The City of Keizer is committed to providing equal access to all public meetings and information per the requirements of the ADA and Oregon Revised Statutes (ORS). The Keizer Civic Center is wheelchair accessible. If you require any service such as language translation or other interpretive services that furthers your inclusivity to participate, please contact the Office of the City Recorder at least 48 business hours prior to the meeting by email at bissetm@keizer.org or phone at (503)390-3700 or (503)856-3412. To provide oral comments via electronic means, please contact the City Recorder's Office no later than 2:00 p.m. on the day of the meeting. Most regular City Council meetings are streamed live through www.KeizerTV.com and cable-cast on Comcast Channel 23 within the Keizer City limits. Thank you for your interest in the City of Keizer.

KEIZER LONG RANGE PLANNING TASK FORCE AGENDA

Monday, February 12, 2024, 6:00 PM
Keizer Civic Center

1. **CALL TO ORDER**
2. **APPROVAL OF MINUTES**
   a. **March 2023**
3. **APPEARANCE OF INTERESTED CITIZENS**
   a. **Written Comments Submitted to the 01/02/2024 City Council Meeting**
4. **NEW/OLD BUSINESS**
   a. **Presentation by Staff for Fiscal Year 2023-24**
5. **STAFF REPORT**
6. **OTHER BUSINESS**
7. **ADJOURNMENT**

Reminders ~ **Next Board Meetings:**
Monday, February 26, 2024 - Long Range Planning Task Force
Monday, May 13, 2024 - Budget Committee
Tuesday, May 14, 2024 - Budget Committee

"Agenda Management Services are being supported, in whole or in part, by federal award number 21.019 awarded to City of Keizer by the U.S. Department of the Treasury."

MINUTES
GENERAL FUND LONG RANGE PLANNING TASK FORCE
Monday, March 13, 2023
VIRTUAL MEETING

CALL TO ORDER

Mayor Clark called the meeting to order at 6:00 pm. Roll call follows:

ROLL CALL

Present:
Cathy Clark, Mayor
Soraida Cross, Councilor
Gerard Graveline
Robert Husseman, Councilor (6:18)
Kyle Juran, Councilor
Dan Kohler, Councilor
Melissa Martin
Marlene Parsons
Laura Reid, Councilor
Francisco Saldivar
Hersch Sangster
Shaney Starr, Councilor
Jonathan Thompson

Staff
Adam Brown, City Manager
Tim Wood, Finance Director
Tracy Davis, City Recorder
Machell DePina, Human Resources Director
Shannon Johnson, City Attorney
John Teague, Police Chief
Shane Witham, Planning Director
Bill Lawyer, Public Works Director

Absent:
Susan London

APPROVAL OF MINUTES

<u>Councilor Starr moved for approval of the March 14, 2022 Minutes. Marlene Parsons seconded. Motion passed as follows</u>: Clark, Graveline, Juran, Kohler, Martin, Reid, Sangster, Saldivar, Thompson and Starr in favor with Cross and Parsons abstaining, London absent and Husseman absent at time of vote.

DISCUSSION
a. Overview
b. General Operating Fund
- **Park Service Fee**
- **Police Service**

c. Water System

Finance Director Tim Wood explained that the Task Force is used as a mid-year financial update. Assumptions presented will be pushed out 5 years to align with the strategic plan that is currently being worked on. This is a forecast into the future with many assumptions made in the numbers and a warm-up for the budgeting process.

Mr. Wood shared a slide presentation which provided an overview of the General Operating Fund, population changes in the city, operating fund revenues vs. expenditures, property taxes, license and fees, intergovernmental funds, staffing, cost of living adjustments, health insurance and retirement costs, materials and services, capital outlay and financial projection.

d. Stormwater System

He continued with details on the Park and Police budget, an overview of the water system including comparable rates, rate increases, capital outlay, financial projection and rate analysis. Also provided was an overview of the Stormwater system including comparable rates, capital outlay, rate increases and financial projection.

Discussion followed regarding construction of multi-family housing which increases the population density, property taxes, expenses/revenues, marijuana taxes, Measure 110, allocation of resources in each fund, PERS costs, emergency call services, police staffing costs, police and parks fees, water system maintenance and water sales to Salem.

OTHER BUSINESS

a. **Budget Committee Meeting Timelines**
   Monday, May 8, 2023, 6 p.m.
   Tuesday, May 9, 2023, 6 p.m.
b. **Long Range Planning Task Force Meeting Timeline**
   Monday, March 11, 2024, 6 p.m.

Adjourn

Meeting adjourned at 7:15 p.m.

Minutes approved:

____

____
City Recorder

Wilson, Dawn

From: Bisset, Melissa
Sent: Saturday, December 30, 2023 1:46 PM
To: Wilson, Dawn
Cc: Cathy Clark; Brown, Adam
Subject: Fwd: Fees

Hi Dawn,

Please print copies and add to cover sheet for the meeting.

Thank you!

Melissa

From: Cathy Clark <ClarkC@keizer.org>
Sent: Saturday, December 30, 2023 10:34 AM
To: MARLENE Parsons [redacted]; Bisset, Melissa <bissetm@keizer.org>
Cc: Shaney Starr <StarrS@keizer.org>; Cross Soraida [redacted]; Kyle Juran <JuranK@keizer.org>; Laura Reid <ReidL@keizer.org>; Daniel Kohler <KohlerD@keizer.org>; Robert Husseman <HussemanR@keizer.org>
Subject: Re: Fees

Hello Melissa,
Please
Include in materials for Tuesday
Cathy Clark
Sent from my iPhone

On Dec 30, 2023, at 9:14 AM, MARLENE Parsons [redacted] wrote:

CAUTION: This email originated from Outside Your Organization. Exercise caution when opening attachments or on clicking links from unknown senders. Please <u>contact Information Technology for assistance.</u>

December 28, 2023

Keizer City Council
930 Chemawa Rd NE
Keizer, OR 97303

Subject: Regret for Voting for "Fee for Service" in 2017 and Request for Resolution

Dear Keizer City Council,

I am writing to express my regret for my previous vote in favor of the "fee for service" for parks and police in 2017, which was implemented without a vote of the people. I believe that decisions of such significance should be made through a democratic process, allowing the voices of the community to be heard and considered.

Upon reflection, I have come to realize the importance of ensuring that the residents of Keizer have a say in matters that directly impact their lives and the services they receive. It is crucial that we maintain a transparent and inclusive decision-making process, where the will of the people is respected and upheld.

Therefore, I request the Keizer City Council approve a resolution that prevents any future discretionary "fees for service" without a vote of the people before implementation. By doing so, we can ensure that the community's interests are safeguarded and that decisions regarding such fees are made collectively, with the active participation of the residents.

I understand that the City Council faces numerous challenges and must make difficult decisions on a regular basis. However, I firmly believe that a resolution of this nature would not only strengthen the bond between the council and the community but also foster a sense of trust and collaboration.

Please feel free to reach out to me if you require any further information or if I can be of assistance in any way. I look forward to witnessing the positive impact that this resolution will have on our community.

Yours sincerely,

Marlene Parsons
Keizer City Councilor 2013-2021

Wilson, Dawn

From:	Cathy Clark
Sent:	Tuesday, January 2, 2024 8:35 AM
To:	Wilson, Dawn
Subject:	Fw: Park/Police Fee
Attachments:	Keizer letter .docx

Would you add this one as well?
It got caught in the Barracuda filter.
thanks
Cathy

Cathy Clark, Mayor
City of Keizer
clarkc@keizer.org
503-856-3403
All emails sent and received through this email address are public records.

From: Amy Ryan Courser [redacted]
Sent: Tuesday, January 2, 2024 6:16 AM
To: Cathy Clark
Subject: Park/Police Fee

<h3>CAUTION: This email originated from Outside Your Organization. Exercise caution when opening attachments or on clicking links from unknown senders. Please contact Information Technology for assistance.</h3><p>

Dear Madam Mayor and Councilors, enclosed is my response to the current conversation regarding the park and police fee discussion. I am available for a conversation for anyone interested in discussing my thoughts in this letter.

Thank you all for your service and for all you do for Keizer.

Happy New Year,
Amy Ryan Courser

Dear Madam Mayor, Council and staff,

I was asked recently both by phone and an email to make a statement of regret and remorse on the 2017 council decision on the fees for both parks and police.

I am proud to share that to this day I do not share in that sentiment of remorse, and I can see that there seems to be some division of leadership on this topic. It appears to me that the division is being led by those who did not participate in the process, nor did we have the strong opposition that I am currently hearing now from these same individuals, none who came forward to share their concerns or objections at the time of the council's decision. I am also hearing that there are those who are trying to compare this previous decision to issues other cities are having, for example the City of Salem and in retrospect Aumsville. I would caution that these comparisons are not apple to apple, though I do not know their history, if those councils did their homework or if the fee was just placed on the agenda for a vote without the work behind it? Though I am not sure which agenda items from other cities they are referring to I did participate in the objection and testified in person regarding the increased payroll tax for Salem though in my opinion there is again no comparison on that issue.

In 2015 council, staff and the parks board began working tirelessly for over two years on the process of implementing this fee. Please note that when we began considering the process of the city fee it was not taken lightly, was never done in secret and was given the respect and due diligence of serious work and consideration on behalf of the people of Keizer. The process was a huge undertaking, that ultimately resulted in an overwhelming approval rate of 83% of citizens agreed that it was needed. In those two years, through several forums we spoke with citizens listening to everyone. We began with creating a survey, the purpose was to record the pros and cons, explain the fee, how it would be used and the process of how the city funded their services. It was mailed to EVERY Keizer household, and we spent countless hours sharing the survey and information by holding three issue specific town halls, we made presentations to all Keizer city boards and committees, including the parks board, budget board, multiple planning committee meetings, all neighborhood associations, city events, local associations, with many hours of dedicated time spent in engaging citizens at local restaurants, Starbucks, Safeway and Rite Aid. We hand out the survey asking people to fill out the survey in personal these locations as well, they could take it and mail it in or drop it off. We communicated this info and survey through our personal social medias, city social media, CCTV, several council meetings in person, inviting all to come and share their thoughts and opinions and we went door to door to many homes at the main arteries in Keizer. We spent hundreds of hours on this proposed agenda item.

