

# A G E N D A



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

DATE: Thursday, March 14, 2024  
TIME: 6:00 PM  
CHAIRPERSON: Dr. Irvin Brown

STAFF LIAISON:  
Josh Eggleston, Chief Financial Off.  
503-588-6130  
[jeggleston@cityofsalem.net](mailto:jeggleston@cityofsalem.net)  
Kali Leinenbach, Budget Manager  
503-588-6231  
[kleinenbach@cityofsalem.net](mailto:kleinenbach@cityofsalem.net)

Written comments on agenda items may be submitted at [budgetoffice@cityofsalem.net](mailto:budgetoffice@cityofsalem.net) Public comment may also be provided in person or via ZOOM. If using ZOOM, please pre-register between 8:00AM and 2:00PM on the day of the meeting at the following link: [Comment and Participate in a City Council Meeting | Salem, Oregon \(cityofsalem.net\)](#)

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1. OPENING EXERCISES – Chairperson Dr. Irvin Brown
  2. PUBLIC TESTIMONY
    - a. Correspondence from Lucas Pitman regarding service reductions.
  3. MINUTES
    - a. Minutes from January 10, 2024 City of Salem and Urban Renewal Agency Budget Committee Meeting
  4. ACTION ITEMS
    - a. None
  5. INFORMATION ITEMS
    - a. Staff Report: General Fund Budget Reduction Scenarios
  6. PUBLIC HEARINGS
    - a. None
  7. SPECIAL ORDERS OF BUSINESS
    - a. Opening Comments – City Manager Keith Stahley
    - b. Presentation of Overview for Funds and Budgeting – Josh Eggleston, Chief Financial Officer
    - c. Presentations by Departments
      - Community Services – Scott Archer, Deputy City Manager
      - Fire – Chief Mike Niblock, Fire Chief
      - Police – Chief Trevor Womack, Police Chief
      - Enterprise Services – Krishna Namburi, Deputy City Manager
      - Community Planning and Development – Kristin Retherford, Director
      - City Manager’s Office, Legal, Mayor & Council, Finance, Non-Departmental - Josh Eggleston, Chief Financial Officer

- Public Works – Brian Martin, P.E., Director
- d. Reduction Scenario Reviews
    - September 18, 2023 City Council Work Session
    - October 25, 2023 City Council Work Session
  - e. Revenue Task Force Status Update – Courtney Knox Busch, Chief Strategy Officer
  - f. Budget Committee Discussion
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 Budget Committee meeting will be held on Thursday, March 21, 2024, at 6:00 pm.*

*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)

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**From:** [Courtney Knox Busch](#)  
**To:** [Amy Johnson](#); [Kelli Blechschmidt](#)  
**Subject:** Budget Committee, Council feedback  
**Date:** Thursday, January 25, 2024 4:51:06 PM  
**Attachments:** [Re Revenue Task Force Meeting.msg](#)

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Please include this feedback in the next set of materials. (see attached for confirmation)

**Courtney**

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

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**From:** Lucas Pitman <[lucas@empoweringchoicescc.com](mailto:lucas@empoweringchoicescc.com)>  
**Sent:** Thursday, January 25, 2024 4:23 PM  
**To:** Revenue2024 <[Revenue2024@cityofsalem.net](mailto:Revenue2024@cityofsalem.net)>  
**Subject:** Re: Revenue Task Force Meeting

Hello City of Salem,

I'm not sure if this email inbox is the best place to send this message, but please forward it to the committee/city council/City of Salem staff as appropriate.

In reading through the "pre-read" packet there were items in it which stood out to me as places where the City could make changes to balance its budget better. As a citizen of Salem I expect the city to fulfill basic service needs like police and fire services. Services that are going beyond the fundamentals and are straining the budget are the services that should look at being cut. Examples described in the document included community policing, homeless services, and a climate response. The document says that citizens expect more from their city government and that Salem must fund these services. This citizen is telling you that in favor of balancing the budget I would support cutting those more expansive services. As you express in the document, "An employee-paid payroll tax failed drastically in the November 2023 election." Salem-ites don't want to pay more. That sounds like services need to be reduced. Do not reduce the important services like fire and police. Look at the more "extra" services, like a "climate response" and find your savings there.

If this is not the best place to share these thoughts, please let me know where to send them,

Lucas Pitman

On Thu, Jan 25, 2024 at 1:28 PM Revenue Task Force <[Revenue2024@cityofsalem.net](mailto:Revenue2024@cityofsalem.net)> wrote:

[View this email in your browser](#)



# Revenue Task Force

Tuesday, January 30, 2024

6:30 – 9:00 p.m.

Hybrid Meeting – YouTube and Salem Public Library

Anderson Rooms (lower level) 585 Liberty St. SE

View Via YouTube: <https://www.youtube.com/@CCMediaSalem> or Comcast Channel 21

Please review the following [Revenue Task Force Pre-Read Packet](#) before the meeting.

## Task Force Members

Becky Beaman	Stephen Jenkins	Nathan Rafn
Russ Beaton	Kathy Knock	Jesus Resendiz
Scott Cantonwine	Ariel Loveall	David Rheinholdt
Katie Ciancetta	Leola McKenzie	Bill Riecke
Ken Collins	Raquel Moore-Green	Gretchen Schlie
Beth Vargas Duncan	Sean Nikas	Kaitlin Strathdee
Bev Ecklund	Keith Norris	William Smaldone
Matthew Hale	Jean Palmateer	TJ Sullivan
Levi Herrera-Lopez	Ray Quisenberry	Cathy vanEnckevort

## Staff

Keith Stahley, City Manager  
Krishna Namburi, Deputy City Manager  
Dan Atchison, City Attorney  
Josh Eggleston, Chief Financial Officer  
Courtney Knox Busch, Chief Strategy Officer  
Kali Leinenbach, Budget Manager

## Moss Adams (Facilitators)

Tommy Conkling  
Annie Fadley  
Annie Rose Favreau  
Jessie Lenhardt

## Agenda

1. Welcome and Introductions
2. Project Overview
3. Task Force Charter, Roles and Responsibilities
4. Group Norms and Expectations

5. Revenue Challenge Overview
6. Next Steps
7. Adjourn

**Next Meeting:** February 22

Special accommodations are available, upon request, for persons with disabilities or those needing sign language interpretation, or languages other than English. To request accommodations or services, please call 503-540-2371 (711 for Relay) at least two business days in advance.

