BUDGET COMMITTEE MINUTES

KEIZER CITY COUNCIL
May 27, 1997
Keizer City Hall
Robert L. Simon Council Chambers
Keizer, Oregon

CALL TO ORDER

The Budget Committee Meeting was called to order at 7:00 p.m.

Roll Call was taken as follows:

Present:
Carl Beach, JoAnne Beilke, Mark Caillier, Roy Duncan, Diane Hansen, Kim Keller, Dennis Koho, Jerry McGee, Dawn Meier, Al Miller, Jim Nightengale, Garry Whalen

Staff:
Wally Mull, Public Works Director
John Morgan, Community Development Director
Tracy Davis, City Recorder
Dianne Suek, Personnel Officer
Pat. Bowe, Lt.

Absent:
Ted Anagnos (at roll call, arrived at 7:34 p.m.)
Shirley Pitt

DISCUSSION

a. Election of Budget Committee Chair

Mr. Duncan nominated Mr. Caillier as Chair.

Mr. Caillier declined the nomination due to his upcoming absence at the Budget Committee Meetings.

Mr. McGee nominated Carl Beach as Chairman of the Budget Committee. Mr. Duncan seconded.

The motion passed unanimously as follows:

AYES: Carl Beach, JoAnne Beilke, Mark Caillier, Roy Duncan, Diane Hansen, Jim Keller, Dennis Koho, Jerry McGee, Dawn Meier, Al Miller, Jim Nightengale, Garry Whalen (12)
NAYS: None (0)
ABSTENTIONS: None (0)
ABSENT: Ted Anagnos, Shirley Pitt (2)

Mr. McGee moved to nominate Mark Caillier as the Vice-

Chair. Mr. Koho seconded the motion.

The motion passed unanimously as follows:

AYES: Carl Beach, JoAnne Beilke, Mark Caillier, Roy Duncan, Diane Hansen, Jim Keller, Dennis Koho, Jerry McGee, Dawn Meier, Al Miller, Jim Nightengale, Garry Whalen (12)
NAYS: None (0)
ABSTENTIONS: None (0)
ABSENT: Ted Anagnos, Shirley Pitt (2)

b. Receipt of the 1997/98 Recommended Budget

Mr. Morgan shared his memo that was distributed to the Committee and stated that revenues are holding as constant and that it would not be necessary to revisit them during this meeting.

Mr. Morgan highlighted proposed changes in each department and their effect on the budget. They were as follows:

- **Parks-** The Parks Budget reflects the reduction in the Parks Superintendent position as implemented during fiscal year 96-97.

- **Police-** Fine revenue is reduced approximately $100,000 from fiscal 96-97 reflecting actual receipts, and a de-emphasis on fines as a revenue source.

Mr. Morgan shared that revenue for a crime prevention grant of $58,033 is shown along with personnel and operational expenditures to carry out the program. Mr. Morgan stated this would be at no cost to the City.

Also, one Community Service Officer position was eliminated reflecting the transfer of the Code Enforcement program to the Community Development Department. Mr. Morgan noted that another grant that was not reflected in this draft of the budget that involves a Community Development Block Grant where the funds received this year in the amount $12,000 would need to be reflected in an expenditure and is small enough that a line item should not be needed, but would be reflected as a line item in the accounting system for tracking purposes.

- **City Recorder/Municipal Court-** Mr. Morgan indicated that a half-time court clerk position was added to help manage the paper flow from Municipal Court, as well as assist at the Court counter. Mr. Morgan shared during 96-97 and prior years the Court had been falling behind in managing paper work generated by the function.

- **Maintenance-** Mr. Morgan shared that this fund had changed from in-house staff to provide maintenance services on contract.

- **Revenue Sharing-** Mr. Morgan indicated That this budget reflects smaller expenditures than have occurred over the last few year for major capital outlay.

- **Park Acquisition-** Mr. Morgan relayed that this fund holds $70,000 for Country Glenn Park and continued parks improvements.

- **Water-** No major changes.

- **Facility Replacement Reserve-** Mr. Morgan pointed out that the reservoir reflected had been paid for partially in fiscal year 96-97 and partially in fiscal year 97-98. He indicated the land acquisition is for the Clear Lake Reservoir site.

