

**CITY OF SALEM
CITY MANAGER'S OFFICE
BUDGET AND FINANCE DIVISIONS**

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**CITY OF SALEM
REVENUE TASK FORCE**

Committee Members

Mayor Chuck Bennett-Chair
Councilor Matthew Ausec
Councilor Steve McCoid
Britni Davidson-Cruickshank
Antonia Decker
Mike Erdmann
Jesse Gasper
Theresa Haskins
Dayna Jung
Raquel Moore-Green
Monica D. Pacheco
Kasia Quillinan
Ray Quisenberry
Dan Wellert

City Staff

Steve Powers, City Manager
Kacey Duncan, Deputy City Manager
Kelley Jacobs, Budget Officer
David Lacy, Financial Operations Manager
Ryan Zink, Budget Analyst II
Kali Leinenbach, Budget Analyst
Josh Eggleston, Budget Analyst
Samantha Naluai, Management Analyst
Kelli Blechschmidt, Administrative Analyst

Next Meeting: November 28th, 2018, if needed

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

MEETING AGENDA-ADDITIONS

November 7, 2018

6:00 PM

555 Liberty Street SE, Council Chambers

4. Information Items

- a. Presentation by Kacey Duncan, Deputy City Manager-
Explanation of Staff Reports, further information on Payment in Lieu of Tax, Local Improvement Districts, and Urban Renewal Areas.
- b. Correspondence from Barb Hacke Resch regarding a Business License Program
- c. Correspondence from Nick Williams regarding a Business License Program
- d. Correspondence from Jason Brandt regarding a Business License Program
- e. Correspondence from Elliot P. Groeneveld regarding a Business License Program
- f. Correspondence from Dirk Moeller regarding a Business License Program
- g. Correspondence from Chris Sarles regarding a Business License Program
- h. Correspondence from John-Paul Whitmire regarding a Business License Program
- i. Correspondence from Andrew Isaksen regarding a Business License Program
- j. Correspondence from Chris Stewart regarding a Business License Program

City of Salem, Oregon

Task Force Recommendations



Business License Program

- Purpose:* Registration database of Salem businesses
- Prevalence:* 74 cities in Oregon
- Benefit:* Single point access for data to aid code enforcement, community outreach, economic development, GIS, and public safety
- Revenue:* Sufficient for program administration

Approval: City Council

Prioritized Survey Result: 9

City Operating Fee

<i>Purpose:</i>	Revenue to sustain City services supported by the General Fund
<i>Prevalence:</i>	50 cities in Oregon
<i>Rate:</i>	Varies based on utility customer account classification
<i>Revenue:</i>	\$6 million minimum

Approval: City Council

Prioritized Survey Result: 28

Municipal Payroll Tax

<i>Purpose:</i>	Revenue to sustain City services supported by the General Fund
<i>Prevalence:</i>	2 transit taxing jurisdictions, State of Oregon
<i>Rate:</i>	Calculated as percent of wages and paid by employee
<i>Revenue:</i>	\$6 million minimum

Approval: City Council

Prioritized Survey Result: 18

Local Gas Tax

<i>Purpose:</i>	Revenue to support transportation system operation, maintenance, and improvements
<i>Prevalence:</i>	27 cities, 2 counties, State of Oregon
<i>Rate:</i>	Per gallon, 6 cents
<i>Revenue:</i>	\$4 - \$5 million

Approval: Voter

Prioritized Survey Result: 14


Other Options to Recommend

Prioritized Survey Results (Weighted: #1 priority = 5, #2 = 4, #3 = 3 and so on)

Payment in Lieu of Taxes	26	Property Tax Reform	6
Construction Excise Tax	15	Admission / Amusement Tax	4
Lift / Bed Fee	13	New Taxing District	4
Local Option Levy	13	Prepared Food / Beverage Tax	1
911 Tax	11	Cigarette Tax	1
		Soda Tax	1

