

# A G E N D A



## Joint Meeting of the City of Salem Budget Committee and the Salem Urban Renewal Agency Budget Committee

DATE: Wednesday, April 19, 2023

TIME: 6:00 PM

CHAIRPERSON: Virginia Stapleton

PLACE: Hybrid Meeting  
Chambers and Youtube

STAFF LIAISON:

Josh Eggleston, Chief Financial Officer

503•588•6130

[jeggleston@cityofsalem.net](mailto:jeggleston@cityofsalem.net)

Kali Leinenbach, Budget Manager

503•588•6231

[kleinenbach@cityofsalem.net](mailto:kleinenbach@cityofsalem.net)

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1. OPENING EXERCISES – Chairperson Virginia Stapleton
  2. PUBLIC TESTIMONY
    - a. Correspondence from Jim Scheppke regarding Salem Public Library Staffing and Expenditures
    - b. Correspondence from Jim Scheppke regarding City Staffing and the Salem Public Library
    - c. Correspondence from Mary Nikas, Marion County Democrats, regarding the City Operations Fee
  3. MINUTES
    - a. Minutes from January 11, 2023 City of Salem and Urban Renewal Agency Budget Committee Meeting
  4. ACTION ITEMS
    - a. None
  5. INFORMATION ITEMS
    - a. FY 2024 Proposed Budget – provided to members in advance of the meeting
      - Presentation of Proposed FY 2024 Budget Message, City Manager Keith Stahley
    - b. FY 2023 Q2 Financial Report for the City of Salem
    - c. FY 2023 Q2 Financial Report for the Urban Renewal Agency
  6. PUBLIC HEARINGS
    - a. None
  7. SPECIAL ORDERS OF BUSINESS
    - a. Result Area Budget Review – Welcoming and Livable Community, pages 165 – 194
      - Overview by Chief Financial Officer Josh Eggleston
      - Questions of staff and committee discussion

- b. Result Area Budget Review – Natural Environment Stewardship, pages 77 – 96
  - Overview by Chief Financial Officer Josh Eggleston
  - Questions of staff and committee discussion
- c. Committee Discussion
  - Opportunity for the Budget Committee to discuss any issues or concerns regarding agenda items or items not on the agenda
- 8. PUBLIC TESTIMONY FOR FUTURE BUDGET ISSUES
 

The Budget Committee has set aside time for public comment to address items not on the agenda. Each individual testifying will be limited to no more than three (3) minutes.
- 9. ADJOURNMENT

*The next virtual Budget Committee meeting will be held on Wednesday, April 26, 2023 at 6:00 pm. The following budgets are scheduled to be reviewed:*

*Result Area: Safe, Reliable and Efficient Infrastructure, pages 125 – 148*  
*Result Area: Strong and Diverse Economy, pages 149 – 164*  
*Urban Renewal Agency, book 2*  
*CIP Public Hearing*

*Budget staff are available for your convenience to discuss the budget document and process. Please call the staff listed above if you have questions.*

<p>The City of Salem budget information can be accessed on the internet at: <a href="http://www.cityofsalem.net/budget">www.cityofsalem.net/budget</a></p> <p>NOTE: Disability-related accommodations, including auxiliary aids or services, in order to participate in this meeting, are available upon request. Sign language and Spanish interpretation will be available with other languages available upon request. To request such an accommodation or interpretation, contact Kelli Blechschmidt, (503) 588-6049 or <a href="mailto:kblechschmidt@cityofsalem.net">kblechschmidt@cityofsalem.net</a> at least 2 business days before this meeting. TTD/TTY telephone (503) 588-6439 is also available 24/7.</p>	<p>The City of Salem values all persons without regard to race, color, religion, national origin, sex, age, marital status, domestic partnership, disability, familial status, sexual orientation, gender identity and source of income.</p>
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**From:** [Courtney Knox Busch](#)  
**To:** [Kelli Blechschmidt](#)  
**Subject:** FW: Benchmark Analysis of Salem Public Library Staffing and Expenditures  
**Date:** Monday, January 30, 2023 12:17:51 PM  
**Attachments:** [SPL Benchmark Analysis.docx](#)

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**Courtney**

[cbusch@cityofsalem.net](mailto:cbusch@cityofsalem.net) | 503.540.2426

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**From:** Jim Scheppke <[jscheppke@comcast.net](mailto:jscheppke@comcast.net)>  
**Sent:** Monday, January 30, 2023 12:10 PM  
**To:** CityRecorder <[CityRecorder@cityofsalem.net](mailto:CityRecorder@cityofsalem.net)>  
**Cc:** citycouncil <[citycouncil@cityofsalem.net](mailto:citycouncil@cityofsalem.net)>; Kim Carroll <[KCarroll@cityofsalem.net](mailto:KCarroll@cityofsalem.net)>  
**Subject:** Benchmark Analysis of Salem Public Library Staffing and Expenditures

Dear City Recorder:

I would like to submit the attached as public testimony for the next meeting of the Salem Citizen's Budget Committee which I believe will be on April 19th.

I have completed a peer libraries benchmark analysis for the Salem Public Library using the same cities that the consulting firm of Moss Adams used in their benchmark analysis of City of Salem internal services last year. That analysis showed that the peer cities had 78% more internal services staffing capacity on average and 87% more internal services operational expenditures on average than did the City of Salem.

My analysis shows that the situation with the Salem Public Library is even worse. The public libraries in the peer cities had 81% more average staffing capacity and 131% more average operational expenditures.

I hope this analysis will be useful to the Citizens's Budget Committee.

