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## **A G E N D A**

### **KEIZER GENERAL FUND LONG RANGE PLANNING TASK FORCE**

**Monday, March 13, 2023**

**6:00 p.m.**

**Robert L. Simon Council Chambers  
930 Chemawa Road NE  
Keizer, Oregon 97303**

- 1. CALL TO ORDER**
- 2. ROLL CALL**
- 3. APPROVAL OF MINUTES**
  - a. March 14, 2022 Keizer General Fund Long Range Planning Task Force**
- 4. DISCUSSION**
  - a. Overview**
  - b. General Operating Fund**
    - a. Park Service Fee**
    - b. Police Services Fee**
  - c. Water System**
  - d. Stormwater System**
- 5. OTHER BUSINESS**
  - a. Upcoming Meeting Dates**
    - Budget Committee Meeting - May 8, 2023 at 6:00 p.m.**
    - Budget Committee Meeting - May 9, 2023 at 6:00 p.m.**
    - Keizer General Fund Long Range Planning Task Force Meeting – March 11, 2024 at 6:00 p.m.**
- 6. ADJOURN**

*City of Keizer Mission Statement*

*Keep City Government Costs And Services To A Minimum By Providing City Services To The Community In A Coordinated, Efficient, And  
Least Cost Fashion*



**MINUTES**  
**KEIZER GENERAL FUND LONG RANGE PLANNING TASK FORCE**  
**Monday, March 14, 2022**  
**VIRTUAL MEETING**

**CALL TO  
ORDER  
ROLL CALL**

Mayor Clark called the meeting to order at 6:00 pm. Roll call follows:

**Present:**

Cathy Clark, Mayor  
 Gerard Graveline  
 Roland Herrera, Councilor  
 Kyle Juran, Councilor  
 Dan Kohler, Councilor  
 Susan London  
 Melissa Martin  
 Laura Reid, Councilor  
 Hersch Sangster  
 Elizabeth Smith, Councilor  
 Shaney Starr, Councilor  
 Jonathan Thompson

**Absent:**

Ali Rasouli                      Francisco Saldivar

**Staff**

Tim Wood, Finance Director  
 Wes Hare, Interim City Manager  
 Tracy Davis, City Recorder  
 Machell DePina, Human  
    Resources Director  
 Shannon Johnson, City Attorney  
 John Teague, Police Chief  
 Shane Witham, Planning Director  
 Bill Lawyer, Public Works Director

**APPROVAL OF  
MINUTES**

Councilor Kohler moved for approval of the October 25, 2021 Minutes.  
Councilor Sangster seconded. Motion passed as follows: Clark, Graveline, Herrera, Juran, Kohler, London, Martin, Reid, Sangster, Smith, Thompson and Starr in favor with Rasouli and Saldivar absent.

**DISCUSSION**

**a. Stormwater  
Long Range  
Plan**

Finance Director Tim Wood explained that the City is required by the Federal Clean Water Act and the Safe Drinking Water Act to do things to water runoff and this is the fund that accounts for that. He noted that Keizer has not had a rate increase since January 2020 but there may be a need for increases in the future. Public Works Director Bill Lawyer noted that the cost for permits is \$11000 per year for the National Pollutant Discharge Elimination System and the Water Pollution Control Facilities permits. He also reviewed anticipated capital improvements for the next 12-18 months.

**b. Water Long  
Range Plan**

Mr. Wood summarized his staff report noting that the debt incurred several years ago has been paid off and suggested the possibility of another rate study and master plan update in the near future. Mr. Lawyer added that the Water System pays about \$9000 per year to the state health authority to operate the system.

- c. General Fund Long Range Plan** **Police Services Fee Update:** Mr. Wood reviewed his staff report explaining that the police make up 66% of this budget and that population growth drives revenues in this fund. He provided details related to Federal funds received and how those funds were spent, revenues and expenditures, staffing issues including compensation and benefit costs, and increased costs due to higher gas prices and PERS rates. He noted that the Police Services fee needed to be increased by \$1 in the next fiscal year to maintain the current level of service.
- d. Parks Long Range Plan** Mr. Wood explained that the Parks Fee makes up a significant portion of the park revenues. He brought attention to his staff report which listed projects completed with the fee noting that as more amenities are added, increased staffing to maintain them will be necessary.
- e. American Rescue Plan Act Projects** Mr. Wood reviewed his staff report providing extensive details on various possible projects. Discussion took place regarding one-time vs. ongoing expenditures, sidewalk connectivity and purchase of electric vehicles.
- 1. Keizer Library – Staffing:** Discussion took place regarding the on-going obligation from the City and the need for additional research before committing to the project. Committee members indicated that they could not support this project until they had more information and voiced support for a work session in April to discuss this.
  - 2. Keizer Heritage Foundation – Revenue Replacement:** Mr. Wood explained that the Heritage Foundation has requested support to make up for the times that the Center had to close its doors and the resultant lack of receipts.
  - 3. Marion County – Turf Field at Keizer Rapids Park:** Mr. Wood referred to his staff report and explained that this was related to a 50% match partnership with Marion County. He added that Marion County would like a response from Keizer by the end of March. Mr. Lawyer noted that the City would be responsible for staffing needs for trash removal, reservations, maintenance, etc. Discussion followed regarding sponsorship and tournament opportunities, use of volunteers, development of a management agreement, impact on neighbors if sporting events are held after dark and using SDC funds. Ms. Martin indicated that she felt this project would put undo strain of the City's budget. Mr. Sangster noted that he felt West Keizer Neighborhood Association and Northwest Keizer Neighborhood Association should be consulted before a decision is made. Mayor Clark indicated that she would like to express interest in continuing the conversation with the County and exploring additional funding options to reduce the \$2 million commitment and that resultant information be included in Budget Committee meetings.

Support was voiced for preparing City-owned properties for sale or lease, projects that benefit the City, investing in lighting in area parks (specifically at the amphitheater) and connecting area sidewalks (specifically on routes that are used by children going to and from school). Discussion ensued regarding matching grants, the Wheatland Road Multi-Modal Corridor project, and replacement of Police vehicles.

Following dialogue on the pros and cons of various suggested projects listed in the packet, committee members expressed support for projects in the 'Preventative Efforts', 'Restore City Functions', and 'Invest in City Infrastructure' sections. Support was also expressed for projects under Council Goals. Mr. Wood indicated that the City is well served by the current provider of Wi-Fi and Broadband.

Mayor Clark noted that 'Relief Efforts' are run by other agencies but urged that options be kept open as opportunities arise to partner with lead agencies that want to bring projects to Keizer.

## **OTHER BUSINESS**

### **a. Budget Committee Meeting Timelines**

Monday, May 9, 2022, 6 p.m.

Tuesday, May 10, 2022, 6 p.m.

### **b. Long Range Planning Task Force Meeting Timeline**

Monday, March 13, 2023, 6 p.m.

## **Adjourn**

Meeting adjourned at 8:41 p.m.

