

ADDITIONS 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 May 8, 2024 STAFF LIAISON:
TIME: 6:00 PM Josh Eggleston, Chief Financial Officer
CHAIRPERSON: Dr. Irvin Brown 503-588-6130
jeggleston@cityofsalem.net
PLACE: Hybrid Meeting Kali Leinenbach, Budget Manager
Council Chambers and Youtube 503-588-6231
kleinenbach@cityofsalem.net

Written comments on agenda items may be submitted at
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 \(cityofsalem.net\)](#)

ADDITIONS AGENDA

2. PUBLIC TESTIMONY

- b. Correspondence from Heidi Miller-McSmith regarding parks
- c. Correspondence from Elizabeth Crane regarding parks
- d. Correspondence from Autumn Blake regarding splash pads
- e. Correspondence from Katelyn Ambrose regarding parks
- f. Correspondence from Maryhanna Mejia regarding budget concern
- g. Correspondence from Abby Luedeman regarding parks
- h. Correspondence from Meghan Packstien regarding budget cuts
- i. Correspondence from Haley Lehman regarding splash pads
- j. Correspondence from Heather Mcquaid regarding splash pads
- k. Correspondence from Julie Hall regarding splash pads
- l. Correspondence from Jordan Pargeter regarding splash pads
- m. Correspondence from Cayla Skillin-Brauchle regarding splash pads
- n. Correspondence from Christian Pass regarding budget
- o. Correspondence from Jane Titchenal regarding appreciation
- p. Correspondence from Shaun Brown regarding splash pads
- q. Correspondence from Alexander Pike regarding FY2025 budget
- r. Correspondence from Jessica Wilberg regarding splash pads

4. ACTION ITEMS

- a. Errata Sheet 3 – Traffic Safety Fund, page 269 and associated summaries

5. INFORMATION ITEMS

- f. Staff Report – Additional Responses to Committee Member Questions.
- g. Staff Report – Status and Potential Use of Fund Balance

From: [Heidi R. Miller](#)
To: [budgetoffice](#)
Subject: Please don't defund the splash pads
Date: Tuesday, May 7, 2024 9:19:05 PM

Hello,

I am a mother of two little boys in north Salem, a lower socioeconomic area. We plan to spend a lot of our summer days at our local splash pad and an englewood wading pool. These are free and safe outdoor play in our area. Please do not defund them. Having one open at the water front park isn't going to work, it is already extremely crowded there and no room to play.

Why is the city advertising they are going to build a huge park in south Salem, but also going to defund the splash pads at the parks that already exist? The priorities don't make sense?

If you introduce taxes on the ballot to fund these programs, I guarantee people will vote for them. The library, our parks and programs, ect. People didn't pass the payroll tax because they were upset we didn't get to vote on it and there was little to no information on what it was funding. Can you be transparent on where all the money is being spent? I work in the government, and have lived in the city my whole life. I know a lot of people from many backgrounds and professions. The big concern I am hearing is they think all our tax money is being spent on homeless services and our basic services we have a right to as tax payers are being defunded. It would help the public to understand where the money is going.

Sincerely,
Heidi Miller-McSmith
Salem resident and mother of two

From: Elizabeth Crane <elizabethcrane@gmail.com>

For the Budget Committee Meeting of: May 8, 2024
Additions Agenda Item No.: 2c

Sent: Wednesday, May 8, 2024 12:04 PM

To: budgetoffice <Budgetoffice@cityofsalem.net>

Subject: Park budget

May 8th, 2024

Dear Members of the City Council,

I am writing to express my concern and opposition to the proposed budget cuts that would result in the shutdown of our city park facilities this summer, specifically cutting off water for splash pads, drinking water, and restrooms. Our parks being not only adequately funded, but well-funded, are vital community assets that offer numerous benefits to our residents. I urge you to reconsider this decision for the following reasons:

1. The temperature rises each summer and will continue to do so. Splash pads offer much needed relief to children throughout our city. Most homes and families do not have air conditioning. Families that live in rentals cannot go outside with a hose and sprinkler. There are not many, if at all, accessible and affordable pool options. Our children need a way to stay cool this summer. Taking away splash pads and drinking fountains is dangerous and cruel.
2. Public restrooms, not outhouses, are a necessity. Humans need a place to use the bathroom and wash their hands. Having a place to do this, keeps our city cleaner. Furthermore, having facilities with soap and water decreases the spread of illness... which if you recall, we did just go through a global pandemic. Not having a place to dispose of body waste, or to wash hands, is foolish. Not having a place where a parent can take a child into, is a disservice to our community. Have you wrestled a toddler in a well-used outhouse before? Parks should have safe and usable facilities.
3. Shutting down services to all parks, sans Riverfront, does not support our community's opinion on accessibility and equity. Parks should be accessible to all residents, regardless of socio-economic status. Taking away services will make a park less usable to the community members. This is not a budget cut that we should be considering.

My family moved to Salem in 2015. We were from small rural areas and wanted to live in a city for all its resources and services. We wanted to raise our family where there were libraries

(which you are also cutting), parks, safety, and community. This kind of proposal is tripping over dollars to pick up the penny that this budget cut is. We must stop taking from our community. I urge you to please, reevaluate this decision based on what our values and goals are as a community. This is not where we need to take money from.

