

A G E N D A
KEIZER LONG RANGE PLANNING TASK FORCE
MEETING

Monday, March 12, 2018

6:00 p.m.

City Council Chambers

Keizer Civic Center

Keizer, Oregon 97303

1. **CALL TO ORDER**
2. **ROLL CALL**
3. **PRIOR YEAR MINUTES**
 - a. Long Range Planning Task Force Meeting Minutes – April 10, 2017
4. **DISCUSSION**
 - a. Stormwater Long Range Plan
 - b. Water Long Range Plan
 - c. General Fund Long Range Plan
 - d. Park Services Fee Update
 - e. Police Services Fee Update
5. **OTHER BUSINESS**
 - a. Budget Committee Meeting timelines
 - b. Next Year’s Long Range Planning Task Force Meeting
6. **ADJOURN**

Upon request, auxiliary aids and/or special services will be provided to participants with disabilities. To request services; please contact us at 503-390-3700 at least two working days (48 hours) in advance.



MINUTES
KEIZER GENERAL FUND LONG RANGE PLANNING TASK FORCE
Monday, April 10, 2017
Keizer Civic Center
Keizer, Oregon

CALL TO ORDER
ROLL CALL

Mayor Clark called the meeting to order at 6:00 pm. The following were present/absent:

Present:

Cathy Clark, Mayor
Marlene Parsons, Councilor
Bruce Anderson, Councilor
Kim Freeman, Councilor
Roland Herrera, Councilor
Laura Reid, Councilor
Charlotte Clark Allen Barker
Nelson Sossaman Joseph Gillis
Ron Bersin Jerry McGee
Jonathan Thompson

Staff

Chris Eppley, City Manager
Shannon Johnson, City Attorney
Bill Lawyer, Public Works Director
Nate Brown, Community Development Director
John Teague, Police Chief
Machell DePina, Human Resources Director
Tim Wood, Finance Director
Tracy Davis, City Recorder

Absent:

Amy Ryan, Councilor

VOLUNTEER APPRECIATION

Sarah Head, representing the Volunteer Coordinating Committee, thanked the Committee members for their volunteer efforts and distributed cookies as a token of appreciation.

APPROVAL OF MINUTES

Bruce Anderson moved for approval of the April 11, 2016 Minutes as amended (addition of clarification of chart). Marlene Parsons seconded. Motion passed as follows: Cathy Clark, Freeman, Parsons, Herrera, Reid, Anderson, Charlotte Clark, Sossaman, Bersin, Thompson, Barker, Gillis and McGee in favor with Ryan absent.

DISCUSSION

Finance Director Tim Wood explained that this meeting is different than Budget Committee meetings since the emphasis is on the long term perspective – looking at the trends and how the future will look in 3 to 5 years. He added that budgeting for the City is different than for a personal budget in that resources cannot be moved from one fund to another.

a. Stormwater Long Range

Mr. Wood noted that the stormwater system was inherited from Marion County and the City of Salem so staff is still learning about it. Television

Plan Update

camera inspections are helping with that. The inspection project is about 50% complete. Upon completion, a true capital improvement outlay plan can be developed. It was anticipated that the 55 cent per ESU charge would go up to 60-75 cents but for the near future it will stay at the 55 cents.

Public Works Director Bill Lawyer provided details of possible future projects, explained that the plan is to prioritize larger capital improvement projects moving forward, and noted that the DEQ permit is still a moving target due to changes and threats of lawsuits to the DEQ by environmental groups. All the City can do is keep operating with what it has until the permitting process is finalized. He explained how the inspections are done and added that staff anticipates moving forward with the inspections at a more rapid rate as the inspections move to newer parts of the system.

Mr. Lawyer then fielded questions regarding projects, inspections, permitting, mandates, Equivalent Service Units, and localized flooding.

b. Water Long Range Plan Update

Mr. Wood reported that there will be a 4% increase this coming year in support of the Capital Improvement Plan. He explained that the ending fund balance is high but it will drop back down when the long term debt is paid off. Mr. Lawyer added that the last update to the Capital Improvement Plan was 2012 so 5 years from now an extensive review and update will be done.

Discussion followed regarding the discrepancy between residential and commercial rates. Mr. Bersin suggested that it would be more equitable to have one uniform rate. City Manager Chris Eppley provided information about Cost of Service Analyses and explained that the reasons for different rates are either because one class creates a greater cost on the utility or for economic development purposes (i.e. to attract an industrial user).

c. General Fund Long Range Forecast

Mr. Wood explained that this fund has the most constraints as far as resources and expenditures. It provides for police, community development, parks, municipal court and administrative staff. He explained that the biggest city resource is property taxes, reviewed past increases, and stated that the projection for this year was for just over 4% which will be built into the model for the next several years.

