

The Budget Committee for the City of Junction City, met at 6:30 p.m. on Thursday, April 29, 2021, at the Community Center, 175 W. 7th and in a virtual meeting format, via internet and phone.

PRESENT: Council Members: Chair, Councilor Ken Wells; Mayor, Beverly Ficek; Councilors Sandie Thomas, Andrea Ceniga, John Gambée, Karen Leach, and Sidney Washburne; **Citizen Members:** Jack Sumner, Sue Huntley, Kara McDaniel, James Hukill, Darin Olson, and Joshua Guth; Absent: Travis Ducker. **Staff:** City Administrator, Jason Knope; Finance Director, Mike Crocker; Police Chief, Bob Morris; Deputy Chief, Eric Markell; and City Recorder, Kitty Vodrup.

1. Call to Order

Chair Wells called the meeting to order at 6:30 p.m. and took roll call. He asked if there were any conflicts of interest to declare.

Councilor Ceniga declared a potential conflict of interest because her brother-in-law was a Public Works employee.

Mayor Ficek declared a potential conflict of interest because her daughter was an employee of Junction City.

2. Approval of Minutes – April 22, 2021

MOTION: Committee Member Hukill made a motion to approve the April 22, 2021 Budget Committee minutes. The motion was seconded by Councilor Thomas and passed by unanimous vote of the Committee members present: Wells, Ficek, Thomas, Ceniga, Leach, Washburne, Sumner, Huntley, McDaniel, Hukill, Olson, and Guth.

Councilor Gambée joined the meeting at 6:32 p.m.

3. Public Comment

None.

4. Follow up from Previous Meeting

Chair Wells asked that everyone please identify themselves when speaking, for those attending virtually.

Committee Member Sumner asked if the City had budgeted for needs like streets, sanitation, water, etc. for the additional homes west of Oaklea. Administrator Knope responded yes.

5. Review and Discussion of Proposed FY 21/22 Budget

Director Crocker reviewed:

Finance Department, Section 4, Pages 72 – 73

- The City had awarded a new software vendor contract for Finance, HR, and Utility Billing software in this current budget year. Total for this project was between \$170,000 and \$180,000, and funds were included in the proposed budget to finish this project.
- Line 9 Wages: Increased, as a long-time employee would be retiring, so included some pay out costs and cross training for their replacement.
- Line 40 Total Materials and Services: Small increase.

- Line 43 Transfer to Capital Projects Fund: Went down quite a bit. The last few years they had been saving for the software.
- Line 45 Contingency: Met the 15% required Ending Fund Balance for all General Government Operating funds, per Fiscal Policy.
- Line 64 Unappropriated Ending Fund Balance: Same as Beginning Fund Balance.

Finance – Capital Projects, Section 4, Page 74

- Software Upgrades Appropriation of \$75,600.

Committee Member Olson asked about the Small Government Award on page 70. Director Crocker responded that was an award the City had received from GFOA (Government Finance Officers Association) for End of Year Financial Reports that were audited. The City also received a budget award from GFOA and that was in Section 2.

Court Department, Section 4, Pages 80 – 81

- Line 1 Beginning Fund Balance: Had been a negative balance for a few years. Council asked the Finance and Judiciary Committee to discuss how to bring the fund into balance.
- Line 2 Court Fines: Decreased to reflect anticipated actual revenue that would be received.
- Line 21 Personnel Services: Slight increase for COLA.
- Line 25 Prosecuting Attorney fees: Increased with new contract.

Committee Member Sumner asked why the Council continued to allow the Court Department to run a deficit. Administrator Knope responded that Court was the last General Fund department to go through the process of living within its bucket, and he was sure that the Finance and Judiciary Committee and Council would get this done by the end of this calendar year.

Councilor Gambie expressed appreciation to staff for bringing this to their attention. He noted that the Council decision to contract out more services for court had affected the balance, as well as increasing expenses for the cost of conducting court. He noted that the court was doing an excellent job, but that did not necessarily coincide with the amount of fines coming into court. He added that he was glad they would be discussing at Committee and Council.

Chair Wells stated that he was sure that the Finance and Judiciary Committee and Council would get this review completed.

Administrator Knope reviewed the following:

Administration, Section 4, Pages 90 – 91

- Line 16 Personnel Services: Increased a little, however expected that to decrease as a vacancy had recently occurred in the Administration Department that would take some time to fill.
- Line 48 Transfer to Capital Projects Fund: \$150,000. The Administration Department was now collecting more of the IT reserve costs citywide through the Administration percentage allocation to all departments. They were earmarking funds for future finance software replacement, etc.

Administration – Capital Projects, Section 4, Page 94

- Lines 46, 47, 48, and 49 were new line items. Those aligned with the Capital Expenditure Plan for computer related expenses.
- Line 55 Reserve for Future Expenditures: \$25,000 for the future.

Councilor Gambie asked why the computer and network expenses peaked in 19-20 and then went down. Administrator Knope responded that in 18-19, the City had an outside consultant look at the computer systems and network from a security standpoint. As a result of that report, there were a number of projects the City needed to complete and those began in 19-20 and crossed over a few fiscal years. This upcoming year should be the final year for finishing those projects.