It is the City of Salem's policy to assure that no person shall be discriminated against on the grounds of race, religion, color, sex, marital status, familial status, national origin, age, mental or physical disability, sexual orientation, gender identity, source of income and housing status, as provided by Salem Revised Code 97. The City of Salem also fully complies with Title VI of the Civil Rights Act of 1964, Americans with Disabilities Act of 1990, and related statutes and regulations, in all programs and activities.



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# MINUTES



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

DATE: Wednesday, January 10, 2024  
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 6:00pm

Members present: Cohen, Vieyra-Braendle, Nishioka, Phillips, Gwyn, Gonzalez, J. Hoy, Nordyke, Varney, C. Hoy, Manvel, Allen, Curtis, Beleiciks, Gier, Vice-chair Brown, Chair Stapleton.

Member Dixon was present virtually, but having audio difficulties.

Pledge of Allegiance

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

3. MINUTES
  - a. Minutes from May 10, 2023 City of Salem Budget Committee Meeting and Urban Renewal Agency Budget Committee Meeting.

**Motion:** Move to approve the meeting minutes from the May 23, 2023 City of Salem Budget Committee Meeting and Urban Renewal Agency Budget Committee Meeting.

Motion by: Vice-chair Brown  
Seconded by: Member Varney

**Action:** Motion passes

Vote:

Aye: Cohen, Vieyra-Braendle, Nishioka, Phillips, Gwyn, Gonzalez, J. Hoy, Nordyke, Varney, C. Hoy, Allen, Curtis, Beleiciks, Gier, Dixon, Vice-chair Brown, Chair Stapleton.

Nay:

Abstentions: Manvel

Member Dixon was present virtually, but having audio difficulties.

4. ACTION ITEMS

a. Election of Officers- Chairperson

**Motion:** Move to nominate Dr. Irvin Brown for Chairperson of the City of Salem Budget Committee and Urban Renewal Agency Budget Committee.

Motion by: Member Phillips  
Seconded by: Member Nishioka

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

Member Dixon was present virtually, but having audio difficulties.

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

Motion by: Member Varney  
Seconded by: Member Gywn

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

Member Dixon was present virtually, but having audio difficulties.

5. INFORMATION ITEMS

- a. FY 2023 Q4 Financial Report for the City of Salem
- b. FY 2023 Q4 Financial Report for the Urban Renewal Agency
- c. FY 2024 Q1 Financial Report for the City of Salem
- d. FY 2024 Q1 Financial Report for the Urban Renewal Agency
- e. FY 2025 - FY 2029 Five - Year Forecast
- f. Staff Report – Responses to Committee Members Questions

Chief Financial Officer briefly went through the information items.

Questions or comments by: Members Curtis, Allen, Nordyke and Nishioka  
Answers & explanations by: Josh Eggleston, CFO

Opening remarks by Keith Stahley, City Manager

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 Stapleton, Cohen, Allen, J. Hoy, Chair Brown, C. Hoy, Nishioka, Nordyke, Manvel, Gier, Curtis, Varney, Dixon.

Answers & explanations by: Chief Financial Officer Josh Eggleston, Keith Stahley, City Manager, Trevor Womack, Police Chief, Krishna Namburi, Deputy City Manager.

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. Correspondence from Jim Schepcke regarding Salem Public Library.

9. COMMITTEE DISCUSSION ON FUTURE INFORMATION ITEMS

- a. None

10. ADJOURNMENT

The meeting was adjourned at 7:54 PM

Respectfully Submitted,

Kelli Blechschmidt  
Minutes Recorder

*The next Budget Committee meeting will be virtually held Thursday, March 14, 2024 at 6:00 pm*

*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.*

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For the Budget Committee Meeting of: March 14, 2024  
Agenda Item No.: 5.a.

**TO:** Budget Committee Members  
**THROUGH:** Keith Stahley, City Manager  
**FROM:** Josh Eggleston, Chief Financial Officer

**SUBJECT:** General Fund Budget Reduction Scenarios

**SUMMARY:**

The FY 2024 budget was recommended by the Budget Committee and adopted by the City Council with the anticipation of additional General Fund revenue sources before FY 2026, beginning July 1, 2025. The City's General Fund supports services like police, fire, public safety, parks and recreation, library, land use planning and zoning, enforcement of codes or rules to maintain neighborhood livability, social services that help those in need, municipal court, and other services that provide a general citywide benefit. Without the anticipated new revenue, the FY 2024 Budget was reduced by the City Council on February 12, 2024. The Salem City Council held work session on September 18, 2023, and October 25, 2023, to discuss potential reduction scenarios for FY 2025, FY 2026, and beyond in order to maintain compliance with the City Council fund balance policy. This report outlines those scenarios for Budget Committee consideration.

**ISSUE:**

Budget Committee discussion regarding the General Fund - including fund balance policy compliance and potential service cuts.

**RECOMMENDATION:**

Information only.

## **FACTS AND FINDINGS:**

The City of Salem, like many cities in Oregon, has been experiencing difficulty in funding valued and essential services – like Fire, Police, parks and recreation, and other General Fund services. Expenditures are outpacing revenues due to property tax constraints from Measures 5 and 50 in the 1990's, escalating costs, and increasing demand for services. For example, budgeted property tax revenue in FY 2024 covers only 77% of budgeted expenses in the Police and Fire departments alone that are paid from the General Fund.

There are only two levers to fix the structural imbalance – reduce expenses or increase revenues. The information in this report assumes no new revenue sources and presents options for expenditure reduction.