Task Force Recommendation

Next Steps:

- Recommendation
 - Compose Recommendation Report
 - Present Recommendation to City Council in December
- 

Kelley Jacobs

From: Kacey Duncan
Sent: Wednesday, November 7, 2018 4:13 PM
To: Kelley Jacobs
Subject: FW: Business License Fee

From: barb.hackeresch@summitwm.net [mailto:barb.hackeresch@summitwm.net]
Sent: Wednesday, November 07, 2018 3:44 PM
To: citycouncil <citycouncil@cityofsalem.net>
Subject: Business License Fee

Being made aware that this is heading into the task force meeting for discussion, I wanted to voice my opinion against a business related fee.

I was made aware of an effort on the part of City of Salem staff in the form of a recommendation to implement a business license fee in Salem. This recommendation will go to the Revenue Task Force at 6pm this evening in council chambers.

Please let me know if you have any questions and/or concerns.

Sincerely,

Barb Hacke Resch
Senior Financial Advisor
PIM Portfolio Manager
Summit Wealth Advisors
Wells Fargo Advisors

503-798-4340
1-855-707-4330
barb.hackeresch@summitwm.net
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Kelley Jacobs

Subject: FW: Salem and a business license fee

From: Kacey Duncan
Sent: Wednesday, November 7, 2018 3:50 PM
To: nick@saalemchamber.org
Cc: Steve Powers <SPowers@cityofsalem.net>
Subject: FW: Salem and a business license fee

Nick,

We are beginning to receive communication from your membership regarding the task force meeting this evening. The feedback is appreciated. I do want to clarify, however, that the fee is being discussed among others as a potential recommendation from a sustainable services revenue task force to the City Council for further consideration. The task force is an advisory body and cannot take action to implement a fee.

Some are under the impression that the fee will be implemented based on actions taken this evening and are not pleased with the lack of notice. I am attempting to communicate that options for future consideration are being discussed at this time and any specific proposals that the Council chooses to move forward will include a public process with opportunity for input.

Thanks,

Kacey Duncan, Deputy City Manager
City of Salem
555 Liberty St. SE, Room 220
Salem, OR 97301
503-588-6255 / kduncan@cityofsalem.net

Earlier today, we were made aware of an effort on the part of City of Salem staff in the form of a recommendation to implement a business license fee in Salem. This recommendation will go to the Revenue Task Force at 6pm this evening in council chambers.

Agenda can be found [here](#). Recommendation found on pages 7 through 9.

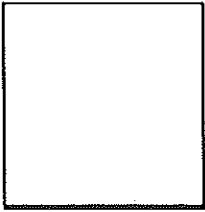
This task force was formed with the specific intent of identifying funding that will fill budget shortfalls on the part of the City in coming years.

The justification for the business license fee given is to aid the City as it relates to data collection on businesses. This particular task force was not intended to solve that problem, and therefore this recommendation should be withdrawn.

Two potential action steps:

- 1) Attend tonight's meeting and offer testimony to the task force. Meeting begins at 6pm, and public testimony is toward the beginning of the meeting.
- 2) If you can not attend in person, please email City Manager Steve Powers and our City Councilors your thoughts on this effort. [Click here to send email](#).

Sincerely,
Nick Williams



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Kelley Jacobs

From: Kacey Duncan
Sent: Wednesday, November 7, 2018 3:41 PM
To: Jason Brandt; citycouncil
Subject: RE: Business License Fee

Mr. Brandt,

Thank you for your comments. The fee is being discussed among others as a potential recommendation from a sustainable services revenue task force to the City Council for further consideration. The task force is an advisory body and cannot take action to implement a fee.

We appreciate your input at this time. Please know that options for future consideration are being discussed this evening and any specific proposals that the Council chooses to move forward will include a public process with opportunity for input.

