

DEMOCRACY

"The experience of democracy is like the experience of life itself-always changing, infinite in its variety, sometimes turbulent and all the more valuable for having been tested by adversity."

-- Jimmy Carter

Democracy arose from men's thinking that if they are equal in any respect, they are equal absolutely.

-- Aristotle

These, then, will be some of the features of democracy... it will be, in all likelihood, an agreeable, lawless, parti-colored commonwealth, dealing with all alike on a footing of equality, whether they be really equal or not.

-- Plato

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BUDGET OVERVIEW

Welcome to the City of Keizer's fiscal year 2007-2008 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 2007-08 BUDGET CALENDAR

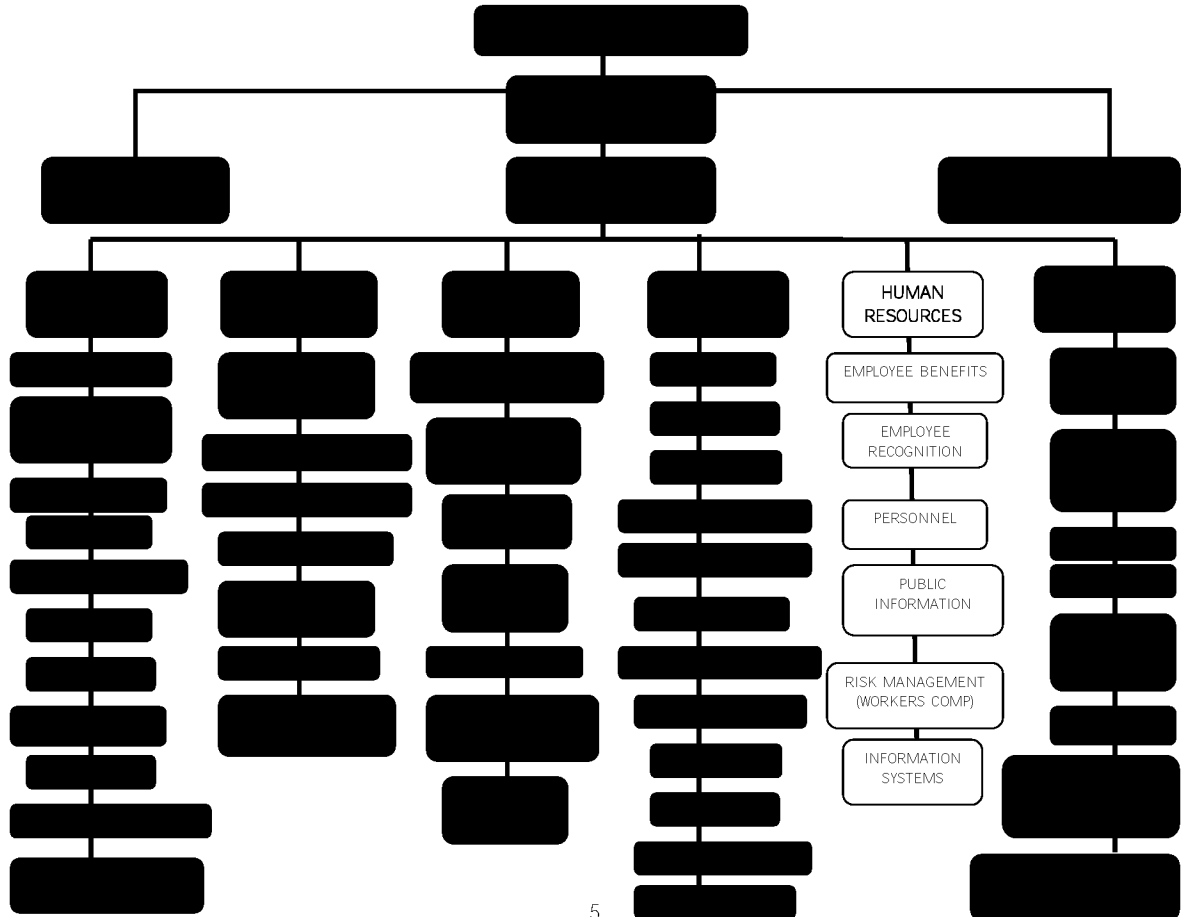
Friday, April 13 th	Notice of Budget Committee meeting on City Budget to Keizertimes for publication on April 20 th and April 27 th for meeting on Tuesday, May 8 th at 5:45 p.m.
Friday, April 20 th	Notice of Budget Committee meeting on Urban Renewal Budget to Keizertimes for publication on April 27 th and May 4 th for meeting on Tuesday, May 15 th at 5:45 p.m.
Tuesday May 1 st	City Budget Document distributed to Budget Committee
Tuesday May 8 th	Urban Renewal Budget Document distributed to Budget Committee
Tuesday May 8 th – 5:45 p.m.	Budget Committee Meeting <ul style="list-style-type: none"> ◆ Introductions ◆ Election of City of Keizer Budget Committee Chair ◆ Approval of Budget Calendar ◆ Public Testimony ◆ Presentation of City of Keizer Budget Message ◆ Staff presentations – General Fund
Tuesday May 15 th – 5:45 p.m.	Budget Committee Meeting <ul style="list-style-type: none"> ◆ Public Testimony ◆ Discussion of General Fund Budget ◆ Staff presentation of Capital Projects Funds ◆ Discussion of Capital Projects Funds ◆ Staff presentation - Special Revenue Funds (Streets, Revenue Sharing et al) ◆ Discussion of Special Revenue Fund Budgets
Tuesday May 22 nd – 5:45 p.m.	Budget Committee Meeting <ul style="list-style-type: none"> ◆ Election of Urban Renewal Budget Committee Chair ◆ Approval of Urban Renewal Budget Calendar ◆ Public Testimony ◆ Presentation of Keizer Urban Renewal District Budget Message ◆ Discussion of Urban Renewal Agency Budget ◆ Staff presentation – Water, Sewer, Street Lighting Programs ◆ Discussion of Enterprise Fund Budgets (Water, Sewer, Street Lighting)
Tuesday May 22 nd – 5:45 p.m. (continued)	

FISCAL YEAR 2007-08 BUDGET CALENDAR

continued

	♦ Budget Recommendations to Council and Urban Renewal Board
Tuesday May 29 th – 5:45 p.m.	Alternate meeting to complete City or Urban Renewal Agency Budgets (if needed)
Friday June 1 st	City Financial Summary and notice of budget hearing in Keizertimes for publication on June 8 th
Monday June 18 th – 6:30 p.m.	Public hearing on Urban Renewal Budget. Board adoption of Budget.
Monday June 18 th – 7:00 p.m.	Public hearing on City Budget. Council adoption of Budget.

ORGANIZATIONAL STRUCTURE



2007-09 City Council Goals

Business Plan for Completion within 24-months

Goal to Complete Civic Center Improvement Building Project:

Complete design of, bid, and construct City Hall and Police Department Facilities.

- ♦ Complete design of City Hall and Police Department Facilities
- ♦ Complete Construction of New Facilities in a Timely Manner
- ♦ Let Bids for General Contractor to Construct Facilities

Next Steps:

✓	<u>Task</u>	<u>Next Steps</u>	<u>Who</u>	<u>% Goal</u>	<u>FY</u>	<u>Update</u>
	Complete Design of City Hall and Police Department	♦ Staff and Citizen Task Force work with Architects to develop a design and construction docs.	City Manager PM Dept. Heads City Council Task Force	40	2007	4-12-07 – Programming is nearing completion, Council has approved external massing concept and interior character design is beginning.
	Let Bids for GC to Construct Facility	♦ Develop Construction Docs ♦ Pre-quality potential GC firms ♦ Issue bid docs ♦ Let bid to successful GC	City Manager PM Police Chief PW Director	50	2008	3-22-07 – Work has not yet begun on this task.
	Complete Construction in a timely manner	♦ Work to complete construction on time and within budget	City Manager PM PW Director Police Chief	10	08-09	3-22-07 – Work has not yet begun on this task.
✓	Total % of Goal Completed to date			20		

2007-09 City Council Goals

Business Plan for Completion within 24-months

Goal to Explore Opportunities to Improve Public Safety:

Goal to look for opportunities as they arise to improve public safety through any and all means. This could be related to law enforcement, transportation, safety through environmental design, or other methods of improving public safety.

- ♦ Evaluate internal structure of PD and regional law enforcement partnerships that can enhance public safety
- ♦ Explore ways to improve the transportation system in Keizer to make it safer for the public
- ♦ Promote safety through environmental design as development occurs

Next Steps:

✓	<u>Task</u>	<u>Next Steps</u>	<u>Who</u>	<u>% Goal</u>	<u>FY</u>	<u>Update</u>
✓	Evaluate internal structure of PD and law enforcement partnerships	<ul style="list-style-type: none"> ♦ Continue to evaluate our internal structure and needs at the PD to provide effective policing Continue to evaluate regional law enforcement partnerships we can be involved in that will provide improved public safety for Keizer residents 	Police Chief City Manager City Council Budget Committee	33	07-09	4-11-07 – Work is ongoing
✓	Promote safety through environmental design concepts	<ul style="list-style-type: none"> ♦ Work with developers/builders to promote safety through environmental design concepts while evaluating building permit applications and subdivision plats. 	Comm Dev Dir	33	07-09	4-11-07 – Work is ongoing

Goal to Explore Opportunities to Improve Public Safety:

Continued

✓	<u>Task</u>	<u>Next Steps</u>	<u>Who</u>	<u>% Goal</u>	<u>FY</u>	<u>Update</u>
	Explore ways to improve transportation system in Keizer	<ul style="list-style-type: none"> ◆ Update TSP ◆ Work with Traffic Safety Commission to keep identifying ways we can improve system for safety 	Planning Comm Comm Dev Dir City Manager City Council Traffic Safety Com	34	07-08	4-11-07 – Planning Commission is preparing to perform a major update to the Keizer TSP. This should begin prior to Summer of 2007.
✓	Total % of Goal Completed to date			66		

2007-09 City Council Goals

Business Plan for Completion within 24-months

Goal to Expand Current Programming of Keizer-23 PEG Channel:

Goal for K-23 Task Force to further develop PEG programming offered to Keizer Citizens on Comcast cable channel 23.

- ♦ Develop PEG programming on K-23
- ♦ Dissolve task force and initiate standing committee to oversee K-23
- ♦ Develop guidelines for programming on K-23

Next Steps:

✓	<u>Task</u>	<u>Next Steps</u>	<u>Who</u>	<u>% Goal</u>	<u>FY</u>	<u>Update</u>
✓	Develop PED programming on K-23	♦ K-23 task force meets periodically to explore additional programming possibilities for K-23	Task Force City Manager City Attorney City Council	33	2007	3-22-07 – Task force has met periodically and had developed a number of ideas to expand the amount and type of programming available on K-23.
	Develop guidelines and policies for programming on K-23	♦ K-23 task force meets periodically to develop a set of policies and guidelines for public use of K-23	Task Force City Manager City Attorney City Council	33	2007	3-22-07 – Task force has met periodically and had looked at draft policies from CCTV in Salem. A Keizer specific draft will be developed shortly.
	Dissolve task force and initiate standing over site committee	♦ Dissolve existing task force ♦ Appoint new standing committee to provide long-term direction and over site of the development of K-23 over time	Task Force City Manager City Attorney City Council	34	07-08	3-22-07 – Work has not yet begun on this task.
✓	Total % of Goal Completed to date			33		

2007-09 City Council Goals

Business Plan for Completion within 24-months

Goal to Complete Short-Term Projects in Public Works Master Plan:

Develop a strategy to complete those items listed in the Public Works master plan in relation to Parks, Storm Water, Sewer and Transportation.

- ♦ Complete short term goals listed in the Public Works Master Plan related to parks
- ♦ Complete short term goals listed in the Public Works Master Plan related to sewers
- ♦ Complete short term goals listed in the Public Works Master Plan related to storm water
- ♦ Complete short term goals listed in the Public Works Master Plan related to transportation

Next Steps:

✓	<u>Task</u>	<u>Next Steps</u>	<u>Who</u>	<u>% Goal</u>	<u>FY</u>	<u>Update</u>
	Complete short term Parks goals	<ul style="list-style-type: none"> ♦ Adopt a Parks Level of Service Plan and Organizational Structure – Budget 2007 ♦ Explore funding plans and partnerships to support level of service ♦ Adopt an up-dated Parks & Recreation Master Plan ♦ Open Keizer Rapids Park with improvements for safe public use – Soft Opening July 2007 ♦ Adopt prioritized parks project schedule for two year period – Budget 2007 	PW Director City Manager City Council Parks Board	25	07-09	4-11-07 – Parks Master Plan is nearing completion. FY 07-08 budget is being developed. This will lead to a level of service plan for this goal.

Goal to Complete Short-Term Projects in Public Works Master Plan:

Continued

✓	<u>Task</u>	<u>Next Steps</u>	<u>Who</u>	<u>% Goal</u>	<u>FY</u>	<u>Update</u>
	Complete short term Sewer goals	<ul style="list-style-type: none"> ◆ Develop Level of Service Plan ◆ Improve coordination and dialogue with Salem on future Sewer Capital Improvement Projects (CIP) ◆ Monitor surcharge issue and work towards elimination 	PW Director City Manager City Council	25	07-09	4-11-07 – Dialogue with City of Salem regarding the surcharge is ongoing. FY 07-08 budget is being developed. This will lead to a level of service plan for this goal.
	Complete short term Transportation goals	<ul style="list-style-type: none"> ◆ Complete update of the Transportation Systems Plan (TSP) and identify options for additional north-south corridor and additional or enhanced freeway access. Enhance freeway access and connection to collector routes ◆ Identify projects and timelines to meet Transportation Systems Plan ◆ Support Third Bridge Concept that connects the Parkway to Highway 22 	City Manager PW Director Com. Dev. Dir. City Council Planning Comm	25	07-09	4-11-07 – Planning Commission is preparing to begin an update of the Keizer TSP. Staff and City Council are involved on the regional task force evaluating options for a 3 rd bridge over the Willamette. Talks with Marion County and ODOT are ongoing regarding additional freeway access North of existing Keizer.
✓	Total % of Goal Completed to date			0		

2007-09 City Council Goals

Business Plan for Completion within 24-months

Goal to Complete a Library Survey and Determine Future Direction:

Goal to hire a professional library consultant to determine citizen wants and level of support for various types of library services. Once Council has this information, they can determine our future direction in relation to a City library.

- ♦ Develop RFP for Library Consultant
- ♦ Interpret results of survey and determine future direction for library service in Keizer
- ♦ Work with Consultant to complete library survey

Next Steps:

✓	<u>Task</u>	<u>Next Steps</u>	<u>Who</u>	<u>% Goal</u>	<u>FY</u>	<u>Update</u>
✓	Develop RFP for Library Consultant	<ul style="list-style-type: none"> ♦ Develop RFP ♦ Publish RFP ♦ Evaluate proposals ♦ Select consultant 	City Manager Library task force City Council	33	2007	4-11-07 – RFP has been developed and published. The deadline for submitting a proposal to the City is in early May.
	Work with consultant to complete library survey	♦ Work with consultant to develop and implement library survey to Keizer residents	City Manager Library task force City Council	33	2007	4-11-07 – Work has not yet begun on this task.
	Interpret results of	<ul style="list-style-type: none"> ♦ Task force meets to discuss options to utilize 5-acre City owned parcel of ground just north of Volcano Stadium. ♦ Task force makes recommendation to City Council 	Task Force City Council	34	07-08	4-11-07 – Work has not yet begun on this task.
✓	Total % of Goal Completed to date			33		

2007-09 City Council Goals

Business Plan for Completion within 24-months

Goal to Initiate a Something Special Task Force:

Council to initiate Something Special Task force to review options for and make recommendations to Council on options regarding community needs for a community center and kids recreational space, and options regarding use of 5-acre City owned parcel North of Stadium.

- ◆ Develop options to meet community need for community center
- ◆ Develop options to use 5-acre parcel owned by the City located just north of the Volcano Stadium in the Keizer Station area.
- ◆ Develop options to meet community need for kids recreational space

Next Steps:

✓	Task	Next Steps	Who	% Goal	FY	Update
✓	Develop options for meeting community need for Community Center	<ul style="list-style-type: none"> ◆ Council initiates Something Special task force ◆ Task force meets to discuss options to meet stated community goal for community center space ◆ Task force makes recommendation to City Council 	Task Force City Council	33	2007	3-22-07 – Task force has met and has formulated a recommendation that it will be presenting to the City Council shortly.
	Develop options for meeting community need for Kids recreational space	<ul style="list-style-type: none"> ◆ Task force meets to discuss options to meet stated community goal for kids recreational space ◆ Task force makes recommendation to City Council 	Task Force City Council	33	2007	3-22-07 – Work has not yet begun on this task.

Goal to Initiate a Something Special Task Force

Continued

✓	<u>Task</u>	<u>Next Steps</u>	<u>Who</u>	<u>% Goal</u>	<u>FY</u>	<u>Update</u>
	Develop options for use for City owned property just north of Stadium	<ul style="list-style-type: none"> ◆ Task force meets to discuss options to utilize 5-acre City owned parcel of ground just north of Volcano Stadium. ◆ Task force makes recommendation to City Council 	Task Force City Council	34	07-08	3-22-07 – Work has not yet begun on this task.
✓	Total % of Goal Completed to date			33		

2007-09 City Council Goals

Business Plan for Completion within 24-months

Goal to Complete and Adopt: Updated Personnel Policies

Goal to work with the City Council Personnel Policy Committee to review and adopt an updated set of personnel policies for the City of Keizer.

- ♦ Present Updated Personnel Policies to City Council Personnel Rules Committee ♦ Submit updated Personnel Policies to City Council for approval.

Next Steps:

✓	<u>Task</u>	<u>Next Steps</u>	<u>Who</u>	<u>% Goal</u>	<u>FY</u>	<u>Update</u>
	Update existing personnel policies	♦ HR Director and Department Heads work with Council Personnel Policy Committee to review policies and recommend changes for Council adoption	HR Director City Manager Dept. Heads City Council	90	2007	3-22-07 – City Council Personnel Rules has been working for many years now with the HR Director and department heads on updating the existing personnel policies. There are only a few left to review.
	City Council approval of updated personnel policies	♦ City Council reviews and adopts changes to personnel policies	HR Director City Manager Dept. Heads City Council	10	2007	3-22-07 – Many of the reviewed policies have been reviewed and approved by City Council as they've been approved by the Personnel Rules Committee.
✓	Total % of Goal Completed to date			80		

2007-09 City Council Goals

Business Plan for Completion within 24-months

Goal to Develop Strategy to Prioritize and Solicit Specific Applications for Urban Renewal Grants on River Road:

Develop a strategy to identify and prioritize appropriate Urban Renewal Grant sites for sidewalk, landscaping and/or facade improvements within the River Road corridor that will further the goals developed by the River Road Renaissance Committee and the adopted Urban Renewal plan.

- ♦ Identify and prioritize potential sites for Urban Renewal sidewalk, landscaping and/or facade improvement grants
- ♦ Develop and execute an outreach program to encourage the owners of these specific sites to apply for said grants and make investment in their properties
- ♦ Prioritize these sites
- ♦ Issue grants until funding is exhausted

Next Steps:

✓	<u>Task</u>	<u>Next Steps</u>	<u>Who</u>	<u>% Goal</u>	<u>FY</u>	<u>Update</u>
	Identify potential grant sites	♦ Take inventory of properties within the Urban Renewal district along River Road that would benefit from investment and promote the goals of the River Road Renaissance Committee and the adopted Urban Renewal plan	Planning Dir 3RAC KURB City Council	20	2007	3-22-07 – Work has not yet begun on this task.

Goal to Develop Strategy to Prioritize and Solicit Specific Applications for Urban Renewal Grants on River Road:

Cont.

✓	<u>Task</u>	<u>Next Steps</u>	<u>Who</u>	<u>% Goal</u>	<u>FY</u>	<u>Update</u>
	Prioritize identified potential grant sites	<ul style="list-style-type: none"> ◆ Work with Urban Renewal Advisory Board and River ◆ Road Renaissance Committee to prioritize these potential sites 	Planning Dir 3RAC KURB City Council	20	2007	3-22-07 – Work has not yet begun on this task.
	Create and execute outreach program	<ul style="list-style-type: none"> ◆ Determine the best way to contact the owners of those sites that are believed to be high-value projects ◆ Make contact with site owners and attempt to gain approval for potential project partnerships 	Planning Dir 3RAC KURB City Council	20	07-08	3-22-07 – Work has not yet begun on this task.
	Issue grants until funding is exhausted	<ul style="list-style-type: none"> ◆ Work with KURB to negotiate grant proposals and enter into development contracts 	Planning Dir 3RAC KURB City Council	40	07-09	3-22-07 – Work has not yet begun on this task.
✓	Total % of Goal Completed to date			0		

"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 24-year history, Keizer has elected 5 Mayors and 33 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 with in 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 this year, offering continuous public access along the Willamette River. In 2005, the Council created the River Road Renaissance Committee to implement a master plan for the River Road corridor. The Committee is comprised of business and citizen volunteers who have designed several beautification projects, many which have been completed, with more coming later this year. It is projects such as these that truly show the pride, spirit and volunteerism of our community.

A heartfelt thanks 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. ***THANK YOU KEIZER VOLUNTEERS!!!***

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, 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, 2007

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

The City of Keizer 2007-2008 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 FY08 budget is \$ 7,059,700.

As shown on the adjacent table, the decrease is primarily from the Keizer Station LID Fund, a Special Revenue Fund established to track the cost of infrastructure at Keizer Station. Both the Street Fund and Water Facility Fund account for over \$2,250,000 of the net decrease because of one-time capital improvement projects budgeted in FY07.

General Fund	\$ 871,000
Revenue Sharing Fund	2,900
Street Fund	(1,267,100)
PEG Fund	23,800
9-1-1 Fund	22,600
Keizer Station LID	(5,546,200)
Housing Rehabilitation Fund	46,100
Park Improvement Fund	(654,600)
Transportation Fund	469,000
City Hall Replacement	(115,000)
Sewer Fund	343,700
Water Fund	(637,800)
Water Facility Fund	(989,700)
Street Lighting District Fund	(11,300)
Storm Utility Fund	456,000
Sewer Reserve Fund	(43,100)
Total All Funds	<u>\$ (7,059,700)</u>

Revenues

The local government investment pool rates increased from 4.32% in February 2006 to 5.21% in February 2007 increasing revenues an estimated \$200,000 City-wide over the amount budgeted for FY07. The FY08 budget reflects interest earnings based on FY07 actuals projected out to year-end.

Expenditures/Expenses

The City will begin operating a new Storm Water Utility in FY08. This new Enterprise Fund will operate with one full-time Storm Water Program Specialist and various Administrative and Public Works staff based on an estimate of efforts to be expended in the upcoming year. The City's cost allocation plan has been adjusted to reflect staff time spent managing this new fund. Personnel services and overhead costs have been re-allocated from other funds to reflect the cost of operating this utility.

