

November 19, 2019
Fresh Start Market

7:00 PM Meeting called to order by Mike Beringer, NESCA Chair.

1. Welcome, Introductions, Announcements, Approval of Minutes: Mike Beringer

Mike welcomed all in attendance. A motion to approve the minutes as submitted for the October 15 meeting was made and seconded. Motion carried. Teri reported the NESCA Make A Difference project, suggested by Vice Chair Marilyn Moritz, of collecting socks for the HOME Youth & Resource Center was hugely successful. 165 pairs of socks were delivered to the Center. Teri also mentioned the Christmas Tree gift tag project at the Oregon State Hospital.

2. Police Officer Report: No report as no officer was available this evening.

3. Code Officer: Christi Wolfe

- Officer Wolfe said the numbers for NESCA are actually very low compared to other areas of the city.
- There have been 84 reports since June with only 12 still open. Of those 12, only 4 are in her district.
- 1 derelict structure on Park Avenue but it has been sold and is in the process of being cleaned up.
- There are now 2 officers who do nothing but deal with car issues – illegal parking, camping, abandoned cars, etc. This has allowed the Code Officers more time to deal with other issues within their jurisdictions.
- A homeless camp at the Fiduciary building has been forming. The building, on the west side of Lancaster across from the Olive Garden, is currently empty as all businesses have moved out.

4. City Councilors' Report: Chris Hoy

- Chris mentioned the council vacancy with Sally Cook's resignation. Vanessa Nordyke has been sworn into the position and is working to get up to speed.
- The East Park Estates (former Pictsweet property) was approved for development. ELNA did not provide any statements against the project. As it is stated at this time, there will be 659 single family homes and 36 multi-family units.
- Chris gave a brief summary of how garbage rates are determined for Salem. State law says that the county commission decides where collected garbage is to be dumped. As such, Salem carriers are required to take their trucks to the Brooks Burner. The City Council decides how much to charge for the tipping fees. The garbage companies control the costs to do the services and the City Council sets the rates charged to the home, allowing 8-12% profit for the garbage companies. Every 2 years the rates are reviewed. Public hearings were held last week and a \$2.50 increase (every 2 months) was authorized.
- At next Monday's meeting there will be discussion on a tourism promotion area fee. A small fee is being discussed to help promote tourism in off times, as opposed to the peak travel summertime.
- Sit-Lie: The Council is working on an ordinance to help with the homeless issues downtown. As Salem does not have a No Camping ordinance, it is technically OK to pitch a tent anywhere. Downtown business owners and their employees are having major problems with people camping in doorways, leaving trash (including human feces), and generally making it difficult for employees to get to work and for the business owners to conduct business. Chris emphasized that this ordinance is not going to solve homelessness, it is only an attempt to try to change some behaviors. What it does is bar camping downtown between the hours of 7 AM to 9 PM. Council

is also looking at other areas to help with housing (for example the Salem Housing Authority's purchase of Yaquina Hall). To date 200 people have successfully been moved into housing.

- Question on what is happening on Hawthorne adjacent to the Red Cross building: Chris said he didn't know as it's private property, not city property. If there are questions on ODOT property, there is an "ask ODOT" section online and they are very responsive to questions.
- Question on the definition of "sidewalk": Chris said that it does vary by street and can include the grassy parking strip. Some is public and some is private property. The city checks a map before issuing any citations for erecting signs in the public right of way because it is not known just by looking at the property.
- Question on where the homeless will go when they are moved away from downtown areas by police: Police officers have a list of available services which they provide to individuals. They will also drive them to places if they are asked to do so. What is known is that there are some homeless who just do not want help.
- Mike asked for a show of hands from those attending tonight's meeting who approve the proposed ordinance. The majority approved of the ordinance with one voting against it.

5. Guest Speaker Presentations: Steve Powers, City Manager

Steve's purpose for attending tonight was to discuss the revenue initiatives currently being discussed for the city. The revenue is needed for essential services that are funded through the General Fund, currently \$16m short.

