

M I N U T E S

KEIZER BUDGET COMMITTEE

Monday, June 11, 1990

Robert L. Simon Council Chambers
Keizer City Hall

CALL TO ORDER Mayor Orcutt called the work session to order at 6:36 p.m. Attendance was noted as follows:

Present: Phil Bay, Councilor
Yvonne Fischer, Councilor
Mike Hart, Councilor
Bob Newton, Councilor
Bob Pritchard, Councilor
Joe Van Meter, Councilor
Andrew J. Orcutt, Mayor
Carl Beach, Budget Committee Member
Dennis Koho, Budget Committee Member
Bob Simon, Budget Committee Member

Absent: JoAnne Beilke (arrived later)
Gin Denison
Maur Horton
Dick Inman

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

DISCUSSION -
LEVEL OF
SERVICES IF
JUNE 26 LEVY
FAILS

Mr. Otterman indicated that he would have Chief Stull present information which compares the current staffing level to that which would be in effect if the June 26 levy fails. In addition to this, Mr. Otterman stated that he would be making some suggestions of where cuts may be made in other areas.

Ms. Beilke arrived at 6:41 p.m.

Chief Stull presented several organizational charts. The first chart depicted the staffing level of the Keizer Police Department at its inception in 1984 with 11 sworn personnel. The second chart depicted the current staffing level with 23 sworn personnel. The third chart depicted the staffing level if the June 26 levy fails. This indicated a total of 11 sworn personnel as of July 1, 1990 which included six patrol officers and four sergeants and the chief.

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Chief Stull proposed a staffing schedule which would place the officers on a 5 days on/2 days off system. Under this schedule, Chief Stull explained that there would be a potential for three officers to cover day, swing and graveyard shifts. However, with days off, training, vacations, holidays, sick leave, etc., there would be a total of 670 days which are not covered. This means there may be times when there is no patrol coverage in the city.

Councilor Van Meter asked whether any thought has been given to curtailing the department's response to calls for service. Chief Stull indicated that he has not had the chance to thoroughly review the cuts in service, however, he indicated that response to calls would be very limited depending on the availability of officers.

Following Chief Stull's presentation, Mr. Otterman asked the Committee to identify those services which a city is required to provide. The Committee identified police, sewers, water, fire, and land use planning as those services which must be provided. All of these services, with the exception of police and land use planning are funded by resources other than property taxes. Mr. Otterman indicated that the City Charter requires only two staff positions: the City Manager and City Recorder. The General Fund now funds police, land use planning and administration.

Mr. Beach asked about law enforcement backup from Salem and Marion County. Councilor Fischer responded that she has observed, during a ride-a-long with an officer, that backup from other jurisdictions takes precious time, thereby allowing suspects to evade the police.

Councilor Pritchard asked about options to process traffic citations if the court is disbanded. Mr. Otterman indicated that he has reviewed the Municipal Court Subcommittee's report when the court was established. It appears there are very few, if any, alternatives. He has talked with the City of Salem, and they are investigating whether they are able to process Keizer's traffic citations. He doubts that Marion County would establish a Keizer Justice Court which would require a minimum commitment of a judge for six years. There was some discussion about the possibility

of using the Circuit Court. Mr. Otterman indicated that the District Court is essentially unavailable because of its current load and because the District Attorney's office cannot prosecute additional cases. Mr. Otterman indicated that an answer from Salem will not be forthcoming for a couple of weeks yet.

With respect to land use planning, Mr. Otterman indicated that the Marion County Planning Department has received 20 site plan reviews in the first 8 days of June. This is more than double the amount received during the month of May. This number does not include applications for variances, conditional uses, zone changes, etc.

Responding to a question from Ms. Beilke, Mr. Simon stated that if the June 26 levy fails, the City will need to cut back to the existing tax base. Mr. Otterman added that while it would be possible to request another levy in September, the City must certify its property tax revenues to the county by July 15. Therefore, if a September levy is approved, the money would not become available until the following July. It was noted that the School District falls under the safety net and that it can borrow funds against the taxes it will receive. Mr. Koho added the School District's expenses are minimal during the months of July and August.

Responding to a question from Councilor Fischer, Mr. Otterman indicated that the city would probably need to disincorporate if it cannot balance its budget.

