

The Budget Committee for the City of Junction City, met at 6:30 p.m. on Thursday, April 19, 2018, in the Council Chambers of City Hall, 680 Greenwood Street, Junction City, Oregon.

PRESENT: Council Members: Chair, Bill DiMarco; Vice Chair, Dale Rowe; Councilors Kara McDaniel, Rob Stott, and Jack Sumner; Excused Absence: Mayor Crenshaw; Absent: Councilor John Gambee. **Citizen Members:** Ms. Sue Huntley; Mr. James Hukill; Mr. Ken Wells; Mr. Austin Lee; Ms. Cindy Montgomery; Ms. Bev Ficek; and Ms. Katy Brady. **Staff:** City Administrator, Jason Knope; Finance Director, Mike Crocker; Police Chief, Bob Morris; Public Works Director, Gary Kaping; Community Services Director, Tom Boldon; and City Recorder, Kitty Vodrup.

1. Call to Order

Chair DiMarco called the meeting to order at 6:30 p.m.

2. Approval of Minutes – April 12, 2018

Two clarifications were made:

- On page 4 change from, “Chief Morris responded that there were 8 and 2 were in backgrounds; the City was allocated for 10” to “Chief Morris responded that there were 8. There was 1 applicant for an officer position in pre-employment background checks, and 1 applicant was transitioning from dispatch to a police officer position. The City was allocated for 10 officers.”
- On page 5 change from, “Vice Chair Rowe noted that the community thanked the Police Department for doing this, as it was long overdue and much appreciated” to “Vice Chair Rowe noted that the community thanked the Police Department for wrapping the police vehicle and bringing public awareness on Breast Cancer and Bullying/Suicide Prevention, as it was long overdue and very much appreciated.”

MOTION: Committee Member Ficek made a motion to approve the April 12, 2018 Budget Committee minutes, as modified. The motion was seconded by Vice Chair Rowe and passed by unanimous vote of the Committee.

3. Public Comment

None.

4. Review and Discussion of Proposed FY 18-19 Budget

Public Works Director Gary Kaping reviewed:

Utility Laborer Position

The funding for the new position of Utility Laborer had been put into this budget. No addition or subtraction to personnel services, because funds for a vacant Utility Billing position that was never filled were moved to the Utility Laborer position.

Water Fund (Page 118-119)

- Beginning Fund Balance (BFB) = \$533,700.
- Line 21 Treatment Chemicals: Increased by \$2,000, due to more people.
- Line 24 Electricity: Increased to reflect actual costs.

- Line 38 Operating Materials and Supplies: Increased by \$10,000, as budget had been tight.
- Line 58 Transfer to Water Capital Fund: Transfer for future projects.
- Ending Fund Balance (EFB) = \$322,500, which was well over the 25% minimum EFB.

Water Capital Projects Fund (Page 120)

- Line 11 Professional Services: Less services this year, so dropped to \$65,000 instead of \$200,000.
- Line 12 Operating System Repair/Maint.: Funds set aside to make any unexpected and needed repairs to wells, etc.
- Line 19 System Refurbishment: Increased. \$100,000 for meter reading equipment project.
- Line 23 Interfund Loan Payment to Sewer System Fund: A \$900,000 loan was taken out to build the Water Treatment Plant and \$90,000 was paid back annually over a 10 year period. Six years left on the loan, after this year.
- Line 24 Interfund Loan Payment to Community Development Fund: Borrowed \$215,000 to finish the 11th and Elm Well, and \$21,500 was paid back annually over a 10 year period. There were 9 years left on this loan.

Water System Development Fund (Page 121)

- Staff did not anticipate spending any money from this fund, but \$5,000 was put into Water System Expansion for unanticipated water needs.
- The money in this fund could only be used for expansion of services.

It was noted that some citizens had complained of poor water quality at times, yet others had experienced better quality. The Water Master Plan would be finished mid-May and provide a dollar amount for making additional improvements for water quality.

Sewer Fund (Page 131- 132)

- Beginning Fund Balance = \$610,700.
- Line 22 Treatment Chemicals: Increased by \$20,000 for actual costs and anticipation of additional homes.
- Line 25 Electricity: Increased to reflect costs of additional homes and required sewer pumping.
- Line 39 Operating Materials and Supplies: Increased to allow for unexpected costs.
- Line 62 Transfer to Sewer Capital Projects Fund: \$600,000.
- Unappropriated Ending Fund Balance = \$418,100.

Sewer Capital Projects Fund (Page 133)

- Line 3 Transfer from Sewer Department.
- Line 12 Professional Services: Increased to \$500,000 for Sewer Plant upgrade work.
- Line 17 System Improvements: Decreased by \$100,000, as work was anticipated for the following fiscal year.
- Line 19 Equipment Acquisition: Increased by \$30,000 for unanticipated equipment failure.

- Line 25 Reserved for Vac/TV Truck: New line item to save funds for future truck purchases. Per an Intergovernmental Agreement with the Department of Corrections (DOC), the City must provide inspection and/or cleaning of lines up to five times a year, for the life of the contract.

Sewer System Development Fund (Page 134)

- Line 6 Sewer System Expansion: Placeholder. No projects currently planned, but this money could be used for the expansion of the Sewer Treatment Plant in the future.