- Essential services: (City of Salem informational flyers attached to these minutes)
 - Police, fire department, code enforcement, rental assistance for homeless.
- Currently the "rainy day fund" is helping to support the General Fund; however, that is not a long-term solution and is not sustainable.
- Property taxes fund government, but due to Measure 5 of some years ago, those funds are limited.
 - Currently the city needs \$84m to maintain police, fire departments, and essential services at working levels and there is only \$71m available. As a result, a task force made up of citizens and counselors was organized to review and develop options for on-going revenues.
 - The Task Force found that the number of city employees is less now than it was 10 years ago and the police department is fewer than seven years ago.
- Task Force Recommendations:
 - Establish an Operations fee on utility bills of \$8.00 for single family homes, \$6.40 for multi-family residences, and \$38.56 for commercial buildings. This was voted on to take effect with the February 2020 billings.
 - Create an Employee Payroll Tax. This tax will be put out for Salem voters in May. The tax would be applied to all wages earned by workers in Salem, including the near 60,000 who commute daily into Salem. Currently those who commute into Salem use services of the city (water, sewer, roads) but do not pay any taxes to help support those services. The tax rate of .0039% on \$50,000 annual salary would be approximately \$16 per month. It is set with a decreasing scale and those on minimum wage would not be required to pay the tax.
 - The two measures would realize approximately \$16m added to the General Fund, eliminating the shortfall.
- City Efficiencies:
 - The city has been looking for ways to do their work more efficiently for many years but now with a more focused view. The city receives help from outside consultants to help with determining ways to provide more efficient services.
 - This will be an on-going process, regardless of the outcome of the May election.
 - City staff is attempting to do the best job possible with what is currently available.
 - As an example, layers of management have been reviewed and an assistant city manager position has been eliminated.

- With city growth and more income generated as a result, it is possible that the tax could be lowered.

5. Guest Speaker Presentations: Richard Berger, Mountain West

Richard came by tonight to provide an update on the redevelopment of the North Campus. As known, the City will be purchasing a portion of the property for a park, Salem Housing Authority will be purchasing Yaquina Hall for conversion into low-income housing (approximately 50 one-bedroom apartments), and the State will maintain a section that faces onto Center Street from Park to 25th and north to approximately Fredrick. The balance of the property will be purchased by Mountain West for a mix of single-family homes and apartments.

- Plans are for 45 single family homes and 245 apartments that will be a mix of 20% “affordable” rentals along with market rate rentals. The affordable and market rate units will be intermingled and there will be no specific area that is “low income”.
 - Example given of 1 bedroom “affordable” rent of approximately \$700; market rate would be about \$300 more.
 - Pricing for single family homes is unknown at this time as Mountain West does not know who the builder will be.
 - When a builder is determined, there will be specific guidelines on how the houses are to be built. All properties will face out onto the streets (Park and D) with alley access as there will be no driveways onto the city streets.
 - Lots will be sold to the builder, but all the apartments will be held by Mountain West. There will be on-site Mountain West management of the apartment complex.
- Public Walkways
 - There will be two public walkways through the property:
 - Center Street crosswalk, northward to D Street
 - Knox Street, westward to the new city park
- Street Trees
 - Trees will be kept if is possible unless they are diseased, or it is impossible to keep a tree due to infrastructure requirements.
- Zone changes were approved
- Land Use for all engineering, landscaping, building elevations, etc. is going through the review process for approval. Hoping for a 12/17 planning commission meeting approval.
- Construction is expected to begin early next summer. Infrastructure and building will be worked on simultaneously.

6. Committee Reports:

- a.Land Use Ian Johnson
 - Ian reported there isn’t a lot happening right now. Some news with the transportation plan but nothing that is specific to NESCA.
 - Chris Hoy mentioned that while it isn’t specific to NESCA, funds have been approved to upgrade Center Street from Lancaster to 45th, sidewalks, streetlights, etc. One side of the street will be completed at a time to try to lessen impact on the community.
 - Chris also mentioned that the County has plans to completely redo Lancaster from Center Street south. It is hoped that the renovations will make the street safer by eliminating some driveways and making other safety upgrades.
- b.Transportation Julie Redden
 - Julie was not able to attend this evening so there was no report.
- c.Parks Eli Brody
 - Eli mentioned the community leaf haul scheduled for December 14 from 9 AM to 3 PM. Volunteers are needed.
 - Thanks to the efforts of Marilyn Moritz, there is now a new information kiosk at Hoover Park.

- d. Hoover School Liaison Teri Lupoli
 - Nothing to report
- e. Watershed Gary Pullman
 - Gary was unable to attend this evening as he was attending a lecture on Permaculture at Chemeketa College.
- f. Oregon State Hospital North Campus Ian Johnson
 - Nothing further to add to the report by Richard Berger.

