

The Budget Committee for the City of Junction City, met at 6:30 p.m. on Thursday, April 14, 2016, in the Council Chambers of City Hall, 680 Greenwood Street, Junction City, Oregon.

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

**1. Call to Order**

Councilor Christensen called the meeting to order at 6:30 p.m.

**2. Nominate Chair**

**MOTION:** Committee Member Rowe made a motion to nominate Councilor DiMarco as Chair of the Budget Committee. The motion was seconded by Councilor K. Leach and passed by unanimous vote of the Committee.

**3. Approval of Minutes- January 21, 2016**

**MOTION:** Committee Member Sumner made a motion to approve the minutes. The motion was seconded by Committee Member Rowe and passed by unanimous vote of the Committee.

**4. Public Comment**

None.

**5. Presentation of Budget Message**

Administrator Knope shared the following highlights from the Budget Message:

- No additional staffing proposed.
- The positions that had been frozen in last year's budget were included in the proposed budget for the entire year (1 police officer, 1 dispatcher, and the HR position); thus, increasing the personnel amounts compared to last year.
- The allocations for administrative charges, which were implemented last year, were being continued.
- This year's budget was the first using a new operational and tracking method called the "bucket concept", where departments in the General Fund (GF) were broken out into their own funds. Each department will have their own Beginning and Ending Fund Balances and any money saved will roll back into the departmental fund and not into the overall General Fund pot as done in previous years.
- A new fund has been created called the Community Services Administration Department, to track overhead and costs for Community Services. This fund will include the salaries of the Community Services Director and Community Services Coordinator.
- In the proposed FY 16-17 budget, expenditures/transfers are \$681,400 higher than revenue.

## 6. Overview Presentation

Director Crocker reviewed the sections in the FY 16-17 Proposed Budget document and the Budget Reference Materials document.

### FY 2016-17 Proposed Budget

- New Section 3 – Budget Summaries, which include summary of all funds, GF Comparative Reports, GF Ending Fund Balance Chart, Schedule of Transfers, GF Revenue Allocations, and a Budget Matrix.
- Two major changes in the budget:
  1. Property tax revenue has been split by percentage amounts for each department: (Police = 74%, Court = 2%, Planning = 2%, Community Services = 22%).
  2. General Revenue (franchise fees, state liquor and cigarette taxes, and transient room tax) totaled \$519,100 and had been divided amongst the departments to assist with getting the bucket concept going.
- General Fund Non-Departmental (page 51) lists revenue and expenditures in the General Fund that do not belong to a department. All general revenue and property taxes land here first, before being allocated to various departments.
- The School Resource Officer position was moved from the Special Police Programs Fund to the Police Department Fund, as pointed out by the City's auditor.
- Includes 11 police officers (Police Chief and SRO included in that total).
- 2% Cost of Living Adjustment.
- PERS amounts are not changing until next year: 07-01-17.
- Workers' Compensation = 0% increase. Health Insurance = 2.5% increase. Dental Insurance = 3% increase. Auto, Liability, and Property Insurance = 10% increase.
- Senior Center, Community Center, and Library personnel costs have went down, as a result of creating the Community Services Administration Fund and moving allocations there.

It was noted that originally franchise fees were used for streets, and the Council had talked about using those fees once again for streets; however, that could not occur until the Council had time to work through and give direction on some reduction options to be able to free up those franchise fees from being used by the General Fund.

Budget Committee members complemented staff on the new budget concept and format. It was noted that a few other cities in Oregon do this type of budgeting and were excited about it.

Discussion followed and included:

- The Budget Transfers Schedule (page 25) included transfers to reserves for FY 16-17 projects, as well as saving for future projects. Staff basically stuck to the projects that were listed in the Capital Expenditure Plan (CEP) and tried to limit new projects. \$380,000 was going to reserves and \$86,000 to operations.

**ACTION:** Per Committee consensus, staff to prioritize the projects and bring to the next meeting.

- Anticipated Court revenue had been adjusted to more closely reflect actuals over the last few years.
- The Sewer Ratepayer Assistance Fund was anticipated to have \$48,000 at the end of this fiscal year. Even though the Council officially ended the program, the money would remain in this fund, as the Sewer and Street Committee would be discussing whether or not to develop a new program to replace it. If the fund was eliminated, the money would go back into the Sewer Fund.

The Committee took a break at 7:28 p.m.

Discussion followed and included:

- The Council had held a work session and wanted to slowly see the franchise fees moved from the General Fund back into the Street Fund for work on streets and sidewalks.
- The proposed budget was not sustainable going forward and many items used to reduce expenditures were one time fixes.
- It was anticipated that there would be an increase in the Ending Fund Balance in the General Fund at June 30, 2016 of \$154,000, which could mainly be attributed to a vacancy in the police department.
- None of the transfers that were cut to balance the current year's budget had been restored.
- A vehicle replacement plan had been created for the Police Department and one was almost complete for Public Works.

**7. Future Meeting Dates**

Thursday, April 21, 2016 at 6:30 p.m.

**8. Other Business**

None.

**9. Recess**

The meeting was recessed at 8:00 p.m.

ATTEST:

APPROVED:

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Kitty Vodrup, City Recorder

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Bill DiMarco, Chair