

CITY OF SALEM, OREGON

COUNCIL POLICY MANUAL

Council Policy Manual
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POLICY DEFINITION

For purposes of this manual, a policy is an official position taken by majority vote of the Salem City Council on a specific need, problem or issue. A policy establishes guidelines or direction for the City's actions with regard to one or more concerns, problems or opportunities. A policy can also be a general plan or approach to a specific need, problem or issue.

A policy is not something which is or should be established by the charter, ordinances or other laws, resolutions, council rules, agreements, department head letters, department policies (unless approved by Council) or other city compilations or facilities plans such as the budget, Capital Improvement Plan, Comprehensive Plan, Transportation Plan, Parks Plan, or Purchasing Manual.

PURPOSES

- To provide a reference source for city councilors on past policymaking decisions.
- To provide direction to staff.
- To prevent repetitive issues from reaching the council agenda unnecessarily.

UPDATES

Updates to the manual are accomplished as follows: As staff reports are prepared for council agendas, staff will insert under the caption "Policy Decision" only those items which should become council policy to be inserted in this manual. The text under the caption "Policy Decision" will be verbatim as staff recommends it to appear in the manual. This method may be used to add or change a policy.

When council acts on a policy decision noted in a staff report, the City Recorder will electronically insert the policy decision and council action on it in the manual. The City Recorder will update the table of contents to the manual. Users of the city network (LAN) will have access to the electronic version of the manual. The Recorder will make hard copies of the manual available to those who are not on the network.

The City Council may also direct that a policy be added or changed by council vote. Exceptions to policy may be made by council vote for good cause.

GOVERNMENT

A - Council

COUNCIL POLICY NO. A-1

TITLE: COUNCIL GOALS AND OBJECTIVES

POLICY: See attachment.

REFERENCE: City Council Goals - January 31, 2000; dated 1/31/2000 (Agenda Item 4.2.j)

CITY OF SALEM

Council Goal-Setting Work session

January 31, 2000

Meeting Notes

IN ATTENDANCE: Mayor Mike Swaim, Ann Gavin-Sample, Bill Smaldone, Paul Wulf, Wes Bennett, Don Scott, Bob Wallace, Glenn Wheeler, Larry Wacker, Bob Wells, Stephanie Smythe, Bill Healy, Ed Jochums, George Shelley, Casey Jones, John Elegant, Connie Wiggins, Walt Myers, and Frank Mauldin and Dan Bender, Statesman Journal Reporter.

On Monday January 31, 2000, the Salem City Council conducted a goal-setting and work-planning session. The session was facilitated by Sue Dicile of Management Resources, Portland, Oregon. The following notes were taken from the notes taken on chart-pak during the session.

CITY OVERVIEW: Key Trends, Issues, and Challenges

City facing financial shortfall. Council members agreed that the City is faced with an endemic, long-term funding shortfall and that revenue enhancement strategies must be sought, although it was noted that in order to garner public acceptance, the dialog must include cost containment sensitivity and strategies. That the City of Salem has a history of difficulty convincing voters to bring on revenue-enhancing strategies was also noted. The Revenue Task Force will deliver its recommendations to the Council in February.

Zoning. “NIMBY-ism” was one of the difficulties noted in the discussion on the issue of zoning. Council members agreed that there is a need to buffer the impact of growth and increased density on neighborhoods. They noted the perception of zoning code rigidity and the need for flexibility on some types of zoning requirements. It was stated that overly rigid code puts the diverse mix that's valued in Salem neighborhoods at risk.

Growth. Council members agreed that some level of growth must be accommodated, but that it must be strategically managed. It was noted that the costs of growth, and the costs of no-growth, are unknown, as is information on the trends of growth costs. It was noted that there are both qualitative and quantitative impacts to growth, and that both aspects need to be examine. A Question was raised about “who” is driving growth, and whether growth is caused by newcomers to the area, or the natural growth that occurs when families remain in an area over generations. It was noted that one of the negative implications of growth-limiting policies is the difficulties created for young people wishing to remain in the area. Council members agreed that there are a broad range of City decisions that will be predicted on the approach of managing growth.