Minutes approved:

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Debbie Lockhart, Deputy City Recorder



# Long Range Planning Task Force

Fiscal Year 2022-23



# Agenda

- ▶ Overview
- ▶ General Operating Fund
  - Park Service Fee
  - Police Services Fee
- ▶ Water System
- ▶ Stormwater System
- ▶ Questions

# Overview

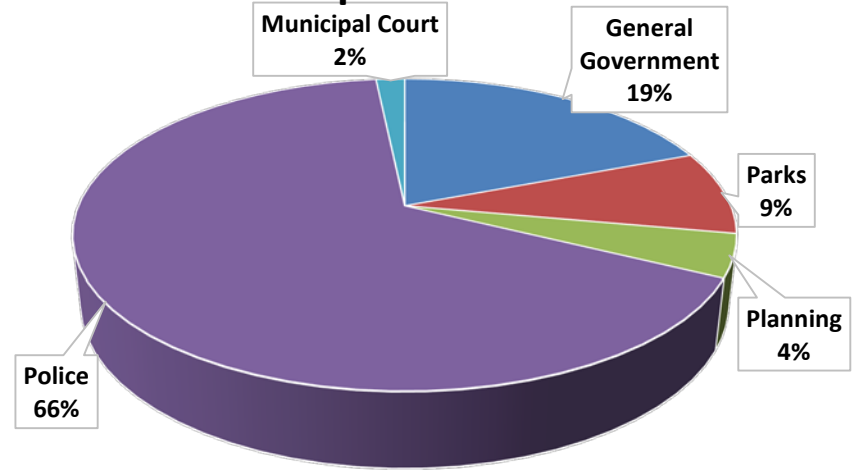
- ▶ Mid-year financial update
- ▶ Forecast into the future
- ▶ Warmup for the upcoming budget process

# General Operating Fund - Overview

► The General Operating Fund is the chief operating fund of the City and accounts for all financial resources and expenditures except those required to be accounted for in another fund. The General Operating Fund provides for:

- Police Department,
- Municipal Court,
- Planning,
- Parks Operation, and
- General Government

**General Operating Fund Expenditures by Department**







## General Operating Fund - Population

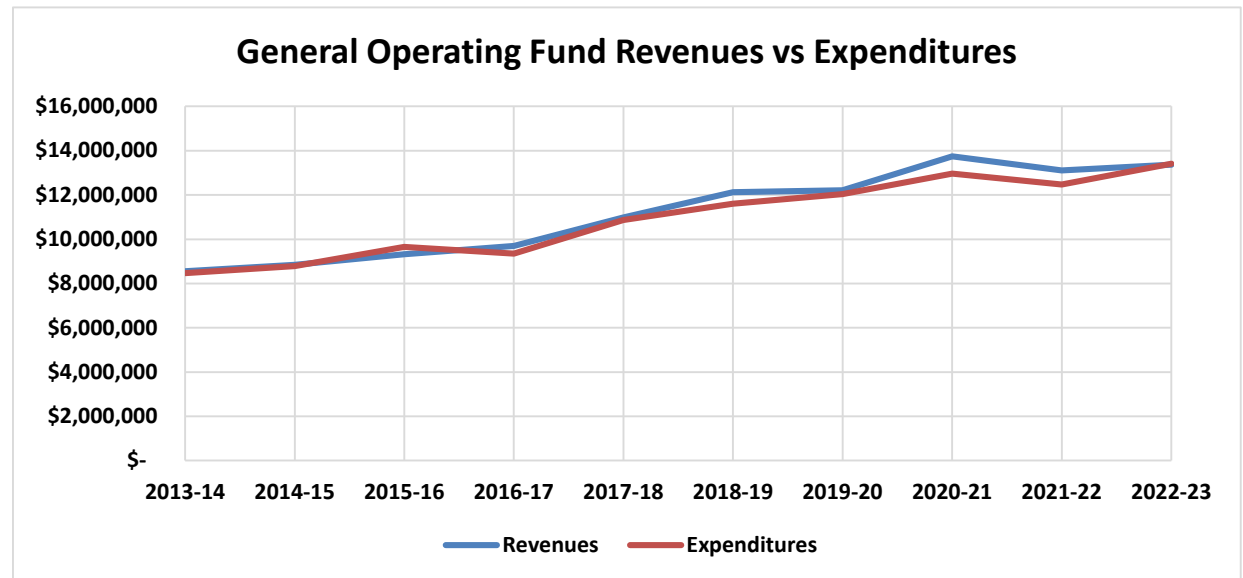
► Over the last 10 years the City has grown on average 0.75% per year. The limited population growth has a direct impact on property taxes, franchise fees and the City's per capita allocation of intergovernmental revenues.

Population			
July 1,	Total	Increase	% Increase
2013	36,735	20	0.1%
2014	36,795	60	0.2%
2015	36,985	190	0.5%
2016	37,505	520	1.4%
2017	38,345	840	2.2%
2018	38,505	160	0.4%
2019	38,580	75	0.2%
2020	38,585	5	0.0%
2021	39,458	873	2.3%
2022	39,561	103	0.3%

# General Operating Fund

► The General Operating Fund is the City's most constrained fund in relation to the level of services provided and highly dependent on ongoing City growth.

► The City experienced a spike in revenues during 2020-21 as the result of receiving \$1.1 million in CARES Act revenue in response to the COVID-19 pandemic.

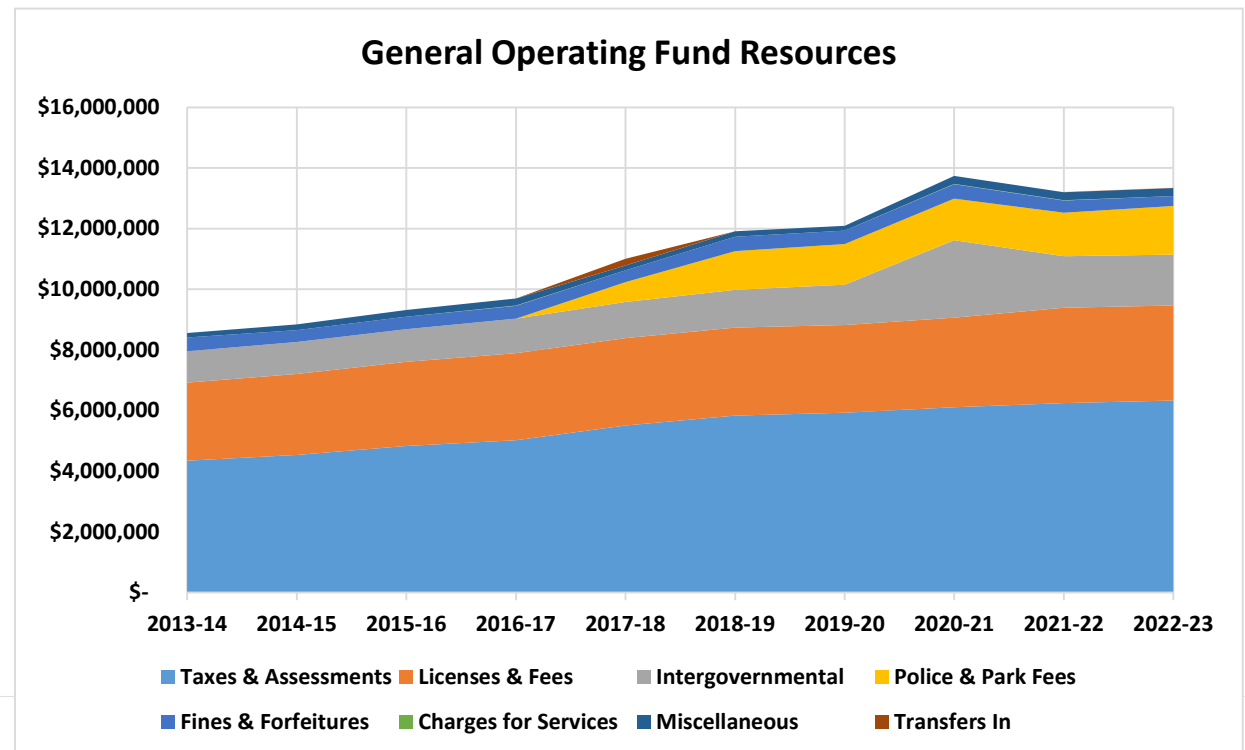


# General Operating Fund - Resources

► The primary sources of revenue are:

- Taxes and assessments
- Licenses and fees,
- Intergovernmental, and
- Police and Park fees

► The City has been intentionally trying to diversify revenues so that it is not dependent on any one source.



# General Operating Fund – Property Taxes

► Property taxes are assessed using a levy rate on each \$1,000 of assessed valuation.