- **Utility-** No major changes were proposed for this fund.

- **Streets-** Mr. Morgan indicated that they had been working on bike grants, which would allow improvements to north River Road, Chemawa and Verda.

Mr. Morgan highlighted the **Urban Renewal Budget**. He shared that it had three major factors: the 12 year capital improvement program, the addition of the Chemawa Activity Center to the renewal program and to continue to hold increment revenue to an estimated $1/ $1,000 tax rate.

Mr. Morgan went on to note that a new renewal budget fund had been created to serve as the focused account for budgeting and tracking revenue and expenditures for dealing with the Keizer Stadium.

c. 1997/98 Budget Message

Responding to questions Mr. Morgan pointed out that a delay of two to three weeks in the distribution of the tax statements would not impact the city's cash flow.

GENERAL FUND RESOURCES

Mr. Morgan shared a resource item is not listed for the collection of past due fines as there is uncertainty in the amount that would be collected.

Mr. McGee felt the need to have this accounted for and proposed a net of 5% of a million dollars after expenses in the hopes of receiving more revenue from this.

Mr. McGee recommended a change in the Miscellaneous Fund from $22,000 to $72,000.

There was discussion as to the appropriate place for the collected court fines to be accounted for.

Chair Beach suggested a separate line item under municipal court to enable the tracking of the funds.

Consensus of the Committee to place a line item on Page 7 under Police entitled "Collection of Past Due Fines" with the amount of $50,000 being the estimate.

Mr. Duncan requested the change under licensing and fees from Viacom to TCI. Mr. Morgan stated this would be changed.

Responding to questions Mr. Morgan shared that the actual tax base $1,950,612 which leaves the budget approximately $100,000 short of the actual expectation of useable revenue.

Responding to questions Mr. Mull pointed out that the increase in Interest under the Beginning Fund Balance was due to the increased investing that had been done over the past year.

Mr. McGee suggested an increase in the Interest line item from $6,000 to $10,000.

It was the consensus of the Committee to increase the Interest line item under Beginning Fund Balance from $6,000 to $10,000.

Mr. Anagnos arrived at 7: 34 p.m.

There was discussion between Committee members regarding licensing fees for Salem Electric and PGE.

It was the consensus of the Committee under License Fees to leave Salem Electric and PGE as written.

ADMINISTRATION

Mr. Morgan went on to discuss the Administration portion of the budget and indicated that the City of Salem discontinued their courier services, which will cause an increase in postage to the City of Keizer.

Mr. Mull shared that a line item was not included in this budget for CCTV.

Chair Beach expressed his concern that the Miscellaneous Expense was only being listed at $2,000 when close to $3,000 had been spent for this year.

Mr. McGee shared that last year a new line item entitled " Volunteer Recognition" was added as part of the Miscellaneous Fund.

Responding to questions regarding the CCTV issue Mr. Morgan stated either a line item could be created or assumes an item in which a contingency transfer could be done.

Discussion among the Committee regarding the CCTV issue was in consensus to leave CCTV as a contingency.

Responding to questions regarding "Materials and Supplies" Mr. Morgan indicated that these funds were adequate.

Mr. McGee questioned the difference in Actual and the Adopted Budget under Materials and Services. He requested that management reduce this amount by $10,000.

Mr. Morgan stressed caution in reducing these line items. He attested that Professional Services such as legal are difficult to anticipate and he did not want the budget to fall short because the removal of a line item.

Mr. Caillier requested that in the future all members of the Budget Committee receive the actual expenditures in advance to review.

COMMUNITY DEVELOPMENT

Mr. Morgan shared that all the line items are as written with the exception of the Code Enforcement position.

Mr. Morgan shared that Code Enforcement is currently not being done with the exception of solid waste.

Mr. Morgan explained the background of why he felt Code Enforcement should be part of Community Development.

Mr. Miller expressed his concern that since the backlog of code enforcement cases had been handled by the Community Service Officers he felt this would be more of a Planning Department position since code enforcement was on a complaint basis.

Mr. Miller cautioned that many positions had been assigned to the Urban Renewal portion of the budget and when the Urban Renewal District expires there would be problems in funding these positions.

