

The Budget Committee for the City of Junction City, met at 6:30 p.m. on Thursday, April 11, 2019, in the Council Chambers of City Hall, 680 Greenwood Street, Junction City, Oregon.

PRESENT: Council Members: Chair, Bill DiMarco; Mayor Mark Crenshaw; Councilors Sandie Thomas, Rob Stott, Andrea Ceniga, and Dale Rowe; **Absent:** Councilor John Gambee; **Citizen Members:** Vice Chair, Ms. Kara McDaniel; Ms. Bev Ficek; Mr. James Hukill, Mr. Ken Wells, Mr. Austin Lee, Ms. Katy Brady, and Mr. Jack Sumner; **Staff:** City Administrator, Jason Knope; Finance Director, Mike Crocker; Public Works Superintendent, Jeremy Tracer; and City Recorder, Kitty Vodrup.

1. Call to Order

Mayor Crenshaw called the meeting to order at 6:30 p.m.

2. Nominate Chair

MOTION: Councilor Rowe made a motion to nominate and appoint Councilor DiMarco to serve as Chair of the Budget Committee. The motion was seconded by Councilor Stott and passed by unanimous vote of the Budget Committee.

Chair DiMarco presided over the meeting.

3. Approval of Minutes – January 31, 2019

MOTION: Councilor Rowe made a motion to approve the January 31, 2019 Budget Committee minutes. The motion was seconded by Committee Member Ficek and passed by unanimous vote of the Committee.

4. Public Comment

None.

5. Presentation of the Budget Message and Overview Presentation

Administrator Knope reviewed highlights from the Budget Message/Overview of the budget:

- Would see some changes to this year's budget, as Director Crocker was working on meeting criteria for the Government Officers Finance Association (GFOA) budget document award.
- The budget was prepared with the mindset of keeping a balanced budget.
- Personnel changes included removal of the following positions: Community Services Director, Community Services Coordinator, City Planner, 2 Parks Seasonal, and Public Work Utility Laborer.
- Personnel changes included addition of: .75 Community Center Aide, .75 Senior Center Aide, 1 full time employee (FTE) Planning Technician, 2 FTE Parks and Open Spaces Laborers, and 3 FTE Public Works Utility Workers. Also increase Library Aide from .68 FTE to 1 FTE and creating 1 FTE I.T. Technician position, which was a reclassification of the Utility Mechanic position.
- The addition of 2 FTE in Public Works would bring the work crew from 4 back up to 6, to start focusing on projects related to water quality issues and pipeline infrastructure.
- Long term issues that were not fully addressed in the budget included deferred maintenance items for facilities, vehicles, equipment, I.T. systems, etc.

- Able to maintain a balanced budget that included a 19% PERS rate increase. These increases would occur every two years and would be a challenge to address going forward.
- 30% of franchise fees were now going to the Street Fund out of the General Fund. An additional 10% would be taken out each year over the next two years, for a total of 50%.

A few Budget Committee members expressed their opposition and/or concerns on eliminating the City Planner position. Administrator Knope explained that the Planning Technician would take care of the day to day work and the higher level planning functions would be done by a contracted planner. If it were determined during the year that a part time planner was needed, a change could be made if there was enough in contingency funding.

It was noted that because the City now had its own Building Official, building and planning budgets were separated for state requirements, and there was a \$70,000 shortfall in planning, even with giving planning the full 2% of property taxes and general revenue. In light of this and to more effectively address planning and building work load and projects, the reorganization in planning was being done. The Planning Technician position would be funded by General Fund, building, and Public Works.

It was asked how changes in Community Services personnel would impact the Community Services budget. Administrator Knope responded that the changes would not only cover all new positions but would net a \$20,000 to \$30,000 savings in Community Services.