Thank you for your time and consideration.

Sincerely,

Elizabeth Crane and family

(208) 520-1993

(address can be provided to confirm Salem resident)

South Salem

From: Autumn Blake <autumnkateblake@gmail.com>
Sent: Wednesday, May 8, 2024 12:54 PM
To: budgetoffice <Budgetoffice@cityofsalem.net>
Subject: Parks - splash pads

I am writing to express my support for keeping the city park splash pads open.

I have been a resident of Salem for many years and raised my kids here. The city has very few low- and no-cost activities for families. The splash pads are one of the few resources that families can use during the hot months to make sure kids get outside time. We spend many rainy days inside and if the splash pads are closed, we'll have to spend those days inside, too. It's not fair to the kids and families of Salem.

You're already reducing library hours and services (which I also strongly disagree with). Please do not close splash pads, too.

Autumn Blake
City of Salem resident
971-218-7097

From: Katelyn Ambrose <kat.ambrose128@gmail.com>
Sent: Wednesday, May 8, 2024 12:56 PM
To: budgetoffice <Budgetoffice@cityofsalem.net>
Subject: Regarding the budget cuts to local parks

Dear Salem Budget Office,

I am writing to you as a concerned citizen of Salem regarding the recent decision to turn off water to our city parks during the upcoming summer. This decision will result in the closure of water fountains, bathrooms, and the much-loved splash pads that serve as a respite from the heat for many families, including my own.

Our parks are not just green spaces; they are community hubs where children play, families gather, and individuals of all ages seek relaxation and recreation. The availability of water is essential for these parks to fulfill their role, especially during the summer months when hydration and proper sanitation are critical.

I understand the need for budgetary constraints and the importance of resource management. However, I believe that access to water in public spaces is a fundamental service that should be preserved even in challenging financial times. I urge you to reconsider this decision and explore alternative solutions that will allow the continuation of water services in our parks.

The parks in Salem are a vital part of our community's fabric, contributing to our quality of life and the well-being of our residents. I hope that you will take this letter into consideration and prioritize the maintenance of these essential services for the benefit of all.

Thank you for your time and attention to this matter.

Sincerely,

Katelyn Ambrose (she/her/hers)
Higher Education Professional
kat.ambrose128@gmail.com | (610) 710-6485
linkedIn: www.linkedin.com/in/katambrose

From: mmva mejia <mmva@yahoo.com>
Sent: Wednesday, May 8, 2024 12:58 PM
To: budgetoffice <Budgetoffice@cityofsalem.net>
Subject: Budget Meeting Concern

Hello!

My name is Maryhanna Mejia and I've lived in the city of Salem, OR and the surrounding areas for the majority of my life. I grew up here, my family has deep roots here, and I don't see myself leaving any time soon.

I am, however, incredibly embarrassed by this city. You're telling me we can approve a \$79million refurbishment for our police department over the course of two years, but we can't keep our splash pads and public library open? As a capital city, that's embarrassing and we should just say it as it is.

The city of Salem can be a beautiful, flourishing community if we actually put the focus on building and growing a community and not surveilling it and ticketing it into obedience. How is it that we can put \$146m (source: <https://www.cityofsalem.net/home/showpublisheddocument/20291/63826498070253000>) into our public safety budget, but we can't move some of that into making a better community? We currently spend a third of what we spend on safety on making this city a decent, welcoming place to live, and that's part of the problem.

Legal psychology experts will tell you that property crime is largely the result of social inequity. When people don't have their needs met, and they're desperate, they're going to meet that need however they can, which includes, in the human experience, property crime and interpersonal violence. The way to solve these issues is systemic: we have to start with our policies and our social services and address the actual issues instead of managing the symptoms.

Sincerely,
Maryhanna Mejia

-----Original Message-----

From: abbylue94@gmail.com <abbylue94@gmail.com>

Sent: Wednesday, May 8, 2024 1:12 PM

To: budgetoffice <Budgetoffice@cityofsalem.net>

Subject: Budget cut reconsideration

On behalf of my two toddlers, my family, my community, and my city, I encourage you to please reconsider limiting the water usage to the parks. Kids need more time outside in an area they can feel safe and not overcrowded. For how many kids that go to the riverfront splash pad, there will never be enough time in the day for all kids to be able to safely play with the equipment. Shutting off fountains and access to clean water is NOT what is best for our children. Forcing kids to change in and out of their swimsuits surrounded by strangers because the bathrooms won't be open is NOT what is best for our children. Forcing families to go home or go to a local small business to use THEIR water that they pay for so little ones can go to the bathroom is NOT what is best for our community.

If you have any values towards our present community, to our future leaders, to our mental and physical health, please reconsider your choices.

From: Meghan Packstien <meghanpackstien@gmail.com>
Sent: Wednesday, May 8, 2024 1:16 PM
To: budgetoffice <Budgetoffice@cityofsalem.net>
Subject: Proposed budget cuts

Seems like an easy way to keep public services and activities funded for the city would be to slash the police budget. But I understand, kids and librarians don't have as much lobbying power as the police union.

