

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, 2019
TIME: 6:00 PM
CHAIRPERSON: Sally Cook

PLACE: Salem City Hall
Council Chambers
555 Liberty Street SE

STAFF LIAISON:
Kelley Jacobs, Budget Officer
503-588-6049
kjacobs@cityofsalem.net
Kali Leinenbach, Mgmt Analyst
503-588-6231
kleinenbach@cityofsalem.net

1. OPENING EXERCISES – Chairperson Sally Cook
2. PUBLIC TESTIMONY
 - a. Comment on agenda items other than public hearings and deliberations
3. MINUTES
 - a. Minutes from May 1, 2019 City of Salem and Urban Renewal Agency Budget Committee Meeting
4. ACTION ITEMS
 - a. Errata Sheet 2 – Correction to Scrivener Error
5. INFORMATION ITEMS
 - a. Staff Report: Summary of Budget Committee Actions Through May 1, 2019
 - b. Staff Report: Short-Term Rentals and Collection of Transient Occupancy Tax
 - c. Staff Report: Fire Response Time Maps
 - d. Correspondence: Casey Kopcho regarding capacity to maintain greenhouse gas inventory and development of climate action plan
 - e. Correspondence: Susann Kaltwasser regarding youth development program
 - f. Staff Presentation: *Our Salem* Initiatives Related to Climate Action, and Impact of Long Range Planner Position Elimination on *Our Salem*
 - g. Staff Presentation: Current Service and Funding Gap for School Resource Officers, and Police Response Time Comparison with Other Agencies
6. PUBLIC HEARINGS
 - a. None
7. SPECIAL ORDERS OF BUSINESS
 - a. City Manager comments
 - b. Service Area Budget Review – Good Governance, pages 41 – 70
 - Overview by Budget Officer Kelley Jacobs
 - Questions of staff and committee discussion
 - c. Approve FY 2020 Salem Urban Renewal Agency Ad Valorem Property Taxes

Staff Report: Approval of Ad Valorem Property Taxes – Salem Urban Renewal Agency

Approve the estimated ad valorem property tax levies derived from the sum of the Division of Taxes and the Special Levy for the Salem Urban Renewal Agency Areas as follows:

	Division of Taxes	Special Levy	Estimated Total
1. McGilchrist	100%	\$0	\$ 856,950
2. Mill Creek	100%	\$0	1,130,210
3. North Gateway	100%	\$0	3,923,770
4. Riverfront Downtown	100%	Remainder	7,539,430
5. South Waterfront	100%	\$0	312,280
6. West Salem	100%	\$0	1,386,230
			\$15,148,870

- Discussion
- Motion to approve Salem Urban Renewal Agency FY 2020 ad valorem property taxes

d. Recommend FY 2020 Salem Urban Renewal Agency Budget

Staff Report: Recommend FY 2020 Salem Urban Renewal Agency Budget

- Discussion
- Motion to approve final recommendation of FY 2020 Salem Urban Renewal Agency Budget

e. Approve FY 2020 City of Salem Ad Valorem Property Taxes

Staff Report: Approval of Ad Valorem Property Taxes – City of Salem

Recommendation:

Approve the ad valorem property taxes for the City of Salem General Fund and the City of Salem General Obligation Debt fund as follows:

1. Approve the City of Salem permanent tax rate of \$5.8315 for general fund operations.
2. Approve a General Obligation bond debt levy of \$15,522,440
 - Discussion
 - Motion to approve City of Salem FY 2020 ad valorem property taxes

f. Recommend FY 2020 City of Salem Budget

Staff Report: Recommend FY 2020 City of Salem Budget

Good Governance

- Expenditures: \$110,916,620
- Summary of position and other changes:
 - Elimination of the budget officer position, 2.0 full-time equivalent Information Technology Department positions – a business analyst and a network analyst, and a 1.0 full-time equivalent staff assistant position in the Legal Department; all changes in the General Fund.

- Discussion
- Motion to approve final recommendation of the City of Salem FY 2020 Good Governance Result Area Budget

Natural Environment Stewardship

- Expenditures: \$17,998,730
- Summary of position and other changes:
 - Addition of 1.0 full-time equivalent wastewater treatment facility maintenance operator in the Utility Fund.
- Discussion
- Motion to approve final recommendation of the FY 2020 City of Salem Natural Environment Stewardship Result Area Budget

Safe Community

- Expenditures: \$113,394,670
- Summary of position and other changes:
 - Discontinuation of the DARE Program and reduction of 1.0 FTE police officer position in the General Fund; and
 - Addition of two full-time positions in the Building and Safety Fund – a plans examiner and permit technician.
- Discussion
- Motion to approve final recommendation of the FY 2020 City of Salem Safe Community Result Area Budget

Safe, Reliable, and Efficient Infrastructure and Capital Improvements

- Expenditures: \$129,242,650 for the result area and \$216,135,140 for capital improvement projects
- Summary of position and other changes:
 - A total of 4.20 full-time equivalent positions added to the Utility Fund since July 2018; and
 - Addition of 1.0 full-time equivalent maintenance operator in the Transportation Services Fund.
- Discussion
- Motion to approve final recommendation of the FY 2020 City of Salem Safe, Reliable, and Efficient Infrastructure Result Area and Capital Improvements Budgets

Strong and Diverse Economy

- Expenditures: \$12,973,260
- Summary of position and other changes:
 - Elimination of a .50 full-time equivalent real property specialist position in the General Fund.
- Discussion
- Motion to approve final recommendation of the FY 2020 City of Salem Strong and Diverse Economy Result Area Budget

Welcoming and Livable Community

- Expenditures: \$26,773,400
- Summary of position and other changes:
 - Discontinuation of the Youth Development Program and the elimination of a 1.0 full-time equivalent outreach / education coordinator position in the General Fund;
 - Elimination of a vacant 1.0 full-time equivalent planner 2 position and 1.25 full-time equivalent library assistant positions in the General Fund;
 - Reassignment of a vacant staff assistant position in the Community Development Department to Municipal Court in the General Fund; and
 - Reduction of the Homeless Rental Assistance Program from \$1.4 million annually to \$700,000.
- Discussion
- Motion to approve final recommendation of the FY 2020 City of Salem Welcoming and Livable Community Result Area Budget

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 meetings related to the FY 2020 budget will occur with the City Council in Council Chambers, 555 Liberty Street SE, Room 240 as follows:

- *Monday, June 10, 2019, FY 2020 Budget Public Hearing*
- *Monday, June 24, 2019, FY 2020 Budget Adoption*

Budget staff is available for your convenience to discuss the budget document and process. Please call the staff listed above or 503-588-6231 if you have any questions.

The City of Salem budget information can be accessed on the internet at: www.cityofsalem.net/departments/budget

NOTE: Disability-related accommodations, including auxiliary aids or services, in order to participate in this meeting, are available upon request. Sign language and interpreters for languages other than English are also available upon request. To request such an accommodation or interpretation, contact Kali Leinenbach, (503) 588-6231 or kleinenbach@cityofsalem.net at least 2 business days before this meeting. TTD/TTY telephone (503) 588-6439 is also available 24/7.

