

The Finance and Judiciary Committee for the City of Junction City met at 6:35 p.m. on Thursday, March 5, 2015 in the Council Chambers of City Hall, 680 Greenwood Street, Junction City, Oregon.

PRESENT WERE: Chairman Bill DiMarco, Councilor Karen Leach, Councilor Steven Hitchcock, Interim City Administrator Jason Knope, and Finance Director Mike Crocker.

I. Changes to the Agenda

Community Center Fund and Viking Sal Fund Transfers

Administrator Knope stated that the ending fund balances of the Community Center Fund and the Senior Center Fund during this time of year are low. He stated that the Committee may want to discuss doing some one time transfers to fund minimum fund balances. Councilor DiMarco asked if this needed to be taken care of immediately. Director Crocker stated that it is an immediate need for the Community Center Fund. The fund had more in expenses in the prior month than the fund had in revenue and this could cause the fund to run out of cash. Council DiMarco asked what needed to be done now. Administrator Knope stated that staff would like the Committee to consider recommending a budget resolution to increase the transfers to these funds and establish a minimum fund balance. The transfers could each be increased by 10,000. Director Crocker stated that the Senior Fund is adequate for now, but the Community Center Fund has a critical problem for the current month. Councilor DiMarco asked about the safeguards to prevent a Community Services fund from going negative. Director Crocker stated that the City's fiscal policies don't address the Community Services Funds due to the focus on the General Fund. The Committee discussed making these funds subject to the City's fiscal policies for minimum fund balances.

Director Crocker stated that budget resolution could be a transfer from the General Fund or the State Revenue Sharing fund.

To change the application of the fiscal policy to include these funds, Director Crocker suggested adjusting the fiscal policies to address minimum fund balances for the Community Services Funds and a minimum amount to be restricted in the budget. The budget would include a typical foot note to define the restricted minimum balance.

The options for funding the transfer increase as discussed by the Committee are:

1. Fully fund from the State Revenue Sharing Fund.
2. Share the increased transfer between the General Fund and the State Revenue Sharing Fund at 50% each.
3. Fully fund the increased transfer from the General Fund.

The recommendation by the Committee is to use funds from the State Revenue Sharing Fund to increase the transfer to the Community Center Fund by \$10,000 for Fiscal Year 14/15.

The Committee directed staff to take a resolution to Council for the transfer increase with the options above.

Administrative Projects List

Direct Crocker stated that he brought copies of the Administrative Projects list and a committee pending items list that could be discussed under other business. Administrator Knope stated that he has asked staff to use the standard agenda forecaster for all the committees.

Court Security

Director Crocker also mentioned that a brief discussion of Court Security under other business would help. Court Security is included on the Capital Expenditure Plan.

Probation Services Contract

Council DiMarco asked when the Probation Services contract will expire. Director Crocker stated that it was prior to the budget season for FY14/15.

Chamber Funding Request

Councilor DiMarco presented a request by the Tri-County Chamber of Commerce for assistance to fund the Chamber's web site upgrade. Brad King, Chamber board president, discussed the project with the Committee. Councilor DiMarco suggested giving the letter to staff to come back to Committee with suggestions for funding the request. Administrator Knope stated that there are available funds in the State Revenue Sharing Fund.

The Committee requested that staff bring back funding suggestions for the Chamber request.

II. Budget Review

Director Crocker presented the draft worksheets for Finance, Administration, Planning, and Court. He stated that the allocation plans will complete one of the Council's Long Range Financial Plan items for Allocations as well as an item that is on the current Auditor Advisory Letter. He stated that the allocation worksheets for the administrative services and Internal Services Fund are known as a "cost allocation plan". A cost allocation plan is the backup for the procedures and methods in allocating costs. The concept for the allocations is similar for the Internal Services Fund and the Administrative Services Fund. Both are based on an allocation base. The Administrative Services allocations are contained within the General Fund as opposed to a separate fund for the Internal Services Fund. An improvement is that the City is

moving towards showing the full cost for a service in the department. Director Crocker reviewed the General Fund revenue. Property taxes came in about 1% better than the budgeted increase in FY14/15. The Court revenue is based on a middle of the road approach, expecting the activity to come back up as police activity gets back to normal.