From: Haley Lehman <hnproctor@gmail.com>
Sent: Wednesday, May 8, 2024 1:37 PM
To: budgetoffice <Budgetoffice@cityofsalem.net>
Subject: Splash pads

Dear City of Salem,

Please leave the splash pads open for the summer. They are a huge source of enjoyment for the community, and are important for families to be able to use, especially families without AC. The amount saved by cutting them is so little, compared to the joy they bring.

Thank you,

Haley Lehman

From: Heather Mcquaid <heathermcquaid@gmail.com>
Sent: Wednesday, May 8, 2024 1:49 PM
To: budgetoffice <Budgetoffice@cityofsalem.net>
Subject: Splash pad closures

We moved to Salem 3 years ago and have found the parks and library to be indispensable for our young children. We pay much higher taxes here and I am aghast that you are taking away every social and community outlet! If this is the way Salem treats its residents, I cannot wait to vote you all out and find leadership that prioritizes the community over administrators.

SAVE THE SPLASH PADS

From: Julie Hall <julieethompson@gmail.com>
Sent: Wednesday, May 8, 2024 1:49 PM
To: budgetoffice <Budgetoffice@cityofsalem.net>
Subject: splash pads

Hello,

I recently saw on social media that the City of Salem will not turn on the splash pads this summer. This is so disappointing. The city of Salem does not have any wheelchair accessible parks. The parks have considerable barriers for children and adults who use mobility aids. The splash pads are something that children who use a wheelchair can access while still in their wheelchair. It is an accessible form of play. There are so many other reasons why the splash pads are great, a free water play option, a way to cool down in the high heat without air conditioning, a community building place, and so much more. Please reconsider the budget and turn on the splash pads this summer as a way to include the disabled children of Salem in play.

Thank you

Julie Hall

From: Jordan Pargeter <jordan.s.pargeter@gmail.com>
Sent: Wednesday, May 8, 2024 2:02 PM
To: budgetoffice <Budgetoffice@cityofsalem.net>
Subject: Splash pad concerns for tonight's meeting

Please consider this e-mail my formal public comment.

City of Salem Budget Committee,

It is a formidable action being taken directly upon our communities - most particularly, families with young children - that the City is even considering a budgetary reduction by shutting off splash pads and restrooms at the vast majority of Salem's parks this summer.

First and foremost, this seems to be a meaningless attempt to reallocate dollars due to mismanagement of existing fiscal priorities. The cost to run splash pads especially is inherently low, where the benefit to families is exponential. Similar to projected cuts to movies at Riverfront Park, this is a pointless reduction to demonstrate that the City is attempting to do something to reconcile the budget while ignoring other areas of budget which could be looked at in greater detail. Turning off splash pads and access to bathrooms is a retaliation against the families the City of Salem claims to support.

Secondly, it is a public health issue. These splash pads provide necessary cooling on hot days, chiefly for those families without air conditioning in their homes. In my neighborhood, nearest to Englewood Park, the vast majority of homes are built prior to 1950, and it is a lower income area where many families may not have access to these amenities. The choice to shut off splash pads at community parks - and to make this choice so soon to the summertime with little time for families to make those changes if they are even able - is directly harming not just residents of Salem, but our most vulnerable children.

I believe that Salem can be a great place to raise a family. My husband and I have an almost two year-old daughter who absolutely loves the city's splash pads. These kinds of recreational options for families are what will keep families living here and investing in the city - the more that you make decisions to cut services that directly impact families with children, the more you will see their exodus to other cities and towns that show their priorities in action and make them feel welcomed and supported.

Of course, there are other initiatives that also need funding. But I firmly believe that cutting these particular services will do more harm than good, and are not sufficient enough cash sources to balance the City's inherent budgeting problem. That can only be solved by looking at its larger expenditures and addressing actual reductions that make sense - not by punishing families and children in the heat of summer.

Thank you,

Jordan Pargeter

From: Cayla Skillin-Brauchle <cskillinbrauchle@willamette.edu>
Sent: Wednesday, May 8, 2024 2:06 PM
To: budgetoffice <Budgetoffice@cityofsalem.net>
Subject: Please keep water in Salem Public Parks

Hello,

I hope you will strongly advocate for keeping water at Salem Public Parks. We need it for the health of our community (water fountains, bathrooms) and for keeping folks cool in the summer. As a parent of a little one, the splash pads are so appreciated on hot days.

Thank you for your work,

Cayla Skillin-Brauchle

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On Sabbatical through August 15, 2024

Cayla Skillin-Brauchle (*she/her/hers*)
Associate Professor of Art
Willamette University
900 State St
Salem, Oregon 97301

caylaskillin-brauchle.com

Studio updates: [@caylaskillinbrauchle](https://twitter.com/caylaskillinbrauchle)

-----Original Message-----

From: Christian Pass <christian.a.pass@gmail.com>
Sent: Wednesday, May 8, 2024 2:08 PM
To: budgetoffice <Budgetoffice@cityofsalem.net>
Subject: A budget email

It would seem that the city or more concerned with spending money on handing out resources to people who DONT WANT IT.

I work for the state hospital as a nurse and it's widely apparent that population we treat is mostly made up of people who would rather do meth than receive the resources and help that our tax dollars fund.

