

CITY OF KEIZER

2006-2007 CITY BUDGET

Lore Christopher
Mayor

Members of the Budget Committee

Council Members:

Lore Christopher, Mayor
Charles Lee
David McKane
Jacque Moir
Troy Nichols
James Taylor
Richard Walsh, President

Public Members:

James Bradshaw
Cathy Clark
Terry Gordon
Nick Marshall
Stephen Johnston
Donna Bradley
Jim Gores

Chris Eppley, City Manager
Shannon Johnson, City Attorney

Management Team:

H. Marc Adams, Chief of Police
Nathan Brown, Community Development Director
Tracy Davis, City Recorder
Susan Gahlsdorf, Finance Director
Dianne Hunt, Human Resources Director
Rob Kissler, Public Works Director

"We're Building a Better Community - Together!"

DEMOCRACY

If liberty and equality, as is thought by some, are chiefly to be found in democracy, they will be best attained when all persons alike share in government to the utmost.

- Aristotle

Many forms of Government have been tried, and will be tried in this world of sin and woe. No one pretends that democracy is perfect or all-wise. Indeed, it has been said that democracy is the worst form of Government except all those others that have been tried from time to time.

- Winston Churchill

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BUDGET OVERVIEW

Welcome to the City of Keizer's fiscal year 2006-2007 document. This document was prepared to assist you in understanding the financial plan and operation of city government. It is the financial tool which enables the City to allocate its resources, a policy tool to communicate decisions to the staff and citizens, and a communication tool to express the goals and priorities for the next fiscal year. The staff uses the budget document as an accounting tool to ensure financial integrity and as a management audit tool to measure performance. In summary, this budget document will serve many purposes.

BASIS OF BUDGETING

The budget is prepared on a line-item basis. However, the budget is adopted by function within the General Fund and by object within all other funds. Generally, the budget is prepared on a modified accrual basis. Revenues are recognized when they become measurable and available, and expenses are budgeted when they are incurred. Enterprise Funds are budgeted on a full accrual basis (not only are expenses recognized when incurred, but revenues are also recognized when they are billed). This is essentially the same as the City's basis of accounting. One exception is the treatment of

depreciation in the Enterprise Funds. While the City reserves funds to replace equipment, depreciation is not shown in the budget, although the full price of equipment and capital improvements is, and the purchase of capital improvements is depreciated in the CAFR for Enterprise Funds. All appropriations lapse at fiscal year-end to the extent that they have not been expended or lawfully re-budgeted.

The City adopts the budget on a fund basis; therefore, cash disbursements of a fund may not legally exceed that fund's appropriations for cash disbursements. Public hearings before a Budget Committee and the City Council as well as formal newspaper publications of certain budgetary information must be conducted prior to the formal adoption of the budget by City resolution. The City Council may amend the budget to expend unforeseen receipts by supplemental appropriations. Supplemental Budgets require public hearings, newspaper publications and approval by the City Council prior to enactment. All supplemental appropriations are included in the budget comparison statements. Appropriations lapse at year-end and may not be carried over. Appropriations are made by department for the General Fund and by object for all other funds.

BUDGET OVERVIEW

Continued

BUDGET PROCESS

This document was prepared under the guidelines set forth under Oregon's Local Budget Law. This law establishes the standard procedures for preparing, presenting, and administering the budget. It also requires citizen involvement in the preparation and public disclosure before final adoption. Staff works together with the Budget Committee to establish comprehensive financial policies, update the long-range financial plan, as well as a plan for funding basic service levels and

meeting the cash flow needs of the City. The budget process includes input at the department level. Each employee is asked to provide a "needs" assessment for his or her position. Priorities and alternatives are discussed with the department Director and after careful analysis the projections are presented to the City Manager. Each Director discusses the departmental budget over a series of meetings. After final approval by the City Manager, the draft budget documents are prepared for presentation to the Budget Committee.

FISCAL YEAR 2006-07 BUDGET CALENDAR

Friday April 14 th	<p>Notice of Budget Committee meeting on City Budget to Keizertimes for publication on April 21st & April 28th for meeting Tuesday, May 8th at 5:30 p.m.</p> <p>Notice of Budget Committee meeting on Urban Renewal Budget to Keizertimes for publication on April 21st & April 28th for meeting Monday, May 22nd at 5:30 p.m.</p>
Monday May 1 st	City Budget Document distributed to Budget Committee
Monday May 8 th – 5:30 p.m.	<p>Budget Committee Meeting</p> <ul style="list-style-type: none"> ◆ Introductions ◆ Election of Budget Committee Chair ◆ Approval of Budget Calendar ◆ Public Testimony (suggested 3 minutes @) ◆ Presentation of Budget Message for City Budget ◆ Staff presentations – General Fund Programs & Revenue Sharing
Tuesday May 9 th – 5:30 p.m.	<p>Budget Committee Meeting</p> <ul style="list-style-type: none"> ◆ Public Testimony (suggested 3 minutes @) ◆ Committee Deliberation of General Fund Budget ◆ Staff presentation of Public Works Funds ◆ Committee Deliberation of Public Works Funds ◆ Committee Recommendation to Council for City Budget
Monday May 22 nd – 5:30 p.m.	<p>Budget Committee Meeting</p> <ul style="list-style-type: none"> ◆ Public Testimony (suggested 3 minutes @) ◆ Staff presentation of Budget Message Urban Renewal Budget ◆ Committee Deliberation of Urban Renewal Agency Budget ◆ Committee Recommendation to Council for Urban Renewal Budget
Wednesday May 24 th – 5:30 p.m.	Alternate meeting to complete City or Urban Renewal Agency Budgets (if needed)
Friday June 2 nd	City Financial Summary and notice of City and Urban Renewal budget hearings in Keizertimes for publication on June 9 th
Monday June 19 th – 7:00 p.m.	<p>Public hearing on City Budget. Council adoption of City Budget and necessary Resolutions.</p> <p>Public hearing and adoption of Urban Renewal Budget</p>

2005-07 CITY COUNCIL GOALS

Business Plan for Completion within 24-months

Goal to Complete Civic Center Improvement Plan and Forward to Citizens on the 2006 Ballot for Funding:

Develop and implement process to take public input and inform the community on the future civic Center needs. Work with a citizen task force to measure public interest in supporting a potential bond measure for a new Civic Center and work toward placing the measure on the 2006 Ballot.

- ◆ Determine process for citizen input
- ◆ Develop partnerships and grants to offset funding requirements
- ◆ Work the issue
- ◆ Develop ballot measure for 2006 General Election

Next Steps:

<u>Task</u>	<u>Next Steps</u>	<u>Who</u>	<u>% Goal</u>	<u>FY</u>	<u>Update</u>
✓ Determine level and process for citizen input	◆ City Council appoints a task force to develop a public input and information strategy	City Manager City Council	5	05-06	11-29-05 – Several City Councilors agreed to serve on a task force to develop an informational brochure for distribution.
Work the issue	<ul style="list-style-type: none"> ◆ Initiate public information campaign and make presentations to community/business groups. ◆ Conduct scientific polling to evaluate the level of community support for a Civic Center. ◆ Develop initial language for 2006 ballot measure for funding a new facility. 	City Manager City Council Task force Police Chief	80	05-06	4-13-06 – An informational brochure has been developed and has been distributed. Informational posters have been created and distributed to the Chamber of Commerce and around City Hall. The city Recorder has developed the time line for creating the ballot measure language and placing the issue on the November 2007 ballot.

GOAL TO COMPLETE CIVIC CENTER IMPROVEMENT PLAN

Continued

	<u>Task</u>	<u>Next Steps</u>	<u>Who</u>	<u>% Goal</u>	<u>FY</u>	<u>Update</u>
✓	Funding	◆ Work to identify partnering and grant opportunities to offset funding needs.	City Manager Police Chief	10	05-06	4-13-06 – Through the major amendment to the Urban Renewal plan, the City Council allocated \$6M toward the construction of a new Police Department and City Hall complex. This project is anticipated to cost approximately \$10M. It is anticipated that the city will develop a ballot measure for the November 2007 election to fund the remainder of the project.
	Develop Ballot Measure	◆ Finalize ballot measure for 2006 general election	City Manager City Council	5	06	4-13-06 – The time line for developing the ballot measure language and title has been drafted.
Total % of Goal Completed to date				15		

2005-07 CITY COUNCIL GOALS

Business Plan for Completion within 24-months

Goal to Implement River Road Renaissance Master Plan: River Road Renaissance task force is to work with the City, Chamber of Commerce, River Road merchants and the general public to implement the River Road Renaissance Master Plan recommendations.

- ◆ Implement traffic improvements
- ◆ Implement economic development strategies
- ◆ Implement safety improvements

Next Steps:

Task	Next Steps	Who	% Goal	FY	Update
✓ City Council appoints citizen task force	<ul style="list-style-type: none"> ◆ Develop a proposed task force structure and submit to City Council for input and adoption. ◆ Mayor appoints task force members 	City Manager Com. Dev. Dir.	5	05	4-19-05 – Task force has been appointed and work has begun. This task is complete.
✓ Select projects	<ul style="list-style-type: none"> ◆ Task force selects transportation improvement projects along River Road to recommend for funding. ◆ Task force selects safety and pedestrian oriented improvement projects along River Road to recommend for funding ◆ Task force selects economic development related projects to recommend for funding. 	Com. Dev. Dir. Task force	10	05	9-14-05 – The task force has selected a list of River Road enhancement and other projects and has forwarded this list on to the Keizer Urban Renewal Board. KURB modified the list somewhat and has forwarded it on to the City Council for review with estimated pricing. This task is complete.

GOAL TO IMPLEMENT RIVER ROAD RENAISSANCE MASTER PLAN

Continued

<u>Task</u>	<u>Next Steps</u>	<u>Who</u>	<u>% Goal</u>	<u>FY</u>	<u>Update</u>
✓ Develop financing for the project list	<ul style="list-style-type: none"> ◆ Develop project list costs and determine methods for financing. ◆ If Urban Renewal is determined to be a potential financing tool, Urban Renewal Board and Agency must begin on Urban Renewal Plan amendment to incorporate projects into plan. 	Com. Dev. Dir. City Manager Finance Director Task Force City Council	20	05-07	11-29-05 – A major amendment to the Urban Renewal district has been accomplished to fund many of the RRR projects. Additional funding may be required as we move forward with implementation.
✓ Implement marketing plan	<ul style="list-style-type: none"> ◆ Task force, working in conjunction with the Chamber of Commerce need to implement the marketing plan as developed through the River Road Renaissance master planning process. 	Task force	20	05-07	4-14-06 – The marketing plan has been given to the Chamber of Commerce for implementation. The City will not be involved to a major extent on carrying out the implementation, thus this task is complete.
Construct or complete project list	<ul style="list-style-type: none"> ◆ Budget, engineer and construct physical improvements adopted by the Council as recommended through the 3RAC committee 	Com. Dev. Dir. City Manager Public Works Task force	40	05-07	4-14-06 – The 3RAC Committee has identified a series of projects to complete along River Road. Several of those projects will be budgeted in the 2006-07 budget and work has already been initiated on several stand alone projects like the Baskin & Robins sidewalk improvements and intersection improvements at Rover and Lockhaven.
Amend existing ordinances and/or codes to allow for successful completion of master plan	<ul style="list-style-type: none"> ◆ Amend ordinances/codes. 	Com. Dev. Dir. City Manager City Attorney URA City Council	5	05-07	4-14-06 – Necessary amendments are being identified by Planning Staff.

Total % of Goal Completed to date

35

2005-07 CITY COUNCIL GOALS

Business Plan for Completion within 24-months

Goal to Make Improvements to the Transportation System to Improve Traffic Conditions: Work with the Planning Commission to review the Transportation SDC Capital Improvement Project List and to actively pursue accomplishing those projects listed on the CIP to improve the transportation system throughout Keizer. Also, accomplish a comprehensive review of the Keizer Transportation System Plan.

◆ Accomplish Review of TSP

◆ Review Transportation SDC CIP

◆ Construct Transportation CIP

Next Steps:

<u>Task</u>	<u>Next Steps</u>	<u>Who</u>	<u>% Goal</u>	<u>FY</u>	<u>Update</u>
✓ Review Keizer TSP	<ul style="list-style-type: none"> ◆ Apply for State TGM Grant to conduct comprehensive TSP Review. ◆ Develop RFQ and hire consultant to help accomplish a comprehensive TSP Review ◆ Mayor appoints citizen task force to work with staff and consultant to review the Keizer TSP ◆ Task force makes recommendations to City Council for TSP updates. ◆ Council adopts modifications to the Keizer TSP. 	City Manager Planning Dir City Council Task Force	30	05-06	4-19-05 – TGM Grant has been applied for and successfully awarded. This task is complete.

GOAL TO MAKE IMPROVEMENTS TO THE TRANSPORTATION SYSTEM

Continued

<u>Task</u>	<u>Next Steps</u>	<u>Who</u>	<u>% Goal</u>	<u>FY</u>	<u>Update</u>
Review Transportation SDC CIP	<ul style="list-style-type: none"> ◆ Initiate Planning Commission Review of Transportation SDC CIP ◆ Planning Commission makes recommendation to City Council on modifications to the Transportation SDC CIP list ◆ City Council holds public hearing on the SDC CIP list and adopts any modifications they deem prudent 	Planning Dir Planning Comm. City Council	20	05-06	4-14-06 – Staff is developing a scope of work for the grant and this process will likely begin in the next 60-days. This phase of the project is scheduled to be complete prior to June 30, 2007.
✓ Construct Transportation CIP	<ul style="list-style-type: none"> ◆ Provide funding through the budget process to build the projects listed in the transportation CIP ◆ Construct each project in prioritized order as funding allows 	City Manager Public Works Dir City Council Budget Comm	50	05-07	4-14-06 – This task is ongoing
Total % of Goal Completed to date			80		

2005-07 CITY COUNCIL GOALS

Business Plan for Completion within 24-months

Goal to Open the Keizer Rapids Park to the Public Within Two-Years: Work with community members and regional partners to secure funding for and purchase the property for the park, master plan the park facilities, construct any improvements necessary to open the park for general use by the public, and develop intergovernmental agreements for patrol and maintenance of the park once it has been constructed.

- ◆ Secure Funding for and purchase park property
- ◆ Construct any hard and soft improvements and facilities
- ◆ Master plan the park
- ◆ Develop IGAs necessary for the patrol and maintenance of the park

Next Steps:

<u>Task</u>	<u>Next Steps</u>	<u>Who</u>	<u>% Goal</u>	<u>FY</u>	<u>Update</u>
✓ Secure funding for and purchase park property	<ul style="list-style-type: none"> ◆ Secure state and local grants for the acquisition of park property. ◆ Complete closing on park property. 	Planning Dir City Attorney RIVERR task force	20	05-06	4-13-06 – All necessary funding through grant programs has been secured for the purchase of the park property. Property has been closed upon.
Master plan the park	<ul style="list-style-type: none"> ◆ Conduct a public outreach campaign to gather community input on park master plan. ◆ Attain outside expert assistance on developing the master plan documents. ◆ City Council holds public hearing on master plan and adopts the document. 	Planning Dir RIVERR task force	30	05-06	4-13-06 – A citizen survey regarding desired uses for the park has been distributed and the results are currently being tallied. A series of community forums are being planned to be held so as to provide additional input on the park design. A number of community meetings have been held and the master plan is underway.

GOAL TO OPEN THE KEIZER RAPIDS PARK TO THE PUBLIC WITHIN TWO YEARS

Continued

<u>Task</u>	<u>Next Steps</u>	<u>Who</u>	<u>% Goal</u>	<u>FY</u>	<u>Update</u>
Construct the Park	◆ Secure funding to construct the park CIP project list and schedule for completion.	Planning Dir Public Works Dir RIVERR task force	40	06-07	4-13-06 – Work has not yet begun.
Develop IGAs for park patrol and maintenance	◆ Develop a series of IGAs with partner jurisdictions to secure resources for patrol and maintenance of the park.	City Manager Planning Dir. City Attorney City Council	10	06-07	4-13-06 – Work has not yet begun
Total % of Goal Completed to date			20		

2005-07 CITY COUNCIL GOALS

Business Plan for Completion within 24-months

Goal to Increase Citizen Participation: Develop methods of increasing the level of citizen participation in government in Keizer so as to ensure a high level of community satisfaction and build trust between citizens and government.

- ♦ Establish Task Force to revamp/review Neighborhood/Community Groups Process.
- ♦ Establish Task Force for K-23 – to determine "value added" programming

- ♦ Determine coordination direction for "No Meth" Task Force for next 24 months

Next Steps:

<u>Task</u>	<u>Next Steps</u>	<u>Who</u>	<u>% Goal</u>	<u>FY</u>	<u>Update</u>
Neighborhood Associations and Community Group Process	♦ Develop task force to review the value of neighborhood associations and determine level of community interest in making them more viable.	City Council	34	06	4-13-06 – Councilor McKane requested participation in a meeting from neighborhood association representatives and held an informal meeting to discuss ways to improve communications with the City. Councilor McKane met with two neighborhood association members and developed a number of ideas to pass on to the City Council. This group will meet at least once more before work is completed.
No Meth. Not in My Neighborhood	♦ Determine Council Policy on City Participation in No Meth. Not in My Neighborhood task force.	City Council Police Department	33	05-06	4-13-06 – Work has not yet begun

GOAL TO INCREASE CITIZEN PARTICIPATION

Continued

<u>Task</u>	<u>Next Steps</u>	<u>Who</u>	<u>% Goal</u>	<u>FY</u>	<u>Update</u>
Establish task force for K-23 Programming and Policies	<ul style="list-style-type: none"> ◆ Mayor establishes task force or standing committee to oversee K-23. ◆ K-23 Committee develops policies and future direction for K-23 regarding programming content and audience. 	City Council City Manager K-23 Committee HR Director	33	05-07	4-13-06 – The Mayor has begun to develop a list of names to serve on the K-23 Task Force.
Total % of Goal Completed to date			0		

2005-07 CITY COUNCIL GOALS

Business Plan for Completion within 24-months

Goal to Revamp the SKAPAC Process: Work with Salem City Staff and City Council to develop revisions to the SKAPAC process so as to make it more efficient to coordinate high level issues between Salem and Keizer.

◆ **Revamp the SKAPAC Process**

Next Steps:

<u>Task</u>	<u>Next Steps</u>	<u>Who</u>	<u>% Goal</u>	<u>FY</u>	<u>Update</u>
Revamp SKAPAC process	◆ Develop task force of City Council and City Staff to review the SKAPAC process and decide whether or not to move forward with a formal review process.	City Council City Attorney City Manager	25	05-07	4-14-06 – Work has not yet begun
	◆ If a revision is determined feasible and important, initiate contact with Salem City Staff and City Council to initiate a joint agency review of the process.	City Council City Attorney City Manager	25	05-07	4-14-06 – Work has not yet begun
	◆ Work cooperatively with Salem to create a revised agreement document.		25	05-07	4-14-06 – Work has not yet begun
Establish task force for K-23 Programming and Policies	◆ Present revised document to both City Councils and approve new agreement	City Council City Attorney City Manager	25	05-07	4-14-06 – Work has not yet begun

Total % of Goal Completed to date

0

2005-07 CITY COUNCIL GOALS

Business Plan for Completion within 24-months

Goal to Complete the Keizer Station LIDs: Develop public financing package for Keizer Station public improvements and Sports/Expo/Community Center.

◆ Secure public financing and form LID for Keizer Station public improvements

◆ Secure 2nd LID for Keizer Sports/Expo/Community Center

Next Steps:

<u>Task</u>	<u>Next Steps</u>	<u>Who</u>	<u>% Goal</u>	<u>FY</u>	<u>Update</u>
✓ Secure public financing and form LID for Keizer Station public Improvements	<ul style="list-style-type: none"> ◆ Hire a financial advisor to help with project. ◆ Obtain appraisals of land within proposed LID to assess City's risk. ◆ Agree on terms of public financing and form LID. ◆ Issue bonds. 	Finance Director City Manager Financial Advisor City Attorney City Council	75	05-06	4-14-06 – The City has entered into an interim financing agreement with Keybank and is making draws to pay for the public improvements as expenses are incurred. Once the project is completed and total costs are tabulated, the City will either issue bonds for the long term financing or initiate a private placement of the debt if appropriate.
Secure 2 nd LID for Sports/Expo Center	<ul style="list-style-type: none"> ◆ Initiate discussions with property owners in Area A of Keizer Station about initiating LID earlier than \$300M valuation. ◆ Initiate LID 	Finance Director City Manager Financial Advisor City Attorney City Council	25	06-07	4-14-06 – The public infrastructure improvements are nearing completion. As soon as they have been accepted by the City (likely later this summer) then the LID will be tabulated and formed.

Total % of Goal Completed to date

75

2005-07 CITY COUNCIL GOALS

Business Plan for Completion within 24-months

Goal to Place a Library Measure on the May, 2007 Ballot: Develop a plan for a Keizer Library that meets the needs of the community and of the CCRLS so as to gain CCRLS membership and place a funding measure on the May 2007 ballot for Keizer residents to vote upon.

◆ Resolve CCRLS Membership issue

◆ Complete Analysis and Documentation for a possible May, 2007 Ballot Measure Vote

Next Steps:

<u>Task</u>	<u>Next Steps</u>	<u>Who</u>	<u>% Goal</u>	<u>FY</u>	<u>Update</u>
✓ Resolve CCRLS Membership Issue	◆ Work with CCRLS to create a position that meets the needs of the Keizer community and the CCRLS so as to gain full membership if a library is built in Keizer.	City Council City Attorney City Manager	75	05-06	4-14-06 - The City Manager's proposal has been rejected and the City Council, after a work session with the public, has decided to continue working on this issue in a different manner.
Complete Analysis and Documentation for a possible May 2007 Ballot Measure Vote	◆ Follow Oregon State Guidelines for placing a ballot on an election other than a general election.	City Council City Attorney City Manager	25	06-07	4-14-06 - Work has not yet begun

Total % of Goal Completed to date

75

2005-07 CITY COUNCIL GOALS

Business Plan for Completion within 24-months

Goal to Complete and Adopt Several Outstanding Issues: Work toward completion and adoption of several outstanding issues including the adoption of a storm water master plan, finalize review of personnel policies, and complete a major amendment to the Urban Renewal District.

- ◆ Complete and Adopt Storm Water Master Plan
- ◆ Complete Major Amendment of North River Road Urban Renewal District
- ◆ Finalize Review and Adopt Personnel Policies

Next Steps:

<u>Task</u>	<u>Next Steps</u>	<u>Who</u>	<u>% Goal</u>	<u>FY</u>	<u>Update</u>
Complete and adopt storm water master plan	<ul style="list-style-type: none"> ◆ Hire consultant to help create storm water master plan. ◆ Council appoints task force to work with staff and consultant on development of the master plan. ◆ Task force recommends storm water master plan for approval by City Council. ◆ City Council holds public hearing on storm water master plan ◆ City Council adopts storm water master plan and any other regulations necessary to implement it. 	<ul style="list-style-type: none"> City Council City Attorney Public Works Dir City Manager Com. Dev. Dir Task Force 	33	06-07	4-14-06 – Work has not yet begun.

GOAL TO COMPLETE AND ADOPT SEVERAL OUTSTANDING ISSUES

Continued

<u>Task</u>	<u>Next Steps</u>	<u>Who</u>	<u>% Goal</u>	<u>FY</u>	<u>Update</u>
✓ Finalize review and adopt personnel policies	<ul style="list-style-type: none"> ◆ HR Director and Department Heads work with Council Personnel Policy Committee to review policies and recommend changes for Council adoption. ◆ City Council reviews and adopts changes to personnel policies. 	<p>HR Director Council Pers Pol Committee Department Heads City Manager City Council</p>	33	05-06	11-29-05 – The HR Director and Council Personnel Policies Committee have spent the last 5-years working on this project and have completed their review and proposed revisions to the City's personnel policies. This document now must to before the full Council for adoption. For all intents and purposes, this task is completed.
✓ Complete major amendment to the Urban Renewal District	<ul style="list-style-type: none"> ◆ Develop project list. ◆ Determine probable cost of projects. ◆ Public notice to all Keizer residents of proposed changes, cost and public hearing date/time. ◆ Hold public hearing. ◆ Adopt major amendment to Urban Renewal district 	<p>Finance Director City Attorney City Manager City Council</p>	34	05-06	11-29-05 – This task is completed

Total % of Goal Completed to date

67

2005-07 CITY COUNCIL GOALS

Business Plan for Completion within 24-months

Goal to Explore Options for Curly's Dairy Wetlands: Work with the West Labish Water Control District and the Salem Keizer Watershed Council to guarantee that the Curly's Dairy wetlands area remains a functioning wetlands for flood mitigation purposes.

- ◆ Explore Options for Curly's Dairy Wetlands
- ◆ Develop Multi-Use Path Connection between Country Glen and Hidden Creek Neighborhoods and the Keizer Station Area
- ◆ Pursue Other Flood Mitigation Projects

Next Steps:

<u>Task</u>	<u>Next Steps</u>	<u>Who</u>	<u>% Goal</u>	<u>FY</u>	<u>Update</u>
✓ Explore options for Curly's Dairy Wetlands	◆ Actively work with West Labish Water Control District and the Salem Keizer Watershed Council to ensure that the Curly's Dairy wetland property remain undeveloped for flood mitigation purposes.	City Council City Manager Public Works Supt.	25	05-07	4-13-06 – The City remains active with these groups and will pursue opportunities to secure this ground as/if they arise.
Pursue other flood mitigation projects	◆ Develop flood overflow channel in the Hidden Creek and Country Glen Parks along Labish ditch.	Public Works Director City Manager	50	06-07	4-13-06 – This project is budgeted and expected to be built in the Spring of 2006.
Develop multi-use path connection between Country Glen and Hidden Creek neighborhoods and the Keizer Station area	<ul style="list-style-type: none"> ◆ Plan for a multi-use path connection between the Keizer Station area and the Country Glen and Hidden Creek neighborhoods. ◆ Construct the path. 	Public Works Director City Manager Com. Dev. Dir.	25	06-07	4-13-06 – Community Development has been alerted to this need and will be working with property owners as master plans are made to incorporate such a connection.

Total % of Goal Completed to date

25

"PRIDE, SPIRIT, AND VOLUNTEERISM"

Motto of the City of Keizer

Volunteers are the foundation of the Keizer community. Many volunteers assist the City in performing a multitude of duties, often providing services that would be reduced or non-existent. Beginning with the citizens of this former rural area who tried seven times at incorporation to the many individuals who serve in various volunteer positions today, volunteerism has served as a successful basis for our City. These volunteer efforts grow out of the leadership of creative, committed people who believe in working together to solve issues for the betterment of our community.

Some of the most prevalent and dedicated volunteers are the members of the City Council. Each of these seven elected officials volunteer numerous hours attending City Council meetings, work sessions, committee meetings, community gatherings, as well as meeting with residents to discuss concerns, ideas, and other important issues facing the community. As one Council member noted, "We really don't view ourselves as politicians, only neighbors who care about the community, working together as a team to do what is best for the citizens." During our 23-year history, Keizer has elected 5 Mayors and 32 individuals to serve as Councilors.

Assisting the City Council in setting policy and guiding the future development of the community are many volunteers who serve on the various boards and commissions. Such volunteers are members of the Planning Commission, Budget Committee, Keizer Urban Renewal Board, Bikeways

Committee, Volunteer Coordinating Committee, Traffic Safety Commission, River Road Renaissance Advisory Committee, Keizer Points of Interest Committee, and Parks Advisory Board. Most of these boards meet on a monthly basis gathering information and forming recommendations to assist the City Council in guiding the City.

The City of Keizer is also fortunate to have a variety of volunteers who assist the City staff in the daily operations of the City. These volunteer hours save the City thousands of dollars in additional personnel costs. Some examples of these volunteer efforts include the citizens who assist in the police records department, assist in filing and clerical duties at City Hall, and enforce the handicap parking laws within the City.

Additionally, volunteerism has enriched our community in a number of other ways. Volunteers from national, regional, and local partners from public and private organizations have been working extremely hard on the creation and development of a community park along the Willamette River. Diligent work by these volunteers will open the gate to the 119 acre Keizer Rapids Park, offering continuous public access along the Willamette River. It is projects such as these that truly show the pride, spirit and volunteerism of our community.

A heartfelt thank you to all of those volunteers who have built a community that each and every resident should be proud to be a part of. Volunteerism in the City of Keizer is alive, healthy and growing.

FINANCIAL POLICIES

- ◆ The City shall keep City government costs and services to a minimum by providing City services to the community in a coordinated, efficient and least cost fashion.
- ◆ The City shall commit existing resources to continue developing a proactive Police Department with a strong Community Policing philosophy.
- ◆ The City shall commit approximately 2.5% of General Fund Revenues (net grants and other dedicated revenues) to the operation and maintenance of its Park system.
- ◆ The City shall aggressively seek Federal funding and local donations to support its public safety initiatives.
- ◆ Due to the unpredictable long-term nature of Revenue Sharing Funds, Council has elected to appropriate one-time only Capital Outlay Expenditures to these funds.
- ◆ All operating funds will maintain an unrestricted and undesignated balance equal to annual revenue of at least 5% percent. This is the minimum needed to maintain the City's creditworthiness. At June 30 of each year sufficient reserves shall exist to adequately cover the cash flow needs of the fund and to adequately provide for economic uncertainties for the upcoming year. Should the fund balance fall below the targeted amount in a given fund, a plan for expenditure reductions and/or revenue increases shall be submitted to the City Council via the Budget Committee. If, at the end of a fiscal year, the fund balance falls below the target amount in a given fund, then the City shall develop a plan to restore the fund balance within the five year planning period.
- ◆ The City shall maintain a strong system of Internal Controls.
- ◆ All revenue forecasts shall be conservative.
- ◆ In accordance with Oregon State law, an independent annual audit shall be performed by a public accounting firm, which shall issue an opinion on the annual financial statements and present a management letter detailing areas for improvement.

