

The Finance and Judiciary Committee for the City of Junction City met at 6:30 p.m. on Thursday, February 5, 2015 in the Council Chambers of City Hall, 680 Greenwood Street, Junction City, Oregon.

PRESENT WERE: Chairman Herb Christensen, Councilor Karen Leach, Councilor Steven Hitchcock, City Administrator Melissa Bowers, and Finance Director Mike Crocker. Councilor Bill DiMarco was in the audience.

I. Changes to the Agenda

There were no changes to the agenda.

II. Approval of Minutes for January 8, 2015.

Minutes were approved as presented.

III. Five Year Financial Forecast

Director Crocker presented the final draft of the City's Five Year Financial Forecast. He stated that a lot of effort has gone into producing the first forecast that the City has done, but that it will require a lot less effort to update in future years.

Councilor Hitchcock asked if forecasts from other cities were looked and the availability of other models to follow. Director Crocker responded that other city's examples were used and looked at extensively as well as best practice information.

Director Crocker stated that he would like to focus on the purpose for the forecast, methodologies and assumptions for this committee review. He stated that the forecast enhances the long range perspective approach to the City's financial planning. Best practices publications, encourages the process of producing a long range forecast. The forecast is not meant to be binding, but a report by staff based on current conditions and assumptions. The forecast becomes a focused and defensible basis for the budget. The concept of status quo, or continuing what the City is doing now, is incorporated throughout the forecast. He stated that revenue for example is stated with conservative estimates. The FY14/15 budget is the starting point for the forecast, and historical trends were incorporated to estimate changes for the future. Personnel services for example are based on recent trends. He stated that the forecast is a working document and is meant to be updated in the future.

Other items pointed out were the ending general fund balance trend the importance of the fiscal policies in this process. He pointed out that revenue is based on historical trends. Utility revenue increases are only based on growth of the customer base, and there are no rate increases included in this forecast.

Council Christensen asked about future growth and how it may be incorporated into the forecast. Director Crocker responded that future unknowns or developments are not incorporated. The expenditure assumptions focus on personnel services. Director Crocker reviewed personnel services and benefits.

Director Crocker reviewed the tables on page 17, the General Fund tables. He stated that a weakness in forecasting may be that any future forecasted results for the General Fund will not include any benefit the City realizes from budget gains over the forecasted years.

City Administrator Bowers stated that the Five Year Forecast would next be forwarded to Council for adoption, to look at the trends and make recommendations.

The Committee recommended that the Five Year Forecast be forwarded to Council.

IV. Legal Services

City Administrator Bowers brought legal services back to the Committee and stated that the we were pursuing the concept of an RFQ for legal services. She stated that she had discussed the process with the League of Oregon Cities and their recommendation was for the City to prepare the RFQ and have another firm outside of the area review it. She also handed out a directory of all the attorneys in Oregon who do work for government agencies. The directory also lists their area of expertise and any cities they currently represent. There is a section that sorts them by area of practice.

She also presented RFQ samples from the Cities of Dundee and Tillamook. She stated that staff could compile an RFQ from the samples we have.

An RFQ is an opportunity to survey the field and understand the legal services available, and what services or combination of services would benefit the City. An RFQ is only a survey, it is not an request for proposals.

The Committee requested that staff look into an RFQ for legal services.

V. City Records Retention

City Administrator Bowers brought to committee requested exemptions from the City's moratorium for records destruction. She stated that the requested exemptions are only from the Finance Department and a list is included in the packet. The list could be forwarded to Council for approval. The Court related items would still rely on the state requirements. The Committee was in favor of forwarding the list of suggested exemptions to Council.

City Administrator Bowers discussed the state records retention system available to Cities. She reviewed that the Committee had work to do on the City's records retention policy, a solution for the storage for records, digitizing records and a records management software solution. A handout was given to the Committee for a records management software system which is a private partnership with the Oregon state archives division. The State Archives division will assist cities in writing their own policies in conjunction with using the system. The system utilizes remote storage and is the recommended solution by the archives division. The costs is about \$30 per user, with a minimum of 10 users. She suggested that we request a demonstration of the system for this Committee. Cities such as Milwaukee and Beaverton are currently using the system. The Committee was in favor of seeing the demonstration of the software.

Councilor Leach asked about how to begin the records cleanup process. Administrator Bowers stated that having the software system and established policy in place first will eliminate going through records twice.

VI. Precise Budgeting – Fiscal Policies

Director Crocker presented the current draft with the changes directed by the Committee. He stated that the mid-year budget adjustment policy requires review by Finance and the City Administrator. The Finance department review is mainly for Oregon Budget Law review and adherence to the City's fiscal policies. The policy also covers budget changes to be made within a reasonable time after potential changes are identified. He stated that with regular reporting any items should be identified and can then be considered for a budget adjustment. The Committee discussed the timing for bringing a resolution to Council and that the term "reasonable time" seemed too vague.

Council DiMarco asked about who a budget adjustment request should go through, and would they go through the City Administrator and Finance only prior to going to Council.

City Administrator Bowers gave an example where a potential budget resolution was not reviewed by Finance prior to being presented to Council. The proposal was not legally structured correctly and ultimately needed to be changed prior to adoption.

The word "requested" in the first sentence was deleted and "after being identified" was deleted in the second sentence of the draft presented.

The Committee approved the Financial Report Review policy as adjusted.

The Committee recommended that the draft polices for Financial Report Review and Mid-Year Budget Adjustments be brought to Council.

VII. Other Business

Council Karen Leach inquired with the Committee what the process is to bring items Council. The Committee discussed that items can be brought up to the City Administrator, a Committee or Council.

VIII. UPDATES

None

IX. ADJOURNMENT

The meeting was adjourned at 7:47 pm.

ATTEST:

Mike Crocker, Finance Director