

The Budget Committee for the City of Junction City, met at 6:30 p.m. on Thursday, April 12, 2018, in the Council Chambers of City Hall, 680 Greenwood Street, Junction City, Oregon.

PRESENT: Council Members: Chair, Bill DiMarco; Vice Chair, Dale Rowe; Mayor, Mark Crenshaw; Councilors Kara McDaniel, Rob Stott, and Jack Sumner; Absent: Councilor John Gambee. **Citizen Members:** Ms. Sue Huntley; Mr. James Hukill; Mr. Austin Lee; Ms. Cindy Montgomery; Ms. Bev Ficek; and Ms. Katy Brady. Excused Absence: Ken Wells. **Staff:** City Administrator, Jason Knope; Finance Director, Mike Crocker; Police Chief, Bob Morris; Public Works Superintendent, Jeremy Tracer; Community Services Director, Tom Boldon; 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 Councilor Bill DiMarco as Chair of the Budget Committee. The nomination was seconded by Councilor Stott, and the vote to appoint Councilor DiMarco as Chair passed by unanimous vote of the Committee.

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

Chair DiMarco invited members to introduce themselves.

3. Approval of Minutes – December 7, 2017

MOTION: Mayor Crenshaw made a motion to approve the December 7, 2017 Budget Committee minutes. The motion was seconded by Vice Chair Rowe and passed by unanimous vote of the Committee.

4. Public Comment

Ms. Sandie Thomas stated that in past years, money that was not spent would go back into the General Fund, and she asked if they could go back to doing that. She noted that there was money in both the K9 and Reserve Program Funds; however, neither program was active and those funds could possibly be used to help out Community Services.

5. Presentation of Budget Message

Administrator Knope presented the Budget Message, which was on pages 4 – 6 of Section 2 of the Fiscal Year (FY) 2018-19 Proposed Budget. He reviewed the following highlights:

- Police Department: For more transparency, operations had been broken down into Police Administration, dispatch, jail services, and patrol.
- Community Services Reorganization Plan: The two year plan to get Community Services to live within their bucket has been incorporated in this budget. Two staff members were retiring and their positions would not be refilled. One other position would be defunded on July 1st. Instead of having a Parks Lead position, the City would hire two seasonal

workers, and the Parks Department would pay for a portion of a Utility Worker position. In addition, Parks Maintenance would move back under the Public Works Department.

- **Balanced Budget:** The budget was balanced and Community Services was working towards repaying the money they had spent which had showed up as a negative in the budget. Everything, with the exception of the Library, was back into the positive numbers.
- **Resource Development Coordinator Position:** This was one of the key components of the Community Services Department reorganization plan. The intent was to have this position be solely dedicated to increasing revenue for the Community Services Department, through grant writing and other fundraising. This position could eventually assist other departments with their grant writing, going forward.
- **Public Works Utility Laborer Position:** Public Works had a vacant Administrative Aide position and instead of filling that position, the department created a Utility Laborer position, which would help get caught up on maintenance projects

6. Overview of Proposed Budget Document and Assumptions

Director Crocker reviewed the following trends and items to be aware of in the budget:

- **Reserves:** A few years ago, the General Fund departments were not making good contributions to reserves, and the Budget Committee had many discussions on this. The FY 2018-19 budget would be the second year that contributions to reserves have been included.
- **PERS:** Increases for PERS changed every two years, per the state's biennium budget. We were in the second year, so there was a small increase this year.
- **General Fund:** There was an increase from the Beginning Fund Balance to the Ending Fund Balance.
- **Property Taxes:** Budgeted at a 4% increase.
- **Insurance:** Budgeted for a 9.1% increase in medical and 2% increase in dental. Auto and liability had been budgeted conservatively at a 5% increase.

Vice Chair Rowe asked if a little history might be in order for the new members and for the public to help understand what drove the decision to go the bucket system.

Administrator Knope shared that the bucket system was implemented in the FY 16-17 budget to end departmental competition for General Fund dollars and provide more accurate forecasting and planning. The Council set percentages (Section 3, page 30) for what each department would receive of Property Taxes and General Revenue (liquor and cigarette taxes and franchise fees): Police Department 74%, Community Services 22%, Court 2%, and Planning 2%. Each department then went through exercises to get them to live within their buckets (expenditures not exceeding revenue). A Capital Expenditure Plan

was created and funds are now budgeted to save money for equipment, projects, software, etc. for General Fund Departments. (Public Works had been doing this already).