Best,

Jim Scheppke, Ward 2  
[jscheppke@comcast.net](mailto:jscheppke@comcast.net)  
503-269-1559

# Peer Libraries Benchmark Analysis for Salem Public Library

By Jim Schepke, State Librarian of Oregon Emeritus  
jschepke@comcast.net

In 2022 the consulting firm of Moss Adams performed a benchmark study of internal services in the City of Salem including the City Manager's Office, Facilities, Finance, Human Resources, Information Technology and the Legal Department. The study compared staffing and operational expenses in Salem to eight comparable cities in the western U.S.: Corona (CA), Eugene, Glendale (CA), Modesto (CA), Oceanside (CA), Salt Lake City and Spokane. The study concluded that internal services in the City of Salem are underfunded and understaffed compared to the average of the eight cities. **Specifically, the analysis showed that the cities on average had 78% more staffing capacity and 87% more operational expenses for internal services than the City of Salem.**

This analysis takes the same eight cities that Moss Adams selected as comparable to Salem and performs the same comparison for public library services. All eight cities operate city libraries that are comparable to Salem's. The data for this analysis is the latest available from the Institute of Museum and Library Services, a federal agency that annually collects data from all 50 state library agencies in the country on public libraries.\* In addition to analyzing total library staffing and library expenditures, my analysis included data on professional librarians and branch libraries.

**The benchmark analysis determined that in FY 2020, peer libraries had 81% more average staff capacity than Salem Public Library and their average expenditures exceeded that of Salem Public Library by 131%.**

FY 2020 Data	Salem Public Library	National Peer Library Average	Peer Libraries Difference	Peer Libraries % Difference
Librarians	15.0	23.6	+8.6	+58%
Total Library Staff	45.4	82.0	+36.6	+81%
Library Expenditures	\$4,094,440	\$9,457,903	+5,363,463	+131%
Branch Libraries	1	3.6	+2.6	+257%

In addition the peer libraries had 58% more professional librarians and 257% more branch libraries on average.

To add to this analysis I thought it would be instructive to make the same comparison to peer libraries in Oregon. For this analysis I chose the public libraries in Eugene, Hillsboro and Beaverton. All three are city libraries. Other public libraries in comparable cities such as those in Gresham, Medford and Bend were not chosen because they are part of countywide libraries.

**The comparison to Oregon peers showed a similar result to that of the national peers. FY 2020, Oregon peer libraries had 93% more average staff capacity than Salem Public Library and their average expenditures exceeded that of Salem Public Library by 145%.**

FY 2020 Data	Salem Public Library	Oregon Peer Library Average	Peer Libraries Difference	Peer Libraries % Difference
Librarians	15.0	23.0	+8.0	+56%
Total Library Staff	45.4	88.0	+42	+93%
Library Expenditures	\$4,094,440	\$10,047,723	+5,953,283	+145%
Branch Libraries	1	1.3	+0.3	+33%

In addition the Oregon peer libraries had 56% more professional librarians and 33% more branch libraries on average.

**Conclusion: While the Moss Adams study revealed serious underfunding and understaffing in City of Salem internal services, this study reveals a *more* serious problem with underfunding and understaffing at the Salem Public Library.**

\* <https://www.ims.gov/search-compare>

**From:** [Amy Johnson](#)  
**To:** [Kelli Blechschmidt](#)  
**Cc:** [CityRecorder](#)  
**Subject:** FW: Public Comment for the April 19th Meeting of the Citizen's Budget Committee  
**Date:** Wednesday, April 12, 2023 11:49:03 AM  
**Attachments:** [Understaffing Analysis.docx](#)

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**From:** Jim Scheppke <[jscheppke@comcast.net](mailto:jscheppke@comcast.net)>  
**Sent:** Wednesday, April 12, 2023 11:31 AM  
**To:** CityRecorder <[CityRecorder@cityofsalem.net](mailto:CityRecorder@cityofsalem.net)>  
**Subject:** Public Comment for the April 19th Meeting of the Citizen's Budget Committee

City Recorder:

Please accept this public comment for the April 19th meeting of the Salem Citizen's Budget Committee.

Jim Scheppke, Ward 2  
[jscheppke@comcast.net](mailto:jscheppke@comcast.net)

To: City of Salem Budget Committee  
From: Jim Scheppke, Ward 2  
Date: April 12, 2023

**Subject: What City of Salem Department is the Most Understaffed?**

In the past few years there has been lots of investigation and discussion about understaffing in the City of Salem. Thousands of taxpayer dollars have been spent to investigate this issue. Here are the results of my investigations — free of charge!

**Is the Salem Fire Department the Most Understaffed?**

Here is the latest data on career firefighters from the State Fire Marshall's Office for 2021 for cities comparable to Salem. It shows that the SFD is not terribly understaffed. Staffing at the SFD in 2021 was just a little below average for these cities.

City	Population	Career Firefighters	Firefighters Per 1K
Corvallis	57,601	65	1.1
Eugene/Springfield	237,978	247	1.0
Portland	658,773	667	1.0
<b>Salem</b>	<b>177,694</b>	<b>167</b>	<b>0.9</b>
Gresham	114,361	107	0.9
Bend	100,922	86	0.9
Medford	87,353	71	0.8
AVERAGE			1.0

*Source: Oregon State Fire Marshall, 2021 Annual Report Supplement*

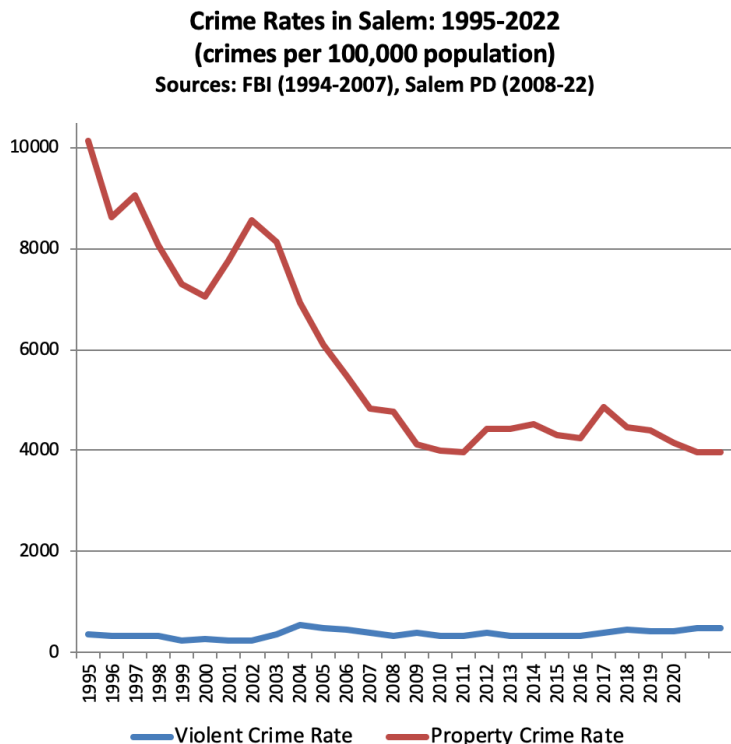
The Fire Chief has asserted that his department is short 111 firefighters. If the SFD had had an additional 111 firefighters in 2021 it would have by far the largest number of firefighters per 1,000 population in comparable Oregon cities at 1.6 firefighters per 1,000. That would be an extreme outlier.