I'd estimate that 3 out of 5 people explicitly state: I would rather be out there doing meth, I want to be homeless. So my HARD earned money is being spent on subsidizing these people who rarely want to stop there behaviors, and then me and my family and other community members are punished with threats of shutting down our library, movies at the park, AND FUCKING SPLASH PADS?! Have you literally lost your head up inside of yourselves? It would appear that you hate families and favor the money you garnish from the homeless-industrial complex.

Signed,

One of many

-----Original Message-----

From: Jane Titchenal <janetitchenal@yahoo.com>
Sent: Wednesday, May 8, 2024 2:31 PM
To: budgetoffice <Budgetoffice@cityofsalem.net>
Subject: Budget meeting 5/8

Hello,

I didn't get a chance to sign up for public comment, but I wanted to make sure the committee and others involved understood my appreciation for their time and energy as they have worked tirelessly to identify our city budget needs.

Irvin Brown identified a vital, but often over looked factor - right now, we have to be conservative with our choices in order to have sustainable success in the future.

Last week, my priorities were the splash pads, movies in the park and the library. But when I heard a committee member say, "community health IS public safety", this helped shift my perspective.

While one of my top priorities is still keeping our library fully funded and operational, I can appreciate that some of the other "extra's" right now will likely have to wait, because safety and health should always be our number one focus.

Thank you again to all of you for your continued dedication to our city and demonstrating a beautiful example of what it looks like to have collaboration with one another in times of high stress and uncertainty.

I appreciate seeing our city leaders, council members and advisors be willing to push this city in the direction of what's right, not what's easy.

I hope to continue learning from you all and do my part as a member of this city to educate myself with the goal of sharing information with others! Because informed voters create powerful impact.

All the Best,
Jane Titchenal (Tich-in-ol)

Sent from my iPhone

From: Shaun Brown <brownshaunp@gmail.com>
Sent: Wednesday, May 8, 2024 2:35 PM
To: budgetoffice <Budgetoffice@cityofsalem.net>
Subject: Children are the future!

Crime increases in the summer it's scientific proven. The heat makes people more wild. Give the community a chance to cool off and be happy instead of angry and isolated!!!

-Born and raised salem resident!!!

From: Alexander Pike <pike.alex@gmail.com>
Sent: Wednesday, May 8, 2024 2:36 PM
To: budgetoffice <Budgetoffice@cityofsalem.net>
Subject: Proposed FY 2025 Budget

Good afternoon,

I have heard that there are significant cuts to community services planned in the current proposed city budget, and that these would include not opening the splash pads in our city parks this summer. Please reconsider this and other cuts that strip away even more of the places and events that bring us together as a community.

My family and those of our friends and neighbors are frequent visitors to our local parks, and the splash pads are eagerly looked forward to every summer, especially with how hot they have become. It will be a huge blow to all of us, especially our young children, to hear that they will not be available.

Instead, please consider cutting the already bloated funding for the police department. It is frankly baffling and enraging to see their budget rise year after year while community services suffer. If public safety is truly the goal, then city money is far more effectively spent on our parks, events, and other forms of public enrichment. Increased public satisfaction, diversion, and improvement of community spirit are far more effective ways to dispel the material conditions that reduce public safety.

Thank you,
Alexander Pike

From: Jessica Wilberg <micahandjess2012@gmail.com>
Sent: Wednesday, May 8, 2024 2:45 PM
To: budgetoffice <Budgetoffice@cityofsalem.net>
Subject: Water for Parks

To Whom it May Concern,

Please don't cut the water to our city parks! The city of Salem already has such limited low budget options for family activities and outdoor fun. The splash pads during the summer are some of our favorite times together. We also love walking around the dog park and appreciate having the dog fountains available for our pups in the hot weather. Please reconsider cutting water from the budget!

Thank you,
Jessica Wilberg

TO: Budget Committee
THROUGH: Keith Stahley, City Manager
FROM: Josh Eggleston, Chief Financial Officer
SUBJECT: Errata Sheet 3 – Traffic Safety Fund, page 269 and associate summaries.
ISSUE:

To inform the Budget Committee about errors and corrections, or updated information regarding the Proposed FY 2025 City of Salem Budget

RECOMMENDATION:

1. Accept changes to the Traffic Safety Fund, page 269 and associate summaries.

SUMMARY AND BACKGROUND:

Errata sheets are used in the budget process to identify and correct errors to the proposed budget or provide updated information. Small errors in formatting, spelling, and grammar may not be included in an errata sheet, but instead will be corrected prior to publication of the adopted budget. When an error or updated information has a budgetary impact or could affect comprehension, an errata sheet is prepared.

FACTS AND FINDINGS:

After FY 2023, the Traffic Safety Fund was closed and the balance transferred to the General Fund. In July 2023 (FY 2024), there was a late posting to the ledger of an interest allocation that caused there to be activity in this closed Fund. As a result, staff needs to add the Fund back into the FY 2025 budget with the interest reflected as beginning working capital. This will allow staff to close the Fund in FY 2025 and move the balance of approximately \$320 into the General Fund. Staff will work with those posting revenue to ensure such activity does not reoccur.