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MINUTES

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



DATE: Wednesday, May 1, 2019
TIME: 6:00 PM
CHAIRPERSON: Sally Cook

PLACE: Salem City Hall
Council Chambers
555 Liberty Street SE

STAFF LIAISON:
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1. OPENING EXERCISES – Chairperson Sally Cook called the meeting to order at 6:02 p.m.

Members present: Bennett, Kaser, Tom Andersen, Nanke, Leung, Hoy, Cook, Lewis, Nordyke, Tigan, Shirack, Moore-Green, Barker, William Andersen, and Sund

Members absent: Ausec, McCoid, and Milton

Pledge of allegiance by Chairperson Cook

2. PUBLIC TESTIMONY
 - a. Comment on agenda items other than public hearings and deliberations

Public Testimony by:

Topic:

Scott Snyder, President
Salem Area Lodging Association

Support for the Tourism Promotion Area

Sandra Burnett,
Salem Art Association

Support for the arts

Michelle Cordova, Executive Director
Willamette Heritage Center

Support for Transient Occupancy Tax
funds for facility operators

Ross Sutherlin, Director
Bush House Museum

Positive impact on children of cultural
centers and museums

Roberta Cade, 350 Salem

Support to fund Climate Action Plan

Roger Williams, Executive Director
Willamette Art Center

Support for cultural interests in community

Andrew Nguyen
South Salem High School Senior

Support for youth development program

Questions or comments by: Members Cook, Sund, and Leung

Lynelle Wilcox, Ward 1	Support for the Housing Rental Assistance Program
Ron Sterba, SEMCA	Request for a sound wall on Cordon Road to block noise in the neighborhood
Thuy-Tien Nguyen, McKay High School Student	Support for the youth development program
Jessica Martinez Medina, Ward 8	Support for the youth development program

Comments or questions by: Members Tom Andersen, William Andersen, Cook, Bennett, and Sund

3. MINUTES

- a. Minutes from April 24, 2019 City of Salem and Urban Renewal Agency Budget Committee Meeting

Motion: Move to approve the meeting minutes as amended from the April 24, 2019 City of Salem Budget Committee and Urban Renewal Agency Budget Committee Meeting.

Motion by: Member Bennett
Seconded by: Member Hoy

Questions or comments by: Members Nordyke and Shirack

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

4. ACTION ITEMS

- a. Errata Sheet 1 – Scrivener Corrections

Motion: Move to approve amended staff recommendation for Errata Sheet 1

Motion by: Member Barker
Seconded by: Member Hoy

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

5. INFORMATION ITEMS

- a. Staff Report: Summary of Budget Committee Actions Through April 24, 2019
- b. Correspondence from Susana Munive regarding youth development program
- c. Correspondence from Salem Leadership Foundation regarding youth development program
- d. Correspondence from Alayna Amrein regarding youth development program
- e. Correspondence from Bertha Moreno regarding youth development program
- f. Correspondence from Danae Thaten regarding youth development program
- g. Correspondence from Ednaly Jimenez regarding youth development program
- h. Correspondence from Emma Harnisch regarding youth development program
- i. Correspondence from Gabriela Santoya Gutierrez regarding youth development program
- j. Correspondence from Genesis Ocegueda regarding youth development program
- k. Correspondence from Kendra Schaffer regarding youth development program
- l. Correspondence from Larry Linebaugh regarding youth development program
- m. Correspondence from Lisa Harnisch regarding youth development program
- n. Correspondence from Patiance Smith regarding youth development program
- o. Correspondence from Rosa Mayte Schay-Vega regarding youth development program
- p. Correspondence from Sarah Hughes regarding youth development program
- q. Correspondence from Tapiwa Kay regarding youth development program
- r. Correspondence from Yenedith Quintero regarding youth development program
- s. Correspondence from Berenice Garcia Hernandez regarding youth development program
- t. Correspondence from Joseluis Jimenez regarding youth development program
- u. Correspondence from Enrique Ruiz regarding youth development program
- v. Staff Report: Monitoring Greenhouse Gases
- w. Staff Report: Youth Development Program
- x. Staff Report: School Zone Request for School for the Deaf, Eagle Charter School
- y. Staff Report: City Facilities Deferred Maintenance Project Prioritization
- z. Responses to Committee Member Emailed Questions

Questions or comments by: Member Bennett

6. PUBLIC HEARINGS

- a. State Revenue Sharing Funds
Staff Report: Public Hearing on the Proposed Uses of State Revenue Sharing Funds; Kelley Jacobs, Budget Officer

Comments or questions by: Member Moore-Green

Motion: Move to approve the proposed uses of State Revenue Sharing Funds.

Motion by: Member Shirack
Seconded by: Member Hoy

Action: Motion passes
Vote:
Aye: Unanimous
Nay:

Abstentions:

7. SPECIAL ORDERS OF BUSINESS

- a. Urban Renewal Agency Budget, Book 2
- Overview by Budget Officer Kelley Jacobs

Questions or comments by: Members Tom Andersen, Hoy, Kaser, and Bennett

- b. Service Area Budget Review – Strong and Diverse Economy, pages 135 – 149
- Overview by Budget Officer Kelley Jacobs
 - Questions of staff and committee discussion (for both the Proposed FY 2020 Urban Renewal Agency Budget and the Strong and Diverse Economy service area)

Questions or comments by: Members Sund and Tom Andersen

- c. Service Area Budget Review – Safe Community, pages 87 – 114
- Overview by Budget Officer Kelley Jacobs
 - Questions of staff and committee discussion

Questions or comments by: Members Hoy, Cook, Bennett, William Andersen, Nordyke, Barker, Tom Andersen, Kaser, and Tigan

- d. Committee Discussion
- Opportunity for the Budget Committee to discuss any issues or concerns regarding agenda items or items not on the agenda

Questions or comments by: Members Hoy, Cook, Tom Andersen, Barker, Sund, Leung, William Andersen, Bennett, and Shirack

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 meeting was adjourned at 9:12 p.m.

Respectfully Submitted,

Kali Leinenbach
Minutes Recorder

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TO: Budget Committee Members
FROM: Steve Powers, City Manager
SUBJECT: Errata Sheet 2 – Corrections to Scrivener Errors

ISSUE:

To inform the Budget Committee about errors and corrections, or updated information regarding the Proposed FY 2020 City of Salem Budget.

RECOMMENDATION:

1. Accept a correction to the scrivener error expenditures table in the Mgr Rec FY 2020 column on page 138 of the Proposed FY 2020 City of Salem Budget.

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:

A scrivener error was identified in the Proposed FY 2020 City of Salem Budget.

