

The Budget Committee for the City of Junction City, met at 6:30 p.m. on Thursday, January 16, 2020, 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 (via conference phone); Excused Absence: Mayor Mark Crenshaw; Absent: Councilor John Gambee; **Citizen Members:** Vice Chair, Kara McDaniel, Mr. James Hukill, Mr. Jack Sumner, Mr. Ken Wells, Mr. Sid Washburne, and Mr. Travis Ducker. Excused Absence: Ms. Bev Ficek; **Staff:** City Administrator, Jason Knope; Finance Director, Mike Crocker; Police Chief, Bob Morris; Public Works Director, Gary Kaping; HR/Admin Services Manager, Stephanie Moran; and City Recorder, Kitty Vodrup.

1. Call to Order

Chair DiMarco called the meeting to order at 6:30 p.m. He introduced new members Travis Ducker and Sid Washburne.

2. Changes to the Agenda

None.

3. Approval of Minutes – October 17, 2019

MOTION: Committee Member McDaniel made a motion to approve the October 17, 2019 minutes. The motion was seconded by Councilor Stott and passed by unanimous vote of the Committee.

4. Year to Date Financial Overview

Director Crocker reviewed the monthly financial report through December 31, 2019:

- 6 months or 50% through the fiscal year.
- General Fund balance was \$3.7 million. Last year at this time, it was \$3.1 million.
- In October, cash balances for all funds in the City were \$14.2 million and have now grown to \$16.9 million. The City was setting new records for cash on hand and recently received a \$900,000 SDC (System Development Charges) for the apartments on 18th. That \$16.9 million would grow with interest rates being up, and currently the City was receiving \$28,000 a month in interest.
- 94% of property taxes had come in.
- Revenue budgeting for utilities was right on track at 48 – 49%.
- Franchise fees were only at 36% and were at 38% at this time last year.
- Court revenue was at 36%, with a current ending fund balance of negative \$17,000; the projected ending fund balance for June 30th would be negative by \$48,000.

- The Building Department was at 93% for Materials and Services (M and S), but that was because additional revenue had come in that resulted in corresponding expenses. This would be addressed in a supplemental budget at the February Council meeting.
- Police personnel was at 43%, which was 8% better than budget.
- Only one supplemental budget so far this year and use of contingency had been low compared to last year; these were good indicators that budgeting had been on track.
- Reserves at June 30, 2019 were 3.689 million dollars. Currently they were \$3,355,000, but there was still \$539,000 in transfers to reserves to be made for this year. Director Crocker had transferred \$425,000 so far. Some of the budgeted CEP funds had been spent on projects, vehicles, etc.

In response to a question on Utility Billing deposits from Councilor Ceniga, Director Crocker stated that deposits had special treatment because they were money that the City was holding in reserve, so those funds were not actually part of the budget.

Councilor Stott asked why the franchise fees received were lower than last year. Director Crocker responded that some of them came in by quarter and some were paid annually in full. Last year the City did receive 96% of what was budgeted, so it was a matter of when they were paid throughout the year.

Committee Member McDaniel stated that the revenue in court and public safety were lower than budgeted and asked if they would even out by the end of the year. Director Crocker responded that court fees and fines were generally going to be similar every month throughout the year and his concern was the \$60,000 in revenue received year to date would turn into \$120,000 at the end of the year, which was short of the budgeted revenue of \$165,000.

Committee Member McDaniel noted that on page 17, the Building Official Contract was at 453%. Director Kaping responded that while the previous building inspector was getting his certification to do all plan reviews inhouse, the City hired a part time A level plumbing inspector and a part time A level electrical inspector. The electrical inspector passed away, which presented the need for more plans to be contracted out, and the City was in the midst of transitioning with a new building official. With the new building official on board, the contracted services should go down over the next 6 months. In addition, more revenue was received in the building department, so there were corresponding expenses, which would be dealt with in next month's supplemental budget.

Committee Member Wells noted that the Committee had discussed police overtime at the last meeting. He added that since 2016, it looked like overtime had been underbudgeted and he thought since those funds were needed they should budget for them.

Chair DiMarco stated that at the last Council meeting, he had encouraged staff to feel free as they were working on next year's budget to tell them what was needed operationally to maintain current service levels.

Councilor Rowe noted that revenue for Other Dispatch Contracts was budgeted at \$200,000 and zero had been received. He asked if the City expected more contracts or if that line would remain at zero. Chief Morris responded that the intent was for the City to dispatch for Lane Fire Authority, but Lane Fire Authority had a change in administration so he was not sure what would happen with that.

Chair DiMarco noted that the Police Department had not hired the additional two dispatchers yet that the \$200,000 would cover, so it was a wash. Chief Morris responded that was correct.

Committee Member Hukill asked why the court fees were not responding, since arrests were trending up. Chair DiMarco responded that was a delicate political question which they may want to reflect back to the Council.

Director Crocker responded that the court received whatever the Police Department (PD) sent to them, but there were limitations and not all the PD activity went to the Junction City court. Chief Morris added that the activity the PD sent in was going to be dependent upon adjudication from the judge and what fees the judge sets. The judge's philosophy was to try and correct the behavior and prevent traffic crashes from happening in the future, which could include a reduction on the ticket.

Chair DiMarco noted that the City had 7 dispatchers and asked if that was stable with the current contracts. Chief Morris responded that dispatch was financially stable and balanced.

5. Departmental Updates

Chair DiMarco encouraged staff to share their needs to maintain current service levels.