The citizen response and support were in my opinion overwhelming; my mentor and friend Jerry McGee, whom I consider Mr. Keizer spoke with us at length regarding this fee, pros and cons, and ultimately supported it as did some Keizer greats such as Dr. Michael Gaynor, Phil Bay and Chief Teague, and others, all whose opinions we respected greatly.

As a matter of fact, I would say that we were not just proud of the work and effort that went into implementing this fee to support the city but we also achieved excellent communication with the citizens on a very important issue through creating citizen engagement which has always been difficult to accomplish as a city councilor no matter what the topic.

An important note, in the communication with the citizens the final result included that those citizens who were concerned or who were on a fixed income or or needed an exemption could request and or were concerned could opt out by contacting the city finance department.

I am thrilled with the outcome and results of implementing this fee. We were able to create seven city full time jobs with benefits, able to accomplish great things for our parks including repairs that need to be made for safety concerns, updating the ADA requirements which we were non-compliant and a safer place for all of our kids and families. I would also share that in my opinion this fee was even more important to our city police by allowing the hiring of 5 police officers which was critical to public safety concerns. I would also remind you that this public safety issue was an ongoing point of contention for many years, where the city tried to find money to hire officers in order to support the growing needs of our community and had been turned down in budget year after year. I think the councils support of our police was critical to support the hiring and resources that our department desperately needed. I believe that the need is currently increased and critical to the future of the city and the safety of our citizens.

We committed to being a good steward of that fee and not only have we accomplished this we did it right. The citizens were well informed and participated in the process and agreed to support the need of financial support for services that were in existence.

I welcome all conversations and questions regarding this topic and wish you all a very happy and prosperous new year.

Sincerely,
Amy Ryan Courser
Former Keizer City Councilor 2014 to 2018

Bisset, Melissa

From:	Judy Proctor [redacted] on behalf of Dick Withnell [redacted]
Sent:	Wednesday, December 20, 2023 9:58 AM
To:	Bisset, Melissa
Subject:	Comments for Keizer City Council Meeting - January 2, 2024
Importance:	*High*

CAUTION: This email originated from Outside Your Organization. Exercise caution when opening attachments or on clicking links from unknown senders. Please <u>contact Information Technology for assistance.</u>

December 20, 2023

Richard ("Dick") Withnell
[redacted]

Subject: Comments to City Council, Keizer, Oregon

I am presenting comments which I gave to the Salem City Council, during the recent issue of implementing a potential Salem City Payroll Tax without voter approval. These comments are also applicable to adding taxes to Keizer citizens, without voter approval, under the guise of "fees for service"—counter-productive for increased cash flow for nation/state/county/city.

As stated in my opposition remarks to the Salem City Council, I know this will sound counter-intuitive: Cutting taxes increases receipts in treasury (cash flow).

1. **President John F. Kennedy, in the mid-'60s, cut federal taxes.**

2. **President Ronald Reagan, early '80s, cut federal taxes.**

Within months, treasury receipts increased significantly—just like a u-turn.

Another truth about taxes: In 1980, luxury taxes were put in effect on the wealthy.

A Vancouver, Washington large boatyard built expensive yachts. With the luxury tax, in 18 months, it went broke. More than 150 workers lost their jobs. The rich took off for other countries—Spain, mainly.

Remember, we just passed record bond issues, including the 24J School District Bond and the new Salem Police facility. Plus, Mid-Willamette Valley residents, out of their abundance, helped raise funds for the Union Gospel Mission, YMCA, Boys & Girls Club—their giving was in the millions.

Another thing to think about: Chemeketa Community College is going up for a bond issue in 2024—a need we can all agree upon. This additional tax ("fees for service") will contaminate the electorate to becoming negative, because of expenses, such as taxes.

No matter the input of comments to the Keizer City Council—for or against—it is vitally important for the citizens to be involved in the decision-making process, showing what will or won't happen, for or against "service fees" (taxes).

Again, please keep in mind the counter-intuitiveness of fewer taxes = higher receipts, but proved by both John F. Kennedy in the mid-'60s, and Ronald Reagan in the early '80s, representing both sides of the political table, Democrat and Republican.

Thank you for your consideration.

[redacted]

Richard ("Dick") Withnell

Long Range Planning Task Force

Fiscal Year 2023-24

Agenda

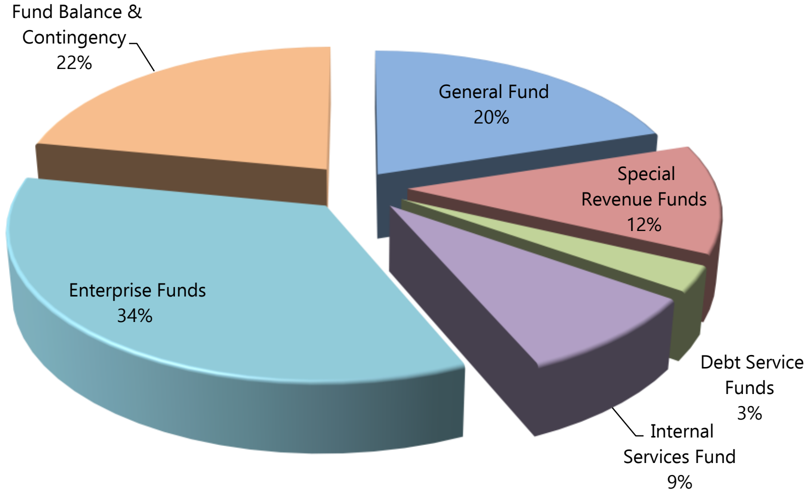
- City-wide Overview
- General Operating Fund
  - Park Service Fee
  - Police Services Fee
- Water System
- Stormwater System
- Questions

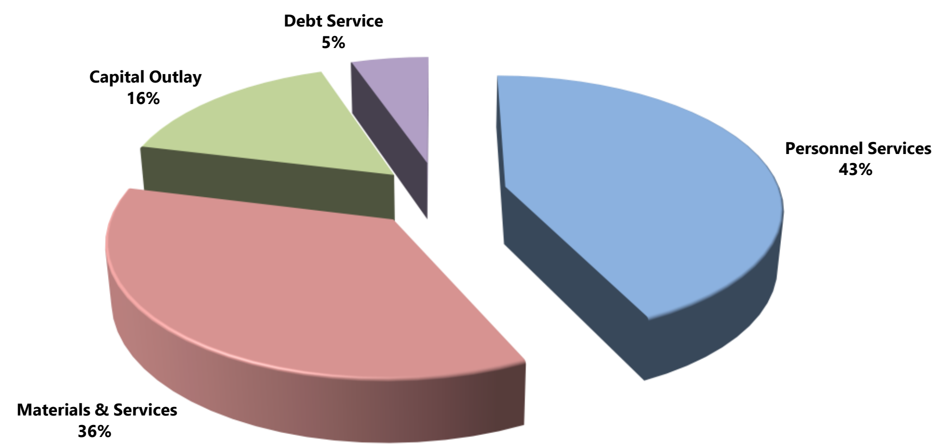
City-wide Overview

	Governmental Activities		Business-type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Program Revenues						
Fees, fines, and charges for services	$ 2,307,423	$ 2,211,573	$ 12,876,902	$ 12,104,825	$ 15,184,325	$ 14,316,398
Operating grants and contributions	8,102,096	8,884,920	-	-	8,102,096	8,884,920
Capital grants and contributions	654,707	595,188	81,436	74,502	736,143	669,690
Total program revenues	11,064,226	11,691,681	12,958,338	12,179,327	24,022,564	23,871,008
General Revenues						
Taxes and assessments	6,462,799	6,252,444	-	-	6,462,799	6,252,444
Franchise taxes	3,224,123	3,044,911	-	-	3,224,123	3,044,911
Intergovernmental	1,318,658	1,234,553	-	-	1,318,658	1,234,553
Gain on the sale of capital assets	5,100	12,526	74,370	-	79,470	12,526
Miscellaneous	1,110,230	717,344	541,400	321,210	1,651,630	1,038,554
Total general revenues	12,120,910	11,261,778	615,770	321,210	12,736,680	11,582,988
Total Revenues	23,185,136	22,953,459	13,574,108	12,500,537	36,759,244	35,453,996
Expenses						
Programs	18,169,183	17,408,574	13,393,559	12,421,597	31,562,742	29,830,171
Change in net position before transfers	5,015,953	5,544,885	180,549	78,940	5,196,502	5,623,825
Transfers	(521,000)	(528,300)	521,000	528,300	-	-
Change in net position	4,494,953	5,016,585	701,549	607,240	5,196,502	5,623,825
Beginning net position	65,646,232	60,629,647	14,135,160	13,527,920	79,781,392	74,157,567
Ending net position	$ 70,141,185	$ 65,646,232	$ 14,836,709	$ 14,135,160	$ 84,977,894	$ 79,781,392