Building and planning has been projected by the actual estimated permits over the last 4 years. For FY15/16 a historical trend approach was used. The estimates are based on five years of history. The state shared revenue items are based on the population of the City and the rates as published by the League of Oregon Cities. The Natural Gas Franchise has come in better than budget at 55,000 in 14/15.

Director Crocker pointed out the new internal services revenue line for Administrative Services is included in other revenue in the General Fund. In the General Fund this is offset by the amounts charged to General Fund Departments, but there is a gain to the General fund for other funds that receive administrative service charges.

Councilor Hitchcock asked about the Raintree property rental revenue. Administrator Knope stated that it is a piece of City owned property that was previously rented out.

Director Crocker pointed out that the Administrative department now includes 100% of the wages and benefits costs for the department. This will give us a much better picture of the total costs for this department. The allocation % chart for personnel services now shows 100% of City Administrator costs, for example, in the Administration Department.

Councilor Hitchcock inquired about the unemployment cost line item in personnel services. Director Crocker stated that the City pays for the cost of any unemployment claims the City incurs and the budget includes an estimate for those amounts. The City is not subject to the state's unemployment tax. Administrator Knope pointed out that the reason this line increased for FY15/16 in the Admin department is due to this section now reflecting 100% of the Administrative department's personnel costs. The special projects line is for the records project.

The Finance department draft budget includes 100% of the personnel costs for FY15/16. The Court budget is "status quo", assuming the activity level will return to what it has been in prior years.

Non-departmental had high costs for professional services in FY14/15 due to outside services required. The insurance allocations are based on the actual schedules from the City's insurance policy. Recruiting is budgeted when costs are anticipated. He also noted that the planner and planning admin aide have been partially allocated out to the utilities and parks in the past. These positions are now 100% in the Planning Department to be consistent with the other departments.

The FTE schedule provided to the Committee was reviewed. Director Crocker noted that seasonal and variable staff is not on the list of full time equivalents, but are summarized for each department.

III. Capital Expenditure Plan

The CEP for Admin and Finance was reviewed. The Springbrook line is included due to continuing projects and modules that we are working on city-wide. Councilor Hitchcock inquired about software for records archiving, which is on the Committee's pending projects list.

Councilor Hitchcock asked what the Court Security project was on the CEP. Director Crocker responded that this was a project initiated a few years ago and reviewed by the Finance & Judiciary Committee. A City County Insurance Services consultant did a security review for Court and City Hall at that time. Some of the items from that report were implemented during the City Hall remodel project. The intention of staff was to review the report for additional items that could be implemented and use the funds budgeted for these items. The website upgrade has been started, but will be continued in Fy15/16. He also mentioned that \$10,000 was split from the Building Replacement Reserve Fund transfer to go to the Building Reserve (maintenance) fund.

Councilor Hitchcock inquired about how reserve contributions are tracked over multiple years. Director Crocker reviewed how current year contributions are tracked and the amounts reserved to date.

IV. Administrative Projects Review

Councilor DiMarco stated that the two lists, the pending Committee list and the Administrative Projects list, can be merged to create an updated Finance & Judiciary Committee Agenda Forecaster. Director Crocker handed out the current pending Committee items list. He reviewed the Finance & Judiciary Committee's pending item list. The Committee discussed the lists and future work on the lists.

V. Other Business

Council Karen Leach brought up the HR manual and an HR staff person. Administrator Knope stated that City County Insurance Services (CIS) will be here to discuss and define the need for Junction City and the best methods to meet these needs. The Committee and Staff discussed possible HR needs, services available from CIS and needed staff training.

VI. UPDATES

None

VII. ADJOURNMENT

The meeting was adjourned at 8:35 pm.

Call back to order:

The Committee was called back to order at 8:37 to elect a vice chair. Councilor Karen Leach nominated Councilor Stephen Hitchcock. Councilor Hitchcock accepted the nomination. Councilor DiMarco agreed and Councilor Hitchcock was appointed as vice chair.

Meeting was adjourned again at 8:38 pm.

ATTEST:

Mike Crocker, Finance Director