Councilor Gambie asked about the replacement of the finance software. Administrator Knope responded it would be a reoccurring expense every 15 years.

Councilor Gambie stated that he loved the fiscal policy about saving money in advance for projects like that and had seen staff do that over and over again. He thanked staff for that.

General Fund – Non-Departmental, Section 4, Pages 92 – 93

- Lines 1 – 32: Showed revenue coming into the City.
- Lines 9 and 23 Allocated to Departments: Went out to all the General Fund Departments because every General Fund Department had property tax and general revenue lines.
- Line 42 Professional Services and Line 51 Legal Counsel: Both decreased quite a bit, because the City had two open lawsuits and one had been dismissed.
- Line 47 Travel and Training: Increased, so new Council members could have specialized training if they wanted.
- Line 51 Legal Counsel: In the past, all legal expenses came out of this department and Utility Departments were not paying their fair share of expenses. So those expenses were now routed through administration on a percentage allocation to departments. That was why this number was lower than it had been in the past.

Councilor Leach asked why the Pacific Power Franchise showed no revenue in General Fund. Administrator Knope responded that Council directed that staff move 10% every year up to 50% of franchise fees back into the Street Fund. That 50% equaled the amount of the Pacific Power Franchise, so instead of splitting out all the franchises, the Pacific Power funds were moved to the Street Fund.

Committee Member Sumner noted that the Ending Fund Balance was a bit less than the Beginning Fund Balance and asked where those funds would be expended. Administrator Knope responded that the City was above the required minimum fund balance for the General Fund Non-Departmental (35%) and \$205,000 would be transferred for future projects:

- Line 58 Transfer to Building Rep Fund: \$25,000.
- Line 62 Transfer to Budget Stabilization Fund: \$180,000. Rainy Day Fund.

Administrator Knope noted that other General Fund departments were required to have 15% of their expenditures for their Ending Fund Balances, but Council had directed that the General Fund Non-Departmental have a higher amount.

Councilor Thomas asked if there was a plan for a building. Administrator Knope responded that there were no plans at this time, but there had been talk about updates for the Library, Senior Center, and City Hall and so the City was starting to save towards a future project.

Councilor Thomas noted that the City owned the block where the Community Center was and could put City Hall there. Administrator Knope responded that a number of years ago, University of Oregon students had done some designs for that block.

Councilor Leach stated that the City was growing, and Community Services were very important to families. Administrator Knope responded that they were taking the approach with General Fund that they had used for years with the Enterprise Funds: when the Ending Fund Balance went up higher than the minimum requirement, those extra funds were transferred into a capital reserve to save for the future. Councilor Leach responded she was glad to hear that.

Committee Member Sumner asked about the Budget Stabilization Fund and if it could be used to offset court. Administrator Knope responded that this fund could be used to offset a loss of revenue on an off year and technically it could be used for court. He continued that he and Director Crocker had a good path to fix court that they would present to the Finance and Judiciary Committee, similar to how the library got back on track.

Administrator Knope stated that the budget reflected all Community Services funds (Community Center, Senior Center, Library, Pool, and Parks) operating as normal, even though they were not sure at this point if some facilities would open or not this year.

Community Center Fund, Section 4, Pages 124 – 125

- Line 1 Beginning Fund Balance: Much higher than last year, as the center was closed much of the year and had less expenses. Because of that, extra funds were being transferred into the capital fund.
- Line 64 Transfer to Community Services Capital Projects: Increased transfer from \$5,000 to \$35,000.
- Unappropriated Ending Fund Balance still grew.

Community Center – Capital Projects, Section 4, Page 126

- Line 10 Building Projects: \$25,000 for fixing the roof and doing some work on the front bay doors/wall.

Viking Sal Senior Fund, Section 4, Pages 132 – 133

- The Viking Sal Senior Center Advisory Board set the Senior Center program, and the City provided administrative support to the program. The Center had been closed because of COVID and not sure when they would reopen. Still running Meals on Wheels program through LCOG (Lane Council of Governments).
- Line 1 Beginning Fund Balance: Increased from \$40,400 to \$89,100.
- Senior Center Aide position was currently vacant.

Councilor Leach asked if the Senior Center Aide position would be filled if the center opened. Administrator Knope responded yes.

- Line 62 Transfer to Community Services Capital Projects: \$52,500.

- Line 66 Operating Contingency: Increased from \$2,600 to \$7,700.

Committee Member Olson noted that he delivered meals on Wednesdays for the Meals on Wheels program and he was sometimes the only person the seniors he delivered to would see. He added that the program was a lifeline to many of the precious seniors in Junction City, and he thanked the City for that. Administrator Knope responded that no matter what happened with the center reopening, they wanted to make sure these meal programs continued.

Councilor Gambie noted that on page 128 it read that 12,507 meals were served for Meals on Wheels and 2,019 for Café 60. Committee Member Olson added that Meals on Wheels were delivered on Mondays, Wednesdays, and Fridays.