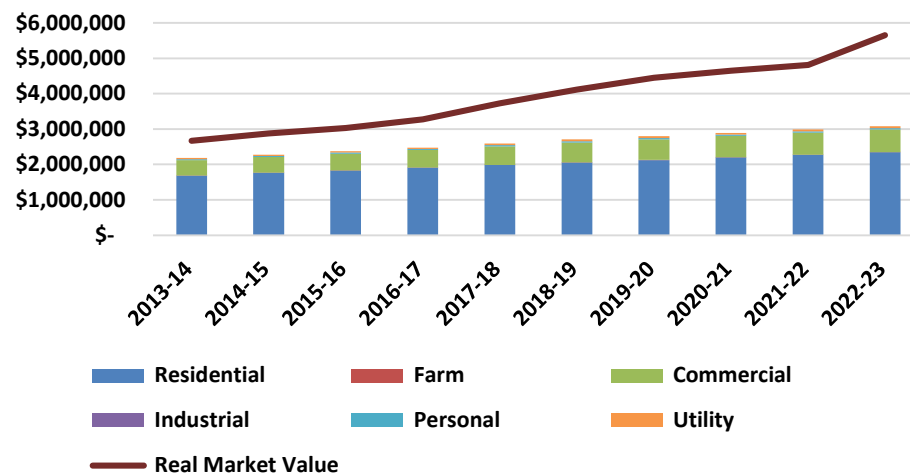
► They are classified into three types:

- permanent rate levy for general purpose operations,
- local option serial levies for specific purposes approved by voters, and
- bonded debt principal and interest.

► The City's permanent rate levy is a function of its permanent tax rate (\$2.0838) applied to its assessed value (per \$1,000).

► The City has no local option serial levies or bonded debt levies

Assessed Value by Property Type





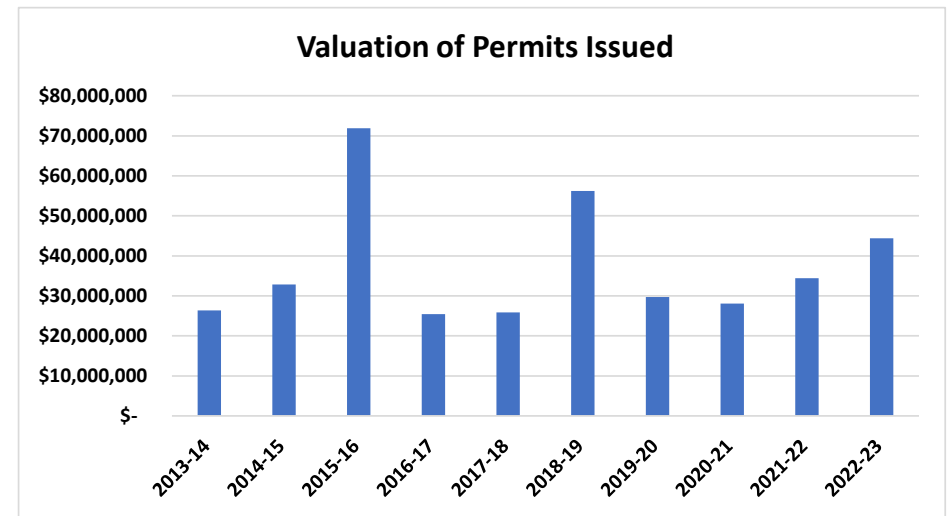
# General Operating Fund – Property Taxes

► The long-range plan projects the tax base levy by estimating the new assessed value and applying it to the City's applicable tax rate.

► The estimation of the assessed value starts with the previous year's assessed value and adds three factors:

- a growth factor (maximum allowed by law is 3%),
- an allowance for new construction, and
- an allowance for annexed property.

► Given the limited availability of buildable land it is expected that the increase in assessed value will be approximately 3%, the maximum allowed by law.





## General Operating Fund – License and Fees

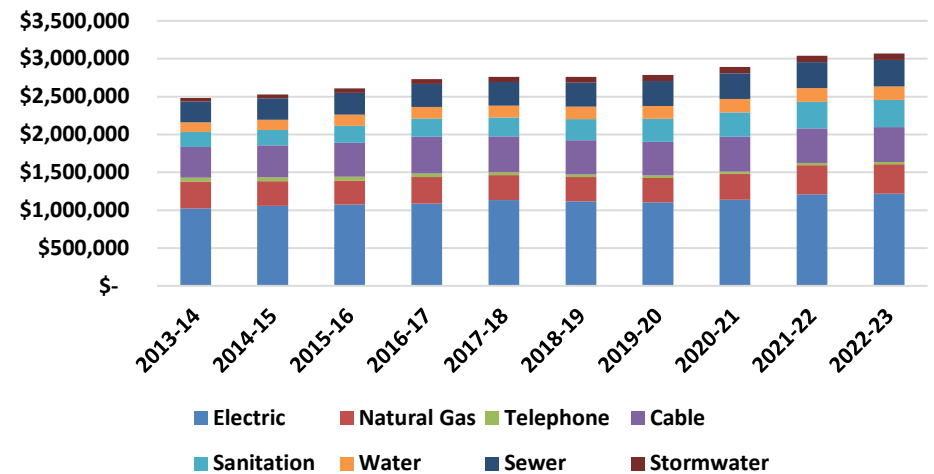
► These fees are collected based upon rates applied to the gross operating revenues generated within the City. Franchise fee rates have been set at:

- 5% for natural gas, electricity, garbage, cable and broadband, water, sewer and stormwater, and
- 7% for telephone.

► Overall franchise fees are growing approximately 1% per year primarily as the result of rate increases associated with water, sewer and sanitation services.

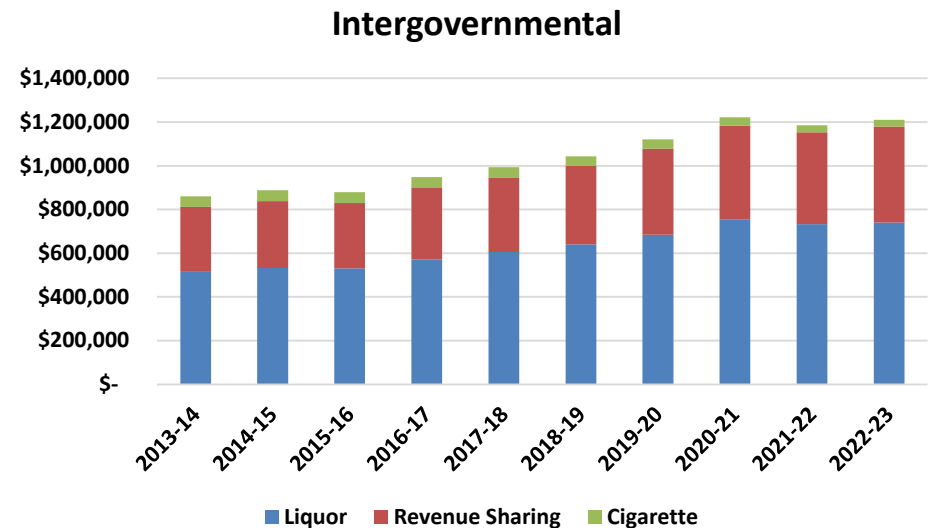
► Electricity and natural gas fluctuate based on the weather. Telephone and cable continue to decrease as customers continue to “cut the cord.”

License and Fees



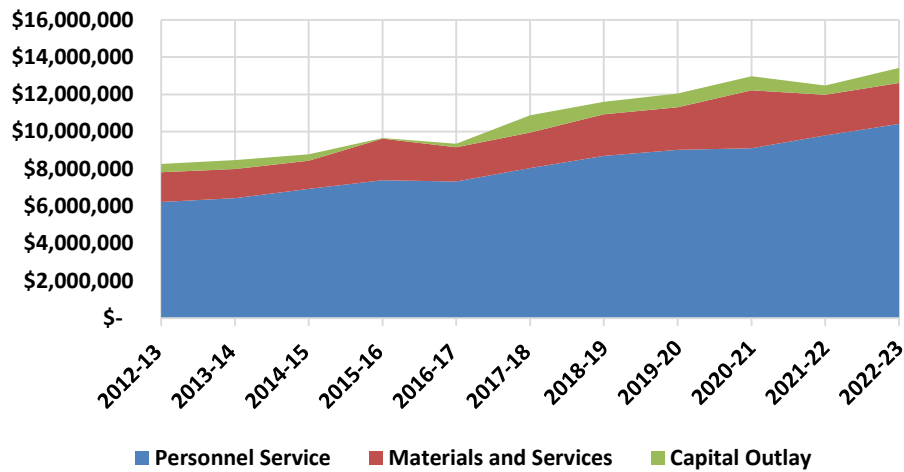
# General Operating Fund - Intergovernmental

- ▶ Intergovernmental revenues include federal, state, and local grant revenues and state-shared revenues received from the State of Oregon.
- ▶ The State of Oregon collects gas, cigarette, and liquor taxes and shares these taxes with its political subdivision based upon a per capita distribution.
- ▶ To the extent that the City's population growth is lower than the rest of the state the City's proportion share of intergovernmental revenues will be less.