7. Business - Other:

- A motion was made to change NESCA By-Laws to allow the board to “meet” and vote on emergency measures between meetings via email. A second to the motion was made and the vote was held. Motion carried.
- Mike announced **there will be no December meeting.**
- Amador Aguilar, Enlace representative, introduced the owner of the new Azteca Bakery at the corner of Sunnyview and Lancaster (behind the 7-11). Everyone is invited to stop by and say hello.

Mike thanked everyone for attending this evening. **Our next scheduled meeting will be January 21, 2020 at Fresh Start Market annex.** There being no additional regular meeting business, Mike closed the meeting at 8:30 PM.

Submitted by: Teri Lupoli
 Secretary/Treasurer
 NESCA

Attending:

Mike Beringer* Teri Lupoli*, Marilyn Moritz*, Eli Brody*, Dianne Wilke, Jim Lupoli, Ian Johnson, Susan Turnquist, Walter Engel, Jeff Burrigh, Jacob Taylor, Deanna Casacciolo, Ramiro Garcia, Amador Aguilar, Chris Hoy City Councilor, Richard Berger Mountain West, Elliot Pelfrey Mountain West, Christi Wolfe Code Enforcement,

*NESCA Board Member

Attachments:

~City of Salem Flyers

- “Revenue to Fund Essential Services” (Attachment 1)
- Informational handout on resources for essential services (Attachment 2)

Revenue to Fund Essential City Services

In the 1990s, Measures 5 and 50 took away local control and artificially capped property tax revenue. As a result, revenue has not kept pace with inflation and property taxes are no longer sufficient to support local government expenses. Without additional revenue, the City will have to reduce community services. After considering alternatives and input, the Salem City Council proposed two options for new revenue to support essential City of Salem services.

How much revenue is needed?

To maintain essential city services and to meet the needs of the community in the next several years, the City needs to raise \$16.2 million per year. With this funding, the City will invest in the community's needs for public safety, parks, library, and planning and development services to our neighborhoods. The City would be able to do things like add firefighters, police officers, library hours, and maintain parks. **By 2022, we could have additional police officers, fire fighters, and much-needed additional support for community services.**

How can the needed funds be raised?

Together, an operations fee and an employee-paid payroll tax will help fund needed City services. Revenues generated by the proposed operations fee would support continuation of existing library, park maintenance, police, fire, emergency and social services, and other essential services. Revenues generated by the proposed employee-paid payroll tax would be dedicated to keeping pace with our community's growing public safety needs.

Operations fee proposal

On September 23, the City Council agreed to consider the operations fee proposal at future council meetings to support continuing city services.

A City operations fee is a separate fee to support City services. In Oregon, 50 cities use an operations fee to help pay for city services. The operations fee would be based on the type of use (a single family home pays a different rate from an apartment building, for example). The operations fee is not based on property value. Those who qualify for the Utility Rate Relief Program would not pay this fee.

When: As soon as February 2020.

How: The fee would be collected through City of Salem utility bills.

New Revenue: \$7.1 million in 2020 at \$8/month on single family residences, \$6.40/month per unit for multi-family residential accounts, and \$38.56/month for public, commercial and institutional accounts.

Employee-paid payroll tax proposal

On August 12, the Salem City Council held a public hearing to consider employee-paid payroll tax and operations fee options for new revenues to support City of Salem services. The City Council referred the employee-paid payroll tax option to fund public safety to the voters in the May 2020 election.



Based on a percent of total wages, an employee-paid payroll tax would be paid by all employees in Salem's private and public sectors, including those who live elsewhere and enjoy services provided by the City. Residents share in some of the cost to provide services through property taxes; the more than 60,000 commuters who work in Salem do not. By including commuters, the cost of providing service would be shared by everyone who works in Salem. As our economy and jobs grow, revenue from this source will grow. Non-wage income is not taxed.

When: The employee-paid payroll tax will be referred to voters in the May 2020 election. If approved by voters, revenue would be dedicated to public safety and could be available as early as July 2022.

New Revenue for public safety: \$9.1 million in 2022, using a tiered rate structure with most workers paying a rate of 0.39% on income earned within the City limits. At 0.39%, a person working in Salem earning \$50,000 annually would pay \$195 per year. Employees earning minimum wage would be exempt and those earning a wage up to \$15 per hour would pay a lower rate of 0.266%.

Why look at revenue options now?