1. On page 138 of the Proposed FY 2020 City of Salem Budget, the numeric table at the top left side of the Strong and Diverse Economy overview has an incorrect amount for contingencies and total expenditures. The correct amount for contingencies is \$1,174,960 and for total expenditures, \$12,973,260. There is no budgetary impact, no balancing that needs to occur to incorporate this correction. For the purposes of discussion at the May 8, 2019, the correct expenditure total to reference for the result area Strong and Diverse Economy is \$12,973,260.

TO: Budget Committee Members

FROM: Steve Powers, City Manager

SUBJECT: Summary of Budget Committee Actions Through May 1, 2019

RECOMMENDATION:
Information only.

FACTS AND FINDINGS:

The purpose of this staff report is to provide a summary of the actions of the Budget Committee during the FY 2020 proposed budget review process, which includes weekly meetings from April 24, 2019 through May 8, 2019. The list of potential attachments, which appears below, will form the content of the report. A notation adjacent to an item on the list indicates its inclusion in the weekly report.

Attachment 1: Lists actions, deletions, or changes with a budgetary impact made by the Budget Committee.

Included Attachment 2: Lists ideas and discussion points to be considered as the Budget Committee deliberates its budget recommendation.

Included Attachment 3: Lists information and reports requested by the Budget Committee and the date the reports are scheduled to be presented.

Attachment 4: Lists additional appropriations for the FY 2020 budget proposed by the Budget Committee, which the committee may wish to consider for inclusion in the balanced budget.

Included Attachment 5: Lists the correspondence received by the Budget Committee and the meeting it addresses.

Budget Committee
Ideas and Discussion Points
As of May 1, 2019

	Agenda Date Noted	Department Expertise
1. Master plan for the Civic Center or City-owned facility strategy.	April 24, 2019	Human Resources / Facilities Services
2.		
3.		
4.		
5.		

Information and Reports
Requested by the Budget Committee
As of May 1, 2019

	Estimated Agenda Date	Department Responsible
1. Youth development program components and budget impact.	May 1, 2019	Community Development
2. Additional capacity required to maintain greenhouse gas inventory.	May 1, 2019	Community Development
3. Information regarding City facilities deferred maintenance, process for prioritizing projects.	May 1, 2019	Human Resources
4. Alternatives to replacing Council Chambers roof and HVAC system.	Staff propose work session with Council to discuss City facilities maintenance.	Human Resources
5. Information about school zone at Eagle Charter School and the School for the Deaf.	May 1, 2019	Public Works
6. Our Salem initiatives related to climate action.	May 8, 2019	Community Development
7. Impact on Our Salem of long range planner position elimination.	May 8, 2019	Community Development
8. Tourism Promotion Area	Staff proceeding with implementation planning for TPA.	
9. Efforts of Boys and Girls Club in regard to youth development.	May 8, 2019	Community Development
10. Efforts of school district in regard to youth development; partnering with schools to fund youth development program.	May 8, 2019	Community Development
11. Solar panel installation at City Hall.	Staff propose work session with Council to discuss City facilities maintenance.	
12. Short-term rentals and collection of transient occupancy tax.	May 8, 2019	Finance
13. Current service and funding gap for school resource officers.	May 8, 2019	Police
14. Police response time comparison with other agencies.	May 8, 2019	Police
15. Earthen wall / sound barrier (and new interchange) adjacent to Mill Creek Corporate Center	Staff propose transitioning this public member question to the Council.	

Correspondence Received by the Budget Committee As of May 1, 2019

Subject	From	Agenda
1. Sidewalk replacement	Egon Bodtker	4/24/2019
2. Sidewalk replacement	Tom Wrosch	4/24/2019
3. Youth development program	Kyle Buse	4/24/2019
4. Youth development program	Susana Munive	5/1/2019
5. Youth development program	Salem Leadership Foundation	5/1/2019
6. Youth development program	Alayna Amrein	5/1/2019
7. Youth development program	Bertha Moreno	5/1/2019
8. Youth development program	Danae Thaten	5/1/2019
9. Youth development program	Ednaly Jimenez	5/1/2019
10. Youth development program	Emma Harnisch	5/1/2019
11. Youth development program	Gabriela Santoya Gutierrez	5/1/2019
12. Youth development program	Genesis Ocegueda	5/1/2019
13. Youth development program	Kendra Schaffer	5/1/2019
14. Youth development program	Larry Linebaugh	5/1/2019
15. Youth development program	Lisa Harnisch	5/1/2019
16. Youth development program	Patiance Smith	5/1/2019
17. Youth development program	Rosa Mayte Schay-Vega	5/1/2019
18. Youth development program	Sarah Hughes	5/1/2019
19. Youth development program	Tapiwa Kay	5/1/2019
20. Youth development program	Yenedith Quintero	5/1/2019
21. Youth development program	Berenice Garcia Hernandez	5/1/2019
22. Youth development program	Joseluis Jiminez	5/1/2019
23. Youth development program	Enrique Ruiz	5/1/2019

TO: Budget Committee Members
THROUGH: Steve Powers, City Manager
SUBJECT: Short-Term Rentals and Collection of Transient Occupancy Tax
ISSUE:

Response to Budget Committee questions regarding the collection of transient occupancy tax from short-term rentals in Salem.

RECOMMENDATION:

Information only.

SUMMARY AND BACKGROUND:

In June 2017, the City Council adopted an ordinance to allow licensed property owners in Salem to rent out residential dwellings on a short-term basis. As such, the use of residential dwellings for this purpose is subject to Salem Revised Code 37 related to the payment of transient occupancy tax. The tax is imposed on all transient lodging in Salem at 9 percent on the payment of rent, unless there is a specific exemption in code.

FACTS AND FINDINGS:

The City of Salem is currently collecting tax from approximately 145 discreet taxpayers for short-term rental properties as defined by Salem Revised Code.

Most of this type of rental activity – more than 90 percent – is managed by short-term rental hosting platforms. Currently, AirBnB, Homeaway, and VRBO are managing properties in Salem and are reporting and remitting transient occupancy tax in compliance with City code.

The short term rental hosting platforms have been in compliance with City code since April 2018. In the 12-month period of April 2018 through March 2019, the City has received over \$99,000 in tax revenue from the hosting platforms. This activity conforms to preliminary Finance Section estimates of \$75,000 to \$100,000 annually from this segment of transient occupancy tax paying entities. It is important to note that not every property listed on a hosting platform website will have rental activity.

The City's Finance Section performs audits on return activity for transient lodging on a rotating basis of every three to five years. All of the hosting platform activity was been recently audited and was found to be in compliance with Salem Revised Code Chapter 37.

For the Budget Committee Meeting of: May 8, 2019
Agenda Item Number: 5.c.

