

The Budget Committee for the City of Junction City, met at 6:30 p.m. on Thursday, October 17, 2019, in the Council Chambers of City Hall, 680 Greenwood Street, Junction City, Oregon.

PRESENT: Council Members: Chair, Bill DiMarco; Councilors Sandie Thomas, Rob Stott, Andrea Ceniga, and Dale Rowe; **Absent:** Mayor Mark Crenshaw and Councilor John Gambee; **Citizen Members:** Vice Chair, Kara McDaniel, Mr. James Hukill, and Mr. Jack Sumner. **Excused Absence:** Mr. Ken Wells and Ms. Bev Ficek; **Absent:** Mr. Austin Lee; **Staff:** City Administrator, Jason Knope; Finance Director, Mike Crocker; Police Chief, Bob Morris; HR/Admin Services Manager, Stephanie Moran; Public Works Director, Gary Kaping; and City Recorder, Kitty Vodrup.

1. Call to Order

Chair DiMarco called the meeting to order at 6:33 p.m.

2. Approval of Minutes – 04-25-19 and 05-02-19

MOTION: Councilor Rowe made a motion to approve the 04-25-19 and 05-02-19 Budget Committee minutes. The motion was seconded by Committee Member Sumner and passed by unanimous vote of the Committee.

3. Year to Date Financial Overview

Director Crocker provided an overview of the Financial report for September:

- General Fund Balance as of 09-30-19 was \$1,825,000. Last year on 09-30-18, the balance was \$1,424,000.
- The actual fund balances for most of the remaining operating funds were higher than the June 30th projection.
- 2.2 million was budgeted as the rollover amount in the General Fund, and 2.5 million was the actual amount rolled over.
- Property taxes for 18-19 came in at 101% of what was budgeted, which was a gain of \$76,000. Mid-year, Council appropriated and used \$46,000 of that; the remainder of \$30,000 went into the fund balance at June 30th.
- Gas tax rollover came in \$50,000 higher than budgeted, which helped the Street Fund.
- The cash balance for all funds as of September 30th was \$14,212,000. One year ago, that number was \$12,513,000.
- The City was ¼ through the budget year or at 25%.
- The biggest thing that affected Materials and Services was the \$173,000 insurance payment made in July for the whole year; that added 2 to 3% for most departments.
- The General Fund budgeted \$222,000 in contingency last year (Fiscal Year 18-19) and \$79,000 of that was used. The fact that all of the contingency was not used was a positive indicator.
- The balance of reserves in the City as of June 30, 2019 was \$3,689,000. On June 30, 2015 that number was \$1,666,000.

4. Departmental Updates

Police Department

Chief Morris reviewed:

- Compared to last year, there had been 3 times more arrests for juveniles (last year 11 and this year 34) and 2 times more arrests for adults (206 last year and 412 this year).
- Call volume from 2018 was 4,486 and 2019 to date was 5,495.
- Overtime budget was currently at 98%, due to people on maternity leave, sick leave, vacation, at the academy, and one vacant position that a dispatcher would be filling once his dispatch position was filled.
- Challenges the department faced were getting qualified applicants for the vacant positions and the time it took for new officers to go through training.
- It was asked if more should be moved from the regular wages to overtime, since it seemed like the department had not been at full staffing for a long time. It was noted that would not be a good idea, because there would not be enough in the regular wages to pay for full staffing, which was the department's goal.
- The current budget included 9 officers and currently the City had 8.
- There was \$11,700 in the Police Reserve Program.
- The City used to have 10 officers in the budget, but one of those was the School Resource Officer, which was now an employee of the School District.
- The department had 1 police administrative aide budgeted, as the need for administrative help in the department was high. A person was in background right now for that position.
- It was noted that Lane Fire Authority had not signed a contract for dispatch yet, but the University of Oregon (U of O) was in the final stages of approving a five-year contract. Currently, the City had a month to month contract with the U of O and that was about \$221,000 per year. The new contract would be for \$375,000 a year.
- It was noted that under revenue, it listed other dispatch contracts for \$200,000. Chief Morris responded that was for Lane Fire Authority, which the City did not have at this point; however, the increase in the U of O contract would nearly cover that amount.
- When asked why the U of O contract was going up so much, Chief Morris responded that the U of O looked at what JC Dispatch was doing and felt that \$375,000 was more equitable, considering the amount of calls and service JC Dispatch was providing.
- It was asked if the 25% increase in calls to dispatch included the U of O. Chief Morris responded that it did not and those were only Junction City figures.
- It was planned that the department would have 9 dispatchers, with the U of O and Lane Fire Authority contracts. It was noted that there were economies of scale in having these contracts and being able to have more dispatchers on staff.