Kelli Blechschmidt
Management Analyst II

Attachments:

1. Errata 3 replacement pages

City of Salem Budget
SUMMARY OF RESOURCES AND REQUIREMENTS

All Funds
FY 2025

Fund No.	Fund Name	Beginning Balance	Revenues	Expenditures	(Use) / Addition Unappropriated	
					Fund Balance	Ending Balance
101	General	\$ 32,436,340	\$ 174,446,080	\$ 188,340,010	\$ (13,893,930)	\$ 18,542,410
155	Transportation Services	7,835,830	19,235,720	20,959,900	(1,724,180)	6,111,650
156	Streetlight	1,187,450	2,014,860	2,488,990	(474,130)	713,320
160	Airport	1,035,590	2,331,100	3,088,520	(757,420)	278,170
165	Community Renewal	45,370	8,084,430	7,991,580	92,850	138,220
170	Downtown Parking	164,490	1,201,570	1,366,060	(164,490)	-
175	Cultural and Tourism	4,238,180	5,292,110	5,593,930	(301,820)	3,936,360
176	Public Art	74,380	26,700	101,080	(74,380)	-
177	Tourism Promotion Area	-	1,500,000	1,500,000	-	-
180	Leasehold	207,330	628,950	836,280	(207,330)	-
185	Building and Safety	15,726,180	4,450,650	8,292,290	(3,841,640)	11,884,540
190	Traffic Safety	320	-	320	(320)	-
210	General Debt Service	3,440,070	27,408,650	25,752,270	1,656,380	5,096,450
255	Capital Improvements	134,103,390	69,295,260	136,253,990	(66,958,730)	67,144,660
260	Extra Capacity Facilities	40,220,080	15,943,050	34,554,840	(18,611,790)	21,608,290
275	Development District	9,902,640	4,606,630	4,812,480	(205,850)	9,696,790
310	Utility	57,327,300	128,647,380	148,009,380	(19,362,000)	37,965,300
320	Emergency Services	2,632,430	9,065,990	11,698,420	(2,632,430)	-
330	Willamette Valley Comm. Center	1,848,600	15,230,990	16,455,070	(1,224,080)	624,520
335	Police Regional Records System	1,832,090	692,140	649,960	42,180	1,874,270
355	City Services	3,317,070	13,833,440	14,924,710	(1,091,270)	2,225,800
365	Self Insurance Benefits	6,707,430	32,953,920	39,661,350	(6,707,430)	-
366	Self Insurance Risk	3,769,470	8,341,640	12,111,110	(3,769,470)	-
388	Equipment Replacement Reserve	21,462,220	5,616,080	27,078,300	(21,462,220)	-
400	Trust	20,471,830	3,697,020	12,105,890	(8,408,870)	12,062,960
Total		\$ 369,986,080	\$ 554,544,360	\$ 724,626,730	\$ (170,082,370)	\$ 199,903,710

For the Budget Committee Meeting of: May 8, 2024
Agenda Item No.: 5.f.

TO: Budget Committee Members

THROUGH: Keith Stahley, City Manager

FROM: Josh Eggleston, Chief Financial Officer

SUBJECT: Responses to Committee Member Questions

SUMMARY:

Committee members have reached out to City departments with excellent questions. In the interest of sharing information and increasing understanding, the questions and responses are compiled in this document.

ISSUE:

Responses to member questions through May 3, 2024.

RECOMMENDATION:

Information only.

BACKGROUND:

1. How is DEI in the City Manager's Office different from what Human Resources already does?

The City of Salem has both an external, community-facing responsibility around equity in delivery of its activities, programs, services, and capital program – and an internal, organizational commitment to diversity, equity, and inclusion.

Equity is defined in the [Salem Comprehensive Plan Update](#) (Our Salem) and [Salem's Climate Action Plan](#). "Equity means all residents have the opportunity to participate and thrive in an inclusive society. This requires rectifying unequal access to resources and opportunities caused by historic and current systems of oppression and exclusion related to race, income, ability, gender, sexual identity, and other factors. An equitable community overcomes disparities by providing increased levels of support to community members based on their needs. In Salem, it is a priority to advance equity in decision-making processes and the outcomes of those processes, including policies, investments, practices, and procedures."

In their [2024 Policy Agenda](#), or annual work plan, the City Council prioritized equity in the delivery of programs and services: "Incorporate equity in delivery of Salem programs and services, assuring City services are equitably available to and accessed by all."

On February 12, 2024, City Council received a report on the recently commissioned an [assessment of equity in its programs and services](#) (the Assessment). The City engaged Moss Adams, to perform an equity assessment of a sample of community-facing services and programs to assist the City in advancing its diversity, equity, and inclusion (DEI) efforts. This work included: (a) an assessment of the DEI maturity of community-facing services and programs; and development of (b) an equity assessment toolkit that could be used to assess DEI maturity of community-facing services and programs and identify opportunities for improvement to policies, practices, procedures, and/or outcomes; (c) a DEI planning tool for the planning of new projects, programs, or services; and (d) recommended DEI-related performance measures. The Assessment showed some programs are advancing and addressing equity. Overall, however, the City is at the beginning stages of incorporating equity into its programs and services.

