MINUTES

KEIZER BUDGET COMMITTEE MEETING

Tuesday, May 23, 2000
Keizer City Hall
Robert L. Simon Council Chambers
Keizer City Hall

CALL TO ORDER Chair Caillier called the meeting to order at 7:02 p.m. Roll call was taken as follows:

Present:
Ted Anagnos
Lore Christopher
Gene Clemens
Roy Duncan
Jim Keller
Jerry McGee
Jacque Moir
Bob Newton
Doug Pilant
Pat Sparks-Tewell
J. L. Wilson

Absent:
Mark Caillier
Jim Nightengale

Staff:
Wally Mull, City Manager
Susan Gahlsdorf, Finance Director
Dianne Hunt, Human Resources Director
Maria Meier, Senior Planner
H. Marc Adams, Chief of Police
Rob Kissler, Director of Public Works
Tracy L. Davis, City Recorder
Kent Barker, Lieutenant
Debbie Engelhard, Accountant

PUBLIC HEARING a. 2000-2001 Keizer Urban Renewal Agency Budget No public testimony was brought before the Budget Committee.

DISCUSSION b. 2000-2001 Keizer Finance Director, Susan Gahlsdorf supplied copies of the revenue forecast for the urban renewal budget and reviewed the various

FMAGIC

Urban Renewal Agency Budget Discussion

funds within the urban renewal budget.

Responding to questions, Ms. Gahlsdorf noted that the urban renewal budget did not reflect the costs for the copy machine, office furniture or computer upgrades. She indicated the allocated portion transferred to the urban renewal budget for furniture would be $1,625.00, computer upgrades would be $376.00 and the copy machines allocated portion would be $510.00. The total changes reflected would be $2511.00.

Special Revenue Fund/Urban Renewal Project Fund
Public Works Director, Rob Kissler reported that the city was participating in one sharing project, which was the River Road overlay. Mr. Kissler indicated that a portion of Alder Street realignment could be covered under urban renewal funds.

Special Revenue Fund/Urban Renewal Tax Increment Fund
Ms. Gahlsdorf answered questions regarding the urban renewal debt service.

Jerry McGee made the motion that the 2000-2001 Urban Renewal Budget be moved forward to the Urban Renewal Agency as amended. Jim Keller seconded the motion.

The motion passed unanimously as follows:

AYES: Anagnos, Campbell, Christopher, Clemens, Duncan, Keller, McGee, Moir, Newton, Pilant, Sparks-Tewell and Wilson (12)
NAYES: None (0)
ABSENT: Caillier and Nightengale (2)
ABSTENTIONS: None (0)

c. 2000-2001 City of Keizer Budget Discussion

Ms. Gahlsdorf supplied a copy of the status of the general fund. She noted the line items that were earmarked for funds to be restored if funds were available. The ending fund balance would be $65,755. She reviewed the remainder of the spreadsheet indicating the proposed changes.

The Committee discussed the CCTV issue. Mr. Mull agreed to submit a letter indicating the possibility of the City joining with CCTV in the future.

Ms. Gahlsdorf reviewed the proposed changes and noted the three options that staff made available for interest earnings. She also answered questions from the Committee regarding these options.

Public Works Director, Rob Kissler addressed the Committee regarding option one for interest earnings. He shared that the total

estimated cost for the Barnick Road connection would be $25,000. Mr. Kissler also answered questions from the Committee.

Addressing Jerry McGee's concerns, City Manager Mull noted during last year's budget process it was discussed to see if street funds could be used to build the levee wall. This was not a doable process so it was determined that interest accrued over the past five years from the gas tax could be used for construction of the levee wall.

After further discussion the following motion was made.

Craig Campbell moved to adopt option one of the Interest Earnings proposals. Roy Duncan seconded the motion.

Lore Christopher moved an amendment to the motion to remove the park and sewer SDC's.

Due to the lack of a second the amendment to the motion died.