### ***Amended - City of Salem General Fund Projection – FY 2025 through FY 2029***

On February 12, 2024, the City Council adopted Supplemental Budget 2 which amended the FY 2024 budget by reducing 33.35 Full Time Equivalent (FTE) positions in the General Fund. Total savings from this Supplemental Budget change was \$4.66M in the current fiscal year. The impact on services of these reductions were outlined in the City Council materials for that meeting and can be found at this link:

<https://salem.legistar.com/LegislationDetail.aspx?ID=6508858&GUID=EC2A563E-C789-48B4-9ED6-2557EA38A2DB>

Even with these reductions, the City is projected to be out of compliance with the General Fund balance policy in FY 2025 and unable to adopt the budget in FY 2026 with fund balance being depleted. Assuming no new revenue comes in, additional reductions will be needed to balance the fund.

### ***Future Reduction Options***

There are four scenarios that were presented to the City Council during their September 18, 2023, and October 25, 2023, work sessions which assumed the addition of no new revenue. The basic financial outlook of the four scenarios is similar. However, the financial forecast has changed since the reductions scenarios were presented in the fall of 2023 and the scenarios no longer meet the fund balance policy in the out years of the forecast. This is largely due to increased PERS, health benefits and salary adjustments which were unknown when scenarios were presented at the work sessions. Please note that all the reductions from the original September 18<sup>th</sup> reduction proposal are included unless indicated otherwise.

Each option outlined provides a summary of the impacts of choosing this option to proceed. Every option will have some impact to a City service, it is just a matter of which

service and the severity.

- Option 1: Staff Recommendation
- Option 2: Add park rangers and SOS team expansion (begins on p. 9)
- Option 3: No reductions to public safety services (begins on p. 10)
- Option 4: Funding all sheltering services (begins on p. 18)

### **Option 1: Staff Recommendation**

On September 18, 2023 staff presented a service reduction scenario that aimed to preserve some flexibility by making smaller cuts earlier in the forecast period and balancing reductions across services, rather than across the board cuts.

*FY 2025 – July 1, 2024 through June 30, 2025*

1. Eliminate all Salem funded micro shelter villages - \$5,400,000
  - a. Unless new revenue sources or additional state grant fund allocations are applied here, on July 1, 2024, 80 temporary emergency shelter beds could close. 80 beds are currently provided at the Village of Hope, serving individual adults. Although this shelter is eligible for 2024 vulnerable shelter funds from the State, it is unclear at this time what the level of funding may be. The village provides the safety, sanitation, and support for guests to come in from unsheltered homelessness and transition toward positive destinations (432/935 have exited positively to date from all Salem micro-shelter programs).

Services provided have also reduced use of emergency services by guests (of those tracked, there was an 80% reduction in use of hospital emergency room and a 75% reduction in calls to 911). Salem currently has hundreds more people experiencing unsheltered homelessness than there are available shelter beds; micro-shelter villages currently carry wait lists with more interest to access these services than the current capacity.

2. Library Reduction (7.25 FTE) \$1,125,200
  - a. The reduction of the 8 library staff (7 filled) positions (6 Full Time Positions, one 0.75, and one 0.50) and the 17 temporary/on-call positions that would be eliminated for FY 2025 would impact the levels of services offered and reduction of hours of operation would once again be needed to work with the staff capacity.

This reduction is in addition to the reductions that have already taken place through the supplemental budget action in February.

- i. Main Library weekly operational hours will need to be reduced from a current 38 to an estimated 25-30.

- b. The Library will no longer be able to support West Salem operations. West Salem will need to be closed.
    - i. The City's lease agreement with Roth's would need to be renegotiated, as current language requires building to be removed and site restored if the City ceases to operate a library at the site.
    - ii. An alternate option would be to be open one day at West Salem, but be closed at the Main Library for the day, further reducing the estimated 25-30 hours/week.
  - c. Library programming and other services will need to be reduced.
    - i. This will include less story times, less teen and adult programs.
3. Center 50+- Cost Recovery - \$400,000
- a. Center 50+ utilizes collaborative partnerships and contracts with 45 different partners, assesses nominal program fees, partners with a nonprofit fundraising "friends" group and endowment fund, and uses the time and talents of a large 400+ volunteer workforce. While any budget reduction translates to reduction of direct senior and caregiver services and impacts the Center's ability to fulfill its mission, the true outcome and the trickle down and community-wide impact cannot be fully calculated or understood in advance. As fees are increased it will cause people to participate differently and reduces accessibility and affordability to services that keep older adults connected, engaged and serving the community. A combination of cost savings options and revenue generating actions include:
    - i. Reduce Other Professional Services by \$200,000, eliminating the ability to offer new Outreach Programming, expand programs, or utilize new co-sponsorship agreements.
    - ii. Reduce Part-Time/ Seasonal Staffing by \$30,000, resulting in a reduction in evening and weekend programming, and ability to serve as a community hub to a variety of groups including focus groups and City-wide Engagement.
    - iii. Reduce Materials and Supplies by \$30,000, impacting marketing strategies, print materials, and limit programming that requires hobby specific supplies.
    - iv. Implement City Resident/Non-Resident differential for all fees (programs, services, rentals).
    - v. Increase Patrons Fees - \$27,000.
    - vi. Increase Facility Rental Fees by - \$50,000
    - vii. Increase in donations from Friends of Center 50+ - \$50,000
4. Recreation - Cost Recovery / Reductions - \$400,000
- a. A mixture of both programmatic changes or ceasing completely of programs along with an increase in fees for classes and parks use fees.
    - i. Reduction in Seasonal Staff for both Softball and Youth Sports/Neighborhood Recreation. Less program and site location options will be offered with a focus on those programs with maximum participation.