TO: Budget Committee Members

FROM: Steve Powers, City Manager

SUBJECT: Fire Response Time Maps

SUMMARY:

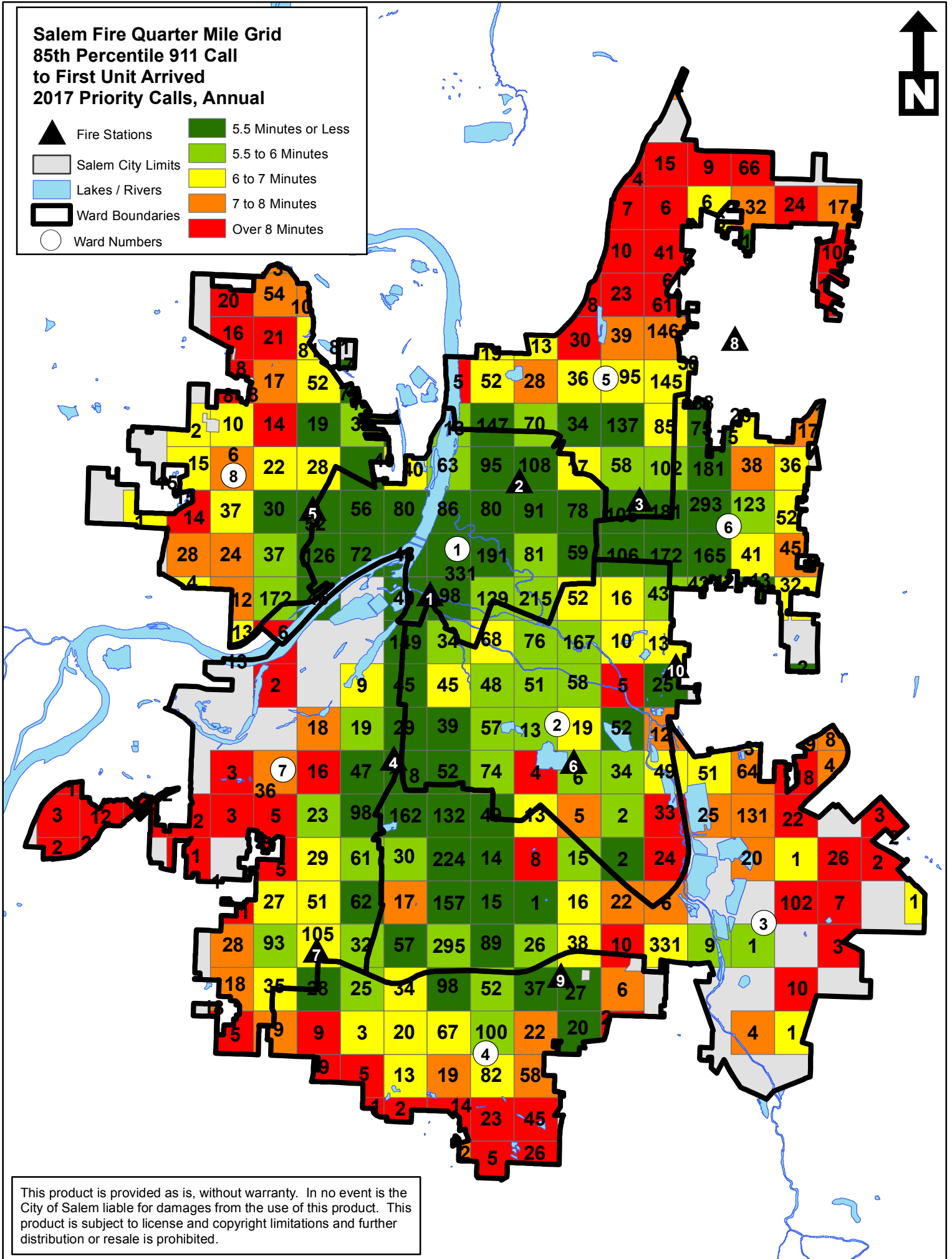
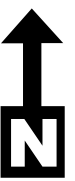
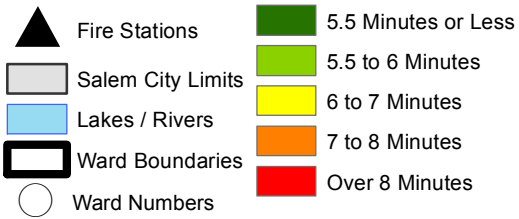
In response to Budget Committee questioning at its May 1, 2019 meeting, the Fire Department provided the attached CY 2017 and CY 2018 quarter mile grid maps demonstrating priority call response and alignment with the response time standard of 5.5 minutes 85 percent of the time.

Attachments:

2017 Annual Quarter Mile Grid Percentages

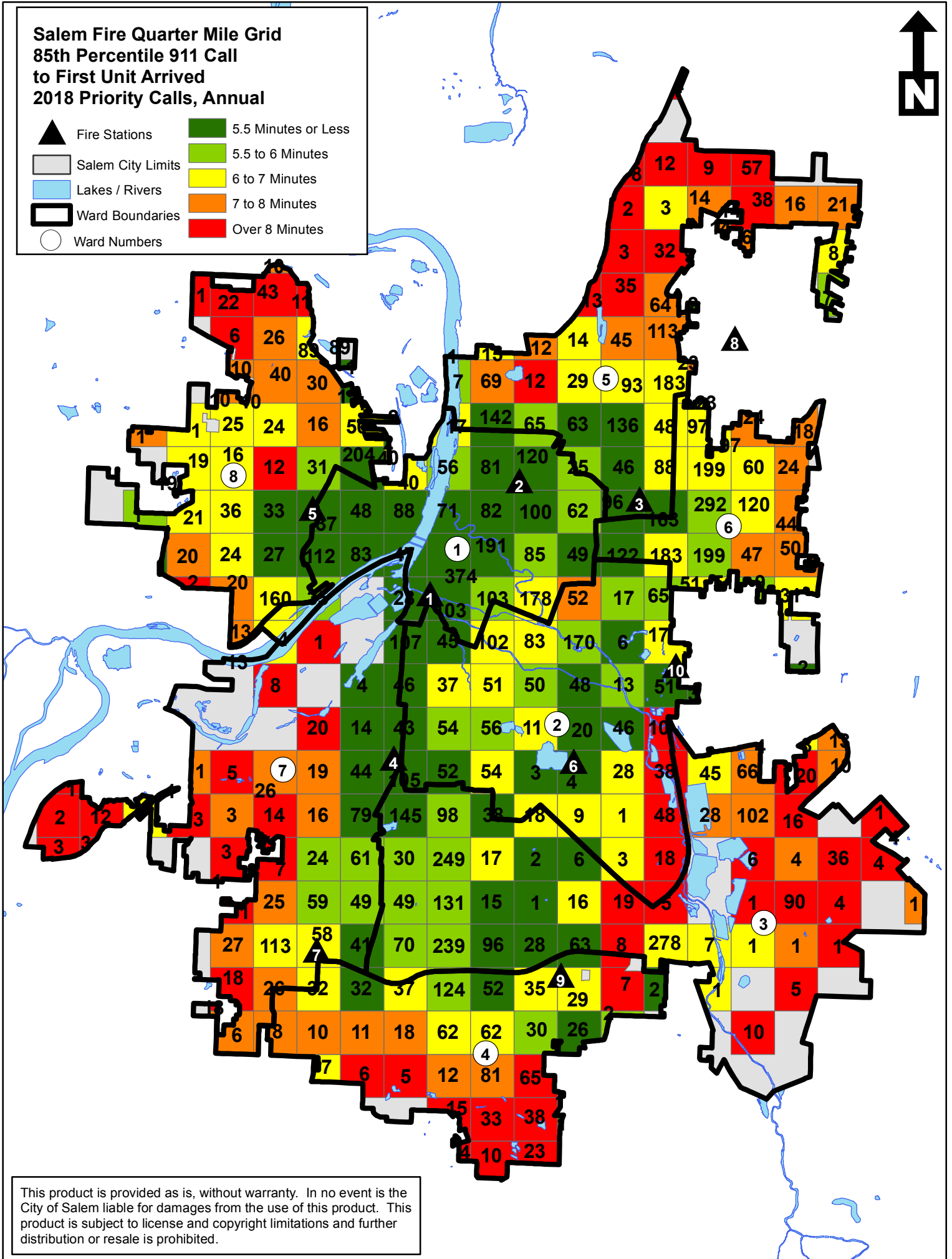
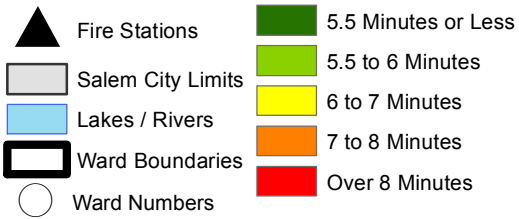
2018 Annual Quarter Mile Grid Percentages