Personal Services

The City anticipates a 10% increase in Personnel Services over FY07. This increase includes:

- ◆ cost-of-living increases (2.75% based on the Portland Consumer Price Index for wage earners).
- ◆ annual merit increases.
- ◆ salary adjustments based on the compensation study conducted in FY07.
- ◆ 3.5 FTE increase over FY07 for the following positions:
 - 1 FTE Assistant to the City Manager
 - 1 FTE Parks Employee (plus 2 additional Seasonal Workers)
 - 1 FTE Storm Water Program Specialist
 - 0.5 FTE Municipal Court Clerk

- ◆ a 12% increase in Health Insurance premiums and an 8% increase in Dental Insurance premiums. The City pays 95% of these monthly premiums as part of its employee benefit package.
- ◆ a 10% increase over workers compensation rates.

Sworn Police Officers, the City Manager, and the Public Works Director participate in the Oregon Public Employee's Retirement System (PERS). Employer contribution rates decreased from 16.65% in FY06 and FY07 to 13.32% for FY08 and FY09. All other employees participate in a private 401(a) plan at 12% for management staff and 11% for all other regular employees.

Materials and Services

The City's Liability and Property Insurance premiums are expected to increase 3% over FY07 expenditures because of rate increases.

Postage and printing costs have increased to reflect the US Postal Service's 5% increase in standard letter rates. Bulk mailing rates for utility bills are expected to increase 6%.

Gasoline prices continued to rise in FY07 which primarily impacts the General Fund Police budget and the Water Fund budget.

Capital Outlay

General replacement and upgrade of computer hardware is budgeted at \$78,400 City-wide. These expenditures are down compared to the FY07 budget which was \$103,000.

The following are highlights from those funds with significant budget changes from the previous fiscal year.

GENERAL FUND

Resources: Revenues are projected to increase 10% over FY07. The City begins FY08 year with over \$600,000 more in Working Capital Carryforward than was budgeted as Ending Fund Balance for FY07. Increased revenues in all categories, except Intergovernmental Revenues, account for \$390,000 of this amount. Intergovernmental Revenues came in \$65,000 below budget because the Transportation System Plan grant will not be received until FY08. The remaining \$210,000 is savings in Materials and Services, reduced transfers to the Revenue Sharing Fund and City Hall Facility Fund, and the General Fund Contingency which will remain unspent at the end of FY07.

The City expects a 4% increase in property tax revenues: 3% from an increase in assessed values as limited by Ballot Measure 50 and 1% from growth.

License and Fee increases are primarily from Franchise Fee Revenues which are based on a Utility's gross revenues. Overall this revenue category is expected to increase 9%.

Fines & Forfeits increased 14% above FY07 budget projections. Municipal Court Fine increases are attributed to increased staff effort in managing the municipal court office and prompt follow-up with defendants' to ensure fines are paid as ordered by the judge. Additionally, the State of Oregon increased Municipal Court Fines an average 3-5% over the previous fee structure and imposed a new State Court Facilities Security Assessment. The City increased Impound Fees from \$100 to \$115 per violation explaining much of the 17% increase in this revenue source.

Expenditures: An additional \$80,000 is needed in FY08 to pay for the cost of the Transportation Systems Plan (see the Community Development Program budget). These costs will be offset by grant funds.

The Police Department Materials & Services costs increased over \$107,000 from FY07; \$80,000 to cover rising costs and \$27,000 for a new Crime Analyst contract in FY08.

STREET FUND

Resources: The City begins FY08 with a \$1,080,000 decrease in Working Capital Carryforward primarily because of Capital Improvement projects carried over from FY06 which were completed in FY07.

Expenditures: The City does not anticipate spending as much on Capital Outlay construction in FY08 as was budgeted in FY07. Capital construction is primarily funded with Fuel Tax revenues.

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 FY08.

PARK IMPROVEMENT FUND

The FY07 Working Capital Carryforward included \$577,000 in Grant Funds for the Keizer Rapids Park land acquisition. Staff has since learned that the funds were paid directly from the granting agencies for the purchase of land, therefore, Working Capital Carryforward was less than anticipated in the budget.

TRANSPORTATION IMPROVEMENT FUND

The Transportation System Fund continues to grow as SDC revenues exceed budget projections. No expenditures are planned for FY08.

CITY HALL REPLACEMENT FUND

Budgeted expenditures in FY07 were for remodeling office space at City Hall estimated at \$80,000 and to replace the roof at the Auditorium estimated at \$35,000, for a total \$115,000. Actual costs in FY07 totaled \$36,300. These renovations were needed to comply with employee privacy requirements and to enhance efficiency. The City does not anticipate additional renovations of the existing building since plans for a new Civic Center are in the works.

SEWER FUND

The \$340,000 increase in the Sewer Fund is primarily an increase in the Salem Sewer Billing revenues. The City of Salem increased consumption rates 7% in FY07 and an additional 8% beginning January 2008.

WATER FUND

Revenues: Water sales are projected to increase 4.5% 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: Capital Outlay costs decreased approximately \$140,000 primarily because a one-time expenditure for the Shop Addition in FY07. Approximately \$100,000 is carried over to FY08 for completion of this project.

The transfer to the Water Facility Replacement Reserve Fund is significantly lower in FY08 than in FY07 because the \$525,000 fund transfer was not made in FY05. This transfer was added to the annual amount transferred in FY07.

WATER FACILITY FUND

Decreases in the Water Facility Replacement Reserve Fund reflect decreases in capital construction projects as provided for in the Water System Capital Improvement Plan.

STORM UTILITY FUND

The Storm Water Fund is a new fund managed by the Public Works Department to meet the Federal Clean Water Act administered by Oregon Department of Environmental Quality (DEQ).

Revenues: The primary source of revenues includes a \$210,000 transfer from the Street Fund and a new service fee estimated at \$2.40 per bill on the City utility bills.

Expenditures: Personnel services include one new FTE position for a Storm Water Program Specialist and reallocation of existing staff salaries and benefits to reflect effort to be expended on this program.

Materials and Services include the Fund's share of City-wide overhead costs and program specific costs such as Plant and Pump Maintenance.

Capital Outlay includes a storm water master plan update and storm sewer pipe extensions and repair.

SUMMARY

The FY08 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 44% 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 FY08 district net value is expected to increase 4% overall and the Urban Renewal District value is expected to increase 11%. 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 56% 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).

Franchise and License Fees make up 33% of General Fund revenues. Such fees are now set at the maximum allowed by Oregon Law. The City continues to monitor the General Fund Long-Range Plan to test the impact of decisions and circumstances over the long-term.

The FY08 Manager's Recommended Budget projects \$19,765,800 in Revenues and \$9,780,800 as Beginning Reserves and Working Capital. These resources will be used to maintain service levels expected to cost \$25,467,900.

We would like to compliment and thank everyone involved in the development of the FY08 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.

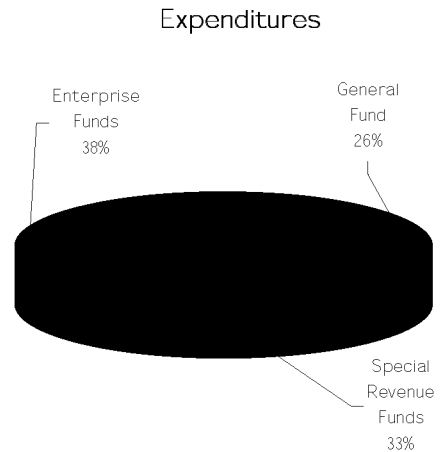
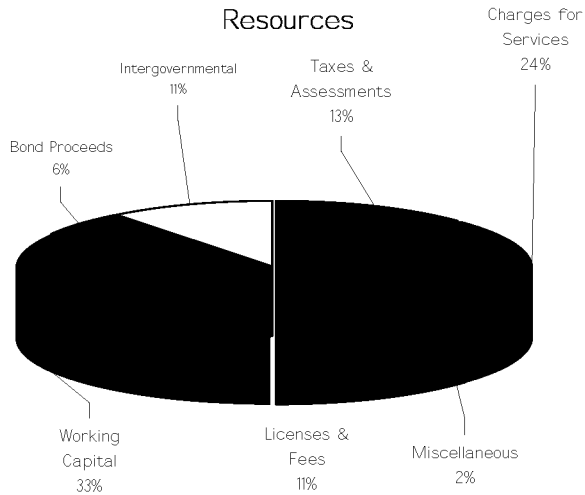
Respectfully submitted,

Chris Eppley
City Manager

Susan Gahlsdorf
Budget Officer

\$ 6,702,764	\$ 7,180,353	\$ 12,468,800	Working Capital Carryforward	\$ 9,780,800	\$ 9,790,800	\$ 9,790,800
3,171,780	3,382,004	3,607,200	Taxes & Assessments	3,739,700	3,744,600	3,744,600
2,424,051	3,469,016	2,637,700	Licenses & Fees	3,034,200	3,294,100	3,294,100
4,238,939	4,332,996	3,057,000	Intergovernmental	3,070,400	3,070,400	3,070,400
473,327	545,247	531,300	Fines & Forfeits	605,600	605,600	605,600
6,248,267	6,449,937	6,940,600	Charges for Services	6,950,400	6,950,400	6,950,400
-	23,908,000	6,500,000	Bond Proceeds	1,764,700	1,764,700	1,764,700
271,385	1,150,108	490,300	Miscellaneous	600,800	602,800	602,800
284,491	609,336	1,115,100	Transfers In	741,700	687,500	687,500
\$ 23,815,004	\$ 51,026,997	\$ 37,348,000	TOTAL RESOURCES	\$ 30,288,300	\$ 30,510,900	\$ 30,510,900
\$ 5,931,188	\$ 6,207,431	\$ 6,801,000	Personnel Services	\$ 7,499,600	\$ 7,570,300	\$ 7,570,300
6,976,204	7,533,493	7,611,600	Materials & Services	8,108,200	8,166,700	8,165,400
3,432,254	25,330,510	17,422,200	Capital Outlay	9,406,300	9,499,400	9,499,400
10,513	73,668	449,200	Debt Service	453,800	453,800	453,800
\$ 16,350,159	\$ 39,145,102	\$ 32,284,000	TOTAL EXPENDITURES	\$ 25,467,900	\$ 25,690,200	\$ 25,688,900
284,491	609,336	1,115,100	Transfers Out	741,700	687,500	687,500
-	1,126,953	-	Special Payments	-	-	-
-	-	236,000	Contingency	269,000	359,100	359,100
-	-	407,900	Reserves	457,900	407,900	407,900
7,180,354	10,145,606	3,305,000	Undesignated Ending Fund Balances	3,351,800	3,366,200	3,367,500
\$ 23,815,004	\$ 51,026,997	\$ 37,348,000	TOTAL EXPENDITURES & FUND EQUITY	\$ 30,288,300	\$ 30,510,900	\$ 30,510,900

CITY OF KEIZER
ALL FUNDS - ALLOCATION OF RESOURCES
FISCAL YEAR 2008



CITY MANAGER'S OFFICE

City Manager 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).

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.

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

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 2006-07 continued to see large accomplishments as staff worked very hard to accomplish the adopted City Council goals. Keizer Station saw development begin in earnest with many of the power center elements in Area A complete. The only pieces of public infrastructure that have yet to be accomplished include a 500,000 gallon elevated water storage tank that is currently under construction and the pedestrian under crossing at Tepper Lane and the railroad tracks. River Road Renaissance continues to make large progress with several sidewalk/intersection improvements and the reconstruction of building façades at Keizer Plaza. The Keizer Rapids Park has been master planned and construction on several items prior to opening late July is preparing to be initiated. Finally, The new City Hall and Police Department building is currently in the design phase with groundbreaking planned for March of 2008. Construction will take approximately 1-year after that.

- ♦ The Keizer Station is being built out and the City's involvement in this project will shortly come to an end for Area A. Now attention is turning to Areas B and C, which could see significant additional development over time.

- ◆ 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 River Road Master Plan is being built upon. Now that several successful projects have been accomplished, there is to be initiated an effort to specifically target key and significant projects that can be used to spur additional investment in the River Road Corridor.
- ◆ City Planning staff worked hard this last year with Councilor Walsh and the RIVERR Task Force to master plan the park and prepare for a soft opening in July of 2007. Additional grants are being applied for to construct many of the elements identified in the master plan and many volunteer groups are stepping up to participate in the construction of this magnificent asset.
- ◆ We are preparing the annual Citizen Survey , which should go out to citizens early this summer. The feedback received in this process is used by the City Council to develop the communities short and long term

goals and, subsequently by staff as we prepare budgets to allocate resources toward the accomplishment of those goals.

- ◆ The new City Hall and Police Department building is currently in the design phase. We are anticipating breaking ground on the new facility in March with construction taking approximately 1-year to accomplish. This is a major milestone for the community and this new facility is anticipated to be a significant asset that the community will enjoy for many decades to come.

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.**

CITY MANAGER'S OFFICE

Assistant to the City Manager Position

This position will act as a project coordinator across all departments, will be a department head level position and will report directly to the City Manager. As the City of Keizer continues to take on numerous significant projects of a very complex nature that often span several departments, it has become clear that the coordination of these projects is demanding a specifically dedicated person to manage them. Currently the department head within each department where a special project is being worked is responsible for managing the project. This, in many cases, is beginning to demand more time and staff resources than the department heads are able to allocate while still attending to their primary responsibilities within their department.

The Assistant to the City Manager will manage all aspects of these large, community based or regional, complex and multi-departmental special projects including coordination between departments, volunteer coordination, grant writing, working with City Councilors, other regional elected officials and governmental agencies, communicating the project status to the community and ensuring that the City of Keizer continues to be successful and innovative as we work toward the future. This FTE will be a department head level position for coordination purposes but will not have any supervisory authority over other department heads.

HUMAN RESOURCES DEPARTMENT

Human Resources

The Human Resources Department develops, administers and provides services to staff and the public in the following areas:

- Policies and procedures
- Recruitment and selection
- Classification and compensation
- Employee benefits and leave administration
- Employee and labor relations
- Risk management and health and wellness
- HRIS (Human Resources Information System)

This department also oversees the City's Information Technology Division, and serves as the City's Public Information Officer.

HR Accomplishments

1. Personnel policies were revised
2. Completed seven recruitments resulting in seven new hires.
3. Processed six terminations/resignations
4. Conducted two Benefit Open Enrollments for employees on Health and Retirement.
5. Implemented a new 457 retirement program for employees through AIG Valic. There are now three options – ICMA, Nationwide and Valic.
6. Implemented an Oppenheimer 529 Oregon College Savings Program for employees, administered by Valic.

HR Goals

During the coming fiscal year, Human Resources will continue to assist departments with their staffing and recruiting needs, enhance employee relations, promote mutual respect and diversity, and implement a recognition program.

Risk Management

The HR Risk Management program is responsible for citywide safety issues, which include:

- Workers' Compensation Claim Management
- Safety/Loss Control & Environmental Services
- Health & Wellness Program

Workers compensation premiums will increase about 10%, due to increased payroll, base rate adjustment made by the National Council on Compensation Insurance and claim experience.

Breakdown of Workers' Compensation claims:

No. Claims Filed	8
Percent of Claims by Department	Law Enforcement 83.8% Public Works 16.1% Administration 0.1%
Top Claim by Injury	Strains/Sprains 82.2%
Top Two Claims by Anatomy	Neck 68.2%; Extremities 15.7%

RM Accomplishments

1. Organized a week-long Health & Wellness Fair. Seventeen vendors participated, including massage therapists, City County Insurance Services (workers' compensation carrier) and dental and medical carriers. Over 35 employees received health assessments for carotid artery, cholesterol, glucose screenings, blood pressure and/or BMI (body mass index).
2. Annual hearing tests were held.
3. Purchased, implemented and trained staff on the Automated External Defibrillator (AED), located at City Hall, Police & Public Works.

RM Goals

Our goal is to enhance the Risk Management program by engaging staff in making safety a priority in the day-to-day operations through additional safety training; by hosting a Health & Wellness Fair, by developing new programs to encourage healthy living, by developing and implementing a Motor Vehicle policy, and by participating in the development of Public Works Department's Operational Manual.

Information Technology Division

The Information Technology Division supports the City's software, hardware and telephone systems by providing the following critical services to the City:

- Network: Email, Internet, intranet, network connectivity, backup, voice, and wiring..
- Application: IT planning, application programming and development, major software system implementation, software system maintenance and support.

- Desktop Help: Assists employees and councilors with laptop and personal computer hardware and software needs.
- Telecommunications: Phone system administration, handset and station maintenance, and voicemail administration.

No. of Servers	10
No. of Laptops & Personal Computers	130
No. of PDAs and Cell Phones	50
No. of Spam received every 24-hours	450+

IT Accomplishments

1. Installed 18 new computers
2. Installed Uninterruptible Power Supply (UPS) on all City servers
3. Upgraded software for council agenda and finance program. Optimized online mapping software to allow faster response for public
4. Held GIS training
5. Installed high-speed laser printer for utility billing.
6. Added credit card reader in Municipal Court.
7. Completed research of paperless tickets.
8. Installed a new employee ID card system.

IT Goals

The IT goals for the upcoming fiscal year are to continue with the wireless ticket process, increase server monitoring and performance, reduce the amount of spam received, research and plan for new Civic Center, and research and implement a Help Desk software to better manage IT requests and allow employees to check status of their request.

FINANCE DEPARTMENT

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

- Refinanced the short-term line of credit for the local improvement district at Keizer Station.
- Upgraded the Finance and Billing software including data conversions for both systems.
- Performed an analysis of all fines, fees and charges for services. Updated the fee structure, established cost-of-living index increases as needed and amended resolutions for council approval.
- Performed an internal audit of all active municipal court accounts, processing each account per established procedures.
- Implemented the retroactive application of medical benefits to all KPA members based on the arbitration ruling.

- Reviewed and made recommendations on the Recreation Center Feasibility Study.
- Assisted in establishing a College Fund 529 Plan for employees who wish to participate and added another deferred compensation program (VALIC) which offered additional retirement benefit choices to employees.
- Received the Certificate of Achievement for Excellence in Financial Reporting, a nationally recognized honor, for the seventh consecutive year. In December, the city was given a clean audit opinion with no audit findings for its fiscal year ending June 30, 2006.

Future Goals . . .

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

- 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 costs.
- Establishing the Storm Drain Operating Fund into the budget, the accounting system, and the financial reporting process.
- Establishing the Storm Drain fee into the Utility Billing system.
- Assisting with the grant application, RFP process, and grant administration for the Library Feasibility Study.

CITY RECORDER'S DEPARTMENT

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, Commissions and Task Forces. 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

In our continued effort to provide information to the citizens of Keizer, this last year we distributed four editions of ***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 City's webpage information continues to be updated and expanded. During the last year, several Community Development forms and other various documents have been converted to electronic format to allow the citizen to complete the form and submit electronically. We will continue to utilize technological advances to keep the citizens of Keizer informed of their government action.

During the last year, several new Committees and Tasks Force have been formed. The City Recorder and Deputy City Recorder have provided support and staff assistance.

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. Our support to the various volunteer Committees will continue. A newly revised Volunteer handbook and a mandatory training session will be implemented in this next year. As we prepare for our move into a new civic center building, we will begin to focus on reducing our paper record storage by relying on electronic media and microfilming formats for our documents. Lastly, we will be involved with the preparation of an anniversary celebration to commemorate the City's 25th birthday in November. Happy Birthday Keizer!

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 FY08 are projected at 4% above amounts received in FY07 to account for an increase in assessed value, plus 1% for new construction. A 6% allowance has been made to Gross Property Taxes assessed to account for discounts and uncollected Taxes.

Licenses & Fees

Revenue projections for FY08 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, continue to increased over previous fiscal years. Increased efforts in processing citations and past due accounts have resulted in an increase in collection of these revenues.

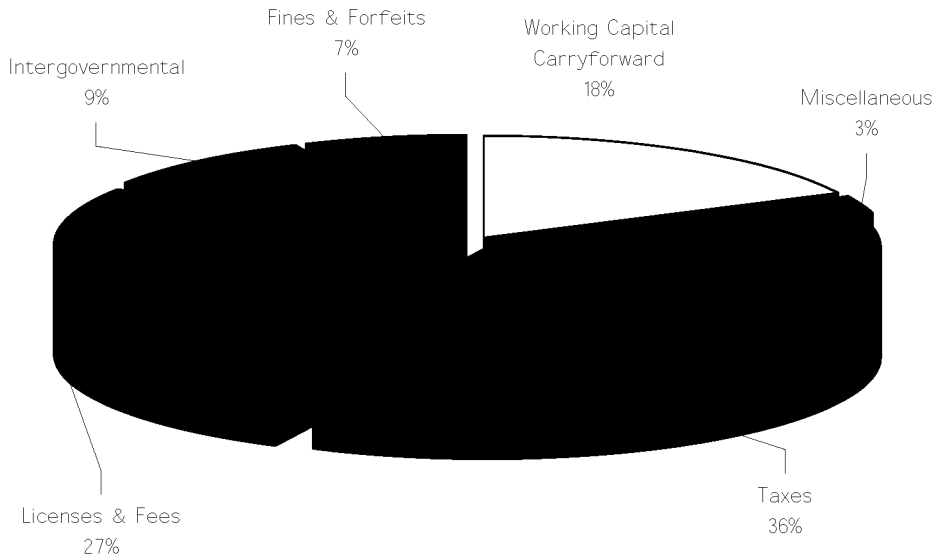
Intergovernmental

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

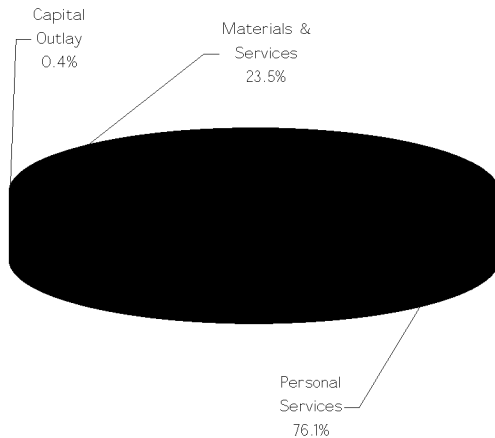
The changes in expenditure line-items are explained in the footnotes of the Budget document.