Staff are actively working recommendations from the Assessment, within existing available resources, as outlined at the [February 12 City Council presentation](#). For 2024, the intent is to take action on the following recommendations:

Developing a shared understanding of equity across City staff and leadership, with support from a staff-led DEI Committee to recommend a training program.

Continuing efforts to increase the diversity of the City's workforce, with support from the Enterprise Services Talent Acquisition Team in recruiting and retaining diverse candidates for job openings. Individual work groups also focus on recruitment, like the [Salem Police Department's commitment to 30 by 30](#) with the goal of having 30% of the 2030 recruit class be women.

Creating a unified approach to community engagement, with support from the Chief Communications Officer to ensure broad and diverse range of voices are included in decision-making by reducing barriers and recognizing the value of participation of historically marginalized groups; and from the DEI Committee in developing trusted relationships such as the [Equity Roundtable](#)

Establishing clear equity-related goals and strategies, with support from the City Council for equity in community-facing services and programs, and regularly assessing and reporting progress on efforts

The 2024 assessment establishes a clear action plan for the near-term. Earlier iterations of this work were reported in the [2021 Community Report](#), p. 20-21.

Also, on February 12, 2024, the Salem City Council approved a [revised budget for FY24](#). This revised budget included an 18-month limited duration program

Page 3

manager position intended to support the Community Violence Reduction Initiative and, where possible, add support to the enterprise-wide DEI effort. The position was funded with \$72,000 in Police. Recruitment for the limited duration position (assigned to the City Manager's Office) is underway, with the intent to have the person on board by July 2024.

2. What is the DEI money in the City Manager's Office for? Is it for the CVRI program?

The City Manager's Office budget in the Safe and Healthy Community Result area, featured on p. 124, shows the expense for the new limited duration Community Violence Reduction Initiative (CVRI) position.

The City Manager's Office budget in the Good Governance Result Area for the Diversity Equity and Inclusion program, on page 62, includes 10% of the Chief Strategy Officer's time to support the recommended actions of the Equity Assessment. The allocation of staff time also includes 5% of the Chief Communications Officer's time and 5% of the Media and Community Relations Specialist's time for this effort.

3. Can you explain the statistic in the Budget book on page 57 regarding staff diversity?

The information on page 57 of the budget book, under the 'Good Governance – Result Area Statistics' section lists the measure 'Diversity of workforce relative to diversity of City Population.' This refers to the US Census tally of our city's population diversity compared to demographic data on diversity, which is collected at the time of hire. This data is voluntarily offered by employees and currently includes only racial diversity. Our current system limits us to collecting one type of diversity. However, with the implementation of a new ERP system, we plan to collect multiple diversity categories. The City of Salem uses this data as a barometer for our current program.

The City of Salem's percentage of minority employees is 18.2% for FY 2023. We are pleased to report that as of 2024, the diversity of our employee population has increased by another 1.4 percentage point, bringing us to 19.6%.

Diversity, Equity, and Inclusion (DEI) initiatives in the city began in 2019 and 2020, with the funding of a limited position, DEI Program Manager from 2021 to 2023. During this time, the city implemented training efforts, established a DEI committee and affinity groups, made process changes in recruitments, and allocated resources to attend job fairs, among other efforts.

The city recognizes the importance of fostering a diverse and inclusive culture, including ensuring that the City's workforce reflects the community it serves.

Page 4

Aligning workforce diversity to successfully support our community is an ongoing focus.

4. What is the City's ratio of supervisors to staff?

Most management roles in the City involve managing, developing, and overseeing multiple programs and projects, along with their associated budgets. These roles also include supervising staff who deliver these services, contract management, ensuring customer satisfaction, and maintaining quality assurance of the programs, providing risk oversight for programs and maintaining their own daily programmatic workloads. Additionally, many of these management positions contribute to projects that impact both their department and the broader City enterprise.

The organizational structure within the Police and Fire departments significantly differs from other city departments due to the nature of the work and 24-hour operations. Excluding Police and Fire, the ratio of supervisors to employees stands at 1:7.21. Including the Fire and Police departments, this ratio drops to 1:6.02. The range of employees supervised by each supervisor spans from 2 to 26 people. Positions at the lower end of the ratio manage multiple programs with various subsets with complex budgets. These positions are also responsible for preparing budgets for the departments, contract and vendor management, and/or managing focused programs.

As a note, there are limitations in extracting this data from the system. The data provided is an approximation and not exact.

5. How much is remaining in the Cultural and Tourism Fund working capital that has not been earmarked already for the Library? If all of those dollars were used to continue services in other areas, what are the long term impacts to the Cultural and Tourism Fund and how much fund balance would be remaining? If the fund balance was depleted, how long would it take to restore it?

Please see Staff Report for Item 5.g., Status and Potential Use of Fund Balance, in the Additions Agenda.

6. We heard last Wednesday splash parks and irrigation systems are linked at parks. And we're aware the proposed cuts would cut park maintenance staff. The question is: how much can the \$700+k in potential parks cuts be broken apart into sensible slices to be considered separately?

Please see Staff Report for Item 5.g., Status and Potential Use of Fund Balance, in the Additions Agenda.