Downtown urban renewal initiatives. It was noted that a variety of initiatives, all of which will require funding, are upcoming for analysis, discussion, prioritization, and management.

ESA listing. It was noted that the ESA listings will limit urban policy choices.

Housing affordability/home ownership affordability. It was noted that costs of housing, and particularly of home ownership, have seen a dramatic rise in the area, and like other growth-related issues, will have impact on the ability of families and young people to remain in the area.

Maintenance on infrastructure being deferred. It was noted that the city may be accruing a significant liability for deferred infrastructure maintenance.

Youth Issues. It was noted that youth-related problems such as youth crime are growing, and that recreation options for youth are limited in the City.

“Adult” businesses. It was noted that there a high percentage per capita of “adult” businesses in Salem, and that the inability to impact the zoning of such businesses is a frustration to residents.

Lack of participation in government. It was noted that although there are many local activists in the City, there is a significant percentage of residents who are not involved with, or who feel a sense of disenfranchisement from local government. A question was raised as to whether the costs of public service, in terms of both dollars and time, exclude the majority from participation.

Public safety. It was noted that public safety resources and facilities lack full coordination across jurisdiction boundaries. A question about the age, condition, and earthquake readiness of existing facilities was also raised.

Emergency response. It was noted that the capabilities and adequacy of the City's emergency response system is “unknown”.

Legislative liaison. Council members agreed that the City lacks adequate communication with, and advocacy in, the legislature. Council members further agreed that the loss of City's liaison to the legislature due to cuts in the City budget, may have resulted in the loss of more revenue than if the position had been maintained. It was noted that advocacy and relationship-building in the legislature must “start early”, well in advance of the opening of the legislative session. Several approaches were discussed, including reinstatement of the position, hiring a consultant to legislative liaison work, working through the Oregon League of Cities, or garnering commitment from Council members to spend a percentage of their time doing legislative liaison functions.

Conference Center. It was noted that there is a strong push from sectors within the City to establish a conference center in order to compete with other cities. It was further noted that a conference center proposal will be brought before the Council this year.

Fairgrounds property. It was noted that talks are going on at the State level regarding the future of the fairgrounds property. Council members agreed that the Council should discuss this item and develop the City's perspective with regard to uses of the property.

Federal and state roads funding. It was noted that federal and state funding for roads is available and that the Council should be considering those sources.

HALLMARKS OF COUNCIL'S VISION FOR THE CITY: 5-10-Year Horizon

- **Financial stability established.**
- **Quality of life maintained.**
Council members agreed that quality of life standards include:
 - Parks in all neighborhoods.
 - Available swimming facilities.
 - Clean air and water.
 - Reduced crime.
 - Economic viability.
 - Trees.
 - Restored Library services.
- **Affordable housing available.** Council members agreed that there needs to be quality standards for the development of affordable housing, and that the definition of “affordable housing availability” should address both the quantity and quality of such housing.
- **Better access to transit alternatives.** Concern about traffic congestion, and the need for better access to transit alternatives, was noted.

OTHER ITEMS

Capacity. The facilitator requested that Council members evaluate their own and city staff capacity to take on new projects. Council members noted that they are unable to clearly evaluate between new and existing projects. City staff noted that there is little unused capacity, given the existing project workload, and that the adoption of new projects will mean that those projects are put in the queue until other projects are completed, or that existing projects are extended or put on hold to accommodate new work.

Scope of the cost-benefit analysis on annexation. It was noted that the cost-benefit analysis, as proposed, addresses costs and benefits to the City only. Some members of the Council expressed concern about that limitation and asked whether information on costs and benefits for other jurisdictions could be included. City staff noted that there is no in-city capacity to develop an analysis that is expanded to other jurisdictions but that it could be done via additional consultant services. It was noted that the purview of the Council, with regard to addressing cost/benefit issues relative to other jurisdictions, is limited.

The role schools and the School District in determining costs and benefits of annexations was discussed. It was noted that there is an upcoming meeting with the School District regarding the size of the urban service area.

A question was raised about the role of existing cost-of-growth information that has been developed by other organizations or jurisdictions. It was noted that such information is available, but not fully applicable to Salem.

At the conclusion of the discussion Council members agreed that analysis relative to transit and schools should be left out of the scope of work for the City's study.