4

City-wide Overview





5

City-wide Overview – Population Growth

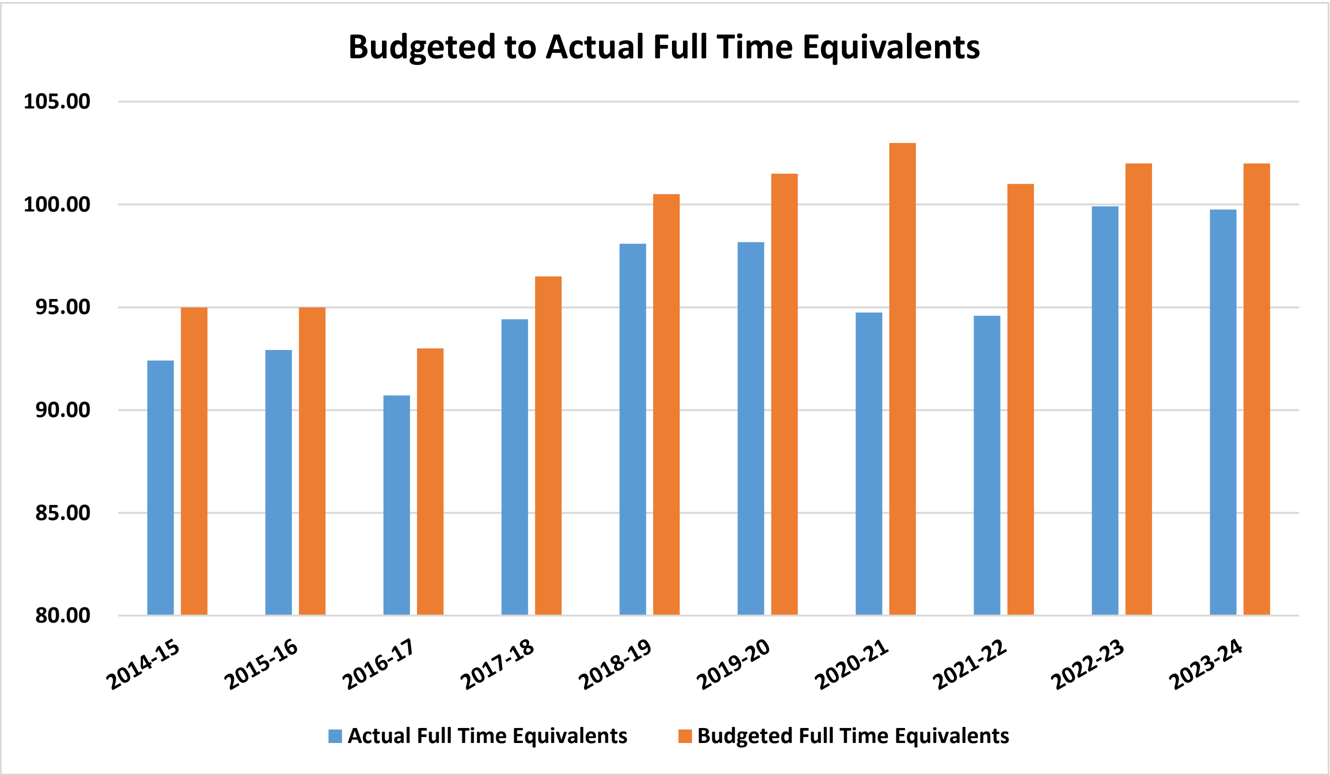
- Over the last 10 years the City has grown on average 0.65% per year. The limited population growth has a direct impact on property taxes, franchise fees and the City's per capita allocation of intergovernmental revenues.

- Keizer is the 15th largest City in Oregon.

	Population		
July 1,	**Total**	**Increase**	**% Increase**
2014	36,795	60	0.2%
2015	36,985	190	0.5%
2016	37,505	520	1.4%
2017	38,345	840	2.2%
2018	38,505	160	0.4%
2019	38,580	75	0.2%
2020	38,585	5	0.0%
2021	39,458	873	2.3%
2022	39,561	103	0.3%
2023	39,169	(392)	-1.0%

City-wide Overview - Staffing

6



Years of Service	# Employees	% of Total Employees
0-5	31	31%
5-10	23	23%
10-15	8	8%
15-20	16	16%
20-25	10	10%
25-30	8	8%
30+	3	3%
	99	100%

2023-24 Average Years of Service 11.62

Years of Service	# Employees	% of Total Employees
0-5	36	36%
5-10	18	18%
10-15	10	10%
15-20	16	16%
20-25	12	12%
25-30	6	6%
30+	3	3%
	101	100%

2022-23 Average Years of Service 10.92

7

City-wide Overview – Cost of Living

- The City periodically reviews salary and wages to ensure they are consistent with comparable agencies.

- Cost of living adjustments, are initially based on the CPI-Urban Wage Earners and Clerical Workers: West – Size Class B/C adjusted for trends from comparable agencies and subject to adequate funds available.

- The 2023 CPI is approximately 4.3%.

- Represented employees are provided cost of living adjustments based on negotiated collective bargaining agreements.

Calendar		Cost of Living			
Year	CPI-W*	Fiscal Year	Unrep	KPA	Local 737
2014	2.4%	2015-16	1.5%	2.5%	2.0%
2015	1.2%	2016-17	1.5%	2.5%	2.0%
2016	2.1%	2017-18	1.5%	2.5%	2.0%
2017	4.2%	2018-19	3.0%	3.0%	3.0%
2018	3.0%	2019-20	2.5%	2.5%	3.0%
2019	2.4%	2020-21	2.5%	2.5%	2.4%
2020	1.7%	2021-22	2.0%	2.5%	2.0%
2021	5.5%	2022-23	4.5%	4.0%	5.5%
2022	8.7%	2023-24	3.0%	5.0%	3.5%
2023	4.3%	2024-25	-	4.0%	-

* changed from CPI-W Portland-Salem to
CPI-W West Class B/C as index ended December 2017.

City-wide Overview - PERS

- The City participates in the Public Employer Retirement System (PERS) in lieu of contributing to Social Security.
- PERS contributions are actuarially calculated and assessed to the City as a percentage of gross compensation. The contribution rates are for a two-year period.
- The advisory contribution rates effective July 1, 2025 are 35.70%, 30.46% and 25.87% for Tier One/Two, OPSRP Police and Fire, and OPSRP General respectively.

	Tier 1/2			OPSRP Police & Fire			OPSRP General				
	Employees Covered	Contribution Rate	Annual Expense	Employees Covered	Contribution Rate	Annual Expense	Employees Covered	Contribution Rate	Annual Expense	Employer Match	Total Expense
2013-14	37	10.69%	$ 320,062	8	4.92%	$ 30,031	40	2.19%	$ 47,758	$ 347,040	$ 744,891
2014-15	37	10.69%	336,046	10	4.92%	33,133	42	2.19%	52,612	373,164	794,955
2015-16	35	14.09%	464,154	10	10.30%	83,421	44	6.19%	165,492	406,660	1,119,727
2016-17	34	14.09%	429,374	12	10.30%	88,832	44	6.19%	166,739	396,210	1,081,155
2017-18	32	17.72%	544,473	12	12.07%	123,277	45	7.30%	202,751	412,285	1,282,786
2018-19	27	17.72%	537,382	17	12.07%	156,973	48	7.30%	227,458	446,963	1,368,776
2019-20	24	20.65%	544,591	20	14.12%	225,372	50	9.49%	315,488	451,052	1,536,503
2020-21	24	20.65%	518,507	23	14.12%	255,038	50	9.49%	319,875	459,343	1,552,763
2021-22	21	24.18%	552,723	24	19.40%	418,807	49	15.04%	523,366	431,477	1,926,373
2022-23	20	24.18%	515,053	27	19.40%	485,163	53	15.04%	571,032	452,429	2,023,677
2023-24 - Est	21	30.05%	731,000	26	25.14%	611,000	53	20.35%	892,000	466,800	2,700,800

City-wide Overview – Health Insurance

- The City provides health insurance to all permanent status employees.

- Employees from the City's two labor groups, Keizer Police Association and the Local 737 contribute 5% to their health insurance while non-represented contribute 10%.

- The City, in conjunction with a third party broker, aggressively negotiates any rate increases.

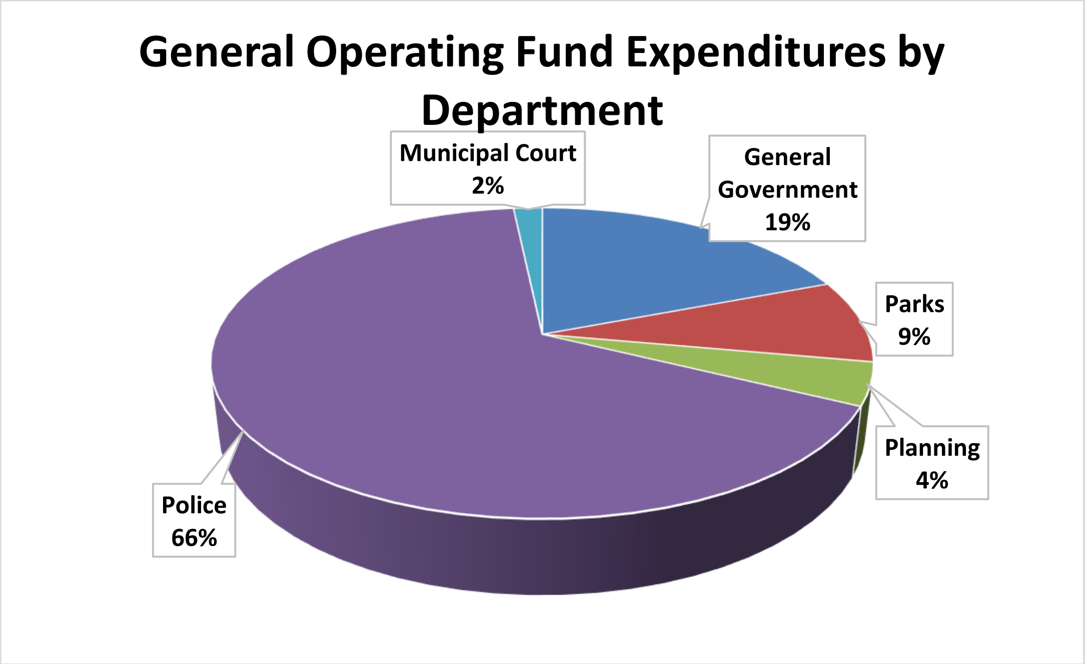
Fiscal Year	Health Insurance	FTE	Avg Cost Per Employee	% Percent Increase
2014-15	$ 1,655,572	92.42	$ 17,914	5.2%
2015-16	1,722,945	92.92	18,542	3.5%
2016-17	1,785,752	90.71	19,686	6.2%
2017-18	1,990,213	94.42	21,078	7.1%
2018-19	2,207,114	98.08	22,503	6.8%
2019-20	2,274,729	98.17	23,171	3.0%
2020-21	2,332,369	94.75	24,616	6.2%
2021-22	2,350,332	94.58	24,850	1.0%
2022-23	2,490,136	99.92	24,921	0.3%
2023-24 - Est	2,612,000	99.75	26,185	5.1%

General Operating Fund Overview

- The General Operating Fund is the chief operating fund of the City and accounts for all financial resources and expenditures except those required to be accounted for in another fund.

