

The Budget Committee for the City of Junction City, met at 6:30 p.m. on Thursday, April 18, 2019, 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; **Absent:** Mayor Mark Crenshaw and Councilor John Gambee; **Citizen Members:** Vice Chair, Ms. Kara McDaniel; Mr. James Hukill, Mr. Austin Lee, and Mr. Jack Sumner; **Absent:** Ms. Bev Ficek, Mr. Ken Wells, and Ms. Katy Brady; **Staff:** City Administrator, Jason Knope; Finance Director, Mike Crocker; Public Works Superintendent, Jeremy Tracer; and City Recorder, Kitty Vodrup.

1. Call to Order

Chair DiMarco called the meeting to order at 6:30 p.m.

2. Approval of Minutes – April 11, 2019

MOTION: Councilor Rowe made a motion to approve the April 11, 2019 Budget Committee minutes. The motion was seconded by Councilor Stott and passed by unanimous vote of the Committee members present: DiMarco, Thomas, Stott, Ceniga, Rowe, McDaniel, Hukill, and Sumner.

3. Public Comment

Ms. Jo Ann Perkins stated that she thought the City should review the bucket system allocations sooner than every five years. She added that she would like to see a line item added for the historic Water Tower.

4. Public Hearing on the Possible Uses of State Revenue Sharing

Chair DiMarco opened the public hearing.

Staff Report

Director Crocker stated that this was the first of two required public hearings and the second one would be held before the Council. The State Revenue Sharing Fund was in the budget, and a League of Oregon Cities report on State Shared Revenue could be viewed in the Budget Reference Notebook in Section 4.

Public Testimony. None.

Questions or Comments from the Budget Committee. None.

Chair DiMarco closed the public hearing.

5. Review and Discussion on Proposed FY 19/20 Budget

Director Kaping reviewed the following in Section 4:

(Committee Member Lee arrived at the meeting at 6:36 p.m.)

Building Department (Pages 89 & 90)

- This was a new fund to break apart Building and Planning and more clearly show what was being funded by Building. The City was required to show that at least 75% of money received from Building was going back into Building.

- Line 18 Property Taxes – All property tax revenue that was allocated to Building and Planning would be going to Planning.
- Line 22 Wages – Decreased, due to moving wages to Public Works (PW) Administration.
- Line 54 PW Administration Charges – A new fund for PW Administration was created and each PW department would be charged an admin fee to cover their portion of PW Admin wages and other costs.
- Line 63 Transfer to Planning – One time transfer of \$25,000 to help cover Planning costs. Planning was moved under PW Administration and the revenue for the transfer could be found on page 206, Line 7.
- Line 57 Building Official Contact – Decreased from \$120,000 to \$10,000, as that had been for the Clair Company contract, which the City no longer had. Would keep a contract with NW Code Professionals, to provide back up services.

Building and Planning Department Capital Projects Fund (Page 91)

- New fund to start saving money to replace vehicles, computers, and other equipment.

Parks Maintenance (Pages 152 & 153)

- Line 12 Wages – Increased, due to the creation of the Parks and Open Spaces Division. Parks would have 2 Full Time Equivalents (FTE). Moving the Utility Laborer Position to parks and would be hiring 1 FTE. Eliminating the 2 Parks Seasonal positions.
- Line 22 Administrative Charges – Increased, due to hiring another employee.
- Line 39 Parks Programs – New line item for Manager Stephanie Moran, who oversees Community Services, to have funding for Parks Programs.
- Line 42 Parks Maintenance – Increased from \$1,000 to \$9,000.

Parks Capital Projects (Page 154)

- Line 59 Transfer from Parks Operations – Increased by \$32,000, due to a one time transfer from the closed Community Services Administration Fund. Balances from that closed fund would be transferred across all of the Community Services Departments.
- Line 65 Capital Outlay Projects - \$40,000 gave staff resources to be able to catch up on some of the deferred maintenance backlog.