INITIATIVES TIME LINE

Initiatives	2 nd Qtr 2000	3 rd Qtr 2000	4 th Qtr 2000		2001
Riverfront Downtown Urban Renewal (Priority Spending)	Projected priorities weighed and financing approach determined				
Annexation & Cost Benefit Analysis	Council discussion on scope of work drafted by staff	Proceed with study Hire consultant	Study delivered	Action: December, 2000	
Transportation Bond	Ongoing				
Public Safety Bond Issue	Work session on major projects	Proceed with: None, one, or both	Approval of Resolution		
Sewer COSA	(Stormwater Master Plan) Ongoing				
Capital Improvement Plan Conference Center West Salem Urban Service Area Public Construction Projects					
Labor Negotiations (3 bargaining Units)	Keep apprised				
Revenue-Limiting Ballot Initiatives	Keep apprised of issues and options		Frame Council position. Don't overstate		
Obtain Legal Guidelines on Placement of Group Homes			Guidelines Reviewed		
Support initiative on Zoning Adult Businesses			Letter of support from Council	Consider appropriate measures (if passed)	
Zoning Flexibility		Obtain staff recommendation to fund in 00-01.			
Fund Enhanced Legislative Efforts with Contiguous Jurisdictions		Staff evaluate and report on approaches	Fund in 2000-2001.		

COUNCIL POLICY NO. A-2

- TITLE:** POSITION ON BOND MEASURES (CCRLS GO BOND)
- POLICY:** Council position is to remain neutral on bond measures
- REFERENCE:** April 1993 Council minutes (Agenda Item No. 6.2.v CCRLS Election); April 8, 1996 Council Minutes (Agenda Item No. 1.4 Salem Transit District on Tax Base Measure)

6.2.v CCRLS ELECTION

- Arana** Councilor Arana moved that Council not take a position on this particular bond measure. The motion was seconded.
- Arana** Councilor Arana stated that Council's position has been to remain neutral on bond measures. She added that to stay consistent, opposes the City Council taking a position on the CCRLS Election Bond Measure.
- Mayor** Mayor Andersen-Wyckoff commented that he personally is in favor of the CCRLS Election Bond Measure and recognizes its importance to the City's library. He concurred, however, Council's need to be consistent with its positions on bond measures and will support the motion.
- Arana** Councilor Arana encouraged individuals who feel strongly about these particular measures to communicate that in an appropriate fashion.
- CARRIED** The motion was put to a vote and declared CARRIED.

COUNCIL POLICY NO. A-3

TITLE: COUNCIL POSITION ON INITIATIVE PETITIONS

POLICY: Council is not to take positions on statewide initiatives

REFERENCE: Council Minutes of April 1, 1996 (Item No. 8.2 - Oregon Minimum Wage and Economic Independence Act Councilor Policy Item); Council Minutes of 2/22/93 (Item 7.1.b, Resolution Relating to Oregon Citizens' Alliance Ballot Measure)

COUNCIL POLICY NO. A-4

TITLE: POSITION ON TRANSIT DISTRICT TAX BASE MEASURE

POLICY: See attachment.

REFERENCE: April 8, 1996 Council Minutes (Item No. 1.4, Presentation by Salem Transit District on Tax Base Measure)

COUNCIL MINUTES

April 8, 1996

1.4 PRESENTATION BY SALEM TRANSIT DISTRICT ON TAX BASE MEASURE

A-Wyckoff R.G. Andersen-Wyckoff, General Manager, Salem Transit District, asked for council support of the Salem Transit District tax base levy scheduled for the May 21st election ballot. He said it will provide seven to ten years of financial stability to the District, enabling it to extend evening service hours, make American's with Disabilities Act (ADA) improvements, increase frequency of departures, and develop a park and ride program for Salem's growing population. These measures will address Salem's already overburdened street system, which in some areas cannot be widened, and improve local air quality as use of public transit increases. Mr Andersen-Wyckoff said the tax measure would cost 22 cents per thousand dollars of assessed value of property taxes, noting this tax measure was endorsed as part of the Joint Tax Implementation Plan.