- ii. Elimination of Movies in the Park.
  - iii. Elimination of Kids Relays.
  - iv. Elimination of fee waivers for organizations that are local, youth serving and a registered non-profit, qualifying for use of City's facilities.
  - v. Reduction of waiver and fee reductions from 100% and 50% to 20% for programs for City of Salem residents.
  - vi. Removal of 20% reduction for facility rentals enacted by City Council.
  - vii. Increase in Facility Use Permit fees up to 20%.
  - viii. Addition of Resident/Non-Resident Play Fee for Softball and Kickball Leagues.
  - ix. Increase in Wallace Marine Softball Complex rental fees.
5. Parks Operations– \$709,000 (\$512,000 Materials and Services, \$187,000 Seasonal staffing, \$10,000 Overtime)
- a. Expenditure reductions - service level impacts:
  - b. Evening and weekend restroom closures for all neighborhood, community and urban parks (utilization of chemical toilets only in community and urban park classifications in evening and weekend hours).
  - c. Due to aged irrigation systems and costly repairs to maintain irrigation lines, irrigation systems will be shut down in parks or areas of parks that are not revenue generating. System turnoff would impact ability to water turf and will result in closure of drinking fountains and splash pad areas. This would predominantly impact neighborhood parks due to 1-mile serving radius, lack of revenue generation, and high mobilization costs for maintaining parks.
  - d. Elimination of irrigation in community and urban parks in all park areas except sports program areas, splash pads, drinking fountains, Bush's Pasture Park Rose Garden and Orchard, and Riverfront Park reservable areas.
  - e. Reduction of sports turf maintenance program.
  - f. Removal of damaged/vandalized playground, bench, picnic table, and drinking fountain amenities exceeding minimal repair levels.
  - g. Elimination of evening and weekend staff support for volunteer, recreational, and facility use events.
6. Additional Transient Occupancy Tax (TOT) Support for Parks Operations - \$70,000
- a. Additional funding from the TOT fund would be redirected to be used to offset some of the Parks Operations so Parks reductions would not be as large. Impacts of this would be less monies available for cultural grants, historical building maintenance and other allowable TOT uses.
7. Youth Development (1 FTE + Grants) - \$224,000
- a. The elimination of the Youth Development Program and grant will impact the following events and efforts: 1,000 Soles Shoe Program, ILEAD Teen Summit, CareCorps Summer Service Program, Backbone Youth Advisory Board support, youth homelessness assistance, planned paid internship

programs for homeless youth and young adults, and assigned short term youth-focused projects such as SYCP, Youth Gun Violence Reduction, Our Salem, and the APA Oregon Chapter Conference workshop are examples of services that would end with the loss of this investment. 70% of people currently experiencing homelessness in Marion and Polk Counties report experiencing homelessness as a youth. The City currently has one FTE experienced youth engagement and prevention specialist, who works enterprise wide to engage youth and young adults in City priorities. In addition to the FTE, materials and services funds provide for City costs such as barrier elimination needs like transportation of young adults to City-coordinated activities and meetings, as well as program support for above mentioned direct services programs. Mini-grants are also provided to community partners for evidence-based programming that supports the decrease of risky behaviors and builds protective factors in adolescents (i.e., workforce readiness, leadership development, teen mental health, summer learning gaps, and youth advisory development).

8. Police Graffiti Abatement (1) - \$91,000
  - a. The loss of this position will reduce the two-person Graffiti Abatement Team to just one person. In 2022, the two-person team handled nearly 2,200 incidents. Eliminating one position reduces capacity to remove/cover graffiti by 50%. Moreover, larger jobs require two employees, so the one remaining employee will need assistance from a manager, another staffer, or volunteer(s), if those abatements are to be accomplished at all. This position is currently vacant.
9. Social Service Grants - \$400,000
  - a. This would eliminate support to programs like Center for Hope and Safety for case management, Marion Polk Food Share for food purchases and staff, and NW Human Services funding for the crisis hotline and case management. Other nonprofits have also received funding in past years for case management and other services.
10. Sheltering Services (Safe Park, Emergency Warming) - \$410,000
  - a. These programs have been active for several years. This would move the expense from a requirement to the General Fund to an allowable grant. If the grant was to cease, then this program would as well.
11. Salem Housing Authority (SHA) Grant - Special Program Outreach Program (formerly HRAP) eliminated - \$625,000
  - a. In the developed partnership with City of Salem departments including the Salem Outreach and Livability Services (SOS) team, Salem Housing Authority has been the primary provider of staff who supply immediate outreach to our community members experiencing homelessness. SHA staff are known and trusted in the community and can successfully interact with vulnerable individuals where public safety officers and others in positions of authority may not have the same level of success.

Outreach staff bridge gaps by providing vital navigation services that include a wide variety of resources throughout the community. Our



Outreach team includes a SOAR navigator who assists individuals in accessing Social Security income, and another team member is in the process of becoming an Oregon Health Plan Assister, who will be able to assist individuals in accessing healthcare and insurance coverage. SHA Outreach Navigators participate in the Homeless Management Information System (HMIS) through the Continuum of Care, helping to maintain current data that informs HUD reporting and ultimately documents the need for federal funding.

SHA Outreach Navigators took the lead on the 2023 Point in Time Count. Due to SHA level of expertise and trust in the community, the SHA Outreach team was asked to coordinate access to the Wallace Marine Park encampment during the PIT count.

SHA Outreach works with community partners, including Church at the Park, Be Bold, Easter Seals, and many others in collaborative outreach efforts. Additionally, SHA Outreach staff manage the immediate needs station that is a vital resource for the community, providing much needed resources that can be accessed by Salem Police and Fire 24/7 when needed.

Lastly, our Outreach Navigators provide vital support to households moving from homeless situations to permanent housing. Federal resources, like the Section 8 Voucher program, have funds for rental assistance, but do not include funds to help people navigate the housing system, or address barriers to moving to permanent housing. The availability of the support from our Outreach team allows us to creatively assist residents who would likely not be successful in accessing mainstream resources because of their individual barriers to housing stabilization.

Without this vital funding, our Outreach Navigators would have to be reassigned to other duties within the Housing Authority and would have to focus their talents and expertise elsewhere, and our community would lose this vital resource.

