

The Budget Committee for the City of Junction City, met at 6:30 p.m. on Thursday, May 2, 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, Kara McDaniel, Ms. Bev Ficek, Mr. James Hukill, Mr. Jack Sumner; Mr. Ken Wells, and Mr. Austin Lee; **Staff:** City Administrator, Jason Knope; Finance Director, Mike Crocker; Police Chief, Bob Morris; HR/Admin Services Manager, Stephanie Moran; Public Works Director, Gary Kaping; and City Recorder, Kitty Vodrup.

1. Call to Order

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

2. Public Comment

None.

3. Follow-up from April 25, 2019 Meeting

Chair DiMarco noted that Mayor Crenshaw was excused, Committee Member Katy Brady had resigned, and Committee Member McDaniel would need to leave at 7:30 p.m.

Director Crocker distributed two documents: 1. Budget Committee Budget Changes to Date, and 2. Updated Sewer Capital Projects Fund budget page.

Director Kaping apologized for the last-minute change and noted that the Sewer Pressure Main project would not go out to bid this year, so he needed to move that money from spending in this year's budget to next year's budget. The updated Sewer Capital Projects budget page showed the changes.

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

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

Chief Morris reviewed the following in Section 4:

Police: Patrol (Pages 102- 103)

- Line 1 Booking Fees – Estimated low compared to last year, based on actuals.
- Line 4 Law Enforcement Grants - \$5,400. ODOT grants.
- Line 5 Law Enforcement Contracts – \$32,000 for contract with City of Monroe.
- Line 6 Donations - \$5,000 based on what was received this year.
- Personnel Services went up in each department because of PERS increases.
- Line 28 Vehicle and Equipment Maintenance Charges – Increased.
- Line 32 Radio System – Increased by \$10,000, as LRIG costs had previously been divided into multiple lines but were now being consolidated into one.
- Line 40 Telephone – Decreased as cell phones not in use were eliminated.
- Line 42 Internet and Email – Decreased.
- Line 44 Ammo and Shooting Supplies – Decreased.
- Line 45 Legal Counsel – Increased to reflect actual costs.
- Line 47 Hiring Process – Bringing back the Reserve program, so this line item was increased to anticipate the costs for that.

Discussion occurred and included:

- ❖ At the last meeting, they covered why the vehicle and maintenance charges were going up citywide.
- ❖ The budget included 9 officers.
- ❖ There were currently 8 officers, with 1 vacancy; however, a current dispatcher would be moving into that vacant position, once another dispatcher was hired.
- ❖ Currently, 6 officers patrolled by themselves, 1 was in field training for two more months, and 1 was at the academy.
- ❖ In the past, the 10th officer had been the School Resource Officer, but this position was no longer an employee of the City and was an employee of the School District.
- ❖ Part time officers patrolled Monroe and were not included in the count of 9 officers.

Police: Dispatch (Pages 103 – 104)

- Line 57 JCRFPD Dispatching Contact – Increased from \$46,000 to \$50,600.
- Line 58 Coburg Dispatching Contact – Remained the same at \$50,000.
- Line 59 Union Pacific Dispatch Contact – Remained the same at \$1,200.
- Line 60 U of O Police Dispatch Contact - \$221,000.
- Line 61 All Other Dispatch Contracts - \$200,000. Placeholder for contracts that were in the works that they were not at liberty to discuss. Lane Fire Authority would be included in this.

