

MINUTES
KEIZER BUDGET COMMITTEE MEETING

Wednesday, August 8, 2001

Keizer City Hall

Robert L. Simon Council Chambers

Keizer City Hall

CALL TO ORDER Vice Chair McGee called the meeting to order at 6:05 p.m.
Roll call was taken as follows:

Present:

Carl Beach
Art Bobrowitz
Lore Christopher
Bob Gebhardt
Ray Kelly
Charles E. Lee
Jerry McGee
Jacque Moir
Judy Smith

Absent:

Ted Anagnos
Mark Caillier
Roy Duncan
Pat Sparks-Tewell
Richard Walsh

Staff:

Chris Eppley, City Manager
Susan Gahlsdorf, Finance Director
H. Marc Adams, Chief of Police
Rob Kissler, Director of Public Works
Mark Miranda, Captain
Tracy L. Davis, City Recorder

INTRODUCTION *1. Introduction of New Committee Members*
New Budget Committee members Carl Beach and Bob Gebhardt provided a summary of their backgrounds and interest in being part of the Budget Committee.

2. Distribution FY 2001-2002 Budget
City Manager Eppley provided copies of the budget and noted additional features that would make the budget more

user friendly. He addressed staff's wish to hold budget meetings on a bi-monthly basis to keep the committee engaged in the process.

3. Future Bi-Monthly Budget Meetings

- *Fiscal year-to date updates*
- *Update Long Range Financial Plan*
- *Draft Financial Policies*
- *Develop Annual Contingency Plan*

Finance Director Susan Gahlsdorf noted the above bullet points as information that would be addressed during the bi-monthly meetings.

**RECAP OF FY
2000-2001**

Revenue Analysis

Ms. Gahlsdorf provided a copy of analysis. She reviewed various line items from this document and answered questions from the Committee.

Expenditure Analysis

Ms. Gahlsdorf reported that the General Fund expenditures were budgeted at \$4,727,977.00 and to date were at \$4,496,473.93. She noted that this was at approximately five-percent savings that she felt might fluctuate.

Responding to questions Ms. Gahlsdorf noted that police overtime was budgeted at \$90,000 and was currently at approximately \$107,000 to date. She went on to note the \$66,000 savings due to the police department holding off on the purchase of new lease vehicles.

Mr. Eppley reported that the Committee would receive an audit report towards the end of the process.

**RECENT
COUNCIL
ACTION**

- 1. Telephone Franchise Increase**
- 2. Interfund Borrowing**
- 3. Park Donation Program**

Ms. Gahlsdorf summarized Council's recent actions as noted above. She also shared that the Parks Donations were to date at \$350.00, a breakdown of the donations was provided to the Committee.

**QWEST
CONTINGENCY
PLAN**

- 1. Budget Shortfall**
- 2. Contingency Options**
- 3. Staff Recommendation**

Ms. Gahlsdorf addressed the budget shortfall due to Qwest's refusal to pay franchise fees. She noted in an attempt to cover

this shortfall the proposed sewer franchise fee which was scheduled for FY 2002-2003 could be implemented earlier and at a higher rate. She addressed various scenarios as supplied in the packet. Ms. Gahlsdorf summarized the remainder of the potential revenue increases under the various franchisees and answered questions from the Committee.

Ms. Gahlsdorf summarized potential expenditure reductions under the General Fund. Controllable and uncontrollable expenditures were outlined.

Staff recommended waiting until October to see if the franchise fees came in as expected. If this did not take place alternatives would need to be reviewed such as the increase in the sewer franchise fee.

Vice-Chair McGee encouraged members of the Committee to thoroughly review the budget and address any questions to the Finance Director or City Manager.

Vice Chair McGee moved a motion to address the shortfall issue prioritized as: 1.) Working Capital Carryforward 2.) Taking cap off the utilities 3.) Go to non-operating expenditures 4.) Other General Fund Expenditures, 5.) General Fund Positions. Carl Beach seconded the motion.

Carl Beach moved a friendly amendment that if the process advanced to options three, four and five that the issue would be brought back before the Council for prioritization. Vice-Chair McGee accepted the amendment.

Councilor Smith suggested an entertainment tax on bowling, bingo and video rental. She summarized how she felt this could be done and the approximate revenues it could supply.

Vice-Chair McGee felt that this was an option that could be explored by staff. Council President Moir requested that the administrative costs also be factored into this presentation.

Councilor Smith made a friendly amendment that options one and two are addressed and additional options are reviewed before removing the franchise caps.

Councilor McGee did not accept the friendly amendment noting he would like staff to have a firm direction this

evening. He indicated this would be something that could be reviewed in the future if needed.

Councilor Lee proposed that staff monitor the budget for the next two months and review the potential of decreasing the General Fund expenditures by two-percent. He stressed by going this route could alleviate unnecessary concern from the public.

The Committee discussed the options and the vote on the motion with amendment was as follows.

AYES: Beach, Christopher, Gebhardt, Kelly, McGee, Moir and Smith (7)

NAYES: Bobrowitz and Lee (2)

ABSENT: Anagnos, Cailler, Duncan, Sparks-Tewell and Walsh (5)

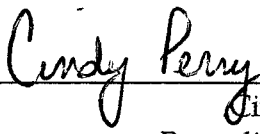
ABSTENTIONS: None (0)

Chief Adams cautioned the Committee regarding making additional cuts to the police budget. He felt it would be difficult for the department to make more reductions and keep public safety as its current level.

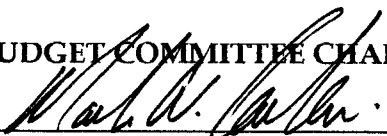
City Manager Eppley noted if the Qwest issue comes to a resolution that staff would readress the issue of any franchise increases with Council.

ADJOURN

Vice Chair McGee adjourned the meeting.


Cindy Perry
Recording Secretary

BUDGET COMMITTEE CHAIR:


Mark Caillier