Responding to questions Mr. Morgan indicated that the salary listed for the Code Enforcement Officer includes salary and benefits and was not broken out, as it should have been.

Mr. Koho moved to retain the three Community Service Officer positions and not establish the Code Enforcement position. Mr. Miller seconded the Motion.

Mr. McGee expressed his support for the staff's recommendation and need for the Code Enforcement to originate through the Community Development Department.

Mr. Whalen stressed the importance of code enforcement but felt with the transition of a new City Manager it may be a good time to wait and develop some guidelines.

Mr. Keller relayed his concerns that a Code Enforcement Officer be used as a "Counter person" to assist in the Planning Department possibly taking over the Code Enforcement Officer's main duty.

Mr. Morgan reassured Mr. Keller that the standard, which was being proposed, would be upheld. He suggested an evaluation to present to the Committee to indicate how the program is working.

Mr. Mull shared with the Committee that the Code Enforcement person could also be used as a pro-active force working with citizens regarding noxious weeds and vision hazards. Mr. Mull indicated that in discussions with the Police Department they are in favor of Code Enforcement being done through the Community

Development Department thus allowing the remaining CSO's to work on police issues.

Responding to questions Lt. Bowe indicated he did not have firm numbers to give regarding the number of active Code Enforcement cases that were being worked on. He indicated that he knew it was enough to keep the officers busy along with their other duties.

Mr. McGee stated that this issue should be looked at again in the future.

<u>The Motion failed as follows:</u>

<u>AYES:</u> Dennis Koho, Al Miller (2)
<u>NAYS:</u> Ted Anagnos, Carl Beach, JoAnne Beilke, Mark Caillier, Roy Duncan, Diane Hansen, Jim Keller, Jerry McGee, Dawn Meier, Jim Nightengale,
Garry Whalen (10)
<u>ABSTENTIONS:</u> None (0)
<u>ABSENT:</u> Shirley Pitt (1)

<u>Mr. McGee made the Motion to fund the Code Enforcement Officer/Zoning Technician through the General Fund.</u>

<u>The motion passed as follows:</u>

<u>AYES:</u> Ted Anagnos, JoAnne Beilke, Mark Caillier, Roy Duncan, Diane Hansen, Jim Keller, Dennis Koho, Jerry McGee, Al Miller, Jim Nightengale,
Garry Whalen (11)
<u>NAYS:</u> Carl Beach, Dawn Meier (2)
<u>ABSTENTIONS:</u> None (0)
<u>ABSENT:</u> Shirley Pitt (1)

<u>Parks</u>
Mr. Mull indicated that the city would be contracting with a local arborist and pay hourly and would be picked up in contractual services.

Responding to questions Mr. Mull proposed that in Materials and Services in Parks be reduced to $8,000 and the Contractual Services be reduced to $35,000 with the possibility of reducing even more.

<u>Police</u>
Mr. Morgan shared that one change had already been made in this budget, and that was adding the past due collections to resources of $50,000. He indicated that the expenditures are about the same with the addition of a

new Crime Prevention Specialist and the elimination of a Community Service Officer. Mr. Morgan shared that a community development block grant was received in the amount of $12,000 for crime programs and would add a line item to reflect the receipt of these monies.

Mr. McGee expressed his concern that the Municipal Court fine line item was increased by 6.6% he was not sure that this could be met and urged caution.

Responding to questions Lt. Bowe stated it is realistic for 6% more tickets to be written.

There was an extended discussion between the Committee regarding traffic citations and the perception of the public and the city being able to balance it's budget.

Mr. Koho moved to reduce Municipal Court Fines in the Police Department Budget to $400,000. Mr., Duncan seconded the Motion.

The Motion passed as follows:

AYES: Carl Beach, JoAnne Beilke, Mark Caillier, Roy Duncan, Diane Hansen, Jim Keller, Dennis Koho, Jerry McGee, Dawn Meier, Jim Nightengale, (10)
NAYS: Ted Anagnos, Al Miller, Garry Whalen (3)
ABSTENTIONS: None (0)
ABSENT: Shirley Pitt (1)

Responding to questions regarding the Workmen's Compensation rates Ms. Suek indicated that they were not going down, but the City did receive $15,000 back. Ms. Suek indicated that she and Mr. Morgan would revisit this number and bring it back to the Committee.