The General Operating Fund provides for:

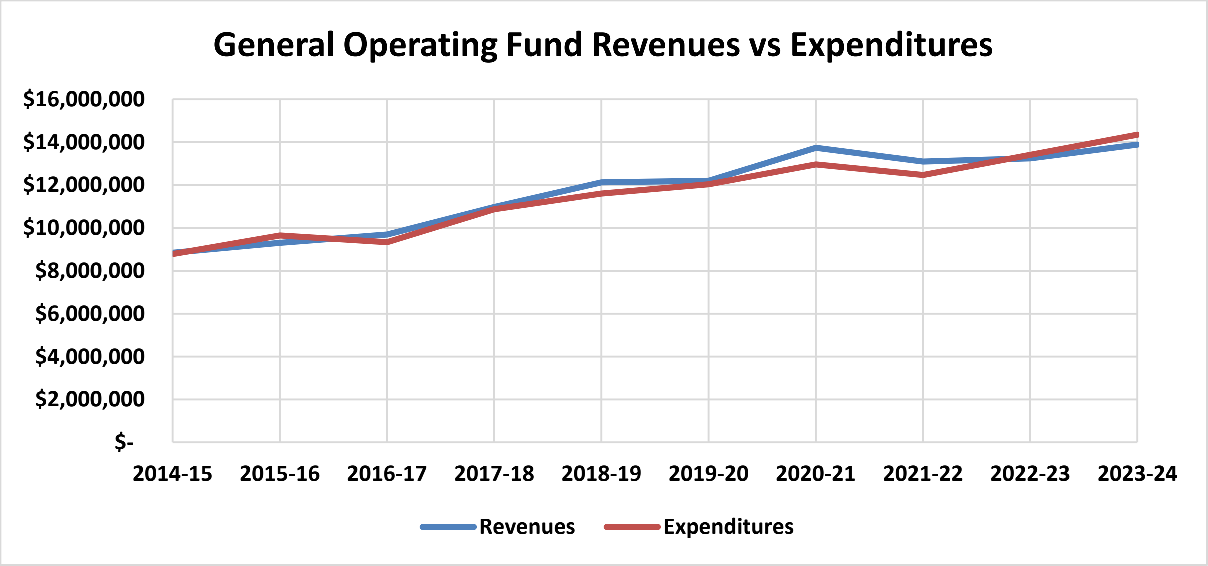
- Police Department,
- Municipal Court,
- Planning,
- Parks Operation, and
- General Government



General Operating Fund Overview

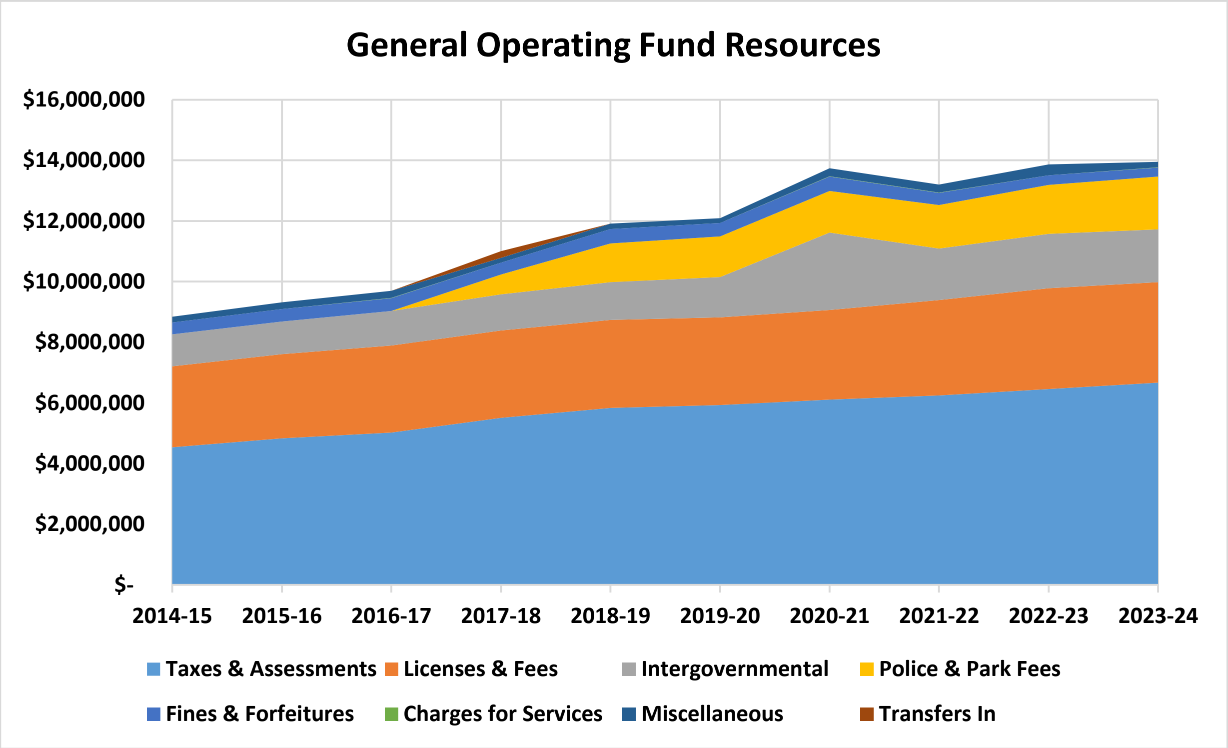
- The General Operating Fund is the City's most constrained fund in relation to the level of services provided and highly dependent on ongoing City growth.

- The City experienced a spike in revenues during 2020-21 as the result of receiving $1.1 million in CARES Act revenue in response to the COVID-19 pandemic.



General Operating Fund - Resources

- The primary sources of revenue are:
  - Taxes and assessments
  - Licenses and fees,
  - Intergovernmental, and
  - Police and Park fees
- The City has been intentionally trying to diversify revenues so that it is not dependent on any one source.



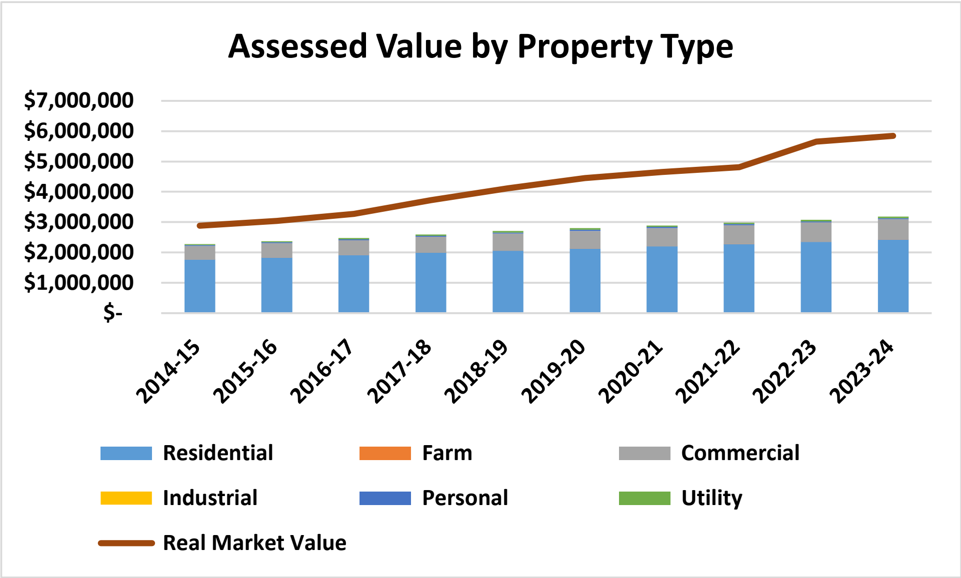
General Operating Fund – Property Taxes

- Property taxes are assessed using a levy rate on each $1,000 of assessed valuation.

- They are classified into three types:
  - permanent rate levy for general purpose operations,
  - local option serial levies for specific purposes approved by voters, and
  - bonded debt principal and interest.

- The City's permanent rate levy is a function of its permanent tax rate ($2.0838) applied to its assessed value (per $1,000).

- The City has no local option serial levies or bonded debt levies



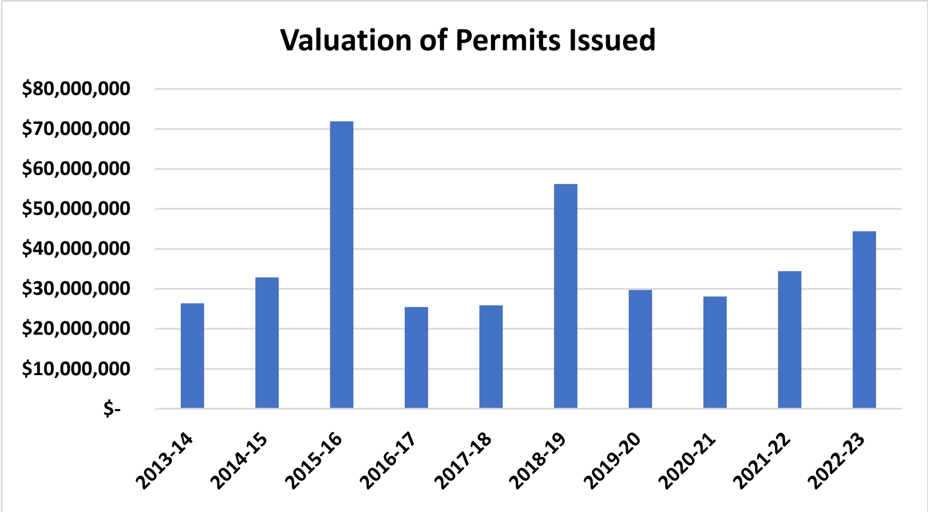
General Operating Fund – Property Taxes

14

- The long-range plan projects the tax base levy by estimating the new assessed value and applying it to the City's applicable tax rate.

- The estimation of the assessed value starts with the previous year's assessed value and adds three factors:
  - a growth factor (maximum allowed by law is 3%),
  - an allowance for new construction, and
  - an allowance for annexed property.

- Given the limited availability of buildable land it is expected that the increase in assessed value will be approximately 3%, the maximum allowed by law.



15

General Operating Fund – Property Taxes

- Measure 5 (1990) Introduced limits on the taxes paid by individual properties:
  - Schools - $5 per $1,000 of real market value
  - Government - $10 per $1,000 of real market value

The limits do not include bonded debt levies.