Discussion occurred and included:

- ❖ It was asked if the Police Department (PD) was close to being self-supporting, and Chief Morris responded that they were not close to that; however, dispatch would be the closest division to work towards that goal.
- ❖ It was noted the dispatch budget had \$522,000 in revenue and \$863,000 in expenses. Administrator Knope stated that the next step to show dispatch as self-supporting would be having dispatch bill the Police Department just like another contract.
- ❖ It was asked what would happen if the City lost the \$221,000 University of Oregon (U of O) contract. Chief Morris responded that the City would lose two dispatchers; currently, the U of O was on a month to month contract with the City that totaled \$221,000 a year.
- ❖ It was asked if Lane Fire Authority would sign a contract. Chief Morris responded that it was anticipated, and the City was working on getting some radio infrastructure in place.
- ❖ It was asked how much of the \$200,000 in other contracts would be for Lane Fire Authority. Chief Morris responded it would be a good portion of that.
- ❖ It was noted that last year, the City hired two dispatchers (#6 and #7), prior to the U of O contract, but the City would not be hiring additional dispatchers for additional contracts, until after those contracts were finalized.
- ❖ There were 7 dispatchers in the current budget and in the Fiscal Year 2019-20 budget.
- ❖ It was asked what the status of the PD Admin Assistant position was. Administrator Knope responded that the position had been included in the budget.
- ❖ It was noted that if the \$200,000 in other dispatch contracts was not received, no dispatchers would be laid off because they had not been hired for those contracts yet.

Chief Morris continued the dispatch budget review:

- Line 68 Pension PERS – Increased.
- Line 75 Insurance – Increased a little.

- Line 76 Software and Application Support - Decreased. This was due to the way to the way it was divided in other divisions.
- Line 77 Electricity – Decreased.
- Line 78 – IT Service Charges – Decreased.
- Line 79 Equipment and Supplies – Decreased to stay within budget.
- Line 80 Copier Lease/Maintenance Agreement – Decreased, based on use.
- Line 81 Radio System – Remained the same.
- Line 82 Office Supplies – Same.
- Line 84 Building Maintenance – Decreased.
- Line 85 Travel and Training – Increased, as having new people would require more training.
- Line 86 Telephone – Decreased, due to eliminating some mobile phones and consolidating some land lines.
- Line 87 Dues and Certifications – Increased, due to new people being hired and having to be trained.
- Line 89 Uniforms – Slight increase.
- Line 90 Legal Counsel – Same.
- Line 91 Labor Attorney – Decreased a bit.
- Line 92 Hiring Process – Increased in anticipation of hiring additional people to cover additional contracts.

Police: Jail (Page 104)

- Line 100 Insurance – Decreased. An insurance assessment of the jail would be occurring within the next 30 days.
- Line 101 Electricity – Increased, based on percentage of square footage.
- Line 103 Jail Costs – Decreased by about half because expenses were reallocated into other areas.
- Line 104 Contracted Jail Space – Increased, based on the court activity, citations, and other enforcement. The City has a contract with the City of Springfield for jail space for prisoners who have medical or psychological problems and that cost increased (\$90 per day)
- Line 106 Building Maintenance – Decreased.
- Line 107 Legal Counsel – Decreased.

Discussion occurred and included:

- ❖ It was noted that something to consider when talking about dispatch being self-supporting was that dispatchers were involved in the City jail, by doing hourly checks, providing meals, and notifying for emergency medical care, etc.

Police: Administration (Pages 104 and 105)

- Line 124 Pension PERS – Increased.
- Line 132 Insurance – Slight increase.
- Line 134 Software and Application Support – Increased, based on allocations and how they separated the budget into the four divisions.
- Line 135 Electricity – Stayed the same.
- Line 137 Professional Services – Increased, for things like professional standards investigations, audits for evidence, investigative work, etc.

Discussion occurred and included:

- ❖ Administrator Knope noted that the division of property taxes and general revenue to the four divisions in the PD was based on need and did not include a specific methodology.
 - ❖ It was asked why Line 168 Other Revenue went from \$62,000 to \$5,000. Chief Morris responded that he thought this was the ODOT eCitation grant.
- Line 138 Fuel – Decreased.
 - Line 139 Vehicle and Equipment Maintenance – Internal Services charge.
 - Line 140 Copier Lease – Decreased.
 - Line 141 Office Supplies – Increased, as appropriately reallocated from other areas and moved over to admin.
 - Line 142 Postage – Increased. Reallocated. Some in dispatch and some moved over to admin.
 - Line 143 Printing – Decreased to help balance the budget.
 - Line 144 Building Maintenance – Internal Services.
 - Line 145 Travel and Training – Left the same.
 - Line 146 Public Relations – Increased because the department would like to be doing more things out in the community. Reinstigate the sector meetings and try and do more things for engagement, such as Burgers with Bob and other types of things to help serve the community from a public relations standpoint.
 - Line 147 Telephone – Increased, due to reallocations in the divisions.
 - Line 148 Dues and Certifications – Increased, because some certifications were expiring.
 - Line 149 – Internet and Email – Went over to Microsoft for email services.
 - Line 150 Audit – \$4,600.
 - Line 151 Legal Counsel – Left the same.
 - Line 152 Hiring Process - \$1600 for hiring admin assistant.

Discussion occurred and included:

- ❖ In response to a question on if the fuel costs were going down, Chief Morris responded that they were going down as the newer vehicles did not use as much fuel.
- ❖ It was asked if fuel costs included take home vehicles. Chief Morris responded that there were no take home vehicles, other than for one officer who lived in town.

Police Capital Projects Fund (page 107)

- Line 1 Beginning Fund Balance - \$130,100.
- Line 2 Investment Interest - \$2200. Increased from \$700 last year.
- Line 4 Transfer from Police Operations –\$20,000.
- Line 5 Grant from OSP – \$120,000 to replace the AFIS (Automated Fingerprint Identification System).
- Line 6 Grant from ODOT – \$8,000. This was expected to increase, as ODOT might provide some additional money to help with the traffic enforcement problems on Highway 99.
- Line 11 CEP Projects – \$120,000.
- Line 12 Equipment Acquisitions –These two numbers were transposed in the budget draft, and the CEP projects should be \$73,000 and the Equipment Acquisition \$120,000 (for the AFIS machine).
- Line 26 Fund Balance - \$87,300.

Discussion occurred and included:

- ❖ It was asked why the Police Operations: Summary Beginning Fund Balance was negative \$25,000. Administrator Knope responded that the PD did not receive as much in revenue as anticipated, due to the later start of the U of O contract; however, they anticipated that they would make up \$34,000 and end \$9,100 in the positive.
- ❖ It was noted that the Library was negative \$79,000 two years ago and was now positive.

Special Police Programs Fund (Pages 108 and 109)

- Shop with a Cop – Continued to be a success. \$2,800 - Beginning Fund Balance, anticipate another \$4,000, and Materials and Services were \$5,500.
- K-9 Program – Carrying this forward. Do not have a K-9 program. \$200 in interest and Supplies and Services were \$5,700.
- Reserve Officers – Carrying this forward, but nothing done with the program at this point.

Discussion occurred and included:

- ❖ It was asked if the Reserve Officers Special Program Fund would be the only support to start a Reserve Program. Chief Morris responded that the Patrol Hiring line item would also be used for hiring reserves.
- ❖ It was asked if the City had a K-9. Chief Morris responded that the City did not; however, other agencies dogs were used from the county, U of O and Homeland Security for bomb sniffing dogs, etc. The department was not billed for this use, as it was considered mutual aid.
- ❖ Chair DiMarco noted that he and Administrator Knope had talked in committee about the lack of a police locker room or contingency/satellite command center. Administrator Knope responded that projects like that could be funded via Council one-time projects, which typically came from State Shared Revenue or General Fund (GF) contingency.
- ❖ It was asked what the City would do with the money from the police cars that would be sold. Administrator Knope responded that it would go back into the Police Capital Projects Fund.
- ❖ It was noted that 6 cars would be sold. It was asked what would be done with the other 19 cars. Administrator Knope responded that this was something staff was continuing to review internally and there could be more.

(A break was held. Committee Member McDaniel left the meeting.)

Chair DiMarco asked if they had a balanced budget. Administrator Knope responded that they did and it met all intents and purposes of the Rowe Doctrine where expenditures did not exceed revenue.