Kacey Duncan, Deputy City Manager
City of Salem
555 Liberty St. SE, Room 220
Salem, OR 97301
503-588-6255 / kduncan@cityofsalem.net

From: Jason Brandt [mailto:jbrandt@oregonrla.org]
Sent: Wednesday, November 07, 2018 3:30 PM
To: citycouncil <citycouncil@cityofsalem.net>
Subject: Business License Fee

To Salem City Council:

It has come to our attention that Salem is considering a business license fee and that consideration for the fee could take place as early as tonight. With dozens of foodservice and lodging properties within the boundaries of Salem we would greatly appreciate the opportunity to notify our membership of any proposals before any action is taken.

Thank you for your consideration. If given more time, you would have our commitment to promptly notify those potentially impacted by any new fees and data collection processes undertaken by the City of Salem so they can actively participate in the process.

Sincerely,

Jason Brandt
President & CEO

Oregon Restaurant & Lodging Association
8565 SW Salish Lane, Suite 120 | Wilsonville | Oregon 97070
P: 971.224.1501 F: 503.682.4455
Twitter: [@OregonRLA](#) | Facebook: [OregonRLA](#) | LinkedIn: [ORLA](#)
www.OregonRLA.org

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Kelley Jacobs

From: Kacey Duncan
Sent: Wednesday, November 7, 2018 4:12 PM
To: Kelley Jacobs
Subject: FW: Business License Fee

From: Elliot Groeneveld [mailto:Elliot@wrgncpas.com]
Sent: Wednesday, November 07, 2018 4:09 PM
To: citycouncil <citycouncil@cityofsalem.net>
Subject: Business License Fee

As a small business owner in downtown Salem....it has come to my attention there is a proposal for a business license fee.

I am against it at any price.

There is no need for it other than you want more revenue from the business owners.

Without small business owners like myself downtown will die.

We all feel like the city is working against us, not for us. From limiting parking and removing parking, to traffic, to homeless and transients safety issues it just feels like small businesses are not welcome in Salem anymore. And then here is another fee proposal I'll be forced to pay with higher rates or less charitable giving.

Elliot

Elliot P Groeneveld, CPA/Partner
503-378-1120 office
503-378-7644 fax
elliott@wrgncpas.com

WRGN, LLC
Marion Development Co., LLC
PO Box 126, Salem, OR 97308
805 Liberty ST NE, Suite 1, Salem, OR 97301 (CPA Office)

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Kelley Jacobs

From: Kacey Duncan
Sent: Wednesday, November 7, 2018 4:13 PM
To: Kelley Jacobs
Subject: FW: Business License Fee

From: Kacey Duncan
Sent: Wednesday, November 07, 2018 3:57 PM
To: 'Dirk Moeller' <dirk@bcanswer.com>
Subject: RE: Business License Fee

Mr. Moeller,

Thank you for your comments. We appreciate your input at this time.

The fee is being discussed among others as a potential recommendation from a sustainable services revenue task force to the City Council for further consideration. The task force is an advisory body and cannot take action to implement a fee. Please know that options for future consideration are being discussed this evening and any specific proposals that the City Council chooses to move forward will include a public process with opportunity for input.

Kacey Duncan, Deputy City Manager
City of Salem
555 Liberty St. SE, Room 220
Salem, OR 97301
503-588-6255 / kduncan@cityofsalem.net

From: Dirk Moeller [<mailto:dirk@bcanswer.com>]
Sent: Wednesday, November 07, 2018 3:52 PM
To: citycouncil <citycouncil@cityofsalem.net>
Subject: Business License Fee

City of Salem Staff and Elected Officials:

Please DON'T "pull the trigger" on implementation of a business license fee.

The advantages of operating a business in downtown Salem have been evaporating for many years now. Our 31 employee call center has offered continuous 24-hour service since 1949 and we would prefer to remain in Salem for the years to come.

As a community we have recently increased taxes with a new Police Station, Library Improvements and Massive School Bonds. The time has arrived for local governments to take a breath and let tax payers grow our businesses and paychecks so we can absorb these recent cost increases.