Discussion followed regarding legislation related to Measures 5, 47 and 50, assessed valuations, new construction, and income from Keizer Station.

Mr. Wood then provided information regarding property tax collectibles, personal service increases, PERS rates, staffing, and medical insurance. He noted that this is a big picture look of what the general fund will look like over the next five years. Services will be maintained but it will be a challenge to add any new ones because of PERS costs, capital outlays including replacing/maintaining vehicles that were purchased 4 or 5 years ago, upgrades in radio systems, telephone replacement and Information Technology costs.

Mr. Bersin voiced disappointment that although additional Police Officers has been a priority in past planning meetings it is not being addressed. He pointed out income that could be used for this and is not and questioned why. Mr. Eppley provided a detailed explanation on Local Improvement District fund restrictions and how paying one off limits the liability of the General Fund and therefore benefits the citizens. He added that the tax rate and base is sustaining the maximum number of personnel possible and that, although there have been some retirements, those also cost the City money. Also, he would not recommend hiring people that cannot be sustainably kept on the payroll.

Additional discussion followed regarding new construction, marijuana tax, a police fee, police calls, mutual aid agreements, and non-uniform police staffing. Mr. Gillis pointed out that this is the 7th year that the Task Force has been told that the police head count is a priority, but it obviously is not. He suggested that a discussion be held on how it could happen or just forget about it if it is not going to work and move onto other things.

Mayor Clark pointed out that the tax base has gotten so stretched that police or parks cannot be funded. If there is a sustainable way to do it, it has not been determined, but it is a priority for the community. The parks survey and the analysis for police needs have been helpful. A fee would be a different funding mechanism than what has been done before and the community has to support it.

Further dialog took place regarding adjusting the budget so that it is realistically accurate rather than spending the budget year trying to save the amount that is designated as a deficit. Mr. Wood suggested that perhaps rather than focusing on each individual line item everyone should look at each department in total; that way a more realistic budget could be developed with current revenues equaling current expenditures.

Mr. Eppley pointed out that there are funding opportunities available such as the marijuana tax and possible long-term leases of city-owned properties but changes will be slow and incremental. The idea of a fee that the Parks Board is looking at is a viable option. The same thing has been discussed with groups for a Public Safety fee. He added that an option would be to have a Police District but that would take the delivery of service out of the hands of the people elected to make decisions for the community and put it into a different body. He did not recommend this.

Mr. Wood suggested that the Long Range Planning Task Force meeting be held in January so that input could be easily incorporated into the budget process.

Mr. Eppley explained that the reason this meeting began was to determine the sensitivity of members to what budget cuts they would accept during the downturn. The nature of the meeting has now changed; it doesn't have the same purpose. He added that he liked Mr. Wood's idea of moving the meeting forward to January so that any potential information can be put to

use for building the budget.

Task Force members agreed by consensus to move the Long Range Planning Task Force to January in 2018.

**OTHER
BUSINESS**

**a. Budget
Committee
Meeting
Timelines**

Tuesday, May 2, 6 p.m. – Budget Committee Meeting
Thursday, May 4, 6 p.m. – Budget Committee Meeting
Tuesday, May 9, 6 p.m. – Budget Committee Meeting

Adjourn Meeting adjourned at 7:52 p.m.

Debbie Lockhart, Deputy City Recorder

Minutes approved:

City of Keizer

Long Range Plan - Stormwater System

Fiscal Year 2018-19

The City Council approved a long range financial plan for the Stormwater Fund in fiscal year 2012-13 in order to address deficiencies and provide adequate financial planning for a self-sustaining fund. That strategy has been successful in addressing ongoing and upcoming regulatory, maintenance, and repair needs for the stormwater system. The Department continues to elevate repair activities while meeting regulatory permit requirements. These costs comprise the on-going capital outlay line item shown in the schedule below. The City plans to adopt a formal Capital Improvement Program for its stormwater system once it has completed inspection of the system and can identify needed improvements.