**Is the Salem Police Department the Most Understaffed?**

Several expensive consultant studies have claimed that the Salem Police Department is understaffed based on comparisons to other similar cities in Oregon and other states. However, the latest data from the FBI Crime Data Explorer for 2021 fails to show this to be the case. All larger Oregon cities have police department officer staffing falling within a fairly narrow range of 0.9 to 1.3 officers per 1,000, with Salem at 1.0 officers per 1,000 in 2021. My understanding is that the FBI data is a snapshot in time and may reflect staffing vacancies that can be very significant (i.e., the number of *budgeted* officers may be higher). This may have been the case with Salem's data for 2021.

City	Officers	Officers per 1K
Beaverton	131	1.3
Medford	108	1.3
Hillsboro	134	1.2
Portland	791	1.2
Corvallis	71	1.2
Eugene	187	1.1
<b>Salem</b>	<b>180</b>	<b>1.0</b>
Gresham	115	1.0
Bend	97	0.9

The Police Chief has asserted, based on previous consultant studies, that his department is short 70 officers. If the SPD had had an additional 70 officers in 2021 it would have the largest number of officers per 1,000 population in comparable Oregon cities at 1.4 officers per 1,000, which would be an outlier. Looking at recent statistics for violent crime and property crime reports in Salem it is hard to see why Salem would be in need of the largest number of police officers per 1,000 of any major city in the state.



### Are the City's Internal Services Departments the Most Understaffed?

In 2022 the consulting firm of Moss Adams performed a benchmark study of internal services in the City of Salem including the City Manager's Office, Facilities, Finance, Human Resources, Information Technology and the Legal Department. The study compared staffing in Salem to eight comparable cities in the western U.S.: Corona (CA), Eugene, Glendale (CA), Modesto (CA), Oceanside (CA), Salt Lake City and Spokane. The study concluded that internal services in the City of Salem are understaffed compared to the average of the eight cities. Specifically, the analysis showed that the cities on average had 78% more staffing capacity than the City of Salem.

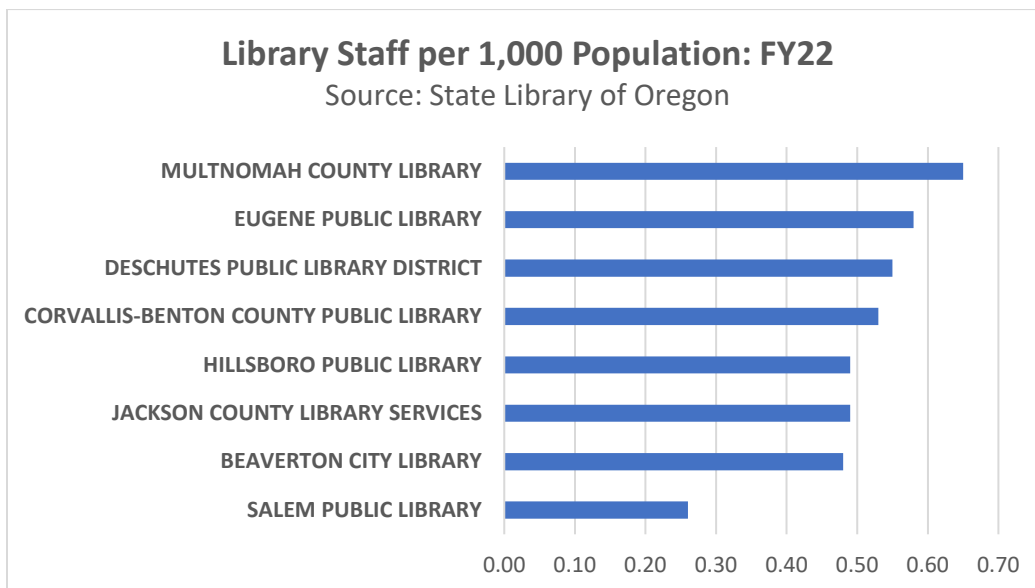
All eight cities operate city libraries that are comparable to Salem's. The Institute of Museum and Library Services, a federal agency that annually collects data from all 50 state library agencies in the country on public libraries, has data from FY 2020 on library staffing in all of the peer cities. Their data shows that in FY 2020 libraries in the peer cities had 81% more average staff capacity than the Salem Public Library. This exceeds the 78% more staffing capacity for internal services that the Moss Adams study showed in their analysis.

### Conclusion: The Salem Public Library is By Far the Most Understaffed.

A better analysis can be done of understaffing at the Salem Public Library using more recent data for FY 2022 and by looking at staffing in public libraries in the 23 Oregon cities serving populations greater than 30,000. This data was recently reported by the State Library of Oregon. This analysis shows that only two cities, Springfield and Oak Lodge, had fewer library staff per 1,000 population served in FY 2022.