- It was asked if the City was still anticipating a contract with Lane Fire Authority. Chief Morris responded that Lane Fire Authority was in transition and looking for a new fire chief and would not be doing anything until that chief was in place.
- It was asked if any adjustments needed to be made mid-year to address the overtime. Director Crocker responded that overtime and direct wages were all under personnel services, so adjustments were not needed as there was funding available to cover this from the regular wage vacancies.
- For the future, Chief Morris stated that the department would like to continue building more collaborative partnerships with stakeholders. The increase in arrests were a direct result of the partnerships the department had developed, specifically with DHS and Parole and Probation, as well as community engagement and efforts the department had made. The increased number of arrests were a positive sign and it wasn't that there was an increase in crime, but there was more department effectiveness with an increase in detection and prosecution.

Public Works Department

Director Kaping reviewed:

Planning and Building

- The Building and Planning Departments had been split out in the current budget and the way that was structured was going well.
- Materials and Services were a little high in Building, based on the fact that the City's electrical inspector had passed away; therefore, the City had to contract out a few more inspections and plan reviews than had been anticipated. Everything else was good.
- The City's Building Official Stuart Holderby would be retiring at the end of December. Staff was in conversations with a potential candidate; would be at the same pay scale.
- Planning was now in Public Works Administration and both of these were doing really well and on target in all expenses, with revenue a little bit above.
- Tere Andrews had done a great job keeping things streamlined in the planning office, and she worked part time at the planning office and part time at City Hall.
- Administrator Knope noted that planning paid a portion of Tere's time, which left a balance in the Planning Technician position in the budget that could be used to fund a receptionist in the Building and Planning office. That way someone would be in that office to answer phones, take care of day to day business, provide better service to customers, and be available so the Building Official could be freed up to be out in the field.
- It was asked if the planning fund was okay with funding for the upper level planning work. Director Kaping responded that it was good.

Water, Sewer, Garbage, and Streets

- All the Enterprise Funds were in really good shape and all just a little ahead on revenue.
- The new filters were installed in the Water Treatment Plant and would be online in December or January. The department was also making good progress on the Water Quality Project. These projects were on time and on budget.

- A new sanitation truck was purchased; got a good deal on the truck.
- The street project downtown was underway. As soon as that project was done, Director Kaping and Superintendent Tracer would put together a list of roads for crack sealing and slurry sealing; that work might be addressed in spring, depending on the weather, but most likely would be in the next budget year.
- Bike Path Fund had funds that had not been used.
- The Prairie Road Fund had roll over funds to be used someday when a sidewalk was installed down Prairie Road.

A break was held at 7:35 p.m.

Community Services

Administrator Knope reviewed:

- Community Services as a whole was doing really well and on track budgetarily.
- The 30 hours per week for the positions at the Senior Center and at the Community Center were going well and there were no plans to adjust that.
- Staff had been working on repairs at the Viking Sal Senior Center, as there was some exterior dry rot and other repair work to be done. The City was responsible for maintenance for that building, per the contract, and that project had stayed within budget.
- Resurfacing of the pool went really well and there was more that Public Works staff would like to do. As winter approached, they would be looking at the mechanical room refurbishment, which was scheduled for this year; the goal was to have that completed before the new pool season.
- Things had been going really well with the addition of 2 Parks and Open Spaces positions. The City had received a number of positive comments on parks/open spaces.
- It was asked how it was going, since Administration absorbed the management function of Community Services. Administrator Knope responded that it was going well. Manager Moran handled the day to day things, and he was doing the higher end administration such as budget, CEP, etc.

Administration and Finance

Administrator Knope reviewed that Administration and Finance were doing well and no pressing issues.

Internal Services

Administrator Knope reviewed:

- An outside firm did an audit of the City's computer systems and discovered that there were over 200 issues to address. Staff was working with the Finance and Judiciary Committee on an RFP (Request for Proposal) to bring someone in to help the City develop a Computer Systems Master Plan.

- It was unknown what the budget impact would be to address the computer systems, but it would not be cheap. The Master Plan would identify more clearly what needed to be done and what the City currently had that could be repurposed.
- Another big piece in IT was that the support for Windows 7 would be ending, so that would force the City to upgrade to Windows 10; this would come up in the next year.
- Another impact would be that with Apple's latest iPhone release, they slipped in some end of service life for other devices that would impact Public Works and the Police Department who use some of those devices.
- Internal Services had moved to having fleet maintenance taken care of by local vendors, which was working really well; South Valley Automotive had been doing a great job. Doing this had allowed the City to take a better look at the Building Maintenance side of things.
- It was asked if the City had an IT Reserve Fund. Administrator Knope responded that at one point in time, the City did have an IT Reserve Fund, but that no longer existed as a previous City Administrator had spent that on other things. That was part of the driving factor at looking at the CEP and trying to start building those funds back up. The City probably would not have enough to cover the immediate IT needs that were identified, but there was some to offset those costs. With the CEP going forward and saving for the future, it was anticipated that IT expenses would not be an issue.