Sanitation Fund (Page 139 - 140)

- Beginning Fund Balance = \$474,700.
- Line 36 Op Materials and Supplies: Increased.
- Line 40 Solid Waste Disposal: Was not increased, as the Council would be looking at adding a Recycling Surcharge to cover the Recycling Tipping fee.
- Line 2 Garbage Collection Revenue: Increased, as there were a number of new homes and commercial buildings, as well as more people using larger garbage cans because of the ban on plastics in recycling.
- Line 53 Transfer to Sanitation Capital Projects: Transfer of \$250,000.
- Ending Fund Balance = \$309,700. Well over 25% requirement.

Sanitation Capital Projects Fund (Page 141)

- Line 14 CEP Projects: \$220,000. \$200,000 was budgeted for a new truck and would be paying cash, but would need to take out a loan to purchase next year's truck. Junction City was one of two cities in Oregon that provide their own municipal Sanitation service.
- Line 15 Equipment Acquisition: Increased from \$20,000 to \$30,000 to purchase new totes to address growth/needs, as well as build the reserves on hand.

Break was held.

Streets Fund (Page 148 – 149)

- Gas tax, permits, and some franchise fees fund the Street Fund. The Council decided that 50% of franchise fees would be given back to the Street Fund, starting with 10% and adding 10% a year over a five year period (in 2nd year). Any new franchise fees would go directly into the Street Fund, such as the new franchise with Blachly-Lane.
- Beginning Fund Balance = \$298,700.
- Line 35 Op Materials and Supplies and Line 37 Street Maintenance: Increased, as more work being done because more franchise fees being received.
- Line 53 Transfer: Transfer of \$80,000.
- Ending Fund Balance = \$314,500.
- Line 36 Street Signs: Increased in response to implementation of Stop Sign Plan and School Projects.

Streets Capital Project Fund (Page 150)

- Beginning Fund Balance = \$239,800.
- Line 6 Pacific Power Franchise: Increased, as percentage of franchise increased. New this year was putting franchise fees directly into the Capital Projects Fund, instead of putting it in one fund and transferring.

- Line 7 State 5,000 Population Distribution: \$300,000. These were federal dollars allocated to the City based on population that could be used for 1st, 6th, 10th, and 18th Streets; however, the City had entered into a Fund Exchange Program with ODOT (Oregon Department of Transportation), ODOT would administer the program for a 6% fee so funds could be used for other streets in the City.
- Line 12 Sidewalk Improvement Program: Budgeted the same as last year to continue to put ADA ramps down 6th Street, as part of Safe Routes to School.
- Line 16 Street Maintenance Program: Increase from \$15,000 to \$70,000 because of extra franchise fees. The Council had been clear that they wanted the franchise money spent on maintaining or repairing streets, which would include crack sealing, slurry sealing, pot hole repairs, and paying part of the 6% to ODOT.
- Staff noted that it was more cost effective to do preventative street maintenance by slurry or crack sealing, so streets would last longer.
- Director Kaping and Superintendent Tracer were in process of evaluating streets and developing a Street Plan.

The Budget Committee consensus was to have staff bring back options for additional street funding and estimated costs for current and future street work.

Street System Development Fund (Page 151)

- Could only be used for the expansion of a road, not repairs of a road.

Bike Path Reserve Fund (Page 152)

- A percentage of the State Highway Tax was required to be placed in this fund.
- Line 10 System Improvements and Line 11 System Expansion: Funds allocated for improvements to slurry seal the path from Timothy to Alona Place and expand the path between 13th and Yew Street.

Prairie Road Street Improvement Fund (Page 153)

- This fund was set up to save funds for future sidewalks on the west side of Raintree and Prairie Meadows.
- Beginning Fund Balance = \$253,100.
- Line 5 Street Improvements: \$218,000 was the original amount that went into the fund.

Parks Maintenance (Page 107 - 108)

- Public Works had reacquired Parks Maintenance.
- Beginning Fund Balance = -\$1,300.
- Line 11 Wages: Large decrease, because of not renewing a full time position. Would be hiring 2 part time positions at 25 hours a week May through October.
- Line 57 Contingency: \$37,200 for unexpected maintenance.
- Ending Fund Balance: \$15,100.

Parks Capital Projects (Page 109)

- Beginning Fund Balance = \$45,600.
- Line 49 Transfer from Parks Operations: \$30,000.
- Line 54 Building Projects: \$38,500. Included roofing at Laurel Park Gazebo and Founders Park, refurbishment of Founder's Park Train/area, and replacing irrigation systems.

Park System Development Fund (Page 110)

- Beginning Fund Balance = \$404,700.
- Line 6 Playground Equipment Acquisition: \$10,000.

Building and Planning (Page 58)

- Beginning Fund Balance = \$101,800.
- Line 20 Wages: Increased, as City had hired its own Building Official. Would see a corresponding reduction in contracted building services. The City would still contract for some services.
- As services expanded in the future, the City could hire an administrative assistant. In the meantime, the City could provide backup through current Administrative staff, if needed.
- The City was currently in the process of entering in to a contract with another City to provide Building Official services and there were three other entities that had expressed interest.
- Line 56 Transfer to Capital Projects Fund: \$8,000.

Planning Building Capital Projects Fund (Page 161)

- Line 57 Equipment Purchase: \$7,000 to purchase vehicle for the Building Official.

5. Other Business

Next meeting: Thursday, April 26, 2018 at 6:30 p.m.

Director Crocker distributed Police Department replacement pages 65 to 70 and noted that the Budget document was available online.

6. Recess

The meeting was recessed at 8:49 p.m.

ATTEST:

APPROVED:

Kitty Vodrup, City Recorder

Bill DiMarco, Chair