MINUTES

KEIZER CITY COUNCIL
Special Session
Thursday, June 25, 1998
Robert L. Simon Council Chambers
Keizer City Hall, Keizer, Oregon

CALL TO ORDER

Council President Keller called the special session to order at 5:31 p.m. Roll call was taken as follows:

Present:
Carl Beach, Councilor
Jim Keller, Council President
Jerry McGee, Councilor
Dawn Meier, Councilor
Al Miller, Councilor (arrived at 5:35 p.m.)
Garry Whalen, Councilor

Absent:
Dennis Koho, Mayor

Staff:
Wally Mull, City Manager
Susan Gahlsdorf, Finance Director
Tracy L. Davis, City Recorder

Council President Keller announced there are budget housekeeping issues that need to be resolved prior to June 30th. A special session has been scheduled for **Monday, June 29th at 5:30 p.m.**

ADMINISTRATIVE ACTION

Wally Mull, City Manager reported staff has gathered all of the information available on financing option three.

ORDINANCE CHOOSING OPTION THREE FOR THE COLLECTION OF URBAN RENEWAL TAXES

Susan Gahlsdorf, Finance Director reported previously letters from Marion County and the Salem Area Transit District requested the Council adopt option three as the method of tax collection for the Keizer Urban Renewal Agency based upon tax compression issues. Ms. Gahlsdorf pointed out compression is not an issue within the City. Furthermore, the Keizer Fire District submitted a letter recommending the adoption of option three to enable

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affected taxing jurisdictions to share in the increment revenues generated by the common tax area.

Ms. Gahlsdorf reviewed three financing scenarios for the Council's consideration. The first scenario freezes the revenues at the 1997-98 taxing level of approximately $2 million dollars and does not levy taxes to make up for the increase in revenues forgone to the five affected taxing districts. This scenario would provide $2 million dollars each year for the rest of the life of the urban renewal district, however projects would be completed in a less timely fashion. It would also allow all other taxing districts to receive incremental revenues. Ms. Gahlsdorf pointed out under this scenario; the property value would be less at the end of the Agency's life.

Under the second scenario, Ms. Gahlsdorf suggested freezing revenues at the 1997-98 taxing level of approximately $2 million dollars and levy taxes to bring in property tax equal to the amount of growth. This would allow each taxing district to receive its prorated share of revenue and the taxpayers will pay additional taxes. The third scenario freezes the revenues at the maximum allowed in 1998-99, which is approximately $3 million dollars. This scenario would not allow other taxing districts to begin receiving revenues until approximately 2007-2008, at which time the district is scheduled to terminate.

Ms. Gahlsdorf recommended the adoption of option one as this causes the least consequence to the taxpayers and allows the agency to assess the maximum allowed under the division of taxes.

Responding to a question from Councilor Meier, Ms. Gahlsdorf explained the target for completion of the urban renewal district is in approximately six years, however the debt matures in 2013. There is an option to pay off the bonds prior to this date. Until the debt obligation is completed, the Agency will remain in existence.

Councilor Miller pointed out the refinancing of the bond will save in interest and debt service over the life of the district.

Responding to an inquiry by Councilor Miller, Mr. Mull noted all of the projects are programmed into the plan. By receiving additional funds, it will allow the debt service to be retired earlier. He estimated the completion date for the projects is in 2006.

Councilor McGee believed under option three, however beneficial to the other taxing districts, it would cause the City to request a special levy for the funds necessary. He noted upon completion of the projects, the value of the property will be at the highest value, but there will not be adequate funds to purchase a fire truck as suggested by the Fire District. Councilor McGee believed option three provides several unknown impacts. In conclusion, Councilor McGee believes the Fire District will not obtain the additional funds as they described. He believes option one is the best choice for the City.

Councilor McGee moved a Resolution Affirming the Selection of Option One For the Method of Collecting Ad Valorem Property Taxes to Pay Indebtedness Issued or Incurred to Carry Out the Keizer urban Renewal Agency's Urban Renewal Plan. Councilor Whalen seconded the Motion.

The Motion passed as follows:

AYES: Beach, Keller, McGee, Miller, and Whalen (5)
NAYS: Meier (1)
ABSTENTIONS: None (0)
ABSENT: Koho (1)

ESTABLISHING COUNCIL POLICY ON IMPOSING URBAN RENEWAL SPECIAL LEVIES

Wally Mull, City Manager reported Marion County requested the Council adopt a policy on imposing Urban Renewal Special levies.

Councilor McGee requested additional time to gather information and consider this issue.

The Council directed staff to investigate this issue and consider it at the meeting on June 29th.

OTHER BUSINESS

Councilor Beach requested the Urban Renewal Agency consider the appointment of June Abbott as Chair of the Keizer Urban Renewal Board.

City Manager Mull indicated this matter would be scheduled for the June 29th agenda.

Councilor Miller announced he will be out of town on June 29th.

ADJOURNMENT **The meeting was adjourned at 5:54 p.m.**

Tracy L. Davis

Tracy L. Davis, CMC
City Recorder

APPROVED:

(absent)
Dennis Koho-Mayor

COUNCIL MEMBERS:

Garry Whalen
Councilor #1 - Garry Whalen

Carl E. Beach
Councilor #4 - Carl Beach

Councilor #2 – Dawn Meier

Councilor #5 - Al Miller

Jim Keller
Council President - Jim Keller

Jerry McGee
Councilor #6 - Jerry McGee

Minutes approved:

November 2, 1998