Library name	Population served	Total paid staff	Total Paid Staff per 1,000
LAKE OSWEGO PUBLIC LIBRARY	44,567	33.7	0.76
CEDAR MILL COMMUNITY LIBRARY	80,787	56.54	0.70
MULTNOMAH COUNTY LIBRARY	820,672	534	0.65
TUALATIN PUBLIC LIBRARY	35,515	21.5	0.61
TIGARD PUBLIC LIBRARY	65,076	39.3	0.60
EUGENE PUBLIC LIBRARY	175,626	102.7	0.58
DESCHUTES PUBLIC LIBRARY DISTRICT	203,390	111	0.55
CORVALLIS-BENTON CO. PUBLIC LIBRARY	84,654	45.26	0.53
WEST LINN PUBLIC LIBRARY	30,268	14.95	0.49
JACKSON COUNTY LIBRARY SERVICES	223,827	109	0.49
HILLSBORO PUBLIC LIBRARY	156,571	76	0.49
BEAVERTON CITY LIBRARY	147,352	71.13	0.48
MCMINNVILLE PUBLIC LIBRARY	34,251	15.9	0.46
KLAMATH COUNTY LIBRARY SERVICE DIST.	69,822	30.5	0.44
SANDY PUBLIC LIBRARY	33,782	13.33	0.39
LEDDING LIBRARY	41,638	16.15	0.39
ALBANY PUBLIC LIBRARY	57,199	19.31	0.34
JOSEPHINE COMMUNITY LIBRARY DISTRICT	40,439	13	0.32
OREGON CITY PUBLIC LIBRARY	61,161	18.25	0.30
HAPPY VALLEY PUBLIC LIBRARY	60,990	16.63	0.27
<b>SALEM PUBLIC LIBRARY</b>	<b>177,694</b>	<b>46</b>	<b>0.26</b>
SPRINGFIELD PUBLIC LIBRARY	62,352	13.64	0.22
OAK LODGE PUBLIC LIBRARY	31,707	6.75	0.21

Looking at this same data just for the largest Oregon cities shows a more stark contrast.





Salem Public Library has only about half of the staffing per 1,000 of the Beaverton City Library, which has the next smallest amount. Eugene, a city that in many ways is comparable to Salem, has more than twice the library staffing per 1,000 than Salem.

If you step back and look at all these analyses for Salem's police department, fire department, internal services department, and library, it seems clear that the library suffers from the most understaffing compared to other cities.

What does this mean for library services in Salem? It means we have the only major library in the state that is closed on Monday. It means that our main library has fewer evening hours today than it did before it was renovated. It means that we have only one branch library and it is only open 19 hours per week, with no evening hours, and no programming for children. I could go on. Yes, other city departments may be understaffed, but no other Salem city department is *grossly* understaffed, offering terribly substandard library services that unfortunately Salem citizens have come to accept.

It is our children, who don't participate in Budget Committee meetings, who are suffering the consequences of substandard library service in silence. In 2022 only **26%** of Salem 3<sup>rd</sup> graders were able to pass the 3<sup>rd</sup> Grade language arts test. That is a literacy crisis in the making!

How different is the situation in Portland where the Multnomah County Library employs more than twice the number of library staff per 1,000 than Salem does, and where the library makes preschool reading readiness one of their top priorities. There, in 2022, **55%** of 3<sup>rd</sup> graders tested proficient on the 3<sup>rd</sup> Grade language arts test. And in Eugene, which also employs more than twice the number of library staff per 1,000 than Salem does, **48%** of 3<sup>rd</sup> graders tested proficient on the 3<sup>rd</sup> Grade language arts test. Of course there are other factors that account for these test scores, but no one can convince me that if Salem did not shortchange our children with substandard library service that our test scores would not be much better.

Yes, we may need better staffed emergency and internal City of Salem services, but not at the cost of continued degradation of our library services. Our children deserve a turnaround in our library services, starting this year.

**From:** [Amy Johnson](#)  
**To:** [Kelli Blechschmidt](#)  
**Cc:** [CityRecorder](#)  
**Subject:** FW: Public Comment for the April 19th Meeting of the Salem Citizen's Budget Committee  
**Date:** Wednesday, April 12, 2023 11:49:23 AM  
**Attachments:** [Report Card Summary 21-22.docx](#)

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**From:** Jim Scheppke <[jscheppke@comcast.net](mailto:jscheppke@comcast.net)>  
**Sent:** Wednesday, April 12, 2023 11:37 AM  
**To:** CityRecorder <[CityRecorder@cityofsalem.net](mailto:CityRecorder@cityofsalem.net)>  
**Subject:** Public Comment for the April 19th Meeting of the Salem Citizen's Budget Committee

City Recorder:

Please accept this public comment for the April 19th Meeting of the Salem Citizen's Budget Committee. This report supplements my other testimony on understaffing in the City of Salem.

Jim Scheppke, Ward 2  
[jscheppke@comcast.net](mailto:jscheppke@comcast.net)

# Oregon Public Library Report Card Summary for Major Libraries in 2021-22

The Oregon Public Library Report Card is a comparison of the 23 Oregon public libraries serving populations greater than 30,000. The libraries are compared on eight different key metrics that assess library quality. For each metric a grade is awarded based on how the library falls within a quintile ranking of the 23 libraries (first quintile gets an A, the second quintile gets a B, etc.). The data derives from that collected annually by the State Library of Oregon. Below is a summary of the Report Cards for 2021-22 for eight major Oregon public libraries serving the largest populations in the state. In recent years this analysis has also included key metrics for library performance (e.g., materials circulation, program attendance, internet use), but because many libraries had to severely curtail service due to the pandemic, and to differing degrees, and because the Salem Public Library was still completing its move back to the renovated main library, that analysis is being omitted this year. Jim Schepke is the author of this analysis (jschepke@comcast.net).

