

The Budget Committee for the City of Junction City, met at 6:30 p.m. on Thursday, May 6, 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 Gambree, Karen Leach, and Sidney Washburne; **Citizen Members:** Jack Sumner, Sue Huntley, Kara McDaniel, James Hukill, Darin Olson, and Joshua Guth, and 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 6:32 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 29, 2021

MOTION: Committee Member Hukill made a motion to approve the April 29, 2021 Budget Committee minutes. The motion was seconded by Councilor Thomas and passed by unanimous vote of the Committee.

3. Public Comment

None.

4. Follow up from Previous Meeting

None.

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

Chief Morris reviewed:

Police Department, Section 4, Pages 110 - 117

- Revenue had increased, even with the dropping of two dispatch contracts.
- Line 10 Grant: Local Law Enforcement: \$20,000 placeholder for grants that the department would be applying for. Funds would not be expended unless grants were received.
- Line 10 Donations: \$20,000 placeholder for donations. Funds would not be expended unless donations were received.
- Revenue in the FY 20-21 budget was \$3,132,900. Proposed FY 21-22 was \$3,708,900.

Councilor Leach asked about the revenue increase. Chief Morris responded that \$375,000 of that was the U of O (University of Oregon) dispatch contract which was paid in advance. He noted that revenue had increased overall, even though the General Revenue had decreased a little bit. Administrator Knope noted that General Revenue had decreased a bit for each General Fund Department this year because a total of 50% of the franchise fees were now going from General Fund to the Street Fund.

Committee Member Sumner noted that Line 5 U of O Dispatch Contract had \$375,000 listed for revenue and if it had already been paid, it looked like the City was collecting twice. Administrator Knope responded that the U of O was on a different fiscal calendar and paid their contract in one lump sum a year in advance. What was listed on Line 5 was for the FY 22-23 payment.

Councilor Thomas asked what would happen if the U of O decided not to renew. Administrator Knope responded that they would make adjustments to the FY 22-23 budget.

Discussion occurred on donations and it was noted that placeholders were put in for donations and grants, so that if funds were received, they could be expended in this fiscal year. If placeholders were not put in the budget, then funds received could not be spent until the next fiscal year.

Committee Member Sumner noted that he had made public records requests for a list of all donations the Police Department had received and was given limited information which did not capture all the donations given to the department. Administrator Knope responded that was because there were no written records for all the donations and the City was not required to create a document to fulfill a request.

Further questions were asked on donations, and Administrator Knope stated that there were two types of donations: Cash, which was placed in the budget to be expended. The other were for things like equipment, vehicles, etc. that did not show in the budget. If a donation was given for a specific purpose like for Shop with a Cop, it would go into that reserve fund and only be expended for that purpose. If a vehicle was donated, the fuel and maintenance costs for that vehicle were included in the fuel and maintenance line items along with all the other vehicles in that department.

Councilor Leach asked if a record should be kept of all donations. Administrator Knope responded that the City did not have a donation policy and was working on that, so the process for staff would be clearly defined.

Councilor Washburne noted that Line 41 Vehicle and Equipment Maintenance increased by \$7,000. Administrator Knope responded that was for labor and materials costs for the Internal Services Charges that every department paid into.

Councilor Gambia asked why Line 41 dropped by \$60,000 the year before. Administrator Knope responded that when the former Maintenance Coordinator retired, they went from two FTEs (Full Time equivalent) to one with changes in job duties and splitting out IT. Councilor Gambia noted that in the overall picture over the last couple of years, the City had spent around \$50,000 a year in this line item, even though it went up a little bit this year. Administrator Knope responded that for all intents and purposes that was correct. He added that the City did a lot with the local vendors for vehicle maintenance, as they did a good job for less money than if the City were to hire a mechanic.

Chair Wells noted that Line 20 Wages decreased a bit and asked if this included the dollar figure for all the 17 employees on the organizational chart on page 102. Chief Morris

responded that it did. He added that they adjusted the budget to more accurately reflect the salary level that employees were at.

Committee Member Sumner asked how many staff members the department currently had filled. Chief Morris responded that they were down 2 officers and 2 dispatchers but were in process of backgrounds for hiring. He added that the department was budgeted for 9 officers, including Chief Morris and Deputy Chief Markell.

Committee Member Sumner asked if overtime was going to be increased, due to being short on officers. Administrator Knope responded yes and overtime for both officers and dispatchers in Lines 21 and 22 had each increased from \$35,000 this year to \$40,000 in the proposed budget.