Caraballo Luis Caraballo, President, Salem Transit District, asked council for endorsement of the Transit District's tax base levy and long-range plan to meet the transportation needs of Salem and Keizer. He noted the Transit Board has carefully evaluated the needs of the community, methods of addressing those needs and crafted Ballot Measure 24-68 to stay within the confines of the Joint Tax Implementation Plan.

Puentes Councilor Puentes asked if it is possible for Transit to make their meetings more accessible by holding some of them within Salem.

Caraballo Mr Caraballo said Transit may, in the future, be able to hold meetings closer to the downtown; and he noted his efforts to attend as many community meetings as possible to discuss Transit issues.

A-Wyckoff Mr Andersen-Wyckoff said there is a "guaranteed ride home" program, for those who use the Transit system to attend Transit Board meetings.

Motion Councilor Puentes moved to endorse Ballot Measure 24-68 and the Transit District's Long-Range Plan. The motion was seconded, put to a vote and declared

CARRIED CARRIED.

COUNCIL POLICY NO. A-5

TITLE: COUNCIL STATEMENT ON INFRINGEMENT OF PERSONAL RIGHTS
TO FREEDOM

POLICY: See attachment.

REFERENCE: Council statement adopted August 5, 1991.

**STATEMENT ON INFRINGEMENT OF
PERSONAL RIGHTS TO FREEDOM**

**COMMON COUNCIL - SALEM, OREGON
ADOPTED AUGUST 5, 1991**

The quality of life in Salem stands out as the primary reason why each of us has chosen it for our home. We enjoy the safety a community like ours affords us. We treasure the freedom we have to walk on our streets and to play in our public parks without fear, a freedom that is unknown in many cities across the country.

Our freedom from fear, however, has recently been threatened. The number of citizens made vulnerable may seem few, but a threat to even one person is a threat to us all.

As a City Council, we have one very clear message to deliver: we will not tolerate any infringement on a person's rights to the freedom to live without fear. We will not tolerate the development or presence of groups dedicated to the harassment or harm of any citizens. We will make the eradication of such crimes the highest priority for our community.

To that end:

- We direct our employees to focus their efforts on solving this serious community problem.
- We direct our Police Department personnel to continue their fight to eliminate criminal activity in all segments of our community.
- We work to encourage cooperative efforts among our city employees, our many citizen advisory groups, our school personnel, our social service agencies, and our community groups to fight prejudice and to continue to increase awareness of the rights of each citizen in our community.

We recognize that the scope of this problem goes far beyond the realm of our city government. It is not a problem we can solve alone; it is a problem that the community, through the combined efforts of governments, agencies, community organizations, and all our citizens, must solve together.

The very name "Salem" means "peace." It is critical that we live up to our name and refuse to allow the unjust treatment of any of our citizens. If one of us is living in fear of others in our community, all of us are affected in the end. Through our work as an understanding and united community, we can make sure that Salem remains a city of peace. Therefore, we call upon all Salem citizens to join us in dedicating ourselves to equity and justice for all citizens.

COUNCIL POLICY NO. A-6

TITLE: PROCEDURE FOR REVIEWING PERFORMANCE AND SETTING SALARY OF CITY MANAGER

POLICY: Council reviews the performance and sets the salary of the City Manager as described herein.

REFERENCE: November 13, 1995 Council Agenda Item 10.1.a.; amended July 5, 2000

1. At the first regular council meeting in September of each year, the city attorney distributes evaluation forms to each councilor. Forms include criteria established in open session and in accordance with manager's employment agreement. The council committee on the city manager's performance review may recommend changes in the criteria to council.
2. Councilors complete evaluation forms anonymously and return them to the city attorney by the third regular council meeting in September.
3. Following the third regular council meeting in September, the city attorney melds all evaluations received into a single document and distributes to council and city manager.
4. At first regular meeting in October a preliminary executive session is held without manager present. The purpose of the session is to review the melded evaluation document and to identify areas which require additional information. Council produces a list of issues to discuss with manager during final executive session. City attorney is on call to answer questions. City recorder does not attend. A member of council takes minutes and gives them to city recorder for keeping.
5. When required, additional preliminary executive sessions may be scheduled and held.
6. A final executive session is held with manager present. Performance is reviewed. City attorney and city recorder do not attend. A member of council takes minutes and gives them to city recorder for keeping.
7. Each executive session is scheduled in an open session of the council.
8. Within 30 days after the final executive session, the council committee on the city manager's performance review shall make a recommendation to council as to whether the city manager's salary should be adjusted, and the amount of any adjustment. If the committee fails to do so, any member of council may make such a recommendation to council as a policy matter.
9. Council adjusts salary of the city manager in open session.