Librarians Per 1,000 Population	Value	Rank	Grade
Corvallis-Benton Co. Library	0.17	7	B
Beaverton City Library	0.15	10	B
Eugene Public Library	0.13	12	C
Jackson County Library	0.11	13	C
Deschutes Public Library	0.08	18	D
Multnomah County Library	0.08	19	D
Hillsboro Public Library	0.08	20	D
<b>Salem Public Library</b>	<b>0.06</b>	<b>21</b>	<b>F</b>

Print Items Per Capita	Value	Rank	Grade
Corvallis-Benton Co. Library	2.84	1	A
Eugene Public Library	2.10	11	C
Multnomah County Library	1.88	13	C
Beaverton City Library	1.80	14	C
Hillsboro Public Library	1.66	17	D
<b>Salem Public Library</b>	<b>1.52</b>	<b>18</b>	<b>D</b>
Jackson County Library	1.44	21	F
Deschutes Public Library	1.20	22	F

Paid Staff Per 1,000 Population	Value	Rank	Grade
Multnomah County Library	0.65	3	A
Eugene Public Library	0.58	6	B
Deschutes Public Library	0.55	7	B
Corvallis-Benton Co. Library	0.53	8	B
Jackson County Library	0.49	10	B
Hillsboro Public Library	0.49	11	C
Beaverton City Library	0.48	12	C
<b>Salem Public Library</b>	<b>0.26</b>	<b>21</b>	<b>F</b>

Print Items Added Per Capita	Value	Rank	Grade
Corvallis-Benton Co. Library	0.30	2	A
Hillsboro Public Library	0.25	5	A
Multnomah County Library	0.21	9	B
Deschutes Public Library	0.21	10	B
Beaverton City Library	0.18	12	C
Eugene Public Library	0.18	13	C
<b>Salem Public Library</b>	<b>0.15</b>	<b>16</b>	<b>D</b>
Jackson County Library	0.12	21	F

Expenditures on Collection Per Capita	Value	Rank	Grade
Deschutes Public Library	\$10.55	2	A
Corvallis-Benton Co. Library	\$10.27	3	A
Multnomah County Library	\$9.15	4	A
Eugene Public Library	\$9.05	5	A
Jackson County Library	\$6.36	7	B
Hillsboro Public Library	\$4.22	13	C
<b>Salem Public Library</b>	<b>\$3.35</b>	<b>16</b>	<b>D</b>
Beaverton City Library	\$2.96	19	D

E-books Per Capita	Value	Rank	Grade
Eugene Public Library	4.03	2	A
Deschutes Public Library	3.70	3	A
Jackson County Library	3.23	5	A
Beaverton City Library	0.88	19	D
Hillsboro Public Library	0.83	20	D
Corvallis-Benton Co. Library	0.79	21	F
Multnomah County Library	0.78	22	F
<b>Salem Public Library</b>	<b>0.36</b>	<b>23</b>	<b>F</b>

Total Library Expenditures Per Capita	Value	Rank	Grade
Multnomah County Library	\$99.09	3	A
Corvallis-Benton Co. Library	\$91.83	4	A
Eugene Public Library	\$80.45	5	A
Hillsboro Public Library	\$69.80	6	B
Deschutes Public Library	\$64.71	8	B
Beaverton City Library	\$60.74	11	C
Jackson County Library	\$52.39	14	C
<b>Salem Public Library</b>	<b>\$25.80</b>	<b>23</b>	<b>F</b>

E-books Added Per Capita	Value	Rank	Grade
Eugene Public Library	1.43	1	A
Deschutes Public Library	1.27	2	A
Beaverton City Library	0.24	12	C
Hillsboro Public Library	0.23	13	C
Corvallis-Benton Co. Library	0.12	20	D
Multnomah County Library	0.11	21	D
Jackson County Library	0.07	22	F
<b>Salem Public Library</b>	<b>0.06</b>	<b>23</b>	<b>F</b>



**From:** [Mary Nikas, Chair \(MCDCC\)](#)  
**To:** [budgetoffice](#)  
**Subject:** Public Comment for the April 19th Meeting of the Salem Citizen's Budget Committee  
**Date:** Wednesday, April 12, 2023 12:21:32 PM  
**Attachments:** [MCD Adopted Resolution - Operations Fee.pdf](#)

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Budget Office:

Please accept this public comment for the April 19th Meeting of the Salem Citizen's Budget Committee.

This testimony includes a Resolution unanimously passed by the Marion County Democratic Central Committee at our monthly general membership meeting, March 16, 2023. It is being submitted to the City of Salem budget committee for consideration.

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In Solidarity,

~ Mary (she/hers)

Mary Nikas  
Chair@MarionDemocrats.org | 971-301-1616  
Chair - Marion County Democratic Central Committee  
Campaign Treasurer - Jackie Leung for Oregon  
Board Member - Main Street Alliance  
Principal Broker - Busy Bees Real Estate

"Together we can create a Better World." ~ Senator Bernie Sanders



## MARION COUNTY DEMOCRATS RESOLUTION ON REFORM OF THE SALEM CITY OPERATIONS FEE

*Adopted on March 16, 2023*

WHEREAS, in September of 2019 the Salem City Council voted to impose a City Operations Fee on all city property owners beginning in January, 2020 to help pay for city services. The fee is added to city utility bills and is indexed to inflation. There are three different rates for homes, rental units, and businesses and institutions; and,

WHEREAS, the monthly fees for businesses and institutions is set at only 4.8 times the fee for homeowners and only 6.0 times the fee for rental units; and,

WHEREAS, in 2023 homeowners are paying a monthly fee of \$8.93 and renters are paying, in their rent, a fee of \$7.14; businesses and institutions with one city utility account pay only \$43.04 per month in 2023; and,

WHEREAS, a public records request in 2022 revealed that multi-billion dollar businesses like Walmart, Costco and Amazon are paying the minimum operations fee, \$43.04, in 2023, as are large institutions like Willamette University and the State Capitol; Salem Hospital has two accounts and pays only two fees per month; and,

WHEREAS, large businesses and institutions receive a vastly higher level of service from the City of Salem than individual homeowners and renters, especially emergency services (police and medical) which comprise 58% of the City General Fund; and,

WHEREAS, the City Operations Fees being charged to homeowners and renters, when compared to the pittance charged to multi-billion dollar businesses and institutions, is grossly unfair and inequitable; and,

WHEREAS, Democratic Party platform calls upon us to work against “injustices [that] have continued through inattention and because of policies that benefit the wealthiest while disproportionately harming the poorest and most vulnerable Oregonians” (Article 1);

THEREFORE BE IT RESOLVED, that the Central Committee of the Marion County Democrats calls upon the Salem City Council to immediately initiate efforts to reform the City Operations Fee in a way that is fair and equitable to homeowners and renters in the city.