Public Works - Building and Planning Department

Director Kaping reviewed:

- Increased the part time plumbing inspector from .25 to .4 or 16 hours per week, per new Building Official Russ Young's request.
- Tere Andrews was part time Planning Technician and part time in administration. She split her time between Public Works and City Hall. There was flexibility in the budget to shift her time to ramp up or ramp down on planning type duties.
- Hired a Building/Planning office receptionist to provide administrative support for the Building Official and in planning.
- Director Kaping was learning more about building and planning and was able to answer questions. He felt very comfortable with where building and planning was at right now in operations and budget.

Chair DiMarco noted that he had heard concerns about making sure the City had the technical level of planning covered. He noted that planning was a critical function and he wanted staff to share if they needed more upper level planning funding.

Director Kaping responded that the City had contracts with Branch Engineering and LCOG for upper level planning. Administrator Knope added that he would like to see Director Kaping and other staff get more planning training, to help develop internal planning resources.

Public Works – Water, Sewer, Sanitation, Streets, Parks and Open Spaces

Director Kaping reviewed:

- All funds on target budgetarily.
- Utility was split into projects crew and maintenance crew. The projects crew was currently working on the water quality projects.
- In the upcoming budget, would see additional funding set aside (\$300,000 in sewer and \$50,000 in water) for purchase of equipment so the projects crew could do in house water master plan project work – excavator, dump truck, roller, etc.
- Combined parks and open spaces this last year and that was going really well. Hired two parks and open spaces laborers, who were doing a great job.

Community Services

Administrator Knope reviewed:

- Community Services included Community Center, Senior Center, Library, and Pool.
- At the beginning of this fiscal year, the Library was \$60,000 in the hole but it was anticipated they would end the year in a positive position. The Library had gone to 1 FTE (full time equivalent) and a volunteer program, which was working well. The Library Board expressed that they would like to go back to 2 FTEs.
- The Senior Center and Community Center each had a $\frac{3}{4}$ FTE (30 hours a week) and that was going well. No changes proposed for the upcoming budget.
- Minimum wage would increase 5% a year over the next three years, which would be a challenge budgetarily for funding pool staff. It was noted that these increases would create compression where some minimum wage temporary employees could be making more than some regular City employees.
- Funding would be set aside to finish up some deferred maintenance at the Senior Center.

Administration

Administrator Knope reviewed:

- Administration included City Administrator, City Recorder, HR/Admin Services Manager, and the Administrative Aide.

- Administrator Knope and Manager Moran had teamed up to manage Community Services and that was working well.
- The current Admin Aide was splitting her time between Planning and Administration. If this position moved more towards Planning duties, there could be a need to look at additional administrative assistance to help with various administration duties.

Administration - Internal Services

Administrator Knope reviewed:

- Internal Services included building and fleet maintenance, and IT.
- Most of the fleet maintenance was contracted out.
- One staff member was dedicated to Building Maintenance and one to IT.
- One of the dispatchers was transitioning to the I.T. position. In the interim, Administrator Knope was helping with IT related projects.
- Of the 37 computer workstations, there were only 5 left to be updated from Windows 7 to Windows 10 Pro. Were also working on server 2008 replacements.

Police Department

Chief Morris reviewed:

- Police Department operations were going well.
- Things that contributed to overtime:
 - New officers from time of hire, to academy, to field training was between 6 to 9 months and then to be able to be out alone on patrol could be an additional 6 to 9 months.
 - Arrests for adults had doubled and for juveniles had tripled. Caseloads and investigations were up.
 - One vacant police officer position.
 - An officer had been out on a workplace injury.

Committee Member McDaniel noted that overall, personnel services for the Police Department were under budget. Chief Morris responded that they had one vacant officer position (position #9), which had been promised to a dispatcher who was serving as a reserve. Once his dispatch position was filled, he would move into the officer position.

In response to what could help the department, Chief Morris stated that reserve programs were vital, and the department was aggressively working to try and find people to fill reserve positions. Reserves were of great assistance to a department but could not by state law replace a full-time police officer. Investigations were very time consuming and they could keep a full time detective busy on cases.

Chair DiMarco asked if it would be more efficient to have an officer dedicated to being a detective rather than being out on the patrol rotation. Chief Morris responded that it would be more efficient, but operationally they could not currently do that.

It was noted that the PD was budgeted for 9 officers and over the last few years, they rarely saw all positions filled at one time for one reason or another.

Chair DiMarco asked if it would be helpful to break up the budget to have a separate area that would serve the purpose of making things more transparent and capturing the startup, training, and other costs of getting someone to an actual full time patrol officer position. He added that there seemed to be some stress for the department to maintain current service levels and the community consensus was to see more patrols. He encouraged staff to feel free to be very creative with the upcoming budget. Administrator Knope responded that staff would give it their best shot.

Councilor Rowe discontinued participation in the meeting at 8:25 p.m.

6. Potential Changes for FY 2020-21

Administrator Knope noted that this agenda item had been covered in the previous discussion.

7. Five Year Forecast Review

Administrator Knope stated that everyone had a copy of the Five-Year Forecast and staff would be more than happy to answer any questions. Director Crocker added that he could review this at a Council meeting.

8. Budget Calendar Review

Director Crocker presented the budget calendar. First Budget Committee meeting scheduled for Thursday, April 16th at 6:30 p.m.

9. Other Business

None.

10. Adjournment

As there was no further business, the meeting was adjourned at 8:29 p.m.

ATTEST:

APPROVED:

Kitty Vodrup, City Recorder

Bill DiMarco, Chair