Responding to questions Lt. Bowe indicated that the clothing allowance includes motorcycle gear, clothing, boots and uniform dry cleaning.

Ms. Meier suggested for next year's budget it might be helpful to the Committee if supporting evidence or a brief explanation of the line items was included.

Mr. Morgan stated that he felt with a new finance officer next year there would be more details and more realistic projections from the actual budget.

Mr. McGee suggested that gasoline be reduced by 10% to $27,000.

It was the consensus of the Committee to reduce the gas budget to $27,000.

Mr. McGee felt Miscellaneous line item was a management control issue and suggested the reduction of the line item from $3,000 to $2,000.

It was the consensus of the Committee to reduce the Miscellaneous line item from $3,000 to $2,000.

Mr. Mull indicated that under capital outlay there needed to be funds placed for computer upgrades in the amount of $5,000.

It was the consensus of the Committee to add $5,000 under Capital Outlay for computer upgrades.

COURT

Mr. Morgan indicated the change is this department was the addition of a court clerk.

It was the consensus of the Committee to add the requested position.

MAINTENANCE

It was the consensus of the Committee for the Maintenance portion of the budget to remain as written.

MISCELLANEOUS

Will be revisited later.

REVENUE SHARING

Mr. Morgan explained the change in this portion of the budget was the request for additional funds for a used motorcycle.

Lt. Bowe shared there were currently four traffic officers with two of them using motorcycles. He indicated that the idea of an additional motorcycle would cut the costs of maintenance to the bikes.

Responding to questions Lt. Bowe indicated that the cost of a new motorcycle would be approximately $12,000-$15,000 and they currently have the opportunity to purchase a fully refurbished motorcycle for $3,000.

Mr. Koho moved to add $3,000 for the purchase of a used motorcycle. Mr. Duncan seconded the motion.

The motion passed as follows:

AYES: Ted Anagnos, Carl Beach, JoAnne Beilke, Mark Caillier, Roy Duncan, Diane Hansen, Dennis Koho, Al Miller (8)
NAYS: Dawn Meier, Jim Keller, Garry Whalen, Jerry McGee, Jim Nightengale (5)
ABSTENTIONS: None (0)
ABSENT: Shirley Pitt (1)

CITY HALL FACILITY FUND
There was discussion over the number of improvements that could take place with these funds, including electrical issues, replacing carpet, updating the sound system in the Council Chambers etc.

Mr. Morgan suggested that staff compile a priority list to present to Council to assist in the prioritization of projects.

Mr. McGee expressed his concern regarding the amount of money being requested in this portion of the budget.

Chair Beach indicated that he would like to see improvements done to the Police Department lobby.

Mr. Mull stated that this would not be possible with the amount of money being requested in this budget.

Mr. Morgan suggested that after the first of the year the Master Plan could be revisited and updated with the possibility of using funds to do updates at the Police Department.

Mr. Koho moved to make a transfer from Revenue Sharing in the amount of $75,000-$100,000 and reflect $25,000 in addition in the Capital Outlay Improvements line item.

It was the consensus of the Committee increase Revenue Sharing to $100,000 and change the Improvements line item to $110,000.

PARKS IMPROVEMENT FUND
Mr. McGee requested that $150,000 be added to the parks acquisition fund toward the purchase of the Unocal property. Mr. McGee requested the Acquisition line item be increased from $60,000 to $220,000.

Responding to questions Mr. McGee went into an explanation of how the city currently has a large ending fund balance and how expenses are currently running 6% lower than budgeted. He expressed his interest in using these funds for the purchase of the Unocal property.

Mr. Miller felt that the decision of the acquisition of parks would be better served by the Parks Board. He also felt that the size of the Unocal Property was not large enough to support a park.

Mr. McGee felt it was important for the City to have the right of first refusal on this property.

Chair Beach requested that the Committee revisit the Parks Improvement Fund tomorrow at 4:00 p.m.

OTHER BUSINESS

There was no other business to come before the Council.

WRITTEN COMMUNICATIONS

None

ADJOURNMENT

The meeting was adjourned at 10:02 p.m.

Chairman-Carl Beach

City Recorder-Tracy Davis