FINANCIAL POLICIES

Continued

- ◆ The City shall invest funds subject to arbitrage regulations, Bond Indenture requirements, and the Prudent Person Rule which states that "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived."
- ◆ General Obligation Debt issued by the City shall not exceed three percent of the total assessed value of property in the City, in accordance with Oregon State law (ORS 287.004).
- ◆ The City shall collect revenues aggressively, including past due bills of any type.
- ◆ The City shall follow State adopted guidelines in setting fines and forfeiture amounts.

* Where applicable, the City of Keizer's financial policies are adhered to in administering the Keizer Urban Renewal Agency

CITY OF KEIZER HISTORY

On November 2, 1982 an unincorporated area of Marion County – north of the City of Salem – 4713 acres or 7.36 square miles - was incorporated at the General Election. The seventh and final attempt resulted in a successful vote of 4440 to 3341. The City of Keizer became the 12th largest city in Oregon with a population of 19,650.

Presently, at a population of greater than 35,000, Keizer is the 14th largest city in Oregon. It is nestled in the center of the Willamette Valley and is recognized as the "*Iris Capital of the World*." The City is bordered on the western edge by the Willamette River, southern edge by the City of Salem, eastern edge by Interstate 5, and the northern edge by rural portions of Marion County. In the 1990's, the City experienced a rapid amount of new residential building and growth, establishing Keizer as one of the fastest growing cities in Oregon. In spite of this growth, the community continues to preserve its small-town pride by supporting the largest volunteer Little League organization in Oregon and community-wide events, such as the Keizer Iris Festival and the annual Miracle of Christmas lighting display. Opening for the first season in 1997, the Keizer Stadium is home to the

Volcanoes, a Minor League baseball team affiliated with the San Francisco Giants.

The City of Keizer has 19 community and neighborhood parks, which includes the Keizer Little League Park. In addition, the City, in conjunction with Marion County, the City of Salem and other regional partners are in the process of developing a large regional park along the banks of the Willamette that will provide incredible opportunities for residents to recreate and connect with this Heritage River. In the summer of 1999 a 20,000 square foot skate park was opened. The Carlson Skate Park was constructed largely by volunteer labor and donations. Neighborhood volunteers maintain several of the parks in the community and Keizer Rotary club often donates time and materials to construct park shelters, big toys, and the like throughout our park system.

The City of Keizer operates under a Council-Manager form of government. The City Council consists of a Mayor and six Councilors. The City Manager is the administrative head of City government and is appointed by the City Council. There are 86 City employees working in seven departments: Administration, Finance, Human Resources, Public Works,

CITY OF KEIZER HISTORY

Continued

Community Development, Municipal Court and Police Services.

The water supply for the City of Keizer is provided by 15 underground wells. Keizer sits on one of the largest aquifers on the Northwest coast. Since 1983, water service connections have grown from 5,200 to 9,100 services and in 1998 the first water reservoir was constructed. On an average, the City uses approximately 3 million gallons of water per day. In 1997, the City of Keizer was given an award for the "Best Tasting Ground Water in Oregon."

The Keizer Fire District and Marion County Fire District #1 provide fire and emergency services for the City.

One of the more recent volunteer projects was the development of Keizer Corner in 2005. This area, located at the intersection of River Road and Chemawa Road, was once the site of a gas station. In the late 1990's, the City of Keizer purchased this property using Urban Renewal Funds. What was once

a barren lot now features beautiful trees, a water display, flags, and a plaza. This \$157,000 improvement project was the result of countless hours of volunteer time, cash, materials, and service from the community. The plaza area was named Newton-McGee Plaza in honor of two long time volunteers for their dedicated service to the Keizer City government. The water feature includes the City's motto. It is truly a portrait of Community Pride, Spirit and Volunteerism.

The citizens of Keizer can be proud of the progress of this great community. Pride, Spirit, and Volunteerism are alive and well in the City of Keizer.



City of Keizer

May 1, 2006

Honorable Mayor Christopher, City Councilors, Budget Committee,
and Citizens of Keizer:

The City of Keizer 2006-2007 Manager's Recommended Budget focuses on committing resources to provide the best service to our customers while ensuring the fiscal integrity of public funds.

ALL FUNDS COMBINED

The net decrease in the City's FY07 budget is \$19,410,500. As shown on the adjacent table, the decrease is primarily from the Keizer Station LID fund, a capital projects fund established to track the cost of infrastructure at Keizer Station. Both the Street Fund and Water Facility Fund account for over \$3,000,000 of the net decrease because of one-time capital improvement projects budgeted in FY06.

General Fund	\$ 838,400
Revenue Sharing Fund	44,800
Street Fund	(1,661,100)
PEG Fund	8,200
9-1-1 Fund	(1,300)
Keizer Station LID	(1,262,100)
Housing Rehabilitation Fund	27,100
Law Enforcement Grants Fund	(110,000)
Park Improvement Fund	(985,500)
Transportation Fund	608,500
City Hall Replacement	(13,800)
Sewer Fund	69,800
Water Fund	720,800
Water Facility Fund	(1,651,600)
Street Lighting District Fund	72,200
Sewer Reserve Fund	(122,400)
Total All Funds	<u><u>\$ (19,410,500)</u></u>

Expenditures/Expenses

Personal Services

The City anticipates a six-percent increase in Personal Services over FY06. This increase includes:

- ◆ cost-of-living increases (2.6% based on the Portland Consumer Price Index for wage earners).
- ◆ increases in medical benefits as a result of an arbitration ruling, which settled the Keizer Police Association union contract requiring the City to pay 95% of medical insurance premium benefits. It has been the city's policy to provide comparable benefits to all its employees.
- ◆ annual merit increases
- ◆ workers compensation costs. These costs are expected to increase between 10-15% over FY06 according to the City's insurance carrier. The Manager's Recommended Budget projects increases at 15% to provide a conservative estimate.

Materials and Services

The City's Liability and Property Insurance premiums are expected to increase 4% over FY06 expenditures because of rate increases.

Electricity costs are expected to increase 8.7% in January 2007 for industrial users according to the city's main supplier, Portland General Electric.

The FY07 budget includes additional labor attorney costs to provide for a review of city-wide Personnel Policies. Labor attorney costs have also been budgeted for contract

negotiations with the Keizer Police Association and the Local 320 (Municipal Utility Workers) since both contracts expire June 30, 2006.

Postage and printing costs have increased to reflect the US Postal Service increase in mailing costs (approximately 5%) and to cover the cost of printing and mailing the City's newsletter, the Keizer Quarterly.

Gasoline prices have risen in FY06 which primarily impacts the General Fund Police budget and the Water Fund budget.

Capital Outlay

City-wide capital improvements include \$80,000 for a City Hall remodel which provides secure workspace for Payroll and Human Resources staff and confidential records, better service to customers, and more efficient workflow. A new roof is needed for the auditorium estimated at \$35,000. Both projects are budgeted in the City Hall Facility Fund.

General replacement and upgrade of computer hardware is budgeted at \$103,000 city-wide. These expenditures are down compared to the FY06 budget which was \$257,000. However, \$110,000 of this was for Mobile Data Computers in patrol cars and was funded with a federal grant.

GENERAL FUND

The General Fund provides for changes from the previous year as follows:

Resources: Revenues are projected to increase 12% over FY06.

The City begins the year with approximately \$600,000 more in Working Capital Carryforward than was projected in FY06. \$425,000 is from increases in revenues including NW Natural franchise fees, municipal court fine collections, state Liquor Tax apportionments, interest earnings, and property tax revenues. Program expenditure savings provided the remaining \$175,000.

The City reduced the Urban Renewal District in FY06 which put additional property values on the tax rolls of the City. Consequently, property tax revenues are projected to increase 13% compared to typical annual increases of 4%.

License and fee increases are attributed to franchise fee revenues from NW Natural. Franchise Fee revenues are based on gross revenues and gas prices increased substantially in FY06.

Intergovernmental revenue increases primarily reflect increases in state Liquor Tax apportionments. FY06 revenues came in 20% above the amount budgeted. The state estimates a 4%-increase in these revenues in FY07. Liquor Tax apportionments are distributed based on population.

Fines & Forfeits increased 25% above FY06 budget projections. Increases are attributed to increases in staff time to manage the municipal court office and follow-up with defendants' to ensure they pay fines assessed by the judge.

Expenditures: The Manager's Recommended Budget proposes a \$300,000 increase in Personal Services for cost-of-living and merit increases and increases in medical and workers' compensation insurance.

Materials and Services have increased over \$55,000 primarily to cover projected increases in costs and to cover the General Fund's share of city-wide cost increases as described earlier.

Additional transfers are needed in FY07 to pay for the electronic ticketing system in the Revenue Sharing Fund and to cover a budget shortfall in the 9-1-1 fund.

Approximately one-half of the increase in the General Fund will go towards restoring the ending fund balance to a level sufficient to meet working capital requirements in future years.

REVENUE SHARING

Resources: Year-to-date State Shared Revenue receipts in FY06 were 13% above FY05. State Revenue Sharing projections are based on FY06 actual revenues projected out to year-end. The State of Oregon projects a 1%-increase in these revenues statewide for FY07.

Expenditures: The increases in the Revenue Sharing Fund are primarily to pay for the electronic ticking system and patrol vehicle leases.

STREET FUND

Resources: The City begins FY07 with a \$1,060,000 increase in Working Capital Carryforward primarily because of Capital Improvement projects carried over from FY06. The net \$1,660,000 revenue decrease from FY06 to FY07 is a reflection of one-time budgeted revenues in FY06 for federal grants, property sale proceeds and bond proceeds.

State fuel tax revenues were expected to decline in FY06; instead, the City realized a 13%-increase over budget projections. The State apportionment is expected to decline approximately 6% in FY07. FY07 projections are based on FY06 actual revenues projected to year-end adjusted for the 6% anticipated decrease.

Expenditures: Operating expenditures (materials and services) are expected to decrease a \$100,000 over FY06 primarily for reductions in contractual services, engineering services and street maintenance. Furthermore, the FY06 Budget projected significant increases in street sweeping costs as indicated by the City's vendor at the time. Staff was able to bring on a new vendor in FY06 and kept costs reasonably consistent with previous years.

Capital Outlay expenditures decreased nearly \$2,000,000 from FY06; \$1,500,000 of this is for the purchase of property at Keizer Station. Street improvement projects and the Chemawa Road Bridge projects were not completed in FY06 and funds have been carried over to appropriate funds needed to complete construction.

KEIZER STATION LID

The Keizer Station LID fund is a capital improvement fund set up to track expenditures for Keizer Station infrastructure. The City plans to establish a local improvement district and assess property owners for the cost of these improvements. Revenues are line-of-credit draws from loan proceeds. The City expects to complete construction in FY07.

LAW ENFORCMENT GRANT FUNDS

In FY06 the City budgeted and received a one-time federal grant for mobile data computers for its patrol cars.

PARK IMPROVEMENT FUND

Working Capital Carryforward increased because of carryover in land acquisition costs, park improvement costs and unexpended contingency. This increase is offset by a decrease in one-time federal grant revenue that was budgeted in FY06 for Keizer Rapids Park.

TRANSPORTATION IMPROVEMENT FUND

During FY06, System Development Fees came in \$430,000 over revenue projections, primarily from Keizer Station Development. The city did not spend the \$260,000 contingency in FY06 and the FY07 contingency increased to \$870,000.

SEWER FUND

The \$70,000 increase in the sewer fund is less than a 2%-increase in the \$4,000,000 budget. Revenue and expenditure increases are from an increase in the number of customers billed for sewer services.

WATER FUND

Revenues: Working Capital Carryforward is higher than anticipated going into FY07 because funds were not transferred

to the Water Facility Fund as budgeted in FY05. Water sales are projected to increase 4% as planned for in the City's Rate Analysis completed in 2002. This increase is needed to pay to replace aging infrastructure, provide better fire protection, improve water quality, and increase storage capacity needed for new development.

Expenditures: Personal Services are expected to increase \$64,000 for cost-of-living and merit increases and increases in medical and workers' compensation insurance.

Materials and Services have increased over \$30,000 primarily to cover projected increases in costs and to cover the Water Fund's share of city-wide cost increases as described earlier.

Capital Outlay costs decreased approximately \$100,000 primarily because a one-time expenditure for heavy equipment was budgeted in FY06.

The transfer to the Water Facility Replacement Reserve Fund is significantly higher in FY07 than in FY06 because the \$525,000 fund transfer was not made in FY05. This transfer is added to the annual amount to be transferred for FY07.

WATER FACILITY FUND

Resources: The City anticipates an increase in Working Capital carryforward of over \$1,200,000 primarily due to delays in completing the storage facility budgeted in FY06. The City issued \$2,600,000 in debt in FY06; \$850,000 less than budgeted. The City does not plan to issue more debt for water infrastructure in the foreseeable future.

Expenditures: Capital Outlay projects budgeted in FY07 are primarily for completion of projects budgeted in FY06. The detail list of projects is listed in the narrative section of the Water Facility Fund budget.

STREET LIGHTING DISTRICT FUND

For the past three years the City has increased Street Lighting District assessments to build Working Capital in this fund. FY06 was the last year the additional assessment is necessary as the Ending Fund Balance projected at June 30, 2006 appears to be adequate to cover future cash flow needs.

Street lighting energy costs are expected to increase 8.7% in January 2007 according to Portland General Electric.

SEWER RESERVE FUND

Working Capital Carryforward is \$140,000 above FY06 because of an increase in revenues over expenditures. Sanitary Sewer Acreage fees are expected to be approximately \$270,000 less than FY06. The FY06 revenue projections were unusually high because of development at Keizer Station.

The FY07 Manager's Recommended Budget continues to provide funding for an effective and low cost government that meets the identified City's needs. The Budget allocates the City's resources to provide services on a priority basis within tight fiscal constraints.

One of the biggest financial challenges facing the City is funding general government services. Property Tax Revenues make up

approximately 39% of General Fund Revenues. The State of Oregon property tax system sets a permanent rate for each taxing district. Increases in Property Tax Revenues are limited to 3% of assessed value plus growth from new construction. The FY07 district net value is expected to increase 5% overall and the Urban Renewal District value is expected to increase 12% because of Keizer Station development. Property Tax Revenues city-wide continue to increase at a declining rate. As the City builds out to its urban growth boundaries, property tax revenues will be limited to no more than a 3%-increase in future years. The remaining 61% of General Fund Revenues are expected to increase at a much slower rate; about 1% to 2% per year. This creates a disparity with the cost of doing business, which has typically increased at 3% per year (based on Portland Oregon's Cost of Living Index).

To help align Revenue and Expenditure trends so that the City may continue funding basic services, the City has provided for a series of increases in Franchise or License Fee Rates. Such fees are now set at the maximum allowed by Oregon Law. The City continues to monitor the Long-Range Plan to test the impact of decisions over the long-term.

SUMMARY

The FY07 Manager's Recommended Budget projects \$17,196,100 in Revenues and \$12,456,000 as Beginning Reserves and Working Capital. These resources will be used to maintain service levels expected to cost \$25,468,800

We would like to compliment and thank everyone involved in the development of the FY07 Manager's Recommended Budget. We appreciate the thoughtfulness in which the Mayor, City Councilors, and Budget Committee take in reviewing this document, the important questions they ask and the requests for detail needed to understand and appreciate the City services and to provide a document that is easily read by the citizens we serve.

On behalf of the entire staff of the City of Keizer, we pledge to you our very best efforts to help the City operate effectively and efficiently during the next fiscal year.

Respectfully submitted,

Chris Eppley
City Manager

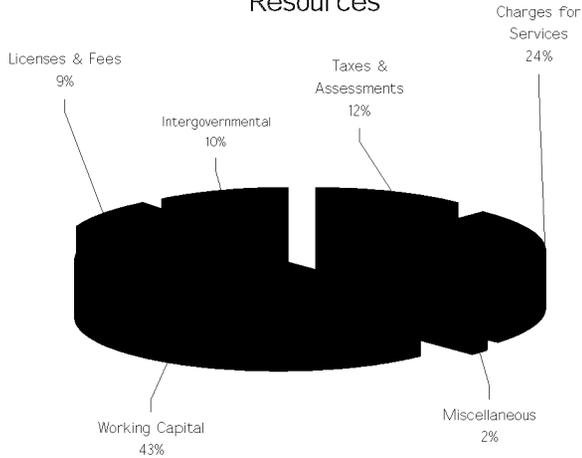
Susan Gahlsdorf
Budget Officer

\$ 4,723,250	\$ 6,702,764	\$ 7,070,800	Working Capital Carryforward	\$ 12,456,000	\$ 12,441,300	\$ 12,468,800
3,109,737	3,180,919	3,330,700	Taxes & Assessments	3,607,800	3,607,800	3,607,800
2,355,015	2,424,051	2,393,700	Licenses & Fees	2,619,300	2,619,300	2,619,300
2,580,505	3,111,986	6,568,800	Intergovernmental	2,987,900	3,047,900	3,047,900
372,924	473,327	425,500	Fines & Forfeits	531,300	531,300	531,300
6,171,486	6,238,726	6,918,100	Charges for Services	6,958,300	6,958,300	6,958,300
-	-	22,617,500	Bond Proceeds	-	6,500,000	6,500,000
285,914	271,787	362,400	Miscellaneous	491,500	490,400	490,400
329,374	284,491	536,700	Transfers In	1,161,600	1,070,300	1,124,200
\$ 19,928,205	\$ 22,688,051	\$ 50,224,200	TOTAL RESOURCES	\$ 30,813,700	\$ 37,266,600	\$ 37,348,000

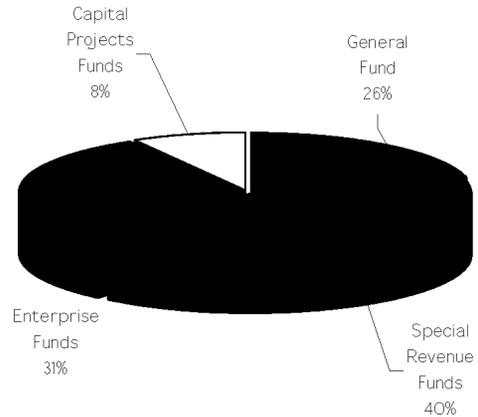
\$ 5,277,667	\$ 5,931,188	\$ 6,257,100	Personnel Services	\$ 6,660,700	\$ 6,812,000	\$ 6,801,000
6,674,371	6,976,204	8,155,730	Materials & Services	7,579,800	7,582,600	7,611,600
933,284	3,432,254	30,786,890	Capital Outlay	10,779,000	17,413,000	17,422,200
11,538	10,513	135,700	Debt Service	449,200	449,200	449,200
\$ 12,896,860	\$ 16,350,159	\$ 45,335,420	TOTAL EXPENDITURES	\$ 25,468,700	\$ 32,256,800	\$ 32,284,000
328,574	284,491	536,700	Transfers Out	1,152,500	1,061,200	1,115,100
-	-	137,080	Contingency	232,300	236,000	236,000
-	-	295,900	Reserves	411,000	411,000	407,900
6,702,771	6,053,401	3,919,100	Undesignated Ending Fund Balances	3,549,200	3,301,600	3,305,000
\$ 19,928,205	\$ 22,688,051	\$ 50,224,200	TOTAL EXPENDITURES & FUND EQUITY	\$ 30,813,700	\$ 37,266,600	\$ 37,348,000

CITY OF KEIZER
ALL FUNDS - ALLOCATION OF RESOURCES
FISCAL YEAR 2007

Resources



Expenditures



CITY MANAGER

The Position

The **City Manager** is the administrative head of the City government as provided by the City Charter. This position provides the Mayor and City Councilors with information, implements policies adopted by the Council, and manages the City operations in an effective and efficient manner. The City Manager oversees all departments, which provide services to the citizens of Keizer. These departments consist of Police, Public Works, City Recorder, Municipal Court, Finance, Human Resources, and Community Development. Currently, staffing is comprised of 77 Full Time Equivalents (FTE). The City Manager also acts as the primary liaison with other local Municipal, State and Federal agencies.

Form of Government

The **Council-Manager** form of local government combines the strong political leadership of elected officials (in the form of a council, board, or other governing body) with the strong professional experience of an appointed Local Government Administrator. Under the Council-Manager form, power is concentrated in the elected council, which hires a professional administrator to implement its policies. This appointee serves at the pleasure of the Council and has responsibility for preparing the budget, directing day-to-day operations, hiring and firing personnel, and serving as the Council's Chief Policy Advisor.

Since 1912, when Sumter, South Carolina, became the first community to adopt Council-Manager government and ran the first advertisement for a City Manager, the form has become the most popular system of local government for communities with populations of 5,000 or over. In 1935, the International City Manager's Association (now the International City/County Management Association), recognized 418 U.S. cities and 7 counties as operating under the Council-Manager form. By 1985, the number of Council-Manager communities had grown to 2,548 cities and 86 counties in the U.S. Today, more than 3,056 U.S. cities and 144 counties operate under this system of local government.

The Council-Manager form continues to gain popularity. During the past 12 years, an average of 44 U.S. cities annually have adopted the Council-Manager form, while an average of only two have abandoned it. The form also is flexible enough to meet the needs of larger communities, including Dallas, Texas (population 1,006,877); Kansas City, Missouri (435,146), Cincinnati, Ohio (364,040); Phoenix, Arizona (983,403); San Jose, California (782,248); and San Diego, California (1,110,549).

CITY MANAGER

Continued

Functioning much like a business organization's Chief Executive, the appointed Professional Manager administers the daily operations of the community. Through a professional staff, the Manager ensures the provision of services and enforces the policies adopted by the elected Council. He or she is selected by the Council on the basis of education, training, and experience. Qualifications and performance, not political savvy, are the characteristics that make an appointed Manager attractive to a Council.

Appointed Local Government Managers have no guaranteed term of office or tenure. They can be dismissed by the Council at any time, for any reason. As a result, they constantly must respond to citizens and be dedicated to the highest ideals of honesty, integrity, and excellence in the management and delivery of public services. In short, appointed Managers are charged with providing government "for the people."

Professional Code of Ethics

Because caring for and tendering the public trust is of critical importance, Professional Managers are bound by a code of ethics that guides their actions on a daily basis. These ethical standards are listed below:

Tenet 1. Be dedicated to the concepts of effective and democratic local government by responsible elected officials and believe that Professional General Management is essential to the achievement of this objective.

Tenet 2. Affirm the dignity and worth of the services rendered by government and maintain a constructive, creative, and practical attitude toward local government affairs and a deep sense of social responsibility as a trusted public servant.

Tenet 3. Be dedicated to the highest ideals of honor and integrity in all public and personal relationships in order that the member may merit the respect and confidence of the elected officials, of other officials and employees, and of the public.

Tenet 4. Recognize that the chief function of local government at all times is to serve the best interests of all of the people.

Tenet 5. Submit policy proposals to elected officials; provide them with facts and advice on matters of policy as a basis for making decisions and setting community goals; and uphold and implement local government policies adopted by elected officials.

CITY MANAGER

Tenet 6. Recognize that elected representatives of the people are entitled to the credit for the establishment of local government policies; responsibility for policy execution rests with the members.

Tenet 7. Refrain from all political activities which undermine public confidence in professional administrators. Refrain from participation in the election of the members of the employing legislative body.

Tenet 8. Make it a duty to continually improve the member's professional ability and to develop the competence of associates in the use of management techniques.

Tenet 9. Keep the community informed on local government affairs; encourage communication between the citizens and all local government officers; emphasize friendly and courteous service to the public; and seek to improve the quality and image of public service.

Tenet 10. Resist any encroachment on professional responsibilities, believing the member should be free to carry out official policies without interference, and handle each problem without discrimination on the basis of principle and justice.

Tenet 11. Handle all matters of personnel on the basis of merit so that fairness and impartiality govern a member's

Continued

decisions, pertaining to appointments, pay adjustments, promotions, and discipline.

Tenet 12. Seek no favor; believe that personal aggrandizement or profit secured by confidential information or by misuse of public time is dishonest.

Organizational Accomplishments

FY 2005-06 was a very busy time for the City as we worked hard on accomplishing some big projects and working toward accomplishing Council goals. Keizer Station continues to be a major project for the City. It is currently under construction with the majority of the public infrastructure in place and a significant amount of vertical construction taking place. Several other large-scale projects are making themselves known around town as well including River Road Renaissance, Keizer Rapids Park and plans for a November, 2006 ballot measure for a new Police Department and City Hall complex.

- ◆ The Keizer Station is continuing to take shape. Most of the public infrastructure is completed and vertical construction has begun in earnest with Lowes and Target already open for business. Soon, staff will begin working on replacing the short-term project financing with long-term bonds or a private placement financing and then we will form the Local Improvement District that will pay for the debt service.

CITY MANAGER

- ◆ The City's long-range financial plan continues to be updated each year as we move toward the goals identified within it. This has been a magnificent tool that can be used annually to gauge our progress and fiscal health.
- ◆ The City Council initiated a Master Plan process for the River Road corridor called River Road Renaissance. This planning project has enjoyed significant participation by Chamber of Commerce members and the general public and will help define the look and feel of River Road. The task force working on this project has identified a suite of projects for completion over the next several years and funding for them has been secured via an amendment to the existing Urban Renewal District. This next year will see several significant pedestrian and streetscape improvements taking shape.
- ◆ City Planning staff worked hard this last year with Councilor Walsh and the RIVERR Task Force to secure grant funding to develop the Keizer Rapids Park, just west of town and bordering the Willamette River. All required funding has been secured and ground has been purchased. Now the task force is working with the community on developing a master plan for the park.
- ◆ We received good feedback from the fourth Annual Community Survey and will be developing the fifth

Continued

Annual Survey this summer. This last survey was delivered to every address in Keizer and the feedback is a valuable tool used by the City Council to develop short and long term goals for the City.

- ◆ The City Council has committed that the City will place a ballot measure on the November, 2006 election for the partial funding of a new Police Department and City Hall facility. This project is estimated to cost about \$10M and \$6M has been dedicated to it through this year's urban Renewal Plan amendment. That leaves about \$4M left to fund which will mean about \$28/Year for a home valued at \$200K.

Future Goals

As the City heads into the next fiscal year and beyond, we shall be mindful of the goals set by Council so as to continue providing excellent service to the Citizens of Keizer. The Council Goals have been provided for you separately. Additionally, Staff will strive to accomplish the goals we have developed internally to promote a more effective and efficient organization. The staff goals are very simple and are as follows: **Provide exceptional customer service in all areas of our organization.**

HUMAN RESOURCES

The Human Resources Department develops, administers and provides a wide range of human resource programs and services in the areas of policies and procedures, recruitment and selection, classification and compensation, benefit and leave administration, employee and labor relations, risk management, health & wellness and HRIS (Human Resources Information System). In addition, this department oversees the City's Information Technology Division and serves as the City's Public Information Officer.

Human Resources Accomplishments

- ◆ Personnel policies were revised.
- ◆ Completed the 2005-06 KPA bargaining unit Insurance Reopener.
- ◆ Completed 6 recruitments resulting in 8 new hires. There were 5 terminations/resignations.
- ◆ In the process of conducting the 2006 Compensation Survey to be completed by June 30 with implementation scheduled for next fiscal year.
- ◆ Conducted Benefit Open Enrollment. The City offered two medical plans (Health Net) and two dental plans (Willamette Dental and Standard Dental).
- ◆ Implemented the City's first HRIS (Human Resources Information System). The system tracks multiple data fields and allows supervisors access to employee trainings, certifications, and other data.

2006-07 Human Resources Goals: During the coming fiscal year, Human Resources will be assisting each department with their staffing and recruiting needs, implementing the provisions of recently negotiated collective bargaining agreements, assisting departments with employee relations issues as needed and continue to seek opportunities to proactively partner with internal and external customers, deliver quality service, create innovative solutions and promote mutual respect and diversity. In addition, staff will complete HRIS training for supervisors, implement online Benefit Open Enrollment, and provide employee access to accruals online from home or office through a secured site.

Risk Management

The Risk Management program is responsible for citywide safety issues and workers' compensation program. Losses are mitigated by properly identifying and reducing risk exposure through preventive program, employee safety programs, wellness program and management of workers compensation and other benefit programs.

- ◆ Worker compensation premium will increase 15%, due to increased payroll and the National Council on Compensation Insurance adjustments in base rates, i.e. Law Enforcement increased 12.59% and Water

employees increased 21.93%. CIS reports Keizer's Loss Ratio at 39%, compared to 55% for CIS Group. This is a result of increased safety awareness and training.

- ◆ There were 11 workers' compensation claims filed last year. Strains/sprains 75.8%; Exposure 11.1%; Cardio Vascular 5.6%; Trauma 5.6%; and other 1.8%

2006-07 Risk Management Goals: Risk management staff will continue their efforts to engage city staff in making safety a priority in the day to day operations of the organization by expanding safety program trainings. The city management team is committed to working together to raise staff and community awareness of risk and safety issues, and propose operational changes where warranted.

Information Systems Accomplishments

Information Technology provides the computing infrastructure used by all city staff; maintains the operations of business software applications; Internet access; telephone and email access service; help-desk support to staff and elected officials. All services are critical for departments and must be maintained to run at optimal levels in a continual operation environment that is secure and free of computer viruses.

- ◆ Completed computer hardware inventory required for insurance purposes.

- ◆ Installed Secondary Backup System off-site in the event of destruction at primary location site.
- ◆ Installed New Servers for Police Dept. and City Hall due to increased space requirements and security needs.
- ◆ With grant funds, all police vehicles became wireless allowing officers to write reports in the field.
- ◆ New phone system saved the City approximately \$10,000 last year.
- ◆ Automated Calling System was installed in Utility Billing. This has reduced water shut-offs by 65%.
- ◆ Updated Anti-Spyware hardware which protects the City from increased spyware. For examples, in a three-month period, the new equipment stopped 234,588 tracking cookies (software) and 6,675 Active Content (moving pictures on web sites) from entering the City.
- ◆ Online Mapping was completed which allows viewing tax lot, zoning, and aerial photos by address. There has consistently been a 70-80% bandwidth allocation usage per month indicating usage is very high.

2006-07 Information Systems Goals: Researching and implementing the Police Department's paperless tickets and video cameras will be a large part of next year's technological advancement. In addition, staff will be enhancing GIS online systems with printing features and staff training on the newest GIS software and expanding the wireless network within City Hall and Police Department.

