



**MINUTES**  
**KEIZER BUDGET COMMITTEE MEETING**  
**May 18, 2010**  
**Keizer Civic Center, Council Chambers**

**Call To Order** Meeting was called to order at 6:05 pm. Introductions were as follows:

**Present:**

Ron Bersin  
JoAnne Beilke  
Mark Caillier  
Lore Christopher  
Cathy Clark  
David Dempster  
J.D. Gillis  
Elliot Groeneveld  
Dale Henson  
Sandi King  
David McKane  
Brandon Smith  
Jim Taylor  
Richard Walsh

**Staff:**

Chris Eppley, City Manager  
Susan Gahlsdorf, Finance Director  
Tracy Davis, City Recorder  
Machell DePina, Human Resources Director  
Rob Kissler, Director of Public Works  
Marc Adams, Police Chief  
Bill Lawyer, Public Works Superintendent  
Kevin Watson, Assistant to the City Manager  
Shannon Johnson, City Attorney  
Tim Wood, Assistant Controller

**Public  
Testimony**

*Jeanne Bond-Esser, Keizer, Parks Advisory Board Chair, explained that the Board has recommended an expenditure of up to \$50,000 of SDC funds to repurpose the caretaker house at Keizer Rapids Park into an amphitheater support structure contingent on the land sale of the properties adjacent to the park going through and relocation of the caretaker. She added that Rick Day and Clint Holland are spearheading this effort and Rick Day has pledged \$50,000 in matching funds, labor or materials. She indicated that the Parks Master Plan would need to be amended and that it would involve reopening the Parks Improvement Fund and adding \$50,000 to line 28 of page 67. She then showed the illustration and provided a brief explanation of the project. Discussion then took place regarding the appropriateness of the request, specifications of the remodel, maintenance and staffing. Mr. Eppley noted that the next steps would involve getting a plan with more detail, firming up costs and amending the Master Plan. Lengthy discussion took place regarding the appropriate process for allocating these funds.*

**Budget  
Presentations  
& Deliberation**  
• **Special  
Revenue  
Funds  
(Continued)**

Public Works Director Rob Kissler explained that revenues for the Street Fund come from Gas Tax and that trends are indicating that revenue may be up 3 to 6%. He reviewed staffing, projects for the current fiscal year, proposed projects and grants and noted that if the Committee chooses not to fund the pedestrian safety light near Plymouth and River Road, he would want to use the funds to provide interconnect for signals on Lockhaven. He then fielded questions and provided clarification on various line items. Lengthy discussion took place regarding pedestrian safety and the effectiveness of mid-block crosswalks.

Lore Christopher moved to approve the Street Fund. David Dempster seconded. Motion passed unanimously as follows: **Motion passed unanimously as follows:** Beilke, Bersin, Caillier, Christopher, Clark, Dempster, Gillis, Groeneveld, Henson, King, McKane, Smith, Taylor and Walsh in favor. (14-0)

City Manager Chris Eppley explained that the amphitheater was built by the Keizer Rotary and donated to the City to operate and maintain. He further explained that this fund was set up to capture any reservation fee revenues so that revenues and maintenance expenses can be tracked. Discussion followed regarding the rental fees, maintenance and noise analysis/solution.

J.D. Gillis moved to approve the Keizer Rotary Amphitheater Budget. Elliot Groeneveld seconded. **Motion passed unanimously as follows:** Beilke, Bersin, Caillier, Christopher, Clark, Dempster, Gillis, Groeneveld, Henson, King, McKane, Smith, Taylor and Walsh in favor. (14-0)

Mr. Eppley explained that the City, through the Keizer Station Local Improvement District Fund, captures local improvement district payments through the Keizer Station property owners' tax bill to help pay for the development costs of the infrastructure in Keizer Station. He then fielded questions regarding the term, location and property owners.

JoAnne Beilke moved to approve the Keizer Station Local Improvement District Fund. Elliot Groeneveld seconded. **Motion passed unanimously as follows:** Beilke, Bersin, Caillier, Christopher, Clark, Dempster, Gillis, Groeneveld, Henson, King, McKane, Smith, Taylor and Walsh in favor. (14-0)

Mr. Eppley explained that the City Hall Facility Fund was established to purchase furnishings and equipment for the new civic center and is simply an accounting for informational purposes.