CITY OF KEIZER
GENERAL FUND RESOURCES
FISCAL YEAR 2008

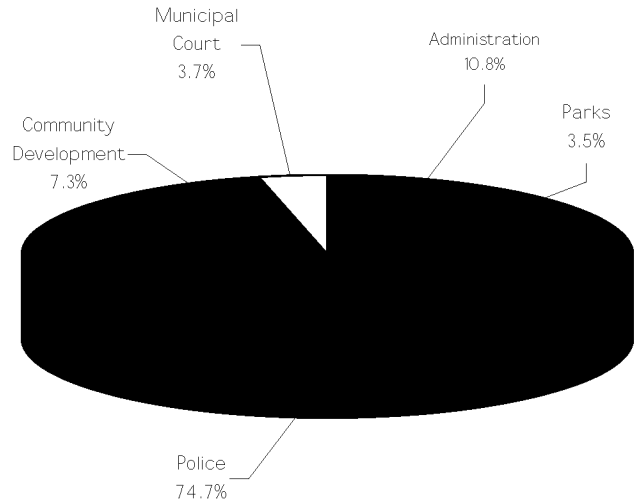


CITY OF KEIZER
GENERAL FUND EXPENDITURES
FISCAL YEAR 2008

Expenditures by Category



Expenditures by Program/Department



CITY OF KEIZER

2007-2008 Property Tax Revenue Estimates

City Property Tax Revenues

1	District Net Value
2	Urban Renewal Increment (see below)
3	District Net Value w/o Urban Renewal
4	
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 (5.96%)
12	
13	Net Anticipated Tax Collected
14	2006-07 Tax Revenues
15	Increase over 2006-07 Revenues
16	

2006-07 Actual Tax Revenues	Maximum Assessed Value Increase 3%	\$21,638,389 New Construction 101%
\$1,738,775,680	\$1,790,938,950	\$1,812,577,339
(191,219,571)	(196,956,158)	(209,825,026)
\$1,547,556,109	\$1,593,982,792	\$1,602,752,313
\$2.0838	\$2.0838	\$2.0838
\$3,224,797	\$3,321,541	\$3,339,815
649	668	1,344
\$3,225,446	\$3,322,209	\$3,341,159
(\$192,276)	(198,045)	(199,174)
\$3,033,170	3,124,165	\$3,141,985
	3,124,165	\$3,141,985

Urban Renewal Tax Increment Revenues

18	Assessed Value inside Keizer's Plan Area
19	Assessed Value (frozen)
20	
21	Increment Value
22	
23	Tax Rate per \$1,000 Increment Value
24	Adjustments
25	Division of Tax Revenues
26	Uncollectables and Discounts (6.2%)
27	Net Anticipated Tax Collected

	Maximum Assessed Value Increase 3%	\$12,868,868 New Construction 7%
\$236,548,164		
45,328,593		
\$191,219,571	\$196,956,158	\$209,825,026
\$15.7385	\$15.7385	\$15.7385
\$2,970,342	\$3,099,794	\$3,302,331
(183,952)	(191,969)	(204,512)
\$2,786,390	\$2,907,826	\$3,097,819

GENERAL FUND

1	\$ 1,529,483	\$ 1,231,935	\$ 1,310,800	Working Capital Carryforward	\$ 1,550,700	\$ 1,550,700	\$ 1,550,700
2							
3							
4				<u>LICENSES & FEES</u>			
5	209,995	229,988	233,400	Salem Electric Franchise Tax	233,700	233,700	233,700
6	483,130	565,245	527,400	PGE Franchise Tax	602,600	602,600	602,600
7	357,159	431,212	441,700	NW Natural Franchise Tax	445,100	445,100	445,100
8	132,241	146,006	126,400	Telephone Franchise Tax	183,600	183,600	183,600
9	278,804	285,771	278,000	Cable Television Franchise Tax	306,300	306,300	306,300
10	99,765	102,018	102,200	Loren's Sanitation Franchise Tax	104,700	104,700	104,700
11	67,536	74,695	73,200	Valley Recycling Franchise Tax	80,300	80,300	80,300
12	109,941	112,882	116,900	Water Sales Assessments	135,100	135,100	135,100
13	208,439	208,608	207,100	Sewer License Fee	227,300	227,300	227,300
14	8,188	8,406	8,600	Cell Tower Rent	9,000	9,000	9,000
15	-	132	-	Systems Development Admin Fee - Sewer	-	-	-
16	7,889	14,262	17,600	Systems Development Admin Fee - Parks	5,200	5,200	5,200
17	2,445	2,155	1,800	Licenses/Permits	2,500	2,500	2,500
18	44,650	45,540	42,000	Lien Search Fee	34,700	34,700	34,700
19	\$ 2,010,182	\$ 2,226,920	\$ 2,176,300	Total Licenses & Fees	\$ 2,370,100	\$ 2,370,100	\$ 2,370,100

Notes:

- ⁶ PGE anticipates a 4.5% increase in rates effective May/June 2007.
- ⁷ NWNG Franchise Revenues are based on FY07 actuals projected to year-end. No rate increase is projected for FY08.
- ⁹ Cable Television Revenues are based on FY07 actuals projected to year-end. No rate increase is projected for FY08.
- ¹² Water Sales Assessment is 5% of Water Sales (see Water Fund). The Cost of Services Analysis for Water Rates projects a 4.5% rate increase in FY08. 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 Sewer Fund) and represents 5% of those revenues. The City of Salem passed a resolution in FY07 to provide for a 7% rate increase effective January 2007 and an 8% rate increase beginning January 2008.
- ¹⁸ Lien Search Fee Revenues are based on current year actuals projected to year-end. Revenues are down despite and increase in fees from \$20 to \$22 per hit to the City's WEB site.

GENERAL FUND

	<u>INTERGOVERNMENTAL</u>												
21													
22	\$	58,889	\$	64,252	\$	62,000	Cigarette Tax	\$	64,200	\$	64,200	\$	64,200
23		327,436		358,843		376,300	Liquor Tax		408,900		408,900		408,900
24		14,993		10,672		14,500	Peer Court Grant		16,000		16,000		16,000
25	\$	401,318	\$	433,767	\$	452,800	Total Intergovernmental	\$	489,100	\$	489,100	\$	489,100
26	<u>MISCELLANEOUS</u>												
27													
28	\$	53,053	\$	56,798	\$	56,100	Stadium Rent	\$	63,700	\$	63,700	\$	63,700
29		2,785		2,215		2,400	Rentals		3,000		3,000		3,000
30		46,435		98,924		79,900	Interest		142,000		142,000		142,000
31		1,315		138		-	KARE Donations		800		800		800
31		9,484		13,355		4,900	Misc. Revenue		2,600		2,600		2,600
32	\$	113,072	\$	171,430	\$	143,300	Total Miscellaneous	\$	212,100	\$	212,100	\$	212,100
33													
34	\$	4,054,055	\$	4,064,052	\$	4,083,200	TOTAL GENERAL SUPPORT RESOURCES	\$	4,622,000	\$	4,622,000	\$	4,622,000
35	<u>TAXES</u>												
36													
37	\$	57,346	\$	66,274	\$	50,500	Hotel/Motel Tax	\$	78,300	\$	78,300	\$	78,300
38		63,988		116,630		124,200	Prior Year Taxes		116,100		116,100		116,100
39		2,583,019		2,726,894		2,995,900	Tax Base		3,142,000		3,142,000		3,142,000
40	\$	2,704,353	\$	2,909,798	\$	3,170,600	TOTAL TAXES	\$	3,336,400	\$	3,336,400	\$	3,336,400
41													
42	\$	6,758,408	\$	6,973,850	\$	7,253,800	TOTAL RESOURCES	\$	7,958,400	\$	7,958,400	\$	7,958,400

Notes:

- 22 Cigarette Tax apportionments are expected to decline 2% from FY07 per the League of Oregon Cities. Actual revenues in FY07 are expected to be approximately \$65,600.
- 23 Liquor Tax Revenues are expected to increase 12% from FY07 per the League of Oregon Cities. Actual revenues in FY07 are expected to be approximately \$366,400.
- 24 Peer Court Revenue includes funds from a variety of local grants.
- 30 Interest Revenue is based on FY07 earnings through 3/31/07 projected out to 6/30/07. The local government investment pool rates increased from 4.32% in February 2006 to 5.21% in February 2007.
- 31 Miscellaneous Revenues include one-time revenues that are not characterized by line-item descriptions.
- 37 Hotel Occupancy Tax Revenues are expected to be approximately \$78,300 in FY07. FY08 projections are based on this projection.
- 38 Delinquent Taxes are estimated using FY07 actuals projected to year-end.
- 39 Property Tax Revenues are expected to increase 3% over current year actual receipts. The budget anticipates 3% for increases in valuation (the maximum allowed by Ballot Measure 50) and 1% for new development.

GENERAL FUND

1	\$	712,169	\$	690,836	\$	746,400	GENERAL SUPPORT	\$	808,200	\$	817,700	\$	817,700
2													
3													
4							<u>PERSONNEL SERVICES</u>						
5	\$	26,434	\$	26,887	\$	28,400	City Manager	\$	30,700	\$	30,700	\$	30,700
6	-	-	-	-	-	-	Assistant to City Manager	26,900	26,900	26,900	26,900	26,900	26,900
7	46,206	45,513	46,800	44,600	44,600	44,600	City Recorder	44,600	44,600	44,600	44,600	44,600	44,600
8	77,345	74,962	80,200	83,200	83,200	83,200	Administrative Support Staff	83,200	83,200	83,200	83,200	83,200	83,200
9	30,273	32,575	34,500	39,800	39,800	39,800	Network Administrator	39,800	39,800	39,800	39,800	39,800	39,800
10	59,727	58,083	59,700	61,300	61,300	61,300	Human Resources Director	61,300	61,300	61,300	61,300	61,300	61,300
11	16,883	16,617	17,100	19,700	19,700	19,700	Finance Director	19,700	19,700	19,700	19,700	19,700	19,700
12	6,480	6,817	7,300	7,800	7,800	7,800	Facility Maintenance Worker	7,800	7,800	7,800	7,800	7,800	7,800
13	-	-	500	500	500	500	Overtime	500	500	500	500	500	500
14	1,078	1,176	900	900	900	900	Vehicle Allowance	900	900	900	900	900	900
15	-	1,400	1,400	1,400	1,400	1,400	Educational/Tuition Assistance	1,400	1,400	1,400	1,400	1,400	1,400
16	4,033	4,031	4,300	4,900	4,900	4,900	Medicare	4,900	4,900	4,900	4,900	4,900	4,900
17	45,489	47,193	51,600	57,800	57,800	57,800	Retirement	57,800	57,800	57,800	57,800	57,800	57,800
18	36,255	41,177	48,400	56,200	56,200	56,200	Insurance Benefits	56,200	56,200	56,200	56,200	56,200	56,200
19	2,138	-	-	-	-	-	Unemployment Costs	-	-	-	-	-	-
20	682	565	700	1,400	1,400	1,400	Workers Compensation	1,400	1,400	1,400	1,400	1,400	1,400
21	\$	353,023	\$	356,996	\$	381,800	TOTAL PERSONNEL SERVICES	\$	437,100	\$	437,100	\$	437,100

Notes:

Personnel Services changes include a 2.75% cost of living increase city-wide, merit increases, and reallocation of costs based on effort expended by staff on various programs. For more details see the Supplemental Information section of the budget document.

¹⁷ Sworn Police Officers, the City Manager, and the Public Works Director participate in the Oregon Public Employee's Retirement System (PERS). Employer contribution rates decreased from 16.65% in FY06 and FY07 to 13.32% for FY08 and FY09. All other employees participate in a private 401(a) plan at 12% for management staff and 11% for all other regular employees.

¹⁸ 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 12% and 8% respectively. In FY06, the City began paying the full cost of life insurance premiums (\$60,000 in coverage per employee). Staff does not expect these costs to increase in FY08.

¹⁹ Unemployment Costs are no longer budgeted. Costs, if any, are paid from salary savings.

²⁰ Workers Compensation rates are expected to increase 10% in FY08.

GENERAL FUND

22	<u>MATERIALS & SERVICES</u>												
23													
24	\$	10,023	\$	14,198	\$	14,000	Materials & Supplies	\$	13,800	\$	13,800	\$	13,800
25		449		-		2,600	Safety & Wellness*		2,500		2,500		2,500
26		1,266		359		700	KARE Expenses		900		900		900
27		14,654		16,914		23,600	Postage & Printing*		34,900		34,900		34,900
28		29,010		24,649		29,900	Association Membership*		31,800		31,800		31,800
29		10,370		8,737		12,100	Training & Travel*		17,600		17,600		17,600
30		4,816		2,624		4,800	City Council Expenses*		5,700		5,700		5,700
31		3,570		2,065		3,400	Advertising		3,400		3,400		3,400
32		63,985		50,291		55,000	Legal Services		29,200		29,200		29,200
33		-		-		6,900	Labor Attorney*		7,000		7,000		7,000
34		33,528		21,613		33,900	Contractual Services		28,000		28,000		28,000
35		5,137		6,348		5,600	Audit*		7,100		7,100		7,100
36		5,366		4,228		5,400	Janitorial*		5,400		5,400		5,400
37		3,283		3,990		4,500	Gas & Electricity*		4,900		4,900		4,900

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.
- ²⁵ Safety and Wellness includes \$300 for the First Aid Station; \$1,300 for industrial hearing tests, \$500 for publications & \$1,000 for the Health & Wellness Fair. Costs are allocated to all operating funds. The General Fund share is \$2,500 (see Supplemental Section for details).
- ²⁷ The US Postal Service will increase postage 5% beginning May 2007 for standard size mailings. Rates for larger mailings will increase over 30% as the USPS is going toward a sized-based rate system.
- ²⁸ 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.
- ²⁹ Training & Travel costs city-wide total \$110,800 compared to the \$90,500 budgeted in FY07. The increase is to provide for \$4,700 for committee meeting meals, \$6,600 for Department Head leadership training, \$4,000 Police Department training increases, \$3,000 for Finance Staff training on Software conversions and \$2,000 other miscellaneous increases.
- ³⁰ City Council Expenses include travel & training, miscellaneous office supplies & meetings during mealtimes.
- ³¹ Advertising costs are for staff recruitments and public notices.
- ³² The City's contract with the City Attorney provides for a 2% hourly rate increase beginning FY08.
- ³³ Labor Attorney costs are for review of Personnel Policies and related city-wide personnel issues.
- ³⁴ Contractual Services include city-wide shared costs such as recording services, storage unit rental, courier services and compilation of the citizen survey. In addition, approximately \$13,000 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

38	15,065	9,582	9,700	Telephone*	2,500	2,500	2,500
39	7,752	8,221	8,600	Insurance - Liability*	8,900	8,900	8,900
40	22,944	38,659	53,400	Computer Software & Maintenance*	59,700	59,700	59,700
41	5,679	5,123	5,200	Office Equipment Maintenance	7,400	7,400	7,400
42	28,765	18,337	25,700	Facility Maintenance*	26,200	26,200	26,200
43	16,993	19,369	18,600	Peer Court	19,700	19,700	19,700
44	-	607	-	Medical & Pre-employment Testing	700	700	700
45	11,469	13,255	10,100	Fire District - Hotel/Motel Tax	15,700	15,700	15,700
46	11,469	13,255	10,100	KAVA - Hotel/Motel Tax	15,700	15,700	15,700
47	40,610	40,515	-	Property Tax - Volcano Stadium	-	-	-
48	-	-	-	No Meth Task Force	-	6,000	6,000
49	-	-	-	Neighbor to Neighbor	-	800	800

Notes:

³⁸ Telephone service cost allocation changes in FY08 have been made to more accurately allocate costs to funds which directly benefit.

³⁹ The City's insurance carrier projects a 3% increase in rates. Projections are based on the FY07 budgeted amount.

⁴³ 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	\$ 17,500
- Volunteer Supplies	400
- Office Supplies/Materials	200
- Mailing/Postage	400
- Conference/Trainings	1,000
- Mileage	200
	<u>\$ 19,700</u>

⁴⁵⁻⁴⁶ Payments are based on 20% of the Hotel/Motel Tax Revenues by Council Resolution.

⁴⁷ FY06 was the last year the City was required to pay property taxes for the Stadium property per the lease agreement.

GENERAL FUND

47	1,033	1,286	6,000	Neighborhood Association Expense	6,000	6,000	6,000
48	864	1,027	1,000	Volunteer Recognition	1,500	1,500	1,500
49	2,000	2,000	2,000	Power - Salem Keizer School District	2,000	2,000	2,000
50	-	800	800	Youth Compact	800	-	-
51	-	-	6,000	Library Grant	6,000	6,000	6,000
52	-	-	-	Library Stipend	-	3,500	3,500
53	2,032	759	-	Miscellaneous Expense	1,100	1,100	1,100
54	7,014	5,029	5,000	Emergency Management Expense	5,000	5,000	5,000
55	\$ 359,146	\$ 333,840	\$ 364,600	TOTAL MATERIALS & SERVICES	\$ 371,100	\$ 380,600	\$ 380,600
56							
57							
58	\$ 712,169	\$ 690,836	\$ 746,400	TOTAL EXPENDITURES	\$ 808,200	\$ 817,700	\$ 817,700

Notes:

⁴⁷ Expenditures are limited to \$1,500 per recognized neighborhood association. Additional funds are appropriated so that new organizations can apply to the City Council to support related programs.

⁵⁷ The \$6,000 Library Grant budgeted in FY07 was not expended and is therefore carried over to FY08.

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 Adjustment		500
	\$	<u>5,000</u>

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 06-07 saw the addition of the Keizer Rapids Park to the City land inventory. Improvements in the existing parks consisted of completing the new equipment storage building, and replacing the siding and roof on the existing storage building. Paved pathways were completed at Meadows Park out to River Road and at Willamette Manor Park to the picnic shelter.

PROJECTS PROPOSED FY 07-08

◆ Replace Spring Rider Toys at Various Parks	\$4,000
◆ Place Metal Picnic Tables in Various Parks	\$6,000
Willamette Manor Park	
◆ Replace Drinking Fountain	<u>\$3,000</u>

TOTAL	<u>\$13,000</u>
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GENERAL FUND

2	\$	3,595	\$	5,048	\$	4,700	<i>Working Capital Carryforward:</i>	\$	5,300	\$	5,300	\$	5,300
3		2,019		1,569		1,500	Park Donations		1,400		1,400		1,400
4		2,248		2,523		2,700	Skate Park - Donations		3,000		3,000		3,000
5							Recreation Donations						
6													
7							<u>LICENSES & FEES</u>						
8		2,350		2,780		1,400	Park Reservation Fees		2,000		2,000		2,000
9													
10							<u>MISCELLANEOUS</u>						
11		3,440		2,823		-	Park Donations		-		-		-
12		523		395		-	Recreation Donations		-		-		-
13		587		99		-	Skate Park - Donations		-		-		-
14	\$	4,550	\$	3,317	\$	-	Total Miscellaneous	\$	-	\$	-	\$	-
15													
16													
17		122,243		146,356		173,400	GENERAL SUPPORT RESOURCES		254,400		254,400		254,400
18	\$	137,005	\$	161,593	\$	183,700	TOTAL RESOURCES	\$	266,100	\$	266,100	\$	266,100

Notes:

- 2-4 Donations are dedicated revenues and are restricted for use in the Parks operations and maintenance.
- 8 Fees are based on historical trends.
- 11-13 Additional Donations Revenues are not anticipated in FY08.
- 17 General Support Resources equal at least 2.5% of General Fund Revenues as provided for by Council City policy.

GENERAL FUND

<u>PERSONNEL SERVICES</u>													
21													
22	\$	1,866	\$	1,829	\$	1,900	Public Works Director	\$	2,000	\$	2,000	\$	2,000
23		3,477		3,582		3,700	Public Works Superintendent		4,000		4,000		4,000
24		40,464		39,930		41,000	Municipal Utility Workers		78,100		78,100		78,100
25		3,166		3,340		3,700	Administrative Support Staff		4,100		4,100		4,100
26		12,942		15,672		16,000	Seasonal Help		42,000		42,000		42,000
27		936		973		1,100	Medicare		2,000		2,000		2,000
28		8,244		8,327		8,800	Retirement		15,200		15,200		15,200
29		9,007		9,863		11,500	Insurance Benefits		24,500		24,500		24,500
30		-		-		500	Unemployment		-		-		-
31		1,319		774		1,300	Workers Compensation		2,400		2,400		2,400
32	\$	81,421	\$	84,290	\$	89,500	TOTAL PERSONNEL SERVICES	\$	174,300	\$	174,300	\$	174,300

Notes:

- 24 FY08 provides for a new Parks employee.
- 26 Seasonal Help has been increased in FY08 to provide for maintenance to Keizer Rapids Park.
- 28 Sworn Police Officers, the City Manager, and the Public Works Director participate in the Oregon Public Employee's Retirement System (PERS). Employer contribution rates decreased from 16.65% in FY06 and FY07 to 13.32% for FY08 and FY09. All other employees participate in a private 401(a) plan at 12% for management staff and 11% for all other regular employees.
- 29 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 12% and 8% respectively. In FY06, the City began paying the full cost of life insurance premiums (\$60,000 in coverage per employee). Staff does not expect these costs to increase in FY08.
- 31 Workers Compensation rates are expected to increase 10% in FY08.

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GENERAL FUND

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CAPITAL OUTLAY

\$	10,942	\$	20,426	\$	16,600	Capital Improvements	\$	13,000	\$	13,000	\$	13,000
	-		-		8,000	Field Equipment		4,000		4,000		4,000
\$	10,942	\$	20,426	\$	24,600	TOTAL CAPITAL OUTLAY	\$	17,000	\$	17,000	\$	17,000
\$	137,005	\$	161,593	\$	183,700	TOTAL EXPENDITURES	\$	266,100	\$	266,100	\$	266,100

Notes:

61 Capital Improvements are for projects listed in the narrative preceding this page.

COMMUNITY DEVELOPMENT

The Community Development Department manages City development activities, Urban Renewal activities, community plans, building permits processes, 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, development code revisions 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 other appropriate staff and departments 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 is instrumental in

region-wide planning and transportation issues such as the Salem Keizer Transportation Study and the Mid-Willamette Valley Area Commission on Transportation. It is in these forums where 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, design review 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 proactive in seeking out and developing partnerships in the region and community with organizations, businesses, and individuals such as the Chamber of Commerce and private property owners.

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

The City of Keizer continues to develop despite a dwindling supply of available land. There has been some increase in Land Use Applications due to increased activity at Keizer Station. However, the number of subdivision and partition applications has remained roughly consistent.

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
2006	45	324

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, as well as maintaining the high standards of the Keizer Station Development, addressing the issues surrounding Growth Management Boundary, changes to the statewide planning goals, and the Transportation Growth Management grant for the Transportation System Plan amendment.

The department continues the process of updating sections of the Keizer Development Code with over 20 text amendment projects outlined with the Planning Commission.

The Community Development Department looks forward to continued strengthened communication with other departments and agencies to streamline the development process and ensure effective administration of development code provisions, and to continue in delivering a high level of customer support, improving that support where possible.