FINANCE

The financial operations of the City are planned and directed by the Finance Department. It establishes and sustains controls over the City's financial activities, and provides accurate, timely financial information to Council and Management. Finance coordinates the annual budget preparation and administration in accordance with Oregon Budget Law. The Department analyzes the City's financial condition, invests funds, coordinates bond financing, ensures compliance with tax laws and bond covenants, and recommends financial policies to the City Manager and Council. It maintains the integrity of the City's accounting records and facilitates the annual audit. The Department also manages the Utility Billing Division, the Municipal Court office and the Reception area with a staff of ten employees.

Accomplishments . . .

During the past year the Finance Department set up the financing mechanisms for the local improvement district at Keizer Station (Council Goal 7), Street Fund improvements and Water Fund improvements.

Finance coordinated a substantial plan amendment to the Urban Renewal District which was put before Council in November 2005 (Council Goal 11). The City Council passed the amendment allowing the district to continue, bringing tax increment revenues into the District to help fund new City Hall and Police facilities, various River Road Renaissance projects and a Sports/Expo Community Center.

Finance assisted with scenarios and cost analysis for Union negotiations between the City and the Keizer Police Association and

Local 320 (Municipal Utility Workers) Unions. Existing Union contracts expire on June 30, 2006

The City received a Certificate of Achievement for Excellence in Financial Reporting, a nationally recognized honor, for the sixth consecutive year. In December, the city was given a clean audit opinion with no audit findings for its fiscal year ending June 30, 2005.

Future Goals . . .

This coming year, the Department will continue focusing on customer service, streamlining processes and meeting City Council goals including:

- Providing fiscal impact analysis on the Civic Center Improvement Plan. (Council Goal 1).
- Providing fiscal impact analysis on a potential Library ballot vote for November 2006 (Council Goal 8).
- Analyzing costs and calculating the local improvement district assessments for the Keizer Station Development.
- Retiring the short-term borrowing agreement and issuing long-term debt to fund the Keizer Station local improvement district.
- Upgrade Finance and Billing software including data conversion.

CITY RECORDER / DEPUTY CITY RECORDER

The **City Recorder** provides administrative support to the City Council, serves as Election Officer, Risk Manager, and Volunteer Coordinator. In addition, the City Recorder acts as a "hub" for many of the departments providing project research, procedural support for preparation of staff reports, ordinances, and resolutions, records management and oversees the public notification process. Other areas of responsibility include processing of city newsletter, special event permits, liquor license applications, and street lighting districts. The City Recorder provides supervisory authority to the Deputy City Recorder.

The **Deputy City Recorder** gives administrative support, preparation of minutes and agenda packets and attends meetings for most of the City's Boards and Commissions. In addition, the Deputy City Recorder coordinates the Records Management program and assists the City Recorder in preparation of minutes for the City Council, Urban Renewal Agency and Budget Committee. The Deputy City Recorder does the layout for the City's newsletter and coordinates the City's web site - www.keizer.org.

Accomplishments

Beginning in January 2005, the department implemented and continues to fine-tune the electronic City Council packet process. The packets are available on the City's website to allow the public access to information being discussed and acted upon by their elected officials.

In our continued effort to provide information to the citizens of Keizer, we have revitalized the City newsletter - *The Keizer Quarterly*. The newsletter features such items as updates on current public construction, such as the Keizer Station project, crime prevention safety tips, volunteer recognition, city employee profiles, calendar of meetings, and helpful tips to utilize the information on City's website.

The **Deputy City Recorder** continues her support to the City's Boards and Commissions and providing administrative support to the staff liaisons of these committees. Under the coordination of the Deputy City Recorder, the information on the City's website has expanded during the year and new features are continually added.

Future Goals

In the upcoming year, the **City Recorder** and **Deputy City Recorder** will remain focused on providing the elected officials, staff, and citizens of Keizer with information, both in an electronic and paper format, on current and past proceedings within their city. We will continue to work towards codification of the ordinances and resolutions. The general election of 2006 will provide the citizens an opportunity to vote for Mayor and three City Council positions. After completion of the election process, our department will oversee the orientation process for the newly elected officials.

GENERAL FUND

This fund accounts for the activities of the City, which are not accounted for in any other fund. Principal sources of Revenue are Property Taxes, Franchise Fees, other taxes such as Cigarette and Liquor Tax, and charges for Administrative Services from other funds. A General Fund looks different from City to City. For example, the Parks Department could be a separate district in some cities. In Keizer, the General Fund's primary expenditures are for Police protection, Parks, Community Development and General Government. The City's Administrative Budget includes the City Manager, Human Resources Department, City Recorder and a portion of the Finance Department.

Revenues

Taxes

Property Tax Revenues for FY07 are projected at 5% above amounts received in FY06 to account for an increase in assessed value, plus 1% for new construction. A 7% allowance has been made to Gross Property Taxes assessed to account for discounts and uncollected Taxes.

Licenses & Fees

Revenue projections for FY07 are based on current year actual receipts. Projections have also been adjusted as appropriate for growth, fee increases and price increases as indicated by each franchise company.

Fines and Forfeits

Municipal Court fines, including past due collections, have increased over fiscal year 2006. Increased efforts in processing citations and past due accounts have resulted in an increase in collection of these revenues.

Intergovernmental

Intergovernmental Revenues include Liquor and Cigarette Taxes and are distributed to the City by the Oregon Department of Administrative Services. Keizer's share of this statewide tax is based on the area's population during the 2005 Legislative session.

Expenditures

The changes in expenditure line-items are explained in the footnotes of the Budget document.

[REDACTED]

[REDACTED]

[REDACTED]

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19

[REDACTED]

\$ 1,093,153	\$ 1,537,345	\$ 1,210,000	Working Capital Carryforward	\$	1,319,200	\$ 1,319,200	\$ 1,322,800
2,635,228	2,704,353	2,822,700	Taxes		3,170,600	3,170,600	3,170,600
2,091,011	2,074,803	2,090,600	Licenses & Fees		2,234,600	2,234,600	2,234,600
619,718	587,052	604,600	Intergovernmental		685,000	745,000	745,000
372,924	473,327	425,500	Fines & Forfeits		531,300	531,300	531,300
-	659	15,000	Transfers In		2,700	2,700	10,000
145,063	137,522	114,000	Miscellaneous		175,900	174,800	174,800
<u>\$ 6,957,097</u>	<u>\$ 7,515,061</u>	<u>\$ 7,282,400</u>	TOTAL RESOURCES	<u>\$</u>	<u>8,119,300</u>	<u>\$ 8,178,200</u>	<u>\$ 8,189,100</u>

[REDACTED]

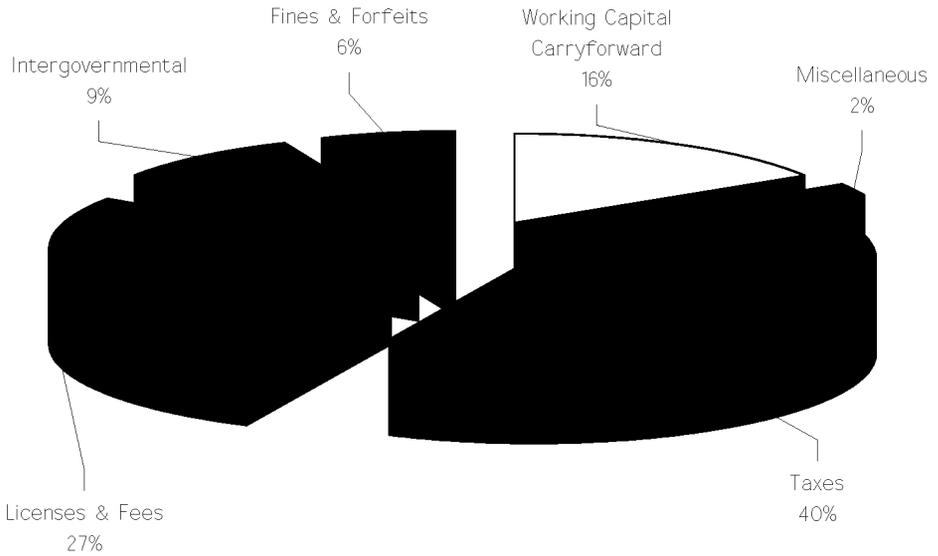
\$ 4,114,746	\$ 4,629,915	\$ 4,826,400	Personnel Services	\$	5,134,200	\$ 5,285,500	\$ 5,274,500
1,226,427	1,346,750	1,525,200	Materials & Services		1,543,500	1,556,300	1,563,300
-	10,942	41,600	Capital Outlay		24,600	24,600	24,600
<u>\$ 5,341,173</u>	<u>\$ 5,987,607</u>	<u>\$ 6,393,200</u>	TOTAL EXPENDITURES	<u>\$</u>	<u>6,702,300</u>	<u>\$ 6,866,400</u>	<u>\$ 6,862,400</u>

20													
21													
22													
23	\$	-	\$	4,432	\$	-	To Local Law Enforcement Fund	\$	-	\$	-	\$	-
24		78,574		246,000		41,300	To Revenue Sharing Fund		79,100		103,100		122,700
25		-		33,400		-	To 9-1-1 Fund		81,000		81,000		81,000
26		-		-		2,700	To PEG Fund		-		-		-
27		-		-		119,590	City Hall Facility Fund		63,100		63,100		63,100
28	\$	78,574	\$	283,832	\$	163,590	TOTAL TRANSFERS	\$	224,000	\$	248,000	\$	267,600
29													
30													
31													
32	\$	-	\$	-	\$	43,810	Contingency	\$	69,200	\$	69,200	\$	69,200
33		-		-		3,000	Reserves		3,100		3,100		-
34		1,537,350		1,243,622		678,800	Undesignated Ending Fund Balance		1,120,700		991,500		989,900
35													
36	\$	6,957,097	\$	7,515,061	\$	7,282,400	TOTAL GENERAL FUND	\$	8,119,300	\$	8,178,200	\$	8,189,100

Notes:

- ⁹ Transfers in include \$2700 from the PEG Fund to repay a loan made in FY06 and \$7,300 from the Park Improvement Fund to repay legal fees incurred in the Park Improvement Fund and charged to the General Fund in error in FY05.
- ²⁴ Capital Outlay items used for general government purposes are tracked in the Revenue Sharing Fund (except Parks). This transfer is needed because Revenue Sharing Funds are not sufficient in FY06 to cover the entire Capital Outlay needs of the City's general government programs.
- ²⁵ A transfer is needed from the General Fund since projected Expenditures exceed projected Revenues in the 9-1-1 Fund in FY07.
- ²⁷ The transfer in FY06 was for remodeling the auditorium and Community Development Department. The transfer in FY07 is for remodeling the lobby area of City Hall and to replace the roof at the auditorium. The transfer represents the General Fund's share of the cost.
- ³² The contingency is 1% of total Expenditures and Transfers.
- ³³ Reserves are for the future purchase of a K-9 police dog. The source of funds are from donations.
- ³⁴ Fund Balance is approximately 15% of Operating Revenues which is the amount stipulated in the City's Financial Policies. The Ending Fund Balance appears adequate to meet cash flow needs.

CITY OF KEIZER GENERAL FUND RESOURCES FISCAL YEAR 2007



CITY OF KEIZER
2006-2007 Property Tax Revenue Estimates

- 1 City Property Tax Revenues
 2 District Net Value
 3 Urban Renewal Increment (see below)
 4 District Net Value w/o Urban Renewal
 5 Permanent Tax Rate per \$1,000
 6
 7 Gross Property Tax Revenues
 8 Penalties/Compression/Adjustments
 9
 10 Property Tax Revenues
 11 Uncollectables and Discounts (6.8%)
 12
 13 Net Anticipated Tax Collected
 14 2005-06 Tax Revenues
 15 Increase over 2005-06 Revenues
 16
 17

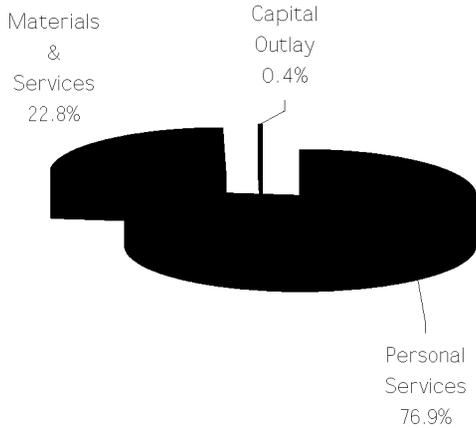
2005-06 Actual Tax Revenues	Maximum Assessed Value Increase 3%	\$29,695,151 New Construction 102%
\$1,650,167,242 (166,150,055)	\$1,699,672,259 (171,134,557)	\$1,729,367,410 (186,881,076)
\$1,484,017,187	\$1,528,537,702	\$1,542,486,334
\$2.0838	\$2.0838	\$2.0838
\$3,092,395 684	\$3,185,167 705	\$3,214,233 1,421
\$3,093,079 (\$211,333)	\$3,185,871 (217,673)	\$3,215,654 (219,708)
\$2,881,746	2,968,198	\$2,995,946
	2,968,198	\$2,995,946

- 18 Urban Renewal Tax Increment Revenues
 19 Assessed Value inside Keizer's Plan Area
 20 Assessed Value (frozen)
 21 Increment Value
 22
 23 Tax Rate per \$1,000 Increment Value
 24 Adjustments
 25 Division of Tax Revenues
 26 Uncollectables and Discounts (6.9%)
 27 Net Anticipated Tax Collected

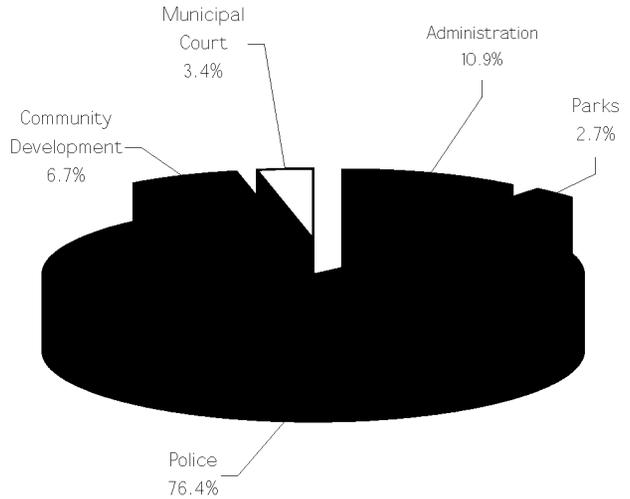
	Maximum Assessed Value Increase 3%	\$15,746,519 New Construction 9%
\$205,871,995 39,721,940	\$171,134,557	\$186,881,076
\$166,150,055	\$171,134,557	\$186,881,076
\$15.3885	\$15.3885	\$15.3885
\$2,556,800 (176,205)	\$2,633,504 (181,491)	\$2,875,819 (198,191)
\$2,380,595	\$2,452,013	\$2,677,629

CITY OF KEIZER
GENERAL FUND EXPENDITURES
FISCAL YEAR 2007

Expenditures by Category



Expenditures by Program/Department



GENERAL FUND



1	\$ 1,093,153	\$ 1,529,483	\$ 1,201,400	Working Capital Carryforward	\$	1,310,200	\$ 1,310,200	\$ 1,310,800
2								
3								
4				<u>LICENSES & FEES</u>				
5	220,650	209,995	\$ 225,500	Salem Electric	\$	233,400	\$ 233,400	\$ 233,400
6	498,600	483,130	518,200	PGE		527,400	527,400	527,400
7	299,929	357,159	342,900	NW Natural		441,700	441,700	441,700
8	192,247	132,241	139,500	QWest		126,400	126,400	126,400
9	274,793	278,804	274,000	Cable Television		278,000	278,000	278,000
10	96,645	99,765	99,900	Loren's Sanitation		102,200	102,200	102,200
11	65,952	67,536	67,800	Valley Garbage		73,200	73,200	73,200
12	112,384	109,941	110,700	Water Sales Assessments		116,900	116,900	116,900
13	200,442	208,439	207,600	Sewer License Fee		207,100	207,100	207,100
14	8,160	8,188	8,000	Cell Tower Rent		8,600	8,600	8,600
15	21,505	7,889	10,600	Systems Development Admin Fee - Parks		17,600	17,600	17,600
16	2,005	2,445	2,100	Licenses/Permits		1,800	1,800	1,800
17	13,655	44,650	31,500	Lien Search Fee		42,000	42,000	42,000
18	<u>\$ 2,006,967</u>	<u>\$ 2,010,182</u>	<u>\$ 2,038,300</u>	<u>Total Licenses & Fees</u>	<u>\$</u>	<u>2,176,300</u>	<u>\$ 2,176,300</u>	<u>\$ 2,176,300</u>

Notes:

- 6 PGE anticipates an 8.5% increase in residential power rates effective January 1, 2007. The increase will effect the 4th quarter franchise payment to be received May 2007.
- 7 NWNG Franchise Revenues are based on FY06 actuals projected to year-end. FY06 Revenue is approximately 30% above budget projections and is attributed primarily to rate increases. No rate increase is projected for FY07.
- 8 Qwest Revenues continue to decline. FY06 receipts are 4% below FY05 receipts. Qwest cites three reasons for the continuous decline 1) billing system improvements; fees were based on basic exchange and package price revenues and are now based on basic exchange revenues only 2) wireless & cable service substitutions and 3) competition from other telecommunication companies have taken revenues away from Qwest.
- 12 Water Sales Assessment is 5% of Water Sales (see Water Fund). The Cost of Services Analysis for Water Rates projects a 4% rate increase in FY07. The remaining portion of the revenue increase is from increased water sales.
- 13 The Sewer License Fee applies to Salem Sewer Payments and Administrative Fees (See Utility Fund) and represents 5% of those revenues. The budget does not project any increase in these revenues in FY07.
- 17 During FY04 the City implemented on-line lien searches to give Title companies access to the City's lien information through the internet as required by law. Title companies are charged \$20 per hit to the City's database. A portion of this revenue covers the cost of maintaining the Web site by the City's vendor, Net Assets. Previously, Title companies were charged \$5 for staff time in providing this information over the telephone.
- 18 Overall Licenses & Fees have increased over the FY05 budget. FY07 projections are based on year-to-date actuals for FY06.

GENERAL FUND



19	<u>INTERGOVERNMENTAL</u>							
20								
21	\$ 61,721	\$ 58,889	\$ 62,400	Cigarette Tax	62,000	62,000	62,000	
22	304,561	327,436	300,500	Liquor Tax	376,300	376,300	376,300	
23	34,254	14,993	13,100	Peer Court Grant	14,500	14,500	14,500	
24	<u>400,536</u>	<u>401,318</u>	<u>376,000</u>	<u>Total Intergovernmental</u>	<u>\$ 452,800</u>	<u>\$ 452,800</u>	<u>\$ 452,800</u>	
25								
26	<u>MISCELLANEOUS</u>							
27								
28	\$ 2,340	\$ 2,785	2,400	Rentals	2,400	2,400	2,400	
29	20,733	46,435	20,800	Interest	79,900	79,900	79,900	
30	217	1,315	-	KARE Donations	-	-	-	
30	3,418	9,484	9,300	Misc. Revenue	4,900	4,900	4,900	
31	<u>26,708</u>	<u>60,019</u>	<u>32,500</u>	<u>Total Miscellaneous</u>	<u>\$ 87,200</u>	<u>\$ 87,200</u>	<u>\$ 87,200</u>	
32								
33								
34	<u>\$ 3,527,364</u>	<u>\$ 4,001,002</u>	<u>\$ 3,648,200</u>	<u>TOTAL GENERAL SUPPORT RESOURCES</u>	<u>\$ 4,026,500</u>	<u>\$ 4,026,500</u>	<u>\$ 4,027,100</u>	
35								
36	<u>TAXES</u>							
37								
38	\$ 50,528	\$ 57,346	\$ 50,500	Hotel/Motel Tax	\$ 50,500	\$ 50,500	\$ 50,500	
39	119,853	63,988	120,200	Prior Year Taxes	124,200	124,200	124,200	
40	2,464,847	2,583,019	2,652,000	Tax Base	2,995,900	2,995,900	2,995,900	
41	<u>\$ 2,635,228</u>	<u>\$ 2,704,353</u>	<u>\$ 2,822,700</u>	<u>TOTAL TAXES</u>	<u>\$ 3,170,600</u>	<u>\$ 3,170,600</u>	<u>\$ 3,170,600</u>	
42								
43	<u>\$ 6,162,592</u>	<u>\$ 6,705,355</u>	<u>\$ 6,470,900</u>	<u>TOTAL RESOURCES</u>	<u>\$ 7,197,100</u>	<u>\$ 7,197,100</u>	<u>\$ 7,197,700</u>	

- Notes:
- 21 Cigarette Tax apportionments are expected to decline 2% from FY06 per the League of Oregon Cities.
 - 22 Liquor Tax Revenues are expected to increase 4% from FY06 per the League of Oregon Cities. Actual revenues in FY06 came in 20% above budget.
 - 23 Peer Court Revenue includes funds from a variety of local grants.
 - 29 Interest Revenue is based on FY06 earnings through 2/28/06 projected out to 6/30/06.
 - 30 Miscellaneous Revenues include one-time revenues that are not characterized by line-item descriptions.
 - 39 Delinquent Taxes are estimated using FY06 actuals projected to year-end.
 - 40 Property Tax Revenues are expected to increase 10% over current year actual receipts. The budget anticipates 3% for increases in valuation (the maximum allowed by Ballot Measure 50) and 1.7% for new development. The remaining revenue increase results from removing certain properties from the Urban Renewal District which added property values on to the tax rolls to be paid directly to the City of Keizer.

GENERAL FUND



1	\$ 552,556	\$ 671,559	\$ 723,800	GENERAL SUPPORT	\$ 735,400	\$ 746,400	\$ 746,400
2							
3							
4							
5				PERSONNEL SERVICES			
6							
7	\$ 24,340	\$ 26,434	\$ 26,900	City Manager	\$ 28,400	\$ 28,400	\$ 28,400
8	43,806	46,206	45,500	City Recorder	46,800	46,800	46,800
9	54,645	77,345	76,100	Administrative Support Staff	80,200	80,200	80,200
10	20,596	30,273	32,600	Network Administrator	34,500	34,500	34,500
11	54,993	59,727	58,100	Human Resources Director	59,700	59,700	59,700
12	15,976	16,883	16,600	Finance Director	17,100	17,100	17,100
13	6,185	6,480	6,800	Facility Maintenance Worker	7,300	7,300	7,300
14	-	-	500	Overtime	500	500	500
15	-	1,078	-	Vehicle Allowance	900	900	900
16	-	-	-	Educational/Tuition Assistance	1,400	1,400	1,400
17	3,392	4,033	4,000	Medicare	4,300	4,300	4,300
18	39,874	45,489	49,000	Retirement	51,600	51,600	51,600
19	24,098	36,255	41,800	Insurance Benefits	48,400	48,400	48,400
20	389	2,138	-	Unemployment Costs	-	-	-
21	732	682	600	Workers Compensation	700	700	700
22	\$ 289,026	\$ 353,023	\$ 358,500	TOTAL PERSONNEL SERVICES	\$ 381,800	\$ 381,800	\$ 381,800

Notes:

- 19 Effective FY07 the City budget provides for 95% of insurance premiums to be paid by the City and 5% to be paid by the employee. The City's health and dental insurance premiums are expected to increase approximately 10%. In FY06, the City began paying the full cost of life insurance premiums (\$60,000 in coverage per employee) and the full cost of long-term disability with a maximum annual increase for these benefits equal to the Portland CPI-W.
- 20 Unemployment Costs are no longer budgeted. Costs, if any, are paid from salary savings.
- 21 Workers Compensation costs are expected to increase between 10%-15% in FY07.

GENERAL FUND

<u>MATERIALS & SERVICES</u>										
23										
24										
25	\$ 13,360	\$ 10,023	\$ 9,000	Materials & Supplies	\$ 14,000	\$ 14,000	\$ 14,000	\$ 14,000		
26	-	449	-	Safety & Wellness*	2,600	2,600	2,600	2,600		
27	270	1,266	700	KARE Expenses	700	700	700	700		
28	9,534	14,654	13,600	Postage & Printing*	23,600	23,600	23,600	23,600		
29	25,030	29,010	29,200	Association Membership*	29,900	29,900	29,900	29,900		
30	6,460	10,350	9,450	Training & Travel*	12,000	12,000	12,000	12,000		
31	3,668	4,816	4,800	City Council Expenses*	4,800	4,800	4,800	4,800		
32	2,110	3,570	3,400	Advertising	3,400	3,400	3,400	3,400		
33	54,335	63,985	55,000	Legal Services*	55,000	55,000	55,000	55,000		
34	-	-	-	Labor Attorney*	6,900	6,900	6,900	6,900		
35	27,877	33,528	51,400	Contractual Services	33,900	33,900	33,900	33,900		
36	6,715	5,137	5,500	Audit*	5,600	5,600	5,600	5,600		
37	6,214	5,366	5,200	Janitorial*	5,400	5,400	5,400	5,400		
38	4,573	3,283	4,300	Gas & Electricity*	4,500	4,500	4,500	4,500		

Notes:

- * Indicates a city-wide shared cost based on a pre-established allocation. See City-Wide Shared Costs in the Supplemental Information section of the document for details.
- ²⁵ Materials & Supply costs were under budgeted in FY06. The FY07 budget reflects costs similar to amounts spent in FY04 and FY06.
- ²⁶ Safety and Wellness includes 3 defibrillators at \$1,100 each; one to be located at City Hall and two to be located at the Police Department plus \$500 for the Wellness related costs.
- ²⁸ Postage & Printing costs have increased to cover the cost of the Keizer Quarterly newsletter. Additionally, the US Postal Service increased postage 5% beginning in January 2006.
- ²⁹ Association Memberships include such organizations as the Council of Governments, League of Oregon Cities, Chamber of Commerce, International City/County Management Association, local newspaper subscriptions.
- ³⁰ Training & Travel costs city-wide total \$71,000 compared to the \$74,500 budgeted in FY06. The General Fund Training & Travel has increased to account for expenses related to city-wide training costs which have not been budgeted in previous years.
- ³¹ City Council Expenses include travel & training, miscellaneous office supplies & meetings during mealtimes.
- ³² Costs are for staff recruitments and public notices.
- ³⁴ Labor Attorney costs are for review of Personnel Policies and related city-wide personnel issues.
- ³⁵ Contractual Services include city-wide shared costs such as the salary survey, courier services and compilation of the citizen survey. In addition, \$13,200 has been budgeted to provide Lien Search WEB access to Title companies. The cost is offset by Lien Search Fee Revenues in the General Fund.

GENERAL FUND

39	13,330	15,065	12,700	Telephone*	9,700	9,700	9,700
40	7,348	7,752	8,300	Insurance - Liability*	8,600	8,600	8,600
41	16	20	100	Gasoline	100	100	100
42	17,663	22,944	40,400	Computer Software & Maintenance*	53,400	53,400	53,400
43	9,774	5,679	3,700	Office Equipment Maintenance	5,200	5,200	5,200
44	26,130	28,765	25,550	Facility Maintenance*	25,700	25,700	25,700
45	-	16,993	15,000	Peer Court	18,600	18,600	18,600
46	10,106	11,469	10,100	Fire District - Hotel/Motel Tax	10,100	10,100	10,100
47	10,106	11,469	10,100	KAVA - Hotel/Motel Tax	10,100	10,100	10,100

Notes:

- ³⁹ Telephone services costs have increased city-wide in FY07 compared to FY06 to account for additional cell phone users. Cost allocation changes in FY07 have been made to more accurately allocate costs to funds which directly benefit.
- ⁴⁰ The City's insurance carrier projects a 4% increase in rates. Projections are based on FY06 actual costs.
- ⁴² Computer & Software Maintenance costs increased primarily due to new maintenance costs for the Electronic Ticketing System, Web site support and Geographic Information System (GIS) support.
- ⁴⁵ Peer Court is a youth program where those charged voluntarily agree to have their case heard and decided by their peers. Expenses include:

- Consulting/Coordination	\$ 16,000
- Volunteer Supplies	500
- Office Supplies/Materials	500
- Mailing/Postage	400
- Conference/Trainings	1,000
- Mileage	200
	<u>\$ 18,600</u>

⁴⁶⁻⁴⁷ Payments are based on 20% of the Hotel/Motel Tax Revenues by Council Resolution.

GENERAL FUND

48	50	1,033	1,500	Neighborhood Association Expense	1,500	6,000	6,000
49	391	864	1,000	Volunteer Recognition	1,000	1,000	1,000
50	-	2,000	2,000	Power - Salem Keizer School District	2,000	2,000	2,000
51	-	-	800	Youth Compact	800	800	800
52	-	-	-	Library Grant	-	6,000	6,000
53	3,213	2,032	-	Miscellaneous Expense	-	-	-
54	5,257	7,014	5,300	Emergency Management Expense	4,500	5,000	5,000
55	<u>\$ 263,530</u>	<u>\$ 318,536</u>	<u>\$ 365,300</u>	TOTAL MATERIALS & SERVICES	<u>\$ 353,600</u>	<u>\$ 364,600</u>	<u>\$ 364,600</u>
56							
57							
58	<u>\$ 552,556</u>	<u>\$ 671,559</u>	<u>\$ 723,800</u>	TOTAL EXPENDITURES	<u>\$ 735,400</u>	<u>\$ 746,400</u>	<u>\$ 746,400</u>

Notes:

- ⁴⁸ Limited to \$ 1,500 per recognized neighborhood association.
- ⁵³ Miscellaneous costs are one-time expenditures that are not characterized by existing line-item descriptions.
- ⁵⁴ Emergency Management Expenses include:

- Database Maintenance	\$ 500
- Annual OEMA dues	100
- Training	1,500
- Equipment	1,000
- Radios	1,000
- Software	400
- Budget Committee Adjust.	500
	\$ 5,000

PARKS OPERATIONS

The Parks Division is funded by general fund revenues and managed by the Public Works Department. The Parks Division provides clean, safe open spaces for structured and unstructured recreation. One full-time employee and seasonal help maintain the City parks during the summer months.