Parks System Development Fund (Page 55)

- Line 7 Playground Equipment Acquisitions – Increased from \$10,000 to \$120,000.
- Line 8 Park System Expansion – Increased from \$20,000 to \$200,000. No park expansion plans yet, but funds there in case the Council wanted to put the money towards a project. Parks project discussions would begin with the Community Services Committee and then go to Council.
- It was noted that there was dedicated parkland at Raintree Meadows, but that was outside the City limits. The parkland at the Reserve was under review for the archeological considerations and no digging could currently be done; it was noted that a resident who lives in the Reserve had said they would be fine with a picnic table and benches.

Water Fund (Pages 165 & 166)

- Line 8 Wages – Decreased, due to moving some wages to PW Administration.

- Line 30 Vehicle and Equipment Maintenance – Decreased in vehicle, as admin moved to PW Administration.
- Line 36 Computer Equipment Maintenance and Line 37 Natural Gas were removed and put in the PW Admin fund.
- Line 45 Travel and Training – Increased, as on a two year training cycle.
- Line 51 PW Administrative Charges. Water's portion was \$147,400.
- It was noted that the intent behind creating administrative funds (had already been done at City Hall and Police) was to allow wage allocations and other admin charges to be transparent and to provide a clear method of accounting. Also noted was that before creating the administration funds/charges, City Administrators were able to shift administrative wage allocations to the Enterprise Funds, thereby freeing up General Fund money to be used for other General Fund purposes that they wanted to fund.
- Line 59 Transfer to PW Admin – One time transfer of \$6,300.

Water Capital Projects Fund (Pages 167 and 168)

- Line 4 Water Tap Fees – Decreased, as last year's budget was based on getting 300 homes, which did not come in. Reduced to account for 75 new homes. The developer or customer paid the Water Tap Fees, at the time they built their home.
- Line 13 Operating System Repair/Maintenance decreased, as the Water Meters for the 300 homes were not installed.
- Line 17 System Improvement –\$165,000 was for projects like the old water tower or Water Treatment Plant improvements. Committee and Council had directed staff to focus on purchasing new filters for the Water Treatment Plant and there would not be funds for both projects.

After discussion, the Committee consensus was to create a new line item called Historic Water Tower, and to move \$10,000 from Line 17 System Improvement into this fund; therefore, Line 17 System Improvement would go from \$165,000 to \$155,000. It was noted that if the City was short on funds and needed the \$10,000, it could be used for another project, but that would have to go through the Public Works Committee and Council first.

Ms. Perkins said that the Water Tower also received revenue from a lease. Administrator Knope responded that the City just received notice that T-Mobile would be decommissioning their cell tower use and their lease with the City would end in two years.

It was noted that the Council had not officially decided whether to refurbish or take down the water tower. Ms. Perkins stated that Director Kaping had been tasked to find engineers to see if the water tower was structurally sound and she had a few more engineers to recommend. Chair DiMarco suggested Ms. Perkins take that through the Public Works Committee.

Water Capital Fund (Continued)

Line 19 Master Plan Projects – New line item for projects that were part of the recent rate study. Director Kaping and Superintendent Tracer were still working on the list of priority projects to address water quality.

Water System Development Fund (Page 169)

- Line 7 Water System Expansion - \$165,000 for the Water Treatment Plant expansion.

Sewer Fund (Pages 178-179)

- Line 9 Wages – Change in wages, due to moving PW Admin wages to their own fund.
- Line 23 Treatment Chemicals – Increased, due to anticipation of new homes.
- Line 48 Travel and Training – Increased, due to two year training cycle.
- Line 55 PW Administrative Charges
- Line 64 Transfer to Sewer Capital Project Fund – Decreased from what was transferred last year.
- Line 65 Transfer to PW Admin – \$6,300 transfer, similar to Water Fund.

