MINUTES

BUDGET COMMITTE MEETING
May 28, 1997
Keizer City Hall
Robert L. Simon Council Chambers
Keizer, Oregon

CALL TO ORDER

The meeting was called to order at: 4:10 p.m.

Roll Call was taken as follows:

Present:
Ted Anagnos, Carl Beach, JoAnne Beilke, Roy Duncan, Jim Keller, Dennis Koho, Jerry McGee, Al Miller, Jim Nightengale, Garry Whalen

Absent:
Mark Caillier, Shirley Pitt, Diane Hansen, Dawn Meier

Staff:
Wally Mull, City Manager
Tracy Davis, City Recorder
John Morgan, Community Development Director
Pat Bowe, Lt.

Announcements

Chairman Beach announced that Shirley Pitt resigned from the Budget Committee.

Chairman Beach spoke with Kurt Arthur with Coldwell Banker and stated that an estimated option price for a 60-90 day option regarding the Unocal property would be approximately $5,000 with that amount going toward the purchase price.

Recommended Budget 1997-98

Mr. Miller requested that the Budget Committee revisit the Police Budget.

Responding to questions Mr. Morgan stated that the ongoing investigation taking place at the police department the funds for this investigation are coming from this year's budget, posted to consulting in Administration.

Mr. Miller expressed concern with the municipal court revenue being reduced he asked were the additional revenue would come into play to pay for the officers if court revenue is reduced.

Mr. Morgan indicated that this had been handled in the past through under filling positions and some of the positions did not go through the entire year.

Mr. Miller continued to express his concern with the difference between the $450,00 and the $548,000 from the prior year's budget and how it would be made up.

Mr. Morgan indicated that taxes would be picking the difference up.

Mr. Miller expressed the reduced overtime amount in the police budget. He felt with the salary increases there would be a higher overtime wage.

Mr. Mull indicated that this was taken into consideration before preparation of the budget. He indicated that they have developed controls to keep overtime to a minimum.

Responding to questions Mr. Morgan indicated that legal services under the police budget would be better controlled during the next budget year as the city would be doing more work with the contract City's contract legal council.

Parks Improvement Fund
Mr. McGee made the motion to add $150,000 in acquisition for the purchase of the Unocal property. No second.

The Motion died for a lack of a second.

Responding to questions Mr. Morgan indicated that contingency can only be used for park acquisition and improvements from the SDC's.

Chair Beach questioned the Commission if there was any interest in acquiring the first right or refusal of the Unocal property.

Mr. Morgan stated that the budget as written balances and if the Commission wished to add more money, funds would need to be located from another source.

Mr. McGee indicated he felt there would be no virtue in placing right or refusal money if there would not be funds to purchase the property.

911 Communications
Mr. McGee recommended that the Commission go with the written budget, transferring $66,500 to the General Fund.

Housing Services
Mr. Morgan noted that money is this fund is from loan proceeds that will be loaned back out. He indicated that the program was working well.

Public Works-Water
Responding to questions Mr. Mull indicated that under Service Fees the reason for the drop in fees was due to the drop in area development.

Mr. Mull pointed out an error under *Materials and Services, Line item-Paving.* He indicated the amount should be $10,000 instead of $16,000.

Mr. McGee expressed concern with the unappropriated ending fund balance. He felt the rate committee should reconvene since it had been seven years there had been a rate adjustment.

Responding to questions Mr. Mull indicated that the City purchased some land behind the shop with the idea to build an auxiliary water garage to park the city's trucks to keep them out of the weather.

Facility Replacement Reserve
Mr. Morgan indicated that this was carried over for payment of the water reservoir.

Sewer Reserve
Mr. Morgan noted that this is a pass through account.

Utility Fund
Mr. McGee recommended under Personnel Services the addition of $2,600 for the Finance Officer to be correctly appropriated. Mr. McGee also recommended that an additional line item be placed for lighting administration if deemed appropriate.

Mr. Mull shared that he had spoken with the auditor and any monies left from the utility fund should be transferred into the general fund.

There was a lengthy discussion on how the funds should be appropriated.

Mr. McGee moved that the 3% surtax that was levied for the purpose of repaying bonds be removed if it is found that the bonds have been paid. Mr. Koho seconded the Motion.

The motion passed unanimously as follows:

AYES: Ted Anagnos, Carl Beach, JoAnne Beilke, Mark Caillier, Roy Duncan,
Diane Hansen, Jim Keller, Dennis Koho, Jerry McGee, Dawn Meier, Al Miller, Jim Nightengale, Garry Whalen (13)
NAYS: None (0)
ABSTENTIONS: None (0)
ABSENT: None (0)

Mr. McGee moved that any Ending Fund Balance be transferred to the General Fund. Mr. Duncan seconded the Motion.

The motion passed unanimously as follows:

AYES: Ted Anagnos, Carl Beach, JoAnne Beilke, Mark Caillier, Roy Duncan,
Diane Hansen, Jim Keller, Dennis Koho, Jerry McGee, Dawn Meier, Al Miller, Jim Nightengale, Garry Whalen (13)
NAYS: None (0)
ABSTENTIONS: None (0)
ABSENT: None (0)

Public Works-Streets

Responding to questions, Mr. Mull stated the reason for the increase in legal services was due to flood litigation.