The main motion passed as follows:

AYES: Campbell, Clemens, Duncan, Keller, McGee, Moir, Newton, Pilant and Sparks-Tewell (9)
NAYES: Anagnos, Christopher and Wilson (3)
ABSENT: Caillier and Nightengale (2)
ABSTENTIONS: None (0)

Jerry McGee expressed concern with the discussions of using contingency. He noted he was unaware of information being brought to Council regarding the use of contingency funds.

Mr. Mull noted that a portion of this was the 3.1% cost of living, which had been addressed.

Ms. Gahlsdorf reported that they are projecting that the general fund would go over budget and the need to bring before the Council by June 30, 2000 line items, which will be exceeding their budgeted amounts.

At the request of the Committee Ms. Gahlsdorf reviewed the proposal of reducing the water rates and imposing a water franchise fee. She indicated if the Sizemore bill passed these fees would be subject to rebate.

The Committee discussed this option and the pros and cons that it could entail.

Public Works Director, Rob Kissler supplied a history of the water

department and their short-term and long- term goals. He indicated if funds were transferred from the water facility fund it would take longer to meet the goals and needs of a growing community. He urged caution when considering this suggestion.

After further discussion the following motion was made.

Roy Duncan moved to take $200,000 from the water facility fund and place where the Council can access after the Sizemore issue.

Mr. Duncan indicated his motion was to enable the Council to move forward with this suggestion after the Sizemore decision.

The motion died due to the lack of a second.

The Budget Committee recessed at 8:07 p.m. and reconvened at 8:15 p.m.

Jerry McGee expressed that with the diligence and hard work of the committee he was confident that it could be declared that there would not be a need to seek a levy until next year. He suggested removing $13,500 from elections and urged the committee to list various items that could either be reduced or removed.

Pat Sparks-Tewell noted that she had verified under *Housing Services* that the $8,000 in contractual services could be eliminated as it was actually part of the $80,000 Housing Rehabilitation Services line item.

Ms. Gahlsdorf indicated restrictions on this fund and noted that $3,000 would be a better figure to remove from contractual services of the Housing Rehabilitation Fund.

The Committee discussed the rotation of police vehicles and the costs incurred for maintenance of the older vehicles. Chief Adams answered questions from the Committee.

Jerry McGee shared that he would support the need for five new police vehicles. He indicated this would remove approximately $10,000 from the Patrol Vehicle line item.

Jim Keller made a motion to accept the changes as made to the general fund including $200,000 from water sales fees. Also, in the event the Sizemore initiative passes in November 2000 that the department heads would be required to locate $200,000 in changes to the budget. Craig Campbell seconded the motion.

City Manager Mull indicated that the best way to do this would be to transfer the $200,000 to contingency and review again in

November after the election.

The Committee discussed the issues with this proposal and Mr. Keller made an amendment to his motion to read,

Jim Keller made the amendment to his motion to provide $116,000 in revenue from water sales. Craig Campbell accepted the amendment.

Mr. Mull stated he felt increasing the franchise fees would be more productive and would cause fewer issues in the long run for the city.

The Committee debated the reasons behind the shortfall in the budget, which included inflation, increases in staff and a low tax base. They also discussed various options that they could take.

Bob Newton requested that $20,000 be added into the motion to cover the expense of an updated parks master plan.

Jim Keller amended his motion from $116,000 to $136,000 from water sales fees to provide for $20,000 for the parks master plan. The motion passed as follows:

AYES: Campbell, Christopher, Clemens, Keller, McGee, Newton, Pilant and Sparks-Tewell (8)
NAYES: Anagnos, Duncan, Moir, and Wilson (4)
ABSENT: Caillier and Nightengale (2)
ABSTENTIONS: None (0)

Lore Christopher moved a motion that the $3,000 passed down from the Housing Services fund be earmarked for the Power Program at Whiteaker Middle School for the after school program in grades 6-9 totaling one year with a budget note indicating this. Roy Duncan seconded the motion.

Ms. Christopher explained the program and the activities to enable the children to make healthy choices.

Craig Campbell expressed his dissatisfaction with the motion noting that this would open up all groups coming before the city to request funds.

