M I N U T E S

KEIZER CITY COUNCIL
Monday, June 4, 1990
Robert L. Simon Council Chambers
Keizer City Hall

CALL TO ORDER

Council President Phil Bay called the regular session to order at 7:35 p.m. Roll call was taken as follows:

Present: Council President Phil Bay
Councilor Yvonne Fischer
Councilor Mike Hart
Councilor Bob Newton
Councilor Bob Pritchard
Councilor Joe Van Meter

Absent: Mayor Andy Orcutt

Staff: City Manager Don Otterman
City Attorney John Lien
City Attorney Shannon Johnson
Public Works Director Wally Mull
Chief of Police Chuck Stull
City Recorder Sue Darby

PUBLIC TESTIMONY

Dennis Koho, 3796 Hart Drive N., Keizer, introduced a pen pal from Moscow who is visiting this area and staying with Mr. Koho.

COMMITTEE REPORTS

There were no committee reports to come before the Council.

FINANCIAL FORECAST

Mr. Otterman reviewed with the City Council a four year financial forecast for the City of Keizer. He explained that under the existing tax base, with police department staffing consisting of six police officers, four sergeants and the police chief, thereby eliminating twelve officers and the Municipal Court operation, along with other adjustments, the City will be in a deficit position of $50,000 in 1990-91. The following year, 1991-92, the City is looking at a deficit position of about $19,000, which rises to over $31,000 for fiscal years 1992-93 and 1993-94.

Mr. Otterman indicated that former City Manager Roy Payne prepared a financial forecast in March of 1989. That forecast shows a deficit of $94,000 next year with a staffing of eight officers. In the following

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years, Mr. Payne's forecast shows deficits of $105,000 for 1991-92, $118,000 for 1992-93 and $132,000 for 1993-94.

Mr. Otterman stressed the serious financial situation facing the City and the need to look for alternate sources of funding in addition to the tax base.

If additional funding does not become available, extensive cuts in service will need to be made in order to balance the budget. He stressed that the City Council needs to make some decisions on the basic services offered to the community.

Councilor Pritchard indicated that the Municipal Court was supposed to generate additional income. Mr. Otterman stated that each police officer generates about $4,000 to $5,000 in traffic citation revenue. By cutting twelve officers, revenues to the court will be seriously reduced and will not generate sufficient funds by which to operate the court.

Councilor Hart suggested the City Council schedule a study session to review this issue. He indicated that this is a negative report in view of the favorable indications that the June 26 one year levy will succeed. He suggested the Council begin considering a new tax base for 1992. Mr. Otterman stated that while he also hopes the June 26 levy will pass, in the event it does not pass he needs to be prepared to take a reduced budget to the Council for adoption prior to July 1 which gives him only three days after the June 26 election. However, he has no consensus from the Council on the concept of basic services.

Responding to a question from Councilor Van Meter, Mr. Otterman stated that the original discussion focused on the layoff of ten officers. That number has since been increased to twelve which would be required because of increased costs for Salem Communications, RAIN, shifting the accountant and receptionist to the General Fund, potential unemployment costs for the laid off employees, etc. Councilor Van Meter agreed with the need for an immediate study session to review the basic services concept. He would prefer to have the Budget Committee and

possibly other citizen members involved in the study session.

Councilor Newton advised that caution be used with Mr. Payne's financial forecast since the Council did not conduct an in-depth review of the figures. He added that with the support the levy has been receiving, he is confident that the June 26 levy will be successful. However, he would prefer to have the Budget Committee meet soon to discuss the next budget in order to provide ample time for a thorough public airing.

Councilor Fischer indicated that she believes it best to hear the facts early enough on the potential cutbacks. While there has been support for the levy, she is not surprised that the City is in this position. Councilor Fischer also agreed that work on the next budget should begin immediately with the Budget Committee and citizens.