GENERAL FUND

LICENSES & FEES

1	\$	23,434	\$	68,093	\$	25,300	Land Use Application Fees	\$	25,300	\$	25,300	\$	25,300
2		12,546		18,179		14,800	Building Fees - Zoning		14,800		14,800		14,800
3		18,781		22,056		16,800	Permit Fees		16,800		16,800		16,800
4		7,510		-		-	Driveway Permits		-		-		-
5	\$	62,271	\$	108,328	\$	56,900	Total Licenses & Fees	\$	56,900	\$	56,900	\$	56,900

INTERGOVERNMENTAL

9	\$	20,813	\$	1,922	\$	65,000	Transportation Grants	\$	144,600	\$	144,600	\$	144,600
10		1,000		-		-	Community Development Grant		-		-		-
11	\$	21,813	\$	1,922	\$	65,000	Total Intergovernmental	\$	144,600	\$	144,600	\$	144,600

MISCELLANEOUS

15	\$	-	\$	15,444	\$	5,000	Nuisance Abatement	\$	5,000	\$	5,000	\$	5,000
18	\$	84,084	\$	125,694	\$	126,900	TOTAL ACTIVITY GENERATED	\$	206,500	\$	206,500	\$	206,500
20		278,971		218,913		330,600	GENERAL SUPPORT RESOURCES		343,700		343,700		343,700
21	\$	363,055	\$	344,607	\$	457,500	TOTAL RESOURCES	\$	550,200	\$	550,200	\$	550,200

Notes:

¹⁻⁵ Fees are based on FY07 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 FY07 will not be received until FY08 and has therefore been carried over to the upcoming fiscal year.

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²⁵ In FY04 the Community Development Department reorganized. The Code Enforcement/Zoning Technician position was split into 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

³⁶ Sworn Police Officers, the City Manager, and the Public Works Director participate in the Oregon Public Employee's Retirement System (PERS). Employer contribution rates decreased from 16.65% in FY06 and FY07 to 13.32% for FY08 and FY09. All other employees participate in a private 401(a) plan at 12% for management staff and 11% for all other regular employees.

³⁷ 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 12% and 8% respectively. In FY06, the City began paying the full cost of life insurance premiums [\$60,000 in coverage per employee]. Staff does not expect these costs to increase in FY08.

³⁸ Workers Compensation rates are expected to increase 10% in FY08.

40	<u>MATERIALS & SERVICES</u>										
41											
42											
43	\$	2,511	\$	2,670	\$	3,800	Materials & Supplies	\$	3,800	\$	3,800
44		761		172		700	Mapping Supplies & Services		700		700
45		639		1,382		2,700	Postage & Printing		6,300		6,300
46		5,623		3,166		5,200	Travel & Training**		4,600		4,600
47		5,441		5,455		2,800	Legal Advertising		2,800		2,800
48		57,050		37,028		35,000	Legal Services		35,700		35,700
49		3,594		4,540		2,400	Contractual Services		2,800		2,800
50		6,600		6,600		8,400	Hearings Officer		9,000		9,000
51		-		41		6,300	Engineering Services		6,300		6,300
52		657		643		1,000	Telephone		1,000		1,000
53		615		696		800	Gasoline		800		800
54		261		-		-	Computer Software		-		-
55		-		100		5,000	Nuisance Abatement		5,000		5,000
56		-		31		100	Medical Testing		100		100
57		-		-		65,000	Transportation Systems Plan		144,600		144,600
58		24,369		110		-	Grant Expenses		-		-
59	\$	108,121	\$	62,634	\$	139,200	TOTAL MATERIALS & SERVICES	\$	223,500	\$	223,500
60											
61	\$	363,055	\$	344,607	\$	457,500	TOTAL EXPENDITURES	\$	550,200	\$	550,200

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.

⁴⁵ Postage & Printing has increased to provide for additional City-wide mailings in FY08.

⁴⁸ The City's contract with the City Attorney provides for a 2% hourly rate increase beginning FY08.

⁴⁹ Contractual Services include GIS support, ordinance writing and land use review.

Municipal Court

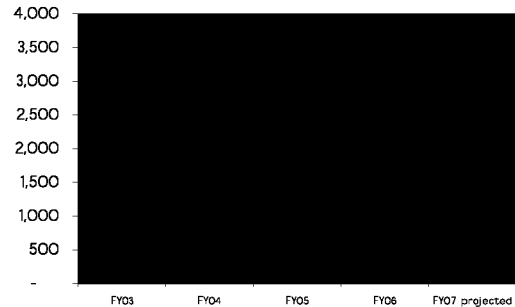
The Municipal Court administers the judicial system for the City of Keizer. The Court handles traffic infractions and City code violations resulting from the enforcement by the Keizer Police Department. Municipal Court arraignments and hearings are held each Wednesday and are presided over by an independent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

Accomplishments . . .

Municipal Court staff continued research and implementation of 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 kept the workload up to current status. By efficiently tracking past due and delinquent accounts and processing them for collection the Court office surpassed projected collection revenues nearly 150%.

Court Staff has continued to train additional Finance Department staff to assist Court customers at all times. Cross training has helped the Court staff meet the increasing needs of their customers and provide quality customer service expected from the City of Keizer Staff.

Citations Processed



Future Goals . . .

Municipal Court staff continues to look 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. Citation information being readily available will provide immediate information to the Court staff, which will allow faster processing of citations, and customers needs.

The Court Staff continue to plan ahead for the new Civic Center, researching and planning for future needs of the Municipal Court. The Court Staff look forward to this opportunity to incorporate a modern and efficient filing system to store and easily access Court files.

The Court Staff will continue to use the Court software to automatically track citations through the various stages of compliance.

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

The FY08 budget provides for the increase in Municipal Court Staff by 0.5 FTE. This will give the Court office two full-time Municipal Court Clerks. Increased staff levels will allow better service to defendants and timelier follow up on non-compliant defendants. Staff believes the increases in Municipal Court revenues will not only fund the additional .5 FTE, but justify the need for additional resources.

GENERAL FUND

FINES & FORFEITS

\$	313,646	\$	302,669	\$	302,300	Municipal Court Fines	\$	314,600	\$	314,600	\$	314,600
	95,596		177,700		156,400	Collections - Past Due		206,700		206,700		206,700
\$	409,242	\$	480,369	\$	458,700	Total Fines & Forfeits	\$	521,300	\$	521,300	\$	521,300

AVAILABLE FOR GENERAL SUPPORT

\$	201,726	\$	280,291	\$	226,400	AVAILABLE FOR GENERAL SUPPORT	\$	239,500	\$	239,500	\$	239,500
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PERSONNEL SERVICES

\$	11,414	\$	17,231	\$	17,700	Administrative Support Staff	\$	8,100	\$	8,100	\$	8,100
	32,543		34,065		36,100	Court Clerks		77,100		77,100		77,100
	233		-		-	Overtime		500		500		500
	687		789		900	Medicare		1,400		1,400		1,400
	7,226		8,721		9,200	Retirement		14,600		14,600		14,600
	15,376		12,652		14,700	Insurance Benefits		25,400		25,400		25,400
	127		132		100	Workers Compensation		200		200		200
\$	67,606	\$	73,590	\$	78,700	TOTAL PERSONNEL SERVICES	\$	127,300	\$	127,300	\$	127,300

Notes:

- ¹ During FY07, the State of Oregon increase Municipal Court Fines an average 3-5% over the previous fee structure. Additionally, the State imposed a new State Court Facilities Security Assessment. This assessment ranges from \$3-\$7 per violation.
- ⁴ Past Due Collections have increased because accounts are now turned over to the collection agency after a defendant falls into default 90 days after the Judge's ruling. Additionally, an increase in staff efforts have resulted in timelier follow up on past due accounts.
- ¹⁴⁻¹⁵ The FY08 Manager's Recommended Budget provides for two full-time Court Clerks and .25 FTE for Administrative Support Staff. FY07 provided for one full-time Court Clerk and .50 FTE for Administrative Support Staff.
- ¹⁸ Sworn Police Officers, the City Manager, and the Public Works Director participate in the Oregon Public Employee's Retirement System (PERS). Employer contribution rates decreased from 16.65% in FY06 and FY07 to 13.32% for FY08 and FY09. All other employees participate in a private 401(a) plan at 12% for management staff and 11% for all other regular employees.
- 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 12% and 8% respectively. In FY06, the City began paying the full cost of life insurance premiums (\$60,000 in coverage per employee). Staff does not expect these costs to increase in FY08.
- ²⁰ Workers Compensation rates are expected to increase 10% in FY08.

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POLICE

The submitted Keizer Police Department budget is based on attaining staffing levels 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 a history of lagging behind in its officer-to-population ratio. This leaves us in a primarily reactive mode instead of the preferred proactive mode. Two years ago we introduced a four year plan for increasing police department staff annually in order to prevent the department from falling into a staffing crisis that would require numerous additional personnel in one year. 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 have moved from being a bedroom community to a complex city with our own large commercial district and the police call load continues to grow to match. The department currently provides police service to 35,000 residents and protects over \$1.5 billion worth of property.

The Future

As the Keizer Station development builds out we will see increased demands for police service in this new commercial area, and with the development of Keizer

Rapids Park we will see new responsibilities providing police services to the park. Recruiting of qualified police personnel is becoming increasingly difficult with demand out pacing supply. Our rookie officers now attend a 16 week basic training academy. The increased training time and the field training program required to prepare a new police officer for the job results in approximately a one year lag time from hiring a new officer to having a performing solo officer. When you combine the training time and the natural turn over of personnel we continuously run short of police personnel.

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 continue to fully staff the Community Response Unit with the unit currently assigned full time to investigating street level methamphetamine dealers. We will continue this fiscal year to partner with all of Marion County police agencies in staffing a mid-level dealer methamphetamine task force. We also have assigned one officer to a DEA task force investigating major drug dealing organizations that impact Keizer.

GENERAL FUND

Working Capital Carryforward:													
2	\$	-	\$	-	\$	3,100	K-9 Donations	\$	11,600	\$	11,600	\$	11,600
3	-	-	1,894	-	-	-	Cadet Donations	-	1,700	-	1,700	-	1,700
4	-	-	653	-	-	-	Reserve Donations	-	-	-	-	-	-
5	-	-	-	-	-	-	MATT Grant	-	4,800	-	4,800	-	4,800
6	-	-	-	-	-	-	Meth Task Force Grant	-	32,800	-	32,800	-	32,800
7	<u>INTERGOVERNMENTAL</u>												
8	145,803	151,217	155,200	SRO Contract	166,300	166,300	166,300						
9	18,118	12,036	72,000	Grants	33,200	33,200	33,200						
10	\$ 163,921	\$ 163,253	\$ 227,200	Total Intergovernmental	\$ 199,500	\$ 199,500	\$ 199,500						
11	<u>FINES & FORFEITS</u>												
12	64,085	64,600	69,600	Impound Fees	81,700	81,700	81,700						
13	-	278	3,000	Civil/Criminal Forfeitures	2,600	2,600	2,600						
14	\$ 64,085	\$ 64,878	\$ 72,600	Total Fines & Forfeits	\$ 84,300	\$ 84,300	\$ 84,300						
15	<u>MISCELLANEOUS</u>												
16	\$ 1,949	\$ -	1,000	Cadet Donations	1,000	1,000	1,000						
17	-	900	1,000	Reserve Officer Donations	1,000	1,000	1,000						
18	-	10,025	-	Police Donations	-	-	-						
19	3,250	100	3,000	K-9 Donations	-	-	-						
20	7,804	7,192	3,000	Special Duty Officers	7,000	7,000	7,000						
21	6,897	15,239	18,500	Miscellaneous	18,500	18,500	18,500						
22	\$ 19,900	\$ 33,456	\$ 26,500	Total Miscellaneous	\$ 27,500	\$ 27,500	\$ 27,500						
23													
24	\$ 247,906	\$ 264,134	\$ 329,400	TOTAL ACTIVITY GENERATED	\$ 362,200	\$ 362,200	\$ 362,200						
25	4,319,956	4,515,030	4,913,100	GENERAL SUPPORT RESOURCES	5,290,200	5,290,200	5,290,200						
26	\$ 4,567,862	\$ 4,779,164	\$ 5,242,500	TOTAL RESOURCES	\$ 5,652,400	\$ 5,652,400	\$ 5,652,400						

Notes:

- ⁶ \$60,000 was received in FY07 which funds an officer for 11 months. The officer began February 2007 so 6 of the 11 months are carried over to FY08.
- ⁸ Funds are from the Salem/Keizer School District which partially pay for School Resource Officers plus related overhead costs.
- ⁹ Grant Funds are for a MATT Grant to fund overtime costs estimated at \$6,000, plus \$27,200 anticipated for a Meth Task Force Grant to fund an additional 5 months for an officer's salary and benefits.
- ¹² Beginning FY07 the City increased Impound Fees from \$100 to \$115.
- ¹³ Civil/Criminal Forfeitures include the City's share of money confiscated by the Police Department during drug busts and related arrests.
- ²¹ Miscellaneous Revenue includes receipts for police report requests, surplus sales, and one-time revenues.

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32	\$	30,421	\$	37,219	\$	39,400	Administrative Assistant	\$	42,500	\$	42,500	\$	42,500
33		6,480		6,817		7,300	Facility Maintenance Worker		7,800		7,800		7,800
34		92,868		91,481		93,900	Chief of Police		103,300		103,300		103,300
35		160,455		158,052		162,400	Captains		178,600		178,600		178,600
36		415,704		409,763		492,300	Sergeants		532,800		532,800		532,800
37		235,250		234,764		238,900	Detectives		248,400		248,400		248,400
38		1,157,214		1,186,487		1,291,000	Police Officers		1,359,400		1,359,400		1,359,400
39		40,834		31,853		35,700	Community Service Officer		47,400		47,400		47,400
40		218,978		221,001		224,900	Support Specialists		231,300		231,300		231,300
41		174,253		173,768		169,100	School Resource Officers		180,700		180,700		180,700
42		45,020		44,001		45,200	Investigative Services Specialist		46,500		46,500		46,500
43		3,757		1,279		5,000	Background Investigations Officer		5,000		5,000		5,000
44		2,402		3,548		7,500	Reserve Officers		7,500		7,500		7,500
45		159,427		179,720		192,000	Overtime		245,700		245,700		245,700
46		41,888		42,441		45,800	Medicare		49,500		49,500		49,500
47		650,633		720,133		794,400	Retirement		770,500		770,500		770,500
48		364,880		395,793		481,900	Insurance Benefits		555,300		555,300		555,300
49		7,961		1,721		-	Unemployment Insurance		-		-		-
50		64,506		66,304		79,500	Workers Compensation		84,500		84,500		84,500
51	\$	3,872,931	\$	4,006,145	\$	4,406,200	TOTAL PERSONNEL SERVICES	\$	4,696,700	\$	4,696,700	\$	4,696,700

Personnel Services changes include a 2.75% cost of living increase city-wide, merit increases, and reallocation of costs based on effort expended by staff on various programs. For more details see the Supplemental Information section of the budget document.

⁴⁶ Beginning in FY06, the Budget provides for reinstatement of a Police Officer position that was frozen in FY02 because of funding constraints.

⁴⁷ The need for overtime depends on the number and complexity of crimes. Overtime costs are approximately 10% of sworn-represented staff salaries. Additionally, \$13,500 has been budgeted to provide for special projects funded by Overtime Grants.

⁴⁸ Sworn Police Officers, the City Manager, and the Public Works Director participate in the Oregon Public Employee's Retirement System (PERS). Employer contribution rates decreased from 16.65% in FY06 and FY07 to 13.32% for FY08 and FY09. All other employees participate in a private 401(a) plan at 12% for management staff and 11% for all other regular employees.

⁴⁹ 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 12% and 8% respectively. In FY06, the City began paying the full cost of life insurance premiums (\$60,000 in coverage per employee). Staff does not expect these costs to increase in FY08.

⁵⁰ Workers Compensation rates are expected to increase 10% in FY08.

GENERAL FUND

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MATERIALS & SERVICES

\$	13,817	\$	10,608	\$	21,000	Materials & Supplies	\$	21,000	\$	21,000	\$	21,000
	741		1,147		2,000	Cadet Program		2,000		2,000		2,000
	1,989		6,611		6,000	Reserve Officer Program		6,000		6,000		6,000
	18,215		26,225		28,000	Clothing		29,000		29,000		29,000
	3,017		3,654		12,000	K-9 Supplies		10,000		10,000		10,000
	8,642		13,251		16,000	Postage & Printing		17,000		17,000		17,000
	23,004		28,584		30,100	Travel & Training		34,200		34,200		34,200
	952		2,115		4,000	Tuition Reimbursement		4,000		4,000		4,000
	1,224		2,117		3,000	Advertising - Employee Recruitments		3,000		3,000		3,000
	17,236		44,340		17,500	Labor Attorney		18,000		18,000		18,000
	1,604		6,526		6,000	Contractual Services		12,100		12,100		12,100
	-		-		-	Crime Analyst Contract		26,600		26,600		26,600
	-		-		3,000	Civil/Criminal Forfeiture		2,600		2,600		2,600
	15,675		13,075		19,600	Janitorial*		19,700		19,700		19,700
	15,009		15,954		16,700	Gas & Electricity*		16,700		16,700		16,700
	21,899		23,733		26,500	Telephone*		30,000		30,000		30,000
	70,123		74,007		78,200	Insurance - Liability*		80,600		80,600		80,600

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.

⁵⁹ K-9 supplies doubled from FY07 because the Police Department plans to maintain two dogs in FY08.

⁶⁴ Labor attorney costs are for Union negotiations including dispute resolution.

⁶⁵ Contract with Crisis Chaplaincy Services for Emergency Chaplaincy Services funded by all Police agencies within Marion County. The increase in FY08 is for the Lexipol Policy and Procedure Training and Update service.

⁶⁶ The Police Department expects to contract with the City of Salem to provide Crime Data Analysis services to the City of Keizer. Funds appropriated will support 1/3 of the cost of this position.

⁶⁷ Civil/Criminal Forfeitures are for the expenditure of Civil/Criminal Forfeiture Revenue. These funds are restricted for uses directly related to crime.

⁷¹ The City's insurance carrier projects a 3% increase in rates. Projections are based on the FY07 budgeted amount.

GENERAL FUND

72	\$	27,913	\$	26,254	\$	35,000	Vehicle Lease	\$	40,000	\$	40,000	\$	40,000
73		1,684		8,652		15,700	Vehicle & Equipment Rental		18,000		18,000		18,000
74		48,430		61,565		60,000	Gasoline		69,000		69,000		69,000
75		5,649		-		-	Computer Software		-		-		-
76		27,354		31,238		30,000	Maintenance-Vehicles		35,000		35,000		35,000
77		14,306		6,630		20,000	Maintenance-Equipment		20,000		20,000		20,000
78		1,873		3,620		5,000	Community Services Unit		5,000		5,000		5,000
79		18,756		12,819		28,000	Operating Materials		28,000		28,000		28,000
80		9,340		10,000		12,000	Ammo/Weapons		13,000		13,000		13,000
81		201,391		203,393		209,400	Salem Communications		229,700		229,700		229,700
82		31,997		27,663		25,000	Radio & Mobile Systems Support		25,500		25,500		25,500
83		68,794		74,339		74,200	RAIN/PRIORS		96,000		96,000		96,000
84		11,089		15,154		16,000	Investigations		16,000		16,000		16,000
85		7,822		1,298		4,000	Crime Prevention		4,000		4,000		4,000
86		3,717		7,406		11,400	Medical & Pre-employment Testing		11,400		11,400		11,400
87		1,669		1,041		1,000	Miscellaneous		1,000		1,000		1,000
88	\$	694,931	\$	763,019	\$	836,300	TOTAL MATERIALS AND SERVICES	\$	944,100	\$	944,100	\$	944,100
89													
90							<u>CAPITAL OUTLAY</u>						
91													
92	\$	-	\$	10,000	\$	-	Auto Video Cameras	\$	-	\$	-	\$	-
93		-		-		-	K-9 Dog		11,600		11,600		11,600
94		-		10,000		-	TOTAL CAPITAL OUTLAY		11,600		11,600		11,600
95													
96	\$	4,567,862	\$	4,779,164	\$	5,242,500	TOTAL EXPENDITURES	\$	5,652,400	\$	5,652,400	\$	5,652,400

Notes:

- ⁷³ Beginning with the FY06 budget, \$7,200 was 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 was added to the rental line-item. An additional \$2,300 is needed for FY08.
- ⁷⁴ The increase in gasoline over FY07 reflects an estimated 15% increase in prices.
- ⁷⁸ Costs include community related activities such as National Night Out.
- ⁸¹ Costs are shared with the 9-1-1 Fund and represent 59% of the total costs for Dispatch Services from Willamette Valley Communications.
- ⁸³ Increase in costs result from the City of Salem billing errors back to FY05. Salem is back billing for the undercharged amounts.
- ⁸⁷ Miscellaneous costs are one-time expenditures that are not characterized by existing line-item descriptions.
- ⁹³ The purchase of the K-9 dog is from donations carried over from previous fiscal years.

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	\$	28,249	\$	58,547	\$	22,400	Working Capital Carryforward	\$	-	\$	-	\$	-
2		187,714		220,101		215,400	State Revenue Sharing		215,100		215,100		215,100
3		-		5,942		-	Federal Grants		-		-		-
4		-		1,143		-	Police Misc Revenue		2,700		2,700		2,700
5		246,000		41,300		122,700	Transfer from General Fund		145,600		145,600		145,600
6	\$	461,963	\$	327,033	\$	360,500	TOTAL RESOURCES	\$	363,400	\$	363,400	\$	363,400

Notes:

- ² Actual State Revenue Sharing dollars are above projections in FY07. FY08 projections are based on FY07 actuals projected out to year-end. The State of Oregon does not anticipate an increase in distributions for FY08.
- 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 FY08 to cover all General Government Capital Outlay needs.

24
25

* 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.

The Police Officer Equipment for FY08 is for 13 tasers, 4 helmets, motorcycle gear and video cameras. \$41,000 is unexpended carryover of funds for an Electronic Citations System.

	FY07-08	FY08-09
5 cars, lease expires 01/2008	\$ 65,000	\$ 55,000
3 cars, lease expires 03/2009	11,000	11,000
2 cars, lease expires 05/2009	25,700	25,700
6 cars, lease expires 03/2010	68,900	68,900
2 cars, lease expires 05/2012	0	15,000
	<u>\$ 170,600</u>	<u>\$175,600</u>

PUBLIC EDUCATION GOVERNMENT 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.

Recent legislative action is threatening continuation of PEG Revenues. Should Revenues cease by the end of FY08, Fund Balance plus Contingency (if unspent in FY08) will be sufficient to pay monthly broadcasting expenses through FY09.