Chair DiMarco referred to the changes in Franchise Fees revenue and creation of Internal Services.

Administrator Knope responded that each year 10% of franchise fees (fees that utilities pay for using City right of ways and streets) were being put into the Street Fund each year, instead of only going into the General Fund. The City was in the second year at 20% or \$88,000 and the goal was to get to 50% of franchise fees going into the Street Fund. This would greatly assist with street maintenance and he noted being able to crack and slurry seal streets could greatly extend the life of a street. Costs for a block of street work included: Crack Seal = \$5,000; Slurry Seal = \$15,000; Grind/Overlay = \$35,000; and Reconstruction = \$75,000.

Administrator Knope added that the City had created an Internal Services Department, where each department pays for their portion of staff and materials for vehicle and building maintenance; prior to this, Public Works had been paying for this work for all departments through Enterprise Funds.

Chair DiMarco noted that the Internal Services change not only eliminated citizens being potentially “double taxed” by paying both property taxes and Enterprise Funds, but also allowed Public Works to use their funds to take care of much needed projects, such as Inflow and Infiltration work, etc.

Committee Member Huntley shared that several members of the Committee were passionate about not having a budget deficit and choices were not always easy, but it was a good process and they could work through it. They were well prepared and answers were always provided to questions.

Vice Chair Rowe stated that tying into what Committee Member Huntley said, he would refer the Committee to Section 7, page 208 of the City’s Fiscal Policies and read 1a: “...Oregon Administrative Rules state: 1. the budget must be constructed in such a manner that the total resources in a fund equal the total of expenditures and requirements for that fund, and 2. the total of all resources of the municipality must equal the total of all expenditures and all requirements for the municipality.” This meant that expenditures needed to match revenues. The Budget Committee had decided that this was a balanced budget and they came up with the bucket concept so that everybody would be equal.

Chair DiMarco noted that Junction City was kind of a minority compared to many western Oregon municipalities in the way the City budgeted openly and planned for future projects without having to go out for bonds. He added that the City’s budget process was very transparent. Budget Committee member participation was appreciated and all questions were welcomed.

Committee Member Brady noted there was a variance between Section 4, page 66 of the Budget Document in Dispatch Revenue and the Year to Date Financials in Section 1, page 20 in the Budget Reference Book.

Administrator Knope responded that was due to difficulty in hiring additional dispatchers, which were needed to be able to execute some of the additional dispatch contracts. Hiring had occurred and it was expected that contracts would be executed in June or July.

Chair DiMarco shared that the annual budget process was a snapshot in time of what was going on for all departments (white board example), but as Committee Member Brady pointed out, things could move outside of that frame. He noted that the City was in process of hiring an in house building official, after contracting out those services for many years. This would increase the days per week and availability for the community, as well as provide the potential to contract building services to other communities. He noted that Junction City had historically been a hub for surrounding communities, and already provided dispatch and patrol services for other communities.

Ms. Thomas asked what happened to money that was not used by the end of the year. Administrator Knope responded that the K9 Fund was a restricted reserve fund made up of donations, etc. and could only be used for that purpose.

Ms. Thomas asked how many officers the City currently had. Chief Morris responded that there were 8. There was 1 applicant for an officer position in pre-employment background checks and 1 applicant was transitioning from dispatch to a police officer position. The City was allocated for 10 officers.

Ms. Thomas asked if they would see more patrol enforcement for speeding and running red lights. Chief Morris responded yes.

Committee Member Ficek asked questions about the Resource Coordinator position. Administrator Knope responded that Junction City offered Community Service programs that were more in line with cities in the 9,000 to 10,000 population range. The salary range was in the mid-range for someone with 5 to 10 years experience compared to those cities and programs like Willamalane.

Committee Member Ficek noted that in the past, new City staff were introduced at Council meetings and she thought it would be great to do that for the Budget Committee too.

