

The Finance/Judiciary Committee for the City of Junction City met at 6:30 P.M. on Thursday, December 5, 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. Gatlin Hawkins from Isler CPAs, was present for the audit discussion. City Councilor Robb Stott was present in the audience.

**1. Call to Order**

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

**2. Changes to the Agenda**

There were no changes to the agenda.

**3. Approval of Minutes for October 3, 2019.**

Consensus: By a consensus of the Committee, the October 3, 2019 minutes were approved.

**4. Auditor Presentation**

Gatlin Hawkins of Isler CPAs attended the meeting to discuss the FY18/19 audit. Mr. Hawkins reviewed his auditing background.

Mr. Gatlin stated that there were no budget violations and no state violations of the Oregon minimum standards. There were also no management comments that the firm felt were significant to mention.

The City's financial statements showed that the financial position of the City continues to grow. Property taxes contributed to the growth of the City. He also reviewed areas of the audit including the materiality and who will use the financial statements. The audit process confirms that the financial statements are materially correct. The audit process looks at items such as utility rates applied, internal control, controls around payroll, and systems of review. There are also analytical procedures and transactional reviews completed as part of the audit. The audit will be presented to Council at the next Council meeting.

**5. Façade Program Discussion**

City Administrator began the discussion on the Façade Program. It was forwarded to the committee by Council. The current RLF program document was included in the packet. The procedure for the program was discussed and the areas of responsibility for the CDC Committee. Staff is asking if the Committee would be interested in developing the process to define the façade and community development portion of the program. The Committee discussed the who would be best to review this process. The City Administrator stated that the CDC's purpose statements doesn't fit with a review of the program's procedure documents.

Councilor Rowe asked what the balance of the fund was and if there were any outstanding loans. Finance Director Crocker responded that there was \$1.2 million in the fund and there were no outstanding loans.

The Committee directed the City Administrator to add the Façade Program and Community Development to the agenda forecaster list for the Finance and Judiciary Committee. The item will be split into a façade item portion and the economic development portion.

#### **6. Police Camera Funding discussion**

City Administrator Knope presented the Police Camera funding. The Public Safety Committee discussed the camera proposal and asked that the Finance and Judiciary Committee look at the funding options. There is an initial \$35,000 cost and an annual payment required or it may be paid in full up front. Councilor DiMarco clarified that the purpose of the discussion is not to approve the project, but to look at the feasibility of funding for the project. There are options available from the vendor for how the project is paid for. The equipment can be paid for over five years or all at the time of purchase with no penalty.

Councilor Rowe asked if an annual payment could be included in the Police Department's budget. City Administrator Knope responded that a payment could be included, but their may not be available room in the budget.

Councilor Thomas asked what the life expectancy for the current cameras is. City Administrator Knope responded that they are scheduled to be replaced every 5 years.

City Administrator asked the Finance Director for the amount available in State Revenue Sharing and the General Fund contingency. Finance Director Crocker stated that there is \$135,000 in the TBD line in State Revenue Sharing and \$117,000 in the General Fund general contingency. Staff is suggesting that amount needed be taken out of State Revenue Sharing.

The total could be paid in the current year or paid over 5 years, but the total does not change. Councilor Rowe asked if there may be other needs for the State Revenue Sharing Funds. City Administrator Knope responded that it is for emergencies for Council to

spend. Use of the general contingency would require additional time to access, and the State Revenue Sharing Funds are available now with Council direction.

The Committee forwarded the item to Council with the two funding options identified.

## **7. Five Year Forecast Update**

Finance Director Crocker presented an update to the City's Five Year Forecast for the years 2019 through 2024. He stated that this is an interim update. A five year forecast was integrated into the FY19/20 budget at the department level and there are only limited changes included in this update. The changes to minimum wage are included in the assumptions on page 14. The change is 5 to 6% per year. The PERS forecasted rates provided by the state are listed on page 15.

The minimum fund balance fiscal policy adopted by Council is also incorporated into this update. This does not change any amounts, but it does highlight future work needed to work towards those goals. The Building department was used as an example, which is budgeted and forecasted to have a fund balance greater than the minimum requirement.

The staff recommendation is to forward the Five Year Forecast for presentation to the Budget Committee at their January 16<sup>th</sup> meeting.

## **8. Computer Replacements**

City Administrator began the discussion. The IT Coordinator has retired and the City Administrator is doing some of the work now. He reviewed some of the software and hardware requirements that need to be addressed. He discussed the Windows 7 retirement, Court hardware and software. Administration has \$65,000 budgeted which he would like to use to help Court with its hardware needs.

The Committee thanked staff for the update.

## **9. 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. City Attorney RFP - Coming to committee in January
- b. City Prosecutor RFP – Coming to committee in January
- c. Public Defender – Added per City Administrator and the Committee
- d. Comp Plan Map Update Project – will be back to comm in February
- e. Community Records Archive Project – will be back to comm in February
- f. Computer/Network Update Project
- g. Community Facilities Financing

h. Street Tree/Sidewalk Funding Program

City Administrator would like to have Judge Wiese attend in January for the public defender discussion.

**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 8:07 p.m.

Respectfully Submitted:

A handwritten signature in cursive script that reads "Mike Crocker". The signature is written in black ink and is positioned above a horizontal line.

Mike Crocker, Finance Director