*FY 2026 – July 1, 2025 through June 30, 2026*

1. City of Salem Funding for Navigation Center - \$2,400,000
  - a. Barring any unforeseen new revenue sources, on July 1, 2025, 75 temporary emergency low-barrier shelter beds would close. Having just opened June 1, 2023 so far the program has helped a high number of people with significant mental health issues who were vulnerable in unmanaged locations not fit for human habitation. 60 of the beds are accessed by people who have completed needs assessments and been

selected out of hundreds waiting. About fifteen of the beds are used for emergency dynamic situations. The center provides stabilization for people to come in from unsheltered homelessness and transition to positive destinations. Salem currently has hundreds more people experiencing unsheltered homelessness than available shelter; the Navigation Center carries significant wait lists with more interest to access these services than current capacity. The Navigation Center is currently funded through a limited time State grant.

2. Fire Station (9 FTE) - \$1,902,000
  - a. By the conclusion of FY 2025, it is projected that call volume will have surged by 4,000 calls, totaling 38,000 for the year. This increase, coupled with the anticipated closure of a station, will result in a substantial decline in the Department's ability to maintain the current 5.5-minute response time determined by Council, diminishing it to just 51%. Regrettably, this means that potentially 8,847 community members will not receive the prompt and effective response they deserve. While the specific nature of emergencies each citizen may face cannot be foreseen, it's crucial to acknowledge that some emergencies will be life-threatening, where every moment counts. Furthermore, this reduction will heighten the risk of our inability to respond adequately to significant incidents with an effective firefighting force, potentially allowing large fires to grow even larger, increasing the threat to both life and property. With this reduction, the number of successful medical interventions experienced recently and over the past few years will decrease (i.e., CPR save rates). Regardless of the nature of the emergency, the Fire Department's duty is to furnish immediate aid, limit the emergency's impact, and shield individuals and communities, employing specialized equipment, techniques, and protocols tailored to each situation's demands. The closure of this station will also impose a heavier workload on the remaining stations, as they will need to respond to the calls previously covered by the closed station. This added workload will adversely affect the workforce's stability and overall functioning.
3. Police Position Reduction (12 FTE) – 10 Officers, 1 Graffiti Abatement, 1 Telephone Reporting Specialist - \$1,731,940
  - a. Homeless Services Team - Eliminating these positions will significantly limit the department's ability to respond to complaints related to unmanaged camping within the city limits of Salem. These positions work directly with the City's SOS team and were shown to be an effective way to safely provide a multi-team approach to meet with the unsheltered individuals and encourage them to accept services, while also addressing barriers to housing and employment.
  - b. Police Community Action Unit - The police department will no longer have a team dedicated to working collaboratively with local and state government entities, community partners, non-profit organizations, and volunteer organizations, to address livability concerns throughout the city and find preventative long-term solutions. There will no longer be bicycle

patrols in the downtown area of the city and there will no longer be a team for rapid emergency response into the city parks by use of the Utility Task Vehicle (UTV). This will also have a direct impact on the department's ability for community engagement events within the city.

- c. Telephone Report Specialists receive and process a high volume of non-emergency citizen generated crime reports that do not require the dispatching of a police officer. This loss will reduce the Telephone Report Staff to just two people, which reduces not only hours of operations, but will require police officers to receive and process those reports, removing those police officers from response to emergency calls during that time period.
- d. The loss of this position will entirely eliminate the final laborer on the Graffiti Abatement Team which would end the graffiti abatement program and the ability of the department to respond and remove/cover any graffiti within the city. As previously mentioned, in 2022, the two-person graffiti team handled nearly 2,200 incidents. Without these positions, that graffiti will go unmanaged by the department.

*FY 2028 – July 1, 2027 through June 30, 2028*

14. Fire Station (9 FTE) - \$2,162,070
  - a. At the end of 2027, forecasts indicate a significant surge in call volume, with another additional 4,000 calls anticipated, bringing the annual total to 42,000. This is due to increased population and current call volume trends, among other factors. In conjunction with the recommended additional station closure, this substantial increase is poised to erode further the capacity to sustain the current Council adopted 5.5-minute response time, diminishing it to a mere 43.8%, constituting an additional 7.2% reduction. Unfortunately, this translates to a potential 10,645 members of the Salem community who will not receive the timely and efficient response they rightfully deserve. This station's closure will again continue to impose a heavier workload on the remaining stations, as they will need to respond to the calls previously covered by the closed station as they did in 2026. This added workload will adversely affect the workforce's stability and overall functioning.

**Option 2: Add park rangers and SOS team expansion**

In this scenario the Police HST, Park Rangers and SOS team expansions proposed in the FY 2024 Budget are retained. This additional expense is offset by reducing cost through elimination of the Special Program Outreach Program (formerly HRAP) grant to SHA and by generating additional revenue from Planning Services cost recovery (fee increases) and full recreation cost recovery (fee increases) in FY 2025.

1. Additional Planning cost recovery - \$200,000 (fee increases)

- a. The land use application and permit fees collected by the Planning Division are currently set to recover the staff time and materials but do not account for a full cost recovery associated with the division as they do in restricted funds such as Building and Safety. Planning fees have been slowly increased over the last decade to achieve a cost recovery of 100 percent of staff time and materials.

Planning fees are required under state law to be no more than the actual or average cost of processing the application or permit. Planning fees could be increased to more fully cover the cost of the operations to more accurately reflect the actual cost of the service. The proposed increase would generally be spread across all land use application and permit types. Planning fees are generally a small fraction of the overall fees collected by the City for a development, however, any increase in fees could potentially impact development throughout the city. Planning fees are already not coming into the City as budgeted in the current fiscal year and are projected to have decreased revenue in future years.

2. Additional Recreation full cost recovery - \$200,000 (fee increases)
  - a. Additional fee increases or services decreases will be necessary to bring Recreation Services to full cost recovery and offset the added parks ranger positions.