Meeting the needs of the community has put the City's financial health at risk. Recurring expenditures exceed our recurring revenues. As a result, the City is rapidly reducing our working capital or savings account. This proposal will align revenues and expenditures while maintaining needed working capital.

The City has restored services cut during the recession. Changes in the economy forced us to make big changes in 2009 and 2013 to the services we were able to provide. We closed two fire stations, and reduced library hours, recreation services, and support to neighborhoods. Since then, we've re-opened the two fire stations and made improvements to services the community expects and values.

We have stepped in where our community has asked the City to fill gaps. For example, launched in 2017 with \$1.4 million from the City's General Fund, the Homeless Rental Assistance Program has led to permanent housing for more than 240 chronically unsheltered people in our community. Traditionally, this valuable work has been outside the City's core service areas. Continuing this commitment, in addition to costs of ongoing services, outpaces available funding.

We must align our services with available funding within the next two years. Without reducing services we provide our community or adding to revenue sources, the City's General Fund working capital will be almost gone by June 30, 2022. We will not have enough resources to fund services the next year.

- These are hard choices. If we are unable to raise money within the next two years, we will not be able to continue doing all we do.
- City Council, in conversation with our community, would provide direction on options for reducing City services. An \$8 million reduction in the General Fund would be the equivalent of decreasing services by 65 police officers, **or** five fire stations, **or** all park maintenance **and** all the library services.

Being more efficient helps but is not enough. We are always looking for ways to be more efficient while providing high-quality services the community expects. To be good stewards of the resources entrusted to us, we are using technology in new ways and changing how we provide services, using more energy-efficient products, charging for services that make sense, and engaging support of volunteers and foundations.

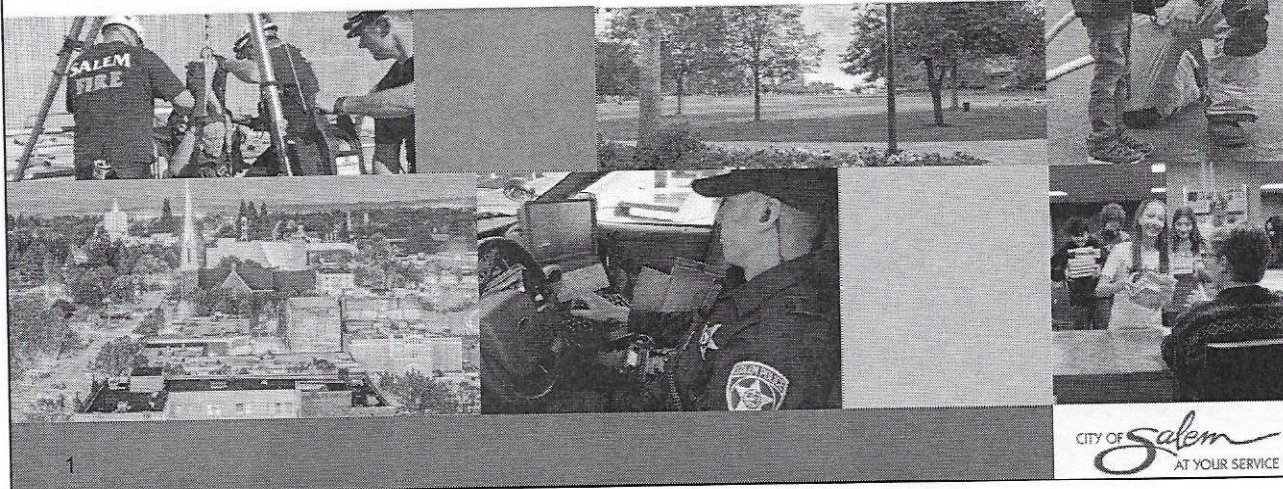
Revenue isn't keeping pace with community need

As we continue to grow, the need for essential services grows. In the past 10 years, Salem population has grown by more than 9%. City services rely on people. Our staffing today is lower than it was in 2008.

- One measure of public safety is officers per 1,000 people in a community. In Salem, officers per 1,000 people is 8% less than 10 years ago. During this same time, crime rates have increased almost 22%.
- Salem has grown park lands by 25% and miles of walkways and trails within our parks by 68%. As of 2018, Salem has 14.13 acres of park land per 1,000 residents. Staffing for needed parks maintenance has not kept pace, increasing by three positions (or 8%) and some of the park land is not yet ready for community use.
- Code enforcement officers respond to neighbor complaints of dangerous properties, trash, and debris, and concerns about public health, safety, and welfare. Calls for help are increasing, but there are 7% fewer staff than 12 years ago.

