

The Budget Committee for the City of Junction City, met at 6:30 p.m. on Thursday, April 21, 2016, in the Council Chambers of City Hall, 680 Greenwood Street, Junction City, Oregon.

PRESENT: Council Members: Chair, Bill DiMarco; Mayor, Michael Cahill; Councilors Karen Leach, Jim Leach, Randy Nelson, Steven Hitchcock, and Herb Christensen; **Citizen Members:** Mr. Jack Sumner, Ms. Sue Huntley, Dr. Dale Rowe, Ms. Kara McDaniel, Mr. Kenneth Wells, Mr. James Hukill, and Mr. Jason Thiesfeld. **Staff:** City Administrator, Jason Knope; Finance Director, Mike Crocker; Public Works Director, Gary Kaping; Community Services Director, Tom Boldon; and City Recorder, Kitty Vodrup.

1. Call to Order and Pledge of Allegiance

Chair DiMarco called the meeting to order at 6:31 p.m. and asked Committee Member Hukill to lead the Pledge of Allegiance.

2. Public Comment

None.

3. Public Hearing on Possible Uses of State Revenue Sharing

Chair DiMarco opened the public hearing.

Staff Report

Director Crocker shared that as a requirement to receive State Revenue Sharing Funds, there were several requirements that the City needed to meet every year: Previous year's property taxes must have been levied, and the Council must pass resolutions making the election to receive funds and certifying the City's eligibility. Part of that process included two public hearings, one with the Budget Committee and one with the Council (May 10, 2016). Notice of this hearing was published in the Register Guard on April 21st. State Revenue Funds were in several places in the budget and totaled approximately \$56,000. Cigarette and Liquor Taxes were in the General Fund and Highway Taxes were in the Street Fund and Bike Path Fund.

Budget Committee Questions or Comments

None.

Chair DiMarco closed the public hearing.

4. Follow-up from April 14, 2016 Meeting

Administrator Knope reviewed the two items in the Committee packet:

Transfers and Capital Outlay Budget

- Total transfers in proposed budget = \$464,100 (\$377,800 to reserves and \$86,300 to Community Services and Senior Center operations).
- Potential reduction of transfers with no change to current year projects = \$125,300.

Capital Projects Prioritized

- Staff prioritized General Fund projects and labeled as funded or unfunded.

5. Review and Discussion of Proposed FY 16/17 Budget

Discussion included:

- Expenditures/transfers were \$681,400 higher than revenue in the proposed budget.
- Staff had anticipated a shortfall earlier in the year and brought several budget reduction scenarios to Council that would have caused a balanced proposed budget, but that did not receive enough traction with the Council to make those policy decisions at that time.
- Last year the Committee had frozen some vacant positions and removed \$175,000 in transfers to help balance the budget (expenditures not exceeding revenue). Those transfers were not restored.
- By July 1st, there would be a total of 5 positions that would be vacant: 1 police officer, 1 police officer who will be retiring on June 2nd, 1 communications officer, 1 receptionist, and 1 HR position.
- Even though 11 police officers had been budgeted last year, there has been an average of 9 officers on the ground over the last many years; there were currently 9, including the School Resource Officer and Chief's position.
- It was noted that a comparable study of other communities on police officers per thousand showed Junction City to be on the high end.
- The City's portion for the School Resource Officer would be a little over \$28,000 this year and over \$54,000 next year.
- A Police District could be a future option to consider, but would take a few years to develop and would need buy in from those within the district's boundaries.
- The HR position would be more of a clerical position than administrative, as the City Charter appoints the City Administrator with hiring, firing, setting policies, etc. The General Fund portion of the HR position was \$49,321.
- An option for reduction was to reduce expenditures/transfers by the percentage amount that each department was allocated to receive property taxes.

MOTION: Councilor J. Leach made a motion to keep the HR position. The motion was seconded by Committee Member Sumner and passed by unanimous vote of the Committee.

Whiteboard Exercise to Balance Budget

\$681,400 (Expenditures/Transfers Higher than Revenue)

Percentage Scenario

Calculated percentages of \$556,100 (\$681,400 minus \$125,300)

- PD at 74% = cut \$400,342
- Court at 2% = cut \$11,120
- Planning at 2% = cut \$11,120
- Community Services at 22% = cut \$122,432.

Other Scenario

\$125,300 (Transfer reduction that does not impact current projects)

\$227,000 (Only keeping #1 projects or equivalent dollar amount)

\$290,000 (The 4 vacant positions, minus the HR position)

\$642,300 (Leaves around \$40,000 to reduce)

Administrator Knope noted that he could find \$40,000 in reductions in M and S.

The Committee consensus was to have Administrator Knope discuss reduction scenarios with the department heads, get their feedback, and bring back options to the Committee.

Committee Member McDaniel noted that she would not be able to attend the next Committee meeting.

Committee Members thanked staff for their great work on the budget.

6. Other Business

None.

7. Recess

The meeting was recessed at 7:48 p.m.

ATTEST:

APPROVED:

Kitty Vodrup, City Recorder

Bill DiMarco, Chair