

The City Council for the City of Junction City, met for a work session at 6:30 p.m. on Tuesday, January 26, 2016, in the Council Chambers of City Hall, 680 Greenwood Street, Junction City, Oregon.

PRESENT: Mayor, Michael Cahill; Councilors Karen Leach, Bill DiMarco, Jim Leach, Randy Nelson, and Herb Christensen; (Excused Absence, Councilor Steven Hitchcock); City Administrator, Jason Knope; Police Chief, Mark Chase; Public Works Director, Gary Kaping; Finance Director, Mike Crocker; and Community Services Director, Tom Boldon.

1. Call to Order and Pledge of Allegiance

Mayor Cahill called the meeting to order at 6:30 p.m. and led the Pledge of Allegiance.

2. Budget Discussion

Administrator Knope stated that the Council, at their last regular meeting, had requested that this item be moved to a work session.

Discussion included:

- This was a budget exercise to look at the numbers and try and make a plan moving forward.
- In reviewing the Fiscal Year (FY) 2015-16 Budget, the Budget Committee removed \$195,000 in reserve transfers for future projects, purchases, and needs; only operational transfers were included in the budget.
- If the current budget expenditures were used for the FY 16-17 budget, it was anticipated that expenditures would exceed revenue in the General Fund by \$200,000 to \$250,000, and that was with no reserve transfers being made again.
- It was anticipated that the Budget Committee would ask to have a balanced budget (expenditures not to exceed revenues) for the FY 16-17 budget.
- If something was not done to address the budget issues within the next one or two fiscal years, the General Fund would be spending more than it brings in in its entirety and that would include continuing to use Franchise Fees for General Fund expenditures.
- It would be beneficial to first set a baseline with percentages of property taxes that each department would receive. This would be the first step towards the "bucket concept" where each department would have their own fund and a set amount of revenue. Any savings the department had or additional revenue generated would roll back into their fund.
- It would also be beneficial, at some point, to set some kind of baseline for departments to make transfers into reserves each year.
- Franchise fees were originally intended for streets and were still in the General Fund; the goal would be to move those to the Street Fund, at some point, so they could be used again for streets.
- The Finance and Judiciary Committee would be looking at creating a policy on reviewing the property tax percentage allocations each year.
- It would be important to think outside the box for options to create savings and additional revenue with the budget. Ideas included expanding the volunteer program, developing fairgrounds, or preparing land by the lagoons or other areas for use by special event organizers, for motor home rallies or sports tournaments, etc.

The Council consensus was that they liked the bucket concept and wanted to see the percentage of property taxes other cities use for their General Fund departments.

3. Other Business

None.

4. Adjournment

As there was no further business, the meeting was adjourned at 7:43 p.m.

ATTEST:

APPROVED:

Kitty Vodrup, City Recorder

Michael J. Cahill, Mayor