	PROJECTED		FORECASTED		
	2017-18	2018-19	2019-20	2020-21	2021-22
1 RESOURCES:					
2 Beginning Balance:	\$ 377,000	\$ 264,000	\$ 248,300	\$ 316,300	\$ 452,300
3 Service Fees	1,706,000	1,858,000	2,007,000	2,157,000	2,231,000
4 Other Revenues	12,000	12,000	16,000	17,000	18,000
5 TOTAL RESOURCES	\$ 2,095,000	\$ 2,134,000	\$ 2,271,300	\$ 2,490,300	\$ 2,701,300
6					
7 REQUIREMENTS:					
8 Expenditures:					
9 Personnel Services	720,000	762,700	816,000	873,000	934,000
10 Materials & Services	771,000	783,000	799,000	815,000	831,000
11 Capital Outlay	340,000	340,000	340,000	350,000	350,000
14 Total Expenditures	1,831,000	1,885,700	1,955,000	2,038,000	2,115,000
15 Fund Balance:					
16 Unrestricted Fund Balance	264,000	248,300	316,300	452,300	586,300
17 TOTAL REQUIREMENTS	\$ 2,095,000	\$ 2,134,000	\$ 2,271,300	\$ 2,490,300	\$ 2,701,300
Day's Cash Supply at End of Year	56	49	58	77	96

In order to maintain at least a 60-day cash supply to correspond with the bi-monthly stormwater billings the following rate increase per ESU with a January 1st effective date is required:

	Per ESU	\$ Increase	% Increase
2018-19	\$ 7.11	\$ 0.55	8.4%
2019-20	\$ 7.66	\$ 0.55	7.7%
2020-21	\$ 8.21	\$ 0.55	7.2%
2021-22	\$ 8.21	-	0.0%

Proposed 2018-19 Rate Increase Analysis

	ESUs	Bi-Monthly Bill		
		Current	Proposed	
Single Family Residential	1	\$ 12.02	\$ 13.12	
Commercial	86	\$ 1,033.72	\$ 1,128.32	
School	94	\$ 1,129.88	\$ 1,233.28	
Apartment	44	\$ 528.88	\$ 577.28	
	ESUs	Incremental Cost of Rate Increase		
		Monthly	Bi-Monthly	Annual
Single Family Residential	1	\$ 0.55	\$ 1.10	\$ 6.60
Commercial	86	\$ 47.30	\$ 94.60	\$ 567.60
School	94	\$ 51.70	\$ 103.40	\$ 620.40
Apartment	44	\$ 24.20	\$ 48.40	\$ 290.40

City of Keizer
Long Range Plan - Water System
Fiscal Year 2018-19

	PROJECTED		FORECASTED			
	2017-18	2018-19	2019-20	2020-21	2021-22	
1 RESOURCES:						
2 Beginning Balance:	\$ 1,027,200	\$ 923,000	\$ 768,400	\$ 603,700	\$ 459,000	
3 Water Sales	2,936,000	3,053,000	3,175,000	3,302,000	3,434,000	
4 Other Revenues	112,000	85,500	89,000	93,000	97,000	
5 TOTAL RESOURCES	\$ 4,075,200	\$ 4,061,500	\$ 4,032,400	\$ 3,998,700	\$ 3,990,000	
6						
7 REQUIREMENTS:						
8 Expenditures:						
9 Personnel Services	\$ 1,021,100	\$ 1,080,700	\$ 1,156,000	\$ 1,237,000	\$ 1,324,000	
10 Materials & Services	1,396,400	1,416,000	1,444,000	1,473,000	1,502,000	
11 Capital Outlay	503,900	564,000	600,000	600,000	600,000	
12 Debt Service	230,800	232,400	228,700	229,700	-	
13 Total Expenditures	3,152,200	3,293,100	3,428,700	3,539,700	3,426,000	
14 Fund Balance:						
15 Reserves	234,100	234,100	234,100	-	-	
16 Fund Balance	688,900	534,300	369,600	459,000	564,000	
17 TOTAL REQUIREMENTS	\$ 4,075,200	\$ 4,061,500	\$ 4,032,400	\$ 3,998,700	\$ 3,990,000	
Days Cash Supply at End of Year	104	78	52	62	73	

The Water Fund Long Range Plan includes expenditure projections consistent with the Water System Capital Improvement Program adopted by the City Council.

Conclusion: The update to the Water Services Long-Range plan supports a 4% rate increase for FY18-19 as anticipated when the model was presented to the Long Range Planning Committee last year (April 2017).