# MINUTES



## Joint Meeting of the City of Salem Budget Committee and the Salem Urban Renewal Agency Budget Committee

DATE: Wednesday, January 11, 2023  
TIME: 6:00 PM  
CHAIRPERSON: Virginia Stapleton  
PLACE: Virtual

STAFF LIAISON:  
Josh Eggleston, Budget Officer  
503-588-6130  
[jeggleston@cityofsalem.net](mailto:jeggleston@cityofsalem.net)  
Kali Leinenbach, Sr. Fiscal Analyst  
503-588-6231  
[kleinenbach@cityofsalem.net](mailto:kleinenbach@cityofsalem.net)

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1. OPENING EXERCISES – Chairperson Stapleton called the meeting to order at 6:01pm

Members present: Cohen, Tigan, Vieyra-Braendle, Nishioka, Phillips, Gwyn, J. Hoy, Nordyke, Varney, C. Hoy, Dixon, Shirack, Vice-chair Brown, Chair Stapleton.

Pledge of Allegiance

Opening remarks from City Manager Stahley

2. PUBLIC TESTIMONY  
No one signed up for public comment.

3. MINUTES
  - a. Minutes from May 11, 2022 City of Salem Budget Committee Meeting and Urban Renewal Agency Budget Committee Meeting.

**Motion:** Move to approve the meeting minutes from the May 11, 2022 City of Salem Budget Committee Meeting and Urban Renewal Agency Budget Committee Meeting.

Motion by: Member C. Hoy  
Seconded by: Member Tigan

**Action:** Motion passes  
Vote:  
Aye: Unanimous  
Nay:  
Abstentions:

4. ACTION ITEMS
  - a. Election of Officers- Chairperson

**Motion:** Move to nominate Virginia Stapleton for Chairperson of the City of Salem Budget Committee and Urban Renewal Agency Budget Committee.

Motion by: Member Tigan  
Seconded by: Member Phillips

**Action:** Motion passes  
Vote:  
Aye: Unanimous  
Nay:  
Abstentions:

**Motion:** Motion to nominate Member Brown for Vice-chairperson of the City of Salem Budget Committee and Urban Renewal Agency Budget Committee.

Motion by: Member Nordyke  
Seconded by: Member Tigan

**Action:** Motion passes  
Vote:  
Aye: Unanimous  
Nay:  
Abstentions:

**Motion:** Motion to remove the position of Secretary of the City of Salem Budget Committee and Urban Renewal Agency Budget Committee.

Motion by: Member Hoy  
Seconded by: Member Phillips

**Action:** Motion passes  
Vote:  
Aye: Unanimous  
Nay:  
Abstentions:

## 5. INFORMATION ITEMS

- a. FY 2022 Q4 Financial Report for the City of Salem
- b. FY 2022 Q4 Financial Report for the Urban Renewal Agency
- c. FY 2023 Q1 Financial Report for the City of Salem
- d. FY 2023 Q1 Financial Report for the Urban Renewal Agency
- e. General Fund Deferred Staffing Needs and Internal Services Benchmarking
- f. FY 2024 - FY 2028 Five - Year Forecast

Questions or comments by: None

## 6. PUBLIC HEARINGS

- a. None



7. SPECIAL ORDERS OF BUSINESS

a. Presentation of Five-Year Forecasts – General Fund, Transportation Services Fund, and Utility Fund

- Presentation by Chief Financial Officer Josh Eggleston
- Discussion and review

Questions or comments by: Members Nishioka, C. Hoy, Chair Stapleton, Tigan, Nordyke, Dixon, Shirack, Vice-chair Brown, Cohen, Phillips, Shirack.

Answers & explanations by: Chief Financial Officer Josh Eggleston, Keith Stahley, City Manager, Assistant Public Works Director Alicia Blalock, Interim Public Works Director Brian Martin, P.E., Assistant Public Works Director Mark Becketl, Police Chief Womack.

b. Presentation on General Fund Deferred Staffing Needs and Internal Services Benchmarking.

- Presentation by Colleen Rozillis and Tommy Conkling, Moss Adams
- Discussion and review

Questions or comments by: Members C. Hoy, Shirack, Chair Stapleton, Tigan, Nordyke, Dixon, Shirack, Vice-chair Brown, Tigan, Nordyke.

Answers & explanations by: Tommy Conkling, Moss Adams; Colleen Rozillis, Moss Adams; Keith Stahley, City Manager; Chief Financial Officer Josh Eggleston

c. Presentation on new Performance Management portal and Balancing Act Budgeting module.

- Presentation by Chief Financial Officer Josh Eggleston
- Discussion and review

Questions or comments by: Chair Stapleton, Members Dixon, Tigan.

Answers & explanations by: Chief Financial Officer Josh Eggleston.

8. PUBLIC TESTIMONY FOR FUTURE BUDGET ISSUES

The Budget Committee has set aside time for public comment to address items not on the agenda. Each individual testifying will be limited to no more than three (3) minutes.

a. None

9. COMMITTEE DISCUSSION ON FUTURE INFORMATION ITEMS

a. None

10. ADJOURNMENT

The meeting was adjourned at 8:06 PM

Respectfully Submitted,

Kelli Blechschmidt  
Minutes Recorder

*The next Budget Committee meeting will be virtually held Wednesday, April 19, 2023 at 6:00 pm in for presentation of the City Manager's proposed FY 2024 budget.*

*Budget staff is available for your convenience to discuss the budget document and process. Please call the staff listed above or 503-588-6040 if you have any questions.*

The City of Salem budget information can be accessed on the internet at: [www.cityofsalem.net/budget](http://www.cityofsalem.net/budget)

NOTE: Disability-related accommodations, including auxiliary aids or services, in order to participate in this meeting, are available upon request. Sign language and Spanish interpreters are available with other languages available upon request. To request such an accommodation or interpretation, contact Kelli Blechschmidt, (503) 588-6049 or [kblechschmidt@cityofsalem.net](mailto:kblechschmidt@cityofsalem.net) at least 2 business days before this meeting. TTD/TTY telephone (503) 588-6439 is also available 24/7.