Jerry McGee stated that he did not feel it was the role of Keizer's government to fund this type of social program even though it was a worthy cause.

The motion failed as follows:

AYES: Christopher and Duncan (2)
NAYES: Anagnos, Campbell, Clemens, Keller, Moir, McGee, Newton, Pilant, Sparks-Tewell and Wilson (10)
ABSENT: Caillier and Nightengale (2)
ABSTENTIONS: None (0)

Jerry McGee moved to reduce the ending fund balance of the water fund from $136,000 to $133,000. Roy Duncan seconded the motion.

The motion passed unanimously as follows:

AYES: Anagnos, Campbell, Christopher, Clemens, Duncan, Keller, McGee, Moir, Newton, Pilant, Sparks-Tewell and Wilson (12)
NAYES: None (0)
ABSENT: Caillier and Nightengale (2)
ABSTENTIONS: None (0)

Jerry McGee moved to finance five police vehicles. Lore Christopher seconded the motion.

Vice Chair Newton noted by reducing the number of police vehicles from seven to five would enable a reduction of $10,000 within the proposed budget.

The Committee discussed the motion with Lt. Barker and Chief Adams who answered questions.

The motion failed as follows:

AYES: McGee (1)
NAYES: Anagnos, Campbell, Christopher, Clemens, Duncan, Keller, Moir, Newton, Pilant, Sparks-Tewell and Wilson (11)
ABSENT: Caillier and Nightengale (2)
ABSTENTIONS: None (0)

At Jerry McGee's request the Reserve Officer line item was discussed under the Police General Fund.

Chief Adams addressed a break down of costs within this fund.

Mr. Mull addressed questions pertaining to legal costs and the city hiring its own attorney in house. He indicated that with the cost of setting up this in house practice it would be at the similar fee the city is currently paying for the same contracted service.

Jerry McGee stressed that this issue should be reviewed by the new city manager within six months of his taking the position in

addition to review an in house judge.

Responding to questions, Mr. Mull indicated the engineering costs have gone down due to build out in the city. He felt that continuing to contract this service would be more beneficial to the city.

Lore Christopher explained the need for a Technical Support Person to troubleshoot computer and telephone problems.

Ted Anagnos stated his request for the need of the police department dealing with narcotics issues. He urged the Chief to provide costs in next year's budget that would involve Keizer being involved with an outside agency or personnel to cover this area.

Chief Adams addressed Mr. Anagnos concerns and noted there was not adequate personnel to cover narcotics issues in addition to what is already on their plates.

Jerry McGee stressed that it was not the Council's role to manage the police, but to supply policy direction that should be an ongoing process.

Ms. Gahlsdorf noted that the general fund had a deficit of $7,000 and the revenue fund had a contingency of $7,000 due to the proposed changes. She indicated the need to move the other expenditures into the revenue sharing fund.

Jim Keller moved to recommend the 2000-2001 budget as amended with an additional $7,000 to the City Council. Craig Campbell seconded the motion.

The motion passed unanimously as follows:

AYES: Anagnos, Campbell, Christopher, Clemens, Duncan, Keller, McGee, Moir, Newton, Pilant, Sparks-Tewell and Wilson (12)
NAYES: None (0)
ABSENT: Caillier and Nightengale (2)
ABSTENTIONS: None (0)

Jerry McGee requested a narrative of the final numbers before the completion of the adopted budget.

OTHER BUSINESS

Roy Duncan suggested in the future that collective bargaining be considered when workers are given a raise.

Vice-Chair Newton suggested that the Budget Committee be prepared to meet again in the fall. He also urged Chief Adams to review and update his strategic plan.

Mr. Mull indicated he felt it was imperative that the Five- year Financial Committee becomes involved to allow for input from the public regarding the levee issues.

Vice-Chair Newton thanked the Committee for their work.

ADJOURN

Vice Chair Newton adjourned the meeting at 9:37 p.m.

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Tracy L. Davis, CMC
City Recorder

BUDGET COMMITTEE CHAIR:

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Mark Caillier