

The City Council for the City of Junction City, met in regular session at 6:30 p.m. on Tuesday, October 27, 2015, in the Council Chambers of City Hall, 680 Greenwood Street, Junction City, Oregon.

PRESENT: Acting Mayor, Randy Nelson; Councilors Karen Leach, Bill DiMarco, Jim Leach, Steven Hitchcock and Herb Christensen (Excused Absence: Mayor Michael Cahill); City Administrator, Jason Knope; Police Chief, Mark Chase; Community Services Director, Tom Boldon; and City Recorder, Kitty Vodrup.

WORK SESSION

1. Call to Order and Pledge of Allegiance

Acting Mayor Nelson called the meeting to order at 6:30 p.m. and led the Pledge of Allegiance.

2. Court Revenue Shortfall

Administrator Knope reviewed that this item was before the Council, as a request for discussion by the Budget Committee. In the first quarter of this year's budget, the court revenue was short by almost \$23,000, and the concern was the impact this would have on the ability to restore reserve transfers at the end of the year. Based on the budget, there is over \$190,000 worth of transfers to be restored, and if the court revenue trend continues throughout the end of this year, the total court revenue shortfall would be approximately \$91,000, for a total of \$280,000 that would be needed to restore transfers.

It was noted that another factor to consider in this year's budget, was that unlike previous budgets, this budget was created with tighter margins in revenue projections. An example was that last year's property taxes came in \$40,000 to \$100,000 higher than what had been budgeted, and this year's taxes would only be \$9,000 to \$10,000 higher than budgeted. Also, in years past, unexpected vacancies assisted in making up revenue shortfalls, but as it stands, it would be difficult at this point to be able to restore all transfers that had been cut from the budget; therefore, there might not be the swing of extra General Fund revenue at the end of the year that had been seen in years past.

The question for the Council to consider was did they want to come back and look at making changes to this year's budget to make up the \$23,000 or wait and see what pans out at the end of the year. It was noted that the only way to guarantee that there would be savings at the end of the year to restore transfers was to create savings.

Discussion followed and included:

- This topic should be discussed in a separate Council goals session, as there were many things to consider.
- It was noted that the pool was very important to many people and had been put on the back burner for many years. If there was additional revenue, this could be an area where the \$70,000 of reserve transfers for the pool could be restored.
- The Council should look at how property taxes are distributed and create guidelines for how they should be divided amongst departments. That way each department would know exactly what they have to work with. The Council could also look at a way to have any savings generated go back to that department, instead of in the General Fund pot. This would also help eliminate any competition for funding between departments. Acting Mayor Nelson noted that he would like to see the history of how the property tax dollars have been split in the past.
- It would be important to not only look at the Court revenue shortfall impact, but also the future PERS and insurance increases and fact that when the frozen positions of the 11th officer, HR, and dispatch supervisor are hired, those would be additional impacts to next year's budget.
- Guidelines could also be created for using State Shared Revenue.
- The Council was tasked to create policies and that would make it much easier for staff to prepare the budget.

- Acting Mayor Nelson stated that the Council could hold a goals session to review these budget items, meet with the Budget Committee in January, and then hold a regular Council Goals Session in late January or February.
- Council should also discuss at some point where franchise fee revenue should be allocated. Currently the \$400,000 revenue goes into the General Fund. In the past, the General Fund and Street Fund were combined, and franchise fee revenue was used for street projects. After the Street Fund was separated from the General Fund, the franchise fee revenue remained entirely in General Fund revenue.
- Creative solutions should be looked at to address service needs, such as increasing the reserve program to assist the police department. It was asked how the number of police officers the City should have was determined. Chief Chase responded that international and state police association numbers were used, but it was ultimately up to the Council to determine what they wanted to fund.

The Council consensus was to hold a goals session to review these budget items.

3. Consideration of Hiring Freeze

Administrator Knope reviewed that on October 8th, the Budget Committee recommended that the Council consider implementing an additional three month hiring freeze on currently vacant positions, excluding the Community Services Coordinator position. The only current vacancy is the 11th police officer position. At the time the current budget was adopted, the HR position was frozen until January and the Dispatch Supervisor for 12 months.

Chair DiMarco noted that his vote at the Budget Committee meeting was not a vote to freeze, but to have this necessary conversation with the Council. Administrator Knope added that staff was not advocating for this, but were presenting numbers and facts so the Council would have the information.

Discussion followed and included:

- “Freeze” seemed to be a negative word and “delay” would be more appropriate.
- The 11th officer position should not be frozen, as there could be some vacancies occurring in the police department.
- The Council should honor the recommendation of the Budget Committee to freeze the 11th officer position, as doing so for three months would not hurt the City one way or another.
- The Council should hold on the 11th officer hiring until January and hold the work session to talk about what the Council wanted to do.
- 11 officers had been included in the budget by the Council and Budget Committee, as the Council had been talking about this over the last two or three years.
- An option could be going forward with the 11th officer position, but freezing any vacancies that might come up between now and January.
- Freezing the 11th officer position until January would save \$20,000 and offset the \$23,000 court revenue shortfall.
- A concern was expressed on hiring the 11th officer and then not having the funding for the position next year and having to lay that person off.
- It was noted that even though the Budget Committee had approved the 11th officer in this year’s budget, after the October 8th Budget Committee meeting and reviewing the numbers and revenue shortfall, the Committee had recommended freezing the 11th officer position until January.

Since the Council could not vote in a work session, the consensus was to take this discussion to the next regular Council meeting to vote on whether to freeze positions or not.

4. Community Services Position

Director Boldon presented the creation of a Community Services Coordinator position. The position would be a full time, exempt, "2nd in command" position that would oversee the Community Center and Senior Center. It was noted that the ¾ time Administrative Aide III position that was vacated in September would be eliminated, and this new position would align with other departments' structure, as well as allow a back up person when the Community Services Director is on vacation or out of the office. The impact to the General Fund would be \$8,000 if hired in December and \$3,000 if hired in January. Impact annually for next year's budget would be \$18,000.

The Council consensus was in favor of the position and having staff present at the next regular session.

5. 2015 Administrative Task List Review

Administrator Knope reviewed that there was a lot of background work being done on these tasks, and he estimated that 75% should be completed by within the first quarter of 2016.

Council members expressed appreciation for this work.

6. Adjournment

As there was no further business, the meeting was adjourned at 7:39 p.m.

ATTEST:

APPROVED:

Kitty Vodrup, City Recorder

Randy Nelson, Acting Mayor