

MINUTES

KEIZER BUDGET COMMITTEE

Wednesday, May 20, 1992

Robert L. Simon Council Chambers
Keizer City Hall

CALL TO ORDER

In the absence of Chairman Bob Simon, Mayor Orcutt called the meeting of the Keizer Budget Committee to order at 7:05 p.m. Roll call was taken as follows:

Present

JoAnne Beilke
Diane Hansen
Mark Caillier
Roy Duncan
Carl Beach (arrived 7:40 p.m.)
Andrew J. Orcutt
Mike Hart
Dennis Koho
Jerry McGee
Al Miller
Bob Newton
Joe Van Meter

Absent

Dick Inman

Staff

Donald H. Otterman, City Manager
Paul Frykberg, Accountant
Wally Mull, Public Works Director
Charles Stull, Police Chief
Linda Sanders, Recording Secretary

DISCUSSION - PROPOSED BUDGET WITHOUT A NEW TAX BASE OR LEVY

Mr. Otterman stated that the Budget Committee, at the last meeting had asked him to look at the budget as if there was not a levy or a tax base. He was to keep in mind that police service was the highest priority and cut in other areas. Mr. Otterman reviewed the outcome of his work with these directives.

The following changes were made to the proposed budget for the 92-93 Budget year:

- * The municipal court clerk position was reduced to half time.
- * The Personnel Analyst's position was eliminated in the Administration Department.
- * Seven police officers would be laid off including the School Resources

- officers, the Investigations unit and the traffic officers.
- * The present acting Police Sergeant would be returned to the rank of Officer.
 - * The Lease of vehicles line item in the Police Department was eliminated and payment for the Radio system was moved to the Revenue Sharing Fund. A patrol car, a K9 car and the records management system were removed from Revenue Sharing.
 - * 20% of the Community Development Director's position was moved from Administration to the Urban Renewal Agency Budget.

There were also some minor changes in the budget. The medical insurance will be going up 20% rather than the 15% anticipated. In the area of park maintenance, the contract services were reduced to half, seasonal help in the parks were eliminated and service was reduced. Mr. Otterman asked the Committee for direction.

Mr. Miller noted that the elimination of the dues to the Mid Valley Council of Governments and the Economic District weren't mentioned in the memo and he wondered if there were other cuts that had not been mentioned. Mr. Otterman stated those items were cut on the last budget and there were no other large items like that.

Mr. McGee questioned whether the taxes needed to budget line item included non-collectibles. Mr. Otterman explained that figure is a result of increasing the current year's base by 6% and then backing out 7% for uncollectibles.

Mr. Koho felt the unemployment line item in the Police Personal Services at \$3,000 was not adequate. Mr. Otterman noted that the maximum unemployment an individual could have is \$6,400. The maximum for the individuals in question would be somewhat less than that due to the length of time employed and having two vacancies but the line item should still be increased to approximately \$14,000.

Mayor Orcutt asked for an explanation on the lease buy out. Mr. Otterman stated the vehicles have been evaluated for residual value at the end of the lease. If the leases are bought out and the residual value for the car is paid out it comes to a little over \$8,000 per car. The current blue book value low is \$6500 and the high is \$8500. If they are sold there should be enough money to pay off the leases.

Mr. Newton questioned where the group was going in the discussion. Mayor Orcutt stated there would be a Council meeting declared for Tuesday to certify the levy which has to be at the Clerk's office by 5:00 p.m. on Wednesday.

Ms. Beilke questioned what amount would be sent to the levy. Mayor Orcutt felt the Council was leaning toward the amount the budget committee had presented to the Council. The City Council had approved that budget and passed a resolution that they would not levy any more than that amount. Mr. Otterman stated he anticipated discussion at Tuesday's meeting to be regarding that budget. There was some discussion that if the tax base failed that budget could be sent to the voters as a one year operating levy.

Mr. Hart asked for clarification that the presentation for tonight was to show the difference in the budgets if there were no levy. Mr. Otterman responded this document was follow up on direction from the Budget Committee. Mayor Orcutt noted the present discussion was regarding what will take place if the levy does not pass.

Mr. Miller wondered where the increase in unemployment would be coming from. Mr. McGee suggested changing the percentage used to figure uncollectibles from 7% to 3% based on this past years's 99.8% taxes collected. Mayor Orcutt stated the two major employers in the area are under Ballot Measure 5 pressure and the future is uncertain. Mr. Van Meter added that timber revenue losses will also affect the county.

Mr. Koho suggested the ending fund balance is about \$11,000 different from the projected beginning fund balance for the new year. Mr. McGee would support changing the beginning fund balance. Mr. Otterman stated that this year's budget could be short in the citation area and would also have 1 month of increased insurance premiums. He did feel the ending balance should be close to \$306,000 as long as current taxes come in roughly as they have the past few years. He would like to look at the end of June to make some changes and adopt the final budget.

Discussion began regarding the drop in the Parks Budget. Mr. Van Meter stated there is no choice between getting the parks mowed and keeping the people of Keizer safe.

Mayor Orcutt opened the floor for discussion from the lay members of the Budget committee regarding the defeat and the amount of money to seek in the levy. Ms. Beilke felt the Council should try for a levy of the amount of the proposed budget. She felt the vote was a response to perceived problems in City hall which translated to a lack of confidence in the tax base. She suggested there be a stronger marketing for the next election.

Mr. McGee questioned whether there would be any problem with reducing the levy request without impact to programmatic areas. The lay members of the committee wanted to be certain the police force would remain at the same level along with other programs. Mr. Caillier stated he has no problem with reducing the percentage of collectibles but he didn't want the budget to be so tight there are no contingencies. Mr. Van Meter stated the voters he talked with were concerned that the tax base was being doubled. They liked Keizer the way it is and they liked the level of services.

Carl Beach arrived at 7:40 p.m.

Ms. Beilke stated there are things happening in the Supreme Court regarding Urban Growth which haven't even been discussed. Mr. Miller said he had heard concern that the tax base was \$200,000 more than the proposed budget and there was no guarantee the money wouldn't be spent.

Mr. Beach apologized for arriving late and stated he would be in favor of a 1 year operating levy although he did think there are some adjustments that

could be made. Mr. Koho stated he sensed people wanted the year to year control.

NEXT MEETING

The Council decided to meet at the noon hour on Tuesday, May 26, 1992.

ADJOURNMENT

The meeting was adjourned at 7:50 p.m.