

The Finance/Judiciary Committee for the City of Junction City met at 6:30 P.M. on Thursday, July 2, 2020, as a virtual meeting by phone, Junction City, Oregon.

PRESENT WERE: By Phone: Chair Bill DiMarco, Councilor Sandie Thomas, Councilor Dale Rowe, City Administrator Jason Knope, Finance Director Mike Crocker, and Legal Counsel Carrie Connelly. Sue Huntley from the Scandinavian Festival Association attended for agenda item four.

1. Call to Order

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

2. Changes to the Agenda

None

3. Approval of Minutes

Director Crocker noted a correction to the date on the May 7, 2020 minutes. The minutes were approved with changes as noted.

4. Festival Funding Request Letter

City Administrator Knope presented the Festival Funding Request letter received from the Festival Association. On June 22nd, 2020 staff received an updated funding request letter from the Scandinavian Festival Association. The request was made to bring the letter to the Committee. Sue Huntly representing the Association was in attendance for this agenda item. The Association is looking for help with a number of projects detailed in their letter.

The available funds in the Community Development Revolving Loan Fund was discussed. The amount of Rural Tourism funds received in the fund were discussed and possible amounts available. Ms. Huntley discussed some of the projects that the Association has discussed. Councilor Rowe expressed concern about how the City would be able to grant funds out of our current budget.

Chairman DiMarco asked Ms. Huntley if it would be possible to produce a list of projects with costs. She responded that the Association would be able to do this. Chairman DiMarco suggested that a detailed list of projects would be helpful in promoting the Association's needs. Councilor Rowe concurred the list would be good. Councilor Thomas also agreed. Chairman DiMarco asked if the City Administrator and Ms. Huntley would be able to get the list of projects for the Council meeting.

City Administrator Knope asked for clarification on the Committee's direction for possible funding.

Chairman DiMarco asked staff about the possibility of grant funding. Administrator Knope stated that it would not qualify for funding under the current grant funding the City is receiving from the State through the Cares Act. He is not aware of other grants that may be

available. We do have \$200,000 budgeted in economic development and reimburse those funds. Ms. Huntley stated that with the Festival cancelled for the year, some of the volunteers have the time to do repairs.

Councilor Thomas asked about the \$13,800 mentioned. City Administrator Knope responded that most of those funds are restricted for a specific purpose. There may be 1 to 3,000 that is available. City Administrator stated that \$10,000 is budgeted in State Revenue Sharing on the Projects to be Determined line.

The Committee directed staff to work with Ms. Huntley for a list of smaller projects to be passed along to Council. The next Council meeting or the second meeting of the month was suggested. The Committee directed staff look at RMTP funds and the \$10,000 in State Revenue Sharing for the presentation to Council.

5. Audit Engagement Letter

Isler CPAs has forwarded to the City the audit arrangement letter for the City's financial audit for the fiscal year 2019/20. Finance Director Crocker stated that the audit preparation work will typically begin mid-summer and be completed in November. We expect the auditors to schedule their field work at the City in September. The audit arrangement letter is forwarded to the City each year prior to the onsite field work. The auditor's stated in the letter that they plan to complete the audit by the end of November 2020. The total not to exceed cost is \$29,300 for the audit. The total not to exceed cost for the FY18/19 audit was \$28,800.

Director Crocker stated that the Committee has the option to request the Audit partner to speak to the Committee. Councilor Rowe stated that unless there are issues, he does not need to come to Committee and the Committee agreed.

The Committee directed staff to forward the Isler CPAs audit arrangement letter to Council.

6. Springbrook Contract Renewal

The City currently uses Springbrook Software for all finance and accounting processing, accounts payable, payroll, accounts receivable, utility billing, bank reconciliation and cash receipts. The annual maintenance contract for Springbrook is for one year period from July 1st to June 30th. The current renewal is for a total cost of \$15,731. Staff reached out to Springbrook for a possible revision of the term of the agreement and Springbrook has agreed to revise the contract based on a 6 month period.

In addition to the base maintenance agreement, Springbrook has forwarded an agreement, at a cost of \$953 for 12 months, for an online service known as Civic Pay. Civic Pay is an online payment service meant to replace the current online platform used by Springbrook. Since we are no longer being charged for the current online platform, it appears this is an oversight on Springbrook's part. Phone calls to clarify or correct this are not returned. As more information is obtained, staff may want to forego signing and paying for the Civic Pay online payment agreement.

Councilor Rowe asked if there was a savings if the contract is broken into two 6 month parts. City Administrator Knope responded that the reason for the 6 month contracts is that there is a capital project budgeted this year for software replacement. Councilor Thomas asked if the City is planning to change software vendors. Administrator Knope responded that we may, but it will be a different software product, which would be on a different maintenance contract.

The Committee directed staff to forward the agreement to Council for review and approval of the six month plan.