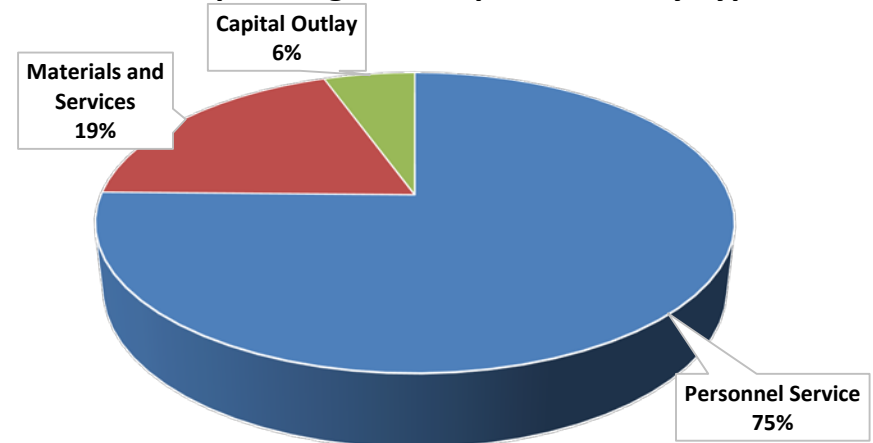


# General Operating Fund - Expenditures

General Operating Fund Expenditures by Type



General Operating Fund Expenditures by Type

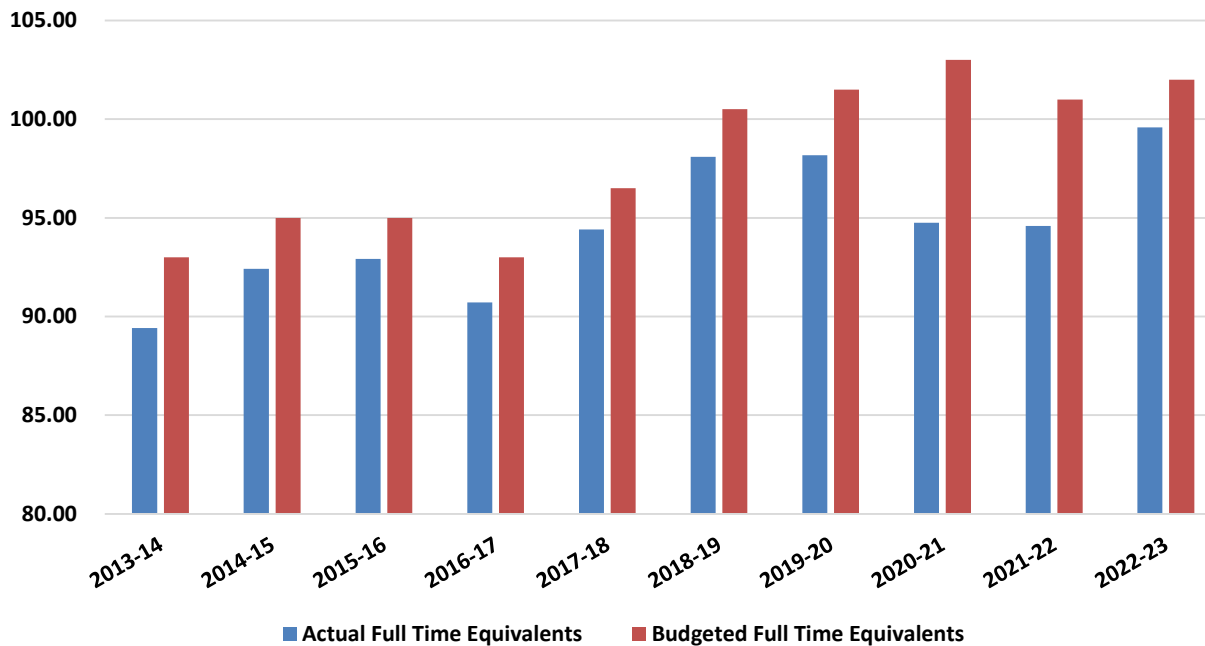






# General Operating Fund - Staffing

**Budgeted to Actual Full Time Equivalents**



Years of Service	# Employees	% of Total Employees
0-5	36	36%
5-10	18	18%
10-15	10	10%
15-20	16	16%
20-25	12	12%
25-30	6	6%
30+	3	3%
	<b>101</b>	<b>100%</b>

2022-23 Average Years of Service 10.92

Years of Service	# Employees	% of Total Employees
0-5	31	33%
5-10	13	14%
10-15	13	14%
15-20	13	14%
20-25	15	16%
25-30	7	7%
30+	3	3%
	<b>95</b>	<b>100%</b>

2021-22 Average Years of Service 12.00



# General Operating Fund - Staffing

## Positions Directly and Indirectly Supported by the General Operating Fund

Department	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
<b>Direct</b>										
Police	45.00	45.17	44.42	43.46	45.33	47.67	47.33	46.83	47.00	48.75
Planning	3.84	3.84	3.84	3.42	3.84	3.84	3.76	2.84	2.84	2.84
Code Enforcement	-	0.25	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85
Parks	1.48	1.90	1.90	1.90	2.73	3.73	3.90	3.90	3.90	3.90
Municipal Court	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
<b>Indirect</b>										
Finance	1.92	1.94	1.69	1.36	1.60	1.56	1.56	1.30	1.14	1.46
Information Technology	0.66	1.05	1.36	1.31	1.31	1.36	1.35	1.35	1.35	1.35
City Recorder	1.46	1.44	1.44	1.38	1.38	1.39	1.39	1.39	1.39	1.39
City Attorney	1.74	1.74	1.71	1.64	1.64	1.60	1.60	1.60	1.60	1.60
Human Resources	1.32	1.33	1.36	1.31	1.31	1.36	1.35	1.35	1.35	1.35
City Manager	0.76	0.77	0.77	0.74	0.74	0.74	0.74	0.61	0.80	0.74
Facilities	0.66	0.66	0.68	0.66	0.65	0.68	0.68	0.68	0.68	0.68
Public Works Administration	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07
<b>Total</b>	<b>59.91</b>	<b>61.16</b>	<b>61.08</b>	<b>59.11</b>	<b>62.46</b>	<b>65.84</b>	<b>65.57</b>	<b>63.77</b>	<b>63.96</b>	<b>65.98</b>



## General Operating Fund – Cost of Living

- ▶ The City periodically reviews salary and wages to ensure they are consistent with comparable agencies.
- ▶ Cost of living adjustments, are initially based on the CPI-Urban Wage Earners and Clerical Workers: West – Size Class B/C adjusted for trends from comparable agencies and subject to adequate funds available.
- ▶ The 2022-23 CPI is approximately 8.7%.
- ▶ Represented employees are provided cost of living adjustments based on negotiated collective bargaining agreements.