SPECIAL REVENUE FUND

1	\$	48,341	\$	20,525	\$	29,000	Working Capital Carryforward	\$	44,000	\$	44,000	\$	44,000
2		83,637		85,731		83,400	PEG Fees		92,400		92,400		92,400
3		56		179		200	Interest Earnings		-		-		-
4		-		2,700		-	Transfer from General Fund		-		-		-
5	\$	132,034	\$	109,135	\$	112,600	TOTAL RESOURCES	\$	136,400	\$	136,400	\$	136,400
6													
7													
8	<u>MATERIALS & SERVICES</u>												
9													
10		60,000		61,320		61,400	Broadcasting		62,300		62,300		62,300
11	\$	60,000	\$	61,320	\$	61,400	TOTAL MATERIALS & SERVICES	\$	62,300	\$	62,300	\$	62,300
12													
13	<u>CAPITAL OUTLAY</u>												
14													
15		51,509		16,323		15,200	Television Equipment		15,000		20,000		20,000
16	\$	51,509	\$	16,323	\$	15,200	TOTAL CAPITAL OUTLAY	\$	15,000	\$	20,000	\$	20,000
17													
18	\$	-	\$	-	\$	2,700	Transfer to General Fund	\$	-	\$	-	\$	-
19													
20	\$	111,509	\$	77,643	\$	79,300	TOTAL EXPENDITURES	\$	77,300	\$	82,300	\$	82,300
21													
22													
23													
24	\$	-	\$	-	\$	8,300	Contingency	\$	25,000	\$	25,000	\$	25,000
25		20,525		31,492		25,000	Undesignated Ending Fund Balance		34,100		29,100		29,100
26													
27	\$	132,034	\$	109,135	\$	112,600	TOTAL EXPENDITURE & FUND BALANCE	\$	136,400	\$	136,400	\$	136,400

Notes:

- ² Revenues are based on FY07 actuals projected to year-end.
- ¹⁰ Broadcasting costs are \$5,110 per month plus \$1,000 for maintenance and repair of equipment
- 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 \$45,000 will be paid in equal installments in FY06, FY07 and FY08.
- ¹⁸ The transfer in FY07 was to repay the General Fund for a loan made in FY06.
- ²⁵ Recent legislative action is threatening continuation of PEG Revenues. Should Revenues cease by the end of FY08, Fund Balance plus Contingency (if unspent in FY08) will be sufficient to pay monthly broadcasting expenses through FY09.

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.

9-1-1 Excise Tax revenues have been insufficient in recent years to fully fund the Program. Consequently, the General Fund subsidizes this fund at approximately \$80,000 per year.

SPECIAL REVENUE FUND

1	\$	47,883	\$	32,880	\$	-	Working Capital Carryforward	\$	-	\$	-	\$	-
2		182,155		110,044		149,500	9-1-1 Excise Tax		173,300		173,300		173,300
3		22		-		100	Interest		-		-		-
4		33,400		50,000		81,800	Transfer from General Fund		80,700		80,700		80,700
5	\$	263,460	\$	192,924	\$	231,400	TOTAL RESOURCES	\$	254,000	\$	254,000	\$	254,000
6													
7													
8													
9							MATERIALS & SERVICES						
10													
11	\$	21,437	\$	18,298	\$	19,500	Radio & Mobile Systems Support	\$	20,200	\$	20,200	\$	20,200
12		128,758		135,596		147,600	Emergency 9-1-1 and Dispatch Calls		159,200		159,200		159,200
13		80,385		61,991		64,300	Distributions to 9-1-1 Agencies		74,600		74,600		74,600
14	\$	230,580	\$	215,885	\$	231,400	TOTAL MATERIALS & SERVICES	\$	254,000	\$	254,000	\$	254,000
15													
16		-		-		-	Transfer to General Fund						
17													
18													
19													
20		32,880		(22,961)		-	Undesignated Ending Fund Balance		-		-		-
21													
22	\$	263,460	\$	192,924	\$	231,400	TOTAL EXPENDITURE & FUND BALANCE	\$	254,000	\$	254,000	\$	254,000

Notes:

- ² 9-1-1 Tax Revenue projections are based on FY07 actual revenues. FY07 revenue is adjusted for the League of Oregon Cities' projected 3% decrease in FY08.
- ³ Interest Revenue is not budgeted for this fund because it is supplemented using General Fund Revenues.
- ⁴ A transfer is needed from the General Fund since projected expenditures exceed projected revenues for FY08.
- ¹² Of the estimated \$388,900 for the Salem Communications Center, Radio Fees and Mobile Data Terminal Fees, 41% is attributed to emergency phone service and is therefore allocated to the 9-1-1 Fund.
- ¹³ Of the estimated \$173,300 is 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

1	\$	109,976	\$	121,113	\$	134,600	Working Capital Carryforward	\$	177,500	\$	177,500	\$	177,500
2		8,714		9,151		-	Loan Proceeds		-		-		-
3		2,423		4,940		4,300	Interest Revenue		7,500		7,500		7,500
4	\$	121,113	\$	135,204	\$	138,900	TOTAL RESOURCES	\$	185,000	\$	185,000	\$	185,000
5													
6													
7													
8	\$	-	\$	-	\$	-	Contractual Services	\$	-	\$	-	\$	-
9		-		-		-	Housing Rehabilitation Services		-		-		-
10	\$	-	\$	-	\$	-	TOTAL MATERIALS & SERVICES	\$	-	\$	-	\$	-
11													
12													
13													
14		121,113		135,204		138,900	Undesignated Ending Fund Balance		185,000		185,000		185,000
15													
16													
17	\$	121,113	\$	135,204	\$	138,900	TOTAL EXPENDITURE & FUND BALANCE	\$	185,000	\$	185,000	\$	185,000

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 FY08.

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		12,965		88,565		50,000	Police Grants		50,000		50,000		50,000
3		-		-		-	Interest/Donations		-		-		-
4		4,432		-		-	Transfer from General Fund		-		-		-
5	\$	13,557	\$	88,565	\$	50,000	TOTAL RESOURCES	\$	50,000	\$	50,000	\$	50,000
6													
7													
8													
9													
10													
11													
12	\$	12,898	\$	8,514	\$	25,000	Materials & Supplies	\$	25,000	\$	25,000	\$	25,000
13	\$	12,898	\$	8,514	\$	25,000	TOTAL MATERIALS & SERVICES	\$	25,000	\$	25,000	\$	25,000
14													
15													
16													
17	\$	-	\$	82,782	\$	25,000	Equipment	\$	25,000	\$	25,000	\$	25,000
18	\$	-	\$	82,782	\$	25,000	TOTAL CAPITAL OUTLAY	\$	25,000	\$	25,000	\$	25,000
19													
20	\$	12,898	\$	91,296	\$	50,000	TOTAL EXPENDITURES	\$	50,000	\$	50,000	\$	50,000
21													
22													
23													
24	\$	659	\$	-	\$	-	Transfer to the General Fund	\$	-	\$	-	\$	-
25													
26													
27													
28		-		(2,731)		-	FUND BALANCE		-		-		-
29													
30	\$	13,557	\$	88,565	\$	50,000	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.

28 The fund balance deficit in FY06 was caused by 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.

SPECIAL REVENUE FUND

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

1	\$	-	\$	-	\$	1,157,900	Working Capital Carryforward	\$	347,000	\$	347,000	\$	347,000
2		400,000		800,000		-	Proceeds from Area D		-		-		-
3		-		387,644		-	Interest		-		-		-
4		-		19,570,000		6,500,000	Loan Proceeds		1,764,700		1,764,700		1,764,700
5		1,126,953		-		-	Intergovernmental Loan from Urban Renewal						
6	\$	1,526,953	\$	20,757,644	\$	7,657,900	TOTAL RESOURCES	\$	2,111,700	\$	2,111,700	\$	2,111,700

Notes:

⁴ Additional funds may need to be borrowed to complete the project since construction costs have come in over budget.

3 [REDACTED]

\$	-	\$	148,880	\$	21,600	Contractual Services - Administration Fee	\$	9,700	\$	9,700	\$	9,700
	8,500		10,049		-	- Line of Credit Issuance Costs		-		-		-
	-		378,601		-	- Interest on Line of Credit		-		-		-
\$	8,500	\$	537,530	\$	21,600	TOTAL MATERIALS & SERVICES	\$	9,700	\$	9,700	\$	9,700

	\$ 1,518,453	\$ 19,574,001	\$ 7,609,300	Improvements	\$ 2,102,000	\$ 2,102,000	\$ 2,102,000
	\$ 1,518,453	\$ 19,574,001	\$ 7,609,300	TOTAL CAPITAL OUTLAY	\$ 2,102,000	\$ 2,102,000	\$ 2,102,000

\$	-	\$	19,346	\$	27,000	Transfer to Street Fund	\$	-	\$	-	\$	-
\$	-	\$	18,290	\$	-	Transfer to Water Fund	\$	-	\$	-	\$	-
\$	-	\$	37,636	\$	27,000	TOTAL TRANSFERS	\$	-	\$	-	\$	-

-	1,126,953	-	Repay Loan to Urban Renewal	-	-	-
\$ 1,526,953	\$ 21,276,120	\$ 7,657,900	TOTAL EXPENDITURES	\$ 2,111,700	\$ 2,111,700	\$ 2,111,700

-	(518,476)	-	Fund Balance	-	-	-
\$ 1,526,953	\$ 20,757,644	\$ 7,657,900	TOTAL EXPENDITURE & FUND BALANCE	\$ 2,111,700	\$ 2,111,700	\$ 2,111,700

* The budget for the Keizer Station is based on the Engineer's report as amended.

²⁴ The FY05 transfer to the Street Fund is reimbursement for construction costs paid out of the Street Fund. The FY06 transfer is reimbursement for attorney fees associated with property acquisitions charged to the Street Fund in FY05 in error.

PARK IMPROVEMENT FUND

Fiscal Year 2007/2008

The Park Improvement Fund was established to account for system development fees designated for park improvements. Beginning July 1, 2007, system development fees are \$1,160 per single-family home and duplexes and \$820 per unit for triplexes and apartment complexes.

Capital Improvements Proposed

Country Glen Park -- Wetlands Enhancement and Pathway Project	\$96,000
Additional improvements to the Parks System to be determined after the completion and adoption of the Parks Master Plan Update, and prioritized by the Parks Advisory Board.	<u>\$200,000</u>
	<u>\$296,000</u>

SPECIAL REVENUE FUND

1	\$	908,703	\$	935,397	\$	1,497,700	Working Capital Carryforward	\$	856,800	\$	856,800	\$	856,800
2		-		750,000		-	Community Development Grants		-		-		-
3		20,282		22,074		19,500	Interest		30,500		30,500		30,500
4		68,971		125,534		172,400	System Development Fees		147,700		147,700		147,700
5		2,130		-		-	Miscellaneous Revenue		-		-		-
6	\$	1,000,086	\$	1,833,005	\$	1,689,600	TOTAL RESOURCES	\$	1,035,000	\$	1,035,000	\$	1,035,000
7													
8													
9													
10							<u>CAPITAL OUTLAY</u>						
11													
12	\$	41,722	\$	1,207,922	\$	275,000	Land Acquisition	\$	-	\$	-	\$	-
13		22,967		13,144		130,200	Improvements		296,000		296,000		296,000
14		-		-		1,277,100	Contingency		739,000		739,000		739,000
15	\$	64,689	\$	1,221,066	\$	1,682,300	TOTAL CAPITAL OUTLAY	\$	1,035,000	\$	1,035,000	\$	1,035,000
16													
17	\$	-	\$	-	\$	7,300	Transfer to General Fund	\$	-	\$	-	\$	-
18													
19													
20													
21													
22		935,397		611,939		-	Undesignated Ending Fund Balance		-		-		-
23													
24	\$	1,000,086	\$	1,833,005	\$	1,689,600	TOTAL EXPENDITURE & FUND BALANCE	\$	1,035,000	\$	1,035,000	\$	1,035,000

Notes:

- 4 The FY08 SDC's are projected anticipating 114 apartment units and 50 single family units.
 13 Improvements include \$96,000 for a Wetlands Enhancement & Walkway Project at Country Glen and Hidden Creek Parks.

TRANSPORTATION IMPROVEMENT FUND

The Transportation Improvement Fund was established in Fiscal Year 2004-2005 to account for system development fees. The city currently charges a system development fee of \$1,129 per single-family dwelling unit and \$693 per each Multi Family Unit to help cover the cost of transportation improvements resulting from development. No expenditures are planned for Fiscal Year 2007-2008.

SPECIAL REVENUE FUND

1	\$	-	\$	117,010	\$	714,900	Working Capital Carryforward	\$	1,167,500	\$	1,167,500	\$	1,167,500
2		271		21,829		14,300	Interest		46,000		46,000		46,000
3		116,739		715,168		141,300	System Development Fees		126,000		126,000		126,000
4	\$	117,010	\$	854,007	\$	870,500	TOTAL RESOURCES	\$	1,339,500	\$	1,339,500	\$	1,339,500
5													
6													
7													
8													
9													
10	\$	-	\$	-	\$	-	Improvements	\$	-	\$	-	\$	-
11		-		-		870,500	Contingency		1,339,500		1,339,500		1,339,500
12	\$	-	\$	-	\$	870,500	TOTAL CAPITAL OUTLAY	\$	1,339,500	\$	1,339,500	\$	1,339,500
13													
14													
15													
16	\$	117,010	\$	854,007	\$	-	Undesignated Ending Fund Balance	\$	-	\$	-	\$	-
17													
18	\$	117,010	\$	854,007	\$	870,500	TOTAL EXPENDITURE & FUND BALANCE	\$	1,339,500	\$	1,339,500	\$	1,339,500

Notes:

³ The City began charging a System Development Fee in FY05 to help cover the cost of transportation improvements resulting from development. The FY08 SDC's are projected anticipating 50 single family units and 6 commercial developments in Keizer Station.

STREET FUND

The Street Fund is managed by the Public Works Department to provide quality streets, sidewalks, and bike paths. Drainage improvements for the City's street system will be consolidated into the new Storm Water Fund. The Street Funds share of drainage maintenance and repairs will be an annual transfer to that Fund. 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. The City currently contracts striping and signing services with Marion County. Traffic Signal System operation and maintenance is contracted with the City of Salem.

Projects Completed in Budget Year 2006-2007

• 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	105,700
	<u>\$2,990,700</u>

Street Fund Capital Improvement Expenditures 2007-2008

• Replace Chemawa Road Bridge over Claggett Creek	\$ 230,000
• Dearborn NE Street Improvements River Road to Claggett Park	1,100,000
• Complete the Chemawa Road NE Claggett Creek to Verda Street Improvements	380,000
• Add protected permissive left turn signal at River and Sam Orcutt Way	10,000
• Labish Creek drainage and widening improvements	180,000
• Other routine capital improvements	309,700
	<u>\$2,209,700</u>

SPECIAL REVENUE FUND

1	\$ 1,951,192	\$ 1,902,888	\$ 2,906,600	Working Capital Carryforward	\$	1,820,000	\$ 1,830,000	\$ 1,830,000
2	74,333	192,036	20,500	Planning Construction Fees		25,900	25,900	25,900
3	-	4,740	4,600	Driveway Permit Fees		2,500	2,500	2,500
4	700	1,540	700	Donations (Helmets)		1,000	1,000	1,000
5	-	-	200,000	Grants		100,000	100,000	100,000
6	1,658,463	1,673,671	1,604,600	State Fuel Tax		1,606,400	1,606,400	1,606,400
7	2,440	631	3,700	Assessments		-	-	-
8	102	12	100	Assessment Interest		-	-	-
9	39,526	111,715	98,400	Interest		78,000	78,000	78,000
10	16,090	16,700	19,200	Rental Property		20,500	20,500	20,500
11	-	1,738,000	-	Bond Proceeds		-	-	-
12	-	178,055	36,000	Property Sales		-	-	-
13	-	19,346	27,000	Transfer in from Keizer Station LID		-	-	-
14	6,818	17,205	-	Miscellaneous Revenue		-	-	-
15	\$ 3,749,664	\$ 5,856,539	\$ 4,921,400	TOTAL RESOURCES	\$	3,654,300	\$ 3,664,300	\$ 3,664,300

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 FY08 the City anticipates the balance of the Bike and Pedestrian Improvement Grant for Dearborn NE.
- ⁶ ODOT projects Fuel Tax Revenue to be 1% below FY07. FY08 projections are based on FY07 actual revenues projected to year-end adjusted for the 1% decrease as estimated by ODOT.
- ⁹ Interest Revenue is based on FY07 earnings through 3/31/07 projected out to 6/30/07. The local government investment pool rates increased from 4.32% in February 2006 to 5.21% in February 2007.
- ¹¹ Bond Proceeds in FY06 were used to construct and acquire right-of-way for the Chemawa Road realignment in the Keizer Station Area C.
- ¹² 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.
- ¹³ 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.
- ¹⁴ Miscellaneous Revenues are one-time revenues that are not characterized by line-item descriptions.

21	\$	9,441	\$	9,603	\$	10,200	City Manager	\$	5,500	\$	5,500	\$	5,500
22		-		-		-	Assistant to City Manager		5,400		5,400		5,400
23		40,118		39,337		40,400	Public Works Director		41,500		41,500		41,500
24		24,339		25,076		25,800	Public Works Superintendent		23,900		23,900		23,900
25		6,600		6,502		6,700	City Recorder		6,900		6,900		6,900
26		53,468		39,899		54,800	Municipal Utility Worker		47,900		47,900		47,900
27		4,120		4,184		4,500	Community Development Director		5,100		5,100		5,100
28		6,024		5,384		6,000	Code Enforcement/Zoning Technician		3,900		3,900		3,900
29		11,894		10,822		11,900	Administrative Support Staff		9,600		9,600		9,600
30		13,135		13,367		14,600	Public Works Permit Specialist		16,600		16,600		16,600
31		2,132		1,861		2,000	Network Administrator		2,300		2,300		2,300
32		4,206		3,319		3,500	Human Resources Director		3,600		3,600		3,600
33		4,221		4,154		4,300	Finance Director		5,000		5,000		5,000
34		6,480		6,817		7,300	Facility Maintenance Worker		7,800		7,800		7,800
35		1,023		511		3,000	Overtime		3,000		3,000		3,000
36		385		420		300	Vehicle Allowance Pay		300		300		300
37		-		500		500	Educational/Tuition Assistance		300		300		300
38		2,869		2,633		3,000	Medicare		2,900		2,900		2,900
39		35,260		34,788		39,400	Retirement		36,300		36,300		36,300
40		26,737		29,986		34,900	Insurance Benefits		34,800		34,800		34,800
41		1,425		1,691		3,200	Workers Compensation		3,100		3,100		3,100
42	\$	253,877	\$	240,854	\$	276,300	TOTAL PERSONNEL SERVICES	\$	265,700	\$	265,700	\$	265,700

⁴¹ Workers Compensation rates are expected to increase 10% in FY08.

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SPECIAL REVENUE FUND

70	12,306	30,105	25,000	Storm Drain Maintenance	-	-	-
71	80,681	75,006	83,000	Street Sweeping	83,000	99,000	99,000
72	138,881	150,692	135,000	Street Maintenance & Repair	150,000	150,000	150,000
73	41,770	46,595	50,000	Street Light Utilities	60,000	60,000	60,000
74	15,925	13,451	30,000	Traffic Light Utilities	22,000	22,000	22,000
75	-	-	12,000	Storm Drain Utilities	-	-	-
76	63	63	100	Medical Testing	100	100	100
77	2,839	3,179	3,500	Rental Property Expenses	5,000	5,000	5,000
78	2,956	5,313	5,800	MPO Support/ SKATS	6,100	6,100	6,100
79	-	2,278	-	Bond Issue Costs	-	-	-
80	-	-	6,000	Contingency	6,000	6,000	6,000
81	30	30	-	Miscellaneous Expenses	-	-	-
82	5,083	4,083	10,000	Flood & Drainage Services	10,000	10,000	10,000
83	\$ 462,590	\$ 483,480	\$ 607,800	TOTAL MATERIALS & SERVICES	\$ 535,500	\$ 551,500	\$ 551,500
84							
85	<u>CAPITAL OUTLAY</u>						
86							
87	\$ 5,043	\$ 117	\$ -	Aerial Photos	\$ -	\$ -	\$ -
88	4,785	-	-	Telephone System	-	-	-
89	349	118	400	Office Furniture & Equipment*	4,700	4,700	4,700
90	2,943	2,493	3,500	Computer Hardware*	1,300	1,300	1,300
91	-	-	50,000	Master Plans	-	-	-
92	-	-	25,000	Bike Paths	40,000	40,000	40,000
93	402,000	881,595	1,640,000	Street Improvements	1,480,000	1,480,000	1,480,000
94	-	12,125	25,000	Infill Sidewalk Completions	25,000	25,000	25,000
95	194,620	1,246,075	-	Property & Easement Acquisition	-	-	-
96	29,134	-	180,000	Storm Drains	-	-	-
97	8,015	3,022	-	Keizer Station Improvements	-	-	-
98	179,585	65,367	60,000	Labish Area Bridge and Drainage	180,000	180,000	180,000
99	-	21,000	8,000	Heavy Equipment/Vehicles	10,800	10,800	10,800

Notes:

80 A 1% Materials & Services Contingency has been set aside for FY08.

91 Master Plans costs include an update to the 1982 Storm Water Master Plan. These funds were not expended in FY07 and are therefore carried over to FY08 in the Storm Utility Fund.

92 Street Improvements include Dearborn NE \$1,100,000, Chemawa Road East of the bridge at Claggett Creek \$380,000.

98 The FY08 budget provides for the Labish Creek widening to complete the drainage improvements.

99 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.

SPECIAL REVENUE FUND

100	302,362	18,053	620,000	Street Resurfacing	-	-	-
101	-	-	420,000	Chemawa Road Bridge	230,000	230,000	230,000
102	-	365	600	Signage	-	-	-
103	-	6,150	-	City-Wide Traffic Count Update	-	-	-
104	-	13,626	109,900	Shop Addition	48,000	48,000	48,000
105	1,472	3,753	3,500	Field Equipment	1,000	1,000	1,000
106	-	-	-	Storm Sewer Maintenance Truck	-	13,900	13,900
107	-	-	310,000	Contingency	150,000	175,000	175,000
108	\$ 1,130,308	\$ 2,273,859	\$ 3,455,900	TOTAL CAPITAL OUTLAY	\$ 2,170,800	\$ 2,209,700	\$ 2,209,700
109	DEBT SERVICE						
110							
111	\$ -	\$ -	\$ 145,000	Principal	\$ 151,000	\$ 151,000	\$ 151,000
112	-	28,955	65,300	Interest	59,500	59,500	59,500
113	\$ -	\$ 28,955	\$ 210,300	TOTAL DEBT SERVICE	\$ 210,500	\$ 210,500	\$ 210,500
114	TRANSFERS OUT						
115							
116	\$ -	\$ 1,980	\$ 7,900	Transfer to City Hall Facility Fund	\$ -	\$ -	\$ -
117	-	-	-	Transfer to Storm Utility Fund	210,000	149,100	149,100
118	\$ -	\$ 1,980	\$ 7,900	TOTAL TRANSFERS OUT	\$ 210,000	\$ 149,100	\$ 149,100
119							
120	\$ 1,846,775	\$ 3,029,128	\$ 4,558,200	TOTAL EXPENDITURES	\$ 3,392,500	\$ 3,386,500	\$ 3,386,500
121							
122							
123	-	-	-	Reserve for Storm Sewer Maintenance Equipment	20,000	-	-
124	-	-	173,800	Debt Service Reserve	173,800	173,800	173,800
125	1,902,889	2,827,411	189,400	Undesignated Ending Fund Balance	68,000	104,000	104,000
126							
127	\$ 3,749,664	\$ 5,856,539	\$ 4,921,400	TOTAL EXPENDITURE & FUND BALANCE	\$ 3,654,300	\$ 3,664,300	\$ 3,664,300

Notes:

- ¹⁰¹ Chemawa Road Bridge construction did not begin in FY07 as anticipated, however a portion of the City's matching funds were distributed to ODOT. ODOT will manage the grant funding except for the City's required matching funds of \$230,000.
- ¹⁰⁴ The \$48,000 for Shop Addition is the Street Fund's share of the cost of an elevator at the Public Works shop.
- ¹⁰⁶ The City plans to purchase a new Storm Sewer Maintenance Truck over the next five years. The first year lease payment is estimated at \$63,000. The Storm Sewer Maintenance Truck will be used to jet clean the storm drain system. The cost will be allocated accordingly: Storm Utility Fund - 73%, Street Fund - 22% and Water Fund - 5%.
- ¹⁰⁷ The Capital Outlay Contingency is 7% of Capital Outlay Expenditures.
- ¹¹⁷ The transfer to the Storm Utility Fund is for the Street Fund's share of storm water maintenance and improvements.