7. WHA Contract Renewal

The City contracts with Wilson-Heirgood Associates (WHA) for “agent of record insurance services” and has a for a number of years. A personal services contract was signed in 2015 and has not been extended or renewed at this time. The Committee is asked to review this contract and give direction to staff.

The City’s general insurance agent is Wilson-Heirgood Associates Insurance (WHA Insurance). In October 2002 the City signed a standard “agent of record authorization” form and filed this form with City County Insurance Services. As an agent of record, Wilson-Heirgood represents the City for property and casualty, general liability, auto, workers compensation, health insurance and related coverages. Wilson-Heirgood represents a number of similar sized cities around Oregon and maintains a department for public entities.

He stated that an RFP has not been done for this service for many years. The contract initiated in 2015 has not been extended. Staff seeks direction from the Committee on this contract.

City Administrator Knope stated that his recommendation would be to begin an RFP for these services.

The Committee directed staff to move forward on the RFP.

8. City Prosecutor Contract RFP Review

City Administrator Knope presented the Committee with the current revision of the draft City Prosecutor RFP. The City’s legal Counsel, Carrie Connelly, reviewed updates to the RFP. She reviewed page 2 of exhibit A, section 5 in the RFP, about annual reviews. She stated that the contract is attached to the RFP and every term in the contract is a term of the RFP.

Chairman DiMarco, directed the Committee’s attention that the RFP’s reference selection process. Ms. Connelly stated that there is an updated version of the RFP that states that the City shall make the selection. Chairman DiMarco requested that language be added that the City Prosecutor serves at the pleasure of the Council.

The Committee directed staff to forward the RFP to Council with the adjustments as noted.

9. City Attorney Draft Contract Review

City Attorney Conelly began the City Attorney Contract discussion. She stated that she has a contract of interest as the current City legal counsel. The Committee chose to waive the conflict of interest for this presentation. At the March Committee meeting, Committee reviewed the first draft of a contract for City Attorney services. Staff was directed to make some changes to the contract and bring it back for the Committee to review. Attached to this AIS is a draft contract for the Committee to review.

She reviewed Section 2(m) on page 3. Language was added to reflect prior Committee direction to allow the use of other firms for services. On page 1 of the contract the first item of appointment was moved to the recital. The next change was page 3, section 4, item a and b, changed to a five year term. Annual review paragraph was added in section 5.

The Committee directed staff forward the RFP to Council.

10. BUSINESS PANDEMIC IMPACT SUPPORT PROGRAM REVIEW

City Administrator Knope began a review of the Business Pandemic Impact Support Program. At the end of this current fiscal year, the Program has funded \$208,627.75 in 122 grant applications to 71 different businesses. A summary sheet for this fiscal year was distributed to the Committee. The total is within the \$221,500 limit.

At May Council meeting, it was discussed that there were a number of landlords who were submitting applications to pay their mortgage payments. It was discussed in that meeting that the Committee would review the Program language to see what, if any, changes should be made. Currently, the program usually receives about 6 applications per month that fall in this category. Typically these applications are for the full allowable amount of \$2,500 per month. As a separate item for consideration is the potential modification of program rules to reflect the reopening of businesses. On page two of the program document is a list of items allowed.

Chairman DiMarco asked if there are any allowable expenses under the City's program that are not reimbursable through the State's Care's Act program. City Administrator Knope responded that mortgage payments and the City's utility payments are generally not allowable for reimbursement.

The Committee discussed the mortgage payments being eliminated from the City's grant program. All Committee members agreed.

Councilor Rowe asked legal counsel if the program can be changed at this time. Attorney Connelly responded that the City reserved the right to change the program which was built into the program.

Councilor Thomas asked if the program excluded expenses that may have been incurred prior to the pandemic. Attorney Connelly responded that the expenses had to be incurred after April 1st. The intent was to define a tight timeframe. City Administrator clarified that past due amounts are not eligible. Councilor Thomas asked for clarification on the maximum per applicant.

Chairman DiMarco stated that he agreed with eliminating the mortgage payments as a qualified cost. The Committee agreed that mortgage payments should be eliminated.

The Committee directed staff to forward the updated grant document to Council with the modification as discussed.

Chairman DiMarco asked if some kind of determination for when a business is no longer affected by the pandemic. Also, he asked if there might be a problem with supporting businesses that are ignoring the State's restrictions. Attorney Connelly stated that based on the program documents are written, that there is probably not a problem. Language could be added for "the City reserves the right" to not make a payment. She stated that recipients are responsible for compliance with state public health laws.

The Committee did not make any other changes in addition to the mortgage payment change.

The Committee discussed the State's guidelines and reopening businesses. City Administrator Knope discussed the funding and the possibility of State reimbursement which could be used to fund future grant payments.

11. Adjournment

As there was no further business, the meeting was adjourned at 8:12 p.m.

Respectfully Submitted:



Mike Crocker, Finance Director