

M I N U T E S

KEIZER BUDGET COMMITTEE

Monday, May 21, 1990

Robert L. Simon Council Chambers
Keizer City Hall

CALL TO ORDER

Mayor Orcutt called the meeting of the Budget Committee to order at 6:05 p.m. Attendance was noted as follows:

Present: Carl Beach, Committee Member
JoAnne Beilke, Committee Member
Maur Horton, Committee Member
Dick Inman, Committee Member
Dennis Koho, Committee Member
Bob Simon, Committee Member
Phil Bay, Councilor
Yvonne Fischer, Councilor
Mike Hart, Councilor
Bob Newton, Councilor
Andy Orcutt, Mayor
Bob Pritchard, Councilor
Joe Van Meter, Councilor

Absent: Ginan Denison, Committee Member

Staff: Don Otterman, City Manager
Chuck Stull, Police Chief
John Lien, City Attorney
Sue Darby, City Recorder

PUBLIC COMMENTS

Jerry McGee, 4310 Shoreline Drive N., Keizer, testified that a new levy would have a high probability of passing if the Budget Committee and City Council took the following action:

1. Set a fixed amount rather than tax rate.
2. Fund the six police officer positions which were originally approved by the voters in 1989-90.
3. Freeze the two traffic enforcement officer positions. Do not fill these positions if a vacancy occurs in the department.
4. Eliminate the lieutenant's position.
5. Eliminate the Community Development Coordinator position.
6. Eliminate the 1/2 time YST clerical position.
7. Do not move General Fund expenditures to the Water Fund.
8. Decrease the May budget in other areas.

FMAGIC

Mr. McGee stated that it appears the May budget has been increased for the June budget. Mr. Koho clarified that Mr. McGee was comparing the 1989-90 budget with the 1990-91 budget, rather than the May versus the June budget. Mr. McGee indicated that if there is no increase from the May budget, his point would be neutralized.

Councilor Hart stated that increased 911 costs will make up much of the increase. Ms. Beilke added that RAIN has gone up \$24,000.

Bob French, 1384 Manzanita Street NE, Keizer, suggested that the Police Department not be increased in size this year. He recommended that the six police officer positions created last year be maintained along with the two traffic enforcement positions. He does not want to see the City lose these positions after those individuals have received training.

Mr. French indicated that regardless of the budget which comes out of this committee, he will be forming a group to support it. He indicated that there would be greater support for the City's levy if more followers were actively involved in the campaign. A meeting of the group to support the budget will begin meeting this Tuesday, and he asked that Budget and City Council members become involved.

Mr. French also indicated that there must be some compromises made to come to a consensus and to collectively support the budget. This, he stated, is the democratic process. Once the budget is passed, the entire group must support the action.

Mr. Otterman stated that Salem Electric, PGE and TV license fees increased over the May budget by \$13,543. Liquor and cigarette taxes decreased by \$8,884. Rental income of \$16,140 was added, and the police grant of \$33,233 was eliminated. The resulting total for the June budget of \$1,008,726 is \$12,434 more than the May budget because of these changes to the non-tax revenues.

On the expenditure side, page 16 of the budget should reflect \$20,000 for a 1/2 time Community Development Coordinator in the Water Fund. Transfer to Facility Replacement

Reserve on page 17 should be reduced to \$90,000. Fifty percent (50%) funding for the receptionist and accountant positions needs to be shifted from the Water Fund to the General Fund to more accurately reflect their duties. Fringe benefits for these two positions have been factored into the amounts.

Mr. Otterman stated that the police budget reflects an increase of more than \$67,000 for the Salem Communications Center which begins January 1, 1991. Met Com will continue during the six month interim period at a cost of \$29,000. In addition, RAIN costs have increased by \$24,000 for the City of Keizer's share of equipment purchases.

Mr. Otterman indicated that in some cases a 5% inflation factor was shown, while in other cases the actual costs are shown where the increase has been greater than 5%. For example, workers compensation will increase from \$41,000 to \$51,000; health insurance from \$73,000 to \$80,000.

Chief Stull explained the existing staff level of the police department and the vehicle assignments. Under the proposed budget, the department would add four leased vehicles and three purchased vehicles. The leased vehicles will be used by the investigations unit and a purchased vehicle will rotate in to allow a second relief patrol vehicle in the event any other vehicles break down. Two existing vehicles will be phased out during the next budget year because of high mileage.

Mr. Otterman explained that the four leased vehicles and two purchased vehicles would be funded from the General Fund and one purchased vehicle would be funded from the Vehicle Reserve Fund.

Responding to a question from Councilor Pritchard, Chief Stull explained that leasing the vehicles will cost less initially. However, the department does not have the funds to purchase the vehicles outright. He indicated that larger, more lucrative police agencies lease special assignment vehicles. However, many of these agencies are able to stabilize their regular fleets.

Councilor Newton asked about the detective positions. Chief Stull explained that there is one sergeant, two general detectives, a juvenile/SRO detective and two SRO officers. These individuals were assigned to the investigations unit when the new officers completed their training in March.

Mr. Otterman indicated that there was some discussion at the last Council meeting with respect to the need for evidence lockers over squad room/office furniture. He stated that both of these are necessary, but the evidence locker can be postponed for a year.

Mr. Otterman indicated that the proposed budget also provides for the purchase of a new City Hall telephone system. He explained that the existing system is at capacity. To add six more phones would cost \$2,500. This, he believed, would not be an efficient use of money.