Sewer Capital Projects Fund (Page 180)

- Line 12 Professional Services - Decreased to \$250,000, as PW was currently working on the pressure main from Oaklea to the Wastewater Treatment Plant.
- Line 13 System Maintenance Projects - \$50,000 for Inflow and Infiltration (I and I) work.
- Line 17 System Improvements – Decreased because of the main that PW was replacing.
- Line 20 System Construction/Expansion – Increased, due to the rate study and putting money aside for internal projects from the master plan.
- Line 25 Reserved for Vac /TV Truck – Funding reserved for purchase of future Vac Truck.

Sewer System Development Fund (Page 181)

- Line 8 Sewer System Expansion – Put \$500,000 in there just in case the City began work on the Wastewater Treatment Plant. Projected date was not known; City was still in discussions with DEQ (Department of Environmental Quality).

Sanitation Fund (Pages 187 and 188)

- Line 28 Fuel – Increased from \$40,000 to \$50,000, as new trucks needed DEF (Diesel Emissions Fluid), there was a new truck, and more driving would be done with growth in City.
- Line 29 Vehicle and Equipment Maintenance Charges – Increased, as City has an additional truck and to cover any unanticipated breakdowns. The City no longer had a full time mechanic and was using outside vendors.
- Line 6 Recycling Revenue – Increased \$7,500 to \$10,000, as the City anticipated receiving extra cardboard and metal that could be sold, due to the City opening a recycling center at 1395 Elm. Staff was working with DEQ and would partner with St. Vincent and Bring. Hoped to have the center open before the end of the year.
- Line 31 Lane Council of Governments (LCOG) dues and Line 33 League of Oregon Cities (LOC) dues were moved to PW Admin.
- Line 56 Transfer to Sanitation Capital Project Fund – Decreased from \$250,000 to \$50,000, as was increased last year to buy the new truck.
- Line 57 Transfer to PW Admin - \$6,200.

In response to a question on what the City does with glass, Director Kaping stated that it went to the recycling center.

Sanitation Capital Projects Fund (Page 189)

- Line 16 CEP Projects – Set aside \$250,000 to purchase the next new automated garbage truck, which was approved by the Council for next year's budget.

Streets Fund (Pages 197 & 198)

- Line 11 Wages – Decreased, as moving a PW staff member out of streets and back to utility and hiring a laborer, which was a lot less.
- Line 24 Bank Fees – Moved to PW Admin.
- Line 32 LCOG Dues and Line 34 LOC Dues – Moved to PW Admin.
- Line 38 Operating M and S – Increased from \$25,000 to \$30,000.
- Line 48 PW Admin charges
- Line 57 Transfer to PW Admin - \$6,200
- Line 58 Transfer to Street Capital Projects – \$25,000.

Streets Capital Projects Fund (Page 199)

- Line 7 Pacific Power Franchise Fees – Increased, due to additional 10% being transferred from General Fund. Currently at 30% and an additional 10% per year over the next two years would be transferred from General Fund to the Streets Fund, for a total transfer of 50%.
- Line 8 State 5,000 Population Distribution – \$300,000 for the ODOT (Oregon Department of Revenue) Fund Exchange Program. The City had money that was set aside each year from the state and the City could apply for funding, as long as the project qualified. If approved, the City paid ODOT a 6% fee. In response to how long the City could use the 5,000 Population Distribution, Director Kaping stated that he did not know the exact threshold number but thought the City would be able to participate in this program for a while.
- Line 13 Sidewalk Improvements - \$28,000. Where Safe Routes to School work was appropriated.
- Line 17 Street Maintenance Program – Increased to \$100,000 to work on street projects. Clear direction given to PW staff to use the franchise fee money for street work. This was where the 6% ODOT Exchange fee would come from, as well as paying for some sidewalks, potholes, and other spot repairs.

It was noted that last year Director Kaping had provided a document that showed the individual and total street maintenance projects and costs. Director Kaping responded that he could bring that to the next meeting.

In response to why the City did not impose a gas tax, it was noted that the citizens had voted down a proposed gas tax in 2007; that measure had not been for a specific project and it was noted that listing specific street projects in a measure might be more successful.