5. Non-Budgeted City Improvements

Chair DiMarco reviewed that discussions had been occurring in the community and at a few Council Committee meetings on various projects/partnership ideas and what the City might want to do to maintain facilities, create better venues, etc. and coordinate these with the City's upcoming 150th Anniversary. Discussion included:

- Original catalyst was the Scandinavian Festival Association (SFA) coming to CDC (Community Development Committee) for tourism dollars to fix part of their roof. The discussion then went to organizations that maintain non-profit facilities, such as the Historical Society, Festival, etc. along with City facilities. Additional discussion then included doing something for the City's 150th Anniversary and maybe using that as a target date to get some projects accomplished.
- This included finding ways to form partnerships and coming up with ideas to set goals and targets and deliver something to commemorate the community.
- The centennial anniversary was in 1972 and some things were done to celebrate. The Historical Society was founded then for that purpose and the Society would be celebrating it's 50th at the same time as the City's 150th Anniversary.
- Administrator Knope stated that there was 100 acres at the Sewer Treatment Plant and 50 acres would be used in the future for plant expansion; that would leave 50 acres that could be utilized for other purposes, and one idea that Chair DiMarco had referred to was the concept of a fairgrounds/event space in this area. A gravel parking lot could be put in and the area connected to walking trails around adjacent subdivisions in that area.

- Administrator Knope added that staff was working with the developer Mike Kelly to the north of the lagoons to look at some ideas on a constructed wetlands area that could give the City a nature trail and walking path that would connect to the 11 acre park at the Reserve. There would also be some additional walking trails in the area that could end up connecting and providing a couple mile loop.
- Administrator Knope added that staff had also been looking at working with the Grand Ronde and Siletz Indian Tribes on grant programs for native plantings and tributes to the Calapooia Tribe who were in this area. So, there were many little pieces that could come together for a bigger project that could be done by the 150th Anniversary.
- Chair DiMarco noted that building a parking lot and trail network could be the starting point for other projects coming in through partnerships with other agencies; a few project examples were an earth berm amphitheater or FFA goat barn.
- Chair DiMarco asked if the City had a budget structure in place to receive contributions or matches for this kind of project, as a motivating factor. Administrator Knope responded that he hoped to have a better answer to that in the next budget season.
- Chair DiMarco asked about the building maintenance or facilities for Community Services. Administrator Knope responded that there had been discussions about having a bigger library, as well as combining the Community Center and Senior Center into a bigger footprint at the current Community Center location. Also discussed was doing a park at the Reserve, making improvements to the train and area at Founder's Park, and working with the Historical Society to create a World War II Memorial.
- Chair DiMarco noted that this was on the agenda as there seemed to be a consensus that there was monetary value in using the anniversary date as a motivation and way to rally things around.
- Chair DiMarco added that the Council Committees had invited SFA to the table, as far as improvements that the City could partner on. There was a demand for an outdoor music venue, whether that was making an improvement to the festival stage or creating an earth berm amphitheater off of High Pass. In the Budget Committee quarterly meetings, they could talk about staff's ideas as they develop and about how to structure a fund or find sources of money in the budget to bolster some of the smaller pieces of this project.

6. PERS

Director Crocker reviewed:

- The Finance and Judiciary Committee had been discussing long term fiscal planning for PERS.
- Senate Bill 1043 was just passed and included various changes that the state would make to PERS that could help reduce PERS rates by 5.4%. Most things in the Senate Bill would not impact the City until Fiscal Year 21-22; however, in that bill, the state put 100 million dollars into an Employer Incentive Fund to provide matching funds to cities, counties and school districts. For example, if the City put in \$100,000, it would receive \$25,000 as a match or 25% of whatever was put in.

- If the City participated in this state PERS Reserve Program, there would be the match received from the state, as well as having the funds invested by the state treasury; their current assumed rate was 7.2%. This would include a long-term commitment of 20 years.
- An alternative to participating in the state’s PERS Reserve program would be for the City to create its own Internal PERS Reserve Fund. Funds would be put away from each department and then used to offset some of the future PERS increases.
- Director Crocker reviewed charts which included funding options and their impacts.
- It was noted that this discussion would continue at the Council level.

7. Budget Committee Vacancies

Director Crocker stated that the City was advertising for 3 Budget Committee vacancies. One vacancy was due to Katy Brady resigning and the other 2 were for expiring terms on December 31, 2019 of Bev Ficek and Austin Lee.

8. Next Meeting Date

The Committee consensus was to meet for a quarterly update on Thursday, January 16, 2020 at 6:30 p.m.

9. Other Business

None.

10. Adjournment

As there was no further business, the meeting was adjourned at 8:40 p.m.

ATTEST:

APPROVED:

Kitty Vodrup, City Recorder

Bill DiMarco, Chair