

\$48M city budget unveils financial toll of chaotic year

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Of the Keizertimes

The city's budget committee gave its blessing to a \$48 million budget after two meetings in the first week of May.

The budget, which covers everything from office supplies to road work, includes nearly \$9 million in spending for infrastructure-type projects and approximately \$1.8 million in debt service payments.

City residents can expect small increases in water and sewer rates and a \$1 increase in the police services fee if the budget is adopted by the Keizer City Council in its current form.

There will likely be a public hearing on a police fee increase at a future city council meeting. The new budget represents a small decrease from the previous year primarily because of funding the city received from the federal Coronavirus Aid, Relief and Economic Security (CARES) Act.

Even though the final numbers are staying relatively similar, the tumult of the past year and its economic impacts of the pandemic, the hacking of city computers, an ice storm and the recent resignation of the city manager could be found throughout the budget proposal.

Some of the unexpected additional expenses incurred by the city included:

- \$38,000 in additional attorney's fees related to the

city manager firing a gun in his office in March until his resignation a month later. The figure includes an \$8,000 for an internal investigation. An additional \$45,000 is being budgeted for the coming year as the city council navigates the hiring of an interim and then permanent city manager.

• Rental revenues from the Keizer Civic Center were reduced to nothing as a result of precautions taken to limit large gatherings and halt the spread of COVID-19.

• Oregon's portion of proceeds from the state's gas taxes are expected to decrease as a result of residents being encouraged to stay home. City Finance Director Tim Wood said Keizer's allotment could be reduced by as much as \$120,000.

• City officials expect to spend about \$60,000 more next year on shoring up its computers and networking systems against future cyber attacks. City computers were hacked in 2020 and the data was held for \$48,000 in ransom which was covered by insurance.

• An ice storm in February cost the city more than \$94,000 with money to support the efforts coming out of the city's street and parks funds. Public Works Director Bill Lawyer said he believed most of those costs would eventually be reimbursed.

• As a result of the pandemic, the city lost 24,000 in revenue from a ground lease at Volcanoes Stadium.

• Keizer lost about \$80,000 in revenues from the city's two hotels as travel ground to a halt during the early months of the pandemic.

Aside from money secured from the CARES Act, there weren't many bright spots in revenue generation. The revenue increases that appeared spoke more to our vices than virtues.

• Despite losing a marijuana shop, Keizer's revenue sharing from marijuana sales increased by \$14,000 in 2020-21. The city expects to collect \$397,000 as its portion of taxes on sales this year.

• Alcohol consumption was up in the past year. Keizer expects to collect \$40,000 more in alcohol taxes than it did the year prior. Cigarette taxes, which had been trending downward, bumped up slightly.

• The trend of cable-cutting also reversed for the first time in years and the city will collect about \$5,000 more in cable television franchise fees. Cable-cutting is the abandonment of cable television for internet-based entertainment services.

• The amount the city collected in System Development Charges, fees developers pay to the city to upgrade and maintain infrastructure to support new developments, increased by \$140,000. Lawyer said the uptick was mostly the result of Chick-Fil-A deciding to open a new location in Chemawa Station.



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