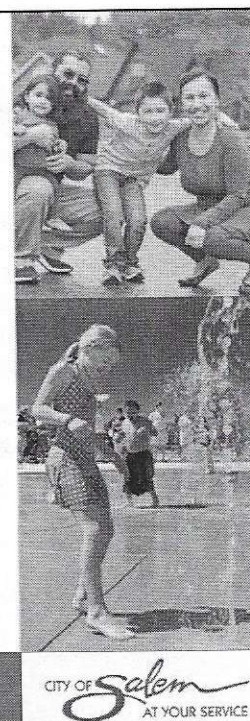
Rev. 10/24/2019

Salem's essential services ensure our community remains safe and livable



Our community is growing, but our resources aren't growing enough to keep up

- Salem needs to raise \$16.2 million to keep pace with our community's needs
- This will support ongoing essential services like fire fighters, police officers, library hours, and parks maintenance



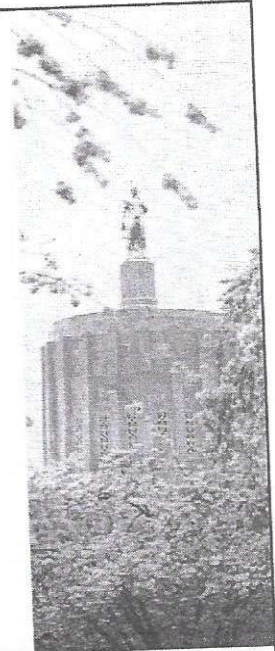
To protect essential services, we need to better balance resources with cost of service

Current source:

- 1** Property taxes

Potential new sources:

- 2** Operations fee
- 3** Employee-paid payroll tax

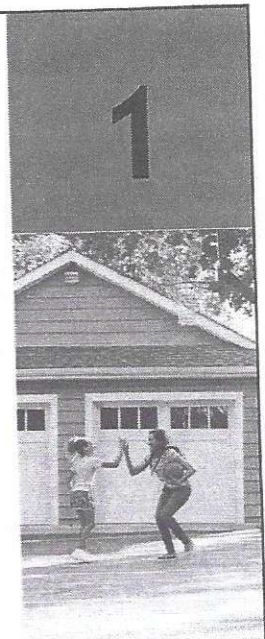


Property Taxes

- Current revenue source to fund City services
- Amounts are set based on state laws

What this means for you:

- Without additional revenues, community services will need to be reduced



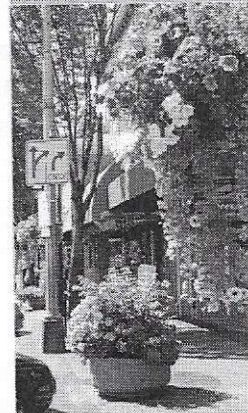
Operations Fee

- Potential new revenue source to fund City services
- People with utility accounts pay a flat fee based on type of use

What this means for you:

- Single family home - pay \$8/month
- Multi-family home - pay \$6.40/month
- Public, commercial, institutional accounts - pay \$38.56/month
- Some customers may qualify for utility rate relief

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Employee-paid Payroll Tax

- Potential new revenue source to fund City services
- Everyone who works in Salem pays a tax, including 60,000 commuters who use our services

What this means for you:

- Minimum wage - pay nothing
- Earn up to \$15/hour - pay 0.266%
- Earn \$50,000/year - pay 0.39%
- Retirement is not taxed

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By sharing the cost, we can keep Salem safe and livable

- Operations fee will help as soon as February 2020
- Employee-paid payroll tax offers a longer-term solution and will be on the May 2020 ballot for voter input



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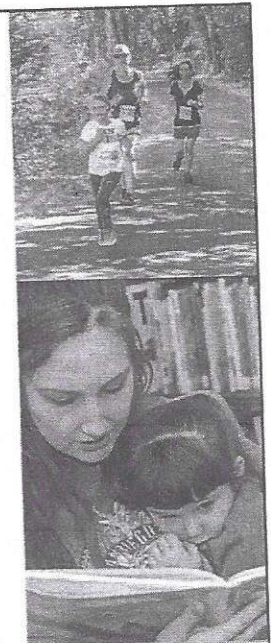
Have questions or want to learn more?

Visit:

www.cityofsalem.net

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