Fiscal Year	Cost of Living (non-represented)			
	CPI-W*	Unrep	KPA	Local 737
2013-14	2.0%	2.0%	2.5%	2.5%
2014-15	2.3%	2.5%	2.5%	2.5%
2015-16	2.3%	1.5%	2.5%	2.0%
2016-17	0.4%	1.5%	2.5%	2.0%
2017-18	1.7%	1.5%	2.5%	2.0%
2018-19	3.9%	3.0%	3.0%	3.0%
2019-20	3.0%	2.5%	2.5%	3.0%
2020-21	2.4%	2.5%	2.5%	2.4%
2021-22	1.7%	2.0%	2.5%	2.0%
2022-23	5.5%	4.5%	4.0%	5.5%

\* changed from CPI-W Portland-Salem to  
CPI-W West Class B/C as index ended December 2017.



## General Operating Fund – Health Insurance

- ▶ The City provides health insurance to all permanent status employees.
- ▶ Employees from the City's two labor groups, Keizer Police Association and the Local 737 contribute 5% to their health insurance while non-represented contribute 10%.
- ▶ The City in conjunction with a third party broker aggressively negotiate any rate increases.

<u>Fiscal Year</u>	<u>Health Insurance</u>	<u>FTE</u>	<u>Avg Cost Per Employee</u>	<u>% Percent Increase</u>
2013-14	\$ 1,522,282	89.42	\$ 17,024	6.2%
2014-15	1,655,572	92.42	17,914	5.2%
2015-16	1,722,945	92.92	18,542	3.5%
2016-17	1,785,752	90.71	19,686	6.2%
2017-18	1,990,213	94.42	21,078	7.1%
2018-19	2,207,114	98.08	22,503	6.8%
2019-20	2,274,729	98.17	23,171	3.0%
2020-21	2,332,369	94.75	24,616	6.2%
2021-22	2,350,332	94.58	24,850	1.0%
2022-23 - Est	2,506,900	99.58	25,175	1.3%



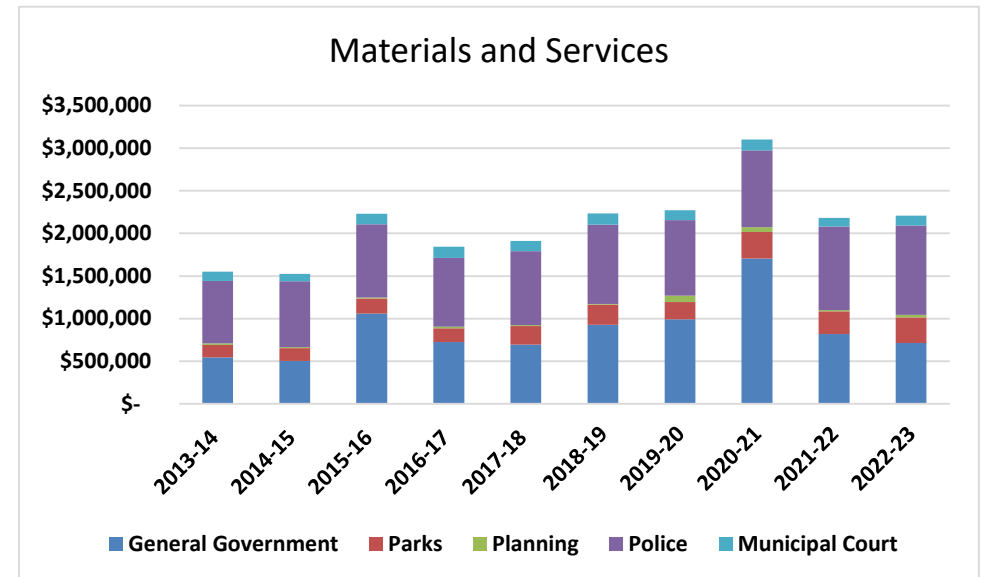
## General Operating Fund - PERS

- ▶ The City participates in the Public Employer Retirement System (PERS) in lieu of contributing to Social Security.
- ▶ PERS contributions are actuarially calculated and assessed to the City as a percentage of gross compensation. The contribution rates are for a two-year period.
- ▶ The contribution rates effective July 1, 2023 are 30.05%, 25.14% and 20.35% for Tier ½, OPSRP Police and Fire, and OPSRP General respectively.

	Tier 1/2			OPSRP Police & Fire			OPSRP General			Employer Match	Total Expense
	Employees Covered	Contribution Rate	Annual Expense	Employees Covered	Contribution Rate	Annual Expense	Employees Covered	Contribution Rate	Annual Expense		
2013-14	37	10.69%	\$ 320,062	8	4.92%	\$ 30,031	40	2.19%	\$47,758	\$ 347,040	\$ 744,891
2014-15	37	10.69%	336,046	10	4.92%	33,133	42	2.19%	52,612	373,164	794,955
2015-16	35	14.09%	464,154	10	10.30%	83,421	44	6.19%	165,492	406,660	1,119,727
2016-17	34	14.09%	429,374	12	10.30%	88,832	44	6.19%	166,739	396,210	1,081,155
2017-18	32	17.72%	544,473	12	12.07%	123,277	45	7.30%	202,751	412,285	1,282,786
2018-19	27	17.72%	537,382	17	12.07%	156,973	48	7.30%	227,458	446,963	1,368,776
2019-20	24	20.65%	544,591	20	14.12%	225,372	50	9.49%	315,488	451,052	1,536,503
2020-21	24	20.65%	518,507	23	14.12%	255,038	50	9.49%	319,875	459,343	1,552,763
2021-22	21	24.18%	552,723	24	19.40%	418,807	49	15.04%	523,366	431,477	1,926,373
2022-23 - Est	20	24.18%	536,500	27	19.40%	499,600	52	15.04%	584,600	466,800	2,087,500

# General Operating Fund – Materials and Services

- ▶ Materials and services represent approximately 19% of the General Operating Funds budget.
- ▶ Included in materials and services is 911 Call Center costs of approximately \$575,000 per year. This amount is the net amount after the City's share of 911 tax, approximately \$215,000, is applied against the balance.
- ▶ Other individually significant costs include property and liability insurance, information technology costs and municipal court assessments.





## General Operating Fund – Capital Outlay

- ▶ Capital Outlay represents approximately 6% of the General Operating Funds budget.
- ▶ Capital outlay consists of park improvements outlined in the Parks Master Plan and ongoing Police Department vehicle purchases.
- ▶ It is anticipated that capital outlay will remain consistent for the foreseeable future.