Chair DiMarco noted that last year, the Committee had added to the General Fund Contingency, to ease fears about the Library or if contracts did not come in, which temporarily left the budget unbalanced, per local definition. He asked Administrator Knope how he felt about contingency this year.

Administrator Knope responded that he would like to see more in General Fund Contingency, as they were making a number of changes in this year's budget. The contingency would be a back up in case it was needed to make adjustments in planning or for a facility building maintenance type need.

Administrator Knope continued that the City had received \$125,000 above and beyond the projected 4% in property taxes and he suggested putting that amount into the General Fund Contingency, as it would allow the City more flexibility, if needed, in spending anywhere in the General Fund and not in just one department. The contingency dollars could only be used, via Council approval. Adding \$125,000 to GF Contingency would decrease the Ending Fund Balance by that amount; thus, resulting in an unbalanced budget (by local definition).

Chair DiMarco noted that there was not a mechanism in place to allow extra revenue received from one year to be spent in the following year without technically violating the Rowe Doctrine; those savings remained in the Ending Fund Balance, which continued to grow.

Administrator Knope added that after years of discussion, the Council decided that contingency would be counted as an expense, regardless of whether or not it actually got spent or not during the year. He added that at the Council level, the discussion was never finished on how much fund growth each year the City expected to see and what to do with excess revenue.

Chair DiMarco stated that it was good that the Ending Fund Balance was growing and he agreed they had not finished the discussion on what to do with surplus revenue. He added that the City had balanced budgets (per the Rowe Doctrine) over the last four years, which contributed to the growth and Councilor Rowe and Administrator Knope were pivotal in making that happen.

MOTION: Committee Member Ficek made a motion to put the \$125,000 surplus in property taxes into General Fund Non-Departmental contingency. The motion was seconded by Councilor Stott and passed by a vote of 7 to 3, with Stott, DiMarco, Ficek, Hukill, Sumner, Wells, and Lee voting in favor and Thomas, Ceniga, and Rowe voting against.

Chair DiMarco asked if there were any other proposed changes.

Committee Member Sumner stated that he wanted Junction City to be a safe place to live and was concerned that if dispatch contracts did not come in, they would lose dispatchers and he felt that it was problematic to only operate with 5.

It was noted that the extra in GF Contingency could cover the \$80,000 annual salary for one dispatcher, if the U of O contract fell through. Also noted was it was a policy decision for the Public Safety Committee and Council to discuss maintaining a base of 6 dispatchers.

MOTION: Councilor Stott made a motion to approve the proposed Fiscal Year 2019-20 budget and the totals expenditures, as modified. The motion was seconded by Councilor Sumner and passed by a vote of 7 to 3, with Stott, DiMarco, Ficek, Hukill, Sumner, Wells, and Lee voting in favor and Thomas, Ceniga, and Rowe voting against.

MOTION: Councilor Stott made a motion to approve the property tax rate of \$6.0445 per \$1000 of taxable value. The motion was seconded by Committee Member Ficek and passed by unanimous vote of the Committee.

MOTION: Councilor Stott made a motion to allocate all of the property tax money that the City receives in Fiscal Year 2019-20 to the General Fund. The motion was seconded by Committee Member Wells and passed by unanimous vote of the Committee.

5. Other Business

- It was asked if the discussion on what to do with more revenue received, like in the example of receiving more than the 4% in property taxes, would be going to Council. Administrator Knope responded that it would and would first be reviewed by the Finance and Judiciary Committee.
- The consensus of the Budget Committee was to recommend that the Public Safety Committee look at a policy to have a minimum of 6 dispatchers.
- The consensus of the Committee was to meet for mid-term meetings in October and December.
- Committee members commended staff for all their work in putting the budget together and sharing information.

6. Adjournment

As there was no further business, the meeting was adjourned at 8:25 p.m.

ATTEST:

APPROVED:

Kitty Vodrup, City Recorder

Bill DiMarco, Chair