### **Option 3: No reductions to public safety services**

In this scenario all current public safety positions are maintained. In order to retain these 43 public safety positions, additional service reductions and actions are needed, including:

*FY 2025 – July 1, 2024 through June 30, 2025*

1. Additional Planning cost recovery (refer to detail in option 2)
2. Recreation full cost recovery (refer to detail in option 2)
3. Close the Library completely- \$3,940,391
  - a. The City of Salem residents will lose their only public library along with the following investments and collections:
    - i. \$4.5 million estimated value for 350,000 collection items.
    - ii. \$18.6 million dollar bond to renovate building with seismic upgrade investment.
    - iii. \$500,000 seismic upgrades and renovation from the Salem Public Library Foundation.
    - iv. \$43,000 grant investment for purchase of the Library of Things collection
    - v. \$689,300 annual revenue Chemeketa Cooperative Regional Library Service.
    - vi. West Salem Library branch building, resources, material, and technology investment.

- vii. Over \$161,000 investment in Facilities maintenance and upkeep in the last two years.
  - b. The following partnerships within the community would be severely impacted or cease:
    - i. Salem/Keizer School District- school tours, outreach to classroom, and teacher book delivery.
    - ii. Assistance League of Salem/Keizer and the Operation Bookshelf- monthly delivery of books to adults who are homebound, seniors in assisted living locations, and group homes.
    - iii. Willamette Valley Genealogical Society- run by volunteers who help community members with genealogical research.
    - iv. 155 community volunteers with over 3,946.5 hours volunteered.
    - v. Friends of the Library - established in 1965 to support library services, programs, and facilities for the community. Over 13 members volunteer their time to ensure that the library bookstore is open, books are sold, and donations received.
    - vi. Salem Public Library Foundation - established in 1981, is a community-based group of Library supporters who raise and administer funds for enhancement projects and programs at the Salem Public Library.
    - vii. Teen Advisory Board
    - viii. Library Advisory Board-currently 7 members who have supported the library through renovation, helps fund library programming and enhancements, supports the Teen Advisory Board, and access to resources such as the Seed Library and Take What You Need project.
    - ix. Salem Public Art Commission collaboration with the Library Foundation to have regular art installations and exhibitions of local artists in the art hall.
  - c. Access to the following community resources would be eliminated:
    - i. Access to 28 free online databases for research and learning.
    - ii. Study rooms, meeting spaces, public restrooms, other building uses which provide indoor, temperature-controlled spaces.
    - iii. Loucks Auditorium space
    - iv. Public Wi-Fi and internet access
    - v. Technology access (computers, hotspots, laptops, tablets, scanners, copy machines)
    - vi. Access to historical subjects and material such as the Hugh Morrow collection and Willamette Valley Genealogical Society collection.
    - vii. Cultural passes funded by the Friends of the Library.
    - viii. West Salem library access to building, resources, and material.
    - ix. Access to microfilm for the Statesman Journal dating back to 1999.
    - x. Local Art Gallery hall- highlights local art from local artists.
  - d. Literacy programs and activities eliminated:
    - i. Teen programming, access to the Teen designated areas and collection.

- ii. Adult programs for enrichment, community, and tech help.
- iii. Reference and resource help.
- iv. Homebound Services to community members
- v. Interlibrary loan program fulfilling community's requests for books outside the system, nationwide for research and personal enrichment.
- vi. Project R.E.A.D. Literacy Outreach partnership with Salem-Keizer.
- e. Employment and valuable talent loss:
  - i. 35 full-time employees; 3 part-time employees; 15 library on-call employees; 4 college interns; 2 high school interns; 155 community volunteers who support in library boards, community partnerships, and internal services. Close Center 50+

*FY 2026 – July 1, 2025 through June 30, 2026*

- 4. Close Center 50+ completely - \$1,222,675
  - a. According to U.S. Census Bureau 7,100 people are turning 65 each day, and by 2030 nearly one in five Americans is projected to be aged 65 and older. By 2035, the U.S. will have more older adults (65+) than of children under the age of 18. According to AARP, Oregon is one of the fastest aging states in the West. Between 2010-2018, Oregon saw a 32% growth in its 65 years and older population, compared to an 8% increase in the general population. Salem is one of the top three largest Cities in the State and has an ever-increasing older adult population.
    - i. Center 50+ is poised to serve this fast-growing population. Through proactive programming the City of Salem addresses the impact a growing senior population can have on a community. By addressing barriers to healthy aging, Center 50+ encourages and engages seniors in both improving their own health journey and sharing their time and talents to improve Salem as a whole. Seniors are a part of a community solution, however, an investment in maintaining their health and engagement is critical to utilizing this workforce. While any budget reduction translates to reduction of direct senior and caregiver services and impacts the Center's ability to fulfill its mission, the reality of its true outcome and the trickle down and community-wide impact cannot be fully calculated or understood in advance.
  - b. A closure of Center 50+ equates to:
    - i. Displacing 9,800 in-building patrons, 200,000+ registrations.
    - ii. Stopping services to 8,000 outreach recipients.
    - iii. Eliminating 11,500 Information and Assistance Call recipients
    - iv. Eliminating 200 programs, activities, and services
    - v. Loss of momentum of creating an Age Friendly Livable Community.
    - vi. Loss of the only social model, Medicaid qualified Alzheimer's