Streets System Development Fund (Page 200)

- Line 7 Street System Expansion. Placeholder of \$30,000. No specific projects planned.

In response to why the City could not use Street System Development Funds to work on streets, Director Kaping stated that those funds had to be used for expansion of streets. Administrator Knope added that those projects also had to be listed specifically on the Transportation Plan's Capital Improvements List.

In response to whether the City would be doing a couplet similar to Philomath, it was noted that the couplet was discussed in 2006, but when the City updated its Transportation Plan, the state deemed that the couplet was no longer necessary.

Bike Path Reserve Fund (Page 201)

- Line 3 State Highway Tax – \$4,000.
- Line 11 System Improvements and Line 12 System Expansion – Every year \$10,000 was budgeted in each, even though not always spent each year. One project was to widen the bike path from 13th to Yew Street. Other was to clean up some other bike paths in town with slurry sealing, etc.

Prairie Road Street Improvement Fund (Page 202)

- This was money that the City had a developer set aside, instead of installing sidewalks for his project.
- Line 6 Street Improvements - \$218,000 was the original amount and the fund continued to grow each year.
- No projection on when the sidewalks would be installed, even after all houses were developed along Prairie Road. Issues included drainage and that some properties adjacent to Prairie Road were outside of the City limits.

Public Works Administration Fund (Pages 206-207)

- Line 3 PW Admin charges – Where charges were coming in from departments.
- Lines 7 – 11 – Transfers from Building, Water, Sewer, Sanitation, and Streets.
- Line 5 Charges for Services Planning - \$64,500 was the 2% of property taxes and general revenue for planning operations. Additional planning revenue included Planning Miscellaneous Receipts for \$200, and Line 4 Land Use Applications for \$30,000, for total in Planning revenue of around \$95,000.

Administrator Knope noted that Building had subsidized planning for many years, and that before the City had its own Building Official, the City Planner had been doing some of the building department functions that were now done by the Building Official.

It was explained that most of the day to day planning functions could be handled by a Planning Technician and a planner would be contracted to address any higher level, project specific work. The Planning Technician wage/benefits were around \$79,000 per year. M and S was another \$30,000, so the total cost would be around \$108,000; however, the planning department only had \$95,000 in revenue.

Staff looked at splitting the Planning Technician wage allocations so that Building would pick up 5% (\$4,000) and Public Works would pick up 20% (\$16,000), which would leave a little over \$59,000 for the General Fund. \$59,000 plus \$30,000 in M and S totaled \$89,000. Then adding in the required fiscal policy contingency, brought the planning budget up to \$93,000, leaving a little extra from the \$95,000 in revenue. To add a buffer for this year, Building did a one time transfer of \$25,000. The PW functions that the Planning Technician would be doing were related to the PW Right of Way Permitting Program, PW Pre-treatment Program, and the Cross Connection and Backflow Programs.

Administrator Knope continued that he would like to encourage the Committee to look at the non-departmental contingency Page 84 Line 64, which is the general contingency for all of the General Fund, and to increase it to somewhere between \$150,000 to \$200,000. With that, if the City determined during the year that contracted planning was not working, this would give the Council the ability to make some contingency transfers and change direction.

In response to where planning contracted services was in the budget, Administrator Knope responded it was in the Non-Departmental Fund, page 83, Line 43 Professional Services.

Director Crocker distributed a breakout sheet for Planning costs and Public Works Admin costs within the PW Administration Fund. It was asked if this document would be in the budget, as it was very helpful. Administrator Knope that it was not currently in the budget, but it could be added to next year's budget.

The Committee consensus was to include the breakout in next year's budget.

6. Other Business

The Committee consensus was to hold the next meeting on Thursday, April 25, 2019 at 6:30 p.m.

7. Recess

The meeting was recessed at 8:10 p.m.

ATTEST:

APPROVED:

Kitty Vodrup, City Recorder

Bill DiMarco, Chair