**Salem Fire Quarter Mile Grid
85th Percentile 911 Call
to First Unit Arrived
2017 Priority Calls, Annual**



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**Salem Fire Quarter Mile Grid
85th Percentile 911 Call
to First Unit Arrived
2018 Priority Calls, Annual**



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May 2, 2019
Casey Kopcho
Salem Planning Commissioner
Principal Auditor, Oregon Secretary of State
Managing Partner, Seven League Books

Thank you Chair Cook and members of the committee. My name is Casey Kopcho and I am a Planning Commissioner for the city of Salem. Thank you for taking the time to request and consider my testimony regarding the proposed budget. I was in attendance at the May 1, 2019 hearing and thank you for holding these open meetings. I will be unable to testify at the May 8, 2019 hearing as I will be out of town. I am writing today to provide my full throated support for the retention of both long-range planner positions so that the Greenhouse Gas Inventory will be updated annually and the Climate Action Plan be robustly developed and monitored. I am active in the climate change research and activism communities, and in my experience as a professional auditor have conducted numerous analyses regarding the impacts of climate change. I am also an avid outdoorsman, spending as much time as possible enjoying the natural wonders of Salem and the surrounding region. I moved my family to Salem all the way from Texas due, in large part, to the adverse effects of climate change already present in our previous home. As such, I am submitting this testimony as my conscious leaves me no other choice.

I have worked my entire life to embrace, respect, and protect our environment – a tradition I am working to pass on to my sons, and one of the reasons I am most excited about the development of a local Climate Action Plan.

The truth is we're talking about implementing a program and policy that should have been done ten years ago when the cities of Portland and Eugene were already ramping up this effort, and well before the global reports on the necessity to decarbonize by 2030 or face potentially irreparable damage¹. By funding this position to catch us up to our statewide peers and establishing a robust Climate Action Plan, you have an opportunity to show our friends, neighbors, and children how to care for our environment, while providing the vision needed to move Salem into the future, and by supporting it, you will be positioning yourselves on the right side of history, and demonstrating to all of Oregon the leadership qualities you were elected for. The facts have been compiled, and the results are in; the effects of climate change are already adding up to bad news for Oregon and it's only going to get worse if we do not take decisive action².

Not only will funding this position allow Salem to pursue activities relating to the Climate Action Plan, it will also ease the workload on the sole remaining long-range planner who will be solely tasked with the following:

- Visioning and Implementation of Our Salem
- Multi-family design review project
- Implementation of the Housing Needs Analysis
- Implementation of legislative bills that will require zone code updates and re-zoning of corridors within 2 years
- Required state reporting on planning projects

As our housing needs analysis has shown we anticipate approximately 60,000 new residents in Salem by 2035. By not properly funding long-range planning staff in order to prepare for a dramatic increase in residents while accounting for the long-term effects of climate change we are being fiscally and socially irresponsible. In order to demonstrate some of the projected impacts of climate change let me articulate the following points:

- According the IPCC, more extreme weather will create more landslides, flooding, drought and wildfires in the northwestern United States³
- Forestry, fisheries, agriculture, and outdoor recreation are all subject to considerable threat³
- Oregon spent \$514 million on combating wildfires in 2018 alone⁴
- Climate effects in the region are increasing the number of harmful algae blooms like the one that rendered Salem's drinking water toxic for several weeks starting May 25, 2018⁵
- An increase in temperature will increase disease spreading insects which impacts healthcare costs and infrastructure in the region³

In order to mitigate the impact of this risk the city needs to take every step possible to plan and prepare. This includes the funding of additional long-range planners and the creation of the Climate Action Plan. Such a plan should include specific, measurable, targets the city intends to achieve, such as a reduction in carbon emissions to fifty percent from 1990 levels, as well as actions in order to achieve those targets. In my considerable experience as a government auditor I've seen first-hand the cost-effectiveness of funding planning efforts and prevention rather than cutting such funding in favor of reactionary spending to deal with the fallout of lack of preparation. It is my hope to see such a fate avoided in our fair city.

During my attendance of the May 1, 2019 hearing, I was disappointed to hear some committee members imply that because there is a cost associated with the development, maintenance, and monitoring of a Climate Action Plan that perhaps alternatives may be pursued in an effort appease the public rather than directly confront the issue. Make no mistake, to do so, would be an abdication of leadership. Of course Salem cannot solve the climate change crisis on its own, but we are very much not on our own in our efforts. By funding and establishing a robust Climate Action Plan, Salem will be joining a broader coalition of cities, states, and countries that have adopted similar strategies to begin to address climate change. Anyone who questions whether or not we should fund a position and program aligned with a problem that impacts every component of future planning is being short-sighted and borderline negligent to the needs of their constituents.

I have great trust in your ability as a committee to make sure that our response to climate change is as strong as possible. I trust that you will ensure that the resultant budget deals with the full impact of climate change, and not just greenhouse gas emissions. The impact of these decisions will have an everlasting effect on the residents of the city, in particular those in rural and poor communities, who will need the support to make a transition to clean energy programs. I know that you will stand up for all Salemites and do the right thing.