Councilor Bay indicated that he attended the meeting with the employees to discuss layoffs today. While he is optimistic about the June 26 levy passing, he agrees with Mr. Otterman's need to be realistic in the event the levy does not pass, and to project the future finances of the City.

Mr. Otterman stated that layoff notices were distributed to twelve police officers, one police records clerk and two Municipal Court clerks this morning. He explained that with this number of police officer layoffs, the paperwork for the records clerk will be reduced and traffic citation revenue generated by the Municipal Court will decrease. Mr. Otterman discussed having other courts or jurisdictions handle the citations, however, there appear to be no other viable options. Councilor Newton suggested all court options be investigated, along with Circuit Court.

Responding to a question from Councilor Hart, Chief Stull stated that he has no idea how law enforcement services might be delivered to this community with only six police officers. Councilor Hart indicated that this would mean the elimination of the liaison program and investigations unit and would require that only emergency calls receive responses. Chief Stull agreed, adding that the emergencies

would be only those which are life-threatening. There would be a maximum of one officer on duty at any given time, when vacation, sick leave, holiday time, etc., are factored in to the schedule. He questioned how one officer can provide service to 22,000 people in the community.

Councilor Pritchard indicated that he has not seen any groundswell of enthusiasm in support of this levy. He indicated he would prefer to deliver as much bad news through the press on the potential cutbacks if the June 26 levy fails.

Councilor Fischer added that the Council is naive if it believes that the public knows how shorthanded the staff is at City Hall.

Councilor Van Meter asked Chief Stull to put some thoughts together for the budget meeting on what can be done with six officers.

Mr. Otterman urged the Council to consider continuing the budget discussions after the June 26 levy. He stressed the need for a "basic services" definition and to determine where the City will obtain revenues to pay for those basic services. He suggested a six to nine month study session be undertaken for this purpose.

Councilor Hart recommended that step one be to deal with the immediate emergency for the upcoming election in the event it fails. Step two would be for the Budget Committee to discuss the basic services concept and put together a plan for public review.

Councilor Van Meter suggested that the City not present the completed budget and then ask for input, believing this would backfire. He proposed that public input be solicited in the early stages.

Councilor Newton recommended that the full Budget Committee schedule a meeting for next Monday evening. The first item would be a current definition of basic services. He suggested that the current budget could be slashed by $50,000. The second meeting would be held to determine the next phase if the levy fails. He stressed the need to proceed as soon as possible with budget deliberations

for next year.

The Council agreed to set a Budget Committee work session for Monday, June 11, 6:30 p.m.

BUILDING MORATORIUM

Mr. Otterman indicated that he originally placed the building moratorium issue on the Council agenda to discuss the effect of construction on the City's financial picture. Since doing so, he has discovered that several State statutes speak specifically to building moratoriums and, therefore, it appears that the City cannot put such restrictions into place. Mr. Otterman said that the issue is getting new construction to pay for those services it demands. He suggested that Eric Meurer of the Salem Homebuilders Association be included on a committee to study this issue.

Mr. Otterman noted that City Engineer Bill Peterson recently attended a conference during which he received information on potential sources of revenue and charges for new development. He stressed that this is an issue which needs to be addressed.

Councilor Bay indicated that while he does not personally favor a moratorium, he realizes that new development does put an additional strain on City services.

Councilor Hart suggested that these additional costs and revenues be built into the budget during the budget process.

Mr. Otterman said that the assessed value throughout Keizer has increased by 12.4% this year. With most homeowners receiving a 10% increase in their assessed values, the remaining increase results primarily from new construction. In order to build construction costs into the budget, it will be necessary to set the future tax base high enough and then to back out 6% each year to the current level.

TELEPHONE FRANCHISE ORDINANCE

Councilor Pritchard moved to amend Ordinance No. 90-174 to provide for a 7% telephone business license fee. Councilor Fischer seconded the motion.

In discussing the matter, Councilor Pritchard indicated his reason for this motion is the lack of funds as shown in the projected

budget.