Districts exceeding the limits had its tax rate reduced until the limit was reached – "Compression"

The City of Keizer doesn't experience compression because of the large difference between the real market value and the assessed value.

City of Keizer	$	2.08
Overlapping Governments:		
Marion County		3.03
Keizer Fire District (Marion County Fire $2.49		1.94
Marion County Soil & Water		0.05
Marion County Extension and 4-H		0.05
Regional Library		0.08
Transit District		0.76
Total Governments		**7.99**
Overlapping School Districts		
School District		4.52
Willamette Regional ESD		0.30
Community College		0.89
Total School Districts		**5.71**
Total Tax Rate	**$**	**13.70**

16

General Operating Fund – Property Taxes

- Measure 50 (1997) introduced:
  - Permanent tax rates
  - Reduced assessed values
  - Limited annual growth in assess value.
- The City's permanent tax rate of $2.0838 was established in 1998 when the population was 29,235.
- The assessed value was reset to 90% of the 1995-96 value and for existing properties limited to a 3% annual increase for existing properties.

		2023-24 Actual Tax Revenue	3% Increase in Assessed Value	2024-25 Estimated Tax Revenues
1	City of Keizer Assessed Value	$3,183,346,840	$95,500,405	$3,278,847,245
2	Permanent Tax Rate per $1,000	$2.0838		$2.0838
3				
4	Gross Property Tax Revenues	6,633,458		6,832,462
5				
6	Penalties/Compression/Adjustments	-		-
7				
8	Property Tax Revenues	6,633,458		6,832,462
9				
10	Uncollectables and Discounts @ 5%	(331,673)		(341,623)
11				
12	Net Anticipated Tax Collected	$ 6,301,785		$ 6,490,839

General Operating Fund – Property Taxes

- New construction is not added to the property tax rolls at the construction cost or real market value it is reduced by the "Change Property Ratio" calculated by the County every year.

- The assessed value does not change if there is a change in ownership.

		Residential Home, 3 Bedroom 2 Bath, Built in 1998	Residential Home, 3 Bedroom 2 Bath, Built in 2023	New Apartment Complex
1	Real Market Value	$ 490,550	$ 490,000	$ 18,990,000
2				
3	**Change Property Ratio**	**-**	**0.5087**	**0.4096**
4				
5	Assessed Value	254,770	249,263	7,778,304
6				
7	Tax Rate	2.0838	2.0838	2.0838
8				
9	Property Tax	$ 531	$ 519	$ 16,208
10				
11	Zillow Value	$ 458,400	$ 490,000	

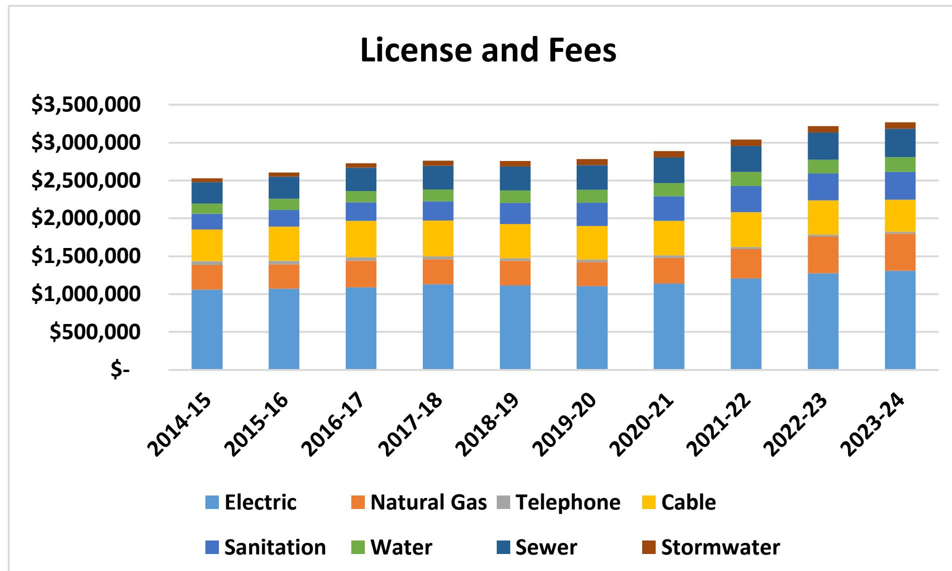
18

General Operating Fund – License and Fees

- These fees are collected based upon rates applied to the gross operating revenues generated within the City. Franchise fee rates have been set at:
  - 5% for natural gas, electricity, garbage, cable and broadband, water, sewer and stormwater, and
  - 7% for telephone.

- Overall franchise fees are growing approximately 3.5% per year primarily as the result of rate increases associated with electricity, water, sewer and sanitation services.

- Natural gas fluctuate based on the weather. Telephone and cable continue to decrease as customers continue to "cut the cord."

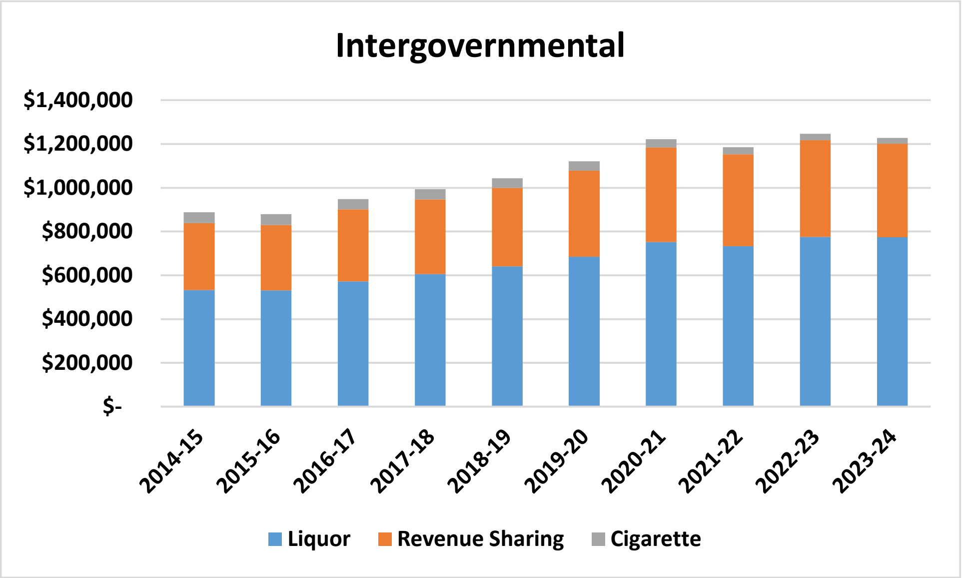


General Operating Fund - Intergovernmental

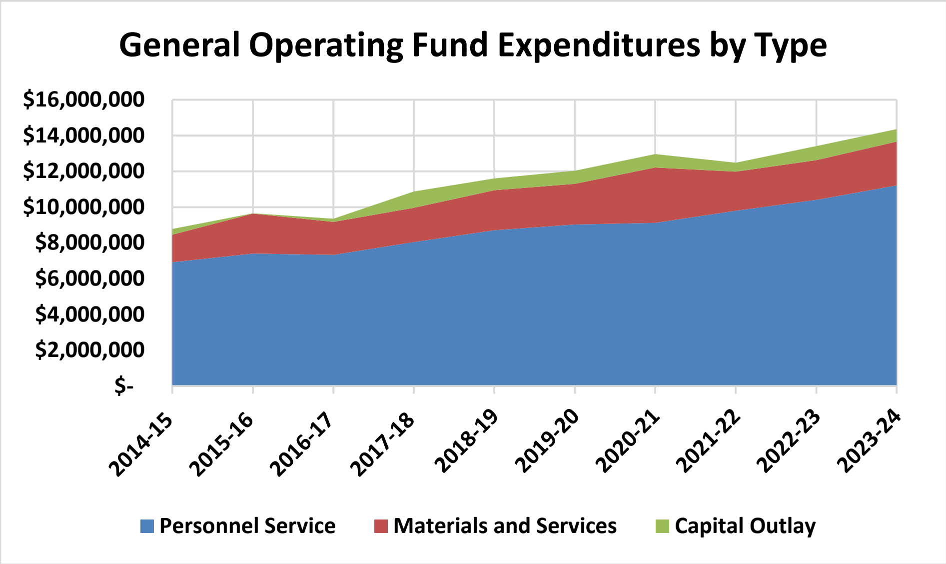
- Intergovernmental revenues include federal, state, and local grant revenues and state-shared revenues received from the State of Oregon.

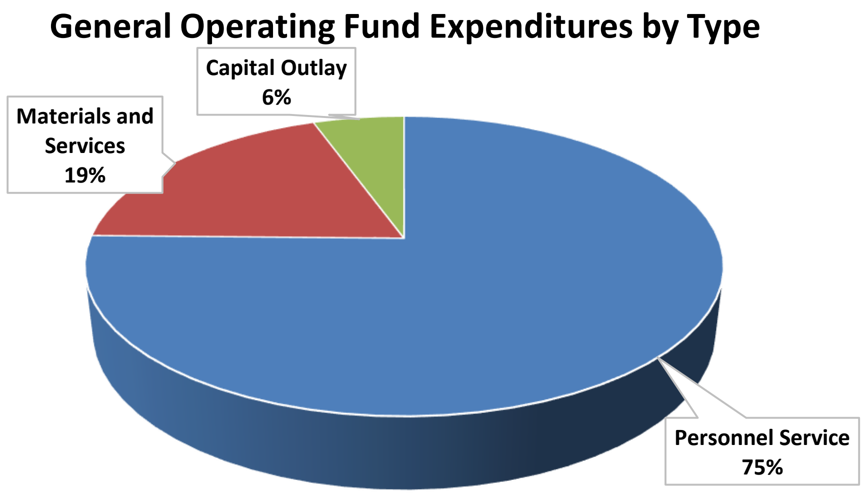
- The State of Oregon collects gas, cigarette, and liquor taxes and shares these taxes with its political subdivision based upon a per capita distribution.

- To the extent that the City's population growth is lower than the rest of the state the City's proportion share of intergovernmental revenues will be less.