CITY HALL FACILITY FUND

The City Hall Facility Fund was established to account for capital improvements and replacement reserves for City Hall facilities. The City does not anticipate additional renovations of the existing building since plans for a new Civic Center are in the works.

CAPITAL PROJECTS FUND

1	\$	-	\$	-	\$	-	Working Capital Carryforward	\$	-	\$	-	\$	-
2	-		117	-			Interest Revenue	-	-	-	-	-	-
3	-	119,590	63,100	-			Transfer from General Fund	-	-	-	-	-	-
4	-	1,980	7,900	-			Transfer from Street Fund	-	-	-	-	-	-
5	-	2,640	10,700	-			Transfer from Sewer Fund	-	-	-	-	-	-
6	-	4,180	22,000	-			Transfer from Water Fund	-	-	-	-	-	-
7	-	410	2,200	-			Transfer from SLD Fund	-	-	-	-	-	-
8	-	-	9,100	-			Intergovernmental Transfer from Urban Renewal	-	-	-	-	-	-
9													
10	\$	-	\$ 128,917	\$ 115,000	TOTAL RESOURCES			\$	-	\$	-	\$	-
11													
12													
13													
14													
15	\$	-	\$ 128,664	\$ 115,000	Improvements			\$	-	\$	-	\$	-
16	\$	-	\$ 128,664	\$ 115,000	TOTAL CAPITAL OUTLAY EXPENDITURES			\$	-	\$	-	\$	-
17													
18													
19													
20													
21	-		253	-	Undesignated Ending Fund Balance			-	-	-	-	-	-
22													
23	\$	-	\$ 128,917	\$ 115,000	TOTAL EXPENDITURE & FUND BALANCE			\$	-	\$	-	\$	-

Notes:

15 Costs in FY06 were for remodeling the Auditorium and Community Development Department. Costs in FY07 were for remodeling the lobby area of City Hall estimated at \$80,000 and to replace the roof at the Auditorium estimated at \$35,000. Actual costs in FY07 totaled \$36,300. The City does not anticipate additional renovations of the existing building since plans for a new Civic Center are in the works.

UTILITY BILLING DIVISION

The Utility Billing Division operates within the Finance Department and maintains approximately 10,100 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.

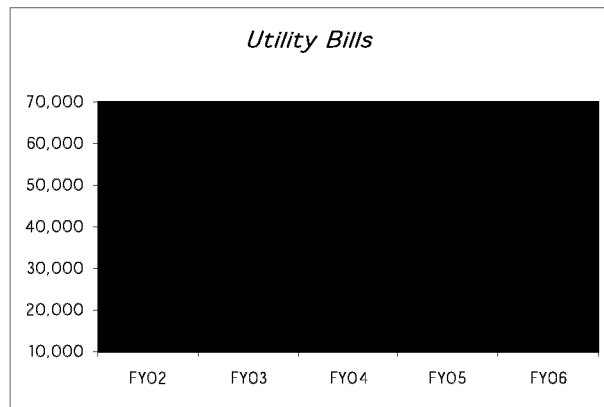
The City of Keizer contracts with the City of Salem to provide sewer services to Keizer residences. Much of the activity in the fund is "passed through"; it is collected from the customer and paid to the City of Salem for sewer services. A portion of each billing receipt is retained in the fund to pay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

Accomplishments . . .

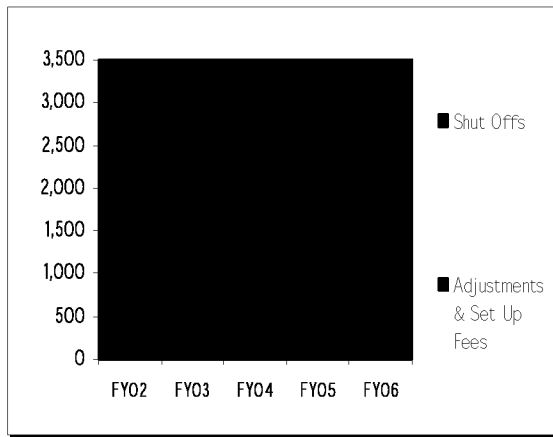
- ◆ Staff continues their efforts to update customer phone records through requests made on bills and mailings in order to receive full benefit of our phone notification system; this is an on-going effort to assist customers in keeping their accounts current. The chart on the next page shows the number of shut-offs continue to decrease, while the number of water accounts increase.

- ◆ 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 completed the Utility Billing software upgrade and is now offering our customers the options of having their credit card debited automatically with each billing.

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 is researching a cost effect method of electronically storing records. Utility Billing plans to use the storage program to safely store vital records.
- ◆ Staff currently refers customers that are experiencing difficulty paying their water/sewer bills to local social service agencies for financial assistance. Staff is investigating the possibility of collecting donations and distributing the funds through the local agencies in order to assist our customers with paying their water/sewer bills.
- ◆ Staff plans to implement electronic deposit of funds to reduce the time and cost of processing paper checks.
- ◆ The City's FY08 budget provides for a new Storm Water utility. If adopted by City Council, Staff plans to program the Utility Billing software to assess the new fee on its utility bills.

ENTERPRISE FUNDS

1	\$	96,521	\$	124,732	\$	45,900	Working Capital Carryforward	\$	159,800	\$	159,800	\$	159,800
2													
3		4,274		1,407		1,400	Planning/Construction Fees		1,400		1,400		1,400
4		3,637,696		3,651,503		3,773,500	Salem Sewer Billing		4,000,400		4,000,400		4,000,400
5		258,552		260,868		288,100	Sewer Administration Fee		291,000		291,000		291,000
6		6,107		-		-	Oakwood Assessment		-		-		-
7													
8							<u>MISCELLANEOUS</u>						
9		175		-		-	- Oakwood Interest		-		-		-
10		6,031		6,214		-	- Miscellaneous		-		-		-
11	\$	6,206	\$	6,214	\$	-	TOTAL MISCELLANEOUS	\$	-	\$	-	\$	-
12													
13													
14	\$	4,009,356	\$	4,044,724	\$	4,108,900	TOTAL RESOURCES	\$	4,452,600	\$	4,452,600	\$	4,452,600

Notes:

⁴ The City of Salem increased consumption rates 7% in FY07 and an additional 8% beginning January 2008. The FY08 budget projects revenues equal to FY07 revenues projected to year-end with a cost increase of 8% beginning January 2008.

⁵ Projections are based on approximately 10,000 sewer customers billed bi-monthly at \$4.85 per bill.

¹⁰ Miscellaneous Revenues include one-time revenues that are not characterized by line-item descriptions.

████████████████████

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1. *Journal of the American Medical Association*, 273: 1025-1030, 1995.

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 12% and 8% respectively. In FY06, the City began paying the full cost of life insurance premiums (\$60,000 in coverage per employee). Staff does not expect these costs to increase in FY08.

ENTERPRISE FUNDS

	<u>MATERIALS & SERVICES</u>												
42													
43	\$	1,965	\$	2,126	\$	2,300	Office Materials & Supplies	\$	2,800	\$	2,800	\$	2,800
44		25		-		200	Safety & Wellness*		100		100		100
45		20,665		21,632		24,100	Postage & Printing*		24,900		24,900		24,900
46		1,658		1,446		1,700	Association Memberships*		1,400		1,400		1,400
47		1,953		3,388		4,600	Travel & Training*		5,900		5,900		5,900
48		267		146		300	City Council Expenses*		200		200		200
49		457		212		200	Advertising		100		100		100
50		4,539		4,314		4,000	Legal Services*		3,500		3,500		3,500
51		-		-		400	Labor Attorney*		300		300		300
52		2,777		1,936		1,900	Contractual Services*		2,100		2,100		2,100
53		2,958		3,568		3,400	Audit*		4,400		4,400		4,400
54		15,358		14,776		17,100	Engineering Services		17,300		17,300		17,300
55		1,445		1,184		1,400	Janitorial*		1,100		1,100		1,100
56		869		881		400	Gas & Electricity*		1,000		1,000		1,000
57		1,903		878		600	Telephone*		600		600		600
58		356		468		13,200	Insurance - Liability*		13,600		13,600		13,600
59		8,871		6,695		10,800	Computer & Software Maintenance*		8,000		8,000		8,000
60		1,423		1,182		1,400	Equipment Maintenance		1,000		1,000		1,000
61		1,629		1,025		1,500	Facility Maintenance*		1,100		1,100		1,100
62		3,638,558		3,659,621		3,773,500	Salem Sewer Payments		4,000,400		4,000,400		4,000,400
63		63		40		100	Medical Testing		100		100		100
64		143		459		200	Collection Costs		100		100		100
65	\$	3,707,882	\$	3,725,977	\$	3,863,300	TOTAL MATERIALS & SERVICES	\$	4,090,000	\$	4,090,000	\$	4,090,000

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.

⁴⁵ The US Postal Service will increase postage 5% beginning May 2007 for standard size mailings. Rates for larger mailings will increase over 30% as the USPS is going toward a sized-based rate system.

⁴⁸ City Council Expenses include travel & training, miscellaneous office supplies & meetings during mealtimes.

⁴⁹ Advertising is for staff recruitments.

⁵⁸ The City's insurance carrier projects a 3% increase in rates. Projections are based on the FY07 budgeted amount.

⁶² This is a pass-through expense and equals Salem Sewer Billing Revenues on line 4 of the Revenue section.

ENTERPRISE FUNDS

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<u>CAPITAL OUTLAY</u>													
\$	290	\$	147	\$	500	Office Furniture & Equipment*	\$	200	\$	200	\$	200	
	4,699		-		-	Telephone System		-		-		-	
	2,372		4,506		5,200	Computer Hardware*		3,700		3,700		3,700	
\$	7,361	\$	4,653	\$	5,700	TOTAL CAPITAL OUTLAY	\$	3,900	\$	3,900	\$	3,900	
<u>DEBT SERVICE</u>													
\$	10,000	\$	-	\$	-	Oakwood Principal	\$	-	\$	-	\$	-	
	513		-		-	Oakwood Interest		-		-		-	
\$	10,513	\$	-	\$	-	TOTAL DEBT SERVICE	\$	-	\$	-	\$	-	
<u>TRANSFERS</u>													
\$	-	\$	2,640	\$	10,700	Transfer to City Hall Facility Fund	\$	-	\$	-	\$	-	
\$	3,884,624	\$	3,905,957	\$	4,066,100	TOTAL EXPENSES	\$	4,295,200	\$	4,295,200	\$	4,295,200	
	-		-		14,600	Contingency		14,600		14,600		14,600	
	124,732		138,767		28,200	Undesignated Ending Fund Balance		142,800		142,800		142,800	
\$	4,009,356	\$	4,044,724	\$	4,108,900	TOTAL EXPENSES & FUND BALANCE	\$	4,452,600	\$	4,452,600	\$	4,452,600	

Notes:

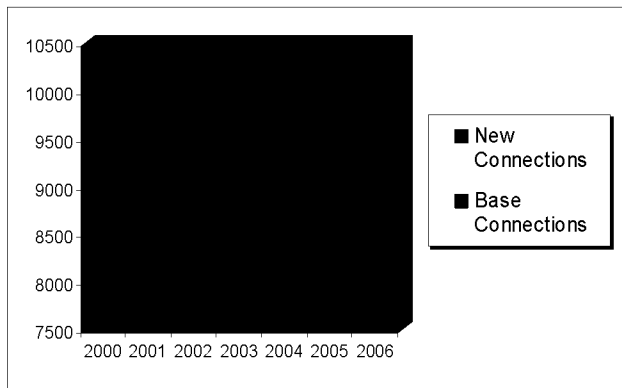
- ⁸¹ The transfer in FY06 was for remodeling the Auditorium and Community Development Department. The transfer in FY07 was for remodeling the lobby area of City Hall and to replace the roof at the Auditorium. The transfer represents the Sewer Fund's share of the cost.
- ⁸⁸ Contingency is 5% of total 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 pick up truck.
- Nearly completed construction of addition to Public Works facility
- Installed additional monitoring wells to continue Source Water Protection program



Future Goals . . .

- Purchase a new pickup truck.
- Purchase a new vehicle for customer service.
- Construct required elevator to complete construction of addition to Public Works facility.
- Install Additional Monitoring Wells for Source water Protection

ENTERPRISE FUNDS

1	\$	886,890	\$	1,234,614	\$	1,334,300	Working Capital Carryforward	\$	570,600	\$	570,600	\$	570,600
2		45,623		28,477		5,000	Planning & Construction Fees		10,000		10,000		10,000
3		1,945,764		2,070,959		2,338,900	Water Sales		2,447,700		2,447,700		2,447,700
4		30,222		32,070		33,400	Service Fees		22,100		22,100		22,100
5		9,541		1,494		700	Assessments		700		700		700
6		402		65		100	Assessment Interest		100		100		100
7		26,550		55,613		52,200	Interest		71,500		71,500		71,500
8		-		-		-	Reimbursement Agreement Application Fee		-		-		-
9		-		18,288		18,400	Diesel Fuel Sales		20,000		20,000		20,000
10		2,932		5,628		-	Miscellaneous		-		-		-
11		13,360		14,675		7,500	Live Tap Reimbursement		10,000		10,000		10,000
12		-		18,290		-	Transfer from LID Fund		-		-		-
13	\$	2,961,284	\$	3,480,173	\$	3,790,500	TOTAL RESOURCES	\$	3,152,700	\$	3,152,700	\$	3,152,700

Notes:

³ Water Sales Revenues reflect an increase in consumption plus a 4.5% increase in rates as provided for in the Cost of Service Rate Model.

⁹ Diesel Fuel Sales is for fuel sold to the Keizer Fire District.

⁷ Interest Revenue is based on FY07 earnings through 3/31/07 projected out to 6/30/07. The local government investment pool rates increased from 4.32% in February 2006 to 5.21% in February 2007.

¹⁰ Miscellaneous Revenues include one-time revenues that are not characterized by line-item descriptions.

[REDACTED]

[REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]

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PERSONNEL SERVICES

17	\$ 9,441	\$ 9,603	\$ 10,200	City Manager	\$ 11,000	\$ 11,000	\$ 11,000
18	-	-	-	Assistant to City Manager	10,100	10,100	10,100
19	-	-	-	City Recorder	1,400	1,400	1,400
20	25,190	24,700	25,400	Public Works Director	26,100	26,100	26,100
21	31,292	32,240	33,200	Public Works Superintendent	35,800	35,800	35,800
22	347,049	386,633	431,800	Municipal Utility Workers	444,100	444,100	444,100
23	1,648	1,674	1,800	Community Development Director	2,100	2,100	2,100
24	96,571	101,506	108,400	Administrative Support Staff	111,100	111,100	111,100
25	9,851	10,025	11,000	Public Works Permit Specialist	11,600	11,600	11,600
26	6,822	8,376	8,900	Network Administrator	9,700	9,700	9,700
27	13,460	14,936	15,400	Human Resources Director	14,900	14,900	14,900
28	21,104	20,771	21,300	Finance Director	20,700	20,700	20,700
29	6,480	6,817	7,300	Facility Maintenance Worker	5,800	5,800	5,800
30	17,254	7,771	-	Seasonal Help	-	-	-
31	24,427	40,844	27,000	Overtime	31,000	31,000	31,000
32	10,800	10,400	10,400	Duty Pay	10,400	10,400	10,400
33	385	420	300	Vehicle Allowance Pay	300	300	300
34	-	500	500	Educational/Tuition Assistance	500	500	500
35	9,497	10,383	10,900	Medicare	11,500	11,500	11,500
36	102,383	114,277	123,500	Retirement	129,100	129,100	129,100
37	104,700	133,492	155,100	Insurance Benefits	174,000	174,000	174,000
38	367	1,163	-	Unemployment Insurance	-	-	-
39	5,980	9,883	13,200	Workers Compensation	13,800	13,800	13,800
40	\$ 844,701	\$ 946,414	\$ 1,015,600	TOTAL PERSONNEL SERVICES	\$ 1,075,000	\$ 1,075,000	\$ 1,075,000

Notes

¹⁹ The City Recorder's salary has been allocated to the Water Fund to recognize costs for Recording Services to this fund.

²² Beginning in FY06, the budget provides for two additional Municipal Utility Workers.

³⁰ With the addition of two Municipal Utility Workers, the seasonal help line-item has been eliminated beginning in FY06.

30 Sworn Police Officers, the City Manager, and the Public Works Director participate in the Oregon Public Employee's Retirement System (PERS). Employer contribution rates decreased from 16.65% in FY06 and FY07 to 13.32% for FY08 and FY09. All other employees participate in a private 401(a) plan at 12% for management staff and 11% for all other regular employees.

37 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 12% and 8% respectively. In FY06, the City began paying the full cost of life insurance premiums (\$60,000 in coverage per employee). Staff does not expect these costs to increase in FY08.

³⁹ Workers Compensation rates are expected to increase 10% in FY08.

ENTERPRISE FUNDS

41	<u>MATERIALS & SERVICES</u>												
42													
43	\$	6,541	\$	8,263	\$	7,500	Office Materials & Supplies	\$	9,200	\$	9,200	\$	9,200
44		100		-		800	Safety & Wellness*		600		600		600
45		26,363		26,182		33,400	Postage & Printing*		32,000		32,000		32,000
46		5,940		2,471		5,000	Concrete		5,000		5,000		5,000
47		4,680		6,848		6,000	Rock & Backfill		7,000		7,000		7,000
48		5,628		4,980		7,500	Paving		7,500		7,500		7,500
49		29,002		11,560		25,000	Sequestering Agent		13,000		13,000		13,000
50		9,816		5,494		12,000	Fluoride		13,000		13,000		13,000
51		7,686		7,276		8,700	Association Memberships*		8,200		8,200		8,200
52		14,193		16,466		20,200	Travel & Training		23,000		23,000		23,000
53		1,070		604		1,400	City Council Expenses*		1,400		1,400		1,400
54		978		2,371		1,000	Advertising		1,000		1,000		1,000
55		8,457		15,502		11,000	Legal Services*		11,600		11,600		11,600
56		-		-		6,100	Labor Attorney*		5,900		5,900		5,900
57		89,070		32,323		91,400	Contractual Services		68,000		68,000		68,000
58		1,917		1,550		1,500	Audit*		2,600		2,600		2,600
59		-		841		2,000	Flagging		2,000		2,000		2,000
60		33,834		26,476		28,000	Engineering Services		28,000		28,000		28,000
61		7,597		9,061		7,200	Janitorial*		6,500		6,500		6,500
62		2,702		3,358		4,000	Clothing		3,800		3,800		3,800
63		145,573		200,893		167,400	Gas & Electricity*		180,000		180,000		180,000

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.

45 The US Postal Service will increase postage 5% beginning May 2007 for standard size mailings. Rates for larger mailings will increase over 30% as the USPS is going toward a sized-based rate system.

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 7% in FY08.

ENTERPRISE FUNDS

64	8,340	8,326	11,900	Natural Gas	10,200	10,200	10,200
65	26,905	25,448	25,700	Telephone*	16,000	16,000	16,000
66	973	11,670	10,000	Telemetry	10,000	10,000	10,000
67	48,243	51,140	54,000	Insurance - Liability*	55,700	55,700	55,700
68	11,394	8,266	11,500	Gasoline	11,500	11,500	11,500
69	2,867	26,958	22,000	Diesel Fuel	30,000	30,000	30,000
70	12,378	11,928	15,300	Computer & Software Maintenance*	16,100	16,100	16,100
71	15,562	9,622	15,000	Vehicle Maintenance	15,000	15,000	15,000
72	14,145	13,009	12,000	Equipment Maintenance	12,000	12,000	12,000
73	6,542	4,255	7,600	Facility Maintenance*	6,700	6,700	6,700
74	1,059	390	400	Office Equipment Maintenance	400	400	400
75	27,796	36,546	35,000	Plant Maintenance	40,000	40,000	40,000
76	12,125	9,055	7,500	Live Taps	10,000	10,000	10,000
77	11,322	18,603	15,000	Pump House Maintenance	26,000	26,000	26,000
78	24,664	27,768	30,000	Pump Maintenance	30,000	30,000	30,000
79	28,561	36,992	32,000	Operating Materials & Supplies	35,000	35,000	35,000
80	321	1,526	1,800	Medical Testing	1,800	1,800	1,800
81	48,436	3,756	25,000	Water Mains	25,000	25,000	25,000
82	3,816	3,816	4,100	Well Property Lease	4,100	4,100	4,100
83	57,263	52,732	50,000	Lab Tests	50,000	50,000	50,000
84	22,260	29,369	30,000	Contract Meter Reading	30,000	30,000	30,000
85	5,967	7,430	10,000	Consumer Confidence Report/ Public Education	10,000	10,000	10,000
86	-	3,220	-	Bond Issue Costs	-	-	-
87	291	488	-	Miscellaneous	-	-	-
88	\$ 792,377	\$ 784,832	\$ 872,900	TOTAL MATERIALS & SERVICES	\$ 874,800	\$ 874,800	\$ 874,800

Notes:

⁶⁴ Natural gas costs are based on FY07 actuals projected to year-end, adjusted for an anticipated 7% price increase.

⁶⁷ The City's insurance carrier projects a 3% increase in rates. Projections are based on the FY07 budgeted amount.

⁶⁹ In FY07 diesel fuel increased to reflect the Keizer Fire District fuel purchased through the City. Reimbursements from KFD offsets this expense.

⁸² Lab Tests include monthly monitoring for volatile organic compounds.

⁸⁷ Miscellaneous costs are one-time expenditures that are not characterized by existing line-item descriptions.