# General Operating Fund – Financial Projection

	PROJECTED		FORECASTED									
	2022-23	% of Rev	2023-24	% of Rev	2024-25	% of Rev	2025-26	% of Rev	2026-27	% of Rev	2027-28	% of Rev
1 <b>REVENUES:</b>												
2 Taxes & Assessments	6,335,000	48%	6,517,000	47%	6,774,700	47%	6,968,000	47%	7,167,100	47%	7,372,200	46%
3 Licenses & Fees	3,132,000	24%	3,175,500	23%	3,268,300	23%	3,354,600	23%	3,443,800	22%	3,535,900	22%
4 Intergovernmental	1,674,000	13%	1,686,200	12%	1,719,600	12%	1,767,900	12%	1,817,800	12%	1,869,300	12%
5 Fines & Forfeitures	323,000	2%	333,000	2%	334,700	2%	336,400	2%	338,100	2%	339,800	2%
6 Other	185,700	1%	184,800	1%	186,800	1%	186,800	1%	186,800	1%	186,800	1%
7 New Revenues	-	0%	123,600	1%	127,300	1%	131,100	1%	131,100	1%	150,000	1%
8 <b>TOTAL NET REVENUES</b>	<b>11,649,700</b>	88%	<b>12,020,100</b>	87%	<b>12,411,400</b>	87%	<b>12,744,800</b>	86%	<b>13,084,700</b>	85%	<b>13,454,000</b>	84%
9 Police Services Fee	920,100	7%	1,058,000	8%	1,216,700	9%	1,399,200	9%	1,609,100	10%	1,805,500	11%
10 Park Services Fee	682,000	5%	682,000	5%	682,000	5%	682,000	5%	682,000	4%	682,000	4%
11 <b>TOTAL REVENUES</b>	<b>\$ 13,251,800</b>	100%	<b>\$ 13,760,100</b>	100%	<b>\$ 14,310,100</b>	100%	<b>\$ 14,826,000</b>	100%	<b>\$ 15,375,800</b>	100%	<b>\$ 15,941,500</b>	100%
12												
13 <b>EXPENDITURES:</b>		% of Exp		% of Exp		% of Exp		% of Exp		% of Exp		% of Exp
14 General Government	\$ 2,246,500	17%	\$ 2,674,700	18%	\$ 2,668,100	18%	\$ 2,760,900	18%	\$ 2,833,600	18%	\$ 2,934,400	18%
15 Planning	531,800	4%	576,400	4%	597,800	4%	627,500	4%	650,100	4%	682,900	4%
16 Municipal Court	211,600	2%	232,400	2%	235,300	2%	244,900	2%	253,600	2%	264,100	2%
17 Parks	1,235,600	9%	1,293,000	9%	1,020,700	7%	1,014,800	7%	1,067,500	7%	1,064,400	6%
18 Police	9,190,000	69%	10,124,700	68%	10,331,100	70%	10,836,800	70%	11,214,600	69%	11,773,300	70%
19 Interfund Loan Repayment	30,000	0%	30,000	0%	30,000	0%	30,000	0%	-	0%	-	0%
20 <b>TOTAL EXPENDITURES</b>	<b>\$ 13,415,500</b>	100%	<b>\$ 14,901,200</b>	100%	<b>\$ 14,853,000</b>	100%	<b>\$ 15,484,900</b>	100%	<b>\$ 16,019,400</b>	100%	<b>\$ 16,719,100</b>	100%
21												
22 <b>REVENUES IN EXCESS OF EXPENDITURES</b>	(163,700)		(1,141,100)		(542,900)		(658,900)		(643,600)		(777,600)	
23												
24 <b>BEGINNING FUND BALANCE</b>	4,325,200		4,161,500		3,020,400		2,477,500		1,818,600		1,175,000	
25												
26 <b>ENDING FUND BALANCE</b>	<b>\$ 4,161,500</b>		<b>\$ 3,020,400</b>		<b>\$ 2,477,500</b>		<b>\$ 1,818,600</b>		<b>\$ 1,175,000</b>		<b>\$ 397,400</b>	
			22%		17%		12%		8%		2%	





## General Operating Fund – Park

		PROJECTED	FORECASTED				
		2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
1	<b>REVENUES:</b>						
2	Park Service Fees *	682,000	682,000	682,000	682,000	682,000	682,000
3	General Fund Support	360,800	360,800	360,800	360,800	360,800	360,800
4	Other Revenues	97,100	95,700	98,600	101,600	104,600	107,700
5	<b>TOTAL REVENUES</b>	<b>\$ 1,139,900</b>	<b>\$ 1,138,500</b>	<b>\$ 1,141,400</b>	<b>\$ 1,144,400</b>	<b>\$ 1,147,400</b>	<b>\$ 1,150,500</b>
6							
7	<b>EXPENDITURES:</b>						
8	Personnel Services	423,400	480,800	498,400	524,500	545,200	574,100
9	Materials & Services	300,400	300,400	267,800	267,800	267,800	267,800
10	Capital Outlay	511,800	300,000	254,500	222,500	254,500	222,500
11	<b>TOTAL EXPENDITURES</b>	<b>1,235,600</b>	<b>1,081,200</b>	<b>1,020,700</b>	<b>1,014,800</b>	<b>1,067,500</b>	<b>1,064,400</b>
12							
13	<b>REVENUES IN EXCESS OF EXPENDITURES</b>	<b>\$ (95,700)</b>	<b>\$ 57,300</b>	<b>\$ 120,700</b>	<b>\$ 129,600</b>	<b>\$ 79,900</b>	<b>\$ 86,100</b>

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 2027-28.



# General Operating Fund – Police

	PROJECTED	FORECASTED				
	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
<b>1 REVENUES:</b>						
2 Police Service Fees	\$ 920,100	\$ 1,058,000	\$ 1,216,700	\$ 1,399,200	\$ 1,609,100	\$ 1,609,100
3 General Fund Support	7,748,400	8,592,700	8,626,200	8,939,600	9,097,500	9,646,000
4 Other Existing Revenues	521,500	474,000	488,200	498,000	508,000	518,200
<b>5</b>						
<b>6 TOTAL REVENUES</b>	<b>\$ 9,190,000</b>	<b>\$ 10,124,700</b>	<b>\$ 10,331,100</b>	<b>\$ 10,836,800</b>	<b>\$ 11,214,600</b>	<b>\$ 11,773,300</b>
<b>7</b>						
<b>8 EXPENDITURES:</b>						
9 Personnel Services	\$ 7,857,200	\$ 8,605,300	\$ 8,907,800	\$ 9,379,300	\$ 9,722,100	\$ 10,245,200
10 Materials & Services	1,048,800	1,123,300	1,123,300	1,157,500	1,192,500	1,228,100
11 Capital Outlay	284,000	396,100	300,000	300,000	300,000	300,000
<b>12</b>						
<b>13 TOTAL EXPENDITURES</b>	<b>\$ 9,190,000</b>	<b>\$ 10,124,700</b>	<b>\$ 10,331,100</b>	<b>\$ 10,836,800</b>	<b>\$ 11,214,600</b>	<b>\$ 11,773,300</b>
<b>14</b>						
<b>15 REVENUES IN EXCESS OF EXPENDITURES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Based on the current analysis the fee amount will need to be adjusted to maintain the overall Police Department level of service as follows:

Fiscal Year	Police Fee Revenue	Increase from PY	Monthly Fee	Monthly Increase	Annual Fee
<b>2022-23</b>	\$ 920,100	\$ 167,600	\$ 6.00	\$ 1.00	\$ 72.00
<b>2023-24</b>	1,058,000	137,900	6.90	0.90	82.80
<b>2024-25</b>	1,216,700	158,700	7.94	1.04	95.22
<b>2025-26</b>	1,399,200	182,500	9.13	1.19	109.50
<b>2026-27</b>	1,609,100	209,900	10.49	1.37	125.93
<b>2027-28</b>	1,850,500	241,400	12.07	1.57	144.82



## Water System - Overview

- ▶ The City of Keizer's Water Division operates under the Oregon Administrative Rules for Public Water Systems enforced by the Oregon Health Authority Drinking Water Services (DWS) who administer and enforce drinking water quality standards for public water systems in the state of Oregon.
- ▶ The City of Keizer's water system consists of:
  - 3 reservoirs,
  - 15 pump stations, and
  - 127.4 miles of water line.
- ▶ The water system produces approximately 172 million cubic feet of water annually with a storage capacity of 2.75 million gallons. In addition, the water system includes 954 public fire hydrants.
- ▶ The water system serves approximately 11,000 metered accounts.



## Water System – Comparable Rates

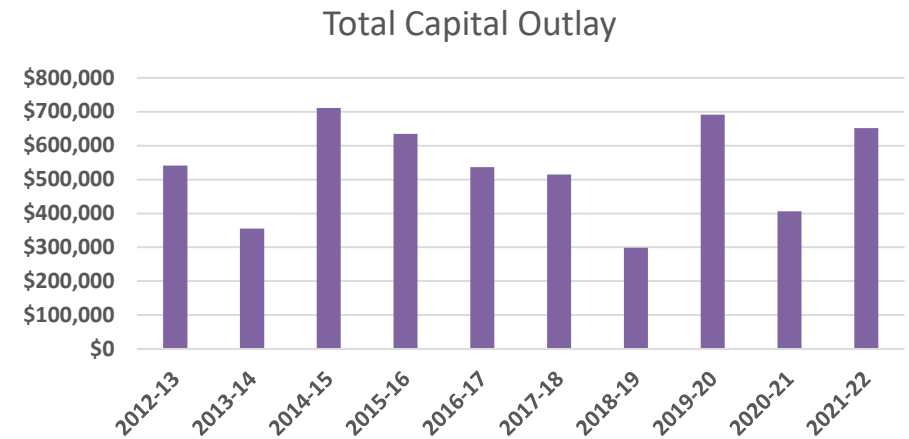
► The City strives to provide low cost water while ensuring that the water system is maintained for long-term sustainability as outlined in the 2012 Water System Master Plan.