The add-back amount would not fully support Parks current service levels. Due to the on-going and increased level of vandalism, diminished levels of amenity

Page 5

replacements would occur. Limited on-going maintenance purchases towards supplies, small equipment and tools, repair items, equipment rental and some contracted services would remain intact. Staff training, an important component of our maintenance effectiveness and efficiencies, would not be funded except those trainings required to support necessary licensure or certifications.

7. Can water fountains and bathrooms be turned on at neighborhood parks, without irrigation, and at what cost?

No. The irrigation line system in neighborhood parks are interconnected throughout the individual park and support water to the turf itself, the bathrooms, drinking fountains, and splashpads. The irrigation system for a neighborhood park is “on” for all park areas and amenities where water is carried through those irrigation lines to the turf areas, bathrooms, drinking fountains and splashpads. The irrigation system supporting those lines would be turned off at the mains, not allowing the water to be carried through those interconnected lines to any areas or amenities in the park. Due to the irrigation line connectivity, the irrigation lines would be “on” or they would be “off” for all areas and amenities in the park.

8. Can the six parks with splash pads proposed to be turned off (Englewood, Fairmount, Northgate, River Road, Wes Bennett and West Salem, I believe - Riverfront is scheduled to stay hopen) be turned on, along with their irrigation, while irrigation for the other neighborhood parks is left off? How much would that cost, and how much is saved by keeping irrigation off at the other parks? Is such hair-splitting possible, given parks maintenance staff cover multiple parks?

With the elimination of parks seasonal and contracted staff through the proposed budget reductions and the mobility costs surrounding providing maintenance services (splash pads, drinking fountains, restrooms, mowing, fertilizing) in these parks independently, parks would not have the current staffing levels needed to support this singular park maintenance activity and it would disproportionately increase the related maintenance costs at those locations.

9. Are there long-term increased costs in deferring parks maintenance, and what are they, or is it mainly just removing old equipment that is outdated and broken, that can be removed at a later date? Alternatively, I've heard the Willamette University campus apparently added significant costs by turning off irrigation during COVID, requiring replacement of significant number of bushes, plants, etc.

Amenity items such as drinking fountains, play equipment, benches, and picnic tables are removed for a variety of reasons, including excessive vandalism, safety considerations, and end of useful life. Safety-related issues preclude us from leaving the amenity in the park for public use. Long-term deferred maintenance costs will continue to increase over time, and in some cases, potentially making replacement of items cost prohibitive from occurring at a later point in time without additional funding to support the replacements identified.

Page 6

With typically short summer seasons, and the majority of trees and vegetation in the neighborhood parks being established plantings, extended precipitation throughout the majority of the calendar year will benefit and sustain the preponderance of turf and vegetation naturally. For new and non-established plantings (example – new tree plantings in parks), funding streams other than General Fund are utilized for watering during the 3-year establishment periods.

10. What would staff project the income would be from increasing parking fees in the Chemeketa, Marion, and Liberty garages by an additional \$9/month? How many people rent those spaces currently? Are those funds required to be used in the URA, or are they available for general fund uses?

Revenue generated from parking fees in those parkades would have to be used within the Parking District and could not support the General Fund. However, the revenue could lessen Parking District dependence on the General Fund. That said, permits are market based and vary depending on the demand at individual garages. Indiscriminate, across-the-board increases would likely push people to stop getting permits, particularly in the parkades that are less in demand. Those drivers may instead choose to park on-street, moving their car periodically to avoid citation and exacerbating the on-street parking challenges already faced in downtown. However, with the anticipated paid on-street parking system in place, this would be much less likely.

According to data based on permits valid as of May 7th, 2024, there are a total of 729 valid parking permits (all types) for those three garages. Assuming no behavior changes, adding \$9 to the cost of each permit would raise \$6,561 in additional revenue per month, or about \$79,000 per year.

For the Budget Committee Meeting of: May 8, 2024
Agenda Item No.: 5.g.

TO: Budget Committee Members

THROUGH: Keith Stahley, City Manager

FROM: Josh Eggleston, Chief Financial Officer

SUBJECT: Status and Potential Use of Fund Balance

SUMMARY:

Committee members requested information on the status of the General Fund and Cultural and Tourism Fund balances and the potential use to restore services.

ISSUE:

Status and Potential Use of Fund Balance.

RECOMMENDATION:

Information only.

FACTS AND FINDINGS:

The following information outlines a potential use of Cultural and Tourism Fund balance, the status of the Cultural and Tourism Fund balance, and the status of the General Fund balance.

Potential Use of Fund Balance

The Community Services Department has identified a lower budget amount that would restore some limited services. By **restoring \$422,000** of the total \$709,000 proposed budget reduction, Parks service levels would be partially restored. This partial restoration of service levels would include staffing and supplies necessary to maintain the water systems to neighborhood parks and non-reservable areas of community parks. With water systems being activated, turf will be irrigated and splash pads and restrooms in parks would be available for public use. Additionally, some seasonal staff could be hired to support evening and weekend events and facility use permittees during these timeframes. The proposed add-back would allow for some amenity repair and replacement such as play equipment components, benches, picnic tables, and drinking fountains on a priority basis.