Regards,

Dirk Moeller
Business Connections - *Never Underestimate the Power of the Personal Touch*

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660 High Street N.E.

Salem, Oregon 97301

503-363-0056

dirk@bcanswer.com

www.bcanswer.com

▪

Kelli Blechschmidt

From: Kelley Jacobs
Sent: Wednesday, November 07, 2018 4:33 PM
To: Kelli Blechschmidt
Subject: FW: Business License Fee

From: Kacey Duncan
Sent: Wednesday, November 7, 2018 4:24 PM
To: Chris Sarles <ChrisS@oregonfruit.com>
Cc: Steve Powers <SPowers@cityofsalem.net>
Subject: RE: Business License Fee

Mr. Sarles,

Thank you for your comments. We appreciate your input at this time and your commitment to engage with the City in identifying solutions.

The fee is being discussed, among others, as a potential recommendation from a sustainable services revenue task force to the City Council for further consideration. The task force is an advisory body and cannot take action to implement a fee. Please know that options for future consideration are being discussed this evening and any specific proposals that the City Council chooses to move forward will include a public process with opportunity for input.

Thanks,

Kacey Duncan, Deputy City Manager
City of Salem
555 Liberty St. SE, Room 220
Salem, OR 97301
503-588-6255 / kduncan@cityofsalem.net

From: Chris Sarles [<mailto:ChrisS@oregonfruit.com>]
Sent: Wednesday, November 07, 2018 4:20 PM
To: citycouncil <citycouncil@cityofsalem.net>
Subject: Business License Fee

Dear Steve,

I understand that there is an intended conversation tonight at City Council regarding a business license fee. It is my feeling that this process has good intentions but may have gone off the mark in why it is proposing it begin to impose business license fees and should not be brought to a vote this evening. Like all sourcing of revenue I think it is important to have a transparent conversation with the potential targeted areas, in this case businesses, and to have open dialogue before anything moves forward.

I have stated many times that I am very pleased with the way in which the City of Salem has worked with our company as we made decisions to stay in Salem and I would simply ask that the City continue the same level of transparency to any and all areas that they would like to apply taxes, fees, etc. as ways to raise revenue for the City.

You have my commitment that I would actively engage in the process with you and the other managers and businesses in the City of Salem to find solutions that can help meet revenue needs as well as continue to make Salem an attractive place to conduct business.

Chris Sarles

Oregon Fruit Products

Cell: 503.341.5700

Email: Chriss@oregonfruit.com

Web: www.oregonfruit.com

New Mailing Address:

PO BOX 13490 Salem, OR 97309



Kelli Blechschmidt

From: Kelley Jacobs
Sent: Wednesday, November 07, 2018 4:45 PM
To: Kelli Blechschmidt
Subject: FW: Business License Fee

From: Kacey Duncan
Sent: Wednesday, November 7, 2018 4:34 PM
To: Kelley Jacobs <KJacobs@cityofsalem.net>
Subject: FW: Business License Fee

From: John-Paul Whitmire [<mailto:docwhitmire@gmail.com>]
Sent: Wednesday, November 07, 2018 4:33 PM
To: citycouncil <citycouncil@cityofsalem.net>
Subject: Business License Fee

Dear City Manager Steve Powers ,

I understand your task force was formed with the specific intent of identifying funding that will fill budget shortfalls on the part of the City in coming years.

I understand you are looking at business license fee's with the intent of data collection on businesses. This recommendation does not seem to fit the profile of the task force or it's objectives. The cost of administration of such an undertaking would be extensive which means the cost passed on to local businesses would increase. Data collection could be done by other business related government agencies through a simple "census" style letter without added costs to the businesses.

Most likely this fee would end up in duplicated data collecting that other agencies currently perform. Let us stop adding unnecessary expense and headache for local business people.