- **Enterprise Funds**

Rob Kissler explained that there were significant changes in the Stormwater Fund because of Federal and State unfunded mandates. He provided an extensive overview of the program, reviewed city facilities, operations, government mandates and success of the past year and noted that meeting the mandates is beyond the capability of current staffing levels and resources. He explained that, to help the city meet the regulations, additional technical employees are being proposed as well as capital investment to repair deficiencies and to establish of a hotline to report infractions. He then reviewed goals and plans for the future including meeting compliance requirements and consequences of non-compliance.

JoAnne Beilke moved to accept the Storm Water Fund as proposed. Motion died for a lack of second.

Mr. Kissler continued with his presentation directing attention to proposed remedies relating to construction projects and fielded questions regarding public outreach, keeping leaves and construction debris out of the storm system and fees. Extensive discussion took place regarding staffing and equipment needs, positive effects of cleaning the catch basins, the tasks for which the Stormwater employees will be responsible, ordinance enforcement and comparison with other cities.

JoAnne Beilke moved to accept the Storm Water Fund as proposed. Lore Christopher seconded. Motion passed unanimously as follows: Beilke, Bersin, Caillier, Christopher, Clark, Dempster, Gillis, Groeneveld, Henson, King, McKane, Smith, Taylor and Walsh in favor. (14-0)

Finance Director Susan Gahlsdorf explained that the Sewer Fund is managed by the Utility Billing Division and that much of the activity in the fund is pass-through because the City of Keizer contracts with the City of Salem to provide sewer services to Keizer residents, but the City of Keizer does tack on a sewer administration fee for such costs as staffing, printing and mailing. She noted that Salem will be raising the sewer rates in January 2011. Lengthy discussion took place regarding the Keizer surcharge and administration costs.

JoAnne Beilke moved to accept the Sewer Fund as proposed. Elliot Groeneveld seconded. Motion passed unanimously as follows: Beilke, Bersin, Caillier, Christopher, Clark, Dempster, Gillis, Groeneveld, Henson, King, McKane, Smith, Taylor and Walsh in favor. (14-0)

Rob Kissler explained that the Sewer Reserve Fund is funded by Systems Development Charges, is for building large sewer interceptors to help discharge the sewer at the treatment plant and is

nearing completion.

JoAnne Beilke moved to accept the Sewer Reserve Fund. Lore Christopher seconded. Motion passed unanimously as follows: Beilke, Bersin, Caillier, Christopher, Clark, Dempster, Gillis, Groeneveld, Henson, King, McKane, Smith, Taylor and Walsh in favor. (14-0)

Bill Lawyer explained that the Water Fund is a dedicated fund with revenues generated from fees for water use within the city. He explained that the budget assumes a 2% rate increase (there was no increase last year) which is in line with the rate study. He reviewed infrastructure projects that are planned for the budget year. Mr. Lawyer and Ms. Gahlsdorf then fielded questions and provided clarification regarding testing, increased amounts in the contingency fund line item, the proposed rate increase, the impact of vacant homes on water sales, and water sales to City of Salem.

David Dempster moved to reduce the amount of money for the water facility replacement reserve from \$200,000 to \$150,000, page 107, line 122. Ron Bersin seconded.

Mr. Dempster explained that this would eliminate the need for the 2% increase in water rates. Ms. Gahlsdorf clarified that it would not eliminate the need, but would be a counterbalance to the increase. Mr. Eppley provided information regarding the Cost of Service Analysis. Mr. Lawyer fielded questions regarding various line items including the seasonal help and deliberations ensued regarding the increased costs and the consequences of not raising rates. Mr. Gillis called for the question.

**Motion failed as follows:** Bersin, Caillier, Christopher, Dempster, Groeneveld and King, in favor with Taylor, Clark, Gillis, McKane, Henson, Smith, Beilke and Walsh opposed. (6-8)

Richard Walsh moved to reduce the contingency on line 18 of page 107 from \$110,400 to \$80,000. Lore Christopher seconded.

Ms. Gahlsdorf explained that the contingency fund is used for expenditures and provided a history of the water fund contingency expenditures over the past 3 years. She also informed the committee that reducing the water rate from 2% to 1% would reduce the revenue in that fund \$24,800. Mr. Eppley suggested an alternate motion to reduce the rate increase from 2% to 1% and adjust the contingency by that amount. He explained that it would be better to adjust the rate increase by a whole percentage rather than make a specific dollar adjustment to the contingency fund.

Ron Bersin offered a friendly amendment to reduce the rate increase from 2% to 0%. Amendment accepted by Walsh and Christopher.