<u>NUMBER OF PARKS AND ACREAGE</u>	<u>Number</u>	<u>Acres</u>
Neighborhood parks developed	8	27.3
Undeveloped Neighborhood Parks	6	33.9
Community parks	3	150.4
Landscaped areas	1	0.5
Historical areas	1	0.5

PROJECTS COMPLETED

Fiscal year 05-06 saw the addition of the Keizer Rapids Park to the City land inventory. Improvements in the existing parks were limited to replacement of the drinking fountain at Wilark Park and construction of a new equipment storage building at Chalmers Jones Park. New individual park Master Plan development and updates were postponed to allow for a complete comprehensive update of the adopted Parks Master Plan as recommended by the Parks Advisory Board.

PROJECTS PROPOSED FY 06-07

Bair Park

- ◆ Install Bench \$100

Chalmers Jones Park

- ◆ Complete New Building for Equipment Storage \$2,000
- ◆ Replace Siding & Roof on Existing Building \$8,500

Meadows Park

- ◆ Complete Pathway to River Road \$2,400

Wilark Park

- ◆ Replace Bar-b-Que \$200
- ◆ Add 2 Tables with Concrete Slabs \$1000

Willamette Manor Park

- ◆ Complete Pathway to Shelter \$2,400

\$16,600

GENERAL FUND



1					<i>Working Capital Carryforward:</i>								
2	\$	-	\$	3,595	\$	3,600	Park Donations	\$	4,700	\$	4,700	\$	4,700
3		-		2,248		2,000	Recreation Donations		2,700		2,700		2,700
4		-		2,019		-	Skate Park - Donations		1,500		1,500		1,500
5													
6													
7													
8		1,490		2,350		1,400	Park Fees		1,400		1,400		1,400
9		6,074		3,440		1,800	Park Donations		1,000		-		-
10		-		523		400	Recreation Donations		100		-		-
11		-		587		600	Skate Park - Donations		-		-		-
12													
13		103,234		122,243		165,900	GENERAL SUPPORT RESOURCES		172,300		173,400		173,400
14	\$	110,798	\$	137,005	\$	175,700	TOTAL RESOURCES	\$	183,700	\$	183,700	\$	183,700
15													

Notes:

- 1 Donations are dedicated revenues and are restricted for use in the parks operations and maintenance.
- 8 Fees are based on historical trends.
- 8/10 Donation Revenues are based on FY06 actuals projected out to 6/30/06.
- 13 General Support Resources equal approximately 2.5% of General Fund Revenues as provided for by Council City policy.

GENERAL FUND



PERSONNEL SERVICES

16													
17													
18	\$	-	\$	1,866	\$	1,800	Public Works Director	\$	1,900	\$	1,900	\$	1,900
19		3,093		3,477		3,600	Public Works Superintendent		3,700		3,700		3,700
20		38,282		40,464		39,900	Municipal Utility Worker		41,000		41,000		41,000
21		2,457		3,166		3,300	Administrative Support Staff		3,700		3,700		3,700
22		7,460		12,942		16,000	Seasonal Help		16,000		16,000		16,000
23		536		-		-	Overtime		-		-		-
24		787		936		1,000	Medicare		1,100		1,100		1,100
25		7,060		8,244		8,500	Retirement		8,800		8,800		8,800
26		7,196		9,007		9,900	Insurance Benefits		11,500		11,500		11,500
27		-		-		-	Unemployment		500		500		500
28		938		1,319		1,300	Workers Compensation		1,300		1,300		1,300
29	\$	67,809	\$	81,421	\$	85,300	TOTAL PERSONNEL SERVICES	\$	89,500	\$	89,500	\$	89,500

Notes:

- ¹⁹ Beginning in FY05, the Public Works Director's salary is allocated to all programs where effort is expended.
- ²⁶ Effective FY07 the City budget provides for 95% of insurance premiums to be paid by the City and 5% to be paid by the employee. The City's health and dental insurance premiums are expected to increase approximately 10%. In FY06, the City began paying the full cost of life insurance premiums (\$60,000 in coverage per employee) and the full cost of long-term disability with a maximum annual increase for these benefits equal to the Portland CPI-W.
- ²⁸ Workers Compensation costs are expected to increase between 10%-15% in FY07.

GENERAL FUND



30													
31													
32													
33													
34	\$	235	\$	150	\$	400	Office Materials & Supplies	\$	400	\$	400	\$	400
35		10,048		9,109		12,500	Parks Materials & Supplies		13,000		13,000		13,000
36		1,198		570		1,500	Postage & Printing		1,500		1,500		1,500
37		98		367		300	Travel & Training		500		500		500
38		4,650		2,247		3,000	Legal Services		7,500		7,500		7,500
39		-		-		-	Labor Attorney		500		500		500
40		24,459		22,479		27,000	Contractual Services		30,000		30,000		30,000
41		-		1,594		-	Engineering Services		1,500		1,500		1,500
42		-		23		1,000	Gas & Electricity		1,000		1,000		1,000
43		442		606		600	Telephone		700		700		700
44		537		2,081		2,300	Gasoline		2,600		2,600		2,600
45		444		439		1,500	Vehicle Maintenance		1,500		1,500		1,500
46		878		735		1,500	Equipment Maintenance		2,000		2,000		2,000
47		-		105		-	Medical Testing		200		200		200
48													
49							Donation Program:						
50		-		1,385		4,000	Park Projects		3,500		3,500		3,500
51		-		2,250		1,000	Skate Park Projects		1,000		1,000		1,000
52		-		502		2,200	Recreation		2,200		2,200		2,200
53													
54	\$	42,989	\$	44,642	\$	58,800	TOTAL MATERIALS & SERVICES	\$	69,600	\$	69,600	\$	69,600

Notes:

- ³⁶ Printing costs are for promotion of the Parks & Recreation Donation program.
- ³⁸ Legal expenses are anticipated for update of Master Plan and costs associated with Keizer Rapids Park.
- ³⁹ Labor Attorney costs are for Union negotiations.
- ⁴⁰ The increase in Contractual Services are for additional costs associated with Keizer Rapids Park.
- ⁴¹ Engineering Services are for survey costs and other services for Keizer Rapids Park.
- ⁴² Electricity costs are expected to increase 8.7% in January 2007. However, budgeted costs have not increased in FY07 because this line-item came in significantly under budget in FY06.
- ⁵⁰⁻⁵² Costs in the donation program are for special projects funded by citizen donations. The City does not anticipate receiving additional donations in FY07. Funding for these projects will come from working capital carryforward. After these projects are complete an estimated \$2,200 will be available for project costs in FY08.

GENERAL FUND



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CAPITAL OUTLAY

\$	-	\$ 10,942	\$ 31,600	Capital Improvements	\$ 16,600	\$ 16,600	\$ 16,600
	-	-	-	Field Equipment	8,000	8,000	8,000
\$	-	\$ 10,942	\$ 31,600	TOTAL CAPITAL OUTLAY	\$ 24,600	\$ 24,600	\$ 24,600
\$	110,798	\$ 137,005	\$ 175,700	TOTAL EXPENDITURES	\$ 183,700	\$ 183,700	\$ 183,700

Notes:
⁵⁸ Capital Improvements are for projects listed in the narrative preceding this page.

COMMUNITY DEVELOPMENT

The Community Development Department manages City development activities, future community plans, administers building permits, and enforces City codes. Long-range planning activities include policy issues regarding management of the Comprehensive Plan, State Planning requirements, Transportation Planning, and development of other specific plans such as Master Plans and ordinance development. Current planning activities include services to the public for development relative to zoning, subdividing, and floodplain management. Code Enforcement regulates zoning violations, solid waste, noxious weeds and unsanitary housing. Building Permit Administration is the aspect of the department which connects development permits with appropriate staff to address Keizer Development Code standards.

Accomplishments . . .

The Community Development Department has had an integral involvement in the planning and ongoing development of the Keizer Station, River Road Renaissance, Keizer Rapids Park and the Keizer Urban Renewal Board. The Community Development

Department has become more involved in region-wide planning and transportation issues than in previous years. The City is able to voice its concerns and needs regarding future growth and development. The Community Development Department has continually improved its efficiency and customer service, providing services such as land use planning, building permit processing, internet mapping and zoning information, and code enforcement. The department also administers ordinances to improve infill development, addresses noxious weeds, floodplain management and is responsible for reviewing and processing land use applications for residential and commercial development. Enforcing City codes, which affect the community's livability and quality of life, continues to be a high priority for the Community Development Department.

The Department also is able to be proactive in seeking out and developing partnerships in the region and community with organizations and individuals such as the Chamber of Commerce and private property owners.

COMMUNITY DEVELOPMENT

Continued

The following table indicates the number of land use applications and building permits reviewed within the past seven years.

The City of Keizer continues to develop despite a dwindling supply of available land. There has been some reduction in land use applications; however, the number of subdivision and partition applications has remained constant over the last three years.

Year	Total Land Use Applications Processed	Total Building Permits Reviewed
1999	73	529
2000	68	453
2001	68	346
2002	69	438
2003	49	348
2004	57	311
2005	39	289

Future Goals . . .

Staff has established the goal of reviewing the current Infill Standards to assess the impact upon surrounding properties and the burdens on property owners. As a result, the department will make recommendations for

code changes. The department also will stay actively involved in coordinating the development of the Keizer Station Area.

The Department intends to be proactive in pursuing the goals established in the projects of River Road Renaissance, Keizer Rapids Park/Parks master planning.

The department is also in the process of updating sections of the Keizer Development Code.

The Community Development Department looks forward to continuing to enhance communication with other departments and agencies and to promoting a high level of customer satisfaction.

GENERAL FUND



LICENSES & FEES

1	\$	25,770	\$	23,434	\$	24,600	Land Use Application Fees	\$	25,300	\$	25,300	\$	25,300
2		21,239		12,546		13,000	Building Fees - Zoning		14,800		14,800		14,800
3		27,834		18,781		10,000	Permit Fees		16,800		16,800		16,800
4		7,711		7,510		3,300	Driveway Permits		-		-		-
5	\$	82,554	\$	62,271	\$	50,900	Total Licenses & Fees	\$	56,900	\$	56,900	\$	56,900

INTERGOVERNMENTAL

9	\$	54,187	\$	20,813	\$	65,000	Transportation Grants	\$	65,000	\$	65,000	\$	65,000
10		2,500		1,000		-	Community Development Grant		-		-		-
11	\$	56,687	\$	21,813	\$	65,000	Total Intergovernmental	\$	65,000	\$	65,000	\$	65,000

MISCELLANEOUS

15	\$	1,097	\$	-	\$	5,000	Nuisance Abatement	\$	5,000	\$	5,000	\$	5,000
18	\$	140,338	\$	84,084	\$	120,900	TOTAL ACTIVITY GENERATED	\$	126,900	\$	126,900	\$	126,900
20		196,986		278,971		330,200	GENERAL SUPPORT RESOURCES		328,800		330,600		330,600
21	\$	337,324	\$	363,055	\$	451,100	TOTAL RESOURCES	\$	455,700	\$	457,500	\$	457,500

Notes:

¹⁻⁵ Fees are based on FY06 actuals projected to year-end.

⁴ In FY04 the City Council passed a Resolution to credit Driveway Permit Revenue to the Street Fund to more accurately allocate revenue where the effort is expended. Driveway Permit Revenue was budgeted in the Community Development Department budget in FY06 in error; however, actual revenues were appropriately credited to the Street Fund.

⁹ The Transportation Grant budgeted in FY06 will not be received until FY07 and has therefore been carried over to the upcoming fiscal year.

GENERAL FUND



22
23



PERSONNEL SERVICES

24													
25	\$	33,315	\$	47,795	\$	48,600	Community Development Director	\$	51,400	\$	51,400	\$	51,400
26		47,883		1,709		26,500	Associate Planner		24,000		24,000		24,000
27		35,298		54,220		50,300	Code Enforcement/Zoning Tech		53,300		53,300		53,300
28		-		42,792		40,400	Senior Planner		48,000		48,000		48,000
29		12,668		8,732		8,900	Administrative Support Staff		9,700		9,700		9,700
30		31,990		33,807		34,200	Permit Specialist		35,200		35,200		35,200
31		-		900		-	Seasonal Help		-		-		-
32		151		207		2,000	Overtime		2,000		2,000		2,000
33		2,481		2,899		3,200	Medicare		3,500		3,500		3,500
34		24,694		30,683		36,000	Retirement		38,400		38,400		38,400
35		23,605		30,599		43,900	Insurance Benefits		52,300		52,300		52,300
36		622		591		1,700	Workers Compensation		500		500		500
37	\$	212,707	\$	254,934	\$	295,700	TOTAL PERSONNEL SERVICES	\$	318,300	\$	318,300	\$	318,300

Notes:

- ²⁴ In FY04 the Community Development Department reorganized. The Code Enforcement/Zoning Technician position was split into a one FTE Zoning Technician and a one-half FTE Code Enforcement Officer. The Permit Specialist position increased from one-half FTE to one FTE. During FY05 the City intended to reclassify the Associate Planner to Senior Planner and eliminate the Associate Planner position. However, this did not occur and in FY06 the budget provided for one full-time Senior Planner and one half-time Associate Planner. No staffing changes are proposed for FY07.
- ²⁹ More administrative support was provided for the Community Development Department in FY04. However, with the increase in FTE for the Permit Specialist, the administrative support was transferred to the Human Resources Department.
- ³⁵ Effective FY07 the City budget provides for 95% of insurance premiums to be paid by the City and 5% to be paid by the employee. The City's health and dental insurance premiums are expected to increase approximately 10%. In FY06, the City began paying the full cost of life insurance premiums (\$60,000 in coverage per employee) and the full cost of long-term disability with a maximum annual increase for these benefits equal to the Portland ^(City) ~~City~~ Workers Compensation costs are expected to increase between 10%-15% in FY07.

GENERAL FUND



<u>MATERIALS & SERVICES</u>													
38													
39													
40													
41	\$	2,087	\$	2,511	\$	4,300	Materials & Supplies	\$	3,800	\$	3,800	\$	3,800
42		397		761		700	Mapping Supplies & Services		700		700		700
43		499		639		2,700	Postage & Printing		2,700		2,700		2,700
44		4,096		5,623		5,100	Travel & Training*		5,200		5,200		5,200
45		2,763		5,441		2,800	Legal Advertising		2,800		2,800		2,800
46		45,201		57,050		51,100	Legal Services		35,000		35,000		35,000
47		3,978		3,594		3,900	Contractual Services		2,400		2,400		2,400
48		6,150		6,600		6,600	Hearings Officer		6,600		8,400		8,400
49		3,790		-		6,300	Engineering Services		6,300		6,300		6,300
50		622		657		800	Telephone		1,000		1,000		1,000
51		394		615		800	Gasoline		800		800		800
52		-		261		300	Computer Software		-		-		-
53		175		-		5,000	Nuisance Abatement		5,000		5,000		5,000
54		-		-		-	Medical Testing		100		100		100
55		-		-		65,000	Transportation Systems Plan		65,000		65,000		65,000
56		54,465		24,369		-	Grant Expenses		-		-		-
57	\$	124,617	\$	108,121	\$	155,400	TOTAL MATERIALS & SERVICES	\$	137,400	\$	139,200	\$	139,200
58													
59	\$	337,324	\$	363,055	\$	451,100	TOTAL EXPENDITURES	\$	455,700	\$	457,500	\$	457,500

Notes:

- * Indicates a city-wide shared cost based on a pre-established allocation. See City-Wide Shared Costs in the Supplemental Information section of the document for details.
- ⁴⁶ The Legal Services budget was higher in FY06 because of potential costs associated with LUBA appeals. These costs were not incurred and are not anticipated in FY07, therefore, the Legal Services Budget has been reduced.
- ⁴⁷ Contractual Services include GIS support, ordinance writing and land use review.
- ⁴⁸ The Hearings Officer contract expires September 2006. The new contract provides for an increase in the monthly retainer from \$550 per month to \$750 per month.
- ⁵⁰ Effective with FY07 telephone charges are tracked in the General Fund Administration budget.
- ⁵⁵ The Transportation Systems Plan is funded with grant money as shown in the revenue section of the Community Development Department budget.

Municipal Court

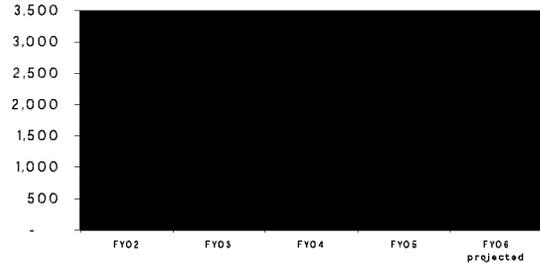
The Municipal Court administers the judicial system for the City of Keizer. The Court handles traffic infractions and City code violations resulting from the enforcement by the Keizer Police Department. Municipal Court arraignments and hearings are held each Wednesday and are presided over by an independent contractor who serves as the Municipal Court Judge.

Accomplishments . . .

Municipal Court continued the implementation of the Full Court software concentrating on processing past due accounts. Collection revenue has increased steadily over the past three years from \$20,000 in FY04 to a projected \$160,000 by the end of fiscal year 2006.

Staff researched and implemented new features related to the Court's software system. This allowed staff to process and track citations more efficiently and timely. Staff also reorganized files, updated collections accounts and brought the workload up to a current status.

Citations Processed



Future Goals . . .

Municipal Court staff is looking forward to implementing the electronic ticking system which will free up staff time dedicated to inputting citation information. Once implemented, citation information will automatically update from the electronic devices used by patrol officers.

The next enhancement phase for the Court software is to reconfigure how data is input and stored into the system so that citations can be automatically tracked through the various stages of compliance rather than tracking these stages manually.

The Court will continue their focus on creative sentencing options to assist in educating offenders on traffic safety issues.

GENERAL FUND



1	<u>FINES & FORFEITS</u>							
2								
3	\$ 316,408	\$ 313,646	\$ 275,600	Municipal Court Fines	\$ 302,300	\$ 302,300	\$ 302,300	
4	20,536	95,596	91,000	Collections - Past Due	156,400	156,400	156,400	
5	<u>\$ 336,944</u>	<u>\$ 409,242</u>	<u>\$ 366,600</u>	Total Fines & Forfeits	<u>\$ 458,700</u>	<u>\$ 458,700</u>	<u>\$ 458,700</u>	
6								
7								
8	<u>\$ 174,492</u>	<u>\$ 201,726</u>	<u>\$ 167,700</u>	AVAILABLE FOR GENERAL SUPPORT	<u>\$ 226,400</u>	<u>\$ 226,400</u>	<u>\$ 226,400</u>	
9								
10	\$ 511,436							
11								
12	<u>PERSONNEL SERVICES</u>							
13								
14	\$ 11,502	\$ 11,414	\$ 17,200	Administrative Support Staff	\$ 17,700	\$ 17,700	\$ 17,700	
15	40,342	32,543	34,100	Court Clerk	36,100	36,100	36,100	
16	207	233	-	Overtime	-	-	-	
17	797	687	800	Medicare	900	900	900	
18	7,963	7,226	8,700	Retirement	9,200	9,200	9,200	
19	12,355	15,376	12,700	Insurance Benefits	14,700	14,700	14,700	
20	155	127	100	Workers Compensation	100	100	100	
21	<u>\$ 73,321</u>	<u>\$ 67,606</u>	<u>\$ 73,600</u>	TOTAL PERSONNEL SERVICES	<u>\$ 78,700</u>	<u>\$ 78,700</u>	<u>\$ 78,700</u>	

Notes:

- ¹⁵ The reduction in salary from FY04 to FY05 is a result of staff turnover.
- ¹⁹ Effective FY07 the City budget provides for 95% of insurance premiums to be paid by the City and 5% to be paid by the employee. The City's health and dental insurance premiums are expected to increase approximately 10%. In FY06, the City began paying the full cost of life insurance premiums (\$60,000 in coverage per employee) and the full cost of long-term disability with a maximum annual increase for these benefits equal to the Portland CPI-W.
- ²⁰ Workers Compensation costs are expected to increase between 10%-15% in FY07.

GENERAL FUND



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MATERIALS & SERVICES

	\$ 912	\$ 3,244	\$ 2,500	Materials & Supplies	\$ 2,500	\$ 2,500	\$ 2,500
	1,365	1,420	4,400	Travel & Training	1,900	1,900	1,900
	865	812	700	Legal Services	-	-	-
	14,688	20,932	20,600	Professional Services - Judge	20,600	20,600	20,600
	2,672	3,189	2,600	Contractual Services	3,600	3,600	3,600
	-	2,086	-	Computer Software	-	-	-
	4,103	23,436	10,100	Collections Cost	19,500	19,500	19,500
	11,638	15,497	14,700	CC Assessments	18,300	18,300	18,300
	52,888	69,294	69,700	Unitary Assessments	87,200	87,200	87,200
	<u>\$ 89,131</u>	<u>\$ 139,910</u>	<u>\$ 125,300</u>	<u>TOTAL MATERIALS & SERVICES</u>	<u>\$ 153,600</u>	<u>\$ 153,600</u>	<u>\$ 153,600</u>
	<u>\$ 162,452</u>	<u>\$ 207,516</u>	<u>\$ 198,900</u>	<u>TOTAL EXPENDITURES</u>	<u>\$ 232,300</u>	<u>\$ 232,300</u>	<u>\$ 232,300</u>

Notes:

- ³¹ Prior to House Bill 2055, the City's contract with its collection agency provided for a 25% fee on amounts collected. Our revised contract allows the collection agency to collect and retain its fee prior to turning the proceeds over to the City. The cost associated with the FY07 budget are for accounts at the collection agency under the old agreement. This cost is expected to decrease in future years and eventually go away altogether.
- ³²⁻³³ CC and Unitary Assessments are 4% and 19% of Municipal Court Fine Revenue (including past due fines), respectively. As Municipal Court Fine Revenue increases, associated costs also increase.

POLICE

The submitted Keizer Police Department budget is based on meeting staffing needs for the department that allow us to effectively, efficiently and safely meet the demands for service required by the Citizens of Keizer. Our goal is to provide the best level of police service possible based on the revenue provided.

In Review

The City of Keizer continues to experience a steady growth pattern. The Police Department staffing has lagged behind in its officer-to-population ratio. This leaves us in a primarily reactive mode instead of the preferred proactive mode. The demand for police service is at an all time high and the City's demographics are changing rapidly. With the development of the Keizer Station we are moving from being a bedroom community to being a complex city with its own large commercial district and the police call load to match. The department currently provides police service to nearly 35,000 residents and protects over 1.5 billion dollars worth of property.

The Future

With the growth of the Keizer Station development will continue increased demands for police service in this new commercial area. We need a solid plan for increasing the staff of the Police Department that matches the growth of the city.

We will continue to partner with the Salem/Keizer School District to help pay for the three officers assigned full-time to the Keizer schools.

We will fully staff the Community Response Unit with an emphasis on neighborhood drug houses, gangs, and other high-priority crime issues, however we are currently working with all Marion County law enforcement to establish an Anti-Meth Task Force. The Methamphetamine Task Force could result in the CRU working full-time on the methamphetamine problem.

Traffic safety and the management of traffic congestion continue to rank high in importance to the citizens of Keizer. The Traffic Safety Unit is normally comprised of three motorcycle officers. For the last couple of years we have only had two of the positions filled. The empty slot will not be filled at this time due to higher priority needs. This position will have to be filled in the future when budgets allow the hiring of an additional officer. We have included in our budget funds to purchase an electronic traffic citation issuing system. This new system will result in much improved and efficient issuing, recording and filing of traffic citations. The impact will save hundreds of man hours for both the Police Department and the Municipal Court office.

GENERAL FUND



1					<i>Working Capital Carryforward:</i>								
2	\$	-	\$	-	\$	3,000	K-9 Donations	\$	100	\$	100	\$	3,100
3		-		-			- Cadet Donations		-		-		-
4		-		-			- Reserve Donations		-		-		-
5													
6							<u>INTERGOVERNMENTAL</u>						
7													
8		162,495		145,803		151,200	SRO Contract		155,200		155,200		155,200
9		-		18,118		12,400	Grants		12,000		72,000		72,000
10	\$	162,495	\$	163,921	\$	163,600	Total Intergovernmental	\$	167,200	\$	227,200	\$	227,200
11													
12							<u>FINES & FORFEITS</u>						
13													
14		35,980		64,085		58,900	Impound Fees		69,600		69,600		69,600
15		-		-		-	Civil/Criminal Forfeitures		3,000		3,000		3,000
16	\$	35,980	\$	64,085	\$	58,900	Total Fines & Forfeits	\$	72,600	\$	72,600	\$	72,600
17													
18							<u>MISCELLANEOUS</u>						
19													
20	\$	2,252	\$	1,949	\$	-	Cadet Donations	\$	1,000	\$	1,000	\$	1,000
21		6,692		-		-	Reserve Officer Donations		1,000		1,000		1,000
22		8,096		3,250		-	K-9 Donations		3,000		3,000		3,000
23		7,362		7,804		3,000	Special Duty Officers		3,000		3,000		3,000
24		20,935		6,897		19,000	Miscellaneous		18,500		18,500		18,500
25	\$	45,337	\$	19,900	\$	22,000	Total Miscellaneous	\$	26,500	\$	26,500	\$	26,500
26													
27	\$	243,812	\$	247,906	\$	247,500	TOTAL ACTIVITY GENERATED	\$	266,400	\$	326,400	\$	329,400
28		3,895,888		4,319,956		4,556,600	GENERAL SUPPORT RESOURCES		4,831,900		4,923,200		4,913,100
29	\$	4,139,700	\$	4,567,862	\$	4,804,100	TOTAL RESOURCES	\$	5,098,300	\$	5,249,600	\$	5,242,500

Notes:
⁸ Funds are from the Salem/Keizer School District which partially pay for School Resource Officers plus related overhead costs.
⁹ Grant Funds budgeted in FY07 include a \$60,000 private grant for a Narcotics Investigator Officer. An additional \$12,000 is for overtime costs associated with such programs as the 3-Flags program, DUII program, and Seatbelt program.
¹⁵ Civil/Criminal Forfeitures include the City's share of money confiscated by the Police Department during drug busts and related arrests.
²⁴ Miscellaneous Revenue includes receipts for police report requests, surplus sales, and one-time revenues.

GENERAL FUND



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PERSONNEL SERVICES

\$	37,590	\$	30,421	\$	36,200	Administrative Assistant	\$	39,400	\$	39,400	\$	39,400
	6,184		6,480		6,800	Facility Maintenance Worker		7,300		7,300		7,300
	88,061		92,868		91,500	Chief of Police		93,900		93,900		93,900
	37,197		160,455		158,200	Captain(s)		162,400		162,400		162,400
	532,236		415,704		475,600	Sergeants		492,300		492,300		492,300
	216,373		235,250		231,100	Detectives		238,900		238,900		238,900
	1,008,935		1,157,214		1,150,300	Police Officers		1,208,100		1,298,500		1,291,000
	36,803		40,834		41,100	Community Service Officer		35,700		35,700		35,700
	198,834		218,978		217,700	Support Specialists		224,900		224,900		224,900
	156,038		174,253		161,500	School Resource Officers		169,100		169,100		169,100
	41,952		45,020		44,000	Investigative Services Specialist		45,200		45,200		45,200
	-		3,757		5,000	Background Investigations Officer		5,000		5,000		5,000
	6,533		2,402		7,500	Reserve Officers		7,500		7,500		7,500
	128,391		159,427		161,700	Overtime		171,800		180,800		180,000
	-		-		7,400	Overtime - Grant Funds		12,000		12,000		12,000
	38,049		41,888		42,700	Medicare		44,500		46,000		45,800
	594,177		650,633		704,400	Retirement		768,800		796,700		794,400
	290,095		364,880		397,300	Insurance Benefits		462,300		481,900		481,900
	269		7,961		-	Unemployment Insurance		-		-		-
	54,166		64,506		73,300	Workers Compensation		76,800		79,700		79,500
\$	3,471,883	\$	3,872,931	\$	4,013,300	TOTAL PERSONNEL SERVICES	\$	4,265,900	\$	4,417,200	\$	4,406,200

Notes:

- ³⁸⁻³⁹ In FY04, the Police Department had one Captain position. This position was vacated during the year and two Sergeants were promoted to Captain positions in FY05, when the Department reinstated the second Captain position and reduced the number of Sergeant positions from eight to seven.
- ⁴¹ Beginning in FY06, the Budget provides for reinstatement of a Police Officer position that was frozen in FY02 because of funding constraints.
- ⁴⁸ The need for overtime depends on the number and complexity of crimes. Overtime costs are approximately 10% of sworn-presented staff salaries.
- ⁵¹ All sworn Officers participate in PERS and non-sworn staff participate in private retirement 401(a) and 457 plans. The PERS employer contribution were 13.89% in FY04 and FY05. PERS contribution rates increased in FY06 to 16.65%. 401(a) contribution rates for non-sworn staff are 12% for management staff and 11% for line staff.
- ⁵² Effective FY07 the City budget provides for 95% of insurance premiums to be paid by the City and 5% to be paid by the employee. The City's health and dental insurance premiums are expected to increase approximately 10%. In FY06, the City began paying the full cost of life insurance premiums (\$60,000 in coverage per employee) and the full cost of long-term disability with a maximum annual increase for these benefits equal to the Portland CPI.
- ⁵⁴ Workers Compensation costs are expected to increase between 10%-15% in FY07.

