MINUTES

KEIZER BUDGET COMMITTEE

Wednesday, November 6, 1991
Keizer City Hall

CALL TO ORDER

Chairman Simon called the meeting of the Keizer Budget Committee to order at 7:10 p.m. Roll call was taken as follows:

Present
Robert Simon, Chairman
Carl Beach
Roy Duncan
Dennis Koho
Mike Hart (arrived 7:25 p.m.)
Jerry McGee
Bob Newton
Al Miller
Andrew J. Orcutt, Mayor

Absent
JoAnne Beilke
Dick Inman
Joe Van Meter
Maur Horton
GinAnn Denison (resigned)

Staff
Donald Otterman, City Manager
Susan Darby, City Recorder
Wally Mull, Public Works Director
Chuck Stull, Police Chief

APPROVAL OF MINUTES

Chairman Simon held over the approval of minutes to the next meeting.

DISCUSSION - Proposed
1992-93 General Fund

Mr. Otterman explained that the main purpose for tonight's meeting is to review the proposed 1992-93 general fund budget in anticipation of providing an estimate to Marion County of the taxes necessary for next year. This figure must be given to the county by December 4. Mr. Otterman also stated that along with the 1992-

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93 budget, he extended the anticipated needs on a status quo basis out for another four years. Those figures are also shown on the budget document distributed to the Committee members this evening.

With respect to the resources, Mr. Otterman indicated that for the most part, he increased revenues by 5% except in a few areas. He did not calculate an increase in cigarette, liquor, license or permit fees. He did project an increase in planning fees. A request will be going to the Council after the first of the year to increase land use application fees. Anticipating that the Art Association will be relocating their office, revenues for City Hall rent has dropped, as has the police grant since this is the final year. Mr. Otterman indicated that the receipt of resources, other than taxes, will be about $97,000 less next year.

Mr. Otterman addressed the four year projection, explaining that the Budget Committee needs to look at the budget with only the statutory 6% increase. If any increase in staffing is proposed, this will enable the committee to fit those programs into the budget over the four year period.

Responding to a question from Mr. Duncan, Mr. Otterman stated that the City is levying $977,849 this year. He explained that the increase in new housing will not increase the amount of revenues received by the City but, rather, would spread the total dollar amount received across a wider range, thereby reducing the tax rate. For example, the City had projected a tax rate of $2.50 this year but because of the increase in assessed value, the rate ended up at $1.84.

Mr. Newton asked about the YST rent. Mr. Otterman stated that YST may pull out of this location. He said that YST is down to one part-time person and that they do not need the full facilities with this staffing level. YST may pull out completely.

With respect to the expenditures, Mr. Otterman said that he has projected a 5% increase with the exception of health insurance costs which has increased more than 5%. He indicated the time may come where a cap will need to be placed on insurance premiums to keep the costs from continuously rising. With this exception, everything else has been increased by 5% based on existing level of services and staffing. He indicated he has some recommendations he would like to discuss with the committee as they discuss each department.

Mr. Hart arrived at 7:25 p.m.

Mr. Otterman proposed that the administrative secretary's position be made full-time. He explained that the position is now 3/4 time, but only 1/2 time in the general fund. This would increase the tax rate by $0.023. The proposal to add another full-time secretary would cost $0.041 and the administrative assistant proposal would add $0.059. Mr. Otterman explained that as the City continues to grow and the level of services and programs increase, there is inadequate clerical staff to generate the work that is being produced. At the present time, many employees are typing their own material. One secretary working 1/2 time from the general fund is not adequate. Rather than adding another full-time secretary, Mr. Otterman suggested that this second position could be downgraded to an entry level clerical position which would save a little money. Mr. McGee indicated that this does not include auxiliary expenses such as desks, typewriters, etc. Mr. Otterman stated that at this point, he hasn't been able to project all of the costs. There is one computer terminal available, but the desk would need to be purchased as well as office supplies. The cost he projected out includes salary and benefits only.

Mr. Duncan asked about having existing employees work overtime. Mr. Otterman said that additional money for overtime is not budgeted. Another situation that would arise is burn out of these employees and not getting the quality of work that is needed. With 3/4 time, when the existing employee leaves at 3 p.m., there is virtually no clerical support between 3 and 5 p.m.

Mr. Duncan asked about having volunteers come in to perform this job. Mr. Otterman said that while the City could attempt to find a volunteer, it is difficult for a volunteer to commit the hours and days each week that would be needed. Chief Stull added that the problem is trying to establish a work plan that can guarantee that the person will be there when the work needs to be done. Chairman Simon added that it would be difficult to maintain continuity with a volunteers.

Mr. Miller asked about other costs for the employees, including unemployment, workers compensation, taxes, etc. Mr. Otterman explained that workers compensation would be less than $100 for one person. He cannot calculate unemployment because of a variety of factors. The City is billed if unemployment is used and there are now three former employees who are on unemployment. Prior to this, there was no one on unemployment for a year and a half. He indicated that it depends on how the employee leaves the city. Mr. Otterman said that they went through this discussion last year. It was discussed whether unemployment should or should not be budgeted, absorbed in the contingency, etc. Whatever figure was used this year is low. Chairman Simon believed that the contingency was used in the past for unemployment purposes.

