

The Finance/Judiciary Committee for the City of Junction City met at 6:30 P.M. on Thursday, October 3, 2019, in City Hall, 680 Greenwood Street, Junction City, Oregon.

PRESENT WERE: Chair Bill DiMarco, Councilor Sandie Thomas, Councilor Dale Rowe, City Administrator Jason Knope, and Finance Director Mike Crocker.

Guests: Sue Huntley, Junction City Scandinavian Festival Association. Board members of the Junction City Historical Society were also in attendance.

1. Call to Order

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

2. Changes to the Agenda

Community Facilities Financing was added to other business.

3. Approval of Minutes for September 5, 2019.

Consensus: By a consensus of the Committee, the September 5, 2019 minutes were approved.

4. Other Business: Community Facilities Financing

Councilor Rowe asked staff what the avenues for funding with the City for Community Development are. City Administrator responded that there are RMTP funds, revenue sharing and economic development funds. Historical preservation was discussed. JC Historical Society and Festival Association projects were discussed. City Administrator Knope discussed the benefits of having a capital expenditure plan such as the City has developed.

Sue Huntley asked what the City needs from the Scandinavian Festival Association to make a request. City Administrator Knope responded that a letter of request with the details of the project and the costs would be good. The Committee discussed how needs by organizations such as the Historical Society and the Scandinavian Festival Association could be communicated to the City.

Mr. Magness asked for clarification on what the process might be or look like to track their projects. City Administrator Knope responded with an example from the City's Capital Expenditure Plan.

Sue Huntly asked what the process is for asking for assistance for an immediate need. City Administrator responded that a letter would be adequate.

5. City Prosecutor RFP Discussion

At the July 11, 2019 Finance Judiciary Committee meeting, the Committee reviewed an initial RFP for the City Prosecutor and the current contract for services. The Committee forwarded the City Prosecutor contract to Council to discuss the supervision of the City Prosecutor and making the position a direct appointee of the Council per the City Charter.

Included in the materials provided for the Committee is the current draft RFP for the City Prosecutor and the current contract with Leahy VanVactor & Cox LLP.

City Administrator Knope stated that legal review will be done by either the League of Oregon Cities or Lane Council of Governments. Council Rowe asked about the current fee being paid by the City. City Administrator Knope responded that the fee was set in 2010 and the annual increase and may not reflect the current level of activity.

The Committee directed staff to send out the RFP for legal review and forward it to Council if there are no substantive changes by legal.

6. PERS Employer Incentive Fund Follow-Up

Finance Director Crocker began the discussion of the State of Oregon PERS Employer Incentive Fund. At the September 5, 2019 meeting the Committee requested that staff return to the next Committee meeting with additional information including the following:

1. Will there be any available funds remaining by the next open application date?
 - a. See Attachment 'A'
 - b. Remaining funds are \$85,426,014 as of September 27th
2. What alternatives are available for internal funding of a contribution to a PERS for a Side Account or an internal reserve fund?
 - a. Director Crocker reviewed worksheets provided to illustrate contributions for an internal or external PERS reserve by the operating departments and a worksheet to illustrate contributions from fund balances.
3. Are interfund loans acceptable under the program rules?
 - a. Director Crocker stated that the Oregon Department of Revenue stated that it would be possible under Oregon Budget Law, but likely not as an operating or capital interfund loan. Would need auditor and PERS review.
 - b. Director Crocker called the PERS employer help line for the PERS Employer Side Account program. The question was if the rules allowed for internal fund loans? They stated that they would need to check and call us back.
4. What are our investing options for an internal PERS reserve fund?

- a. The current Junction City fiscal policy for investments was provided in the packet. Current policy only allows for funds to be invested in the state Local Government Investment Pool.
5. What would interfund loan payments look like for the operating departments?
 - a. The chart provided by staff discussed possible contributions by operating funds to create an external or internal PERS reserve fund.
6. What is the legality of “investing” with PERS?
 - a. Programs such as the PERS Side Accounts are allowed by state statute.
7. What is the state’s budget law for interfund loans and loans to establish a reserve fund?
 - a. Oregon Budget law allows for operating interfund loans of one year and capital interfund loans up to ten years.
8. Can we do interfund loans with a budget resolution this fiscal year?
 - a. Changes to the current year budget to create a loan or transfer could only be done through the transfer of current appropriations and contingencies.

The Committee directed staff to schedule a discussion with the Budget Committee at their meeting on October 17th and a more in depth discussion at a Council work session.

The Committee has interest in setting aside funds for a PERS reserve, but has concerns about investing with PERS in a side account.

7. US Bank Contract for Banking Services

Director Crocker presented the banking best practices information which was included in the Committee’s packet. Best practices state that “prudent procurement practices require the reevaluation of banking services on a periodic basis.”

Director Crocker stated that Oregon’s Public Contracting Code does not apply to banking services. They are exempt, and can be awarded directly regardless of the contract amount. Legal review approved the use of standard bank provided agreements and additional contracts are only needed if the City is seeking additional concessions from a bank or institution.

Director Crocker stated that the staff recommendation would be to initiate a request for information (RFI) process with at least three banks with locations in Junction City. The benefits of the RFI will be to survey the services available and formalize the current review and facilitate a transparent process. In addition, Director Crocker would like to work on additional security improvements, internal control and systems improvements related to banking services.

The Committee agreed with staff and legal recommendations.

8. Current Project Review

A review of the current projects that are from the Finance and Judiciary Committee was included in the packet provided by City Staff.

Projects listed include:

- a. Community Records Archive
- b. Computer/Network Update Project
- c. City Attorney RFP
- d. Community Facilities Financing
- e. Street Tree/Sidewalk Funding Program

9. Other Business

- a. Budget Committee Agenda
 - i. The Committee discussed having agenda items for Departmental reviews, PERS and Financials Review.
- b. Building & Planning Department

City Administrator Knope stated that the City's Building Official is retiring at the end of the calendar year. His goal is to have new staff on board prior to his retirement. A receptionist position is also being considered since it has become apparent that there is a need in this area. It is anticipated that the personnel changes will be covered by the current year's budget.

The Committee discussed staffing for the Building Department and the Building Official position.

10. Agenda Forecaster Review & Discussion

An updated Agenda Forecaster was provided by staff in the Committee packet.

11. Adjournment

As there was no further business, the meeting was adjourned at 8:36 p.m.

Respectfully Submitted:



Mike Crocker, Finance Director