Chair Wells noted that over \$35,000 had been spent in overtime in the current budget. Chief Morris responded that they anticipated filling the positions soon and the 2 part time officers helped offset overtime costs. He continued that other line items in Personnel Services could be used to offset overtime costs. Administrator Knope added that if Line 21 Overtime was exceeded, the City had the ability to take from Line 20 Wages to make up the difference without having to do a special or supplemental budget.

Councilor Leach asked what would happen to the wages that were not expended on vacant positions. Administrator Knope responded they would drop to the Unappropriated Ending Fund Balance at the end of the year.

Committee Member Hukill noted that there were many new homes being built and asked if more police personnel would be needed. Chief Morris responded yes, as call volume would increase commensurate with the population increase. He added that extra property tax revenue should help fund additional staffing.

Committee Member Olson stated that the City would be quickly jumping to 10,000 in the next couple of years. He noted that when he ran for City Councilor, the two things that he heard repeatedly were citizens were the importance of having more police officers and having good water.

Committee Member Sumner asked how they could account for the total drop in Personnel Services of \$80,000. Administrator Knope reviewed the following decreases from FY 20-21 to the proposed FY 21-22 budget: Line 20 Wages: \$25,000, Line 25 Worker's Comp: \$4,000, Line 26 Insurance Benefits: \$60,000, and Line 27 Unemployment Insurance: \$19,000.

It was noted that the Insurance benefits costs were adjusted to more accurately reflect the type of insurance coverage an employee had; there were different cost levels for employee only, employee/spouse, and employee/spouse/children. Chief Morris added that other categories were also adjusted to more accurately reflect actual costs, and they left room to make sure they had funds to cover the hiring of new staff in filling the vacant positions.

Discussion occurred on staffing and Administrator Knope noted that the part time officers were not used in lieu of full time union members. Chief added that the union was 100% behind how they were using the part time officers.

Councilor Gambee commended staff for adjusting the numbers and doing a great job of managing costs and saving money. He noted that other departments did the same over and over again.

Committee Member Sumner stated that did not alleviate the problem of being four people short, and ever since he had started volunteering for the City, they had not had full staffing in the Police Department. As a taxpayer, he wanted the money to be spent to have full staffing to protect the citizens of Junction City. Councilor Gambee responded that the City had recruited many officers over the years and did a pay increase a few years ago, as the salaries were lower compared to surrounding jurisdictions.

Administrator Knope expressed concerns about starting to get into the City's employment practices, which was not the purview of the Budget Committee. He added that recruitment would be a good topic for the Public Safety Committee.

Committee Member Huntley asked about Line 42 Animal Regulation Expenses. Chief Morris responded that was for investigations and evidence of criminal activity for animal abuse or neglect, and included medical, kennel, and other associated costs.

Councilor Ceniga asked if the City had contracts with any animal shelters. Chief Morris responded no.

Chair Wells asked if Line 62 Legal Counsel was enough as it had been reduced. Administrator Knope responded yes and that Attorney costs for things like attending a Council meeting had been moved to Administration.

Committee Member McDaniel noted that the Beginning Fund Balance was \$669,400 higher than last year and asked what else contributed to that increase aside from the \$375,000 pre-payment from the U of O. Administrator Knope responded that it included wages that had not been expended during the year.

Committee Member McDaniel asked if Line 20 Wages included having full staffing. Administrator Knope responded yes.

Councilor Washburne noted that on page 111, Line 89 Insurance went up by \$4,000. Administrator Knope responded that that included auto, General Liability (GL), and Property insurance, which had gone up by around 10%.

Councilor Washburne noted that on page 110, there was Line 41 Vehicle and Equipment Maintenance and then there was another Vehicle and Equipment Maintenance listed on Line 95 on page 111. Chief Morris noted that Lines 1 through 65 were a summary of the entire department and the remaining items on pages 111 – 114 were actual divisions broken out so it could be seen what those costs were per division.

Committee Member Sumner noted that Line 52 was for Building Rent and Line 53 was for Building Maintenance, and he asked if the City would be paying maintenance on the building the Police Department rented. Administrator Knope responded no and the property owner would be responsible for maintenance on that building. He added that the Building

Maintenance line item was for the current PD building at 672 Greenwood Street. Chief Morris responded that was correct.