General Operating Fund - Expenditures





21

General Operating Fund - Staffing

Actual Positions Directly and Indirectly Supported by the General Operating Fund

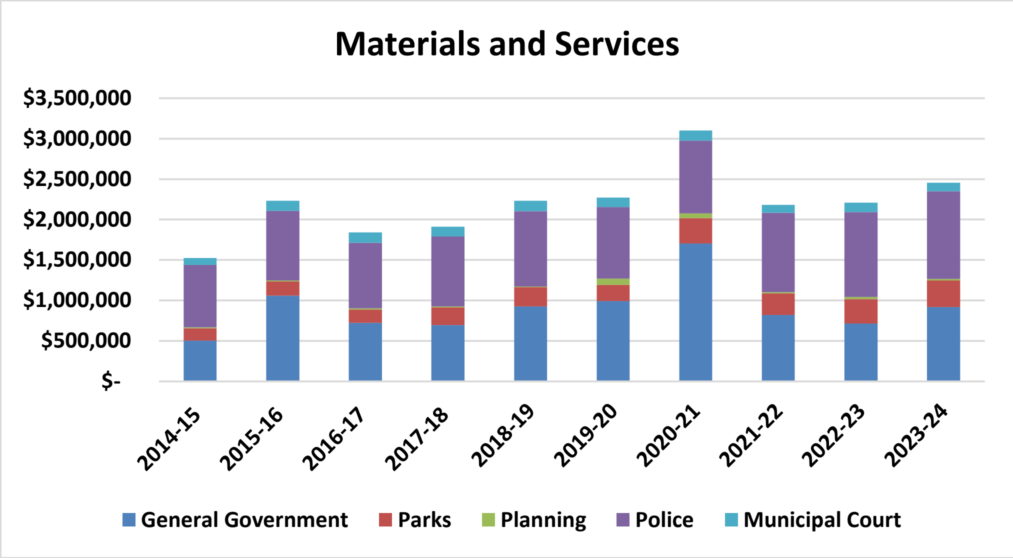
Department	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Direct										
Police	45.17	44.42	43.46	45.33	47.67	47.33	46.83	47.00	48.92	47.42
Planning	3.84	3.84	3.42	3.84	3.84	3.76	2.84	2.84	2.84	2.84
Code Enforcement	0.25	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85
Parks	1.90	1.90	1.90	2.73	3.73	3.90	3.90	3.90	3.90	4.40
Municipal Court	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Indirect										
Finance	1.94	1.69	1.36	1.60	1.56	1.56	1.30	1.14	1.46	1.56
Information Technology	1.05	1.36	1.31	1.31	1.36	1.35	1.35	1.35	1.35	1.35
City Recorder	1.44	1.44	1.38	1.38	1.39	1.39	1.39	1.39	1.45	1.51
City Attorney	1.74	1.71	1.64	1.64	1.60	1.60	1.60	1.60	1.60	1.73
Human Resources	1.33	1.36	1.31	1.31	1.36	1.35	1.35	1.35	1.35	1.35
City Manager	0.77	0.77	0.74	0.74	0.74	0.74	0.61	0.80	0.74	0.74
Facilities	0.66	0.68	0.66	0.65	0.68	0.68	0.68	0.68	0.68	0.68
Public Works Administration	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07
Total	**61.16**	**61.08**	**59.11**	**62.46**	**65.84**	**65.57**	**63.77**	**63.96**	**66.20**	**65.49**

General Operating Fund – Materials and Services

- Materials and services represent approximately 19% of the General Operating Funds budget.

- Included in materials and services is 911 Call Center costs of approximately $575,000 per year. This amount is the net amount after the City's share of 911 tax, approximately $215,000, is applied against the balance.

- Other individually significant costs include property and liability insurance, information technology costs and municipal court assessments.



General Operating Fund – Capital Outlay

- Capital Outlay represents approximately 6% of the General Operating Funds budget.

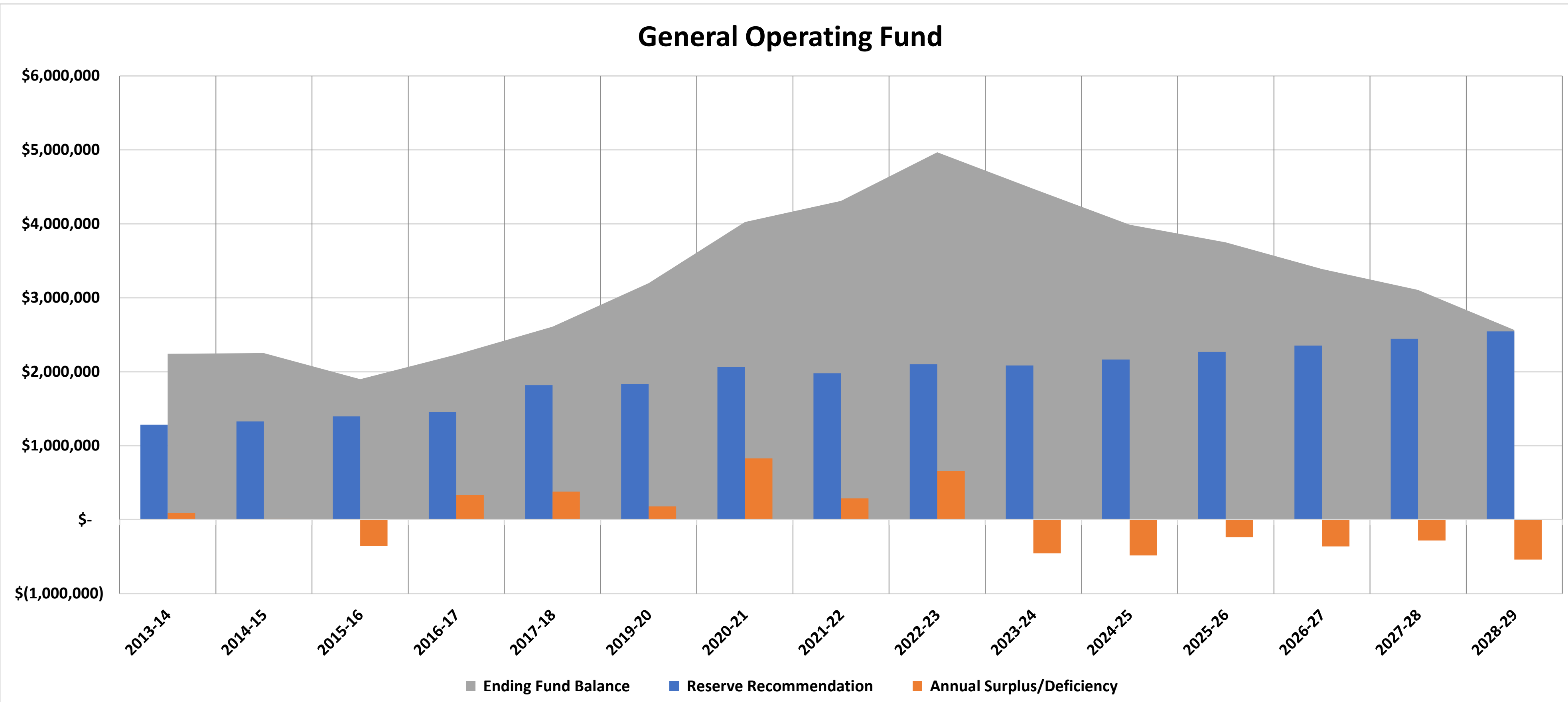
- Capital outlay consists of park improvements outlined in the Parks Master Plan and ongoing Police Department vehicle purchases.

- It is anticipated that capital outlay will remain consistent for the foreseeable future.

General Operating Fund – Financial Projection

		PROJECTED		FORECASTED									
		2023-24	% of Rev	2024-25	% of Rev	2025-26	% of Rev	2026-27	% of Rev	2027-28	% of Rev	2028-29	% of Rev
1	**REVENUES:**												
2	Taxes & Assessments	6,674,000	47%	6,867,000	47%	7,135,000	47%	7,339,000	47%	7,549,000	46%	7,766,000	46%
3	Licenses & Fees	3,304,000	23%	3,483,000	23%	3,591,000	23%	3,689,000	22%	3,791,000	23%	3,895,000	23%
4	Intergovernmental	1,745,000	12%	1,730,000	12%	1,750,000	12%	1,799,000	12%	1,850,000	11%	1,903,000	11%
5	Fines & Forfeitures	300,000	2%	301,000	2%	352,000	2%	355,000	2%	357,000	2%	359,000	2%
6	Other	181,000	1%	157,000	1%	155,000	1%	155,000	1%	155,000	1%	155,000	1%
7	**TOTAL NET REVENUES**	**12,204,000**	87%	**12,538,000**	87%	**12,983,000**	86%	**13,337,000**	85%	**13,702,000**	84%	**14,078,000**	83%
8	Police Services Fee	1,008,000	8%	1,209,000	9%	1,452,000	9%	1,669,000	10%	1,920,000	12%	2,208,000	13%
9	Park Services Fee	684,000	5%	684,000	5%	684,000	5%	684,000	4%	684,000	4%	684,000	4%
10	**TOTAL REVENUES**	**$ 13,896,000**	100%	**$ 14,431,000**	100%	**$ 15,119,000**	100%	**$ 15,690,000**	100%	**$ 16,306,000**	100%	**$ 16,970,000**	100%
11													
12	**EXPENDITURES:**		% of Exp		% of Exp		% of Exp		% of Exp		% of Exp		% of Exp
13	General Government	$ 2,620,000	18%	$ 2,715,000	18%	$ 2,804,000	18%	$ 2,914,000	18%	$ 3,004,000	18%	$ 3,125,000	18%
14	Planning	565,000	4%	601,000	4%	626,000	4%	658,000	4%	683,000	4%	719,000	4%
15	Municipal Court	211,000	2%	237,000	2%	240,000	2%	250,000	2%	259,000	2%	269,000	2%
16	Parks	1,145,000	9%	1,129,000	7%	1,150,000	7%	1,182,000	7%	1,207,000	7%	1,396,000	8%
17	Police	9,811,100	68%	10,234,000	70%	10,537,000	70%	11,048,000	69%	11,436,000	69%	12,001,000	69%
18	Interfund Loan Repayment	30,000	0%	30,000	0%	30,000	0%	-	0%	-	0%	-	0%
19	**TOTAL EXPENDITURES**	**$ 14,352,100**	100%	**$ 14,916,000**	100%	**$ 15,357,000**	100%	**$ 16,052,000**	100%	**$ 16,589,000**	100%	**$ 17,510,000**	100%
20													
21	**REVENUES IN EXCESS OF EXPENDITURES**	(456,100)		(485,000)		(238,000)		(362,000)		(283,000)		(540,000)	
22													
23	**BEGINNING FUND BALANCE**	4,124,200		3,668,100		3,183,100		2,945,100		2,583,100		2,300,100	
24													
25	**ENDING FUND BALANCE**	**$ 3,668,100**		**$ 3,183,100**		**$ 2,945,100**		**$ 2,583,100**		**$ 2,300,100**		**$ 1,760,100**	
		26%		22%		19%		16%		14%		10%	

