2nd Phase of the Reserve and that should start the process through the Planning Commission and plan review. Public Works purchased two vehicles at the Lane County Auction: 2014 Ford Explorer to replace the Public Works Director's vehicle; cost \$10,000 and had budgeted \$15,000 and Ford F-150 Quad Cab 4 wheel drive; cost \$8,000 and had budgeted \$10,000.

12. Mayor's Comments

Mayor Crenshaw shared that he was concerned with politics at the federal level and quite possibly how that could affect our town. His impression about how politics were operating right now was like a team mentality wherein people were no longer weighing the values or merits of any particular issue but just simply picking a side and chanting the mantra of whatever that side was. He hoped as this was an election year where Councilors and the Mayor would be on the ballot, that members of our community could avoid having that same division and would work together to be united.

Mayor Crenshaw thanked staff for preparing for tonight's meeting and making information available for the Council to be able to make the decisions it needed to make. He thanked the Councilors for their volunteer efforts and the fact that they made themselves available for the benefit of the community was outstanding and they were to be commended for that. He thanked Attorney Connelly for doing a great job for the City and expressed his appreciation for all that she did.

Mayor Crenshaw thanked the members of the public who were listening tonight and for taking the time to care about what was going on. He did receive reports from different members of the community that they did listen in. He encouraged participation, so tried to make points throughout each of these meetings and each of these topics for the public to weigh in if they wanted to. He hoped that when he left office in January and the new Mayor took over that they would continue to offer that to the community, as he felt it definitely benefited the town even though it was not a requirement.

13. Adjournment

As there was no further business, the meeting was adjourned at 8:12 p.m.

ATTEST:

APPROVED:

Kitty Vodrup, City Recorder

Mark Crenshaw, Mayor