The add-back amount would not fully support Parks current service levels. Due to the on-going and increased level of vandalism, diminished levels of amenity replacements would occur. Ongoing maintenance purchases towards supplies, small equipment and tools, repair items, equipment rental and some contracted services would be limited. Staff training, an important component of our maintenance effectiveness and efficiencies, would not be funded except those trainings required to support necessary licensure or certifications.

This is in addition to the \$96,000 to fund movies in the park, concerts in the part, and the 2025 kids relay that is already under consideration by the Budget Committee.

Cultural and Tourism Fund

The Cultural and Tourism Fund is estimated to begin Fiscal Year (FY) 2025 with \$4,238,180. In FY 2021 and FY 2022, the Cultural and Tourism was allocated \$3,186,090 in America Rescue Plan Act (ARPA) revenue replacement dollars.

ARPA Allocation	\$3,186,090
Non-ARPA Working Capital	\$1,052,090
FY 2025 Beginning Working Capital	\$4,238,180

With the Budget Committee action to restore Library services, the balances are reduced by \$1,049,640.

- APRA Allocation (a portion of the Cultural and Tourism Fund balance)

ARPA Allocation	\$3,186,090
Less Library restoration	\$1,049,640
	\$2,136,450

- Overall working capital

FY 2025 Beginning Working Capital	\$4,238,180
Less Library restoration	\$1,049,640
	\$3,188,540

- Potential use of fund balance

2025 Kids relay, concerts, movies	\$96,000
Restore most Parks Operations	\$422,000
Impact to working capital	\$518,000

If services are restored:

ARPA Allocation Balance	\$1,618,450
Cultural and Tourism Fund - Overall Working Capital	\$2,670,540

General Fund

The General Fund is estimated to begin FY 2025 with \$32,436,340, or 18% of budgeted revenues. This includes the restoration of the graffiti abatement position in the Police Department at the May 1, 2024 meeting.

The ending fund balance (unappropriated) is budgeted at \$18.4 million, or 10.5% of budgeted revenues. However, this amount needs to be adjusted for actual cash flow projections. The City anticipates savings from vacant positions and unspent contingency. This anticipated savings brings the % of budgeted revenues to 15%. The ending fund balance amount will likely change with the two outstanding collective bargaining agreements currently being negotiated.

Beginning Fund Balance	\$ 32,436,340
Revenues	175,495,760
Total Expenditures	189,478,170
<i>Less unspent contingency</i>	(2,500,000)
<i>Less anticipated vacancy savings</i>	<u>(5,250,928)</u>
Net Expenditures	181,727,242
Change to Fund Balance	<u>(6,231,482)</u>
Ending Fund Balance	\$ 26,204,858

Please see Attachment 1 “Why do we need a fund balance?” document for more information on why maintaining a fund balance is critical. Maintaining a fund balance is especially important in Oregon, where property taxes (the majority of Salem’s General Fund Revenue) aren’t received until November. The City needs to pay expenses, the majority of which is payroll, for July, August, September, and October before receiving property tax revenues. An appropriate fund balance also helps maintain the City’s credit rating - which reduces the borrowing costs for taxpayers when the City issues General Obligation (GO) bonds.

Why do we need fund balance?

Maintaining a fund balance in a city's general fund is crucial for several reasons:

1. **Financial Stability:** A fund balance acts as a financial cushion, ensuring that the city has resources to cover unexpected expenses, economic downturns, or emergencies without resorting to immediate fee/tax increases or spending cuts.
2. **Creditworthiness:** Lenders and credit rating agencies assess a city's financial health. A healthy fund balance demonstrates fiscal responsibility, which can lead to better credit ratings and lower borrowing costs for taxpayers.
3. **Cash Flow Management:** A fund balance helps smooth out fluctuations in cash flow. It provides cities with the flexibility to manage short-term revenue shortfalls while still meeting ongoing obligations. This is especially important here in Oregon, where property taxes aren't received until November; cities must have adequate fund balance to cover four months of expenses before beginning to receive their largest revenue source.
4. **Unforeseen Events:** Natural disasters, public health emergencies, or other unforeseen events require immediate resources. A healthy fund balance allows cities to respond promptly without disrupting essential services. Oregon budget law allows cities to access unappropriated ending fund balance in the event of an emergency.
5. **Budgetary Stability:** Maintaining a fund balance helps avoid drastic budget cuts during tough economic times. This prevents sudden reductions in services that could negatively impact residents, visitors, and businesses.
6. **Reserve Requirements:** The State does not have a reserve requirement for municipalities, however the City Council has an [adopted fund balance policy](#) for the General Fund of 15% of budgeted revenues.
7. **Government Finance Best Practice:** The Government Finance Officers Association (GFOA) is the leading professional organization in government finance. The GFOA has best practices to encourage financial prudence, transparency and resiliency. The GFOA's General Fund Best Practice states, "[i]t is essential that governments maintain adequate levels of fund balance to mitigate current and future risks (e.g. revenue shortfalls and unanticipated expenditures and to ensure stable tax rates." (Government Finance Officers Association, 2015) The policy goes on to outline when and how governments should use this fund balance.

<https://www.gfoa.org/materials/fund-balance-guidelines-for-the-general-fund>

Overall, a healthy fund balance provides a safety net, promotes prudent financial management, and contributes to the long-term well-being of a city and its residents.