- Respite Program in Marion and Polk County- impacting 400 people annually.
- vii. Eliminating engagement of 450+ volunteers and reducing nearly 100,000 hours of service
  - viii. Eliminating a peer-driven, volunteer lead organization. Currently the Center 50+ model is 1 FTE Staff for every 3,663 patrons/customers.
  - ix. Eliminates \$350,000- \$400,000 in revenue generated from fees.
  - x. Eliminates \$350,000 in fundraising efforts by Friends of Center 50+ and direct program support.
- c. A closure of Center 50+ impacts the health of the community:
- i. Seniors are at greater risk of falls and need for emergency services and medical care. Maintaining health and wellness programming, creating sense of belonging, and facilitating volunteerism and engagement prevents falls.
  - ii. Seniors are a growing group facing homelessness/home insecurity. Assisting with peer/relationship development, and navigating resources is a part of the solution. Seniors may be at risk of not accessing resources or assistance due to technological barriers.
  - iii. Seniors are one of the largest groups facing isolation and loneliness and the physical/social impacts of disconnection.
  - iv. Loss of a Nationally recognized Senior Center, with a 45+ year history of providing cutting edge programming and engaging seniors in their own health success and community engagement.
  - v. A general fund reduction of \$1.6 million translates to a loss of local services, collaborations, and volunteer workforce that is valued over \$3 million.
- d. Center 50+ is the convener of over 45 different business and agency partners. As a collaborative model Center 50+ takes the lead by encouraging agencies/ non-profits to work together to avoid duplication of services. A closure will impact community partners:
- i. Displace Alzheimer's Association Salem Office
  - ii. Displace Marion Polk Foodshare Meals On Wheels office, kitchen and distribution site. Impacting 850+ per day, eliminating partnership to provide nutritional support to seniors. Shifting greater burden to MPFS.
  - iii. Displace Northwest Senior and Disability Services- loss of Respite Services, reduction in Medicare Counseling, reduction of family caregiver support and loss of information dissemination.
  - iv. Displace 25 private contractors providing educational classes.
  - v. Displace hundreds of groups (private and non-profit interest groups).
  - vi. Eliminate community hub, gathering space.
  - vii. Creates hardship for 501© 3 Non-profit fundraising arm "Friends of

Center 50+” that have been working since 1997 to raise funds to support Center 50+. The non-profit has made promises to past seniors and community by creating an endowment fund and sustainer’s program.

*FY 2027 – July 1, 2026 through June 30, 2027*

5. Eliminate two Finance positions (2 FTE) - \$142,531. Please note that these positions do have some cost recovery from other funds and the General Fund will not receive the full benefit for the reductions.
  - a. There are four divisions of the Finance Department: the Municipal Court, the Budget Office, Contracts and Procurement, and Accounting. Between the three financial divisions (excluding Court), there are a total of 24 full time budgeted positions who are in charge of all aspects of the City and Urban Renewal Agency financial reporting, auditing, accounting, budgeting, accounts payable/receivable, financial analysis, franchise management, debt issuance, analysis and management along with grants management.

Any reductions to the Finance Department would be impactful to residents, internal customers (other departments) and City decision makers including the City Manager, Mayor and Council. Impacts could include: the timeliness of vendor payments, accuracy of financial reporting and auditing, slower customer service and billing from accounts receivable, less ability to perform analysis requested by leadership to make financial decisions, errors when reviewing documentation for payments or debt agreements which could lead to a downgrade in our credit rating driving up borrowing costs, budgeting and accounting errors leading to audit findings, no time for internal process documentation or succession planning when senior department leaders retire, longer bidding times resulting in longer and more costly projects, less community outreach regarding budget, less staff to work on Council Committees such as the Bond Oversight, Finance, Budget and Solid Waste Committees, ability and time to review franchise agreements and solid waste rates.

*FY 2028 – July 1, 2027 through June 30, 2028*

6. Eliminate two Information Technology positions (2 FTE) - \$209,061. Please note that these positions do have some cost recovery from other funds and the General Fund will not receive the full benefit for the reductions.
  - a. The IT Division of the Enterprise Service Department is already significantly understaffed and has been struggling to keep up with the rapidly changing technology landscape and the demands of the City technology service needs. Due to the lack of City IT resources, departments are already seeking independent, less reliable, short-term solutions that are ultimately costing the City more money and increasing





a substantial case load. They each represent and advise multiple City departments and divisions. A .50 FTE reduction to one of these positions will result in the remaining three general counsel attorneys, as well as the City Attorney and DCA – general counsel taking on more assignments and clients. As previously stated in regarding to the elimination of the ACA position funded through the Operations Fee, City departments are generally very satisfied with the level of service and advice provided by the Legal Department. A recurring theme dating back decades is that while the advice and work-product produced by the department is high quality, timeliness is poor and departments are often frustrated by slow response time. This also creates potential liability to the City. Heaping more assignments on the remaining general counsel attorneys will result in; 1) an overall reduction in responsiveness from the Legal Department; 2) long-term projects being deferred in order to more timely respond to time-sensitive matters; 3) reduction or elimination of ACA participation in board and commission meetings; 4) reduction or elimination of ACA participation in general City initiatives such as leadership training and other citywide employee engagement initiatives, and; 5) an overall reduction in the quality of the day-to-day legal advice provided to departments because the attorneys will simply have less time to devote to researching issues to give more complete nuanced advice.

9. Eliminate 2 Code Enforcement Officers - \$283,738.

a. There are 10 budgeted code enforcement officers for the City of Salem. Of these 10 positions, four provide a specific code enforcement service including the Blight to Bright program officer (funded by Building and Safety Fund), the Park Ranger who patrols City Parks and two officers that work on Multifamily Licensing and Inspection (funded by licensing fees).

i. The remaining six positions each patrol a district inside the City work through outreach, education and enforcement to bring properties into compliance. Most common code violation cases include: dangerous buildings, health hazards, public nuisances, housing code violations, junk and/or garbage, illegal dumping, derelict, vacant, and abandoned buildings, garbage can storage in the street, parking in yard, unpermitted fencing, abandoned and/or junk vehicles on the right-of-way, oversized or trailers parked on the right-of-way, inhabited vehicles on the right-of-way and/or city property, land use and zoning code violations, including home occupations and set-back violations, grass and weeds, noxious vegetation (blackberries), significant tree removal, dangerous, dead, and dying trees, industrial noise complaints, sound permits, temporary RV residential placement permits and the Park Ranger monitors the Park Rules. Vehicles in public right-of-way represent about 75% of average caseload.

