

The Budget Committee for the City of Junction City, met at 6:30 p.m. on Thursday, January 21, 2016, in the Council Chambers of City Hall, 680 Greenwood Street, Junction City, Oregon.

**PRESENT: Council Members:** Chair, Bill DiMarco; Mayor, Michael Cahill; Councilors Karen Leach, Jim Leach, Randy Nelson, Steven Hitchcock, and Herb Christensen; **Citizen Members:** Mr. Jack Sumner, Ms. Sue Huntley, Dr. Dale Rowe, Ms. Kara McDaniel, Mr. Kenneth Wells, and Mr. James Hukill; (Absent: Mr. Jason Thiesfeld). **Staff:** City Administrator, Jason Knope; Finance Director, Mike Crocker; Police Chief, Mark Chase; Public Works Director, Gary Kaping; Community Services Director, Tom Boldon; and City Recorder, Kitty Vodrup.

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

Chair DiMarco called the meeting to order at 6:30 p.m. and asked Recorder Vodrup to lead the Pledge of Allegiance.

**2. Changes to the Agenda**

None.

**3. Approval of Minutes- October 8, 2015**

**MOTION:** Mayor Cahill made a motion to approve the minutes. The motion was seconded by Councilor K. Leach and passed by unanimous vote of the Committee.

**4. Fiscal Year 2015-2016 Budget Status Update**

Director Crocker distributed and reviewed a General Fund (GF) Summary that included revenue, expenditures, and Ending Fund Balance through December 31, 2015:

- These were the numbers that staff uses as a basis for starting the Fiscal Year (FY) 2016-17 budget process. The number reflected 6 months through the current budget or 50%.
- The actual Ending Fund Balance for FY 14-15 came in \$106,000 higher than was budgeted.
- \$2,350,000 was budgeted to be received in property taxes for FY 15-16 and \$2,090,900 had been received at 88.9% of budget. Last year, the taxes received through this period were \$2,007,000. February and May payments were still to be received, so it was anticipated that the City would receive at least the full amount budgeted.
- Franchise fees received were at \$167,750 and looked like would meet budget. Last year this was at \$158,000.
- Court revenue was budgeted at \$235,000 and the City had received \$66,000; consequently, it was estimated that this line item could be \$100,000 short. This was similar to last year.
- Building and Planning revenue were at \$129,738 and last year were \$126,000.
- Pool revenue was at \$21,700 and last year was at \$25,000.
- Public Safety revenue was at \$51,000 and was the same last year.
- Personnel was at 46.88%.
- Materials and Services was at 50.49%.
- General Fund Contingency has not been used yet.
- Ending Fund Balance was \$2,982,000.

Discussion followed and included:

- The budget had included freezing the 11<sup>th</sup> Police officer position for three months. The Council did hire the 11<sup>th</sup> officer position, but froze all other General Fund vacant positions, excluding the Community Coordinator position. The freeze included a current officer position where the officer was on unpaid leave; therefore, there were currently 10 police officers on staff.
- The School Resource Officer position was budgeted in the special Police Programs Fund, but would be moved into the Police Fund for next year, per the auditor's recommendation. The position was funded in part by the City, in part by the School District, and in part by a grant. The City budgeted to receive \$40,000 for the grant, and Chief Chase thought that number would be closer to \$60,000.
- It was possible that some unplanned savings in the General Fund might make up for the Court Revenue shortfall, but this could cut into the amount of savings available to restore any of the \$175,000 in reserve transfers that were cut to balance the budget.
- The reason the Court revenue had been budgeted at \$235,000, even though actual revenue receipt was lower last year, was because it was anticipated that the operational trend would be similar to years past and that this amount would be received.

Director Crocker distributed a May 7, 2015 Budget Committee Discussion summary that showed the proposed recommendations on cuts to Reserve Transfers and freezing vacant positions, as of that date.

(The Budget Committee held another meeting on May 14, 2015, and updated some of these recommendations.) The Committee's final recommendation on May 14<sup>th</sup> was:

- Cut \$175,000 in reserve transfers and to restore some or all of the transfers during the fiscal year, if additional savings were realized.
- The positions of Court Assistant, Road Crew Coordinator, and Records Project Temp were not needed.
- Freeze the following positions:
  - 11<sup>th</sup> Police Officer – for 3 months. Position hired in November.
  - HR Position – for 6 months. Staff was in process of drafting the job description and moving towards the hiring process.
  - Dispatch Supervisor – 12 months. (The May 7<sup>th</sup> summary had this position frozen for 9 months).

## 5. Next Steps Discussion

The Committee discussed whether they wanted to make a recommendation to the Council to continue the hiring freezes.

**MOTION:** Committee Member Huntley made a motion to recommend to the Council that they hire the HR Position as planned and freeze the Police Officer and Dispatch Supervisor positions, along with any other vacant General Fund position vacancies through the

remainder of this fiscal year. The motion was seconded by Councilor K. Leach and passed by unanimous vote of the Committee.

The Committee discussed whether they wanted to prioritize the reserve transfers that were cut, so that in the event of extra savings beyond making up for the Court revenue shortfall, the higher priority items could be restored.

It was noted that it was too early to determine if and at what level there could be additional savings. Also noted by Council members was that some transfer priorities might have changed since last April and they would like to have more information from staff on that as well.

The Committee consensus was to add this discussion to the agenda for the first Budget Committee meeting on April 14, 2016.

**6. Other Business**

None.

**7. Adjournment**

**MOTION:** Committee Member Rowe moved to adjourn and the motion was seconded by Councilor K. Leach and passed by unanimous vote of the Committee.

The meeting was adjourned at 7:34 p.m.

ATTEST:

APPROVED:

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

\_\_\_\_\_  
Bill DiMarco, Chair