GENERAL FUND

<u>MATERIALS & SERVICES</u>													
56													
57													
58													
59	\$	13,970	\$	13,817	\$	21,000	Materials & Supplies	\$	21,000	\$	21,000	\$	21,000
60		2,379		741		2,000	Cadet Program		2,000		2,000		2,000
61		4,051		1,989		6,000	Reserve Officer Program		6,000		6,000		6,000
62		21,258		18,215		27,000	Clothing		28,000		28,000		28,000
63		12,184		3,017		6,000	K-9 Supplies		5,000		5,000		5,000
64		-		-		-	K-9 Dog		-		-		7,000
65		9,037		8,642		14,000	Postage & Printing		16,000		16,000		16,000
66		26,299		23,004		30,100	Travel & Training		30,100		30,100		30,100
67		223		952		4,000	Tuition Reimbursement		4,000		4,000		4,000
68		4,886		3,136		4,000	Pre-employment Testing		7,000		7,000		7,000
69		2,260		1,224		3,000	Advertising - Employee Recruitments		3,000		3,000		3,000
70		14,212		17,236		11,000	Labor Attorney		17,500		17,500		17,500
71		2		1,604		5,000	Contractual		6,000		6,000		6,000
72		-		-		-	Civil/Criminal Forfeiture		3,000		3,000		3,000
73		12,812		15,675		19,600	Janitorial*		19,600		19,600		19,600
74		15,393		15,009		16,000	Gas & Electricity*		16,700		16,700		16,700
75		20,418		21,899		18,900	Telephone*		26,500		26,500		26,500
76		66,055		70,123		75,200	Insurance - Liability*		78,200		78,200		78,200
77		25,959		27,913		28,000	Vehicle Lease		35,000		35,000		35,000
78		3,169		1,684		11,700	Vehicle & Equipment Rental		15,700		15,700		15,700
79		37,841		48,430		50,000	Gasoline		60,000		60,000		60,000
80		-		5,649		-	Computer Software		-		-		-
81		30,792		27,354		30,000	Maintenance-Vehicles		30,000		30,000		30,000
82		18,468		14,306		20,000	Maintenance-Equipment		20,000		20,000		20,000
83		5,116		1,873		5,000	Community Services Unit		5,000		5,000		5,000

- Notes:
- * Indicates a city-wide shared cost based on a pre-established allocation. See City-Wide Shared Costs in the Supplemental Information section of the document for details.
 - ⁶³ The FY04 budget includes the purchase of a new K-9 dog. The FY05 budget is for dog food, medical costs, and related supplies.
 - ⁷⁰ Labor attorney costs are for union negotiations including dispute resolution.
 - ⁷¹ Contract with Crisis Chaplaincy Services for Emergency Chaplaincy Services funded by all Police agencies within Marion County.
 - ⁷² Civil/Criminal Forfeitures are for the expenditure of Civil/Criminal Forfeiture Revenue. These funds are restricted for uses directly related to crime
 - ⁷⁶ The City's insurance carrier projects a 4% increase in rates. Projections are based on FY06 actual costs.
 - ⁷⁸ Beginning with the FY06 budget, \$7,200 has been added to the Vehicle & Equipment Rental line-item for rental of undercover cars. This allows for a change in cars which is necessary for undercover work. In FY07, \$4,000 has been added to the rental line-item. The Police Department had been using a 1990 Honda for undercover work. However, this vehicle had over 160,000 miles on it and was taken out of operation in FY06.
 - ⁷⁹ The increase in gasoline over FY06 reflects an increase in prices.
 - ⁸³ Costs include community related activities such as National Night Out.

GENERAL FUND

84													
85													
86	\$	29,819	\$	18,756	\$	28,000	Operating Materials	\$	28,000	\$	28,000	\$	28,000
87		5,485		9,340		10,000	Ammo/Weapons		12,000		12,000		12,000
88		190,509		201,391		212,600	Salem Communications		209,400		209,400		209,400
89		24,381		31,997		25,000	Radio & Mobile Systems Support		25,000		25,000		25,000
90		63,013		68,794		73,500	RAIN/PRIORS		74,200		74,200		74,200
91		5,699		11,089		15,700	Investigations		16,000		16,000		16,000
92		1,912		7,822		4,000	Crime Prevention		4,000		4,000		4,000
93		-		-		-	Random Drug Testing		3,000		3,000		3,000
94		-		581		500	Medical Testing		1,400		1,400		1,400
95		215		1,669		1,000	Miscellaneous		1,000		1,000		1,000
96	\$	667,817	\$	694,931	\$	777,800	TOTAL MATERIALS AND SERVICES	\$	829,300	\$	829,300	\$	836,300
97													
98							<u>CAPITAL OUTLAY</u>						
99													
100	\$	-	\$	-	\$	10,000	Auto Video Cameras	\$	-	\$	-	\$	-
101													
102		-		-		3,000	Reserve for K-9 Dog		3,100		3,100		-
103													
104	\$	4,139,700	\$	4,567,862	\$	4,804,100	TOTAL EXPENDITURES	\$	5,098,300	\$	5,249,600	\$	5,242,500

Notes:

⁸⁸ Costs are shared with the 9-1-1 Fund and represent 59% of the total costs for Dispatch Services from Willamette Valley Communications.

⁹² Random drug testing is a negotiated item in the Police Association union contract.

⁹⁵ Miscellaneous costs are one-time expenditures that are not characterized by existing line-item descriptions.

STADIUM

Stadium Operations account for the revenues received from the Volcanoes Ball Club for the City's portion of ticket sales and parking fees and events. Expenditures through fiscal year 2005-2006 included property tax payments on the Stadium property. Beginning in fiscal year 2006-2007, the City will no longer be obligated to pay the property taxes; these costs will revert to the Volcanoes Ball Club as provided for in a lease agreement between the City of Keizer and the Volcanoes Ball Club.

GENERAL FUND



MISCELLANEOUS

1	\$	65,847	\$	53,053	\$	51,700	Stadium Rent	\$	56,100	\$	56,100	\$	56,100
2	\$	65,847	\$	53,053	\$	51,700	TOTAL RESOURCES	\$	56,100	\$	56,100	\$	56,100

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MATERIALS & SERVICES

8	\$	38,343	\$	40,610	\$	42,600	Property Tax	\$	-	\$	-	\$	-
9	\$	38,343	\$	40,610	\$	42,600	TOTAL MATERIALS & SERVICES	\$	-	\$	-	\$	-

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11	\$	27,504	\$	12,443	\$	9,100	AVAILABLE FOR GENERAL SUPPORT	\$	56,100	\$	56,100	\$	56,100
12	\$	65,847	\$	53,053	\$	51,700	TOTAL EXPENDITURE & GENERAL SUPPORT	\$	56,100	\$	56,100	\$	56,100

Notes:

¹ FY07 revenues are based on FY06 actuals projected out to year-end.

² FY06 is the last year the City is required to pay property taxes for the Stadium property per the lease agreement.

REVENUE SHARING FUND

State Revenue Sharing Funds are state apportionments based on population. The primary use of funds is for general use; however, there are certain regulatory requirements in which the City must comply. Due to the unpredictable long-term nature of these funds, Council has elected to appropriate one-time only expenditures to these funds. The Revenue Sharing Fund is used to track Capital Outlay items purchased for general government use.

SPECIAL REVENUE FUND



1	\$	13,089	\$	28,249	\$	33,500	Working Capital Carryforward	\$	22,400	\$	22,400	\$	22,400
2		180,751		187,714		191,300	State Revenue Sharing		215,400		215,400		215,400
3		-		-		6,000	Federal Grants		-		-		-
4		4,950		-		-	Police Misc Revenue		-		-		-
5		78,574		246,000		41,300	Transfer from General Fund		79,100		103,100		122,700
6	\$	277,364	\$	461,963	\$	272,100	TOTAL RESOURCES	\$	316,900	\$	340,900	\$	360,500

Notes:

- ² Actual State Revenue Sharing dollars are above projections in FY06. FY07 projections are based on FY06 actuals projected out to year-end and include a 1% increase as projected by the State of Oregon.
- ⁵ Capital Outlay items used for general government purposes are tracked in the Revenue Sharing Fund. Transfers from the General Fund are needed because Revenue Sharing Funds are not sufficient in FY07 to cover the entire Capital Outlay needs of the City's general government programs.

SPECIAL REVENUE FUND



7	[REDACTED]												
8	[REDACTED]												
9	CAPITAL OUTLAY												
10													
11	\$	9,726	\$	10,550	\$	9,500	Office Furniture & Equipment*	\$	8,300	\$	8,300	\$	8,300
12		-		-		3,600	Photocopier		-		-		-
13		-		5,042		-	Aerial Photos		-		-		-
14		-		95,898		-	Telephone System		-		-		-
15		49,117		117,928		88,100	Computer Equipment*		69,300		69,300		69,300
16		5,084		5,175		-	Com Dev Vehicle Lease to Purchase		-		-		-
17		1,215		-		12,000	Police Protective Vests		12,000		12,000		12,000
18		-		-		13,000	Police Officer Equipment		70,000		70,000		70,000
19		8,953		-		-	Vehicle Equipment		-		-		-
20		-		14,600		-	Radar Equipment		-		-		-
21		123,457		154,223		145,900	Patrol Vehicles		157,300		157,300		176,900
22		7,764		-		-	Radio Modems		-		-		-
23		43,798		-		-	Police Mobile Computer Terminals		-		-		-
24		-		-		-	Parks Vehicle		-		24,000		24,000
25	\$	249,114	\$	403,416	\$	272,100	TOTAL CAPITAL OUTLAY	\$	316,900	\$	340,900	\$	360,500
26													
27	[REDACTED]												
28													
29		28,250		58,547		-	Undesignated Ending Fund Balance		-		-		-
30													
31	\$	277,364	\$	461,963	\$	272,100	TOTAL EXPENDITURE & FUND BALANCE	\$	316,900	\$	340,900	\$	360,500

Notes:

* Indicates a City-Wide shared cost based on a pre-established allocation. See City-Wide Shared Costs in the Supplemental Information section of the document for details.

¹⁸ The Police Officer Equipment for FY07 is for an Electronic Citations System. Annual maintenance costs beginning in FY07 are estimated at \$6,500 and are part of Materials and Services - Software Maintenance in the General Fund.

²¹ Patrol Vehicle leases are as follows:

9 cars, lease expires 03/2007	\$ 78,000
5 cars, lease expires 01/2008	50,205
2 cars, lease expires 05/2009	25,352
Extend lease on 3 3/07 cars	5,250
6 cars, lease expires 03/2010	18,000
	\$ 176,807

PEG FUND

The Public Education Government Fund (PEG) is a Special Revenue Fund set up to account for franchise fees assessed on cable television bills. The fees are to be used exclusively for providing governmental cable programming.

SPECIAL REVENUE FUND

1	\$	27,283	\$	48,341	\$	19,200	Working Capital Carryforward	\$	29,000	\$	29,000	\$	29,000
2		82,438		83,637		82,300	PEG Fees		83,400		83,400		83,400
3		232		56		200	Interest Earnings		200		200		200
4		800		-		2,700	Transfer from General Fund		-		-		-
5	\$	110,753	\$	132,034	\$	104,400	TOTAL RESOURCES	\$	112,600	\$	112,600	\$	112,600
6													
7													
8	MATERIALS & SERVICES												
9													
10	\$	60,745	\$	60,000	\$	61,400	Broadcasting	\$	61,400	\$	61,400	\$	61,400
11	\$	60,745	\$	60,000	\$	61,400	TOTAL MATERIALS & SERVICES	\$	61,400	\$	61,400	\$	61,400
12													
13	CAPITAL OUTLAY												
14													
15	\$	1,668	\$	51,509	\$	16,300	Television Equipment	\$	15,200	\$	15,200	\$	15,200
16	\$	1,668	\$	51,509	\$	16,300	TOTAL CAPITAL OUTLAY	\$	15,200	\$	15,200	\$	15,200
17													
18	\$	-	\$	-	\$	-	Transfer to General Fund	\$	2,700	\$	2,700	\$	2,700
19													
20	\$	62,413	\$	111,509	\$	77,700	TOTAL EXPENDITURES	\$	79,300	\$	79,300	\$	79,300
21													
22													
23													
24	\$	-	\$	-	\$	-	Contingency	\$	8,300	\$	8,300	\$	8,300
25		48,340		20,525		26,700	Undesignated Ending Fund Balance		25,000		25,000		25,000
26													
27	\$	110,753	\$	132,034	\$	104,400	TOTAL EXPENDITURE & FUND BALANCE	\$	112,600	\$	112,600	\$	112,600

Notes

² Revenues are based on FY06 actuals projected to year-end.

¹⁰ Broadcasting costs are \$5,110 per month.

¹⁵ The City entered into a lease agreement to purchase a Digital Server (\$59,500) and a Mobile Production Rack (\$35,500). \$50,000 was paid in FY05. The remaining \$45,500 will be paid in equal installments in FY06, FY07 and FY08.

¹⁸ This transfer is needed to repay the General Fund for a loan in FY06.

9-1-1 COMMUNICATIONS FUND

The 9-1-1 Communications Fund is supported by the 9-1-1 Excise Tax: a State apportionment based on telephone bills. The primary use of funds is restricted by statute to be used for the Emergency Dispatch Program (ORS 401.842) and accordingly is distributed to the Police Department and the Fire Districts to support this purpose.

SPECIAL REVENUE FUND



1	\$ 88,066	\$ 47,883	\$ 65,800	Working Capital Carryforward	\$ -	\$ -	\$ -
2	164,885	182,155	166,600	9-1-1 Excise Tax	149,500	149,500	149,500
3	145	22	300	Interest	100	100	100
4	-	33,400	-	Transfer from General Fund	81,800	81,800	81,800
5	<u>\$ 253,096</u>	<u>\$ 263,460</u>	<u>\$ 232,700</u>	TOTAL RESOURCES	<u>\$ 231,400</u>	<u>\$ 231,400</u>	<u>\$ 231,400</u>
6							
7							
8							
9				MATERIALS & SERVICES			
10							
11	\$ 15,588	\$ 21,437	\$ -	Radio & Mobile Systems Support	\$ 19,500	\$ 19,500	\$ 19,500
12	121,801	128,758	145,700	Emergency 9-1-1 and Dispatch Calls	147,600	147,600	147,600
13	67,824	80,385	71,600	Distributions to 9-1-1 Agencies	64,300	64,300	64,300
14	<u>\$ 205,213</u>	<u>\$ 230,580</u>	<u>\$ 217,300</u>	TOTAL MATERIALS & SERVICES	<u>\$ 231,400</u>	<u>\$ 231,400</u>	<u>\$ 231,400</u>
15							
16	-	-	15,000	Transfer to General Fund	-	-	-
17							
18							
19							
20	47,883	32,880	400	Undesignated Ending Fund Balance	-	-	-
21							
22	<u>\$ 253,096</u>	<u>\$ 263,460</u>	<u>\$ 232,700</u>	TOTAL EXPENDITURE & FUND BALANCE	<u>\$ 231,400</u>	<u>\$ 231,400</u>	<u>\$ 231,400</u>

Notes:

- ² 9-1-1 Tax Revenue projections are based on FY06 actuals which is approximately 90% of budget. FY07 revenue is adjusted for the League of Oregon Cities' projected 2% decrease in FY07.
- ³ Interest Revenue is based on FY06 earnings through 2/28/06 projected out to 6/30/06.
- ⁴ A transfer is needed from the General Fund since projected expenditures exceed projected revenues in FY07.
- ¹² Of the estimated \$357,000 for the Salem Communications Center, Radio Fees and Mobile Data Terminal Fees, 39% is attributed to emergency phone service.
- ¹³ Of the estimated \$149,500 to be received in 9-1-1 Excise Tax Revenues, 39% is to be remitted to the Keizer Fire District and 4% is to be remitted to the Marion County Fire District.

HOUSING SERVICES FUND

The original source of revenues in the Housing Services Fund was from a State Community Development Block Grant. Uses were restricted to creating loans for housing rehabilitation projects. The original grant was completely expended in fiscal year 1998.

The Community Development Department is researching the process needed to "defederalize" the loan payoff proceeds in this fund. Once "defederalized" the City plans to establish a program for reinvesting this money in rehabilitation projects in the Keizer area.

SPECIAL REVENUE FUND

[REDACTED]								
[REDACTED]			[REDACTED]					
[REDACTED]								
1	\$ 82,283	\$ 109,976	\$ 110,000	Working Capital Carryforward	\$ 134,600	\$ 134,600	\$ 134,600	
2	26,650	8,714	-	Loan Proceeds	-	-	-	
3	1,044	2,423	1,800	Interest Revenue	4,300	4,300	4,300	
4	<u>\$ 109,977</u>	<u>\$ 121,113</u>	<u>\$ 111,800</u>	TOTAL RESOURCES	<u>\$ 138,900</u>	<u>\$ 138,900</u>	<u>\$ 138,900</u>	
5	[REDACTED]							
6	[REDACTED]							
7	[REDACTED]							
8	\$ -	\$ -	\$ -	Contractual Services	\$ -	\$ -	\$ -	
9	-	-	-	Housing Rehabilitation Services	-	-	-	
10	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	TOTAL MATERIALS & SERVICES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
11	[REDACTED]							
12	[REDACTED]							
13	[REDACTED]							
14	109,977	121,113	111,800	Undesignated Ending Fund Balance	138,900	138,900	138,900	
15	[REDACTED]							
16	[REDACTED]							
17	<u>\$ 109,977</u>	<u>\$ 121,113</u>	<u>\$ 111,800</u>	TOTAL EXPENDITURE & FUND BALANCE	<u>\$ 138,900</u>	<u>\$ 138,900</u>	<u>\$ 138,900</u>	

Notes

1 The original source of funds were received through a Federal grant. The Community Development Department is working toward "defederalizing" the Housing Rehabilitation Funds so they may be used for new loans. A new program is not currently available, therefore, no funds have been appropriated for FY07.

LAW ENFORCEMENT GRANT FUND

Revenues in the Law Enforcement Grant Fund are from a Federal grant. Uses are restricted to each specific grant received and have traditionally been for Police equipment. Each year the Police Department applies for and receives various Federal grants for one-time purchases of Materials and Capital Outlay items.

SPECIAL REVENUE FUND



1	\$	-	\$	(3,840)	\$	-	Working Capital Carryforward	\$	-	\$	-	\$	-
2		17,798		12,965		160,000	Police Grants		50,000		50,000		50,000
3		-		-		-	Interest/Donations						
4		-		4,432		-	Transfer from General Fund						
5	\$	17,798	\$	13,557	\$	160,000	TOTAL RESOURCES	\$	50,000	\$	50,000	\$	50,000



MATERIALS & SERVICES

12	\$	21,638	\$	12,898	\$	25,000	Materials & Supplies	\$	25,000	\$	25,000	\$	25,000
13	\$	21,638	\$	12,898	\$	25,000	TOTAL MATERIALS & SERVICES	\$	25,000	\$	25,000	\$	25,000

CAPITAL OUTLAY

17	\$	-	\$	-	\$	135,000	Equipment	\$	25,000	\$	25,000	\$	25,000
18	\$	-	\$	-	\$	135,000	TOTAL CAPITAL OUTLAY	\$	25,000	\$	25,000	\$	25,000

20	\$	21,638	\$	12,898	\$	160,000	TOTAL EXPENDITURES	\$	50,000	\$	50,000	\$	50,000
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24	\$	-	\$	659	\$	-	Transfer to the General Fund	\$	-	\$	-	\$	-
27		(3,840)		-		-	FUND BALANCE		-		-		-
29	\$	17,798	\$	13,557	\$	160,000	TOTAL EXPENDITURE & FUND BALANCE	\$	50,000	\$	50,000	\$	50,000

Notes:
 2 Each year the Police Department applies for and receives various Federal grants for one-time purchases of Materials and Capital Outlay items. In FY06, the Department was awarded a \$110,000 Homeland Security Grant to purchase new Mobile Data Computer's for patrol cars.
 27 The fund balance deficit in FY04 was a coding error that went undetected during the audit process.

KEIZER STATION LOCAL IMPROVEMENT FUND

The Keizer Station Local Improvement Fund has been established to account for the improvements to the Keizer Station Development Project. Money expended in this fund will be financed with a line-of-credit during the construction phase of the project. Once completed, the City plans to issue long-term debt (20 years) as its financing mechanism. The cost of the improvements will then be assessed to the property owners who directly benefit from the project. The assessments received will be used to pay off the debt.

CAPITAL PROJECTS FUND



1	\$	-	\$	-	\$	-	Working Capital Carryforward	\$	1,157,900	\$	1,157,900	\$	1,157,900
2	-	-	400,000	1,200,000	-	-	Proceeds from Area D	-	-	-	-	-	-
3	-	-	-	-	-	-	Interest	-	-	-	-	-	-
4	-	-	-	17,220,000	-	-	Loan Proceeds	-	-	6,500,000	-	6,500,000	-
5	\$	-	\$ 400,000	\$ 18,420,000			TOTAL RESOURCES	\$	1,157,900	\$	7,657,900	\$	7,657,900



MATERIALS & SERVICES

11	\$	-	\$	-	\$	204,000	Contractual Services - Administration Fee	\$	21,600	\$	21,600	\$	21,600
12	-	-	8,500	30,230	-	-	Line of Credit Issuance Costs	-	-	-	-	-	-
13	-	-	-	400,000	-	-	Interest on Line of Credit	-	-	-	-	-	-
14	\$	-	\$ 8,500	\$ 634,230			TOTAL MATERIALS & SERVICES	\$	21,600	\$	21,600	\$	21,600



CAPITAL OUTLAY

18	\$	-	\$ 1,518,453	\$ 17,785,770			Improvements	\$	1,136,300	\$	7,636,300	\$	7,609,300
19	\$	-	\$ 1,518,453	\$ 17,785,770			TOTAL CAPITAL OUTLAY	\$	1,136,300	\$	7,636,300	\$	7,609,300
20													
21	\$	-	\$ 1,526,953	\$ 18,420,000			TOTAL EXPENDITURES	\$	1,157,900	\$	7,657,900	\$	7,630,900

23	\$	-	\$	-	\$	-	Transfer to Street Fund	\$	-	\$	-	\$	27,000
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27	-	-	(1,126,953)	-	-	-	Fund Balance	-	-	-	-	-	-
29	\$	-	\$ 400,000	\$ 18,420,000			TOTAL EXPENDITURE & FUND BALANCE	\$	1,157,900	\$	7,657,900	\$	7,657,900

Notes:

- * The budget for the Keizer Station is based on the Engineer's report dated April 2005.
- 11 The City has contracted with RPS Development Company as Project Manager for the Keizer Station.
- 23 The transfer to the Street Fund is reimbursement for attorney fees associated with property acquisitions charged to the Street Fund in FY05 in error.
- 27 The fund balance deficit in FY05 was covered by funds from the Urban Renewal Project Budget. The projects are expected to be completed during FY07.

STREETS

The Street Fund is managed by the Public Works Department to provide quality street, sidewalk, bike paths and drainage improvements. The primary revenue source is State Fuel Taxes, which are state apportionments based on population. Fuel tax revenues are restricted by constitutional limits and are to be used for street maintenance (Const. IX § 3). The Street Division is staffed with one full time Municipal Utility Worker and a portion of various administrative staff to provide street maintenance services to the City.

Projects Completed in Budget Year 2005-2006

• Re-construct Chemawa Road Bike Lanes and Travel Lanes, add new Sidewalks, Curb, Road Surface, Storm Drainage, Decorative Lighting, Street Trees, and Medians from 7 th Ave NE to Claggett Park	\$1,000,000
• Conduct Traffic Analysis for possible addition of Protective Permissive Left turn Signals	10,000
• Construct and realign Chemawa Road NE in Area C of the Keizer Station Plan.	1,564,000
• City wide Traffic Counts	<u>45,000</u>
	<u>\$2,619,000</u>

Street Fund Capital Improvement Expenditures 2006-2007

• Replace Chemawa Road Bridge over Claggett Creek	\$ 1,116,000
• Dearborn NE Street Improvements River Road to Claggett Park	1,100,000
• Complete the Chemawa Road NE Claggett Creek to Verda	300,000
• Widen Lockhaven at River Road to provide a west bound turn lane	240,000
• Pavement Management Preservation Program	625,000
• Reconstruct Greenwood Ave Storm Outfall	20,000
• Street Funds Share of the Public Works Building Addition	<u>105,700</u>
	<u>\$3,506,700</u>

SPECIAL REVENUE FUND

1	\$ 1,361,256	\$ 1,951,192	\$ 1,833,400	Working Capital Carryforward	\$ 2,897,000	\$ 2,906,600	\$ 2,906,600	
2	12,258	74,333	7,500	Planning Construction Fees	20,500	20,500	20,500	
3	-	-	4,700	Driveway Permit Fees	4,600	4,600	4,600	
4	1,207	700	600	Donations (Helmets)	700	700	700	
5	-	-	1,016,000	Grants	200,000	200,000	200,000	
6	1,514,915	1,658,463	1,515,000	State Fuel Tax	1,604,600	1,604,600	1,604,600	
7	1,600	2,440	700	Orchard-Filmore Assessments	3,700	3,700	3,700	
8	199	102	100	Orchard-Filmore Assessment Interest	100	100	100	
9	18,462	39,526	28,700	Interest	98,400	98,400	98,400	
10	16,510	16,090	19,200	Rental Property	19,200	19,200	19,200	
11	1,265	-	-	Reimbursement Agreement Application Fee	-	-	-	
12	-	-	1,950,000	Bond Proceeds	-	-	-	
13	-	-	170,000	Property Sales	36,000	36,000	36,000	
14	-	-	-	Transfer in from Keizer Station LID	-	-	27,000	
15	16,175	6,818	-	Miscellaneous Revenue	-	-	-	
16	\$ 2,943,847	\$ 3,749,664	\$ 6,545,900	TOTAL RESOURCES	\$ 4,884,800	\$ 4,894,400	\$ 4,921,400	

Notes:

- ³ In FY06 the City Council passed a resolution to credit Driveway Permit Revenue to the Street Fund to more accurately allocate revenue by effort expended. Previously, this revenue was credited to the General Fund - Community Development.
- ⁵ In FY07 the City anticipates a Bike and Pedestrian Improvement Grant for Dearborn NE. The Oregon Department of Transportation (ODOT) will manage the grant funding of the Chemawa Bridge except for the City's required matching funds.
- ⁶ ODOT projects Fuel Tax Revenue to be 6% below FY06. FY07 projections are based on FY06 actual revenues projected to year-end adjusted for the 6% decrease as estimated by ODOT.
- ⁹ Interest Revenue is based on FY06 earnings through 2/28/06 projected out to 6/30/06.
- ¹² Bond Proceeds in FY06 were used to construct and acquire right-of-way for the Chemawa Road realignment in the Keizer Station Area C.
- ¹³ Property Sales in FY06 were for the home and property located at 1505 Rockledge. Property sales in FY07 are for the home and property at 2110 Chemawa Road NE.
- ¹⁴ The transfer from the Keizer Station LID Fund is reimbursement for attorney fees associated with Keizer Station property acquisitions charged to the Street Fund in error in FY05.
- ¹⁵ Miscellaneous Revenues are one-time revenues that are not characterized by line-item descriptions.

SPECIAL REVENUE FUND



17
18
19
20
21



PERSONNEL SERVICES

22	\$	8,693	\$	9,441	\$	9,600	City Manager	\$	10,200	\$	10,200	\$	10,200
23		39,627		40,118		39,300	Public Works Director		40,400		40,400		40,400
24		21,654		24,339		25,100	Public Works Superintendent		25,800		25,800		25,800
25		6,258		6,600		6,500	City Recorder		6,700		6,700		6,700
26		49,646		53,468		53,300	Municipal Utility Worker		54,800		54,800		54,800
27		2,872		4,120		4,200	Community Development Director		4,500		4,500		4,500
28		3,922		6,024		5,600	Code Enforcement/Zoning Technician		6,000		6,000		6,000
29		13,023		11,894		11,000	Administrative Support Staff		11,900		11,900		11,900
30		5,303		13,135		13,400	Public Works Permit Specialist		14,600		14,600		14,600
31		1,450		2,132		1,900	Network Administrator		2,000		2,000		2,000
32		3,873		4,206		3,300	Human Resources Director		3,500		3,500		3,500
33		3,994		4,221		4,200	Finance Director		4,300		4,300		4,300
34		6,184		6,480		6,800	Facility Maintenance Worker		7,300		7,300		7,300
35		850		1,023		3,000	Overtime		3,000		3,000		3,000
36		-		385		-	Vehicle Allowance Pay		300		300		300
37		-		-		-	Educational/Tuition Assistance		500		500		500
38		2,561		2,869		2,900	Medicare		3,000		3,000		3,000
39		31,450		35,260		37,500	Retirement		39,400		39,400		39,400
40		23,849		26,737		30,100	Insurance Benefits		34,900		34,900		34,900
41		2,010		1,425		3,000	Workers Compensation		3,200		3,200		3,200
42	\$	227,219	\$	253,877	\$	260,700	TOTAL PERSONNEL SERVICES	\$	276,300	\$	276,300	\$	276,300

Notes:

- ²⁸ In FY05 this position was split into one FTE Zoning Technician and one one-half FTE Code Enforcement Officer.
- ²⁹ Administrative Support Staff had been reduced in FY05 as part of the City-Wide reorganization. The Public Works Permit Specialist helps cover some of this work load.
- ⁴⁰ Effective FY07 the City budget provides for 95% of insurance premiums to be paid by the City and 5% to be paid by the employee. The City's health and dental insurance premiums are expected to increase approximately 10%. In FY06, the City began paying the full cost of life insurance premiums (\$60,000 in coverage per employee) and the full cost of long-term disability with a maximum annual increase for these benefits equal to the Portland CPI-W.
- ⁴¹ Workers Compensation costs are expected to increase between 10%-15% in FY07.