► In comparison to other cities, Keizer residents benefit from the availability of local ground water that requires minimal processing to meet federal and state drinking water regulations.

	<b>Billing Frequency</b>	<b>Effective Date</b>	<b>Connection - Flat Rate</b>	<b>Consumption - Variable Rate</b>	<b>Average Units</b>	<b>Total Per Month</b>
Salem	Monthly	1/1/2023	\$ 12.44	\$ 2.87	6.00	\$ 29.66
Albany	Monthly	1/1/2023	21.79	4.86	6.00	50.95
Corvallis	Monthly	2/1/2023	18.47	2.34	6.00	32.51
Lake Oswego	Monthly	7/1/2022	29.37	3.09	6.00	47.91
McMinnville	Monthly	10/1/2022	14.55	1.66	6.00	24.51
Oregon City	Monthly	7/21/2022	18.08	3.12	6.00	36.80
Tigard	Monthly	7/1/2022	31.67	4.41	6.00	58.13
Tualatin	Monthly	7/1/2022	4.88	3.48	6.00	25.76
West Linn	Monthly	1/1/2023	28.76	3.31	6.00	48.62
Wilsonville	Monthly	5/1/2023	18.13	4.23	6.00	43.51
Woodburn	Monthly	7/1/2021	17.44	2.11	6.00	30.10
Keizer	Bimonthly	1/1/2023	\$ 12.55	\$ 1.62	12.00	\$ 16.00

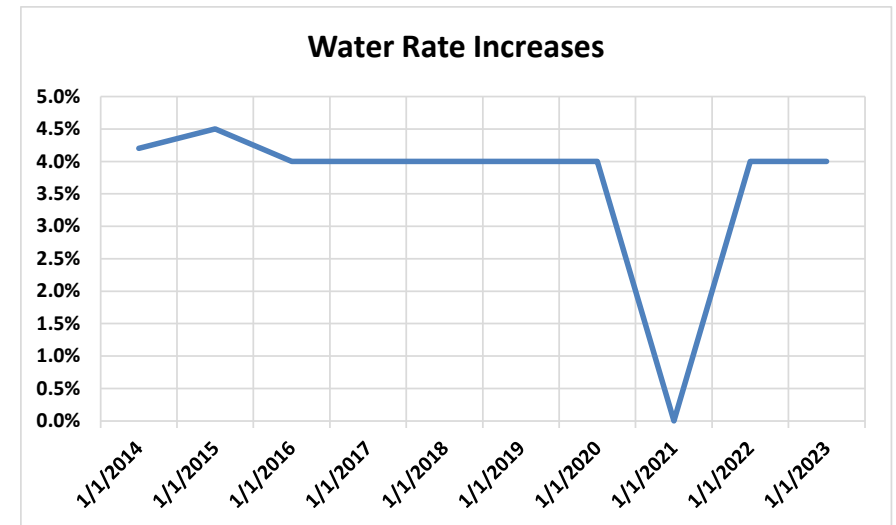
# Water System – Capital Outlay

- ▶ The 2012 Water System Master Plan outlines the requirements to ensure that the water system is able to meet the expected demand over the next 20 years.
- ▶ The plan outlines approximately \$9.9 million in capital improvements. The majority of the improvements are to replace the existing steel waterlines throughout the City with ductile iron pipe (\$6.1 million) and adding an additional reservoir and pump station (\$1.8 million).



# Water System – Rate Increases

- In order to support the requirements of the 2012 Water System Master Plan the City utilizes a cost of service model that projects into the future, based on city growth and water consumption trends, the rate increases needed to complete the plan.
- The cost of service model has projected a 3-4% annual rate increase for the foreseeable future. Since the plan was adopted rate increases have been from 0-4.5%.





# Water System – Financial Projection

	PROJECTED		FORECASTED			
	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
1 <b>RESOURCES:</b>						
2 <b>Beginning Balance:</b>	\$ 1,792,100	\$ 1,410,300	\$ 1,258,600	\$ 1,151,300	\$ 1,068,800	\$ 1,032,000
3 Water Sales	3,536,500	3,678,000	3,825,000	3,978,000	4,137,000	4,302,000
4 Other Revenues	134,500	134,500	136,000	137,000	138,000	139,000
5 <b>TOTAL RESOURCES</b>	<b>\$ 5,463,100</b>	<b>\$ 5,222,800</b>	<b>\$ 5,219,600</b>	<b>\$ 5,266,300</b>	<b>\$ 5,343,800</b>	<b>\$ 5,473,000</b>
6						
7 <b>REQUIREMENTS:</b>						
8 <b>Expenditures:</b>						
9 Personnel Services	\$ 1,282,400	\$ 1,443,700	\$ 1,496,200	\$ 1,572,200	\$ 1,631,700	\$ 1,716,300
10 Materials & Services	1,670,400	1,720,500	1,772,100	1,825,300	1,880,100	1,936,500
11 Capital Outlay	1,100,000	800,000	800,000	800,000	800,000	800,000
12 <b>Total Expenditures</b>	<b>4,052,800</b>	<b>3,964,200</b>	<b>4,068,300</b>	<b>4,197,500</b>	<b>4,311,800</b>	<b>4,452,800</b>
13 <b>Fund Balance:</b>						
15 Fund Balance	1,410,300	1,258,600	1,151,300	1,068,800	1,032,000	1,020,200
16 <b>TOTAL REQUIREMENTS</b>	<b>\$ 5,463,100</b>	<b>\$ 5,222,800</b>	<b>\$ 5,219,600</b>	<b>\$ 5,266,300</b>	<b>\$ 5,343,800</b>	<b>\$ 5,473,000</b>
<b>Days Cash Supply at End of Year</b>	174	145	129	115	107	102

Conclusion: The update to the Water Services Long-Range plan supports a 4% rate increase for FY23-24 as anticipated when the model was presented to the Long Range Planning Committee last year (March 2022).



# Water System – Rate Analysis

## Proposed 2023-24 Rate Analysis

	Flat Rate	
	Current	Proposed
Residential 5/8" meter	\$ 12.55	\$ 13.05
Multi-family 1" meter	\$ 25.50	\$ 26.52
Commercial 5/8" meter	\$ 12.55	\$ 13.05

	Variable Rate	
	Current	Proposed
	\$ 1.56	\$ 1.62
	\$ 1.56	\$ 1.62
	\$ 1.51	\$ 1.57

## Proposed 2023-24 Rate Increase Impact

	Bi-Monthly Bill	
	Current	Proposed
Residential (12 ccf)	\$ 31.99	\$ 33.21
Multi-family (175 ccf)	\$ 309.00	\$ 320.52
Commercial (51 ccf)	\$ 92.62	\$ 96.18

Incremental Cost of Rate Increase			
	Monthly	Bi-Monthly	Annual
	\$ 0.61	\$ 1.22	\$ 7.33
	\$ 5.76	\$ 11.52	\$ 69.12
	\$ 1.78	\$ 3.56	\$ 21.37





## Stormwater System - Overview

- ▶ The Stormwater Fund is managed by the Public Works Department to meet the Federal Clean Water Act and Safe Drinking Water Act. The City's stormwater regulatory programs are administered by the State of Oregon through the Department of Environmental Quality (DEQ).
- ▶ The City has 3 regulatory programs which allow the City to manage stormwater through discharge to local waterways, overland flow, and injection into the ground. The City maintains compliance of the regulatory programs by implementing the requirements of state approved management plans for the municipal separate storm sewer system (MS4), the underground injection control (UIC) devices, and the Total Maximum Daily Load (TMDL) Implementation Plan.
- ▶ The City is the permittee for the National Pollutant Discharge Elimination System (NPDES) permit #102904, the Water Pollution Control Facilities (WPCF) permit #103068, and is a designated management agency for the Willamette Basin TMDL.