The City of Salem values all persons without regard to race, color, religion, national origin, sex, age, marital status, domestic partnership, disability, familial status, sexual orientation, gender identity and source of income.

## CITY OF SALEM FINANCIAL SUMMARY Through Q2 / FY 2023

The summary of FY 2023 second quarter (Q2) July 2022 through December 2022 financial activity displays expenditure information at the department level for the General Fund and resources displayed by type. For all other City funds, data is displayed with resources and expenditures. For all funds, the display includes columns noting comparison to budget and prior year actual activity. A positive number in the prior year comparison denotes an increase in FY 2023.

### General Fund

Resources	Budget	Actual through Dec 31	As a Percent of Budget	Difference FY 2022 to FY 2023 Actual	<b>BY THE NUMBERS</b> Resources The City received over 92.7 percent of total current-year budgeted Property Taxes during the second quarter. Property tax receipts in FY 2023 are 3.9 percent higher than the same time last year. Franchise Fees and State Shared Revenue collections increase later in the year.  Marijuana Sales Tax receipts are collected by the State and remitted to the City quarterly. Currently they are trending 32.3 percent lower than this time last year.  Beginning Fund Balance—the funding available at the start of the fiscal year—equals almost 28.7 percent of total resources through Q2, and is 31.6 percent more than FY 2022. This is due to an influx of one-time money from the State and Federal governments.  Year-to-year decrease of 12.3 percent for Fees, Permits reflect a slight decrease in permit activity. Internal Charges include the support services charges, reimbursements for labor and overhead from other funds, and fund-to-fund transfers. The 2.8 percent increase is mainly due to higher Service Charges and Transfers, which are received in regular intervals.
Property Taxes	80,750,050	74,918,306	92.8%	3.9%	
Franchise Fees	19,983,430	4,561,632	22.8%	-3.4%	
Internal Charges	21,403,050	8,804,004	41.1%	2.8%	
Marijuana Sales Tax	1,862,340	672,836	36.1%	-32.3%	
State Shared	7,711,460	2,664,267	34.5%	1.6%	
Fees, Permits	14,916,120	6,323,620	42.4%	-12.3%	
All Other Revenues	9,350,690	3,358,286	35.9%	13.4%	
Beginning Fund Balance	42,528,530	40,678,032	95.6%	31.6%	
<b>Total Resources</b>	<b>198,505,670</b>	<b>141,980,983</b>	<b>71.5%</b>	<b>9.1%</b>	
Expenditures by Department	Budget	Actual through Dec 31	As a Percent of Budget	Difference FY 2022 to FY 2023 Actual	<b>BY THE NUMBERS</b> Expenditures With 50 percent of the fiscal year complete, including 13 payroll periods (representing 51 percent of payroll periods for the year), expenditures are trending as anticipated. The 5.8 percent year-over-year increase is influenced by anticipated cost escalators, such as labor contract / market adjustments to salaries, increased social services spending, PERS expense, and health benefits expense.
Mayor & Council	259,780	129,744	49.9%	-3.43%	
Municipal Court	2,438,290	1,018,792	41.8%	-3.79%	
City Manager	1,926,220	808,913	42.0%	17.37%	
Human Resources	2,675,910	1,326,960	49.6%	58.25%	
Customer Service Center	909,150	382,913	42.1%	0.00%	
Legal	2,931,290	1,280,209	43.7%	0.46%	
Finance	3,698,610	1,571,008	42.5%	-17.21%	
Parks and Recreation	12,045,970	6,230,392	51.7%	19.55%	
Facilities Services	5,263,280	2,396,936	45.5%	6.87%	
Community Development	6,753,160	3,145,211	46.6%	38.06%	
Library	5,873,040	2,634,024	44.8%	6.77%	
Police	54,779,640	26,140,626	47.7%	4.39%	
Fire	45,111,140	21,975,812	48.7%	11.98%	
Information Technology	11,584,050	5,062,139	43.7%	6.99%	
Non Departmental	9,005,640	1,735,039	19.3%	-47.74%	
Urban Development	4,053,770	1,587,914	39.2%	-33.20%	
<b>Total Expenditures</b>	<b>169,308,940</b>	<b>77,426,635</b>	<b>45.7%</b>	<b>5.8%</b>	
<b>BY THE NUMBERS</b> Expenditures					