SPECIAL REVENUE FUND



43

44

45

MATERIALS & SERVICES

46	\$	1,880	\$	1,688	\$	1,800	Office Materials & Supplies	\$	2,000	\$	2,000	\$	2,000
47		-		25		-	Safety & Wellness*		100		100		100
48		860		1,077		-	Helmets		700		700		700
49		1,177		2,051		2,400	Postage & Printing*		3,200		3,200		3,200
50		1,918		1,897		1,300	Association Memberships*		1,300		1,300		1,300
51		1,350		3,560		4,000	Travel & Training - Public Works*		6,000		6,000		6,000
52		1,440		1,644		2,000	Travel & Training - Administrative Staff*		2,000		2,000		2,000
53		259		267		200	City Council Expenses*		200		200		200
54		693		132		700	Advertising		700		700		700
55		20,637		44,040		30,000	Legal Services*		30,000		30,000		30,000
56		-		-		-	Labor Attorney*		800		800		800
57		3,533		28,620		95,000	Contractual Services		80,000		80,000		80,000
58		2,210		1,713		1,000	Audit*		1,600		1,600		1,600
59		83,448		41,415		75,000	Engineering Services		65,000		65,000		65,000
60		6,417		4,115		15,000	Traffic Engineering SDC Review		10,000		10,000		10,000
61		1,811		1,641		1,100	Janitorial*		1,100		1,100		1,100
62		576		966		1,100	Gas & Electricity*		1,100		1,100		1,100
63		2,935		3,174		2,000	Telephone*		1,700		1,700		1,700
64		12,712		13,516		14,500	Insurance - Liability*		15,100		15,100		15,100
65		16		-		1,000	Gasoline/Diesel		1,500		1,500		1,500
66		1,396		2,781		2,000	Computer & Software Maintenance*		3,100		3,100		3,100
67		4,418		4,766		4,000	Equipment Maintenance		4,000		4,000		4,000
68		3,094		1,949		1,100	Facility Maintenance*		1,100		1,100		1,100
69		-		599		-	Office Equipment Maintenance		100		100		100
70		8,688		420		10,000	Sidewalk Maintenance		10,000		10,000		10,000
71		-		-		3,500	Field Materials and Supplies		5,000		5,000		5,000

Notes:

¹ Indicates a city-wide shared cost based on a pre-established allocation. See City-Wide Shared Costs in the Supplemental Information section of the document for
⁴⁹ Postage & Printing costs have increased to cover the cost of the Keizer Quarterly newsletter. Additionally, the US Postal Service increased postage 5% beginning in January 2006.

⁵¹ Travel and Training increased to account for a membership to the Association of Clean Water Agencies for UIC Stormwater monitoring.

⁵⁴ Costs are for recruitments and public notices.

⁵⁶ Labor Attorney fees are for union negotiations, review of Personnel Policies and related city-wide personnel issues.

⁵⁷ Contractual Services include \$25,000 for a Storm Water Plan implementation, \$20,000 Consulting Services for Labish Creek widening, \$20,000 right-of-way landscape maintenance and \$10,000 for the Street Fund's share of the Public Works Operation Plan. The remaining \$5,000 includes city-wide contracts allocated to the Street Fund.

⁶⁴ The City's insurance carrier projects a 4% increase in rates. Projections are based on FY06 actual costs.

SPECIAL REVENUE FUND

72	14,434	12,306	20,000	Storm Drain Maintenance	25,000	25,000	25,000
73	69,636	80,681	130,000	Street Sweeping	83,000	83,000	83,000
74	134,999	138,881	170,000	Street Maintenance & Repair	135,000	135,000	135,000
75	42,728	41,770	50,000	Street Light Utilities	50,000	50,000	50,000
76	12,507	15,925	30,000	Traffic Light Utilities	30,000	30,000	30,000
77	-	-	-	Storm Drain Utilities	-	-	12,000
78	-	63	-	Medical Testing	100	100	100
79	1,146	2,839	3,100	Rental Property Expenses	3,500	3,500	3,500
80	-	2,956	5,100	MPO Support/ SKATS	5,800	5,800	5,800
81	-	-	6,400	Contingency	6,000	6,000	6,000
82	49	30	-	Miscellaneous Expenses	-	-	-
83	1,066	5,083	10,000	Flood & Drainage Services	10,000	10,000	10,000
84	\$ 438,033	\$ 462,590	\$ 693,300	TOTAL MATERIALS & SERVICES	\$ 595,800	\$ 595,800	\$ 607,800
85							
86				<u>CAPITAL OUTLAY</u>			
87							
88	-	5,043	-	Aerial Photos	-	-	-
89	-	4,785	-	Telephone System	-	-	-
90	555	349	400	Office Furniture & Equipment*	400	400	400
91	3,470	2,943	2,600	Computer Hardware*	3,500	3,500	3,500
92	62,541	-	50,000	Master Plans	50,000	50,000	50,000
93	28,576	-	25,000	Bike Paths	25,000	25,000	25,000
94	3,461	402,000	2,100,000	Street Improvements	1,640,000	1,640,000	1,640,000
95	24,064	-	25,000	Infill Sidewalk Completions	25,000	25,000	25,000
96	134,092	194,620	1,500,000	Property & Easement Acquisition	-	-	-
97	20,640	29,134	25,000	Storm Drains	180,000	180,000	180,000
98	-	8,015	-	Keizer Station Improvements	-	-	-
99	2,366	-	-	Neighborhood Traffic Management Plans	-	-	-
100	-	179,585	60,000	Labish Area Bridge and Drainage	60,000	60,000	60,000

Notes:

⁷³ Street sweeping is a contracted service. Costs were expected to increase significantly in FY06, however, the City was able to negotiate a price comparable to amounts paid in FY05.

⁸¹ A 1% Materials & Services Contingency has been set aside for FY07.

⁹² Master Plans costs include an update to the 1982 Storm Water Master Plan. These funds were not expended in FY06 and are therefore carried over to FY07.

⁹⁴ Street Improvements include Dearborn NE \$1,000,000, Chemawa Road East of the bridge at Claggett Creek \$400,000 and the SW corner of Lockhaven and River Road for \$240,000.

¹⁰⁰ The FY06 budget was for completion of the bridge and partial funding for drainage costs. The FY07 budget provides for the Labish Creek widening to complete the drainage improvements.

SPECIAL REVENUE FUND

101	9,872	-	28,000	Heavy Equipment/Vehicles	8,000	8,000	8,000
102	37,046	-	-	Traffic Signal LED Upgrade	-	-	-
103	-	302,362	300,000	Street Resurfacing	620,000	620,000	620,000
104	-	-	916,000	Chemawa Road Bridge	420,000	420,000	420,000
105	-	-	600	Signage	600	600	600
106	-	-	45,000	City-Wide Traffic Count Update	-	-	-
107	-	-	80,000	Shop Addition	74,700	109,900	109,900
108	721	1,472	5,200	Field Equipment	3,500	3,500	3,500
109	-	-	248,020	Contingency	310,000	310,000	310,000
110	\$ 327,404	\$ 1,130,308	\$ 5,410,820	TOTAL CAPITAL OUTLAY	\$ 3,420,700	\$ 3,455,900	\$ 3,455,900
111				<u>DEBT SERVICE</u>			
112							
113							
114	\$ -	\$ -	-	Principal	\$ 145,000	\$ 145,000	\$ 145,000
115	-	-	-	Interest	65,300	65,300	65,300
116	\$ -	\$ -	-	TOTAL DEBT SERVICE	\$ 210,300	\$ 210,300	\$ 210,300
117							
118				<u>TRANSFERS OUT</u>			
119							
120	\$ -	\$ -	1,980	Transfer to City Hall Facility Fund	\$ 7,900	\$ 7,900	\$ 7,900
121							
122	\$ 992,656	\$ 1,846,775	\$ 6,366,800	TOTAL EXPENDITURES	\$ 4,511,000	\$ 4,546,200	\$ 4,558,200
123							
124							
125							
126	-	-	-	Debt Service Reserve	173,800	173,800	173,800
127	1,951,191	1,902,889	179,100	Undesignated Ending Fund Balance	200,000	174,400	189,400
128							
129	\$ 2,943,847	\$ 3,749,664	\$ 6,545,900	TOTAL EXPENDITURE & FUND BALANCE	\$ 4,884,800	\$ 4,894,400	\$ 4,921,400

Notes:

- 101 Heavy Equipment/Vehicles is for the Street Fund's share of the cost for a new Pickup. The balance of the cost is allocated to the Water Fund.
- 104 Chemawa Road Bridge construction did not begin in FY06 as anticipated. ODOT will manage the grant funding except for the City's required matching funds of \$420,000.
- 107 The shop building addition was budgeted at \$80,000 in the Street Fund and \$170,000 in the Water Fund for FY06. Expenditures through 6/30/06 are anticipated to be \$19,700 Street Fund and \$41,800 Water Fund. Funds needed to complete the addition are budgeted in FY07. The difference in the original cost of \$250,000 and the revised cost of \$405,000 is due to bids coming in higher than originally anticipated and an ADA requirement to install an \$80,000 elevator.
- 109 The Capital Outlay Contingency is 10% of Capital Outlay Expenditures.
- 120 The transfer in FY06 was for remodeling the auditorium and Community Development Department. The transfer in FY07 is for remodeling the lobby area of City Hall and to replace the roof at the auditorium. The transfer represents the Street Fund share of the cost.

TRANSPORTATION IMPROVEMENT FUND

The Transportation Improvement Fund was established in Fiscal Year 2004-2005 to account for system development fees. The city began charging a system development fee of \$1,129 per dwelling unit to help cover the cost of transportation improvements resulting from development. No expenditures are planned for Fiscal Year 2006-2007.

CAPITAL PROJECTS FUND



1	\$	-	\$	-	\$	109,800	Working Capital Carryforward	\$	714,900	\$	714,900	\$	714,900
2	-	-	271	-	2,200	Interest		14,300	14,300	14,300	14,300	14,300	
3	-	-	116,739	-	150,000	System Development Fees		141,300	141,300	141,300	141,300	141,300	
4	\$	-	\$	117,010	\$	262,000	TOTAL RESOURCES	\$	870,500	\$	870,500	\$	870,500



CAPITAL OUTLAY

10	-	-	-	-	-	Improvements		-	-	-	-	-	
11	-	-	-	-	262,000	Contingency		870,500	870,500	870,500	870,500	870,500	
12	\$	-	\$	-	\$	262,000	TOTAL CAPITAL OUTLAY	\$	870,500	\$	870,500	\$	870,500



14	-	-	117,010	-	-	Undesignated Ending Fund Balance		-	-	-	-	-	
18	\$	-	\$	117,010	\$	262,000	TOTAL EXPENDITURE & FUND BALANCE	\$	870,500	\$	870,500	\$	870,500

Notes:
 3 The City began charging a System Development Fee in FY05 to help cover the cost of transportation improvements resulting from development. The FY07 SDC's are projected anticipating 38 single family units inside Keizer Station, and 80 apartment units and 65 single family units within the urban growth boundaries.

Park Improvement Fund Capital Improvements Proposed

Bair Park

- ◆ Install Bench \$400

Chalmers Jones Park

- ◆ Complete New Building for Equipment Storage \$20,000
- ◆ Install 2 Tables with Concrete Slabs \$1,700

Claggett Creek Park

- ◆ Install Bar-b-Que \$300
- ◆ Install Drinking Fountain \$2,800

Country Glen Park

- ◆ Wetlands Enhancement Project \$50,000

Meadows Park

- ◆ Complete Pathway to River Road \$2,400

Wilark Park

- ◆ Install Bar-b-Que \$300
- ◆ Install 2 Tables with Concrete Slabs \$700

Willamette Manor Park

- ◆ Complete Pathway to Shelter \$1,600

Update Adopted Parks Master Plan

\$50,000
\$130,200

CAPITAL PROJECTS FUND



1	\$	683,897	\$	908,703	\$	941,700	Working Capital Carryforward	\$	1,501,300	\$	1,501,300	\$	1,497,700
2		-		-		1,627,000	Community Development Grants		-		-		-
3		9,769		20,282		15,000	Interest		19,500		19,500		19,500
4		193,070		68,971		95,000	System Development Fees		172,400		172,400		172,400
5		22,299		2,130		-	Miscellaneous Revenue		-		-		-
6	\$	909,035	\$	1,000,086	\$	2,678,700	TOTAL RESOURCES	\$	1,693,200	\$	1,693,200	\$	1,689,600



CAPITAL OUTLAY

12	\$	-	\$	41,722	\$	1,927,000	Land Acquisition	\$	275,000	\$	275,000	\$	275,000
13		332		22,967		63,500	Improvements		130,200		130,200		130,200
14		-		-		300,000	Contingency		1,288,000		1,288,000		1,277,100
15	\$	332	\$	64,689	\$	2,290,500	TOTAL CAPITAL OUTLAY	\$	1,693,200	\$	1,693,200	\$	1,682,300

17	\$	-	\$	-	\$	-	Transfer to General Fund	\$	-	\$	-	\$	7,300
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22		908,703		935,397		388,200	Undesignated Ending Fund Balance		-		-		-
24	\$	909,035	\$	1,000,086	\$	2,678,700	TOTAL EXPENDITURE & FUND BALANCE	\$	1,693,200	\$	1,693,200	\$	1,689,600

Notes:

- 4 The FY07 SDC's are projected anticipating 80 apartment units and 103 single family units.
- 12 In FY06 much of the land acquisition costs were for Keizer Rapids Park funded with Community Development Grants. FY07 provides for land purchase in West Keizer for a community park.
- 13 Improvements include \$50,000 for a Wetlands Enhancement Project at Country Glen and Hidden Creek Park. See also the list of projects in the narrative preceding this page.

CITY HALL FACILITY FUND

The City Hall Facility Fund was established to account for capital improvements and replacement reserves for City Hall facilities.

SPECIAL REVENUE FUND

1	\$	-	\$	-	\$	-	\$	-
2								
3								
4								
5								
6								
7								
8								
9	\$	-	\$	-	\$	128,800	TOTAL RESOURCES	\$ 115,000 \$ 115,000 \$ 115,000
10								
11								
12								
13								
14	\$	-	\$	-	\$	128,800	Improvements	\$ 115,000 \$ 115,000 \$ 115,000
15	\$	-	\$	-	\$	128,800	TOTAL CAPITAL OUTLAY EXPENDITURES	\$ 115,000 \$ 115,000 \$ 115,000
16								
17								
18								
19								
20								
21								
22	\$	-	\$	-	\$	128,800	TOTAL EXPENDITURE & FUND BALANCE	\$ 115,000 \$ 115,000 \$ 115,000

Notes:

¹⁴ Costs in FY06 were for remodeling the auditorium and Community Development Department. Costs in FY07 are for remodeling the lobby area of City Hall estimated at \$80,000 and to replace the roof at the auditorium estimated at \$35,000.

UTILITY BILLING DIVISION

The Utility Billing Division operates within the Finance Department and maintains approximately 9,900 accounts for water and sewer services providing needed customer service to Keizer citizens. The staff includes one Utility Billing Technician and three Utility Billing Clerks.

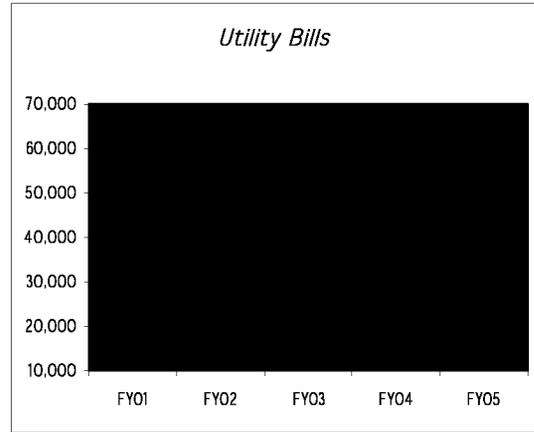
The City of Keizer contracts with the City of Salem to provide sewer services to Keizer residences. Much of the activity in the fund is "passed through"; it is collected from the customer and paid to the City of Salem for sewer services. A portion of each billing receipt is retained in the fund to pay the cost of administering the bill.

Accomplishments . . .

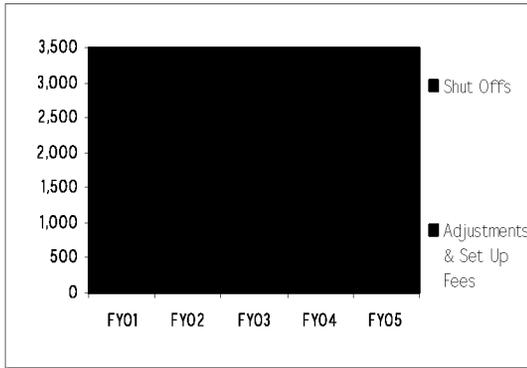
- ◆ Staff implemented a new telephone notification system which calls customers to notify them of service disconnection for nonpayment. This is an on-going effort to assist customers in keeping their accounts current. As the chart on the next page shows, the number of shut-off customers has decreased by almost one-half since fiscal year 2003.

- ◆ Each Staff attended two to three customer service seminars during the past fiscal year as an ongoing effort to enhance our service to customers.
- ◆ Staff attended Cash Management training to enhance internal controls over handling cash.

Work Load Indicators



Work Load Indicators



Future Goals . . .

The Utility Billing staff is committed to providing excellent customer service.

- ◆ Training dollars have been set aside for staff to continue to maintain their customer service skills.
- ◆ Staff plans to implement an on-line billing system feature. To this end, Utility Billing will be upgrading the billing system in July 2006. The upgrade will offer our customer the option of having their credit card debited automatically with each billing.
- ◆ Staff will work towards offering customers a choice in receiving their bill electronically or in paper form.
- ◆ Staff plans to implement electronic transfer of funds to reduce the time and cost of processing paper checks.

ENTERPRISE FUNDS



1	\$	25,362	\$	96,521	\$	48,600	Working Capital Carryforward	\$	45,900	\$	45,900	\$	45,900
2													
3		1,273		4,274		1,000	Planning/Construction Fees		1,400		1,400		1,400
4		3,622,250		3,637,696		3,725,900	Salem Sewer Billing		3,773,500		3,773,500		3,773,500
5		254,996		258,552		263,600	Sewer Administration Fee		288,100		288,100		288,100
6		12,022		6,107		-	Oakwood Assessment		-		-		-
7													
8							<u>MISCELLANEOUS</u>						
9	\$	1,584	\$	175	\$	-	Oakwood Interest		-		-		-
10		8,003		6,031		-	Miscellaneous		-		-		-
11	\$	9,587	\$	6,206	\$	-	TOTAL MISCELLANEOUS	\$	-	\$	-	\$	-
12													
13													
14	\$	3,925,490	\$	4,009,356	\$	4,039,100	TOTAL RESOURCES	\$	4,108,900	\$	4,108,900	\$	4,108,900

Notes:

- ⁴ The City of Salem increased consumption rates 1% in FY06. Actual revenues are coming in slightly below budget (1% below). The FY07 budget projects revenues equal to FY06 revenues projected to year-end with a cost increase of 3% beginning November 2006.
- ⁵ Projections are based on approximately 9,900 sewer customers billed bi-monthly at \$4.85 per bill. The FY07 budget proposes an increase in the bi-monthly charge from \$4.50 to \$4.85. Customer accounts in FY06 increased 6% over FY05.
- ¹⁰ Miscellaneous Revenues include one-time revenues that are not characterized by line-item descriptions.

ENTERPRISE FUNDS



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PERSONNEL SERVICES

	\$	869	\$	944	\$	1,000	City Manager	\$	1,100	\$	1,100	\$	1,100
		2,642		2,799		2,700	Public Works Director		2,900		2,900		2,900
		3,093		3,477		3,600	Public Works Superintendent		3,700		3,700		3,700
		80,057		79,763		88,600	Administrative Support Staff		93,500		93,500		93,500
		1,326		3,284		3,300	Public Works Permit Specialist		3,700		3,700		3,700
		1,160		1,705		1,900	Network Administrator		2,000		2,000		2,000
		3,098		3,365		3,300	Human Resources Director		3,500		3,500		3,500
		15,976		16,883		16,600	Finance Director		17,100		17,100		17,100
		1,546		1,620		1,700	Facility Maintenance Worker		1,900		1,900		1,900
		384		146		1,000	Overtime		1,000		1,000		1,000
		-		39		-	Vehicle Allowance		100		100		100
		-		-		-	Educational/Tuition Assistance		100		100		100
		1,695		1,744		1,900	Medicare		2,000		2,000		2,000
		17,949		19,116		21,500	Retirement		22,700		22,700		22,700
		18,792		23,589		26,500	Insurance Benefits		30,700		30,700		30,700
		413		394		300	Workers Compensation		400		400		400
	\$	149,000	\$	158,868	\$	173,900	TOTAL PERSONNEL SERVICES	\$	186,400	\$	186,400	\$	186,400

Notes:

- ³⁴ Effective FY07 the City budget provides for 95% of insurance premiums to be paid by the City and 5% to be paid by the employee. The City's health and dental insurance premiums are expected to increase approximately 10%. In FY06, the City began paying the full cost of life insurance premiums (\$60,000 in coverage per employee) and the full cost of long-term disability with a maximum annual increase for these benefits equal to the Portland
- ³⁵ Workers Compensation costs are expected to increase between 10%-15% in FY07.

ENTERPRISE FUNDS



<u>MATERIALS & SERVICES</u>									
38									
39									
40	\$ 1,901	\$ 1,965	\$ 2,300	Office Materials & Supplies	\$ 2,300	\$ 2,300	\$ 2,300	\$ 2,300	
41	-	25	-	Safety & Wellness*	200	200	200	200	
42	20,561	20,665	20,600	Postage & Printing*	24,100	24,100	24,100	24,100	
43	1,438	1,658	1,700	Association Memberships*	1,700	1,700	1,700	1,700	
44	2,341	1,953	6,300	Travel & Training*	4,600	4,600	4,600	4,600	
45	207	267	300	City Council Expenses*	300	300	300	300	
46	235	457	200	Advertising	200	200	200	200	
47	4,448	4,539	4,000	Legal Services*	4,000	4,000	4,000	4,000	
48	-	-	-	Labor Attorney*	400	400	400	400	
48	2,418	2,777	2,200	Contractual Services*	1,900	1,900	1,900	1,900	
49	3,879	2,958	3,900	Audit*	3,400	3,400	3,400	3,400	
50	13,858	15,358	17,100	Engineering Services	17,100	17,100	17,100	17,100	
51	1,449	1,445	1,400	Janitorial*	1,400	1,400	1,400	1,400	
52	468	869	400	Gas & Electricity*	400	400	400	400	
53	1,363	1,903	1,100	Telephone*	600	600	600	600	
54	11,435	356	12,700	Insurance - Liability*	13,200	13,200	13,200	13,200	
55	5,646	8,871	6,400	Computer & Software Maintenance*	10,800	10,800	10,800	10,800	
56	678	1,423	600	Equipment Maintenance	1,400	1,400	1,400	1,400	
57	1,439	1,629	1,500	Facility Maintenance*	1,500	1,500	1,500	1,500	
58	3,591,160	3,638,558	3,725,900	Salem Sewer Payments	3,773,500	3,773,500	3,773,500	3,773,500	
59	-	63	-	Medical Testing	100	100	100	100	
60	175	143	-	Collection Costs	200	200	200	200	
61	<u>\$ 3,665,099</u>	<u>\$ 3,707,882</u>	<u>\$ 3,808,600</u>	<u>TOTAL MATERIALS & SERVICES</u>	<u>\$ 3,863,300</u>	<u>\$ 3,863,300</u>	<u>\$ 3,863,300</u>	<u>\$ 3,863,300</u>	

Notes

- * Indicates a City-Wide shared cost based on a pre-established allocation. See City-Wide Shared Costs in the Supplemental Information section of the document for details.
- ⁴² Postage & Printing costs have increased to cover the cost of the Keizer Quarterly newsletter. Additionally, the US Postal Service increased postage 5% beginning in January 2006.
- ⁴⁵ City Council Expenses include travel & training, miscellaneous office supplies & meetings during mealtimes.
- ⁴⁶ Advertising is for staff recruitments.
- ⁵⁴ The City's insurance carrier projects a 4% increase in rates. Projections are based on FY06 actual costs.
- ⁵⁸ This is a pass-through expense and equals Salem Sewer Billing Revenues on line 4 above.

ENTERPRISE FUNDS



62	<u>CAPITAL OUTLAY</u>												
63													
64	\$	548	\$	290	\$	500	Office Furniture & Equipment*	\$	500	\$	500	\$	500
65		-		4,699		2,500	Telephone System		-		-		-
66		2,783		2,372		4,700	Computer Hardware*		5,200		5,200		5,200
67	\$	3,331	\$	7,361	\$	7,700	TOTAL CAPITAL OUTLAY	\$	5,700	\$	5,700	\$	5,700
68													
69	<u>DEBT SERVICE</u>												
70													
71	\$	10,000	\$	10,000	\$	-	Oakwood Principal	\$	-	\$	-	\$	-
72		1,538		513		-	Oakwood Interest		-		-		-
73	\$	11,538	\$	10,513	\$	-	TOTAL DEBT SERVICE	\$	-	\$	-	\$	-
74													
75	<u>TRANSFERS</u>												
76													
77	\$	-	\$	-	\$	2,640	Transfer to City Hall Facility Fund	\$	10,700	\$	10,700	\$	10,700
78													
79	\$	3,828,968	\$	3,884,624	\$	3,992,840	TOTAL EXPENSES	\$	4,066,100	\$	4,066,100	\$	4,066,100
80													
81													
82													
83													
84		-		-		10,760	Contingency		14,600		14,600		14,600
85		96,522		124,732		35,500	Undesignated Ending Fund Balance		28,200		28,200		28,200
86													
87	\$	3,925,490	\$	4,009,356	\$	4,039,100	TOTAL EXPENSES & FUND BALANCE	\$	4,108,900	\$	4,108,900	\$	4,108,900

Notes:

- 77 The transfer in FY06 was for remodeling the auditorium and Community Development Department. The transfer in FY07 is for remodeling the lobby area of City Hall and to replace the roof at the auditorium. The transfer represents the Sewer Fund's share of the cost.
- 84 Contingency is 5% of total expenses less Salem Sewer Payments.

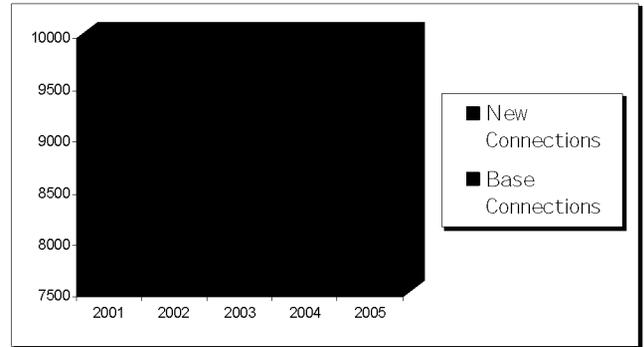
WATER FUND

Revenues in the Water fund are derived from user charges. The City's charter designates this as a dedicated fund to be used solely for water related services. The water system is managed by the Public Works Department to provide safe, low cost, quality drinking water that meets state regulations. The Water Division is staffed with eleven Municipal Utility Workers, a Public Works Permit Specialist, a Public Works Superintendent and the Director of Public Works. The Finance Department manages the billing function and is staffed with three Utility Billing Clerks and a Utility Billing Technician. Expenses include the costs of customer service, billing, water system maintenance, portions of facility maintenance, personnel services and administrative costs.

Accomplishments . . .

- Purchased new dump truck to replace a 1978 International dump truck.
- Purchased new service vehicle to replace 1986 GMC van.
- Began construction of addition to Public Works facility to accommodate additional staff.
- Completed Strategic Plan for the Public Works Department.

The Water Division promotes public education and outreach through the annual Consumer Confidence Report, instruction at local grad schools, and also by hosting a Public Open House each year.



- Replaced pump and rehabilitated Cherry Avenue Well

Future Goals . . .

- Purchase a new pickup truck.
- Continue the Water Source Protection program by installing additional monitoring wells.
- Complete construction of addition to Public Works facility.

ENTERPRISE FUNDS



1	\$ 598,157	\$ 886,890	\$ 840,800	Working Capital Carryforward	\$ 1,358,600	\$ 1,379,000	\$ 1,334,300	
2	9,096	45,623	5,000	Planning & Construction Fees	5,000	5,000	5,000	
3	2,041,223	1,945,764	2,181,800	Water Sales	2,338,900	2,338,900	2,338,900	
4	38,938	30,222	33,400	Service Fees	33,400	33,400	33,400	
5	-	-	-	Diesel Fuel Sales	18,400	18,400	18,400	
6	5,203	9,541	-	Assessments	700	700	700	
7	174	402	-	Assessment Interest	100	100	100	
8	8,513	26,550	16,500	Interest	52,200	52,200	52,200	
9	632	-	-	Reimbursement Agreement Application Fee	-	-	-	
10	11,037	2,932	-	Miscellaneous	-	-	-	
11	8,745	13,360	7,500	Live Tap Reimbursement	7,500	7,500	7,500	
12	<u>\$ 2,721,718</u>	<u>\$ 2,961,284</u>	<u>\$ 3,085,000</u>	TOTAL RESOURCES	<u>\$ 3,814,800</u>	<u>\$ 3,835,200</u>	<u>\$ 3,790,500</u>	

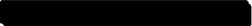
Notes:

- ³ Water Sales Revenues reflect an increase in consumption plus a 4% increase in rates as provided for in the Cost of Service Rate Model.
- ⁵ Diesel Fuel Sales is for fuel sold to the Keizer Fire District. In prior years, this revenue was netted against diesel fuel expenditures.
- ⁸ Interest Revenue is based on FY06 earnings through 2/28/06 projected out to 6/30/06.
- ¹⁰ Miscellaneous Revenues include one-time revenues that are not characterized by line-item descriptions.