Mr. Miller asked if there are any other expenses, such as additional taxes. Mr. Otterman explained that there is the retirement system, either ICMA or PERS. In addition, the Medicare portion of Social Security is 2.9% of gross salary. Half is paid by the employer and half by the employee.

Responding to a question from Mr. McGee, Mr. Otterman said that he anticipates the administrative assistant being phased in over a couple of years from now. This position would do much of the entry level research that goes into preparing reports for the City Council, special City Council projects that take a lot of gut work, getting data, analyzing data, coming up with recommendations that would go to the City Manager or to the Public Works Director in the area of public works. This position could also help complete the compensation policy by obtaining information and contacting other cities. Mr. Mull added that the city will be adopting a set of specifications for streets, storm drains, etc., and he could use an individual to put together specific plans. Mr. Otterman indicated that this information can be gathered from other cities to develop the city's standards, but that a person who is paid less can perform this work. Mr. Otterman said that he anticipates this person would be brought on the following budget year.

In response to a question from Mr. McGee, Mr. Otterman said that he anticipates making the part-time secretary full-time this budget year, perhaps in the supplemental budget, and the other clerical position would begin in the 1992-93 budget year. The administrative assistant position would fall into the 1993-94 budget year. He added that this depends on what comes up in the way of the budget over the next four years. He said that staff is now working on getting an AARP individual to assist in the accounting area. Doing so would free up the accountant to work more on the budget itself. If this is done through AARP, there will be basically no cost except for providing the work station and supervising the employee.

In the Municipal Court budget, Mr. Otterman said that expenditures are based on the current level of services with a 5% increase. Revenues from the court appear under traffic citations.

With respect to the parks budget, Mr. Otterman said that the budget reflects Kevin Wickman's time as 20% parks and 80% water fund. However, Mr. Wickman has been spending considerably more time in parks than the 20% reflects. If the City continues with the projects in mind and develops master plans for the parks and programs to implement improvements and maintain the parks, Mr. Wickman will be spending much more than 20% of his time in the area of parks. He said that the City is paying a contractor to do many things at a pretty high rate. There has been some talk about doing some of the maintenance work in house, but this was not adopted by the Budget Committee last year. In the meantime, staff is trying to cut some of the costs by doing routine maintenance under seasonal costs. Mr. Mull added that irrigation has been added to several parks, and that the parks are getting fairly heavy use.

In response to a question from Mr. McGee, Mr. Otterman said that Mr. Wickman's time is split in administering the Cascade Maintenance contract and coordinating the master plan project with the consultant. In addition, Mr. Wickman handles ordering of equipment, repairing items, inspecting playground equipment, etc. He noted that OSHA requires that playground equipment be inspected once each week, however, the City has not been able to do this even on a monthly basis. The fix has been to whack off whatever is broken. Mr. Mull said that this coming year Mr. Wickman will be involved with the OTAK contract for master plans, along with the Staats park and Mike Whittam park developments. It may be necessary to have Mr. Wickman move into this function on a full-time basis while having another Water Department employee take over the cross-connection control duties. Between 1992-93 and 1993-94, it would be ideal to have Mr. Wickman and a maintenance employee funded 100% from the parks budget. Mr. McGee indicated that other functions cannot tap the Water Department budget. Mr. Otterman indicated that Mr. Wickman is keeping track of his time in the different areas.

Mr. Hart stated that with the county pressuring the cities to increase the density of residential development, the issue of park space should also be taken into account. As lot sizes decrease, the demand for public park space will increase. Mr. Otterman said that after the parks master plan is completed, the city may need to look at accepting cash only for parks development rather than donation of land.

Responding to a question from Mr. McGee, Mr. Otterman indicated that the only other state or federal minimum standard not being met at the present time is the electrical and boiler room of City Hall. Mr. Mull said that he had an estimate of $3,500 last year, and that restrooms should be provided in the auditorium. Mr. Otterman added that something more needs to be done in the way of access to City Hall for the handicapped. Mr. McGee asked Mr. Otterman to provide a list of potential violation of any federal or state regulations to the committee.

In response to a question from Mr. Miller, Mr. Otterman said that moving Mr. Wickman from the Water Fund to the General Fund at 100% will cost about $0.05 in the tax rate.

With respect to capital outlay in parks, Mr. Otterman said that $50,000 was included for park improvements. As the Keizer Tomorrow Committee gets further into their work, the city is seeing a high level of interest in parks. Also, the future of state shared revenues is in doubt.

Responding to a question from Mr. Duncan, Chairman Simon said that tonight's meeting is to get an overview and give the committee the opportunity to study the proposed budget. The Budget Committee will need to come up with a consensus at its next meeting so that he can take the estimate for taxes to Marion County.

Mr. Otterman said that the Budget Committee was scheduled to meet on November 20. However, the Keizer Tomorrow Committee is holding a town hall forum on that same night and will be inviting members from the City Council, Budget Committee, Parks Committee, Planning Commission, and Police Advisory Committee. Therefore, Mr. Otterman proposed that the next Budget Committee meeting be held over to November 25 at 7 p.m.