# Stormwater System - Overview

- ▶ The Stormwater Division operates and maintains:
  - 75.59 Miles of Pipe,
  - 132 Underground Injection Control Systems (UICs),
  - 1,208 Manholes,
  - 2,327 Catch Basins,
  - 118 Outfalls, and
  - 82,564 Square Feet of Vegetated Stormwater Facilities.
  
- ▶ The stormwater system can become clogged by trash, debris, sediment and mud, or other stormwater pollutants however the City's maintenance plan of routinely inspecting, repairing, and cleaning the system can reduce local flooding, remove pollution carried by stormwater and protect our local streams and rivers.



## Stormwater System – Comparable Rates

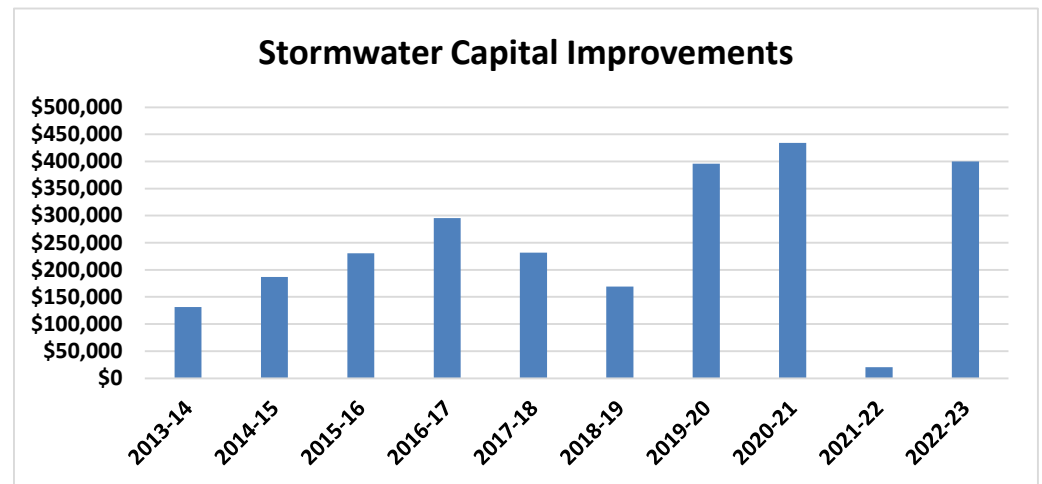
► The City's goal is to provide a storm drainage system that is safe, clean and cost-effective.

► In comparison to other cities, Keizer stormwater charges are consistent with other jurisdictions.

	<u>Effective Date</u>	<u>Monthly Billing Rate</u>
Albany	3/1/2023	\$ 12.89
Corvallis	2/1/2023	10.55
Lake Oswego	7/1/2022	20.19
Oregon City	1/1/2022	11.72
Salem	1/1/2022	19.76
Tigard	7/1/2022	15.64
Tualatin	7/1/2022	11.11
West Linn	1/1/2023	8.65
Wilsonville	1/1/2021	11.90
Keizer	1/1/2020	\$ 7.66

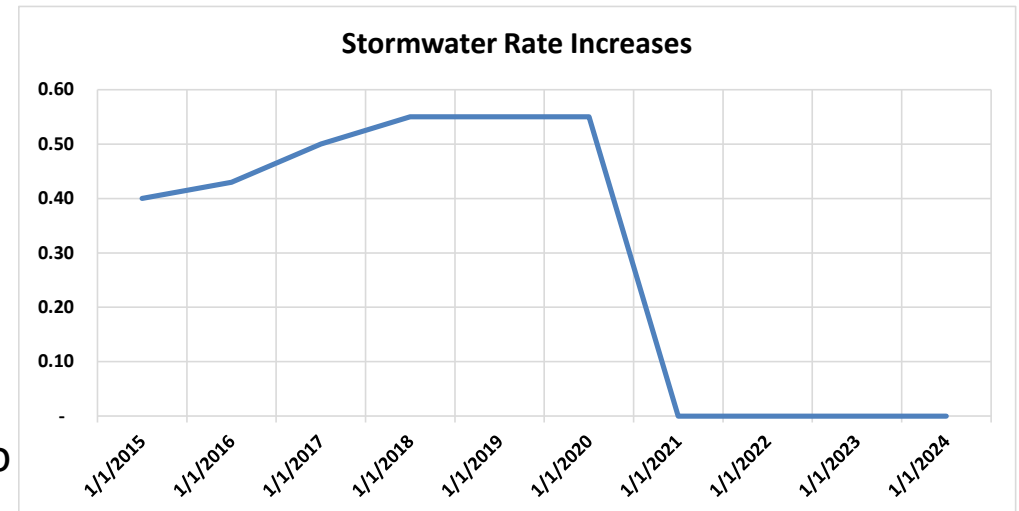
# Stormwater System – Capital Outlay

- ▶ The stormwater infrastructure was largely inherited by the City from Marion County.
- ▶ Starting in 2012-13 the City began videotaping the stormwater system, with a goal of visually inspecting approximately 10% of the system every year.
- ▶ Since the start of the visual inspections, the City has spent approximately \$2.7 million in capital improvements to address identified system failures.



# Stormwater System – Rate Increases

- ▶ In conjunction with the visual inspection process the City started reviewing and adjusting the stormwater billing rate to ensure adequate resources would be available for any identified reports.
- ▶ Original estimates indicated that an increase of \$0.40 - \$0.60 per month per equivalent service unit would be necessary to support the system improvements.
- ▶ Based on the capital outlay requirements the billing rate has not been adjusted since January 1, 2021.





# Stormwater System – Financial Projection

	PROJECTED	FORECASTED				
	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
1 <b>RESOURCES:</b>						
2 <b>Beginning Balance:</b>	\$ 1,687,100	\$ 1,655,400	\$ 1,344,000	\$ 1,098,800	\$ 827,200	\$ 544,900
3 Service Fees	2,125,000	2,081,800	2,136,200	2,244,900	2,353,600	2,462,300
4 Other Revenues	12,000	12,000	12,000	12,000	12,000	13,000
5 <b>TOTAL RESOURCES</b>	<b>\$ 3,824,100</b>	<b>\$ 3,749,200</b>	<b>\$ 3,492,200</b>	<b>\$ 3,355,700</b>	<b>\$ 3,192,800</b>	<b>\$ 3,020,200</b>
6						
7 <b>REQUIREMENTS:</b>						
8 <b>Expenditures:</b>						
9 Personnel Services	904,100	1,042,500	1,078,700	1,133,600	1,176,900	1,238,100
10 Materials & Services	864,600	962,700	1,014,700	1,094,900	1,171,000	1,252,800
11 Capital Outlay	400,000	400,000	300,000	300,000	300,000	300,000
12 <b>Total Expenditures</b>	<b>2,168,700</b>	<b>2,405,200</b>	<b>2,393,400</b>	<b>2,528,500</b>	<b>2,647,900</b>	<b>2,790,900</b>
13 <b>Fund Balance:</b>						
14 Unrestricted Fund Balance	1,655,400	1,344,000	1,098,800	827,200	544,900	229,300
15 <b>TOTAL REQUIREMENTS</b>	<b>\$ 3,824,100</b>	<b>\$ 3,749,200</b>	<b>\$ 3,492,200</b>	<b>\$ 3,355,700</b>	<b>\$ 3,192,800</b>	<b>\$ 3,020,200</b>
<b>Day's Cash Supply at End of Year</b>	284	236	188	134	85	34

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
2023-24	\$ -	\$ -	0.0%
2024-25	\$ 0.40	\$ 0.40	5.2%
2025-26	\$ 0.40	\$ 0.40	5.2%
2026-27	\$ 0.40	\$ 0.40	5.0%
2027-28	\$ 0.40	\$ 0.40	4.7%



# Long Range Planning Task Force

## Questions

### Budget Committee Meetings

- ▶ Monday, May 8<sup>th</sup> at 6:00 p.m.
- ▶ Tuesday, May 9<sup>th</sup> at 6:00 p.m.