We stand at a climate crossroads as a city, a state, a nation, and a planet. Will we do everything necessary to meet this challenge and ensure a future where our children and grandchildren have every opportunity to healthily pursue life, liberty, and happiness?

Or, will we allow misinformation, fear, and political paralysis to dominate our actions, and our children and grandchildren to an uncertain future where smoke from wildfires is the least of their problems?

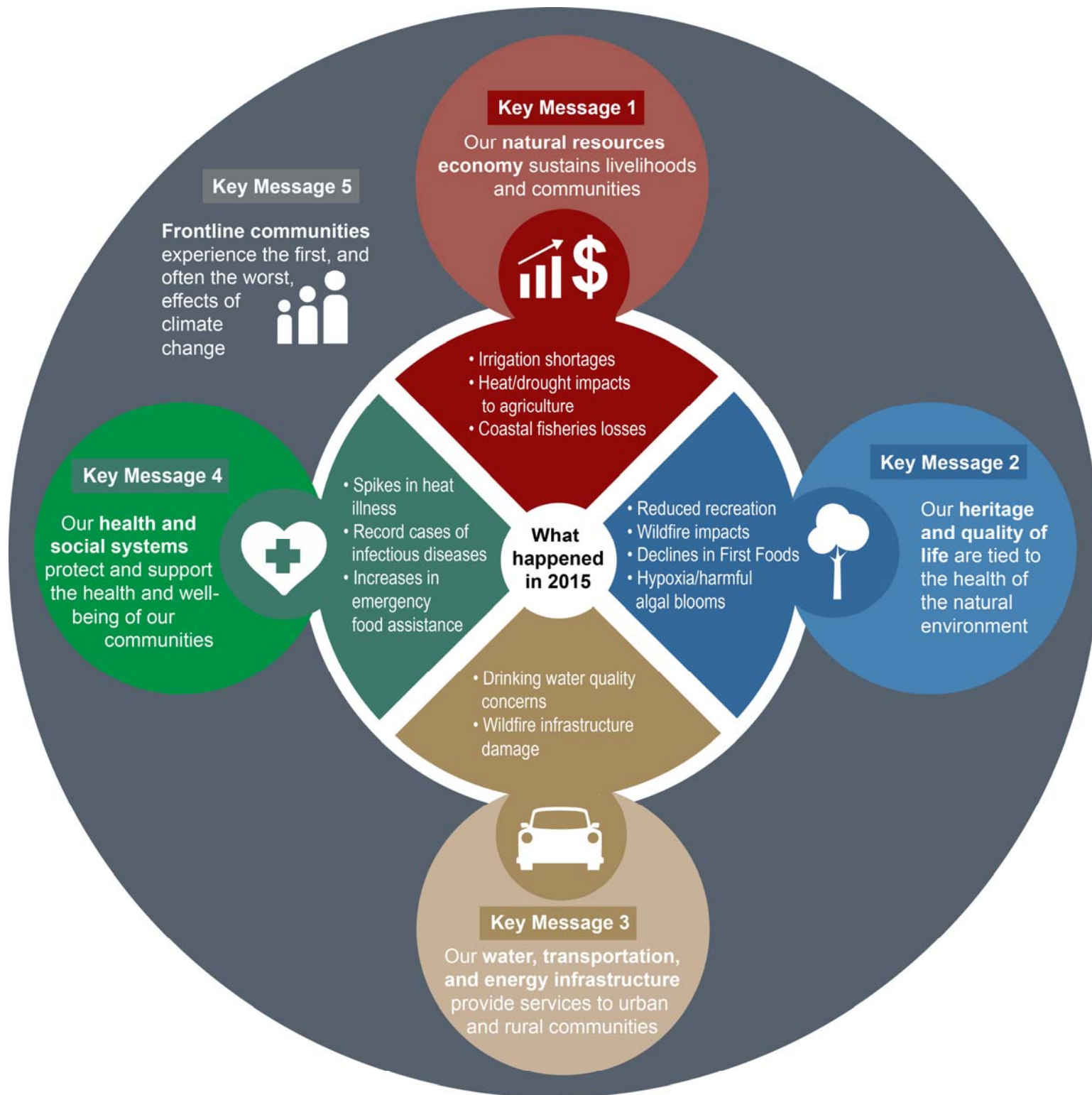
You have the opportunity to demonstrate true leadership by prioritizing a response to climate change, and to demonstrate to our state and the nation that we can reduce our greenhouse gas emissions. Salem is the capital city of Oregon, home to the lush and vibrant Willamette River Valley. As stewards of this great city we have an obligation to protect the long-term sustainability of its resources and residents while serving as an example in which others strive to follow. Thank you for your time and your leadership.

Sincerely,

Casey Kopcho

Sources

1. Global Warming of 1.5C. 2018. Intergovernmental Panel on Climate Change Special Report. <http://www.ipcc.ch/sr15/>
2. OPB Report: Climate Change Is Already Bringing Problems to the Northwest – And It Will Get Worse. <https://www.opb.org/news/article/climate-change-northwest-oregon-washington-national-assessment/>
3. Fourth National Climate Assessment: Chapter 24: Northwest <https://nca2018.globalchange.gov/chapter/24/>
4. Oregon wildfire costs hit record high of \$514 million in 2018. <https://www.statesmanjournal.com/story/news/2018/10/10/oregon-wildfire-costs-hit-record-high-2018/1581132002/>
5. Growing number of toxic algae blooms worries Oregon Legislature. <https://www.statesmanjournal.com/story/tech/science/environment/2019/03/15/toxic-algae-bloom-oregon-legislature/3164958002/>



April 23, 2019

To: City of Salem Budget Committee
From: Susann Kaltwasser
RE: Proposed cuts to Youth Programs

I found it very enlightening to listen to the discussion at the Salem Budget Committee hearings last night. I learned a lot!

However, I was a bit concerned about proposed cuts to the "Youth Programs." One of the things that I would like to suggest is for you to ask for some of the history on that budget item and why the City has been involved in providing these kinds of services. I refer you to Jan Calvin who used to oversee the Youth Programs for the City of Salem back in the 1990s, if you would like more (and perhaps better) history of the City's funding to these programs.

The Youth Programs used to a huge part of the City of Salem Parks and Recreation Department. Over the years cuts were made, departments reorganized and now the programs offered by the City for youth are very minimal.

Some history from my memory bank: Back in the 1990s Salem was experiencing a tremendous problem with gangs, graffiti and community violence. Some think that Salem has a problem with gangs, drugs and shootings now, but it was far worse back in the 90's.

As the chair of East Lancaster Neighborhood Association our neighborhoods were heavily impacted. I also was involved in many youth related advocacy efforts, such as bringing the Boys and Girls Clubs into our neighborhood as satellites, hosting Youth Speaks, serving on the School District budget committee and president of the local League of Women Voters where we studies school issues.