In response to a question on City plans for repairs, equipment, facilities, etc., it was noted that since the bucket system had been implemented a few years ago, funds had been set aside each year, for future capital projects; however, it took time to accrue funds for some projects and address deferred maintenance. Administrator Knope noted that there were some significant issues at the Senior Center building and roofing and door replacement projects at the Community Center. A computer assessment had been done and there were a number of issues within the City that would need to be addressed.

It was asked why there were 9 officer positions in the budget and not 10. Administrator Knope noted that the School Resource officer (SRO) had filled the 10th officer position, but the School District had hired their own SRO.

It was noted that the budget message highlighted concerns on the Police Department having enough resources to maintain service levels in the future. Administrator Knope added that the City would continue to provide patrol services for the City of Monroe by using part time, retired motorcycle officers.

It was asked how many dispatchers would be eliminated, if the \$221,000 dispatch contract with the University of Oregon was not realized. Administrator Knope responded two.

Mayor Crenshaw noted that the Budget Committee had an awesome responsibility and he encouraged everyone to avoid picking apart individual parts of the budget and to remember that giving more to one department would mean reducing funds for another.

Chair DiMarco encouraged everyone to read the budget message a couple of times. The City had been responsible in redirecting franchise fees back to the Street Fund, implementing the bucket system, moving money to reserve funds, and balancing the budget each year. Challenges were ahead, but Junction City was in much better financial shape than other cities.

Councilor Rowe reminded the Committee that they had worked diligently over the last three years to budget responsibly with balanced budgets. He thought that was still the Budget Committee's main goal and should be their responsibility to make sure that this budget was balanced.

Committee members thanked staff for doing a great job of staying within their buckets and preparing a budget that was balanced.

6. Overview of Proposed Budget Document and Assumptions

Director Crocker provided an overview of the budget document and assumptions:

- Charts and additional information had been added to this year's budget (mainly in Section 3), for submittal to GFOA for a budget document award.
- The budget was posted on the City's website.
- Section 3 information included:
 - Trends and Summaries
 - Property Tax Charts. It was noted that future development was included in the property tax receipt estimate. In the current budget year, property taxes had been budgeted at 4%; however, actual received had exceeded projections by \$100,000.
 - PERS Charts. Rate jumps in 2020 and 2022 and then a leveling off for four to five years.
 - General Fund Ending Fund Balance and Reserve and Ending Fund Balances. Last four of five years, the Ending Fund Balances had increased each year and that was an indication of good financial health that the City has built into its budget.
 - Five Year Forecaster Assumptions.
 - Budget Summary
 - Revenue Assumptions
 - Labor Costs: AFSCME 2% COLA (Cost of Living Increase), Police Association 2.5% COLA, non-represented 2% COLA. Medical and Dental Insurance – 8% increase.
 - Insurance: Property – 10% increase. Liability – 6% increase.
 - The financials in the Budget Reference Notebook were through March 31, 2019, so were at 75% of the current budget.

Budget Committee members complimented staff on the additions/changes to the budget document.

7. Future Meeting Dates

The Committee consensus was to hold the next Budget Committee meeting on Thursday, April 18, 2019 at 6:30 p.m.

8. Other Business

Chair DiMarco asked the Committee if they would like to appoint a Vice Chair.

MOTION: Chair DiMarco nominated Kara McDaniel to serve as Vice Chair. The motion was seconded by Councilor Rowe and passed by unanimous vote of the Committee.

Ms. Jo Ann Perkins asked if the property tax allocations were set in stone. Chair DiMarco responded that they were reviewed every five years. The Council had two more years before the next scheduled review.

Ms. Perkins noted that the breakout box for Community Services General Revenue allocations on page 39 only added up to 19% and not 22%. Director Crocker responded that was an error and he would correct.

Ms. Perkins asked when discussions would be held on the water tower. Chair DiMarco responded that it would occur when they reviewed the water fund.

9. Recess

The meeting was recessed at 8:07 p.m.

ATTEST:

APPROVED:

Kitty Vodrup, City Recorder

Bill DiMarco, Chair