Responding to a question from Councilor Hart, Mr. Otterman stated that business license fees go into the General Fund. There are no restrictions on their expenditure. An increase to 3.9% as of July 1 would result in about the same level of revenues as the City is now receiving at 3%. Four percent would result in an increase of about $2,000 in an attempt to pay for repairs to street cuts made by the telephone company. The fee may be adjusted annually by the City.

Councilor Pritchard indicated that Keizer is at the low end of the rate structure. He suggested the City take advantage of obtaining the funds which are sorely needed and are allowed by law. He also suggested that other license fees be raised to 5% with the exception of the telephone company at 7%. Councilor Pritchard calculated that such an increase would bring in an additional $187,000 to the City.

Councilor Van Meter objected, stating that the City is seeking a levy at this time. Councilor Hart agreed, adding that it is politically dangerous to increase those fees at this time.

Responding to a question from Councilor Newton, Mr. Otterman clarified that if the June 26 levy does not pass, the City will need to reduce the budget not only by the positions that will be cut, but also by another $50,000.

The motion was defeated by the following vote:

AYES: Fischer, Pritchard (2)
NAYS: Bay, Hart, Newton, Van Meter (4)
ABSENT: Orcutt (1)

Councilor Van Meter moved for passage of an ordinance amending Ordinance No. 89-145 to comply with Oregon Laws, Chapter 484, on second and final reading. Councilor Newton seconded the motion. The motion was approved by the following vote:

AYES: Bay, Fischer, Hart, Newton, Van Meter (5)
NAYS: Pritchard (1)
ABSENT: Orcutt (1)

CURRY/HAMMOND ZONE CHANGE, CASE NO. 87-6 AMENDMENT

Mr. Otterman explained that the applicants, Curry, Hammond and Stalick, have asked for an amendment to the conditions of approval for their previously approved zone change relating to vehicular access from River Road. The Hearings Officer has recommended approval of the request.

Councilor Van Meter moved for passage of an ordinance in the matter of the application of Richard A. Curry, Frank B. Hammond and Joyce E. Hammond (Applicants) and Roger Stalick and Dan Jenks (Applicants for Amendment) for an amendment to conditions of approval in previously approved Zone Change Case 87-6 on property located on the southeast corner of River Road and Plymouth Drive, Keizer, Oregon (Case No. KZC 87-6) in which the City granted the amendment to the conditions of approval in the zone change decision in accordance with the Keizer Hearings Officer decision dated May 7, 1990. Councilor Hart seconded the motion. The motion was approved by the following vote:

AYES: Bay, Fischer, Hart, Newton, Pritchard, Van Meter (5)
NAYS: None (0)
ABSENT: Orcutt (1)

CONSENT CALENDAR

The Consent Calendar consisted of:

- May 21, 1990 Regular Session Minutes
- Staff Reductions Report
- Resolution Commending the Outstanding Accomplishment of the McNary Celtics Girls' Varsity Softball Team

Councilor Hart moved for approval of the Consent Calendar. Councilor Newton seconded the motion. The motion was approved by the following vote:

AYES: Bay, Fischer, Hart, Newton, Pritchard, Van Meter (6)
NAYS: None (0)
ABSENT: Orcutt (1)

OTHER BUSINESS Budget Presentations

Mr. Otterman indicated that he has been scheduling factual presentations to various service and civic clubs in Keizer with respect to the upcoming June 26 levy. The Council members discussed and selected those presentations which they wished to attend.

MCNARY GIRLS SOFTBALL TEAM RESOLUTION	Councilor Bay asked Councilor Van Meter to distribute the resolutions to the McNary Celtics Girls Softball Team which expresses the City's commendation for their recent placement as State co-champions.
AGENDA INPUT	There was no additional agenda input.
ADJOURNMENT	The meeting adjourned at 8:47 p.m.

Respectfully submitted,

Susan Darby, City Recorder

APPROVED:

(Mayor Orcutt Absent)
MAYOR