General Operating Fund – Financial Projection



General Operating Fund – Park

		PROJECTED	FORECASTED				
		2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
1	**REVENUES:**						
2	Park Service Fees *	682,000	682,000	682,000	682,000	682,000	682,000
3	General Fund Support	360,800	360,800	360,800	360,800	360,800	360,800
4	Other Revenues	97,100	95,700	98,600	101,600	104,600	107,700
5	**TOTAL REVENUES**	**$ 1,139,900**	**$ 1,138,500**	**$ 1,141,400**	**$ 1,144,400**	**$ 1,147,400**	**$ 1,150,500**
6							
7	**EXPENDITURES:**						
8	Personnel Services	519,000	604,000	625,000	657,000	682,000	718,000
9	Materials & Services	326,000	300,000	300,000	300,000	300,000	300,000
10	Capital Outlay	300,000	225,000	225,000	225,000	225,000	225,000
11	**TOTAL EXPENDITURES**	1,145,000	1,129,000	1,150,000	1,182,000	1,207,000	1,243,000
12							
13	**REVENUES IN EXCESS OF EXPENDITURES**	**$ (5,100)**	**$ 9,500**	**$ (8,600)**	**$ (37,600)**	**$ (59,600)**	**$ (92,500)**

The fee is currently $4.00 per month for single family residences and non-residential locations and $3.45 per unit per month for multi-family dwellings. In addition age related and low income discounts are available.

Based on the current analysis the fee amount is sufficient to provide for the increased level of service for the park system until Fiscal 2025-26.

General Operating Fund – Police

		PROJECTED	FORECASTED				
		2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
1	**REVENUES:**						
2	Police Service Fees	$ 1,058,000	$ 1,216,700	$ 1,399,200	$ 1,609,100	$ 1,850,500	$ 2,128,100
3	General Fund Support	8,279,000	8,529,300	8,634,800	8,920,900	9,051,500	9,322,900
4	Other Existing Revenues	474,000	488,000	503,000	518,000	534,000	550,000
5							
6	**TOTAL REVENUES**	**$ 9,811,000**	**$ 10,234,000**	**$ 10,537,000**	**$ 11,048,000**	**$ 11,436,000**	**$ 12,001,000**
7							
8	**EXPENDITURES:**						
9	Personnel Services	$ 8,333,000	$ 8,762,000	$ 9,065,000	$ 9,541,000	$ 9,892,000	$ 10,420,000
10	Materials & Services	1,082,000	1,172,000	1,172,000	1,207,000	1,244,000	1,281,000
11	Capital Outlay	396,000	300,000	300,000	300,000	300,000	300,000
12							
13	**TOTAL EXPENDITURES**	**$ 9,811,000**	**$ 10,234,000**	**$ 10,537,000**	**$ 11,048,000**	**$ 11,436,000**	**$ 12,001,000**
14							
15	**REVENUES IN EXCESS OF EXPENDITURES**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

Based on the current analysis the fee amount will need to be adjusted to maintain the overall Police Department level of service as follows:

Fiscal Year	Police Fee Revenue	Increase from PY	Monthly Fee	Monthly Increase	Annual Fee
2023-24	$1,058,000	$137,900	$6.90	$0.90	$82.80
2024-25	1,216,700	158,700	7.94	1.04	95.22
2025-26	1,399,200	182,500	9.13	1.19	109.50
2026-27	1,609,100	209,900	10.49	1.37	125.93
2027-28	1,850,500	241,400	12.07	1.57	144.82
2028-29	2,128,100	241,400	13.88	1.81	166.54

Water System - Overview

- The City of Keizer's Water Division operates under the Oregon Administrative Rules for Public Water Systems enforced by the Oregon Health Authority Drinking Water Services (DWS) who administer and enforce drinking water quality standards for public water systems in the state of Oregon.

- The City of Keizer's water system consists of:
  3 reservoirs,
  15 pump stations, and
  127.4 miles of water line.

- The water system produces approximately 172 million cubic feet of water annually with a storage capacity of 2.75 million gallons. In addition, the water system includes 954 public fire hydrants.

- The water system serves approximately 11,000 metered accounts.

Water System – Comparable Rates

- The City strives to provide low cost water while ensuring that the water system is maintained for long-term sustainability as outlined in the 2012 Water System Master Plan.

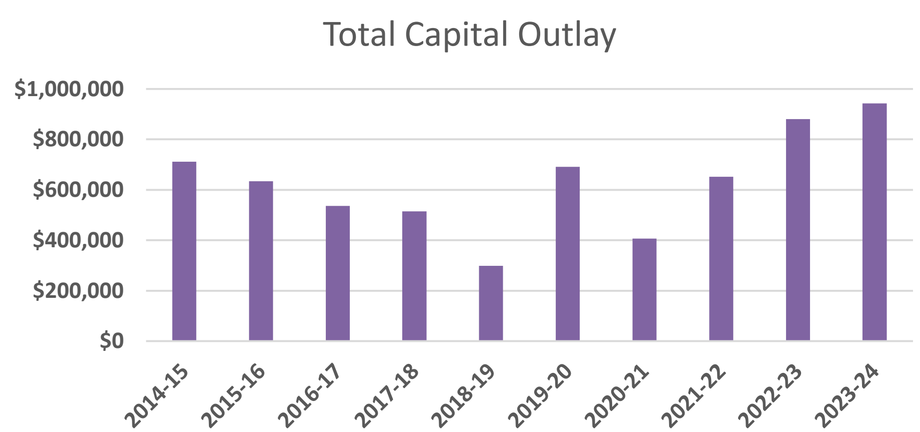
- In comparison to other cities, Keizer residents benefit from the availability of local ground water that requires minimal processing to meet federal and state drinking water regulations.

	Billing Frequency	Effective Date	Connection - Flat Rate	Consumption - Variable Rate	Average Units	Total Per Month
Salem	Monthly	1/1/2024	$ 12.90	$ 3.02	6.00	$ 31.02
Albany	Monthly	1/1/2024	22.66	5.05	6.00	52.96
Corvallis	Monthly	2/1/2024	19.21	2.34	6.00	33.25
Lake Oswego	Monthly	7/1/2024	30.56	3.21	6.00	49.82
McMinnville	Monthly	10/1/2023	14.80	1.73	6.00	25.18
Oregon City	Monthly	1/1/2024	18.62	2.12	6.00	31.35
Tigard	Monthly	7/1/2023	32.95	4.59	6.00	60.49
Tualatin	Monthly	7/1/2023	11.00	3.90	6.00	34.40
West Linn	Monthly	1/1/2024	30.20	3.48	6.00	51.08
Wilsonville	Monthly	5/1/2023	18.13	4.23	6.00	43.51
Woodburn	Monthly	7/1/2023	18.13	2.19	6.00	31.27
Keizer	Bimonthly	1/1/2024	$ 13.05	$ 1.68	12.00	$ 16.61

Water System – Capital Outlay

- The 2012 Water System Master Plan outlines the requirements to ensure that the water system is able to meet the expected demand over the next 20 years.

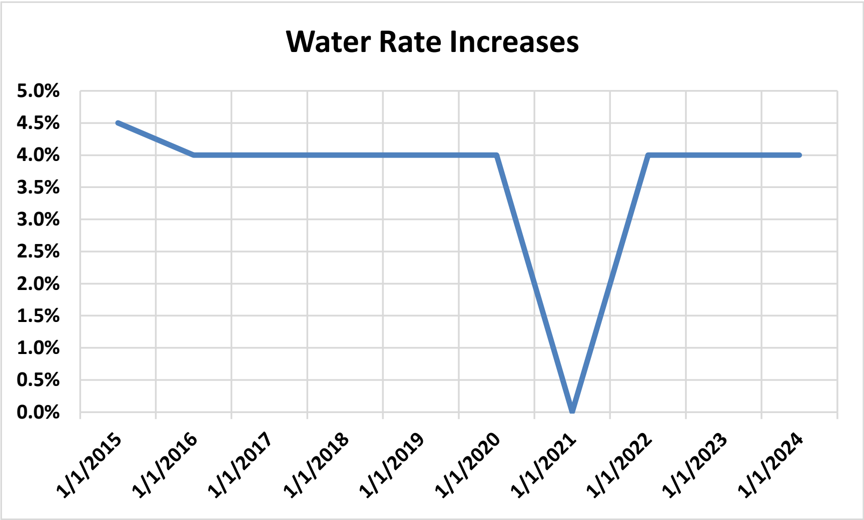
- The plan outlines approximately $9.9 million in capital improvements. The majority of the improvements are to replace the existing steel waterlines throughout the City with ductile iron pipe ($5.3 million) and adding an additional reservoir and pump station ($1.8 million).



Water System – Rate Increases

- In order to support the requirements of the 2012 Water System Master Plan the City utilizes a cost of service model that projects into the future, based on city growth and water consumption trends, the rate increases needed to complete the plan.

- The cost of service model has projected a 3-4% annual rate increase for the foreseeable future. Since the plan was adopted rate increases have been from 0-4.5%.