Councilor Thomas asked about the Contracted Jail Space and if the City was currently using its jail. Chief Morris responded that the contract was with Springfield and the City was not currently using its jail because of COVID; however, even when the City was using its jail, the PD could not house certain people with behavioral issues or medical problems and would send them to Springfield.

Councilor Thomas asked if the contracted jail cost of \$17,000 could be lower if the City did not use the Springfield jail as much. Chief Morris responded yes, and the cost was figured by bed per day.

Councilor Thomas asked about Line 48 Radio Systems. Chief Morris responded that was for the LRIG radio system for communication between patrol cars and dispatch.

Councilor Thomas asked about Line 202 Software Support and Licensing on page 113. Chief Morris responded that was for CMI CAD (Computer Aided Dispatch) based software for report writing and dispatch.

Councilor Washburne noted that page 116 showed funding for a Reserve Program, which the City did not have. Administrator Knope responded that these were funds that the City had collected, such as from fundraising or donations for the Reserve Program and were held in reserve for when the program resumed. Councilor Ceniga added that when she was a reserve for the City, the reserves had been paid to work events like at the U of O football games, and those funds went into this fund and were used for things like reserve equipment or training.

6. Budget Deliberations

Chair Wells stated that it was time to deliberate on the budget. He noted that at the last meeting, Administrator Knope had referred to two changes in the Pool Capital Projects Fund, Line 45 Equipment Purchases: Change from \$0.00 to \$10,000 and Line 47 Building Projects: Change from \$0.00 to \$20,000.

Councilor Ceniga asked how SDCs (System Development Charges) were factored into the budget. Administrator Knope responded that Public Works and Planning staff reviewed the anticipated number of new homes per year and factored in estimates for SDCs based on that.

Councilor Ceniga asked if SDCs could be used for putting in pipes or for water treatment. Administrator Knope responded that SDC fees could be used to expand capacity. An example was if Public Works were replacing a 2-inch waterline with an 8-inch waterline, SDC fees could be pay for up to 75% of that cost because there was some expansion of capacity. Same would be true for expansion of something like the sewer treatment plant; scenario example was if the plant would cost 10 million, 75% would be 7.5 million dollars and that could be from SDCs for that sewer upgrade project.

Committee Member Sumner asked if they had a balanced budget. Administrator Knope responded that to calculate that, he looked at the numbers in the General Fund Non-Departmental: page 92, Line 2 Beginning Fund Balance Line 2 = \$1,971,200. He then looked

at page 93, Line 69 Ending Fund Balance = \$1,758,100. You would then take out the Transfers, so add Line 63, page 93 of \$205,000 to the Ending Fund Balance = \$1,963,100. The result would be that the budget would be out of balance by Dr. Rowe’s balanced budget definition by approximately \$8,000.

Committee Member Sumner added that the court was out of balance by \$155,000.

(Committee Member Olson left the meeting).

Administrator Knope responded that Court was the last General Fund department to be reviewed, and COVID challenges had delayed that review that was supposed to start last year. The Finance and Judiciary Committee would be reviewing and have a proposed plan no later than December of this year. It was noted that it took some time for Community Services and the Library to get out of a budget hole that they were in, but staff was confident that this could also be done for Court.

Administrator Knope stated that if the Budget Committee wanted the budget to balance, per Dr. Rowe’s definition, an option would be to make the following changes that would total \$10,000 on page 93 to the following General Fund Non-Departmental line items:

- Line 42 Professional Services: Reduce by \$2,000.
- Line 47 Travel and Training: Reduce by \$2,000
- Line 51 Legal Counsel: Reduce by \$6,000

Chair Wells took roll call to see if there was a consensus on the option above, as presented by Administrator Knope. The Budget Committee consensus was unanimously in favor.

Administrator Knope stated that staff would bring back all the changes to the next Committee meeting, and the Committee would have an opportunity to vote to approve the budget.

Chair Wells stated that they had great presentations from the Department Heads and Administrator Knope. He was pleased with the questions the Committee had asked and thought they were in good shape to move forward next week. They had made great strides and it took everybody working together to have success; it took ideas, comments, criticisms, and all of them working together for the end result of what the City needed. He thanked everyone for their work.

Next meeting, Thursday, May 13, 2021 at 6:30 p.m.

7. Recess

As there was no further business, the meeting was recessed at 7:57 p.m.

ATTEST:

APPROVED:

Kitty Vodrup, City Recorder

Ken Wells, Chair