Proposed 2018-19 Rate Analysis

	Flat Rate		Variable Rate	
	Current	Proposed	Current	Proposed
Residential 5/8" meter	\$ 10.73	\$ 11.16	\$ 1.39	\$ 1.45
Multi-family 1" meter	\$ 21.81	\$ 22.68	\$ 1.39	\$ 1.45
Commercial 5/8" meter	\$ 10.73	\$ 11.16	\$ 1.34	\$ 1.39

Proposed 2018-19 Rate Increase Impact

	Bi-Monthly Bill		Incremental Cost of Rate Increase		
	Current	Proposed	Monthly	Bi-Monthly	Annual
Residential (1300 ccf)	\$ 28.80	\$ 29.95	\$ 0.58	\$ 1.15	\$ 6.91
Multi-family (17500 ccf)	\$ 265.06	\$ 275.66	\$ 5.30	\$ 10.60	\$ 63.61
Commercial (5100 ccf)	\$ 79.07	\$ 82.23	\$ 1.58	\$ 3.16	\$ 18.98

City of Keizer
General Fund Long Range Forecast
Fiscal Year 2018-19

	PROJECTED	FORECASTED			
	2017-18	2018-19	2019-20	2020-21	2021-22
1 REVENUES:					
2 Taxes & Assessments	5,418,900	5,524,400	5,745,000	5,975,000	6,214,000
3 Licenses & Fees	2,902,400	2,966,200	3,026,000	3,087,000	3,149,000
4 Intergovernmental	1,158,300	1,177,100	1,201,000	1,225,000	1,250,000
5 Fines & Forfeitures	433,900	433,000	442,000	451,000	460,000
6 Other	139,400	163,000	265,000	268,000	271,000
7 Transfers In	705,700	656,000	656,000	656,000	656,000
8 TOTAL REVENUES	\$ 10,758,600	\$ 10,919,700	\$ 11,335,000	\$ 11,662,000	\$ 12,000,000
9					
10 EXPENDITURES:					
11 Personnel Services					
12 Wages	\$ 4,423,300	\$ 4,906,500	\$ 5,054,000	\$ 5,206,000	\$ 5,362,000
13 Retirement	1,153,600	1,316,600	1,506,000	1,551,000	1,597,000
14 Health Insurance	1,125,000	1,357,000	1,492,000	1,640,000	1,803,000
15 Materials & Services	2,810,400	3,052,300	3,113,000	3,175,000	3,239,000
16 Capital Outlay	538,600	202,000	200,000	200,000	200,000
17 Overlapping Tax Jurisdiction Repayment	209,000	209,000	209,000	209,000	207,000
18 Other - Transfers Out					
19 Parks	331,800	345,000	359,000	373,000	388,000
20 Other	-	150,000	200,000	200,000	-
21 TOTAL EXPENDITURES	\$ 10,591,700	\$ 11,538,400	\$ 12,133,000	\$ 12,554,000	\$ 12,796,000
22					
23 REVENUES IN EXCESS OF EXPENDITURES	166,900	(618,700)	(798,000)	(892,000)	(796,000)
24					
25 BEGINNING FUND BALANCE	2,205,000	2,371,900	1,753,200	955,200	63,200
26					
27 ENDING FUND BALANCE	\$ 2,371,900	\$ 1,753,200	\$ 955,200	\$ 63,200	\$ (732,800)

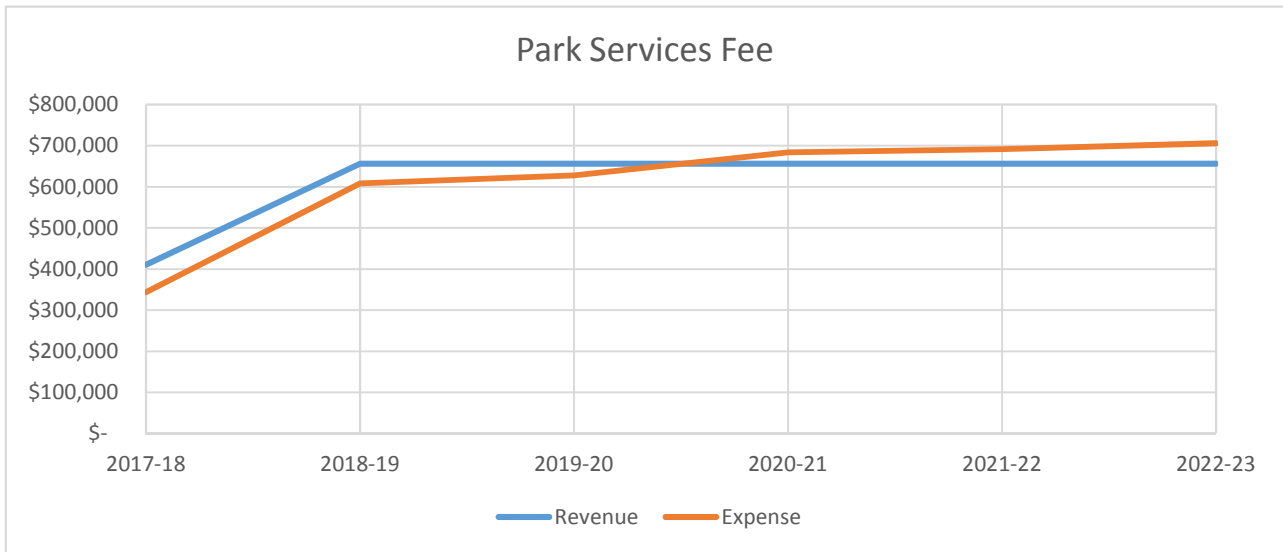
Notes:

- Historically the City has a favorable budget variance between \$300,000 and \$500,000

City of Keizer

Long Range Plan - Park Services Fee

Fiscal Year 2018-19



The Park Services Fee is to provide resources to increase the level of repairs and maintenance in the City's park system. The fee covers additional employee costs such as wages, health insurance, retirement and taxes for two additional park's employees in addition to costs associated with maintaining and repairing existing park amenities.

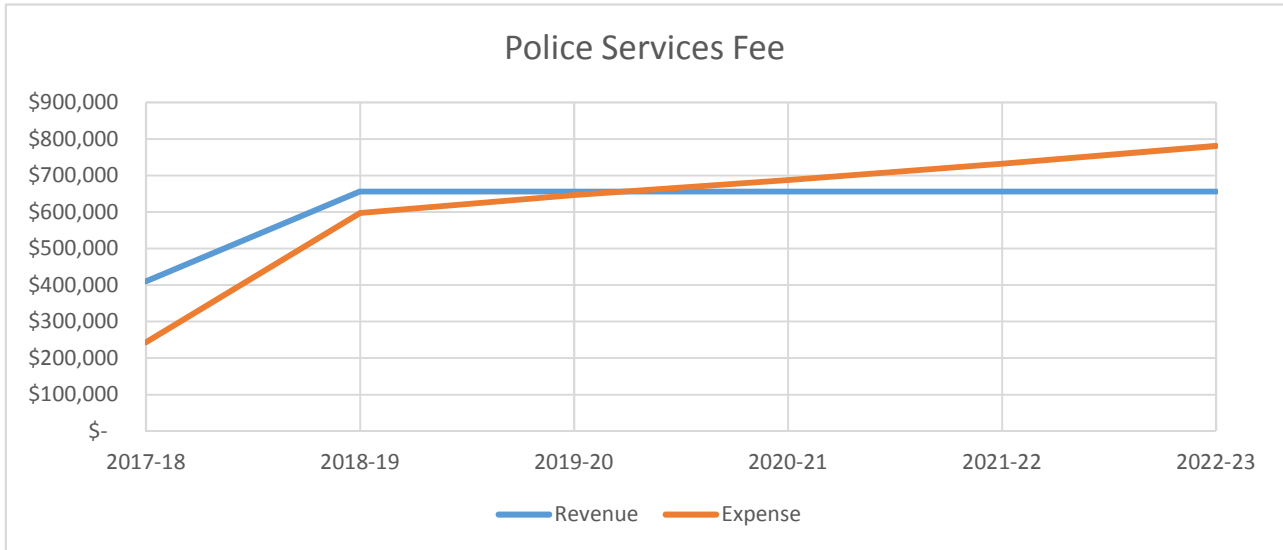
The fee is currently \$4.00 per month for single family residences and non-residential locations and \$3.45 per unit per month for multi-family dwellings. In addition age related and low income discounts are available.

Based on the current analysis the fee amount is sufficient to provide for the increased level of service for the park system until Fiscal 2023-24.

City of Keizer

Long Range Plan - Police Services Fee

Fiscal Year 2018-19



The Police Services Fee is to provide resources to hire and equip five additional police officers. The fee covers employee costs such as wages, health insurance, retirement and taxes in addition to uniforms, service equipment and vehicles.

The fee is currently \$4.00 per month for single family residences and non-residential locations and \$3.45 per unit per month for multi-family dwellings. In addition age related and low income discounts are available.

Based on the the current analysis the fee amount is sufficient to provide for the five additional officers until Fiscal Year 2022-23.