Viking Sal Senior Center – Capital Projects, Section 4, Page 134

- Line 26 CEP Projects: \$20,000. Funding set aside for building repair.

Committee Member Sumner asked what Committee dealt with the Senior Center building repair. Administrator Knope responded the Community Services Committee.

Swimming Pool, Section 4, Pages 140 – 141

- Line 1 Beginning Fund Balance: Almost doubled from last year, due to COVID closure.
- Line 36 Preventative Medical/OSHA: New line item with \$1,000 for COVID related safety supplies.
- Line 45 Building Maintenance Charges: Increased a little.
- Line 55 Transfer to Community Services Capital Projects: \$71,000 transfer, which was \$61,000 more than normal.
- Unappropriated Ending Fund Balance: Close to last year.

Pool – Capital Projects, Section 4, Page 142

- Two requested changes to the proposed budget:
 - Line 45 Equipment Purchases: Change from \$0.00 to \$10,000. Pool vacuum needed to be replaced.
 - Line 47 Building Projects: Change from \$0.00 to \$20,000. For building maintenance projects that they would not be able to do this year.
 - Resulting Unappropriated Ending Fund Balance Line 51 would be \$114,000, which would still be much higher than the Beginning Fund Balance.

Committee Member Olson suggested using excess pool funds that had not been spend in a closure year to reduce pool fees for a year. Administrator Knope responded that was idea that the Community Services Committee could definitely discuss.

Councilor Leach asked about the status of getting lifeguards trained. Administrator Knope responded that they were working on that, so they would be ready if the pool opened.

Library, Section 4, Pages 149 – 150

- Library was able to stay open most of the year.
- Line 1 Beginning Fund Balance: Did increase, but not as much as other departments that were closed.

- Line 23 Personnel Services: Decreased a bit. Library Coordinator Freda Darling would be retiring at the end of June and the new coordinator would be starting on May 11th.

Committee Member Sumner asked if the Coordinator position was full time and how many volunteers were at the library. Administrator Knope responded the position was full time and there were 8 to 12 volunteers at the library.

Committee Member Sumner expressed his appreciation for the library, as a citizen could get a lot of things done there. Administrator Knope added that Community Center Coordinator Shelli Jenkins was also being cross trained to be able to help at the library.

Councilor Gambie noted that page 144 showed that there were 12,000 visitors to the library.

Library Capital Projects, Section 4, Page 151

- Not a lot of projects and just saving funds. Next big project would be replacement of public computer terminals.

Community Services Projects Fund, Section 4, Pages 152 – 154

- Each fund has a capital projects section, and this captured all Community Services Capital projects into one fund.

Committee Member Sumner asked about the life of the public computers at the library and about their software. Administrator Knope responded that the computers were replaced every 5 to 7 years and included a program called Deep Freeze, which allowed computers to be reset.

Internal Services Fund, Section 4, Pages 230 – 231

- Internal Services was a department that took care of vehicle maintenance, equipment maintenance, building maintenance, and IT services citywide.
- Administrator Knope supervised this department, which had two full time employees: Maintenance Coordinator and IT Coordinator.
- Line 3, 4, 5 Charges for Vehicles, Building, IT: Revenue received from other departments for their share of costs for these services.
- Lines 23 – 30 Vehicle and Equipment Maintenance.
- Line 24 City Hall Equipment Maintenance: \$300 for its share of the generator.
- Line 26 Building – Vehicle and Equipment Maintenance: \$300 for the Prius that the Building Official used.

Committee Member Sumner asked if this included contracts for vehicle maintenance. Administrator Knope responded that it did, but Public Works had a few vehicle and equipment service contracts

- Lines 36 – 47 Building Maintenance. Did some work in house and some things like HVAC repair, etc., were contracted out.
- Lines 53 – 60 IT Services. Mostly used for parts and pieces. 95% of the work was done in house by IT Coordinator.

- Lines 65 – 84 Materials and Services for Running IT. Internal Services was located at 1395 Elm, so they paid for some building maintenance and their admin charges share like other departments.
- Line 88 Transfer to IS Capital Projects: \$22,500 to be saved for additional equipment and a future replacement of the Maintenance Coordinator Van.

Internal Services Capital Project Fund, Section 4, Page 232

- Line 7 CEP Projects - \$20,000. The roof and HVAC system at 1395 Elm needed some work.

Chair Wells noted that it was 7:47 p.m. and asked if the Committee would like to begin review of the Police Department budget or wait until the next meeting. The Committee consensus was to wait to start the Police Department review at the next meeting.

6. Other Business

Councilor Ceniga noted that Lane County would be going to a higher risk level tomorrow and asked if the Committee would still be able to meet in person next week. Administrator Knope responded yes.

Chair Wells noted that the next Budget Committee meeting would be on Thursday, May 6, 2021 at 6:30 p.m.

7. Recess

As there was no further business, the meeting was recessed at 7:52 p.m.

ATTEST:

APPROVED:

Kitty Vodrup, City Recorder

Ken Wells, Chair