Ms. Gahlsdorf explained that this would impact the General Fund by \$2600. Deliberation continued at length with discussion focusing on the long term effect of this cut, the Cost of Service Analysis and recommendation of small incremental rate increases, infrastructure improvements and the impact on future rate increases.

**Motion passed as follows:** Bersin, Caillier, Christopher, Dempster, Gillis, Groeneveld, Henson, King, McKane and Walsh in favor with Beilke, Taylor, Clark and Smith opposed. (10-4)

**Lore Christopher moved to approve the Water Fund as amended. Jim Taylor seconded. Motion passed as follows:** Beilke, Bersin, Caillier, Christopher, Clark, Dempster, Gillis, Groeneveld, Henson, King, McKane, Smith and Walsh in favor with Taylor opposed. (13-1)

**Sandi King moved to reconsider the approval of the General Fund in relation to the franchise fees. Jim Taylor seconded. Motion failed as follows:** Bersin, Gillis, Henson, King, McKane and Taylor in favor with Caillier, Groeneveld, Beilke, Christopher, Walsh, Smith, Clark and Dempster opposed. (6-8)

Mr. Lawyer explained that the Water Facility Replacement Reserve Fund is the fund from which capital improvements are done and that revenues are generated from the Water Fund, water utility fees and the water System Development Charges.

**Lore Christopher moved approve the Water Facility Replacement Reserve Fund as presented. Jim Taylor seconded. Motion passed unanimously as follows:** Beilke, Bersin, Caillier, Christopher, Clark, Dempster, Gillis, Groeneveld, Henson, King, McKane, Smith, Taylor and Walsh in favor. (14-0)

Chris Eppley explained that the Street Lighting District Fund collects fees from over 200 street lighting districts throughout the city and pays the electric company for the power.

**Jim Taylor moved to approve the Street Lighting District Fund as presented. David Dempster seconded. Motion passed unanimously as follows:** Beilke, Bersin, Caillier, Christopher, Clark, Dempster, Gillis, Groeneveld, Henson, King, McKane, Smith, Taylor and Walsh in favor. (14-0)

Mr. Eppley explained that the Community Center Fund shows rental fees collected for use of the rooms and accounts for paying back the interfund loan from the Transportation Fund for purchasing equipment.

**JoAnne Beilke moved to approve the Community Center Fund as presented. J.D. Gillis seconded. Motion passed unanimously as follows:** Beilke, Bersin, Caillier, Christopher, Clark, Dempster, Gillis, Groeneveld, Henson, King, McKane, Smith, Taylor and Walsh in

favor. (14-0)

**Budget  
Committee  
Motions**

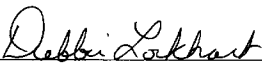
Lore Christopher moved to approve the City of Keizer Budget for Fiscal Year 2010-2011 as amended by the Budget Committee. David Dempster seconded. Motion passed as follows: Beilke, Caillier, Christopher, Clark, Dempster, Gillis, Groeneveld, Smith and Walsh in favor with McKane, Taylor, Henson, Bersin and King opposed. (9-5)

Lore Christopher moved to impose the full permanent rate of \$2.0838 per \$1,000 on the tax rolls for the City of Keizer for 2010-2011. Brandon Smith seconded. Motion passed unanimously as follows: Beilke, Bersin, Caillier, Christopher, Clark, Dempster, Gillis, Groeneveld, Henson, King, McKane, Smith, Taylor and Walsh in favor. (14-0)

**Other  
Business**

Ron Bersin encouraged citizens to come before Council when the Budget Public Hearing is held and provide input. David McKane congratulated staff on a well-prepared budget and suggested that in the future the General Fund be deliberated last. JoAnne Beilke voiced faith in the city. Lore Christopher suggested that in addition to the personnel matrix at the end of the budget, a breakdown be included that shows Internal Service Fund costs itemized on each page where such costs are charged. Sandi King thanked staff and voiced concern that citizens would have difficulty paying their utility bills. Richard Walsh thanked staff for taking a salary freeze and thanked Ms. Gahlsdorf for her hard work. Mark Caillier pointed out that this budget is the lowest since 2006. Jim Taylor thanked city staff and Mr. Eppley.

**ADJOURNMENT** Meeting adjourned at 9:01 p.m.

  
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Debbie Lockhart, Deputy City Recorder

5-10-11  
Approved: (Date)