Councilor Newton indicated that a couple of things have not been mentioned tonight. They include the \$13,000 increase in taxes necessary to balance the budget. Mr. Otterman explained this is because of the overall reduction in non-tax revenues. Councilor Newton also noted that total expenditures in the Water Fund personal services should be increased to \$332,757 to reflect the \$10,000 increase in the Community Development Coordinator amendment. Mr. Otterman clarified that the Community Development Coordinator position would be created as a result of an existing, vacant position. He explained that the former Public Works Manager position and Water Manager position have been reorganized. Because some of the work to be performed by the Community Development Coordinator will involve General Fund programs, Mr. Otterman is recommending that 1/4 funding for that position come from the General Fund, while the remaining funding will come from the Street and Water funds.

Councilor Bay stated that the City Council wished to have the Budget Committee's input on these changes. Mr. Otterman indicated that, by law, the City needs to give at least eight days' notice for a formal Budget Committee meeting. The City Council determined to set a work session to obtain the Budget Committee's

input on an advisory basis. Formal action will be taken by the City Council at its 7:30 p.m. meeting tonight.

Councilor Hart suggested that the Committee consider eliminating positions which are not currently filled, i.e., the lieutenant and detective/YST clerk positions. In addition, he recommended the personnel clerk be shifted to the detective clerk slot.

Responding to a question from Councilor Newton, Mr. Otterman stated that the only new position created in the Water Fund is one waterworks operator. Reorganization of existing staff to cover other functions is reflected in the Water Fund budget. The Water Superintendent position, for example, is similar to the former Water Manager position, except the salary has been reduced by \$5,000. This, in effect, creates a line supervisor position which is currently lacking in that Department. Mr. Otterman briefly reviewed the functions of the other positions, adding that the new position was necessary because of the increase in workload. He reported 100 new water meters installed in the city to date this year, with no expectation that this rate will decrease in the near future. With this growth, he indicated, comes the need for more maintenance.

Responding to a question from Ms. Beilke, Mr. Otterman explained that the Community Development Coordinator position would be funded 25% from the General Fund, 25% from the Street Fund and 50% from the Water Fund, for a total of \$40,000 annual salary. The only change to the budget in this respect is the 1/4 funding from the General Fund.

Mr. Horton asked about the amount to balance the budget and the effect on the tax rate. Mr. Otterman explained that the tax base is a gross dollar amount. Based on the latest information from the assessor, the rate for the base will be about \$1.08. This year that rate is about \$1.15. He explained that Keizer's assessed value has increased over the past year by 12.5% according to the assessor. The tax base will increase by 6%. Including uncollectibles, the City will need a gross amount of \$610,380 to balance the budget. Without uncollectibles, the total is \$533,350.

The millage rate for this amount is estimated at \$1.2358. The net effect is an increase of \$0.53 from this year's \$1.78 to next year's \$2.3156. Mr. Horton stated that in order to balance the budget, it would be preferable to bring the rate as close to \$1.78 as possible.

Responding to a question from Mr. Horton, Mr. Otterman indicated that the original plan was to increase the department by six officers over a three year period. In the first Budget meeting they talked about adding two the first year, two the second and two the third. In a later meeting, they discussed adding one the first year, two the second and three the third year. They are now talking about only a one year levy.

Mr. Otterman outlined the budget increases as follows:

- \$28,500 - Reallocation of Accountant and Receptionist positions
- \$13,200 - 1/4 funding for Community Development Coordinator
- \$ 3,000 - Parks improvements
- \$ 7,000 - Increase in Marion County Planning contract
- \$50,000 - Police lieutenant
- \$28,000 - Detective/YST clerk
- \$33,000 - 5% pay increases not including merit increases for new officers and existing officers
- \$12,000 - Overtime expense
- \$ 9,300 - Retirement increase
- \$ 7,000 - Health insurance increase
- \$10,000 - Workers comp insurance increase
- \$ 7,000 - Unemployment insurance increase
- \$40,000 - Communications contract
- \$ 4,700 - Upgrade radio system over a five year contract with the new

communications system

Elimination of the lieutenant and the YST clerk positions would save \$78,000.

Councilor Pritchard added that there is also a possible 4% wage increase for existing employees and an approximate 5% increase for the basic inflationary cost of doing business.

Mr. Beach stated that he heard concerns about the tax rate method rather than the fixed dollar method. He also heard concerns about a three year levy. Mr. Beach suggested that the lieutenant position be eliminated and the detective/YST clerk position be maintained. He urged the committee to get behind the budget and enthusiastically support it to the public. He does not wish to lose the police officers which the City paid to train this year.

Councilor Hart stated that if the June levy is defeated, the City will need to lay off ten police officers. Mr. Beach concurred, adding that the programs and services in this budget at the minimum level necessary. It is impossible to operate a city this size on one-half the budget.

Ms. Beilke stated that while she could support the lieutenant's position, she believed the feasibility study used to initiate the department was faulty.

Mayor Orcutt moved to recommend to the City Council acceptance of the budget as proposed, cutting the lieutenant's position and the detective/YST clerk's position, shifting the personnel clerk to the detective's unit, and purchasing two vehicles, totaling reductions of about \$93,000 not including uncollectibles. Councilor Van Meter seconded the motion.

Mr. Koho indicated that this is a wise proposal. He stressed the need for the City to take a hard nose approach and the need to keep the eight officers.

Mayor Orcutt indicated that there is generally an extra vehicle available which a School Resource Officer or detective can use if necessary.

The Mayor clarified that the vote to be taken by the Budget Committee is of an advisory nature only.

The motion was approved by the following vote:

AYES: Beach, Beilke, Horton, Inman, Koho,
Simon, Bay, Fischer, Hart, Orcutt,
Newton, Pritchard, Van Meter (13)

NAYS: None (0)

ABSENT: Denison (1)

ADJOURNMENT

The meeting of the Budget Committee adjourned at approximately 7:25 p.m.

Respectfully submitted,


Susan Darby, City Recorder