

The Finance and Judiciary Committee for the City of Junction City met at 6:32 p.m. on Thursday, April 2, 2015 in the Council Chambers of City Hall, 680 Greenwood Street, Junction City, Oregon.

**PRESENT WERE:** Chairman Bill DiMarco, Councilor Karen Leach, Interim City Administrator Jason Knope, City Planner Jordan Cogburn, and Finance Director Mike Crocker. Councilor Steven Hitchcock was absent and City Councilor Jim leach was in the audience.

**I. Changes to the Agenda**

None

**II. Approval of minutes February 5<sup>th</sup> and March 5<sup>th</sup>, 2015.**

Director Crocker had a correction to the February 5<sup>th</sup> Committee minutes, item 4 does not state the Committee's direction on following the discussion of legal services. He will add a statement that the Committee's direction was for staff to develop an RFQ for legal services.

The Committee directed staff to bring back the minutes to the next meeting when the full Committee is present.

**III. Building Inspection Services**

Planner Cogburn stated that this item was forwarded from the Planning Commission. This is a recommendation from the Planning Commission to consider bringing building inspection services in-house. Planner Cogburn noted that the contract with Claire Company will expire on June 30<sup>th</sup>. Planner Cogburn stated that he needs direction from the Committee before significant time is spent. Interim City Administrator Knope stated staff has been comfortable with the contract relationship currently in place. He also stated that communication with Claire indicates that it would be agreeable to go to a month to month service basis after June 30<sup>th</sup> to give the City time to look at this service. Councilor DiMarco expressed concern with the BCD situation and status. City Administrator Knope stated that Claire has made it clear to the City that they expect to be paid for their services related to BCD. He stated BCD is reviewing the past process. He further stated that alternatives need to be looked at for this service.

Councilor Leach expressed concern on the cost of in house inspection services as well as the availability of other service providers. Interim City Administrator Knope stated that this may be an opportunity for the City to review the possible solutions for the City. Other discussion included other models for managing this service and related revenue.

Planner Cogburn has talked to other Cities, including Corvallis, Eugene, and Cottage Grove about their building servicer contract or in house service, and those cities stated that they have all had issues with whichever service they use.

Councilor Jim Leach commented from the audience the importance of the service to the public and that the City's service has had issues in the past.

The Committee directed Planner Cogburn and staff to bring an outline of possible directions with Exec Team input.

Planner Cogburn will provide the Committee with a copy of the building inspections contract.

#### **IV. Chamber Funding Request**

Director Crocker discussed options for funding the Chamber's funding request at the request of the Committee.

Options could include:

- a. Economic development budgeting in the Community Development Fund
- b. State Revenue Sharing fund, misc projects line
- c. Materials and Services in the General Fund.

Attachments were provided with the year to date financial reports for each fund. Each of the options as presented by staff, were discussed.

Councilor Karen Leach stated that she is in favor of using State Revenue Sharing.

The Committee directed staff to forward a recommendation to Council to approve the Chamber request and use funds from the State Revenue Sharing fund.

#### **V. Audit Engagement Letter**

Director Crocker presented an audit engagement letter received from Isler CPAs. This is a contract for one year and is a standardized document. He stated that the audit work begins in May and will continue through the summer prior to the auditor's field work. Most of the information provided to the auditors is provided in advance. The goal would be for a presentation to Council in November. The letter defines the legal relationship of the City and the auditor. The letter states that the cost is 28,000. The prior year's audit cost was 27,500 and two years ago the cost was 28,400. He stated that although many cities stay with the same auditor for 10 years, an RFP could be initiated at some point, but there is no dissatisfaction with the current services.

The Committee directed staff to take the engagement letter to Council with the recommendation to direct staff to engage Isler CPAs for the FY14/15 audit.

## **VI. Budget Process Updates**

Councilor DiMarco stated he requested that this item be added to this agenda. Interim City Administrator Knope shared that the budget document is expected to be distributed by April 9<sup>th</sup>. He stated the he hopes to have more discussion rather than a lot of information read by staff, including the budget message. Another change will be that a separate reference binder will be provided which contains the CEP and other materials. The budget document is meant to contain only items that are part of the Budget Committee's process.

Interim City Administrator Knope also stated that the general fund worst case scenario gap is larger this year and includes all items requested by Council. He noted there has been discussion every year to have a follow-up Budget Committee meeting after the budget process and recommended that these meetings be scheduled. This year there has been efforts to keep operating expenses in operating funds, consolidate expenses to the applicable department or program, and the tools are in place to have good discussions to look at the General Fund. An effort has been made to present a clear picture of the costs in the operating departments and programs. He stated that making the Committee understand the separation between general fund programs and enterprise funds is important.

Councilor DiMarco stated that the Council would be required to call the Budget Committee together following the budget season.

Director Crocker mentioned that he had sent the administrative costs allocation and internal services allocation plans to the auditor for review and that Gary Iskra expressed approval of the plans appreciation have the City has implemented these plans. Director Crocker discussed that the costs for each programs are more clear and complete.

The Committee expressed appreciation for the budget process discussion by staff.

## **VII. ADMINISTRATIVE PROJECTS LIST REVIEW AND AGENDA FORECASTER REVIEW**

Director Crocker stated that some of the items from the administrative projects list are also on the forecaster list for this Committee. Director Crocker also handed out an agenda forecaster to track Committee items to date. He stated that any direction on the administrative list items would be appreciated. The administrative list items have not been incorporated into the forecaster at this time.

Interim City Administrator Knope stated that a forester is in development for Council and Committees and may incorporate features that have been discussed.

The Committee reviewed the Administrative Projects List and discussed items in process and the status of various items.

Interim City Administrator Knope discussed the website project and its priority and other related services and functions.

**VIII. Other Business**

Councilor Jim Leach inquired about the UGB records and where they are stored.

**IX. UPDATES**

None

**X. ADJOURNMENT**

The meeting was adjourned at 8:17 pm.

ATTEST:

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Mike Crocker, Finance Director