Administrator Knope responded that staff was bringing back the introduction of new staff members at Council meetings. He added that the Resource Development Coordinator would be focused on grant writing/fundraising for Community Services for the first two years and then assist with grants for other departments.

Chair DiMarco noted that there were many grant opportunities for programs within Community Services and provided examples of potential park opportunities.

Committee Member Montgomery asked about the retirement dates. Administrator Knope responded that the Parks Lead had retired, but was working back on a contract through August. The Senior Center Coordinator was originally planning on retiring next year, but decided to retire this year on April 27th. The Library Director position would end on July 1st.

Administrator Knope added that Director Boldon was in process of moving his office to the Senior Center and was working on developing the volunteer program at the Library.

Committee Member Brady asked if there was a projected timeframe for when the grant writer would generate additional funds. Administrator Knope responded that he expected significant progress in the first year, once the position was in place. The Council approved the position and the next step was for the position to be approved for funding through the budget process and then advertising for the position would begin.

Councilor Sumner asked if enough money would be generated via the Resource Development Coordinator to be able to hire back positions at the Senior Center and Library.

Administrator Knope responded that could be a possibility. Discussion followed on bolstering the volunteer programs and that the City's goal was to provide the same levels of service with existing staff and well trained volunteers. There were many opportunities to explore, and the City was still in progress of working on these.

Councilor Sumner wondered if funds that had not been spent could be used to keep positions, until the grant writer had an opportunity to generate funds to cover those positions. His personal opinion was that they should not lose the positions at the Senior Center and Library, for the good of the community.

Administrator Knope responded that no services would be cut and he believed that staff and volunteers could do great things and should be given an opportunity to explore all possibilities and make the plan work. He added that if they try it and it did not work, he would come back and share that with the Committee.

Committee Member Ficek asked about other community libraries. Director Boldon responded that most other libraries had strong volunteer programs, which Junction City had not had and was now in process of developing. Some community libraries were run by volunteers and others had a combination of staff and volunteers. Junction City would have a combination of staff and volunteers, with four staff members being trained to provide Library services.

Committee Member Huntley noted that the current Senior Center Coordinator and Library Director went above and beyond in their roles, so even if their positions were replaced, there would not be the same level of service.

Mayor Crenshaw stated that this was a great group and noted that when you put the effort into making a plan, you need to give that plan time to work in order to evaluate whether it worked or not. He continued that some of the ideas that could come up could circumvent the plan that was already in place. He provided the analogy of the cost of eggs making it prohibitive to buy bread and sometimes having to make tough choices on programs and services.

Committee Member Ficek asked about contracting out building inspection services. Administrator Knope responded that the City was currently working on an Intergovernmental Agreement (IGA) with Coburg and four other communities in Lane and Linn Counties were

also interested. He added that the Building Official could also implement the Public Works Right of Way Program.

Vice Chair Rowe asked if the budget process could be explained for the new members.

Administrator Knope shared that each department would provide a general overview of their budgets. The Committee would discuss, and staff would be available to bring back answers to questions. Generally, meetings were limited to two hours. He suggested that they begin review of the Public Works Funds.

Chair DiMarco noted that they could begin the next meeting with discussion of the Public Works funds, which included Water, Sewer, Sanitation, Streets, Parks, and Planning. The Committee consensus was in favor.

7. Future Meeting Dates

The Committee consensus was the next Budget Committee meeting would be on Thursday, April 19, 2018 at 6:30 p.m.

8. Other Business

Committee Member Hukill asked about the pink police vehicle. Chief Morris responded that Junction City was the second community he knew of that had done this and it was to show solidarity and support for those affected by breast cancer in the community; the department had received many positive comments and support. The vehicle was wrapped and no money had been expended. They would keep this for a few more months and then the next theme would be on Bullying and Suicide Prevention in Teens.

Vice Chair Rowe noted that the community thanked the Police Department for wrapping the police vehicle and bringing public awareness on Breast Cancer and Bullying/Suicide Prevention, as it was long overdue and very much appreciated.

Chair DiMarco expressed appreciation to Budget Committee members and staff.

9. Recess

The meeting was recessed at 7:54 p.m.

ATTEST:

APPROVED:

Kitty Vodrup, City Recorder

Bill DiMarco, Chair