There was even a Gang Intervention Project - called GIP (I believe that Chief Moore was on this task force back then and can speak to the project) in the Police department that worked on the problems that I would monitor. At that time the School District, the City and the Police in both counties and Salem and Keizer were trying to find solutions for the youth gang problems.

Salem Mayor R.G. Anderson-Wykoff convened an informal discussion group back in 1993 that continued with monthly discussions about what could be done. About that time a national study called "*A Matter of Time: Risk and Opportunity in the Out-of-School Hours (1992)*" came out that showed how a big contributor to youth crime and delinquency was due to the lack of supervision available for youth of middle school ages who had no place to go after-school.

When Mayor Roger Gertenrich came into office he stepped up the effort to find solutions. The League of Women Voters did a local "Matter of Time...study" and came up with some recommendations. About that same time Marion County started the Children and Families Commission under Commissioner Janet Carlson's direction. Eventually, a work-group was convened by the Mayor of elected officials and agencies leaders to discuss the issue and to see what could be done by working together.

Eventually this working group decided to create an "after school program system" and to work to find the funds. Salem-Keizer School Education Foundation grew out of that effort and each government entity agreed to support the programs with funding. These programs were called "POWER" programs. All of then 6 middle schools developed programs to provide after-school programs that would include both professional and volunteer based services. These programs were in addition to the school sports programs and offered a wide variety of experiences.

Over the decades the programs evolved and budgets were cut. Part of the problem I believe, is that the programs were successful and today many people do not understand why they are so vital to youth. The programs helped to keep kids safe and connected to adults and away from gangs. With them now gone from most schools, I believe that we are again on the verge of a growing problem with gangs.

When I was participating with the Children and Families Commission our local groups (called community progress teams- CPTs) worked to help create and to sustain those programs at local schools. The CFC Community Progress Teams still exist in some parts of Salem, while others have morphed into such groups as CaPES and Salem Connect. They struggle to continue many good works in our community.

The recommendation by City Manager, Steve Powers, to cut the "Youth Programs" seems to reflect a lack of knowledge of the origin of this funding package...

- Formerly a program of Salem Keizer Public Schools, Salem's **Youth Program** focuses on programs and activities for out-of-school time of local adolescent youth through annual financial support for middle school-aged programs and the Teen Action Team Initiative, a framework for youth civic engagement.

.....because, the fact that he says “formerly a program of Salem-Keizer Schools,” is likely based on the lack of knowledge of the program’s originated with the City of Salem, not the School District.

To lose the funds for the “Youth Programs” would be unfortunate not only for the impact on the young people involved, but also it further demoralizes the people who are trying to keep such programs alive and hopefully growing in our community. SKEF struggles to keep its vision alive. I know other programs do too. But we must realize that the benefit is also to the citizens of Salem. The youth programs keep kids out of trouble, reduces the impact of gangs, reduces policing and court costs, not mention the great benefits to the kids themselves.

If we go back to having nothing meaningful for the youth after school, I fear that we will be returning to when gangs rules Salem’s streets. We have to understand where we came from and how much good we have done when we look at what looks like a minor budget cut.

This said, I do not support keeping the D.A.R.E. program. It is an outdated program based on the Reagan era “Just say, NO!” mentality that has been shown by numerous studies to not be effective in keeping kids away from drugs or gangs. What has been proven effective are on-going programs where kids can build relationships with adults.

Actually what I would like to see is for the Council to rededicate itself to looking at ways to restore and expand our community programs for young people in our community as part of the Council’s Strategic Goals for a safe and welcoming community that looks to be forward thinking and pro-active.

Thank you for all the wonderful work that you are doing in helping make good decisions for Salem.

For the Budget Committee Meeting of: May 8, 2019
Agenda Item No.: 7.c.

TO: Budget Committee Members

FROM: Steve Powers, City Manager

SUBJECT: Approval of Ad Valorem Property Taxes – Salem Urban Renewal Agency

ISSUE:

Should the Budget Committee approve the ad valorem property tax levies for all Salem Urban Renewal Agency areas for FY 2020?

RECOMMENDATION:

Approve the estimated ad valorem property tax levies derived from the sum of the Division of Taxes and the Special Levy for the Salem Urban Renewal Agency Areas as follows:

	Division of Taxes	Special Levy	Estimated Total
1. McGilchrist	100%	\$0	\$ 856,950
2. Mill Creek	100%	\$0	1,130,210
3. North Gateway	100%	\$0	3,923,770
4. Riverfront Downtown	100%	Remainder	7,539,430
5. South Waterfront	100%	\$0	312,280
6. West Salem	100%	\$0	1,386,230
			\$15,148,870

SUMMARY AND BACKGROUND:

Oregon Local Budget Law requires the Budget Committee to separately specify the ad valorem property taxes for the Urban Renewal Agency of the City of Salem. The Agency Board of Directors can reduce but cannot increase the amount of property taxes approved by the Budget Committee.

FACTS AND FINDINGS:

The Budget Committee is being asked to establish and approve the property tax levies to be imposed for FY 2020 for the Salem Urban Renewal Agency funds. These recommended levies are consistent with the urban renewal budgets presented at the May 1, 2019 Budget Committee meeting.

Staff recommends that the Budget Committee approve the Salem Urban Renewal Agency estimated ad valorem property taxes. The estimated levy amounts are shown below. For the Riverfront Downtown Urban Renewal Area, the property tax levy includes 100 percent

of the Division of Taxes Levy, and the Special Levy. The McGilchrist, Mill Creek, North Gateway, South Waterfront, and West Salem areas are eligible for only the Division of Taxes Levy.

	Division of Taxes	Special Levy	Estimated Total
1. McGilchrist	100%	\$0	\$ 856,950
2. Mill Creek	100%	\$0	1,130,210
3. North Gateway	100%	\$0	3,923,770
4. Riverfront Downtown	100%	Remainder	7,539,430
5. South Waterfront	100%	\$0	312,280
6. West Salem	100%	\$0	1,386,230
			\$15,148,870

For the Budget Committee Meeting of: May 8, 2019
Agenda Item No.: 7.d.

TO: Budget Committee Members

FROM: Steve Powers, City Manager

SUBJECT: Recommend FY 2020 Salem Urban Renewal Agency Budget

ISSUE:

Should the Budget Committee recommend the FY 2020 Salem Urban Renewal Agency Budget as it is represented in Table 1 of this report?

RECOMMENDATION:

Approve and recommend to the Urban Renewal Agency Board the FY 2020 Salem Urban Renewal Agency Budget as it is represented in Table 1 of this report.

SUMMARY AND BACKGROUND:

Oregon Local Budget Law provides for the Budget Committee to review, discuss, and possibly make changes to the Urban Renewal Agency Executive Director's proposed budget. Upon completion of the Budget Committee's deliberations, the committee approves the budget and provides a recommendation to the Urban Renewal Agency Board.