- ii. Reductions in the code enforcement program would result in either a severe reduction or a complete stop in response to calls that are not of the most egregious and life/safety concern to the public. One potential solution could be to transfer some code enforcement positions to other sections such as Planning (land use and zoning code violations, temporary RV residential permits) or Public Works (significant tree removals, dangerous/dead/dying trees) that have permit revenue associated to work on those types of violations.
10. Eliminate 1 Municipal Court position - \$133,824.
- a. A reduction in force of 1 FTE will have a significant negative impact to the court as the court does not have enough support staff to process the current workload to sustain the approximate 62,000 legal case filings each year. Violations Bureau staff are working mandatory overtime 5 days each week due to a staffing shortage. The court is struggling to cover the required timely legal actions before factoring in employee sick leave, vacation leave, Paid Leave Oregon, and other emergencies that affect staffing. There are days that we do not have enough staff to cover court and the Violations Bureau.
    - i. The result of a 1 FTE reduction of court staff will impact the legal process that supports arraignment, adjudication, and judgment, diversion, and probation for the resolution of parking and traffic violations and criminal misdemeanor cases. Defendants will experience the following:
      - ii. Longer lines in and outside of the court's lobby for defendants to check in for their arraignment appearance.
      - iii. Longer wait times at the Violations Bureau for adjudication of parking and traffic citations, diversion qualification, community service initiation, etc.
      - iv. Court Staff Call Center availability will be extremely limited and there will be a delay in telephone call handling resulting in taking messages and returning calls on a priority basis within 24 to 48 hours. The court receives approximately 48,000 to 52,000 telephone calls a year.
      - v. The court will be unable to timely process emails each week. Emails include dialogue between defendants, attorneys, and outside agencies. The court accepts legal filings by email which require timely responses and legal actions that may impact a pending case or trial.
11. Eliminate an additional 5 Parks Operations positions - \$546,364
- a. Restroom closures for all community and urban parks (utilization of chemical toilets only in these park classifications).
  - b. Elimination of all irrigation in community and urban parks in all park areas except sports program areas, Bush's Pasture Park Rose Garden and Orchard, Riverfront Park reservable areas.
  - c. Elimination of sports turf maintenance program.

- d. Elimination of new tree planting and associated tree maintenance in parks.
- e. Removal of damaged/vandalized playground, bench, picnic table, drinking fountain amenities exceeding minimal repair levels.
- f. Elimination of staff support to all volunteer events.
- g. Complete elimination of all seasonal staffing, resulting in further substantial reduced levels of service in addition to the previously proposed reductions.

#### **Option 4: Funding all sheltering services**

In this scenario the current sheltering services are restored and uses General Fund resources to continue the Navigation Center and Micro Shelters which are currently paid for through State grants. To fund these services not traditionally a City responsibility, additional reductions are needed in the following areas:

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1. Homeless rental assistance program (HRAP) (refer to detail in option 2)
2. Planning full cost recovery (refer to detail in option 2)
3. Recreation full cost recovery (refer to detail in option 2)

*FY 2026 – July 1, 2025 through June 30, 2026*

4. Close the Library (refer to detail in option 3)
5. Close Center 50+ (refer to detail in option 3)
6. Eliminate an additional 6 Police positions - \$1,237,140.
  - a. The police department will disband its Strategic Investigations Unit (SIU) comprising one police sergeant and five police officers. Staff will no longer be dedicated to proactively combatting community violence—such as gang-related shootings—and the apprehension of violent offenders in partnership with local, state, and federal law enforcement agencies. This will further limit our ability to address illegal narcotics trafficking in our community, including the sales/delivery of fentanyl, investigation of overdose deaths, and cases involving drug-exposed children. It will also eliminate our ability to investigate human trafficking cases.

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7. Eliminate two Finance Positions (2 FTE) (refer to detail in option 3)

*FY 2028 – July 1, 2027 through June 30, 2028*

8. Eliminate two Information Technology Positions (2 FTE) - (refer to detail in option 3)
9. Eliminate one Human Resources Position (1 FTE) - (refer to detail in option 3)
10. Eliminate one Legal Position (1 FTE) - (refer to detail in option 3)

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11. Eliminate two Code Enforcement Officers - (refer to detail in option 3)
12. Eliminate one Municipal Court Positions - (refer to detail in option 3)
13. Eliminate an additional 5 Parks Operations positions - (refer to detail in option 3)

## **BACKGROUND:**

The City of Salem, like many cities in Oregon, has been experiencing deficit spending for services in General Fund, where revenues are outpacing expenditures. Reasons for this include property tax constraints from Measures 5 and 50 in the 1990's and increased demand for services. For example, property tax revenues are receipted in the City's General Fund to cover some of the cost of Police, Fire, parks and recreation, and code enforcement and more. Budgeted property tax revenue in FY 2024 covers only 77% of budgeted expenses in the Police and Fire departments.

The City has found other ways to help pay for these services including the City Operations Fee and other revenues such as planning fees and a local marijuana tax. Additionally, over time the City has made cuts to balance the budget including in 2009 and 2013 through the closing of fire stations and the reduction of library hours, recreation services and neighborhood outreach.

With the COVID-19 pandemic, the City received one-time federal dollars in the form of the CARES (Coronavirus Aid, Relief and Economic Security Act) and ARPA (American Rescue Plan Act) legislation. In total, the City was able to recognize \$17M in lost General Fund revenue because of the pandemic. Revenue replacement was an eligible use of these funds as outlined in federal and auditor guidance. Without this one-time influx of revenues, coupled with the start of the City Operations Fee, the City would have been insolvent in the General Fund several years ago and unable to provide relied upon services.

In the FY 2024 Budget, the City added General Fund positions in anticipation of a new, sustainable source of revenue. Without this revenue, a budget amendment was necessary – and Council adopted a revised FY24 Budget February 12, 2024. The City continues to explore revenue and expenditure options to maintain a General Fund balance that is in compliance with the City Council fund balance policy of 15% of revenues. In January 2024, the City Council appointed 25 members to the 2024 Revenue Task Force to explore new General Fund revenues. Simultaneously, the Budget Committee will be discussing reduction options to maintain a fund balance policy that is within policy compliance.

## **Attachments:**

1. None.