With respect to the planning fund, Mr. Otterman indicated that he has now compiled the figures for the projection in 1995-96. These figures are as follows:

<u>Personal Services</u>
Associate planner $40,320
Clerical $7,831
Retirement $7,373
Health insurance $7,229
Life insurance $152
Disability insurance $205
Workers compensation $220

Total Personal Services $63,330

<u>Materials & Services</u>
Materials and services $1,500
Contractual services $3,600
Printing/mailing $2,400
Training $1,200
Travel $1,200
Hearings officer $7,200
Professional services - legal $18,000

Total Materials & Services $35,100

Total Planning fund expenditures $98,430

Mr. Otterman said that under the clerical line item, he used the budget as it was presented to the City Council. The projected 1992-93 figures are those same figures given to the Council. By 1995-96, the clerical support will be up to half time rather than quarter time. Plugging in 1/2 time clerical in planning and 1/2 time clerical in administration will mean that the fringe benefits will go up accordingly.

Mr. McGee questioned the need to increase the clerical staffing for planning from 1/4 time to 1/2 time. He said that he understood that the clerical needs would be accomplished through efficient use of the current secretarial staff, high school volunteers, or contractual services. Now he is told that the clerical support will be increased. Mr. Otterman said that in the planning proposal to the Council, the budget of 1/4 time clerical staffing was included. Mr. Otterman said that the high school student has been working, but if funds are not available, the city will have to let her go. Mr. McGee expressed concern with the clerical staffing being ratcheted up.

In response to a question from Mr. Hart, Mr. Otterman stated that in house staff will be doing code enforcement. However, building code enforcement will still be done by the county. Keizer will do the solid waste, zoning code, and noxious vegetation enforcement. On Monday night, the City Council discussed parking restrictions on Chemawa Road. This is something the associate planner will also be working on.

With respect to the police budget, Mr. Otterman said that in order for the estimates on the beginning pages of the budget to appear somewhat accurate, he plugged in the same figures for the police budget. The next committee meeting will delve into the police budget along with other questions that may come up between now and then about the rest of the budget.

In response to a question from Chairman Simon with respect to police negotiations, Chief Stull said that the parties are getting closer to an impasse which would lead to some form of arbitration. Although he does not anticipate arbitration before the next Budget Committee meeting, he may have a better idea of the situation.

With respect to the Miscellaneous-General portion of the general fund, Mr. Otterman said that he has left the contingency at $50,000. In 1992-93, the last payment will be transferred to the Water Fund for the overpayment on the retirement fund.

Chairman Simon did not believe that $50,000 will be adequate for the contingency four years from now. Mr. Otterman indicated that he would be more comfortable at $100,000. Mr. Beach asked what the city ended up with last year. Mr. Otterman responded that the city spent all but $10,000 of last year's contingency. He said that as the operation gets bigger, the contingency needs to be more than $50,000. In any case, spending money from the contingency requires City Council approval for the transfer to another line item.

Mr. McGee asked about the water bond refinancing. Mr. Otterman said that the water rate increase was offset by the savings on the refinancing.

Chairman Simon asked if any major capital outlays have been projected. Mr. Mull said that the Water Department needs to purchase a pickup truck and put in another well. They may also put in another well in the following year. Chairman Simon stated that those funds are all from the Water budget and would not affect the general fund. Mr. Otterman stated that the only thing to affect the other funds would be Mr. Wickman's split of costs. During discussion on the Water budget, Mr. Otterman said that some needs in staffing will be addressed.

Mr. Mull stated that the parking lot and maintenance and upgrading of City Hall facilities need to be considered if City Hall will be staying in its present location. Chairman Simon suggested that the City Council appoint a subcommittee to look into this need. Mr. McGee said he would bring in a formal presentation with Mr. Mull. Mr. Hart stated that the Budget Committee probably will need to look at funds for a professional study at this point rather than the actual expense of repairing the facilities. Mr. Otterman said that the Keizer Tomorrow Committee has been talking about building a community center possibly in conjunction with City Hall.

Chairman Simon asked the committee members to bring questions or comments to the next meeting on November 25. In addition, the committee will be reviewing the police budget and coming to some conclusions on the 1992-93 budget so that the City Manager can prepare an estimate for the county by December 4. The committee may or may not arrive at projections for the future at the next meeting.

Mr. Otterman said that the city will not be held to its estimate for December 4, however, whatever that figure is should be as realistic as possible. He believed that the combined tax rates will not approach the $10 Measure 5 limitation. He said that the tax rate for the city, county, fire district, transit district, and lighting districts total about $7.76. There is about $2.25 left before these jurisdictions reach the $10 maximum. As far as he knows, the county will not be asking for a new tax base in the near future.

Mr. Mull invited the Budget Committee members to contact Don Otterman, John Morgan or himself if they have any questions regarding the budget.

There being no further business to come before the committee, the meeting adjourned at 8:30 p.m.

Susan Darby

Susan Darby, City Recorder