FACTS AND FINDINGS:

Table 1 on page two of this report is the proposed FY 2020 budget presented to the Budget Committee for its consideration on May 1, 2019. The FY 2020 budget represented in Table 1 is a balanced budget for the Salem Urban Renewal Agency. For each Salem Urban Renewal Agency fund, the table provides total resources detailed as beginning working capital (beginning balance) and revenues, and total requirements detailed as expenditures and unappropriated ending fund balance. Table 1 does not include any potential changes to the budget that may be approved by the Budget Committee during its final FY 2020 review meeting on May 8, 2019.

Table 1 - Urban Renewal Agency Budget
FY 2020

Fund No.	Fund Name	Beginning Balance	Revenues	Expenditures	Ending Balance
220	Debt Service (Tax Allocation Bond Debt)	\$ 5,100,010	\$14,952,590	\$17,485,100	\$2,567,500
265	Capital Improvements (Tax Allocation Improvement)	38,258,370	24,379,330	62,637,700	-
345	Salem Convention Center	660,270	6,926,890	7,587,160	-
428	Convention Center Gain / Loss Reserve	4,921,040	825,000	2,421,190	3,324,850
TOTAL		\$48,939,690	\$47,083,810	\$90,131,150	\$5,892,350

For the Budget Committee Meeting of: May 8, 2019
Agenda Item No.: 7.e.

TO: Budget Committee Members

FROM: Steve Powers, City Manager

SUBJECT: Approval of Ad Valorem Property Taxes – City of Salem

ISSUE:

Should the Budget Committee approve the ad valorem property taxes for all City of Salem funds for FY 2020?

RECOMMENDATION:

Approve the ad valorem property taxes for the City of Salem General Fund and the City of Salem General Obligation Debt Fund as follows:

1. Approve the City of Salem permanent tax rate of \$5.8315 for general fund operations.
2. Approve a General Obligation bond debt levy of \$15,522,440.

SUMMARY AND BACKGROUND:

Oregon Local Budget Law requires the Budget Committee to separately specify the ad valorem property taxes for all City of Salem General and Debt Service funds. The City Council can reduce but cannot increase the amount of property taxes approved by the Budget Committee.

FACTS AND FINDINGS:

The Budget Committee is being asked to separately specify the forthcoming fiscal year's ad valorem property taxes for all funds. In this case, the Budget Committee will be considering the establishment and approval of the amount and / or rate of property taxes to be imposed for FY 2020 for both the General Fund and the General Obligation Debt Fund.

The recommended levies are consistent with the General Fund and General Debt Fund budgets reviewed by the Budget Committee at previous meetings. Staff recommends that the Budget Committee approve the City of Salem permanent tax rate of \$5.8315 for the General Fund and the General Obligation bond debt levy of \$15,522,440.

For the Budget Committee Meeting of: May 8, 2019
Agenda Item No.: 7.f.

TO: Budget Committee Members

FROM: Steve Powers, City Manager

SUBJECT: Recommend FY 2020 City of Salem Budget

ISSUE:

Should the Budget Committee recommend the FY 2020 City of Salem Budget as it is represented in Table 1 and Table 2 of this report?

RECOMMENDATION:

Approve and recommend to the City Council the FY 2020 City of Salem Budget as it is represented in Table 1 and Table 2 of this report.

SUMMARY AND BACKGROUND:

Oregon Local Budget Law provides for the Budget Committee to review, discuss, and possibly make changes to the City Manager's proposed budget. Upon completion of the Budget Committee's deliberations, the committee approves the budget and provides a recommendation to the City Council.

FACTS AND FINDINGS:

Table 1 of this report represent the proposed FY 2020 budget presented to the Budget Committee for its consideration on April 24, 2019. Table 1 displays the budget by fund, which is the manner in which it will be displayed for the resolution and exhibits for budget adoption by the City Council. Table 2 displays the FY 2020 budget by result area, which is the manner in which it was reviewed and discussed by the committee over multiple meetings.

The FY 2020 budget represented in Table 1 includes the display of resources and is a balanced budget for the City of Salem. For each City of Salem fund, the table provides total resources detailed as beginning working capital (beginning balance) and revenues, and total requirements detailed as expenditures and unappropriated ending fund balance. For the purposes of recommendation to the City Council, the budget is presented at the fund-level. The six service areas defined in the Proposed FY 2020 City of Salem Budget and represented in Table 2 are included within the fund appropriations.

The budget does not include any potential changes to the budget that may be approved by the Budget Committee during its final FY 2020 review meeting on May 8, 2019.

Table 1 - City of Salem Budget
All Funds
FY 2020

Fund No.	Fund Name	Beginning Balance	Revenues	Expenditures	Unappropriated
					Ending Balance
101	General	\$ 19,758,830	\$ 128,807,050	\$ 137,983,600	\$ 10,582,280
155	Transportation Services	2,500,000	15,269,220	16,190,890	1,578,330
156	Streetlight	1,011,080	1,882,000	2,533,270	359,810
160	Airport	966,210	1,186,800	2,153,010	-
165	Community Renewal	-	5,227,090	5,227,090	-
170	Downtown Parking	196,370	1,086,760	1,283,130	-
175	Cultural and Tourism	473,000	4,157,770	4,146,060	484,710
176	Public Art	42,200	16,010	58,210	-
180	Leasehold	444,640	606,880	1,051,520	-
185	Building and Safety	7,997,520	5,280,730	6,016,190	7,262,060
190	Traffic Safety	-	2,112,720	1,907,960	204,760
210	General Debt Service	1,345,250	20,375,110	21,062,080	658,280
255	Capital Improvements	115,145,550	60,514,760	175,660,310	-
260	Extra Capacity Facilities	22,328,480	13,448,460	35,776,940	-
275	Development District	3,360,670	1,337,220	4,697,890	-
310	Utility	39,493,040	107,214,210	114,564,250	32,143,000
320	Emergency Services	3,293,100	946,730	1,147,800	3,092,030
330	Willamette Valley Comm. Center	1,855,020	11,569,900	12,743,290	681,630
335	Police Regional Records System	1,366,950	429,990	1,254,830	542,110
355	City Services	6,262,640	10,746,400	11,874,760	5,134,280
365	Self Insurance Benefits	10,739,460	28,346,680	39,086,140	-
366	Self Insurance Risk	9,509,820	4,122,020	13,631,840	-
388	Equipment Replacement Reserve	8,560,280	5,199,180	13,759,460	-
400	Trust	7,941,090	1,856,920	3,623,950	6,174,060
Total		\$ 264,591,200	\$ 431,740,610	\$ 627,434,470	\$ 68,897,340

Table 2 - City of Salem Budget
All Funds
FY 2020

Result Area	Expenditures
Good Governance	\$ 110,916,620
Natural Environment Stewardship	17,998,730
Safe Community	113,394,670
Safe, Reliable, and Efficient Infrastructure and Capital Improvement Projects	129,242,650 216,135,140
Strong and Diverse Economy	12,973,260
Welcoming and Livable Community	26,773,400
	<u>\$ 627,434,470</u>