Budget includes support for several local efforts

By ERIC A. HOWALD
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Members of the Keizer Budget Committee were in a giving mood last week as a number of local organizations were granted additional funding or first-time funding in the city's annual budget.

Three of the standouts were the Keizer Chamber of Commerce, the Keizer Cultural Center and a non-profit known as Keizer United. The Chamber and Keizer United were tentatively approved for additional funding, but will need to come back and present detailed plans to the city council prior to money being disbursed.

The Chamber's typical annual support includes about $3,000 for a membership package, an advertisement in the group's annual lifestyle directory and $2,500 for support Chamber employees supply in visitor services.

Last week, Chamber Executive Director Danielle Bethell and Chamber President Nate Bauer requested an additional allotment of $8,500 from the Transient Occupancy Tax (TOT) Keizer collects on hotel stays. The amount is 10 percent of what Keizer collects annually in TOT.

"The Chamber promotes the businesses, but also the community. We're asking for some funds to help do that," said Bauer.

Until 2011, the Chamber received 20 percent of the TOT collections, but an slow economic recovery combined with the need to prop up a new civic center while it gained a place in the event market meant money was used elsewhere.

Bethell said the Chamber intends to use the additional TOT money to help secure a new space on River Road North.

"The 1,000 people that we bring – awkwardly – to our space in Keizer Station would double if we were on River Road. We need help to do that," Bethell said.

Budget Committee members, which include city councilors and a citizen advisory group, approved the additional request for TOT dollars with the caveat that a more detailed plan was needed.

The same was true for Keizer United, a non-profit that is working to connect the varying efforts of many Keizer organizations and schools seeking volunteers, funding and in-kind support.

After a request for $2,000 in the last budget cycle met with concern, Meredith Mooney, a spokesperson for Keizer United, returned this year loaded for bear.

"We are asking for some financial support because Keizer United is repurposing its mission and vision, and we've more than doubled our representation at the table," Mooney said.

Mooney said the group's new mission includes being a neutral ground for collaborations to happen among other efforts from all sectors of the Keizer community. She also pre-sweetened the pot by securing a matching $2,000 grant from the Salem Leadership Foundation.

While Keizer United was approved for funding, a more detailed plan will need to be presented at the city council.

The committee also approved doubling financial support for the Keizer Cultural Center, the old school next to the Keizer Civic Center.

Leaders from the Keizer Art Association, Keizer Heritage Foundation, Keizer Homegrown Theater, Keizer Heritage Museum and Keizer Community Library all turned out over the course of two nights to make their case for a $20,000 allocation to help support all five groups during the next fiscal year.

Linda Baker, founder of Keizer Homegrown, said a cultural center is something unique to the surrounding areas.

"The closet cultural centers are Lincoln City and Lakewood, and we are the only one that has the theater smack dab in the middle of town," said Baker. "Arts money also stays in the community, 45 cents of every dollar stays in the local area. We're looking at bringing something to the community not just asking for it."

One point of concern was money from the city being put into the sinking fund for the building as a whole. Committee Member Ron Bersin wanted to see the tenants of the building build up that fund rather than seeing taxpayer money go into it. Nothing was set in stone, but representatives of the cultural center made verbal concessions.

Chris Erich, representing the Keizer Heritage Foundation which oversees the facility, said management is also investigating insurance plans to cover catastrophic expenses.

City Manager Chris Eppley said his support stemmed from almost purely pragmatic concerns.

"A cultural center provides an esoteric value to the community, but I support this because I am certain, if we don't do this, that the organizations will fail and the city will inherit the building. At that point we either tear it down or it goes into disrepair," Eppley said. "Under any scenario, doing something else is going to cost way more than the $20,000."

Other projects that received special attention in the budget included: allocating $60,000 for an electronic readerboard for the Keizer Civic Center, the funding will come from a contingency fund dedicated to the civic center; a $2,000 increase in stipends for public art; $2,000 to replace the lights and wiring for the city's Christmas tree; $6,000 for the Salem-Keizer Education Foundation after school programming; and $5,000 for the Mid-Willamette Homeless Initiative, which helps cover the costs of a program manager connecting the various organizations that reach out to the area's homeless residents.

BUDGET,
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The entire budget is available for review at www.keizer.org and there will be an additional public hearing on the budget when the city council weighs in on a final approval. While much of the budget includes minor shifts, *Keizertimes* is focusing on the two topics that generated the most talk among committee members. In a separate story, we will look as the special projects that received financial support.

PERSONNEL COSTS

The 2018-19 budget includes allowances for employee wage increases between 3 and 6.5 percent. Most will get a 3 percent cost-of-living increase, the higher percentages factor in step increases.

Budget Committee Member Ron Bersin questioned the amount of the cost-of-living increases saying it was higher than others he's seen in his job as executive director of the Oregon Government Ethics Commission.

"We're playing catch-up after a few years of 1.5 percent increases," said Tim Wood, Keizer finance director.

Every four years, the city conducts a salary study of comparable cities to see how Keizer wages align with municipal organizations the same size. Human Resources Director Machell DePina said the 3 percent increase fell in the middle of the outliers culled from the study, 2 percent on the low end and 4.5 percent on the high end.

The higher wages will be drawn from increases in property tax revenues and other taxes like those associated with marijuana and liquor.

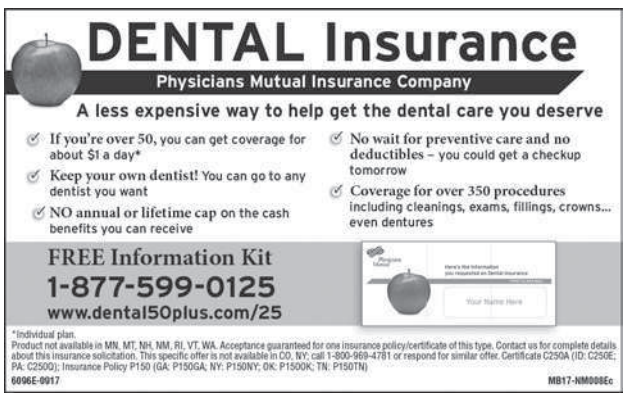
"The reason we choose to put that toward employees is because we are a labor-intensive organization, said City Manager Chris Eppley.

WATER RATES

In regard to water rates, Bersin has called out the residential subsidy of commercial water rates for at least the past two years. He brought up the issue again last week.

Wood said the city planned to do a review of water rates in the 2020-21 fiscal year after the water system's debt has been paid off, but Bersin wants quicker action.

"One of the reasons contingency funds are baked into budgets is for projects like this," Bersin said. "There ought to be some sort of commitment to the residents. Single family homes pay more than multifamily, which pays more than commercial. A 4 percent increase on those rates is harder on residential customers."

The water fund has about $125,000 in contingency funds and the last time the city commissioned a water rate study, around 2002-03, it cost approximately $43,000.

Wood added that if all rates were equalized the subsidy provided by residential customers amounts to roughly $1.25 per year.