Water System – Financial Projection

		PROJECTED	FORECASTED				
		2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
1	**RESOURCES:**						
2	**Beginning Balance:**	$ 1,647,000	$ 1,328,000	$ 1,162,000	$ 1,066,000	$ 1,014,000	$ 1,035,000
3	Water Sales	3,678,000	3,825,000	3,978,000	4,137,000	4,302,000	4,474,000
4	Other Revenues	155,000	155,000	157,000	159,000	161,000	163,000
5	**TOTAL RESOURCES**	**$ 5,480,000**	**$ 5,308,000**	**$ 5,297,000**	**$ 5,362,000**	**$ 5,477,000**	**$ 5,672,000**
6							
7	**REQUIREMENTS:**						
8	**Expenditures:**						
9	Personnel Services	$ 1,433,000	$ 1,519,000	$ 1,576,000	$ 1,655,000	$ 1,718,000	$ 1,807,000
10	Materials & Services	1,776,000	1,827,000	1,855,000	1,893,000	1,924,000	1,966,000
11	Capital Outlay	943,000	800,000	800,000	800,000	800,000	800,000
12	**Total Expenditures**	**4,152,000**	**4,146,000**	**4,231,000**	**4,348,000**	**4,442,000**	**4,573,000**
13	**Fund Balance:**						
15	Fund Balance	1,328,000	1,162,000	1,066,000	1,014,000	1,035,000	1,099,000
16	**TOTAL REQUIREMENTS**	**$ 5,480,000**	**$ 5,308,000**	**$ 5,297,000**	**$ 5,362,000**	**$ 5,477,000**	**$ 5,672,000**
Days Cash Supply at End of Year		151	127	113	104	104	106

Conclusion: The update to the Water Services Long-Range plan supports a 4% rate increase for FY24-25 as anticipated when the model was presented to the Long Range Planning Committee last year (March 2023).

33

Water System – Rate Analysis

Proposed 2024-25 Rate Analysis	Flate Rate		Variable Rate	
	Current	Proposed	Current	Proposed
Residential 5/8" meter	$ 13.05	$ 13.57	$ 1.56	$ 1.62
Multi-family 1" meter	$ 26.52	$ 27.58	$ 1.56	$ 1.62
Commercial 5/8" meter	$ 13.05	$ 13.57	$ 1.51	$ 1.57

Proposed 2024-25 Rate Increase Impact	Bi-Monthly Bill		Incremental Cost of Rate Increase		
	Current	Proposed	Monthly	Bi-Monthly	Annual
Residential (12 ccf)	$ 32.49	$ 34.57	$ 0.68	$ 2.08	$ 8.17
Multi-family (175 ccf)	$ 310.02	$ 333.83	$ 6.66	$ 23.81	$ 79.86
Commercial (51 ccf)	$ 93.12	$ 100.27	$ 2.05	$ 7.15	$ 24.55

Stormwater System - Overview

- The Stormwater Fund is managed by the Public Works Department to meet the Federal Clean Water Act and Safe Drinking Water Act. The City's stormwater regulatory programs are administered by the State of Oregon through the Department of Environmental Quality (DEQ).

- The City has 3 regulatory programs which allow the City to manage stormwater through discharge to local waterways, overland flow, and injection into the ground. The City maintains compliance of the regulatory programs by implementing the requirements of state approved management plans for the municipal separate storm sewer system (MS4), the underground injection control (UIC) devices, and the Total Maximum Daily Load (TMDL) Implementation Plan.

- The City is the permittee for the National Pollutant Discharge Elimination System (NPDES) permit #102904, the Water Pollution Control Facilities (WPCF) permit #103068, and is a designated management agency for the Willamette Basin TMDL.

Stormwater System - Overview

- The Stormwater Division operates and maintains:
  - 75.59 Miles of Pipe,
  - 132 Underground Injection Control Systems (UICs),
  - 1,208 Manholes,
  - 2,327 Catch Basins,
  - 118 Outfalls, and
  - 82,564 Square Feet of Vegetated Stormwater Facilities.

- The stormwater system can become clogged by trash, debris, sediment and mud, or other stormwater pollutants however the City’s maintenance plan of routinely inspecting, repairing, and cleaning the system can reduce local flooding, remove pollution carried by stormwater and protect our local streams and rivers.

36

Stormwater System – Comparable Rates

- The City's goal is to provide a storm drainage system that is safe, clean and cost-effective.

- In comparison to other cities, Keizer stormwater charges are lower than other jurisdictions.

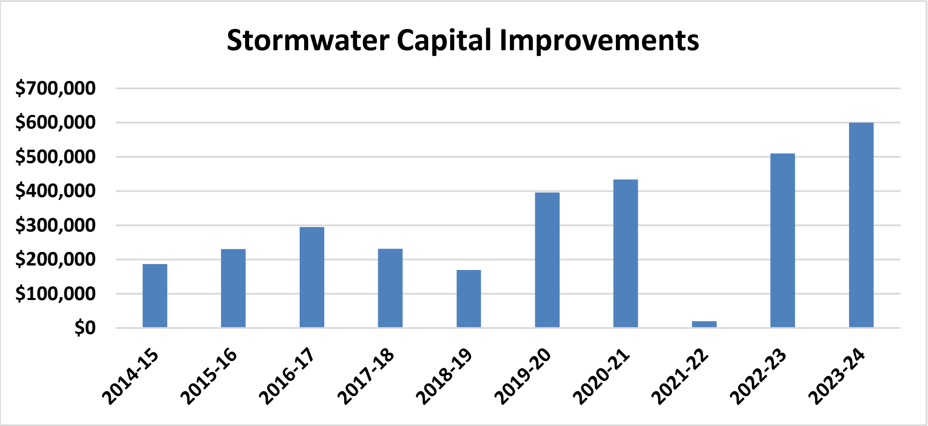
	Monthly Billing Rate
Albany	$ 16.31
Corvallis	10.87
Lake Oswego	21.60
Oregon City	13.68
Salem	20.71
Tigard	10.55
Tualatin	11.47
West Linn	9.08
Wilsonville	11.90
Keizer	$ 7.66

Stormwater System – Capital Outlay

- The stormwater infrastructure was largely inherited by the City from Marion County.

- Starting in 2012-13 the City began videotaping the stormwater system, with a goal of visually inspecting approximately 10% of the system every year.

- Since the start of the visual inspections, the City has spent approximately $2.8 million in capital improvements to address identified system failures.

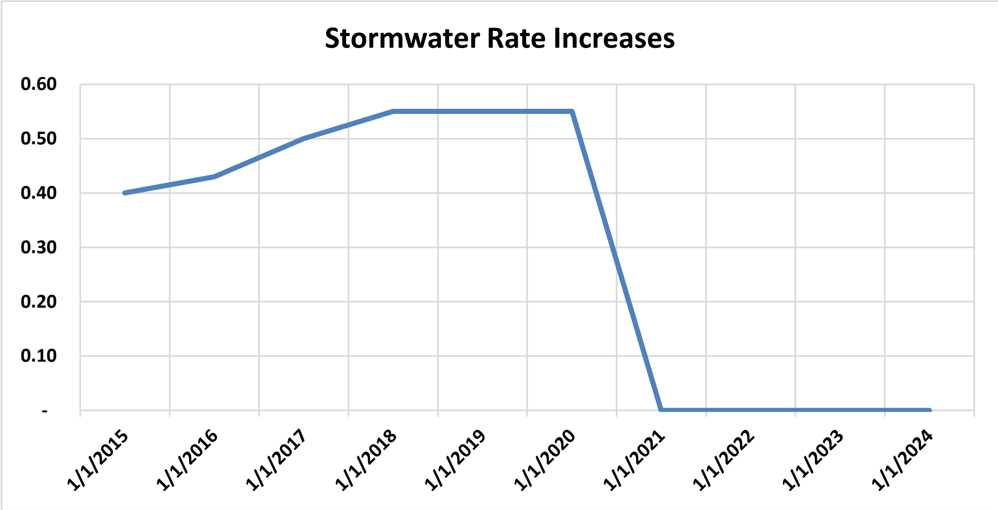


Stormwater System – Rate Increases

- In conjunction with the visual inspection process the City started reviewing and adjusting the stormwater billing rate to ensure adequate resources would be available for any identified reports.

- Original estimates indicated that an increase of $0.40 - $0.60 per month per equivalent service unit would be necessary to support the system improvements.

- Based on the capital outlay requirements the billing rate has not been adjusted since January 1, 2021.



Stormwater System – Financial Projection

39

		2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
1	**RESOURCES:**						
2	**Beginning Balance:**	**$ 1,632,000**	**$ 1,098,000**	**$ 810,200**	**$ 576,100**	**$ 371,700**	**$ 158,600**
3	Service Fees	2,137,000	2,136,200	2,244,900	2,353,600	2,407,900	2,407,900
4	Other Revenues	30,000	30,000	30,000	30,000	30,000	30,000
5	**TOTAL RESOURCES**	**$ 3,799,000**	**$ 3,264,200**	**$ 3,085,100**	**$ 2,959,700**	**$ 2,809,600**	**$ 2,596,500**
6							
7	**REQUIREMENTS:**						
8	**Expenditures:**						
9	Personnel Services	1,083,000	1,111,000	1,150,000	1,208,000	1,254,000	131,800
10	Materials & Services	1,018,000	1,043,000	1,059,000	1,080,000	1,097,000	1,121,000
11	Capital Outlay	600,000	300,000	300,000	300,000	300,000	300,000
12	**Total Expenditures**	2,701,000	2,454,000	2,509,000	2,588,000	2,651,000	1,552,800
13	**Fund Balance:**						
14	Unrestricted Fund Balance	1,098,000	810,200	576,100	371,700	158,600	1,043,700
15	**TOTAL REQUIREMENTS**	**$ 3,799,000**	**$ 3,264,200**	**$ 3,085,100**	**$ 2,959,700**	**$ 2,809,600**	**$ 2,596,500**
	Day's Cash Supply at End of Year	188	138	94	58	24	158

In order to maintain at least a 60-day cash supply to correspond with the bi-monthly stormwater billings the following rate increase per ESU with a January 1st effective date is required:

Long Range Planning Task Force

Questions

Long Range Planning Task Force

- Monday, February 26th at 6:00 p.m.

  - ARPA Fund Commitments and Recommendations

Budget Committee Meetings

- Monday, May 13th at 6:00 p.m.
- Tuesday, May 14th at 6:00 p.m.