Discussion focused on disincorporation and the resulting significance. It was noted that while the property tax bill would be reduced to property owners, the level of service - especially law enforcement - would be reduced to coincide with the lowered taxes. As was the situation prior to incorporation, the level of Marion County Sheriff services was inadequate, thereby necessitating a group of citizens to raise additional funds for more coverage.

Mr. Otterman indicated that while it may be possible to fund the accountant and receptionist positions strictly from the Water Fund, the City Council members could be personally liable for knowingly allowing this to occur.

Mr. Otterman suggested the possibility of using revenue sharing funds for operating expenses in the next year. Mr. Simon objected to this. He indicated that the Council has, since incorporation, been strongly opposed to the use of the dwindling revenue sharing funds for general operating costs. Mr. Otterman stated that 1990-91 revenue sharing funds are about \$91,000. This fund includes city hall remodel of \$20,000, park improvements of \$50,000, along with the purchase of a copy machine and telephone system, for a total of \$83,040 and an ending fund balance of \$7,960. Using these funds for operating expenses, he indicated, may compound the budget problem next year.

Councilor Hart indicated that the original Council envisioned the reduction of revenue sharing funds and, for this reason, avoided using them for general fund operating expenses. He would prefer they continue to be used for one time expenditures.

Mr. Beach commented that if the police staffing level falls to this projected minimal level, the department will be in the business of gathering statistics rather than being an active law enforcement agency. Ms. Beilke added that the criminals will know where it is easiest to commit crime. Councilor Pritchard commented on River Road becoming similar to the autobahn.

Mr. Otterman explained that although some are optimistic about the June 26 levy, he must be prepared in the event it fails. He indicated that the Council's recent increase in telephone franchise fees will bring in an additional \$2,294. Planning fees will probably be slightly higher for an additional \$3,000. Therefore, another \$45,000 needs to be cut from the budget. This, he indicated, is in addition to the layoff of 15 employees.

Mayor Orcutt suggested the unappropriated ending fund balance be decreased. Mr. Otterman stated that he does not expect to carry over the amount shown in the budget because of police officer overtime.

With respect to increasing franchise fees, Mr. Otterman indicated that cable TV fees are 5% now. Telephone fees were increased to 4%, with 7% as the maximum. Electric company fees are at 3.5% and gas company fees at 3%. These latter

two can be increased to 5%. Doing so would result in an additional \$124,000 in revenues. If the Council wishes to do this, action must be taken by July 1.

Councilor Hart indicated he would not favor an increase in the franchise fees prior to the June 26 levy election.

Responding to a question from Ms. Beilke, Mr. Otterman stated that the City of Salem charges 7% on telephone franchise fees and 5% on cable TV. He is unfamiliar with the other franchise fees charged by Salem.

Mayor Orcutt opposed the threat of any increased franchise fees, stressing that if the voters do not pass the June 26 levy, it would not be prudent to then increase these other sources of revenue. Mayor Orcutt would prefer to increase franchise fees only after public hearings and thorough consideration of the issue.

Going page by page through the budget, the following suggestions were made:

Page 1

License Fees - increase Pacific Northwest Bell by \$2,294

Planning Fees - increase by \$3,000

Mr. Otterman noted that the net working capital will be less than the \$132,000 estimated. He also explained that minimal Municipal Court revenues will continue to come in from people who have previously failed to appear or pay their citations. However, with the number of police officers decreasing, the revenues by which to operate the Municipal Court will also decrease. Those revenues which are shown in the 1990-91 budget would be Keizer's share if another court handles the citation process.

Responding to a question from Councilor Newton, Mr. Otterman indicated that something will need to be factored in for running the Municipal Court at least for a short time in order to take care of the remaining citations written to this court.

Mayor Orcutt asked about the \$35,433 transfer to the Street Fund. Mr. Otterman indicated that

this must be shown in the budget, although it does not have to be paid until next year. Mr. Simon stated that it may be possible to reduce the contingency fund by \$35,000 in order to balance the budget.

Councilor Van Meter suggested the parks mowing contract be deleted. He believed that with a volunteer community, the citizens should be involved in upkeep of the parks. Mr. Otterman noted that he would not want to delete the funds for parks materials and supplies. He explained that if, for example, a swing set breaks, the City must repair it or face the potential liability should someone become injured while using it. Mr. Beach recommended that \$25,300 be cut from parks contractual services.