Mr. Mull explained the process of bike paths in various areas of the city to meet ODOT requirements and how those funds would fall into place.

Mr. Morgan indicated that net working capital should be increased and this would be part of the supplemental budget once the funds from ODOT were received.

Mr. McGee questioned the reason for two administrative assistants in the police department.

Mr. Morgan explained the two positions and indicated that one of the administrative assistant's position would be reclassified in the compensation study because of the supervisory duties involved.

A lengthy discussion took place regarding the contingency fund balance.

Mr. Koho made a Motion to recommend the budget to Council as discussed and approved. Mr. Duncan seconded the Motion.

Mr. Morgan suggested some changes. Under administration he shared that the unemployment line item was changed from the old budget. Also under police the line item capital outlay was changed from $5,000 to $6,500.

Mr. McGee moved to amend the Motion to reduce the operating contingency from $175,000 to $50,000 and increase the Ending Fund Balance to $125,000.
Mr. Duncan seconded the Motion.

The amendment to the Motion failed as follows:

AYES: Ted Anagnos, Roy Duncan, Jerry McGee (3)
NAYS: Carl Beach, JoAnne Beilke, Mark Caillier, Diane Hansen, Jim Keller, Dennis Koho, Diane Hansen, Jim Keller, Dennis Koho (9)
ABSTENTIONS: None (0)

The vote on the original Motion passed as follows:

AYES: Ted Anagnos, Carl Beach, JoAnne Beilke, Mark Caillier, Roy Duncan, Diane Hansen, Jim Keller, Dennis Koho, Jerry McGee, Dawn Meier, Al Miller, Jim Nightengale, Garry Whalen (13)
NAYS: None (0)
ABSTENTIONS: None (0)
ABSENT: None (0)

Mr. Koho left at 5:40 p.m.

URBAN RENEWAL BUDGET

Tax Increment Fund
Mr. Morgan shared that due to changes made in the Community Development Budget and not charging items to renewal the Program Project Fund was redone.

Mr. Morgan stated that the Tax Increment Fund is where the City received the increment money, the bond revenue that is processed in this fund that is then transferred out to operate the renewal district. Mr. Morgan stated that the City is balanced in the way the fund is written.

Project Fund
Mr. Morgan explained that this fund was status quo for costs, materials and supplies. Mr. Morgan indicated that a contingency of $300,000 had not been used.

Mr. Morgan answered questions regarding the baseball stadium and funding.

Mr. Miller expressed his concern that the $300,000 contingency could not be enough if an emergency arose.

Mr. Miller proposed to increase the contingency to $600,000 and reduce the Ending Fund Balance by $300,000. Mr. Keller seconded the Motion.

The motion passed unanimously as follows:

AYES: Ted Anagnos, Carl Beach, JoAnne Beilke, Mark Caillier, Roy Duncan, Diane Hansen, Jim Keller, Jerry McGee, Dawn Meier, Al Miller, Jim Nightengale, Garry Whalen (12)
NAYS: None (0)
ABSTENTIONS: None (0)
ABSENT: Koho (1)

Chemewa Activity Center

Mr. Morgan explained that this fund was established to track revenue and income from stadium rents. He indicated that the projections were based during the stadium lease project.

There was discussion as to what fund the police overtime was paid out of for coverage at the stadium. Mr. Morgan indicated to the Committee that the General Fund could be reimbursed if the Committee made the decision that is what they would like to do without amending the budget.

Mr. Keller expressed his concern that police overtime would be an ongoing expense and felt it should not be taken out of the renewal fund.

Mr. Morgan indicated that this was not renewal money and could be taken out.

Mr. Miller moved to amend the adopted budget from the Urban Renewal Agency and include as a dedicated fund in the General Budget. Mr. Keller seconded the Motion.

The motion passed unanimously as follows:

AYES: Ted Anagnos, Carl Beach, JoAnne Beilke, Mark Caillier, Roy Duncan, Diane Hansen, Jim Keller, Jerry McGee, Dawn Meier, Al Miller, Jim Nightengale, Garry Whalen (12)
NAYS: None (0)

ABSTENTIONS: None (0)
ABSENT: Dennis Koho (1)

Responding to questions Mr. Morgan indicated that contingencies did not need to be changed in the General Fund.

Ms. Meier moved to recommend the Urban Renewal Agency Budget as amended. Mr. Miller seconded.

The motion passed unanimously as follows:

AYES: Ted Anagnos, Carl Beach, JoAnne Beilke, Mark Caillier, Roy Duncan,
Diane Hansen, Jim Keller, Jerry McGee, Dawn Meier, Al Miller, Jim Nightengale, Garry Whalen (12)
NAYS: None (0)
ABSTENTIONS: None (0)
ABSENT: Dennis Koho (1)

Mr. Morgan shared with the Committee that the hearings on the budget would be June 23, 1997.

ADJOURNMENT

The meeting was adjourned at 6:00 p.m.

Chairman-Carl Beach

City Recorder-Tracy Davis