ENTERPRISE FUNDS

<u>CAPITAL OUTLAY</u>									
89									
90									
91	\$	2,524	\$	58	\$	-	Aerial Photos	\$	-
92		18,955		-		-	Telephone System		-
93		1,780		1,060		8,400	Office Furniture & Equipment*	10,900	10,900
94		8,443		17,281		35,000	Field Equipment	9,000	9,000
95		10,558		17,257		20,000	Computer Hardware*	10,400	10,400
96		-		39,711		17,000	Public Works Vehicle	42,200	42,200
97		18,488		23,213		25,000	Water Meters	25,000	25,000
98		11,880		927		-	Keizer Station Improvements	-	-
99		-		27,749		233,600	Shop Building Addition	102,000	102,000
100		-		61,818		-	Heavy Equipment	-	-
101		-		-		-	Storm Sewer Maintenance Truck	3,200	3,200
102		16,964		-		-	Telemetry System	-	-
103	\$	89,592	\$	189,074	\$	339,000	TOTAL CAPITAL OUTLAY	\$	199,500
								\$	202,700
								\$	202,700

Notes:

⁹⁶ The Public Works Vehicle is for the Water Fund's share of the cost for a new pickup and a new van. The balance of the cost is allocated to the Street Fund.

⁹⁹ The \$102,000 for Shop Addition is the Water Fund's share of the cost of an elevator at the Public Works shop.

¹⁰¹ The City plans to purchase a new Storm Sewer Maintenance Truck over the next five years. The first year lease payment is estimated at \$63,000. The Storm Sewer Maintenance Truck will be used to jet clean the storm drain system. The cost will be allocated accordingly: Storm Utility Fund - 73%, Street Fund - 22% and Water Fund - 5%.

ENTERPRISE FUNDS

104	<u>DEBT SERVICE</u>												
105													
106	\$	-	\$	-	\$	135,000	Principal	\$	135,000	\$	135,000	\$	135,000
107		-		44,713		103,900	Interest		108,300		108,300		108,300
108	\$	-	\$	44,713	\$	238,900	TOTAL DEBT SERVICE	\$	243,300	\$	243,300	\$	243,300
109													
110	\$	1,726,670	\$	1,965,033	\$	2,466,400	TOTAL EXPENSES	\$	2,392,600	\$	2,395,800	\$	2,395,800
111													
112													
113													
114	\$	-	\$	4,180	\$	22,000	Transfer to City Hall Facility Fund	\$	-	\$	-	\$	-
115		-		348,900		767,700	Transfer to Water Facility Replacement Reserve		305,400		312,100		312,100
116	\$	-	\$	353,080	\$	789,700	TOTAL TRANSFERS	\$	305,400	\$	312,100	\$	312,100
117													
118													
119													
120	\$	-		-	\$	-	Reserve for Storm Sewer Maintenance Equipment	\$	10,000	\$	-	\$	-
121		-		-		123,300	Contingency		119,700		119,800		119,800
122		1,234,614		1,162,060		411,100	Fund Balance		325,000		325,000		325,000
123													
124	\$	2,961,284	\$	3,480,173	\$	3,790,500	TOTAL EXPENSES & BUDGETED FUND BALANCE	\$	3,152,700	\$	3,152,700	\$	3,152,700

Notes:

114 The transfer in FY06 was for remodeling the Auditorium and Community Development Department. The transfer in FY07 was 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.

115 The transfer to the Water Facility Replacement Reserve Fund is significantly higher in FY07 than in FY06 because a fund transfer was not made in FY05.

121 Contingency is 5% of Expenditures.

122 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 2007/2008 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 2006/2007

• Keizer Station Reservoir and Pump Station - City's share	\$ 1,200,000
• Replace Telemetry System to include Radio Circuit Control	197,000
• Convert existing fluoride systems to sodium fluoride systems	<u>25,000</u>
	<u>\$1,422,000</u>

Water Facility Fund Capital Improvements Budget Year 2007/2008

• Construct Pump House at City Hall Well Site	\$ 220,000
• Steel Waterline Replacements City-Wide over the next 3 Budget Cycles	450,000
• Retrofit all Existing Turbine Electric Motors for Energy Efficiency	65,000
• Install Security Upgrades at Well Sites	<u>75,000</u>
	<u>\$810,000</u>

ENTERPRISE FUNDS

1	\$	521,885	\$	580,257	\$	2,318,900	Working Capital Carryforward	\$	1,867,000	\$	1,867,000	\$	1,867,000
2				-		700	Assessments		-		4,900		4,900
3		15,345		101,843		87,500	Interest		112,800		114,800		114,800
4		135,292		142,466		157,500	System Development Charges		69,700		69,700		69,700
5		-		-		12,300	Oversized Reimbursement Fees		-		-		-
6		-		348,900		767,700	Transfer from Water Fund		305,400		312,100		312,100
7		-		2,600,000		-	Bond Proceeds		-		-		-
8	\$	672,522	\$	3,773,466	\$	3,344,600	TOTAL RESOURCES	\$	2,354,900	\$	2,368,500	\$	2,368,500
9													
10													
11													
12	CAPITAL OUTLAY												
13													
14	\$	-	\$	4,745	\$	5,000	Repayment on Oversized Water Mains	\$	5,000	\$	5,000	\$	5,000
15		90,234		488,689		421,500	Supply/Treatment		220,000		220,000		220,000
16		1,705		291,349		478,500	Transmission & Distribution Mains		450,000		450,000		450,000
17		-		34,742		138,000	General Plant		140,000		140,000		140,000
18		325		577,584		1,230,000	Storage		150,000		150,000		150,000
19		-		-		200,000	Contingency		300,000		300,000		300,000
20	\$	92,264	\$	1,397,109	\$	2,473,000	TOTAL CAPITAL OUTLAY	\$	1,265,000	\$	1,265,000	\$	1,265,000
21													
22													
23													
24		-		-		234,100	Debt Reserve Requirements		234,100		234,100		234,100
25		580,258		2,376,357		637,500	Undesignated Fund Balance		855,800		869,400		869,400
26													
27	\$	672,522	\$	3,773,466	\$	3,344,600	TOTAL EXPENSES & BUDGETED FUND BALANCE	\$	2,354,900	\$	2,368,500	\$	2,368,500

Notes:

² The Assessments are payments for new waterlines built by the City and repaid by the property owners.

³ Interest Revenue is based on FY07 earnings through 3/31/07 projected out to 6/30/07. The local government investment pool rates increased from 4.32% in February 2006 to 5.21% in February 2007.

⁴ FY08 System Development Fees are based on 50 Single Family dwellings, 5 - 2" meters.

¹² For detailed Capital Outlay projects see Water Facility Fund Summary immediately preceding this page.

²⁵ 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	\$	70,855	\$	129,651	\$	210,900	Working Capital Carryforward	\$	198,500	\$	198,500	\$	198,500
2		458,478		471,510		432,100	Lighting District Assessments		403,200		403,200		403,200
3	\$	529,333	\$	601,161	\$	643,000	TOTAL RESOURCES	\$	601,700	\$	601,700	\$	601,700

PERSONNEL SERVICES

8	\$	944	\$	960	\$	1,100	City Manager	\$	1,100	\$	1,100	\$	1,100
9		-		-		-	Assistant to City Manager		1,400		1,400		1,400
10		4,665		4,574		4,700	Public Works Director		4,900		4,900		4,900
11		3,477		3,582		3,700	Public Works Superintendent		4,000		4,000		4,000
12		6,601		6,501		6,700	City Recorder		6,900		6,900		6,900
13		6,591		6,404		7,000	Administrative Support Staff		7,700		7,700		7,700
14		3,284		3,342		3,700	Public Works Permit Specialist		3,900		3,900		3,900
15		426		465		500	Network Administrator		600		600		600
16		841		830		900	Human Resources Director		900		900		900
17		4,221		4,154		4,300	Finance Director		5,000		5,000		5,000
18		1,620		1,704		1,900	Facility Maintenance Worker		2,000		2,000		2,000
19		6		4		100	Overtime		100		100		100
20		39		42		100	Vehicle Allowance		100		100		100
21		-		50		100	Educational/Tuition Assistance		100		100		100
22		500		498		600	Medicare		600		600		600
23		5,906		6,158		6,700	Retirement		7,200		7,200		7,200
24		4,560		5,081		5,900	Insurance Benefits		6,900		6,900		6,900
25		146		133		200	Workers Compensation		300		300		300
26	\$	43,827	\$	44,482	\$	48,200	TOTAL PERSONNEL SERVICES	\$	53,700	\$	53,700	\$	53,700

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 was the last year this additional assessment is needed. Beginning in FY07 assessments have been reduced accordingly.
- ²³ Sworn Police Officers, the City Manager, and the Public Works Director participate in the Oregon Public Employee's Retirement System (PERS). Employer contribution rates decreased from 16.65% in FY06 and FY07 to 13.32% for FY08 and FY09. All other employees participate in a private 401(a) plan at 12% for management staff and 11% for all other regular employees.
- 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 12% and 8% respectively. In FY06, the City began paying the full cost of life insurance premiums (\$60,000 in coverage per employee). Staff does not expect these costs to increase in FY08.
- ²⁵ Workers Compensation rates are expected to increase 10% in FY08.

27

29	\$	470	\$	581	\$	500	Materials & Supplies	\$	600	\$	600	\$	600
30		6		-		100	Safety & Wellness *		100		100		100
31		439		308		500	Postage & Printing*		500		500		500
32		414		357		400	Association Memberships*		500		500		500
33		679		809		900	Travel & Training*		1,700		1,700		1,700
34		68		37		100	City Council Expenses*		100		100		100
35		31		554		1,000	Advertising		1,200		1,200		1,200
36		89		149		200	Legal Services*		200		200		200
37		-		184		100	Labor Attorney*		100		100		100
38		573		379		200	Contractual Services		200		200		200
39		311		338		400	Audit*		500		500		500
40		310		217		400	Janitorial*		400		400		400
41		193		271		200	Gas & Electricity*		200		200		200
42		495		282		300	Telephone*		300		300		300
43		268		1,130		300	Insurance - Liability*		400		400		400
44		1,390		-		1,100	Computer & Software Maintenance*		900		900		900
45		317		288		300	Equipment Maintenance		200		200		200
46		406		256		400	Facility Maintenance*		400		400		400
47		7,100		2,650		4,500	Engineering Costs		4,500		4,500		4,500
48		340,513		342,242		347,900	Lighting Costs		366,800		366,800		366,800
49		15		13		100	Medical Testing		100		100		100
50	\$	354,087	\$	351,045	\$	359,900	TOTAL MATERIALS & SERVICES	\$	379,900	\$	379,900	\$	379,900

* 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.

³¹ The US Postal Service will increase postage 5% beginning May 2007 for standard size mailings. Rates for larger mailings will increase over 30% as the USPS is going toward a sized-based rate system.

³⁴ City Council Expenses include travel & training, miscellaneous office supplies & meetings during mealtimes.

³⁵ Advertising costs are for Street Lighting District Assessment public notices.

⁴³ The City's insurance carrier projects a 3% increase in rates. Projections are based on the FY07 budgeted amount.

⁴⁸ PGE anticipates a 4.5% increase in rates effective May/June 2007.

ENTERPRISE FUNDS

51													
52													
53	<u>CAPITAL OUTLAY</u>												
54	\$	1,172	\$	-	\$	-	Telephone System	\$	-	\$	-	\$	-
55		22		30		100	Office Furniture & Equipment*		100		100		100
56		575		1,438		1,100	Computer Hardware*		800		800		800
57	\$	1,769	\$	1,468	\$	1,200	TOTAL CAPITAL OUTLAY	\$	900	\$	900	\$	900
58													
59	<u>TRANSFERS</u>												
60													
61	\$	-	\$	410	\$	2,200	Transfer to City Hall Facility Fund	\$	-	\$	-	\$	-
62													
63	\$	399,683	\$	397,405	\$	411,500	TOTAL EXPENSES	\$	434,500	\$	434,500	\$	434,500
64													
65													
66													
67	\$	-	\$	-	\$	20,600	Contingency	\$	21,800	\$	21,800	\$	21,800
68		129,650		203,756		210,900	Undesignated Ending Fund Balance		145,400		145,400		145,400
69													
70	\$	529,333	\$	601,161	\$	643,000	TOTAL EXPENSES & BUDGETED FUND BALANCE	\$	601,700	\$	601,700	\$	601,700

Notes:

- ⁶¹ 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.
- ⁶⁷ Contingency is 5% of total expenses.
- ⁶⁸ 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 had adequate Working Capital; assessments have been reduced accordingly.

STORM WATER FUND

The Storm Water Fund is a new fund managed by the Public Works Department to meet the Federal Clean Water Act administered by Oregon Department of Environmental Quality (DEQ). The City of Keizer has been identified as a Phase II City by DEQ and is required to establish a Storm Water Management Plan (SWMP) and apply for a National Pollutant Discharge Elimination System (NPDES) permit to discharge stormwater into the Willamette, Claggett Creek and Labish Creek. City Council passed a resolution adopting the SWMP in March 2004 which outlined the program to meet the NPDES permit for the next

five plan years. City Staff anticipates receiving the approved NPDES permit in April of 07 from DEQ. The SWMP five year planning process will begin when the permit is approved.

The Storm Water Task Force Committee has been reconvened to assist City Council in establishing the appropriate fee structure to meet permit requirements over the next five years. Funding for this program will consist of street fund dollars transferred to the storm water fund and a new utility fee established to conduct all requirements of the NPDES PH II permit.

Projects to begin in Budget Year 2007-2008

- Recruit for four full time employees to implement and manage the SWMP which Includes annual reporting, Storm System cleaning and maintenance, and implementation of the six minimum control measures consisting of:
 - Public Education
 - Public Involvement/Participation
 - Illicit Discharges Detection and Elimination
 - Construction Site Stormwater Runoff Control
 - Post Construction Stormwater Management for New Development and Redevelopment
 - Pollution Prevention in Municipal Operations

Capital Improvement Projects Expenditures 2007-2008

● Relocate and build new 18" Storm Sewer line to serve Aldine Sub-Division	\$100,000
● Complete the Master Plan update to identify system deficiencies and update drainage basins	50,000
● Purchase a new Storm Sewer Cleaning Truck over five years	<u>46,000</u>
	<u>\$196,000</u>

ENTERPRISE FUNDS

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

1	\$	-	\$	-	\$	-	Working Capital Carry forward	\$	-	\$	-	\$	-
2							Planning & Construction Fees		10,000		10,000		10,000
3							Service Fees		231,000		490,900		490,900
4							Interest		5,000		5,000		5,000
5							Miscellaneous		-		-		-
6							Transfer from Street Fund		210,000		149,100		149,100
7	\$	-	\$	-	\$	-	TOTAL RESOURCES	\$	456,000	\$	655,000	\$	655,000

Notes:

³ The Service Fee revenue is based on Equivalent Service Units. 1 ESU equals 3000 square fee of impervious surface. If approved, the Service Fee will need to be programmed into the Utility Billing system. The earliest we can expect to receive revenue is August 2007; therefore revenue is based on a 10-month period.

ENTERPRISE FUNDS



	<u>PERSONNEL SERVICES</u>												
11													
12	\$	-	\$	-	\$	-	City Manager	\$	5,500	\$	5,500	\$	5,500
13							Assistant to City Manager		5,400		5,400		5,400
14							City Recorder		700		700		700
15							Public Works Director		4,900		4,900		4,900
16							Public Works Superintendent		4,000		4,000		4,000
17							Storm Water Program Specialist		41,200		27,500		27,500
18							Municipal Utility Workers		17,000		77,000		77,000
19							Administrative Support Staff		8,400		8,400		8,400
20							Public Works Permit Specialist		2,000		2,000		2,000
21							Network Administrator		1,200		1,200		1,200
22							Human Resources Director		1,800		1,800		1,800
23							Finance Director		3,000		3,000		3,000
24							Facility Maintenance Worker		2,000		2,000		2,000
25							Overtime		1,100		1,100		1,100
26							Vehicle Allowance Pay		100		100		100
27							Educational/Tuition Assistance		100		100		100
28							Medicare		1,500		2,300		2,300
29							Retirement		17,400		25,600		25,600
30							Insurance Benefits		22,300		36,400		36,400
31							Workers Compensation		2,200		3,500		3,500
32	\$	-	\$	-	\$	-	TOTAL PERSONNEL SERVICES	\$	141,800	\$	212,500	\$	212,500

Notes:

- 17 Hire a full-time employee to provide public outreach and regulation compliance relating to the City's NPDES PH11 permit, expected hire date is November 2007.
- 18 Hire three full-time employees to operate flushing truck for storm system maintenance and to manage the program. Hire dates are expected to be December 2007-January 2008 depending on how quickly revenue can be generated to support the program.
- 29 Sworn Police Officers, the City Manager, and the Public Works Director participate in the Oregon Public Employee's Retirement System (PERS). Employer contribution rates decreased from 16.65% in FY06 and FY07 to 13.32% for FY08 and FY09. All other employees participate in a private 401(a) plan at 12% for management staff and 11% for all other regular employees.
- 30 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 12% and 8% respectively. In FY06, the City began paying the full cost of life insurance premiums (\$60,000 in coverage per employee). Staff does not expect these costs to increase in FY08.
- 31 Workers Compensation rates are expected to increase 10% in FY08.

ENTERPRISE FUNDS

				<u>MATERIALS & SERVICES</u>			
33							
35	\$	-	\$	-	\$	-	\$
36							
37							
38							
39							
40							
41							
42							
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67							
68							
69							
70	\$	-	\$	-	\$	-	\$

ENTERPRISE FUNDS

72	<u>CAPITAL OUTLAY</u>									
73	\$	-	\$	-	\$	-	Office Furniture & Equipment*	4,200	4,200	4,200
74							Field Equipment	1,000	1,000	1,000
75							Storm Sewer Maintenance Truck	-	46,000	46,000
76							Computer Hardware*	1,500	1,500	1,500
77							Storm Water Master Plan Update	50,000	50,000	50,000
78							Storm Sewer Pipe Extension or Repair	100,000	100,000	100,000
79							Lift Station Telemetry System	1,000	1,000	1,000
80	\$	-	\$	-	\$	-	TOTAL CAPITAL OUTLAY	\$ 157,700	\$ 203,700	\$ 203,700
81										
82	\$	-	\$	-	\$	-	TOTAL EXPENSES	\$ 403,500	\$ 553,200	\$ 551,900
83										
84										
85										
86										
87							Reserve for Storm Sewer Maintenance Equipment	\$ 20,000	\$ -	-
88							Contingency	10,000	30,000	30,000
89							Fund Balance	22,500	71,800	73,100
90										
91	\$	-	\$	-	\$	-	TOTAL EXPENSES & BUDGETED FUND BALANCE	\$ 456,000	\$ 655,000	\$ 655,000

Notes:

⁷⁵ The City plans to purchase a new Storm Sewer Maintenance Truck over the next five years. The first year lease payment is estimated at \$63,000. The Storm Sewer Maintenance Truck will be used to jet clean the storm drain system. The cost will be allocated accordingly: Storm Utility Fund - 73%, Street Fund - 22% and Water Fund - 5%.

⁷⁷ Storm Water Master Plan Update to replace the 1982 plan.

⁷⁸ New Storm Water Pipe serving Aldine SubDivision replacing old concrete pipe on back property lines.

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. City staff is anticipating in the near future completing a sewer trunk line extension along McNary Estates Drive to Willow Lake Treatment Plant fulfilling distribution capacity agreements with the City of Salem.

ENTERPRISE FUNDS

1	\$	498,764	\$	679,117	\$	772,900	Working Capital Carryforward	\$	960,800	\$	960,800	\$	960,800
2		182,161		302,792		349,000	Sanitary Sewer Acreage Fee		119,000		119,000		119,000
3		58,897		1,748		-	Storm Sewer Acreage Fee		-		-		-
4		1,786		1,559		2,200	Interest		1,200		1,200		1,200
5	\$	741,608	\$	985,216	\$	1,124,100	TOTAL RESOURCES	\$	1,081,000	\$	1,081,000	\$	1,081,000
6													
7													
8													
9													
10													
11	\$	540	\$	190	\$	5,000	Contractual Services	\$	5,000	\$	5,000	\$	5,000
12		-		21,862		-	Engineering		-		-		-
13	\$	540	\$	22,052	\$	5,000	TOTAL MATERIALS & SERVICES	\$	5,000	\$	5,000	\$	5,000
14													
15													
16													
17	\$	783	\$	119,152	\$	375,000	Sewer Line Extensions	\$	550,000	\$	550,000	\$	550,000
18		61,168		25,320		-	Storm Drain Reimbursement		-		-		-
19		-		-		70,000	Contingency		150,000		150,000		150,000
20	\$	61,951	\$	144,472	\$	445,000	TOTAL CAPITAL OUTLAY	\$	700,000	\$	700,000	\$	700,000
21													
22	\$	62,491	\$	166,524	\$	450,000	TOTAL EXPENSES	\$	705,000	\$	705,000	\$	705,000
23													
24													
25													
26	\$	679,117	\$	818,692	\$	674,100	Undesignated Ending Fund Balance	\$	376,000	\$	376,000	\$	376,000
27													
28	\$	741,608	\$	985,216	\$	1,124,100	TOTAL EXPENSES & BUDGETED FUND BALANCE	\$	1,081,000	\$	1,081,000	\$	1,081,000

Notes:

2 Anticipated Acreage Fee Revenue is from Keizer Station Area A and C, plus City-wide development.

* Interest Revenue is based on FY07 earnings through 3/31/07 projected out to 6/30/07. The local government investment pool rates increased from 4.32% in February 2006 to 5.21% in February 2007.

17 Anticipating Sewer Trunk construction along McNary Estates Drive to Willow Lake Treatment Plant per agreement with City of Salem.

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.

Salary surveys for all classifications are performed no less than every three (3) years. During fiscal year 2007, the City hired a consultant to conduct a survey which is scheduled for completion by June 30, 2007. Recommendations from the survey are included in the fiscal year 2008 budget.

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. Staff continues to work toward turning these accounts over to the City's current collection agency vendor. Recent legislation allows City's to turn over past due accounts up to twenty years after they become due. This is a change from previous legislation which limited the time period to ten years.

BUDGET NOTES

Continued

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 FY08 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. Staff considers the 2.5% threshold a minimum funding level.

Police Petty Cash Funds

In FY07 the City Council established petty cash funds for the Police Department Community Services Unit for \$200 and the Community Response Unit for \$800. By Council resolution, the Department shall report an itemization of expenditures from each of these funds to the City Council and Budget Committee no later than May of each fiscal year beginning 2007.