## CITY OF SALEM FINANCIAL SUMMARY Through Q2 / FY 2023

### Other Funds

	Resources			Expenditures		
	Actual through Dec 31	As a Percent of Budget	Difference FY 2022 to FY 2023 Actual	Actual through Dec 31	As a Percent of Budget	Difference FY 2022 to FY 2023 Actual
* Transportation Services	16,142,642	64.3%	24.2%	9,057,004	43.3%	36.2%
Streetlight	2,185,729	65.8%	6.9%	805,894	35.5%	6.2%
* Airport	1,819,818	73.6%	9.5%	667,834	27.0%	8.2%
Community Renewal	2,119,974	16.1%	69.3%	2,058,579	15.6%	79.0%
Downtown Parking	788,250	67.2%	-1.3%	462,366	39.4%	-21.2%
Cultural and Tourism	6,209,541	99.1%	60.6%	2,007,067	43.0%	22.3%
Public Art	38,979	84.7%	-3.5%	590	1.3%	-95.0%
Tourism Promotion Area	474,575	40.8%	6.8%	402,845	34.6%	9.3%
Parking Leasehold	586,385	75.5%	9.8%	268,333	35.0%	-32.0%
* Building and Safety	19,625,993	93.8%	15.4%	2,866,368	38.3%	5.6%
Traffic Safety	314	0.0%	-100.0%	-	0.0%	-100.0%
General Debt	21,083,288	85.7%	5.2%	2,626,034	11.5%	-13.2%
Capital Improvements	82,554,490	53.9%	0.7%	26,306,556	17.2%	5.6%
Extra Capacity Facilities	47,465,074	77.1%	7.2%	4,439,044	7.2%	0.3%
Development Districts	10,615,348	53.0%	35.0%	78,182	0.4%	-93.8%
* Utility	120,290,820	66.0%	7.2%	51,795,043	37.3%	8.5%
* Emergency Services	4,965,281	69.1%	19.3%	1,385,273	29.0%	237.1%
* WVCC	8,876,973	57.5%	5.5%	6,732,489	44.1%	1.0%
Police Regional Records	1,514,872	97.2%	22.4%	44,962	16.1%	-37.6%
* City Services	10,442,234	63.3%	-23.9%	5,844,966	44.8%	-34.5%
* Self Insurance Benefits	24,480,265	63.8%	-3.1%	15,079,388	39.3%	10.2%
* Self Insurance Risk	9,278,925	62.3%	-10.5%	4,223,455	28.4%	37.9%
Equipment Replacement	18,212,540	91.3%	11.9%	553,584	2.8%	26.8%
Trust and Agency	31,000,508	94.2%	10.1%	3,974,453	16.4%	1049.3%

### Resources

Beginning fund balance accounts for \$270.3 million or 61 percent of the \$440.8 million total resources reported in the above table for all other City funds. To begin FY 2023, Budgeted fund balance exceeded actuals by \$19.3 million or 6.68 percent. At the second quarter mark in the fiscal year, total resources equal 66.5 percent of the amount anticipated in the FY 2023 budget for this grouping of funds.

### Expenditures

The nine funds marked with an \* have a total of 550.5 full-time equivalent (FTE) authorized positions, approximately 41.6 percent of the total FTE count for the City in the FY 2023 budget. The General Fund supports the remaining 771.5 FTE positions. Of the \$141.7 million in total actual expense through December 31 documented in the above table, \$32.6 million or 23.0 percent is personal services expense.

Materials and services, purchases for supplies, equipment, and services, equal \$84.6 million or 59.7 percent of total expenses. Four funds—the Utility Fund, Self Insurance Benefits Fund, Transportation Services Fund, and Capital Improvements Fund—account for \$102.2 million—or 72.2 percent—of the total expenses of these funds.

## URBAN RENEWAL AGENCY FINANCIAL SUMMARY Through Q2 / FY 2023

This "By the Numbers" summary of FY 2023 activity for the period of July 2022 through December 2022 provides a brief update of the Urban Renewal Agency's eight active areas and the Agency-owned Salem Convention Center. For the comparisons to budget and prior year activity a positive percentage denotes FY 2023 results are greater.

	Resources			Expenditures		
	Actual through Dec 31	As a Percent of Budget	Difference FY 2022 to FY 2023 Actual	Actual through Dec 31	As a Percent of Budget	Difference FY 2022 to FY 2023 Actual
<b>Debt Service Fund</b>						
Riverfront Downtown	9,428,577	99.5%	-1.6%	13,594	0.2%	-92.3%
Fairview	-	0.0%	-	-	0.0%	0.0%
North Gateway	4,776,240	99.6%	-1.2%	-	0.0%	0.0%
West Salem	2,749,648	105.6%	8.6%	-	0.0%	0.0%
Mill Creek	2,786,547	81.2%	-0.2%	893,127	26.3%	0.0%
McGilchrist	1,718,481	93.9%	15.8%	-	0.0%	0.0%
South Waterfront	618,160	94.1%	1.6%	-	0.0%	0.0%
Jory Apartments	173,967	61.4%	1436.5%	-	0.0%	0.0%
<b>Total</b>	<b>22,251,621</b>	<b>96.4%</b>	<b>1.9%</b>	<b>906,721</b>	<b>4.4%</b>	<b>-15.3%</b>

	Resources			Expenditures		
	Actual through Dec 31	As a Percent of Budget	Difference FY 2022 to FY 2023 Actual	Actual through Dec 31	As a Percent of Budget	Difference FY 2022 to FY 2023 Actual
<b>Capital Improvements Fund</b>						
Riverfront Downtown	22,241,279	72.7%	17.6%	2,348,438	7.7%	22.2%
Fairview	2,413,100	87.4%	-0.2%	194,832	7.1%	831.1%
North Gateway	17,248,344	85.0%	24.3%	268,978	1.3%	-39.1%
West Salem	7,815,979	83.7%	17.1%	414,469	4.4%	0.6%
Mill Creek	2,231,336	42.0%	22.2%	100,458	1.9%	-71.6%
McGilchrist	6,259,062	39.9%	12.0%	775,032	4.9%	25.3%
South Waterfront	1,354,593	73.9%	57.8%	3,985	0.2%	-60.3%
Jory Apartments	(555)	-0.2%	6.4%	5,789	2.1%	286483.2%
<b>Total</b>	<b>59,563,139</b>	<b>69.2%</b>	<b>18.8%</b>	<b>4,111,980</b>	<b>4.8%</b>	<b>8.8%</b>

### Salem Convention Center Fund and Convention Center Gain / Loss Reserve

Resources for the Salem Convention Center Fund include beginning fund balance of - \$21,881 and revenue from food sales and equipment and room rentals of \$1.81 million for a total of \$1.79 million. The negative fund balance is a result of expenses exceeding revenue in the previous fiscal year due to the COVID-19 Pandemic. Through the period, \$1.45 million has been posted as the cost of providing convention services.

The Convention Center Gain / Loss Reserve\* started the fiscal year with beginning fund balance of \$4.08 million. Interest postings through the quarter added \$27,841.

\*A reserve established to cover any operational losses.

Resources for the Capital Improvement fund includes mostly beginning fund balance. Short - term borrowings for the Debt fund will happen in quarter three of the fiscal year.