ENTERPRISE FUNDS



13
14
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16



PERSONNEL SERVICES

17	\$	8,693	\$	9,441	\$	9,600	City Manager	\$	10,200	\$	10,200	\$	10,200
18		23,776		25,190		24,700	Public Works Director		25,400		25,400		25,400
19		27,840		31,292		32,300	Public Works Superintendent		33,200		33,200		33,200
20		310,317		347,049		415,100	Municipal Utility Workers		431,800		431,800		431,800
21		1,149		1,648		1,700	Community Development Director		1,800		1,800		1,800
22		89,991		96,571		102,800	Administrative Support Staff		108,400		108,400		108,400
23		3,977		9,851		10,000	Public Works Permit Specialist		11,000		11,000		11,000
24		4,641		6,822		8,400	Network Administrator		8,900		8,900		8,900
25		12,393		13,460		14,900	Human Resources Director		15,400		15,400		15,400
26		19,970		21,104		20,800	Finance Director		21,300		21,300		21,300
27		6,184		6,480		6,800	Facility Maintenance Worker		7,300		7,300		7,300
28		17,919		17,254		-	Seasonal Help		-		-		-
29		20,761		24,283		20,000	Overtime - Public Works		26,000		26,000		26,000
30		385		144		2,500	Overtime - Utility Billing		1,000		1,000		1,000
31		10,400		10,800		10,400	Duty Pay		10,400		10,400		10,400
32		-		385		-	Vehicle Allowance Pay		300		300		300
33		-		-		-	Educational/Tuition Assistance		500		500		500
34		8,534		9,497		10,500	Medicare		10,900		10,900		10,900
35		87,773		102,383		114,700	Retirement		123,500		123,500		123,500
36		83,782		104,700		134,000	Insurance Benefits		155,100		155,100		155,100
37		758		367		-	Unemployment Insurance		-		-		-
38		8,668		5,980		12,200	Workers Compensation		13,200		13,200		13,200
39	\$	747,911	\$	844,701	\$	951,400	TOTAL PERSONNEL SERVICES	\$	1,015,600	\$	1,015,600	\$	1,015,600

Notes:

- ²⁰ Beginning in FY06, the budget provides for two additional Municipal Utility Workers.
- ²⁸ With the proposed addition of two Municipal Utility Workers, the seasonal help line-item has been eliminated beginning in FY06.
- ³⁶ Effective FY07 the City budget provides for 95% of insurance premiums to be paid by the City and 5% to be paid by the employee. The City's health and dental insurance premiums are expected to increase approximately 10%. In FY06, the City began paying the full cost of life insurance premiums (\$60,000 in coverage per employee) and the full cost of long-term disability with a maximum annual increase for these benefits equal to the Portland CPI-W.
- ³⁹ Workers Compensation costs are expected to increase between 10%-15% in FY07.

ENTERPRISE FUNDS



MATERIALS & SERVICES

40												
41												
42	\$ 6,347	\$ 6,541	\$ 7,500	Office Materials & Supplies	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500				
43	-	100	-	Safety & Wellness*	800	800	800	800				
44	24,205	26,363	25,000	Postage & Printing*	33,400	33,400	33,400	33,400				
45	5,214	5,940	5,000	Concrete	5,000	5,000	5,000	5,000				
46	6,373	4,680	6,000	Rock & Backfill	6,000	6,000	6,000	6,000				
47	6,281	5,628	10,000	Paving	7,500	7,500	7,500	7,500				
48	31,790	29,002	45,000	Sequestering Agent	25,000	25,000	25,000	25,000				
49	8,495	9,816	12,000	Fluoride	12,000	12,000	12,000	12,000				
50	7,599	7,686	8,500	Association Memberships*	8,700	8,700	8,700	8,700				
51	10,548	10,353	13,500	Travel & Training - Public Works*	13,500	13,500	13,500	13,500				
52	3,721	3,840	8,000	Travel & Training - Administrative Staff*	6,700	6,700	6,700	6,700				
53	828	1,070	1,400	City Council Expenses*	1,400	1,400	1,400	1,400				
54	759	978	1,000	Advertising	1,000	1,000	1,000	1,000				
55	11,381	8,457	11,000	Legal Services*	11,000	11,000	11,000	11,000				
56	-	-	-	Labor Attorney*	6,100	6,100	6,100	6,100				
57	81,849	89,070	80,000	Contractual Services	91,400	91,400	91,400	91,400				
58	1,943	1,917	1,600	Audit*	1,500	1,500	1,500	1,500				
59	482	-	2,000	Flagging	2,000	2,000	2,000	2,000				
60	22,938	33,834	28,000	Engineering Services	28,000	28,000	28,000	28,000				
61	7,560	7,597	7,100	Janitorial*	7,200	7,200	7,200	7,200				
62	2,846	2,702	4,000	Clothing	4,000	4,000	4,000	4,000				
63	153,722	145,573	150,000	Gas & Electricity*	167,400	167,400	167,400	167,400				

Notes:

- * Indicates a City-Wide shared cost based on a pre-established allocation. See City-Wide Shared Costs in the Supplemental Information section of the
- ⁴⁴ Postage & Printing costs have increased to cover the cost of the Keizer Quarterly newsletter. Additionally, the US Postal Service increased postage 5% beginning in January 2006.
- ⁵³ Costs include travel & training; misc. office supplies; meetings during mealtimes. These costs were previously charged to the Training & Travel line-item.
- ⁵⁶ Labor Attorney fees are for union negotiations, review of Personnel Policies and related city-wide personnel issues.
- ⁵⁷ Contracts include consultant costs for Groundwater Contamination Analysis and an operational plan for the Public Works Department plus city-wide costs allocated among all Operating Funds.
- ⁶³ Utility costs are expected to increase for industrial users 8.7% in January 2007. Cost estimates are based on FY06 actual costs projected to year end. The City expects cost to be \$160,000 in FY06. FY07 costs increased for the anticipated price increase.

ENTERPRISE FUNDS

64	8,191	8,340	8,000	Natural Gas	11,900	11,900	11,900
65	25,988	26,905	24,200	Telephone*	25,700	25,700	25,700
66	8,620	973	10,000	Telemetry	10,000	10,000	10,000
67	45,520	48,243	51,900	Insurance - Liability*	54,000	54,000	54,000
68	7,632	11,394	11,000	Gasoline	11,500	11,500	11,500
69	5,421	2,867	6,500	Diesel Fuel	22,000	22,000	22,000
70	8,604	12,378	11,800	Computer & Software Maintenance*	15,300	15,300	15,300
71	10,653	15,562	13,000	Vehicle Maintenance	15,000	15,000	15,000
72	8,019	14,145	10,000	Equipment Maintenance	12,000	12,000	12,000
73	6,365	6,542	7,600	Facility Maintenance*	7,600	7,600	7,600
74	-	1,059	-	Office Equipment Maintenance	400	400	400
74	39,257	27,796	35,000	Plant Maintenance	35,000	35,000	35,000
75	9,865	12,125	5,000	Live Taps	7,500	7,500	7,500
76	15,748	11,322	15,000	Pump House Maintenance	15,000	15,000	15,000
77	10,610	24,664	30,000	Pump Maintenance	30,000	30,000	30,000
78	27,562	28,561	32,000	Operating Materials & Supplies	32,000	32,000	32,000
79	-	321	-	Medical Testing	1,800	1,800	1,800
80	6,182	48,436	40,000	Water Mains	25,000	25,000	25,000
81	3,816	3,816	3,800	Well Property Lease	4,100	4,100	4,100
82	36,748	57,263	60,000	Lab Tests	50,000	50,000	50,000
83	22,547	22,260	30,000	Contract Meter Reading	30,000	30,000	30,000
84	10,250	5,967	10,000	Consumer Confidence Report/ Public Education	10,000	10,000	10,000
85	260	291	-	Miscellaneous	-	-	-
86	\$ 712,739	\$ 792,377	\$ 841,400	TOTAL MATERIALS & SERVICES	\$ 872,900	\$ 872,900	\$ 872,900
87							

- Notes:
- ⁶⁴ Natural gas costs are based on FY06 actuals projected to year-end, adjusted for an anticipated 6% price increase. Increases in FY06 are from price increases not increases in consumption.
- ⁶⁷ The City's insurance carrier projects a 4% increase in rates. Projections are based on FY06 actual costs.
- ⁶⁹ In FY07 diesel fuel increases to reflect the Keizer Fire District fuel purchased through the City. Revenue of \$18,500 offsets this expense.
- ⁸² Lab Tests include monthly monitoring for volatile organic compounds, lead and copper testing and secondary organic chemical testing.
- ⁸³ The increase in Contract Meter Reading beginning in FY06, reflects the cost of a new contractor. The previous contractor retired.
- ⁸⁵ Miscellaneous costs are one-time expenditures that are not characterized by existing line-item descriptions.

ENTERPRISE FUNDS



<u>DEBT SERVICE</u>													
102													
103													
104	\$	-	\$	-	\$	-	Principal	\$	135,000	\$	135,000	\$	135,000
105		-		-		135,700	Interest		103,900		103,900		103,900
106	\$	-	\$	-	\$	135,700	TOTAL DEBT SERVICE	\$	238,900	\$	238,900	\$	238,900
107													
108													
109	\$	1,584,828	\$	1,726,670	\$	2,293,000	TOTAL EXPENSES	\$	2,391,600	\$	2,466,400	\$	2,466,400
110													
111													
112													
113	\$	250,000	\$	-	\$	348,900	Transfer to Water Facility Replacement Reserve	\$	883,000	\$	812,400	\$	767,700
114		-		-		4,180	Transfer to City Hall Facility Fund		22,000		22,000		22,000
115	\$	250,000	\$	-	\$	353,080	TOTAL TRANSFERS	\$	905,000	\$	834,400	\$	789,700
116													
117													
118													
119	\$	-	\$	-	\$	63,420	Contingency	\$	119,600	\$	123,300	\$	123,300
120		886,890		1,234,614		375,500	Fund Balance		398,600		411,100		411,100
121													
122	\$	2,721,718	\$	2,961,284	\$	3,085,000	TOTAL EXPENSES & BUDGETED FUND BALANCE	\$	3,814,800	\$	3,835,200	\$	3,790,500

Notes:
¹¹³ The transfer to the Water Facility Replacement Reserve Fund is significantly higher in FY07 than in FY06 because the \$525,000 fund transfer was not made in
¹¹⁴ The transfer in FY06 was for remodeling the auditorium and Community Development Department. The transfer in FY07 is for remodeling the lobby area of City Hall and to replace the roof at the auditorium. The transfer represents the Water Fund's share of the cost.
¹²⁰ The Fund Balance provides for a 60-day cash supply as provided for in the Cost of Service Analysis adopted by the City Council.

WATER FACILITY REPLACEMENT RESERVE

The Water Facility Replacement Reserve was established for replacement and construction of new facilities needed to provide water production, storage, and distribution. Revenue consists of System Development Charges, water usage charges transferred from the Water Operating Fund and revenue bonds. Expenditures listed in the 2006/2007 Capital Improvements are identified in the 2001 Water System Master Plan update. Construction of the needed storage and additional source will complete the water system serving the existing Urban Growth Boundary.

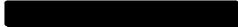
Projects Completed Budget Year 2005/2006

• Bair Park Reservoir Tank and Pump Station	\$ 650,000
• Railroad Directional Bore Casing and Waterline	75,000
• Install Pressure Reducing Valve to maintain higher pressure in Clearlake Area	25,000
• Drilled new well at the Delta site to meet current well construction standards	185,000
• Drilled new well at City Hall site to replace Carlhaven wells.	100,000
• Installed Generator at Ridge Dr. site to provide uninterrupted water source	50,000
• Replaced and upsized water main on Rickman Rd. to accommodate new well	<u>170,000</u>
	<u>\$1,255,000</u>

Water Facility Fund Capital Improvements Budget Year 2006/2007

• Construct Pump House at City Hall Well Site	\$ 120,000
• Keizer Station Reservoir and Pump Station - City's share	1,200,000
• Replace Telemetry System to include Radio Circuit Control	160,000
• Steel Waterline Replacements City-Wide over the next 3 Budget Cycles	450,000
• Retrofit all Existing Turbine Electric Motors for Energy Efficiency	60,000
• Install Security Upgrades at Well Sites	75,000
• Convert existing fluoride systems to sodium fluoride systems	<u>25,000</u>
	<u>\$2,090,000</u>

ENTERPRISE FUNDS



1	\$	368,193	\$	521,885	\$	1,163,300	Working Capital Carryforward	\$	2,291,400	\$	2,291,400	\$	2,318,900
2		-		-		1,600	Marks Drive Assessments		700		700		700
3		8,430		15,345		10,700	Interest		87,500		87,500		87,500
4		121,013		135,292		101,000	System Development Charge		157,500		157,500		157,500
5		-		-		11,000	Oversized Reimbursement Fee		12,300		12,300		12,300
6		250,000		-		348,900	Transfer from Water Fund		883,000		812,400		767,700
7		-		-		3,447,500	Bond Proceeds		-		-		-
8	\$	747,636	\$	672,522	\$	5,084,000	TOTAL RESOURCES	\$	3,432,400	\$	3,361,800	\$	3,344,600



CAPITAL OUTLAY

14	\$	12,931	\$	-	\$	5,000	Repayment on Oversized Water Main	\$	5,000	\$	5,000	\$	5,000
15		163,576		90,234		675,200	Supply/Treatment		394,000		394,000		421,500
16		49,243		1,705		735,000	Transmission & Distribution Maint		478,500		478,500		478,500
17		-		-		160,000	General Plan		138,000		138,000		138,000
18		-		325		1,750,000	Storage		1,230,000		1,230,000		1,230,000
19		-		-		300,000	Contingency		200,000		200,000		200,000
20	\$	225,750	\$	92,264	\$	3,625,200	TOTAL CAPITAL OUTLAY	\$	2,445,500	\$	2,445,500	\$	2,473,000



25		-		-		292,900	Debt Reserve Requirement		234,100		234,100		234,100
26		521,886		580,258		1,165,900	Undesignated Fund Balance		752,800		682,200		637,500
28	\$	747,636	\$	672,522	\$	5,084,000	TOTAL EXPENSES & BUDGETED FUND BALANCE	\$	3,432,400	\$	3,361,800	\$	3,344,600

Notes:

- ³ Interest Revenue is based on FY06 earnings through 2/28/06 projected out to 6/30/06.
- ⁴ FY07 System Development Fees are based on 103 Single Family dwellings, 8 - 2" meters and 1 - 4" meter.
- ¹² For detailed Capital Outlay projects see Water Facility Fund Summary immediately preceding this page.
- ²⁶ The Ending Fund Balance will be used in future years to pay for projects provided for in the Capital Improvement Program.

STREET LIGHTING DISTRICT FUND

The Street Lighting District Fund accounts for the Street Lighting Districts and Local Improvement Districts from establishment and construction; through billing and recording the liens with the county tax collector. The City currently has approximately 180 Lighting Districts. The City Recorder, the Finance Department and the Public Works Department share the responsibility for the activities in this fund.

ENTERPRISE FUNDS

1	\$	(5,332)	\$	70,855	\$	65,100	Working Capital Carryforward	\$	210,900	\$	210,900	\$	210,900
2		455,684		458,478		505,700	Lighting District Assessments		432,100		432,100		432,100
3	\$	450,352	\$	529,333	\$	570,800	TOTAL RESOURCES	\$	643,000	\$	643,000	\$	643,000

PERSONNEL SERVICES

9	\$	869	\$	944	\$	1,000	City Manager	\$	1,100	\$	1,100	\$	1,100
10		4,403		4,665		4,600	Public Works Director		4,700		4,700		4,700
11		3,093		3,477		3,600	Public Works Superintendent		3,700		3,700		3,700
12		6,258		6,601		6,500	City Recorder		6,700		6,700		6,700
13		6,552		6,591		6,400	Administrative Support Staff		7,000		7,000		7,000
14		1,326		3,284		3,300	Public Works Permit Specialist		3,700		3,700		3,700
15		290		426		500	Network Administrator		500		500		500
16		775		841		800	Human Resources Director		900		900		900
17		3,994		4,221		4,200	Finance Director		4,300		4,300		4,300
18		1,546		1,620		1,700	Facility Maintenance Worker		1,900		1,900		1,900
19		-		6		-	Overtime		100		100		100
20		-		39		-	Vehicle Allowance		100		100		100
21		-		-		-	Educational/Tuition Assistance		100		100		100
22		445		500		500	Medicare		600		600		600
23		5,242		5,906		6,300	Retirement		6,700		6,700		6,700
24		3,837		4,560		5,100	Insurance Benefits		5,900		5,900		5,900
25		161		146		200	Workers Compensation		200		200		200
26	\$	38,791	\$	43,827	\$	44,700	TOTAL PERSONNEL SERVICES	\$	48,200	\$	48,200	\$	48,200

Notes

- ² The Street Lighting District Fund operates on a reimbursement basis. Electricity is paid in Year One and assessed on the tax roles in Year Two. In times of rising costs, the fund has operated in a deficit as was the case in FY04. To remedy this situation, in FY04 the City assessed an additional 14% on the tax roles to provide Working Capital for this fund. FY06 is the last year this additional assessment is needed. FY07 assessments have been reduced accordingly.
- ²⁴ Effective FY07 the City budget provides for 95% of insurance premiums to be paid by the City and 5% to be paid by the employee. The City's health and dental insurance premiums are expected to increase approximately 10%. In FY06, the City began paying the full cost of life insurance premiums (\$60,000 in coverage per employee) and the full cost of long-term disability with a maximum annual increase for these benefits equal to the Portland CPFW.
- ²⁵ Workers Compensation costs are expected to increase between 10%-15% in FY07.

ENTERPRISE FUNDS

<u>MATERIALS & SERVICES</u>													
28													
29													
30	\$	474	\$	470	\$	300	Materials & Supplies	\$	500	\$	500	\$	500
31		-		6		-	Safety & Wellness*		100		100		100
32		210		439		300	Postage & Printing*		500		500		500
33		365		414		400	Association Memberships*		400		400		400
34		443		679		1,000	Travel & Training*		900		900		900
35		52		68		100	City Council Expenses*		100		100		100
36		966		31		1,000	Advertising		1,000		1,000		1,000
37		105		89		200	Legal Services*		200		200		200
38		-		-		-	Labor Attorney*		100		100		100
39		355		573		600	Contractual Services		200		200		200
40		370		311		400	Audit*		400		400		400
41		362		310		400	Janitorial*		400		400		400
42		108		193		200	Gas & Electricity*		200		200		200
43		373		495		400	Telephone*		300		300		300
44		212		268		300	Insurance - Liability*		300		300		300
45		519		1,390		1,200	Computer & Software Maintenance*		1,100		1,100		1,100
46		165		317		300	Equipment Maintenance		300		300		300
47		372		406		400	Facility Maintenance*		400		400		400
48		3,772		7,100		4,500	Engineering Costs		4,500		4,500		4,500
49		330,654		340,513		332,300	Lighting Costs		347,900		347,900		347,900
50		-		15		-	Medical Testing		100		100		100
51	\$	339,877	\$	354,087	\$	344,300	TOTAL MATERIALS & SERVICES	\$	359,900	\$	359,900	\$	359,900

Notes:

* Indicates a City-Wide shared cost based on a pre-established allocation. See City-Wide Shared Costs in the Supplemental Information section of the document for details.

³² Postage & Printing costs have increased to cover the cost of the Keizer Quarterly newsletter. Additionally, the US Postal Service increased postage 5% beginning in January 2006.

³⁵ Costs include travel & training; misc. office supplies; meetings during mealtimes. These costs were previously charged to the Training & Travel line-item.

³⁶ Advertising costs are for Street Lighting District Assessment public notices.

⁴⁴ The City's insurance carrier projects a 4% increase in rates. Projections are based on FY06 actual costs.

⁴⁹ PGE anticipates an 8.7% increase in rates effective January 2007.

ENTERPRISE FUNDS



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CAPITAL OUTLAY

\$	-	\$	1,172	\$	-	Telephone System	\$	-	\$	-	\$	-
	137		22		100	Office Furniture & Equipment*		100		100		100
	692		575		1,500	Computer Hardware*		1,100		1,100		1,100
\$	829	\$	1,769	\$	1,600	TOTAL CAPITAL OUTLAY	\$	1,200	\$	1,200	\$	1,200

CAPITAL OUTLAY

\$	-	\$	-	\$	410	Transfer to City Hall Facility Fund	\$	2,200	\$	2,200	\$	2,200
\$	379,497	\$	399,683	\$	391,010	TOTAL EXPENSES	\$	411,500	\$	411,500	\$	411,500



\$	-	\$	-	\$	19,090	Contingency	\$	20,600	\$	20,600	\$	20,600
	70,855		129,650		160,700	Undesignated Ending Fund Balance		210,900		210,900		210,900
\$	450,352	\$	529,333	\$	570,800	TOTAL EXPENSES & BUDGETED FUND BALANCE	\$	643,000	\$	643,000	\$	643,000

- Notes:
- ⁶² The transfer in FY06 was for remodeling the auditorium and Community Development Department. The transfer in FY07 is for remodeling the lobby area of City Hall and to replace the roof at the auditorium. The transfer represents the SLD Fund's share of the cost.
 - ⁶⁹ Contingency is 5% of total expenses.
 - ⁶⁹ The SLD fund is a reimbursement fund where costs are incurred in Year One and paid in Year Two. In FY04 the City increased assessments to provide a Working Capital balance so that the fund could operate without short-term borrowing. Short-term borrowing is a more expensive method of funding in the long term. Beginning FY07 the fund has adequate Working Capital; assessments have been reduced accordingly.

SEWER RESERVE FUND

The Sewer Reserve Fund was established in 1994 to cover areas not served by existing sewer lines. The Sewer Reserve is a systems development based fund used to reimburse developers for sewer trunk line improvements and storm drain reimbursements. Expenses are for sewer line extensions and storm drain reimbursements.

ENTERPRISE FUNDS



1	\$	387,843	\$	498,764	\$	629,600	Working Capital Carryforward	\$	772,900	\$	772,900	\$	772,900
2		111,332		182,161		614,600	Sanitary Sewer Acreage Fee		349,000		349,000		349,000
3		2,889		58,897		-	Storm Sewer Acreage Fee		-		-		-
4		1,978		1,786		2,300	Interest		2,200		2,200		2,200
5	\$	504,042	\$	741,608	\$	1,246,500	TOTAL RESOURCES	\$	1,124,100	\$	1,124,100	\$	1,124,100



MATERIALS & SERVICES

11	\$	4,600	\$	540	\$	5,000	Contractual Service	\$	5,000	\$	5,000	\$	5,000
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CAPITAL OUTLAY

15		678		783		375,000	Sewer Line Extensions		375,000		375,000		375,000
16		-		61,168		-	Storm Drain Reimbursement		-		-		-
17		-		-		70,000	Contingency		70,000		70,000		70,000
18	\$	678	\$	61,951	\$	445,000	TOTAL CAPITAL OUTLAY	\$	445,000	\$	445,000	\$	445,000

20	\$	5,278	\$	62,491	\$	450,000	TOTAL EXPENSES	\$	450,000	\$	450,000	\$	450,000
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24	\$	498,764	\$	679,117	\$	796,500	Undesignated Ending Fund Balance	\$	674,100	\$	674,100	\$	674,100
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26	\$	504,042	\$	741,608	\$	1,246,500	TOTAL EXPENSES & BUDGETED FUND BALANCE	\$	1,124,100	\$	1,124,100	\$	1,124,100
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Notes:
 2 Anticipated Acreage Fee Revenue is from Keizer Station Area A and C, plus city-wide developme
 4 Interest Revenue is based on FY06 earnings through 2/28/06 projected out to 6/30/0

BUDGET NOTES

ALL FUNDS

It is the City's policy to set the anniversary dates for all financially related decisions at July 1 of each year in its contractual agreements.

Personal Services

The Portland, Oregon, Urban Wage Earners and Clerical Workers Index (CPI-W) will be used each year as the cost-of-living adjustment to the City's salary structure. There is a 1% minimum and a 3% maximum on salary increases. This includes all non-bargaining employees and Local 320 employees. The Keizer Police Association employees are currently in negotiations over their contract.

Salary surveys for all classifications are performed no less than every three (3) years. The most recent survey was completed in 2003. The City has selected a vendor to conduct the next survey which is scheduled for completion by June 20, 2006.

The City pays salaries every two weeks, which typically equates to 26 pay-periods per year. However, in fiscal year 2005, this resulted in 27 pay-

periods because of the way the calendar works. Since the City's budget is on a cash basis, it needs to budget for 27 pay-periods every eleven years. The next time a 27 pay-period will occur is in fiscal year 2015-2016.

GENERAL FUND

Administration

Fines & Forfeits Revenues

Collections - Past Due. The City has over \$1,000,000 in past due fines and forfeits that are over ten years old. A few years ago, the Municipal Court office turned all of these receivables over to a collection agency. However, the City has since severed its relationship with this agency and is preparing to have these accounts written off by City Council approval. Past due accounts that are less than ten years old have been turned over to the City's new collection agency vendor.

Materials & Services

By Council directive on July 18, 2000, the Youth Compact Facilitation Fee will be included in the Manager's Recommended Budget as a placeholder for discussion by the Budget Committee. The amount budgeted for FY07 is \$800. This amount is subject to change pending timely submission into the budget process.

Park Maintenance

During the FY04 Budget Hearings, the Budget Committee voted to fund the General Fund Park Maintenance budget at 2.5% of total General Fund expenditures. During the FY06 Budget Hearings the Budget Committee voted to use total General Fund revenues as the basis for allocating funds to the Parks budget.

Stadium Operations

Stadium Operations is an operating program within the General Fund. Under a contractual lease agreement, the ball club remits a percentage of ticket sales and parking fees to the City. Over the past ten years, all revenues received from Stadium rent were applied toward property tax payments on the city-owned parking lot. Any residual funds reverted to the General Fund and were available for general support. The lease agreement provides that beginning in FY07 property tax payments on the city-owned parking lot will be paid by the volcanoos ball club. Therefore, all revenues will be available for general support.

GENERAL FUND LONG RANGE FINANCIAL PLAN
PROJECTIONS FOR FY07

~ Long-range planning does not deal with future decisions, but with the future of present decisions ~

1	[REDACTED]									
2	[REDACTED]									
3	[REDACTED]									
4	<i>Increase Population</i>		1.04%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%
5	<i>Increase Property Valuation</i>	City-Wide	4.70%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	3.00%
6										
7	RESOURCES:									
8										
9	Beginning Fund Balance		\$ 1,322,800	\$ 989,900	\$ 689,800	\$ 342,800	\$ (55,100)	\$ (508,600)	\$ (1,023,000)	\$ (1,604,100)
10										
11	Property Taxes:		3,170,600	3,313,300	3,462,400	3,618,200	3,781,000	3,951,100	4,128,900	4,252,800
12	Desolution of Urban Renewal District									680,000
13										
14	Licenses & Fees:	1/2% increase per year	2,234,600	2,245,800	2,257,000	2,268,300	2,279,600	2,291,000	2,302,500	2,314,000
15										
16	Intergovernmental:	Based on population increase	745,000	753,900	762,900	772,100	781,400	790,800	800,300	809,900
17										
18	Fines & Forfeits:	1/2% increase per year	531,300	534,000	536,700	539,400	542,100	544,800	547,500	550,200
19										
20	Transfer In		10,000	-	-	-	-	-	-	-
21										
22	Miscellaneous:	1/2% increase per year	174,800	175,700	176,600	177,500	178,400	179,300	180,200	181,100
23										
24	TOTAL RESOURCES		\$ 8,189,100	\$ 8,012,600	\$ 7,885,400	\$ 7,718,300	\$ 7,507,400	\$ 7,248,400	\$ 6,936,400	\$ 7,183,900

GENERAL FUND LONG RANGE FINANCIAL PLAN
PROJECTIONS FOR FY07

~ Long-range planning does not deal with future decisions, but with the future of present decisions ~

1									
2									
3									
25	CPI-W	2.6%	3%	3%	3%	3%	3%	3%	3%
26	Medical Insurance Premium Increase	10.0%	10%	10%	10%	10%	10%	10%	10%
27	Materials & Services Increase	1.0%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
28									
29	<i>EXPENDITURES:</i>								
30									
31	Personnel Services								
32	Costs excluding Medical Benefits CPI-W	\$ 4,665,700	\$ 4,782,300	\$ 4,925,800	\$ 5,073,600	\$ 5,225,800	\$ 5,382,600	\$ 5,544,100	\$ 5,710,400
33	Medical Insurance Benefits	608,800	669,700	736,700	810,400	891,400	980,500	1,078,600	1,186,500
34									
35	Materials & Services	1,563,300	1,571,100	1,579,000	1,586,900	1,594,800	1,602,800	1,610,800	1,618,900
36	Pick up 9-1-1 Expenditures	81,800	82,200	82,600	83,000	83,400	83,800	84,200	84,600
37	Overhead expenditures From Urban Renewal District								260,000
38									
39	Capital Outlay								
40	Park Improvements	24,600	24,700	24,800	24,900	25,000	25,100	25,200	25,300
41	City Hall Facility Fund	63,100							
42	Revenue Sharing	122,700	123,300	123,900	124,500	125,100	125,700	126,300	126,900
43									
44	TOTAL EXPENDITURES	\$ 7,130,000	\$ 7,253,300	\$ 7,472,800	\$ 7,703,300	\$ 7,945,500	\$ 8,200,500	\$ 8,469,200	\$ 9,012,600
45									
46	Contingency - 1% of Expenditures	69,200	69,500	69,800	70,100	70,500	70,900	71,300	71,700
47	Reserves	-							
48	Fund Balance % of Revenues	989,900	689,800	342,800	(55,100)	(508,600)	(1,023,000)	(1,604,100)	(1,900,400)
49									
50	TOTAL EXPENDITURES & FUND BALANCE	\$ 8,189,100	\$ 8,012,600	\$ 7,885,400	\$ 7,718,300	\$ 7,507,400	\$ 7,248,400	\$ 6,936,400	\$ 7,183,900
51									
52	Beginning Fund Balance	1,322,800	989,900	689,800	342,800	(55,100)	(508,600)	(1,023,000)	(1,604,100)
53	Cash Needed (15% of Revenues)	1,029,945	1,053,405	1,079,340	1,106,325	1,134,375	1,163,550	1,193,910	1,318,200
54									
55	Amount needed to be Borrowed								

City of Keizer

GENERAL FUND LONG-RANGE FINANCIAL PLAN

Purpose and Goals: This is the sixth year the Budget Committee has reviewed and adopted a Long-Range Financial Plan for the City's General Fund. The plan was originally developed in response to the Council's goal to create a five-year forecast to address long-term funding issues. The Plan is not intended to represent a multi-year budget. With the exception of fiscal year 2007, which is based on detailed analysis and research, the Plan is based on broad assumptions. The goal of this forecast is to provide the City Council and the Budget Committee with reasonable information to help guide policy decisions about City programs and services.

A pivotal change occurred when the Plan was originated. It has been a long-standing practice for the City to borrow cash from other funds to meet General Fund cash flow needs. Six years ago the committee reviewed the implications of this practice and came to the consensus that it was best for the City as a whole to build a sufficient ending fund balance in the General Fund. While the target ending fund balance varies from year to year, it is estimated to be approximately 15% of annual revenues.