Mr. Otterman suggested a mowing of every other week. Mr. Mull stated that this can be done, however, it will cause a change to a flail mower which will then leave the grass clippings.

Mr. Otterman also suggested that the city will need to take an exhaustive look at other sources of revenues, for example, business licenses. He will be recommending the formation of a committee to study alternative sources of revenue. He questioned whether the city will, with the budget cutbacks, be going below the level of basic services.

Mayor Orcutt agreed that other alternatives need to be explored. Tonight's meeting, however, should be to give guidance on next year's budget should the June 26 levy fail.

Councilor Hart asked about capital outlay expenditures under the police budget. Chief Stull indicated that the \$9,500 can be cut.

Returning to the page by page review, the following suggestions were made:

Page 3

Eliminate \$7,898 for COG and EDD dues

Reduce legal services by \$5,000

Page 7

Eliminate \$25,000 for parks contractual services

Page 9

Possibly lower the \$37,000 unemployment figure depending on how soon the laid off employees locate other work

Possibly lower health insurance, gasoline, vehicle insurance and uniform cleaning expenditures because of the staff cutbacks. Mr. Otterman indicated that the cleaners have not asked for an increase for five years. Therefore, the uniform cleaning costs will be increased.

Asked about prisoner medical expenses, Mr. Otterman indicated that the current budget includes \$2,000, with actual expenses in the area of \$8,000.

Page 10

Eliminate the \$9,500 police capital outlay.

Mayor Orcutt suggested that the transfer to the street fund not be made, and that unemployment be reduced in the police budget.

Mr. Otterman indicated this totaled \$47,400 in cuts.

Mayor Orcutt recommended that \$10,000 be put back into the parks contractual services budget.

Following these cuts, Mr. Otterman suggested that three subcommittees be formed to:

1. Review alternate sources of revenue without any preconceived notions. Possible suggestions include upfront development charges, upfront service charges, business license fees, planning fees, etc.
2. Review the services to be provided. Look at other cities of comparable size and meet with residents in the neighborhoods and schools to obtain public input.
3. After services to be provided are determined, review the level of each service to be provided.

Mr. Otterman indicated this may take up to two years and will require the input of the residents. He explained that as the city grows, a different demand for services will develop. These committees can help determine what services the people will support. Mr. Beach commented that while it is easy to come up with ideas on what the residents would like to have, the question of funding support will still need to be addressed. Mr. Otterman noted that many residents do not know what services the City currently offers and the level of staffing needed to provide the services. Many people believe the City's tax rate is a large portion of their property tax dollars when, in reality, the 10% assessed value increase this past year represents only about \$2 for a \$60,000 home.

Mr. Beach indicated that many residents do not understand that increased development does not increase the City's property tax revenue. Ms. Beilke commented that the City fights for the same tax dollars with the schools and other taxing districts.

Mr. Simon recommended that the subcommittees be broad based and represent geographical areas. He suggested that the subcommittees hold hearings in their respective areas and that they solicit public input. Mr. Simon recommended that the Chamber of Commerce, business and other interests become involved.

Mr. Otterman asked that the press get the word out that the City is looking for people interested in serving on the subcommittees. Once the level of services is determined by the City Council, a budget can then be prepared based on that level.

Mr. Otterman stressed that if a levy is passed this year, he would still like to continue on with future planning for next years budget.

Discussing the time line for future planning, Mr. Beach commented that it is necessary to get to the bottom line as soon as possible so that enthusiasm will not be lost. Councilor Hart added that the City will need to request a new tax base in two years.

Councilor Newton indicated that he is encouraged by tonight's meeting and the move towards future planning in a deliberate manner. The City has

long range goals, but the level of service will need to be addressed. His only reservation is how support will be measured for any particular increases in service, i.e., the library. Ms. Beilke suggested the possibility of an advisory vote.

The Committee discussed the number of eligible voters in Keizer and the percentage (less than 50%) that turned out for the May election.

The work session adjourned at 8:35 p.m.

Respectfully submitted,


Susan Darby, City Recorder