Thanks for listening.

--
John-Paul Whitmire DC
Whitmire Chiropractic
1126 Lancaster DR NE
Salem, OR 97301
Office: 503-362-1002

Kelli Blechschmidt

From: Kelley Jacobs
Sent: Wednesday, November 07, 2018 4:59 PM
To: Kelli Blechschmidt
Subject: FW: Business License Fee

From: Kacey Duncan
Sent: Wednesday, November 7, 2018 4:58 PM
To: Kelley Jacobs <KJacobs@cityofsalem.net>
Subject: FW: Business License Fee

From: drisaksen@nwfamilychiro.net [mailto:drisaksen@nwfamilychiro.net]
Sent: Wednesday, November 07, 2018 4:56 PM
To: citycouncil <citycouncil@cityofsalem.net>
Subject: Business License Fee

Dear City Councilors,

I understand there is concern about future budgeting issues for the city of Salem. As a small business owner I fully understand how difficult it can be to plan for the future, particularly as it relates to budgets and financing. I started my own business in 2009 on a shoe-string budget and spent countless hours working, worrying, hoping, and praying that I would be able to make enough to keep my bills payed, my customers taken care of, and hopefully there'd be enough to take home to pay my rent and feed my kids. Over the years my business slowly gained traction and has grown to the point that my worries are now around expansion and growth. At this point in my business a business licensing fee would not likely cause too much of a problem, but I can tell you that in the first couple of years of business it would have caused great concern and may have even made the difference between success and failure. When the business filing fees at the state of Oregon changed it really affected me, and I can only imagine an additional fee from the city of Salem would have been even more difficult to bear. I understand that the city needs to get creative in raising revenue, it just saddens me that whenever elected officials look for new revenue streams the most common place they go to is business. Small businesses are the lifeblood of our economy, they provide more jobs (maybe not in Salem, thanks Oregon state government), more community growth, and more revenue for local governments than anything else. When other cities have looked at targeting businesses to finance their needs, businesses have chosen to leave the city and look elsewhere to establish. A perfect example of this is Seattle – Seattle recently passed a tax on employers, a set annual fee per employee. Amazon was set to finish a new facility within the city limits and employ several thousand people. When the city council passed the new employer fee Amazon decided not to be in Seattle. They finished the building and rented it out to other businesses and move outside the city limits and built another facility where they wouldn't be subject to the fee. Seattle lost out on all the revenue they would have made from several thousand new employees within city limits. Any time a government taxes or fees business, it discourages businesses from being in that city. Salem has traditionally been business friendly despite the presence of so many government agencies and facilities. I would hate to have it lose that designation as being business friendly.

Cordially,

Andrew Isaksen, DC
NW Family Chiropractic

1797 Lansing Ave NE
Salem, OR 97301
(503) 391-9112

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Kelli Blechschmidt

From: Kelley Jacobs
Sent: Wednesday, November 07, 2018 4:59 PM
To: Kelli Blechschmidt
Subject: FW: Business License Fee

From: Kacey Duncan
Sent: Wednesday, November 7, 2018 4:58 PM
To: Kelley Jacobs <KJacobs@cityofsalem.net>
Subject: FW: Business License Fee

From: Chris Stewart, SRES [<mailto:chrisstewart35@gmail.com>]
Sent: Wednesday, November 07, 2018 4:41 PM
To: citycouncil <citycouncil@cityofsalem.net>
Subject: Business License Fee

This task force was formed with the specific intent of identifying funding that will fill budget shortfalls on the part of the City in coming years.

The justification for the business license fee given is to aid the City as it relates to data collection on businesses. This particular task force was not intended to solve that problem, and therefore this recommendation should be withdrawn.

The City needs to manage available funds in much better responsible manner.

~Chris Stewart, Principal Broker, SRES, CRA
*~Proactive, Trusted Advisor~ **Information is free, knowledge is priceless**~*

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