1. ***Long-Range Financial Planning:*** The first goal of the Plan is to increase the public and Budget Committee's awareness of General Fund expenditures and revenues over an extended period of time. The impact of financial decisions can be readily seen using a long-range perspective of the impacts and tradeoffs.
2. ***Program Evaluation:*** The Plan helps analyze program changes. The Budget Committee can see, for example, the future impact of raising fees or reducing services.
3. ***Improve Policy Direction:*** The Plan offers the City Council and the Budget Committee the opportunity to give staff policy direction at the outset of the budget process. When the annual budget is presented in May, it can better reflect the policies identified by the City Council and the Budget Committee.
4. ***Improve Public Participation:*** The Plan encourages citizens to participate at the very beginning of the budget process. They are able to discuss the important financial issues facing the City and offer recommendations to the Budget Committee. Citizens can discuss programs they would like to see increased, reduced, modified, added or eliminated.

Background: On May 20, 1997 voters approved Ballot Measure 50, which overturned Oregon's Tax Base System and, like all Oregon cities, Keizer had a tax rate, replacing the existing tax base. Unlike most other Oregon cities, however, property tax revenues were sustained not reduced. Ballot Measure 50 also capped future increases at 3% of assessed value plus new construction. The tax rate is a permanent rate; \$2.0838 per \$1,000 assessed value, and cannot be increased under current Oregon law.

Property tax revenues are the General Fund's single most important resource and support operating programs such as Police, Municipal Court, Parks, Planning and Administration. The City's property tax revenues represent approximately 39% of General Fund revenues. Increases are expected to be 3% of existing property values plus a growth factor of 1-2% annually.

Each year the Long-Range Financial Plan assumes the full 3% increase in assessed value as allowed under Measure 50. It is important to note that this may be an overly optimistic assumption. Properties with assessed value equal to real market value will not be increased by 3% because assessed value cannot exceed real market value. At this time we do not know how many properties have equal assessed and real market values. Historically, the City has received the full 3% valuation increase.

The remaining 61% of General Fund revenues include Franchise Licenses and Fees, Fines, and Intergovernmental revenues. Historically these revenues have increased about 1% each year. Alternatively, operating expenditures increase an average of 3% annually (using the Portland Consumer Price Index for Urban Wage Earners). Personnel Services make up 77% of this total. This creates a disparity between revenues and expenditures because revenues increase an average of 2% while expenditures increase an average of 3%.

Changes in Services: The ultimate goal of the Long-Range Plan is to stabilize the General Fund so that revenues match expenditures each year. Furthermore, the fund needs a sufficient ending balance to meet cash flow needs in the months from July 1 through late November, prior to the receipt of annual property tax revenues. No new services will be added in future years under the current plan. Consequently, as growth occurs, resources will be stretched to a larger population, which will diminish the level of services to Keizer citizens.

Year in review: During fiscal year 2006 the City Council approved a major amendment to the Keizer Urban Renewal District. This amendment had a significant impact on the City's General Fund. First, the amendment removed approximately one-third of the property from the district, putting those values on the

tax roles of all overlapping districts. This will increase the City's property tax revenues an estimated \$100,000 in fiscal year 2007. Second, the amendment extends the life of the district which was set to dissolve at the end of fiscal year 2006. The change will extend the life of the district through fiscal year 2012. Once this happens an estimated \$680,000 in tax revenues is expected to come into the City's coffers each year (adjusted for property value increases or decreases). This increase will be off-set by overhead costs that are currently allocated to the Urban Renewal District. These costs are expected to be approximately \$360,000 annually, by fiscal year 2012; most of which will likely be paid from the General Fund.

Forecast Assumptions

Several key assumptions were used in developing the Long-Range Financial Plan.

Growth. Over the past several years, Keizer has experienced rapid growth, which has resulted in increased property tax revenues. However, these revenues are increasing at a declining rate. As the City builds out to its urban growth boundaries, property tax revenues will be limited to the 3% increase in assessed value plus any redevelopment of existing housing, commercial or industrial property.

Alternatively, expenditures are only adjusted for inflation or predicted cost increases. This approach does not include any additional staff or materials to handle increased population. Consequently, existing resources will be stretched to a larger group of citizens.

Property Taxes (line 11). Property tax revenues are expected to increase 3% for the increase in assessed value plus new growth anticipated at 1-2%.

Licenses & Fees (line 13). Projected increases in Licenses and Fees include a 1/2% increase for growth, per year, as has been the past trend over the long term. Franchise and License Fee rate increases are factored into these projections.

Intergovernmental (line 15). This revenue source includes grants and state shared revenues such as Cigarette and Liquor Taxes. State shared revenues are expected to increase at the rate of growth for the City.

Fines and Forfeits (line 17). These revenues are projected at an increase of 1/2% per year. With the new electronic ticketing system the City may see higher increases; however, for long-range planning purposes these projections were not included because the timing and impact of any increases is difficult to predict.

Transfer In (line 19). This is a one-time transfer from the PEG Fund to repay the General Fund for a loan made in fiscal year 2006.

Miscellaneous (line 21). These revenues are generally small one-time receipts or inconsistent revenue streams, which make them difficult to forecast. Due to the lack of more precise information, these revenues are forecasted to increase 1/2% per year.

Personnel Services (line 30). The Long-Range Plan is based on current staffing levels of 84.5 full-time equivalents. The Portland, Oregon, Urban Wage Earners and Clerical Workers Index (CPI-W) is used each year as the cost-of-living adjustment to the City's salary structure. This index averages 3% per year; therefore 3% is used to calculate Personnel Service costs over the long-term with the exception of Medical Benefits. Medical Benefits were projected based on insurance premium increases over the past two years which have averaged approximately 10%.

Fiscal year 2007 Personnel Services were based on those employed with the City at the time the budget was prepared and include projected step and cost-of-living increases effective July 1, 2006. Projections for future years are based on less definitive assumptions.

Materials & Services (line 34). A very modest 1/2% increase has been projected for Materials & Services over the life of the plan. This has been the increase experienced in the recent past.

Capital Outlay (line 37). Capital Outlay items are also projected at a modest 0.5% increase over the life of the plan with the exception of known one-time Capital Outlay items.

Annual State Revenue Sharing Funds are used to purchase one-time Capital Outlay purchases to support General Fund programs. Neither the revenue nor the expenditures in this fund are reflected in the Long-Range Financial Plan. In recent years, Revenue Sharing Funds have been used primarily to pay for replacement Police vehicles and equipment and computer equipment. Special levies could be considered as a method of funding specific capital expenditures.

Contingency (line 44). A contingency amount of 1% of total expenditures for each year has been set aside to cover unforeseen costs.

Fund Balance (line 46). The ultimate goal of the Plan is to sustain an ending fund balance sufficient to cover cash flow needs during the July - November period. The Plan projects a sufficient ending fund balance in fiscal years 2007 and 2008. As mentioned previously,

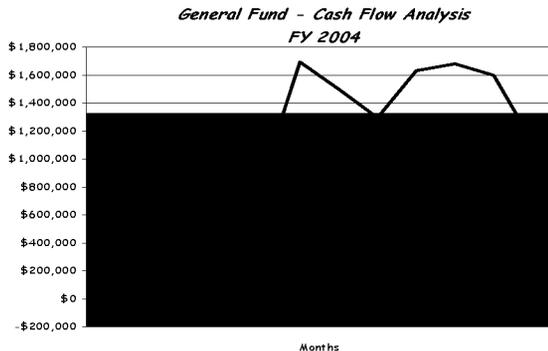
additional tax revenues are anticipated after the Urban Renewal District ends which is expected in fiscal year 2013. This will help reduce the projected deficit but it does not eliminate the disparity between revenue and expenditure increases.

Cash Flow Needs: The City has traditionally used cash from other funds to meet the cash flow needs of the General Fund. The graph below represents the cash balance of the General Fund in fiscal year 2004. At the beginning of the year, the fund had approximately \$975,000 in cash. General Fund expenditures support ongoing operating costs, in fact, 77% of the costs are for Personnel Services. Consequently, cash outlays are consistent from month to month and average approximately \$610,000.

Monthly revenues on the other hand fluctuate widely. The bulk of the property tax revenues come in late November. Most franchise receipts are paid quarterly and some are paid annually in the spring months. By year-end, the General Fund results in a positive ending fund balance. However, the disparity between the revenue stream and the expenditure stream results in a cash flow deficit in the first part of the fiscal year.

Fiscal year 2004 was the first year the General Fund did not need to borrow working capital to pay expenses. Borrowing money from other funds has consequences. Even though the money is repaid with interest, the cash borrowed in those funds becomes the corpus for the General Fund. The money cannot be spent for its intended purpose because it will be needed the following year to cover the cash needs of the General Fund.

Lines 50-53 Summarize cash flow projections over the life of the plan. **Line 53** Represents the estimated amount to be borrowed for General Fund purposes.



STAFFING HISTORY - FULL TIME EQUIVALENTS

	Actual 2002-03	Actual 2003-04	Actual 2004-05	Actual 2005-06	Budgeted 2006-07
ADMINISTRATION					
City Manager	1.0	1.0	1.0	1.0	1.0
HUMAN RESOURCES					
Human Resources Director	1.0	1.0	1.0	1.0	1.0
* Clerical Specialist	1.0	2.0	1.0	1.0	1.0
Information Systems Technician		1.0	1.0	1.0	1.0
<i>Total</i>	2.0	4.0	3.0	3.0	3.0
FINANCE					
Finance Director	1.0	1.0	1.0	1.0	1.0
* Accountant	1.0	1.0	1.0	1.0	1.0
* Accounting Technician		1.0	1.0	1.0	1.0
* Utility Billing Technician	1.0	1.0	1.0	1.0	1.0
* Utility Billing Clerks	4.0	3.0	3.0	3.0	3.0
Court Clerk			1.0	1.0	1.0
* Clerical Specialist			1.5	1.5	1.5
<i>Total</i>	7.0	7.0	9.5	9.5	9.5
CITY RECORDER					
City Recorder	1.0	1.0	1.0	1.0	1.0
* Deputy City Recorder	1.0	1.0	1.0	1.0	1.0
<i>Total</i>	2.0	2.0	2.0	2.0	2.0

STAFFING HISTORY - FULL TIME EQUIVALENTS

	Actual 2002-03	Actual 2003-04	Actual 2004-05	Actual 2005-06	Budgeted 2006-07
COMMUNITY DEVELOPMENT					
Community Development Director		1.0	1.0	1.0	1.0
Planning Director	1.0				
Senior Planner	1.0	1.0	1.0	1.0	1.0
Associate Planner	1.0	1.0		0.5	0.5
Code Enforcement/Zoning Technician	1.0	1.0			
Code Enforcement			0.5	0.5	0.5
Zoning Technician			1.0	1.0	1.0
Permit Specialist	0.5	0.5	1.0	1.0	1.0
<i>Total</i>	4.5	4.5	4.5	5.0	5.0
PUBLIC WORKS					
Public Works Director	1.0	1.0	1.0	1.0	1.0
Public Works Superintendent	1.0	1.0	1.0	1.0	1.0
Municipal Utility/ Parks	1.0	1.0	1.0	1.0	1.0
Municipal Utility/ Streets	1.0	1.0	1.0	1.0	1.0
Municipal Utility/ Water	8.0	9.0	9.0	11.0	11.0
Facility Maintenance	1.0	1.0	1.0	1.0	1.0
Permit Specialist		1.0	1.0	1.0	1.0
<i>Total</i>	13.0	15.0	15.0	17.0	17.0

STAFFING HISTORY - FULL TIME EQUIVALENTS

	Actual 2002-03	Actual 2003-04	Actual 2004-05	Actual 2005-06	Budgeted 2006-07
POLICE					
Chief	1.0	1.0	1.0	1.0	1.0
Captain(s)	2.0	1.0	2.0	2.0	2.0
Sergeants	8.0	8.0	7.0	7.0	7.0
** Police Officers	21.0	22.0	22.0	22.0	22.0
Detectives	4.0	4.0	4.0	4.0	4.0
School Resource Officers	3.0	3.0	3.0	3.0	3.0
<i>Total Sworn Positions</i>	39.0	39.0	39.0	39.0	39.0
Community Services Specialist	1.0	1.0	1.0	1.0	1.0
Administrative Assistant	1.0	1.0	1.0	1.0	1.0
Police Support Specialists	5.0	5.0	5.0	5.0	5.0
Community Services Officer	1.0	1.0	1.0	1.0	1.0
<i>Total Non-sworn Positions</i>	8.0	8.0	8.0	8.0	8.0
<i>Total</i>	47.0	47.0	47.0	47.0	47.0
<i>Grand Total</i>	76.5	80.5	82.0	84.5	84.5

* Administrative Support Staff

** One Police Officer position was held vacant from FY01 through FY05 because of funding constraints. This position was put back into the budget beginning in FY06.

CITY OF KEIZER
SALARY ALLOCATION
FY07 BUDGET

	Admin	Parks	Comm Dev	Police	Muni Court	Street	Utility	Water	SLD	Urban Renewal	
City Manager	28%					10%	1%	10%	1%	50%	100%
<i>HUMAN RESOURCES</i>											
Human Resources Director	70%					4%	4%	18%	1%	3%	100%
Administrative Assistant	67%		6%			7%	3%	8%	1%	8%	100%
Network Administrator	70%					4%	4%	18%	1%	3%	100%
<i>FINANCE</i>											
Finance Director	20%					5%	20%	25%	5%	25%	100%
Accountant	35%					5%	20%	25%	5%	10%	100%
Accounting Technician	35%					5%	20%	25%	5%	10%	100%
Utility Billing Technician							50%	50%			100%
Utility Billing Clerks							50%	50%			100%
Clerical Specialist	34%					10%	10%	36%	2%	8%	100%
Court Clerk					100%						100%
Receptionist/Court Clerical Sp	17%				50%	5%	5%	18%	1%	4%	100%
<i>CITY RECORDER</i>											
City Recorder	70%					10%			10%	10%	100%
Deputy City Recorder	28%	10%	20%	5%		3%	3%	3%	3%	25%	100%
<i>COMMUNITY DEVELOPMENT</i>											
Community Development Director			58%			5%		2%		35%	100%
Senior Planner			90%							10%	100%
Associate Planner			90%							10%	100%
Permit Specialist			90%							10%	100%
Code Enforcement			90%			10%					100%
Zoning Technician			90%			10%					100%

Note: There were no position allocation changes from FY05-06 to FY06-07.

CITY OF KEIZER
SALARY ALLOCATION
FY07 BUDGET

Admin	Parks	Comm Dev	Police	Muni Court	Street	Utility	Water	SLD	Urban Renewal
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POLICE DEPARTMENT

Chief			100%						100%
Captains			100%						100%
Sergeants			100%						100%
Police Officers			100%						100%
Detectives			100%						100%
School Resource Officers			100%						100%
Community Services Coordinator			100%						100%
Community Services Specialist			100%						100%
Administrative Assistant			100%						100%
Police Support Specialists			100%						100%
Community Services Officer			100%						100%

PUBLIC WORKS

Public Works Director		2%			43%	3%	27%	5%	20%	100%
Public Works Superintendent		5%			35%	5%	45%	5%	5%	100%
Permit Specialist					40%	10%	30%	10%	10%	100%
Facility Maintenance	20%		20%		20%	5%	20%	5%	10%	100%
Municipal Utility/ Streets & Water					25%		75%			100%
Municipal Utility/ Streets					100%					100%
Municipal Utility/ Parks		100%								100%
Municipal Utility/ Water							100%			100%

Note: There were no position allocation changes from FY05-06 to FY06-07.

CITY OF KEIZER

SALARIES BY BUDGETED POSITION

FISCAL YEARS 2003 through 2007

LINE ITEM	FY03		FY04		FY05		FY06		FY07	
	COST	FTE	COST	FTE	COST	FTE	COST	FTE	COST	FTE
ADMINISTRATIVE ASSISTANT	\$ 35,136	1	\$ 37,584	1	37,644	1	36,200	1	39,400	1
ADMINISTRATIVE SUPPORT STAFF	304,702	9	314,766	9.5	315,598	9.5	338,800	9.5	358,400	9.5
ASSOCIATE PLANNER	41,892	1	43,524	1	0	0	29,400	0.5	26,700	0.5
BUILDING PERMIT SPECIALIST	16,588	0.5	17,233	0.5	36,096	1	38,000	1	39,200	1
CAPTAIN	143,520	2	72,372	1	154,632	2	158,200	2	162,400	2
CHIEF OF POLICE	87,216	1	87,960	1	89,496	1	91,500	1	93,900	1
CITY MANAGER	83,688	1	86,928	1	91,116	1	96,100	1	101,700	1
CITY RECORDER	61,992	1	62,520	1	63,600	1	65,000	1	66,900	1
CODE ENFORCEMENT	32,484	1	33,744	1	16,904	0.5	17,900	0.5	19,000	0.5
COMMUNITY DEVELOPMENT DIRECTOR	none	0	72,594	1	79,512	1	83,800	1	88,700	1
COMMUNITY SERVICES OFFICER	32,659	1	36,124	1	39,377	1	41,100	1	35,700	1
COURT CLERK	39,960	1	40,296	1	41,004	1	34,100	1	36,100	1
FACILITY MAINTENANCE WORKER	28,908	1	30,924	1	32,412	1	34,000	1	36,700	1
FINANCE DIRECTOR	79,116	1	79,788	1	81,192	1	83,200	1	85,400	1

CITY OF KEIZER
SALARIES BY BUDGETED POSITION
FISCAL YEARS 2003 through 2007

LINE ITEM	FY03		FY04		FY05		FY06		FY07	
	COST	FTE								
HUMAN RESOURCE DIRECTOR	74,568	1	77,448	1	81,192	1	82,900	1	85,400	1
INVESTIGATIVE SERVICES SPECIALIST	41,952	1	42,312	1	43,459	1	44,000	1	45,200	1
MUNICIPAL UTILITY WORKER I	203,796	6	240,345	7	247,304	7	322,400	9	335,100	9
MUNICIPAL UTILITY WORKER II	80,919	2	81,599	2	83,033	2	84,900	2	87,200	2
MUNICIPAL UTILITY WORKER III	98,748	2	87,830	2	94,104	2	101,000	2	105,300	2
NETWORK ADMINISTRATOR	none	0	36,282	1	43,380	1	46,700	1	49,400	1
POLICE OFFICER	1,337,295	27	1,425,204	28	1,454,954	28	1,542,900	28.75	1,699,000	31
POLICE SUPPORT SPECIALIST I	33,816	1	35,136	1	0	0	0	0	0	0
POLICE SUPPORT SPECIALIST II	113,424	3	116,647	3	155,986	4	162,500	4	168,100	4
PUBLIC WORKS DIRECTOR	87,216	1	87,960	1	89,496	1	91,400	1	94,100	1
PUBLIC WORKS PERMIT SPECIALIST	none	0	28,020	1	31,752	1	33,300	1	36,700	1
PUBLIC WORKS SUPERINTENDENT	59,568	1	61,872	1	66,792	1	71,800	1	73,800	1
SERGEANT	501,259	8	512,340	8	459,972	7	475,600	7	492,300	7
SUPPORT SERVICES SUPERVISOR	46,668	1	48,480	1	50,808	1	53,500	1	54,900	1
SENIOR PLANNER	28,248	1	48,420	1	46,488	1	44,900	0.8	53,400	1
ZONING TECHNICIAN	none	0	none	0	36,048	1	38,000	1	40,300	1
TOTAL SALARIES	\$ 3,695,338	76.5	\$ 3,946,252	81.0	\$ 4,063,351	81.0	\$ 4,343,100	84.1	\$ 4,610,400	86.5

ALLOCATION OF SHARED COSTS
Fiscal Year 2006-07

	General Fund					Revenue Sharing Fund	Street Fund	Sewer Fund	Water Fund	SLD Fund	Urban Renewal Fund	Total	FY 2005-06
	Admin	Parks	Planning	Police	Court								
1 Association Memberships	29,900						1,300	1,700	8,700	400	1,300	43,300	42,400
2 Audit	5,600						1,600	3,400	1,500	400	6,700	19,200	19,300
3 City Council Expenses	4,800						200	300	1,400	100	200	7,000	7,000
4 Computer & Software Maintenance	53,400						3,100	10,800	15,300	1,100	5,000	88,700	67,900
5 Computer Hardware						69,300					3,900	103,000	257,400
6 Facility Maintenance	25,700						1,100	1,500	7,500	400	1,100	37,300	37,300
7 Gas & Electricity	4,500	1,000		16,700			1,100	400	167,400	200	800	192,100	173,700
8 Insurance - Liability	8,600			78,200			15,100	13,200	54,000	300	300	169,700	163,200
9 Janitorial	5,400			19,400			1,100	1,400	7,200	400	1,100	36,000	35,900
10 Labor Attorney	6,900	500		17,500			800	400	6,100	100	300	32,600	NA
11 Legal Services	55,000						30,000	4,000	11,000	200	30,000	130,200	181,600
12 Office Furniture & Equipment						8,300	400	500	5,400	100	400	15,100	13,600
13 Postage & Printing	23,600	1,500	2,700	16,000			3,200	24,100	33,400	500	2,100	107,100	81,300
14 Safety & Wellness	2,600						100	200	800	100	100	3,900	0
15 Telephone	9,700	700	1,000	26,500			1,700	600	25,700	300	1,300	67,600	61,900
16 Travel & Training	12,000	500	5,200	30,100	1,900		2,000	4,600	6,700	900	7,000	71,000	74,500

Notes:

- 1 Association Memberships include such organizations as the Council of Governments, League of Oregon Cities, Chamber of Commerce, International City/County Management Association, local newspaper subscriptions.
- 2 Audit costs are allocated based on audited FY05 expenditures in each operating fund.
- 3 City Council Expenses include travel & training, miscellaneous office supplies & meetings during mealtimes.
- 4 Computer & Software Maintenance costs increased primarily due to new maintenance costs for the electronic ticketing system, Web system support, Geographic Information System (GIS) support and enhancements to the utility billing software.
- 5 Computer hardware costs in FY06 included \$110,000 for equipment for patrol cars funded with a one-time federal grant.
- 6 Facility Maintenance costs are allocated based on FTE city-wide.
- 7 City-wide gas and electric costs include gas and electricity for city facilities. Costs in the Parks Fund include power to run the irrigation system and the Parks facility. Additional costs in the Water Fund cover costs to run water facilities such as pump stations. Portland General Electric anticipates a 8.7% increase in rates in January 2007.
- 8 The City's insurance carrier projects a 4% increase in rates. Projections are based on FY06 actual costs.
- 9 Janitorial costs are allocated based on FTE city-wide except the Police Department pays costs directly associated with the Police Department facility and the Water Fund pays costs directly related to the Public Works shop area.
- 10 Labor Attorney costs were included in Legal Services in FY06. These costs are separated to better track costs associated with union negotiations which tend to increase in years when contracts renew. Both the KPA and Local 320 (Municipal Utility Workers) contracts are up for renewal July 1, 2007.
- 11 Legal services decreased in FY07 because labor attorney costs are now budgeted separately.
- 12 Office furniture includes upgrades for the front lobby at City Hall, a new transcription machine, chairs for the utility billing staff and a new codification system.
- 13 Postage & Printing costs have increased to cover the cost of the Keizer Quarterly newsletter. Additionally, the US postal service increased postage 5% beginning in January 2006. Costs for all programs and funds include some direct costs for related programs and activities.
- 14 Safety and Wellness includes 3 defibrillators at \$1,100 each; one to be located at City Hall and two to be located at the Police Department plus \$500 for the Wellness related costs.
- 15 Telephone costs increased for increases in the number of Nextel cell phone users.
- 16 Travel & Training costs are budgeted by position and allocated based on each position's salary allocation.

GLOSSARY OF COMMON BUDGET TERMS

Administration: The group of departments and positions including the City Manager, the Finance Department and the Human Resources Director.

Adopted Budget: The financial plan adopted by the City Council which forms the basis and limits for appropriations for the fiscal year.

Approved Budget: The budget recommended by the Budget Committee and reviewed by the City Council prior to adoption.

Appropriation: The legal authorization granted by the City Council to spend specific amounts of public funds for specific purposes during specific periods of time.

Arbitrage: The investment of proceeds, of a relatively low interest rate state or municipal obligation, in taxable market securities which bear a higher interest rate.

Assessed Value: The portion of value of real or personal property which is taxable. It is the lesser of the property's real market value or the constitutional value limit (Maximum Assessed Value – MAV). The value limit may increase 3% annually unless qualifying improvements or changes are made to the property. These improvements or changes allow the value limit to increase by more than 3%.

Audit: A review of City accounts by an independent auditing firm to substantiate year-end fund balances, reserves and cash in hand.

Bonds: A written promise to pay a sum of money, called principal or face value at future date, called the maturity date, along with periodic interest paid at the specified percentage of the principal (interest rate). Bonds are typically used to finance long-term Capital Improvements.

Budget: Written report showing the local government's comprehensive financial plan for one fiscal year. Must include a balanced statement of actual revenues and expenditures during each of the last two years, estimated revenues and expenditures for the current and upcoming year.

Budget Committee: The fiscal planning board of the agency, consisting of the Mayor and City Council plus an equal number of legal voters from the district.

Budget Message: An explanation of the budget and the City's financial priorities. Prepared by or under the direction of the City Manager.

Budget Officer: Person appointed by the City Council to be responsible for assembling the budget. For City of Keizer, the Finance Director serves this role.

GLOSSARY OF COMMON BUDGET TERMS

CONTINUED

Budget Resolution: The budget is adopted each year by the City Council through passage of a Resolution. This Budget Resolution is the guiding document for compliance with budget law and for any necessary adjustments during the fiscal year.

Capital Outlay: Items which generally have a useful life of one or more years, such as machinery, land, furniture, computers and other equipment, and buildings.

Contingency: A special amount set aside for necessary unforeseen and unplanned expenses. Contingencies may not be spent without City Council approval via a Transfer Resolution or Supplemental Budget.

Debt Service: The payment of general long-term debt, consisting of principal and interest payments.

Debt Service Fund: Accounts for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Department: An organizational unit of the City.

Enterprise Fund: A fund established to account for operations financed and operated in a manner similar to private business enterprises (e.g., water and utilities).

Expenditure: The payment for goods and services, debt service, and Capital Outlay from a governmental fund.

Expenses: The payment for goods and services from a Proprietary Fund.

Fiscal Year: The twelve months beginning July 1 and ending June 30 of the following year.

Franchise Fee: A fee charged each year to utilities as a payment in lieu of permit fees for the use of City streets. The fee is generally based on a percentage of revenues.

Fund: A fiscal and accounting entity with balancing revenues and appropriations.

Fund Balance: The difference between fund assets and fund liabilities of governmental and similar trust funds.

FTE: An abbreviation for full-time equivalent employees. Staffing levels are measured in FTE to give consistent comparison from year to year.

GLOSSARY OF COMMON BUDGET TERMS

CONTINUED

General Fund: Accounts for all financial resources except those required to be accounted for in another fund.

Line-Item Budget: The traditional form of budgeting, where proposed expenditures are based on individual objects of expense within a department or division.

Materials & Services: An object classification which includes contractual and other services, materials and supplies and other charges.

Net Working Capital: Funds which allow the City to meet current cash flow requirements, shortfalls in revenues or unexpected demands until tax revenues or other major revenues are available.

Ordinance: Written directive or act of a governing body. Has the full force and effect of law within the local government's boundaries, provided it does not conflict with a State Statute or Constitutional Provision. See "Resolution."

Personal Services: Costs associated with employees, including salaries, overtime and fringe benefit costs.

Property Taxes: Amounts imposed on taxable property by a local government within its operating rate limit, levied under local option authority, or levied to repay bonded debt.

Proposed Budget: The proposed budget is the one proposed by the City Manager and is reviewed by the Budget Committee.

Proprietary Fund: A fund classification used to account for a government's ongoing organizations and activities that are similar to those often found in the private sector (i.e., Enterprise Funds).

Rate Limit: A district's permanent ad valorem property tax rate for operating purposes. This rate levied against the assessed value of property raises taxes for general operations. Permanent tax rate limits were either computed by the Department of Revenue for districts existing prior to 1997-1998 or are voter-approved for districts formed in 1997-1998 and later.

Real Market Value: Value set on real and personal property as a basis for imposing tax.

Reserve Fund: Established to accumulate money from one fiscal year to another for a specific purpose.

GLOSSARY OF COMMON BUDGET TERMS

CONTINUED

Reserves: An accumulation of funds for a specific future purpose. Reserves may only be spent during the fiscal year with City Council approval through a Transfer Resolution or a Supplemental Budget.

Resolution: An order of a governing body. Requires less legal formality and has lower legal status than an Ordinance. Statutes or Charter will specify which actions must be by ordinance and which may be by resolution. (For cities, revenue raising measures such as taxes, special assessments and service charges always require ordinances.) See "Ordinance."

Resources: Total funds available which include the estimated balances on hand at the beginning of the fiscal year plus all revenues anticipated being collected during the year.

Revenue: Moneys received during the year to finance City services.

Special Assessments: A way to finance a local improvement which allows benefited property owners to pay the City back over time. Special assessments may be bonded through a special bond or unbonded.

Special Revenue Fund: Accounts for the proceeds of specific revenue sources (other than expendable trusts or for major capital projects) that are legally restricted to expenditure for specified purposes.

Supplemental Budget: An amendment to the adopted budget that is prepared to meet unexpected needs or to appropriate revenues not anticipated at the time the budget was adopted. The supplemental budget may not increase the tax levy.

Tax Levy: The total amount of property taxes required by the City to meet requirements.

Tax Rate: The amount of tax stated in terms of a unit of the district's assessed value. For example, the City of Keizer's tax rate is \$2.0838 per \$1,000 of assessed value of taxable property.

Transfer: An amount distributed from one fund to finance activities in another fund. It is shown as an expenditure in the originating fund and a resource in the receiving fund.

Unappropriated Ending Fund Balance: An amount set aside to be used as cash carry-over for the next fiscal year's budget.