GENERAL FUND LONG RANGE FINANCIAL PLAN PROJECTIONS FOR FY08

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

1									
2									
3									
4	<i>Increase Population</i>		0.42%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%
5	<i>Increase Property Valuation</i>	City-Wide	4.00%	4.00%	4.00%	4.00%	4.00%	3.50%	3.50%
6									
7	<i>RESOURCES:</i>								
8									
9	Beginning Fund Balance		\$ 1,611,300	\$ 1,197,200	\$ 772,900	\$ 236,300	\$ (331,925)	\$ (616,877)	\$ (945,959)
10									
11	Property Taxes:		3,258,100	3,388,400	3,523,900	3,664,900	3,811,500	3,944,900	4,083,000
12	Dissolution of Urban Renewal District						566,200	586,000	606,500
13									
13	Licenses & Fees:	3% increase per year	2,429,000	2,501,900	2,577,000	2,654,300	2,733,900	2,815,900	2,900,400
14									
15	Intergovernmental:	Based on population increase	833,200	835,300	837,400	839,500	841,600	843,700	845,800
16									
17	Fines & Forfeits:	1% increase per year	605,600	611,700	617,800	624,000	630,200	636,500	642,900
18									
19	Miscellaneous:	1/2% increase per year	322,900	324,500	326,100	327,700	329,300	330,900	332,600
20									
21	TOTAL RESOURCES		\$ 9,060,100	\$ 8,859,000	\$ 8,655,100	\$ 8,346,700	\$ 8,580,775	\$ 8,541,023	\$ 8,465,241

GENERAL FUND LONG RANGE FINANCIAL PLAN PROJECTIONS FOR FY08

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

1								
2								
3								
22	CPI-W	2.75%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
23	Medical Insurance Premium Increase		10%	10%	10%	10%	10%	10%
24	Materials & Services Increase		0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
25								
26	EXPENDITURES:							
27								
28	Personnel Services							
29	Costs excluding Medical Benefits CPI-W	\$ 5,051,300	\$ 5,202,800	\$ 5,358,900	\$ 5,519,700	\$ 5,685,300	\$ 5,855,900	\$ 6,031,600
30	Medical Insurance Benefits	710,800	781,900	860,100	946,100	1,040,700	1,144,800	1,259,300
31								
32	Materials & Services	1,768,000	1,776,800	1,785,700	1,794,600	1,803,600	1,812,600	1,821,700
33	Overhead expenditures from Urban Renewal District					243,000	244,200	245,400
34	Added Cost of Civic Center Building Operations			85,000	85,425	85,852	86,281	86,713
35								
36	Capital Outlay							
37	Police Department - K-9 Dog	11,600						
37	Park Improvements	17,000	17,100	17,200	17,300	17,400	17,500	17,600
38	Office & Computer Equipment, Vehicles etc	145,600	146,300	147,000	147,700	148,400	149,100	149,800
39								
40	Transfer to 9-1-1 Fund	80,700	81,100	81,500	81,900	82,300	82,700	83,100
41								
42	TOTAL EXPENDITURES	\$ 7,785,000	\$ 8,006,000	\$ 8,335,400	\$ 8,592,725	\$ 9,106,552	\$ 9,393,081	\$ 9,695,213
43								
44	Contingency - 1% of Expenditures	77,900	80,100	83,400	85,900	91,100	93,900	97,000
45	Fund Balance % of Revenues	1,197,200	772,900	236,300	(331,925)	(616,877)	(945,959)	(1,326,971)
46								
47	TOTAL EXPENDITURES & FUND BALANCE	\$ 9,060,100	\$ 8,859,000	\$ 8,655,100	\$ 8,346,700	\$ 8,580,775	\$ 8,541,023	\$ 8,465,241
48								
49	Beginning Fund Balance	1,611,300	1,197,200	772,900	236,300	(331,925)	(616,877)	(945,959)
50	Cash Needed (15% of Revenues)	1,117,320	1,149,270	1,182,330	1,216,560	1,336,905	1,373,685	1,411,680
51								
52	Amount needed to be Borrowed							

City of Keizer

GENERAL FUND LONG-RANGE FINANCIAL PLAN

Purpose and Goals: The Budget Committee has reviewed and adopted a Long-Range Financial Plan for the City's General Fund for several years now. 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 2008, 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 funding 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. Several 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, Community Development and Administration. The City's property tax revenues represent approximately 44% of General Fund revenues. Increases are expected to be 3% of existing property values plus a growth factor of 1% 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 56% 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 74% 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.

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%.

Beginning with fiscal year 2012, additional tax revenues (line 12) will come into the City coffers when the Urban Renewal District reaches its maximum indebtedness and dissolves.

Licenses & Fees (line 13). Projected increases in Licenses and Fees include a 3% increase per year. Historically, Licenses & Fees have shown sporadic increases because of significant rate increases in the past few years. Utility rate increases and growth are factored into the 3% projection.

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.

Miscellaneous (line 19). 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 28). The Long-Range Plan is based on 2008 budgeted staffing levels of 90 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 2008 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, 2007. Projections for future years are based on less definitive assumptions.

Materials & Services (line 32). 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.

Beginning with fiscal year 2012 the Urban Renewal District is expected to reach its maximum indebtedness at which time the district will end. Overhead expenditures currently paid out of the Urban Renewal District will need to be allocated to the City's operating funds. Currently these costs total \$330,000 of which the General Fund's share is estimated at \$240,000 in current dollars **(line 33)**.

The City is in the design stages of building a new Civic Center. Staff expects to move into the new building by early summer 2009. The building will be much larger than the existing facilities, therefore, building related costs such as liability insurance, gas and electricity, and janitorial services will increase **(line 34)**. The long-range plan shows the General Fund's share of these cost increases. As a starting point, Staff estimates these costs to roughly double. As more definitive information

becomes available, the long-range plan will be updated to reflect more precise information..

Capital Outlay (line 36). 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 such as the Police Department's K-9 Dog which is funded with donation revenues. Special levies could be considered as a method of funding large specific capital expenditures.

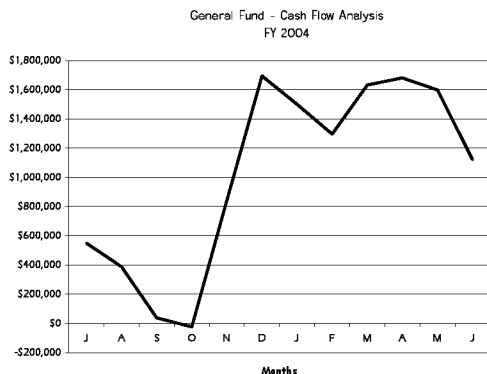
Transfer (line 40). 9-1-1 Excise Tax revenues have been insufficient in recent years to fully fund the Program. Consequently, the General Fund subsidizes this fund at approximately \$80,000 per year.

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 45). 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 2008 and 2009. As mentioned previously, additional tax revenues are anticipated after the Urban Renewal District ends which is expected in fiscal year 2012. 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. For illustration, 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 49-52 summarize cash flow projections over the life of the plan. **Line 52** represents the estimated amount to be borrowed for General Fund purposes.

The various assumptions made for projecting revenues and expenditures shows the General Fund going into a deficit by the end of fiscal year 2011. Historically, the long-range plan has shown a deficit in one to two years past the current year's budget. However, the City's policy of maintaining a 15% Working Capital Carryforward

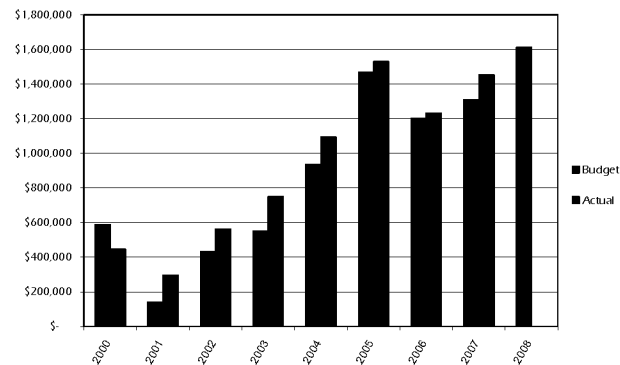
General Fund Long-Range Financial Plan

Continued

through each budget cycle, has kept cash balances at levels sufficient to operate without interim borrowing.

As the adjacent chart shows, Working Capital Carryforward has steadily increased over the past several years and has consistently come in above the amount budgeted for the year.

General Fund Working Capital



STAFFING HISTORY - FULL TIME EQUIVALENTS

	Actual 2003-04	Actual 2004-05	Actual 2005-06	Actual 2006-07	Budgeted 2007-08
CITY MANAGER					
City Manager	1.0	1.0	1.0	1.0	1.0
Assistant to City Manager	0.0	0.0	0.0	0.0	1.0
<i>Total</i>	1.0	1.0	1.0	1.0	2.0
HUMAN RESOURCES					
Human Resources Director	1.0	1.0	1.0	1.0	1.0
* Administrative Assistant	2.0	1.0	1.0	1.0	1.0
Network Administrator	1.0	1.0	1.0	1.0	1.0
<i>Total</i>	4.0	3.0	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	1.0
* Utility Billing Technician	1.0	1.0	1.0	1.0	1.0
* Utility Billing Clerks	3.0	3.0	3.0	3.0	3.0
Court Clerk I (previously Clerical Specialist)	0.0	0.5	0.5	0.5	1.0
Court Clerk II - Lead	1.0	1.0	1.0	1.0	1.0
* Receptionist	0.0	1.0	1.0	1.0	1.0
<i>Total</i>	8.0	9.5	9.5	9.5	10.0
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 2003-04	Actual 2004-05	Actual 2005-06	Actual 2006-07	Budgeted 2007-08
COMMUNITY DEVELOPMENT					
Community Development Director	1.0	1.0	1.0	1.0	1.0
Senior Planner	1.0	1.0	1.0	1.0	1.0
Associate Planner	1.0	0.0	0.5	0.0	0.0
Assistant Planner	0.0	0.0	0.0	1.0	1.0
Code Enforcement/Zoning Technician	1.0	1.5	1.5	1.0	1.0
Permit Specialist	0.5	1.0	1.0	1.0	1.0
<i>Total</i>	4.5	4.5	5.0	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	2.0
Municipal Utility/ Streets	1.0	1.0	1.0	1.0	1.0
Municipal Utility/ Water	9.0	9.0	11.0	11.0	11.0
Storm Water Program Specialist	0.0	0.0	0.0	0.0	1.0
Facility Maintenance	1.0	1.0	1.0	1.0	1.0
Permit Specialist	1.0	1.0	1.0	1.0	1.0
<i>Total</i>	15.0	15.0	17.0	17.0	19.0

STAFFING HISTORY - FULL TIME EQUIVALENTS

	Actual 2003-04	Actual 2004-05	Actual 2005-06	Actual 2006-07	Budgeted 2007-08
POLICE					
Chief	1.0	1.0	1.0	1.0	1.0
Captain(s)	1.0	2.0	2.0	2.0	2.0
Sergeants	8.0	7.0	7.0	7.0	7.0
** Police Officers	22.0	22.0	22.0	24.0	24.0
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	41.0	41.0
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 Supervisor	1.0	1.0	1.0	1.0	1.0
Police Support Specialists	4.0	4.0	4.0	4.0	4.0
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	49.0	49.0
<i>Grand Total</i>	81.5	82.0	84.5	86.5	90.0

* 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

CITY OF KEIZER												
SALARY ALLOCATION												
FY08 BUDGET												
	Admin	Parks	Comm Dev	Police	Muni Court	Street	Utility	Water	SLD	Storm Water	Urban Renewal	
CITY MANAGER												
City Manager	28%					5%	1%	10%	1%	5%	50%	100%
Assistant to City Manager	40%					8%	2%	15%	2%	8%	25%	100%
HUMAN RESOURCES												
Human Resources Director	70%					4%	3%	17%	1%	2%	3%	100%
Administrative Assistant	70%					4%	3%	17%	1%	2%	3%	100%
Network Administrator	70%					4%	3%	17%	1%	2%	3%	100%
FINANCE												
Finance Director	20%					5%	21%	21%	5%	3%	25%	100%
Accountant	35%					5%	19%	25%	5%	1%	10%	100%
Accounting Technician	35%					5%	19%	25%	5%	1%	10%	100%
Utility Billing Technician							48%	49%		3%		100%
Utility Billing Clerks							48%	49%		3%		100%
Court Clerk I					100%							100%
Court Clerk II - Lead					100%							100%
Receptionist/Administrative Assistant	18%				25%	4%	8%	11%	2%	4%	28%	100%
CITY RECORDER												
City Recorder	65%					10%	2%	2%	10%	1%	10%	100%
Deputy City Recorder	27%	10%	20%	5%		3%	3%	3%	3%	1%	25%	100%
COMMUNITY DEVELOPMENT												
Community Development Director			58%			5%		2%			35%	100%
Senior Planner			90%								10%	100%
Assistant Planner			90%								10%	100%
Permit Specialist			90%								10%	100%
Code Enforcement/Zoning Technician			90%			10%						100%

CITY OF KEIZER												
SALARY ALLOCATION												
FY08 BUDGET												
	Admin	Parks	Comm Dev	Police	Muni Court	Street	Utility	Water	SLD	Storm Water	Urban Renewal	
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%	5%	15%	100%
Public Works Superintendent		5%				30%	5%	45%	5%	5%	5%	100%
Permit Specialist						43%	12%	30%	10%	5%		100%
Facility Maintenance	20%			20%		20%	5%	15%	5%	5%	10%	100%
Municipal Utility/ Streets, Water, Storm Water						25%		65%		10%		100%
Municipal Utility/ Streets/Storm						75%				25%		100%
Municipal Utility/ Parks		100%										100%
Municipal Utility/ Water								100%				100%
Storm Water Program Specialist										100%		100%

CITY OF KEIZER
CHANGES IN SALARY ALLOCATION
FY08 BUDGET

	General Fund	Street	Utility	Water	SLD	Storm Water	Urban Renewal		General Fund	Street	Utility	Water	SLD	Urban Renewal	
CITY MANAGER															
City Manager	28%	5%	1%	10%	1%	5%	50%	100%	28%	10%	1%	10%	1%	50%	100%
Assistant to City Manager	40%	8%	2%	15%	2%	8%	25%	100%							0%
HUMAN RESOURCES															
Human Resources Director	70%	4%	3%	17%	1%	2%	3%	100%	70%	4%	4%	18%	1%	3%	100%
Administrative Assistant	70%	4%	3%	17%	1%	2%	3%	100%	73%	7%	3%	8%	1%	8%	100%
Network Administrator	70%	4%	3%	17%	1%	2%	3%	100%	70%	4%	4%	18%	1%	3%	100%
FINANCE															
Finance Director	20%	5%	21%	21%	5%	3%	25%	100%	20%	5%	20%	25%	5%	25%	100%
Accountant	35%	5%	19%	25%	5%	1%	10%	100%	35%	5%	20%	25%	5%	10%	100%
Accounting Technician	35%	5%	19%	25%	5%	1%	10%	100%	35%	5%	20%	25%	5%	10%	100%
Utility Billing Technician			48%	49%		3%		100%			50%	50%			100%
Utility Billing Clerks			48%	49%		3%		100%			50%	50%			100%
Court Clerk I (previously Clerical Specialist)	100%							100%	34%	10%	10%	36%	2%	8%	100%
Receptionist/Court Clerk Specialist	43%	4%	8%	11%	2%	4%	28%	100%	67%	5%	5%	18%	1%	4%	100%
CITY RECORDER															
City Recorder	65%	10%	2%	2%	10%	1%	10%	100%	70%	10%			10%	10%	100%
Deputy City Recorder	62%	3%	3%	3%	3%	1%	25%	100%	63%	3%	3%	3%	3%	25%	100%
COMMUNITY DEVELOPMENT															
Community Development Director	58%	5%		2%			35%	100%	58%	5%		2%		35%	100%
PUBLIC WORKS															
Public Works Director	2%	43%	3%	27%	5%	5%	15%	100%	2%	43%	3%	27%	5%	20%	100%
Public Works Superintendent	5%	30%	5%	45%	5%	5%	5%	100%	5%	35%	5%	45%	5%	5%	100%
Permit Specialist		43%	12%	30%	10%	5%		100%		40%	10%	30%	10%	10%	100%
Facility Maintenance	40%	20%	5%	15%	5%	5%	10%	100%	40%	20%	5%	20%	5%	10%	100%
Municipal Utility/ Streets, Water, Storm Water		25%		65%		10%		100%		25%		75%			100%
Municipal Utility/ Streets/Storm		75%				25%		100%		100%					100%

CITY OF KEIZER
SALARIES BY BUDGETED POSITION
FISCAL YEARS 2004 through 2008

LINE ITEM	FY04			FY05			FY06			FY07			FY08		
	COST	FTE		COST	FTE		COST	FTE		COST	FTE		COST	FTE	
ADMINISTRATIVE SUPPORT STAFF	\$ 314,766	9.5		\$ 315,598	9.5		\$ 338,800	9.5		\$ 358,400	9.5		\$ 369,700	9	
ASSISTANT PLANNER													45,600	1	
ASSISTANT TO CITY MANAGER													67,400	1	
ASSOCIATE PLANNER	43,524	1					29,400	0.5		26,700	0.5				
BUILDING PERMIT SPECIALIST	17,233	0.5		36,096	1		38,000	1		39,200	1		42,200	1	
CAPTAIN	72,372	1		154,632	2		158,200	2		162,400	2		178,600	2	
CHIEF OF POLICE	87,960	1		89,496	1		91,500	1		93,900	1		103,300	1	
CITY MANAGER	86,928	1		91,116	1		96,100	1		101,700	1		109,700	1	
CITY RECORDER	62,520	1		63,600	1		65,000	1		66,900	1		68,800	1	
CODE ENFORCEMENT	33,744	1		16,904	0.5		17,900	0.5		19,000	0.5				
CODE ENFORCEMENT/ZONING TECH													38,900	1	
COMMUNITY DEVELOPMENT DIRECTOR	72,594	1		79,512	1		83,800	1		88,700	1		100,500	1	
COMMUNITY SERVICES OFFICER	36,124	1		39,377	1		41,100	1		35,700	1		47,400	1	
COURT CLERK	40,296	1		41,004	1		34,100	1		36,100	1		77,100	2	
FACILITY MAINTENANCE WORKER	30,924	1		32,412	1		34,000	1		36,700	1		39,100	1	
FINANCE DIRECTOR	79,788	1		81,192	1		83,200	1		85,400	1		98,700	1	
HUMAN RESOURCE DIRECTOR	77,448	1		81,192	1		82,900	1		85,400	1		87,900	1	

CITY OF KEIZER
SALARIES BY BUDGETED POSITION
FISCAL YEARS 2004 through 2008

LINE ITEM	FY04		FY05		FY06		FY07		FY08	
	COST	FTE	COST	FTE	COST	FTE	COST	FTE	COST	FTE
MUNICIPAL UTILITY WORKER III	87,830	2	94,104	2	101,000	2	105,300	2	139,300	3
NETWORK ADMINISTRATOR	36,282	1	43,380	1	46,700	1	49,400	1	57,200	1
POLICE OFFICER	1,425,204	28	1,454,954	28	1,542,900	28.75	1,699,000	31	1,788,500	31
POLICE ADMINISTRATIVE ASSISTANT	37,584	1	37,644	1	36,200	1	39,400	1	42,500	1
POLICE SUPPORT SPECIALIST I	35,136	1								
POLICE SUPPORT SPECIALIST II	116,647	3	155,986	4	162,500	4	168,100	4	172,700	4
PUBLIC WORKS DIRECTOR	87,960	1	89,496	1	91,400	1	94,100	1	96,800	1
PUBLIC WORKS PERMIT SPECIALIST	28,020	1	31,752	1	33,300	1	36,700	1	38,800	1
PUBLIC WORKS SUPERINTENDENT	61,872	1	66,792	1	71,800	1	73,800	1	79,700	1
SERGEANT	512,340	8	459,972	7	475,600	7	492,300	7	532,800	7
SUPPORT SERVICES SUPERVISOR	48,480	1	50,808	1	53,500	1	54,900	1	56,500	1
SENIOR PLANNER	48,420	1	46,488	1	44,900	0.8	53,400	1	56,400	1
ZONING TECHNICIAN			36,048	1	38,000	1	40,300	1		
TOTAL SALARIES	\$ 3,946,252	81.0	\$ 4,063,351	81.0	\$ 4,343,100	84.1	\$ 4,610,400	86.5	\$ 5,117,900	93.0

ALLOCATION OF SHARED COSTS
Fiscal Year 2007-08

	General Fund					Revenue Sharing Fund	Street Fund	Sewer Fund	Water Fund	SLD Fund	Storm Fund	Urban Renewal Fund	Total	FY 2006-07	Per Allocation All
	Admin	Parks	Com Dev	Police	Court										
1 Association Memberships	31,800						1,400	1,400	8,200	500	900	1,400	45,600	43,300	45,600
2 Audit	7,100						3,400	4,400	2,600	500	0	5,200	23,200	19,300	23,200
3 City Council Expenses	5,700						200	200	1,400	100	200	200	8,000	7,000	8,000
4 Computer & Software Maintenance	59,700						2,700	8,000	16,100	900	1,400	8,200	97,000	88,700	97,000
5 Computer Hardware						57,600	1,300	3,700	10,400	800	1,500	3,300	78,600	103,000	78,600
6 Facility Maintenance	26,200						1,100	1,100	6,700	400	700	1,100	37,300	37,300	37,300
7 Gas & Electricity	4,900	2,000		16,700			1,100	1,000	180,000	200	200	800	206,900	192,100	NA
8 Insurance - Liability	8,900			80,600			14,900	13,600	55,700	400	700	400	175,200	169,700	NA
9 Janitorial	5,400			19,700			1,100	1,100	6,500	400	700	1,100	36,000	36,000	36,000
10 Labor Attorney	7,000	500		18,000			800	300	5,900	100	1,000	300	33,900	32,600	33,900
11 Legal Services	29,200						30,000	3,500	11,600	200	200	33,400	108,100	130,200	NA
12 Office Furniture & Equipment						5,700	4,700	200	10,900	100	4,200	200	26,000	15,100	26,000
13 Postage & Printing	34,900	1,500	6,300	17,000			1,500	24,900	32,000	500	900	1,500	121,000	107,100	122,300
14 Safety & Wellness	2,500						100	100	600	100	100	100	3,600	3,900	3,600
15 Telephone	2,500	2,200	1,000	30,000			2,400	600	16,000	300	300	1,100	56,400	67,600	NA
16 Travel & Training	17,600	900	4,600	34,200	2,900		7,000	5,900	23,000	1,700	3,700	8,700	110,200	71,000	110,200

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 FY06 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 Geographic Informations System (GIS) support and enhancements to the utility billing and finance system software.
- 5 Computer equipment costs primarily include replacement equipment and equipment for new positions.
- 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 4.5% increase in rates in May/June 2007.
- 8 The City's insurance carrier projects a 3% increase in rates. Projections are based on the FY07 budgeted amount.
- 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. Beginning in FY07 these costs were 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, 2009.
- 11 Legal services are expected to decrease in FY08 because projects paid with billable hours are declining.
- 12 Office furniture includes a new codification system and new office furniture for the Public Works shops.
- 13 The US postal service increased postage costs an average 3-5% beginning in May 2007. Costs for all programs and funds include some direct costs for related programs and activities.
- 14 Safety and Wellness includes \$300 for the First Aid Station; \$1,300 for industrial hearing tests; \$500 for publications & \$1,000 for the Health & Wellness Fair. Costs are allocated to all operating funds.
- 15 Telephone costs decreased in the Water Fund because the Telemetry System now uses the radio system for transmit.
- 16 Travel & Training costs are budgeted by position and allocated based on each position's salary allocation. Cost increases include additional meals for the increasing number of task force meetings, leadership training for Department Head Staff, and training for Finance software system upgrades.

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.