MEMORANDUM

TO: CITY COUNCIL

FROM: CITY MANAGER'S REVIEW COMMITTEE

DATE: February 27, 2002

SUBJECT: **CITY MANAGER'S PERFORMANCE EVALUATION**

Attached is the City Manager's Performance Evaluation. Please complete the evaluation and return it to Stephanie Smythe by March 15. Stephanie will compile the information and the committee will reconvene to prepare a recommendation for Council review.

**DESIRED SKILLS & INDICATORS
OF PAST PERFORMANCE**

1. ADMINISTRATIVE ABILITY

Ability to discern and explain short term and long term implications of a policy options to the City Council.

Ability to pull together all facets of an issue, whether in discussions with staff to set direction, or in discussions at City Council meetings when staff/council/public present different views.

Ability to provide strong leadership and clear direction to employees.

Ability to delegate authority while still holding staff accountable for the work.

Ability to recognize opportunities for management and operational efficiencies.

Ability to develop creative approaches in addressing emerging and unresolved issues.

A. As the City Administrator, his performance is:	C. Comments for A & B
<input type="checkbox"/> Outstanding <input type="checkbox"/> Good <input type="checkbox"/> Average <input type="checkbox"/> Unacceptable <input type="checkbox"/> Needs to be discussed	A.
B. In my role as a City Councilor, I feel my knowledge in this subject area is:	B.
<input type="checkbox"/> Sufficient <input type="checkbox"/> Adequate but I would like to know more <input type="checkbox"/> Inadequate	

2. BUDGET/FINANCE

Must have broad understanding and skills in economics, finance, city budget methods.

Ability to manage a city budget.

Understanding of state and federal funding and consequences of changes.

Develop suggestions for financing techniques other than property taxes.

Ability to develop long range financial planning and strategies to meet city service needs.

Ability to explain complex financial information to the City Council and general public.

Ability to develop a Capital Improvement Plan.

<p>A. As the City Administrator, his performance is:</p>	<p>C. Comments for A & B</p>
<p> <input type="checkbox"/> Outstanding <input type="checkbox"/> Good <input type="checkbox"/> Average <input type="checkbox"/> Unacceptable <input type="checkbox"/> Needs to be discussed </p>	<p>A.</p>
<p>B. In my role as a City Councilor, I feel my knowledge in this subject area is:</p>	<p>B.</p>
<p> <input type="checkbox"/> Sufficient <input type="checkbox"/> Adequate but I would like to know more <input type="checkbox"/> Inadequate </p>	

3. PERSONNEL/LABOR RELATIONS

Ability to work well with employees at all levels in the organization.

Able to motivate employees.

Ability to sustain an acceptable level of staff morale even during stressful times.

Ability to communicate to staff the policies of Council.

Understanding of labor relations including contract negotiations and contract administration.

<p>A. As the City Administrator, his performance is:</p>	<p>C. Comments for A & B</p>
<p> <input type="checkbox"/> Outstanding <input type="checkbox"/> Good <input type="checkbox"/> Average <input type="checkbox"/> Unacceptable <input type="checkbox"/> Needs to be discussed </p>	<p>A.</p>
<p>B. In my role as a City Councilor, I feel my knowledge in this subject area is:</p>	<p>B.</p>
<p> <input type="checkbox"/> Sufficient <input type="checkbox"/> Adequate but I would like to know more <input type="checkbox"/> Inadequate </p>	

4. COMMUNITY RELATIONS

Ability to represent Council at community events and forums. To be active and pursue outreach style of management as a spokesman for city issues.

Must be credible and have trust of Salem citizens, including ability to admit to errors, if appropriate, and to support change if change is necessary.

Ability to help community understand and appreciate the divergence of city problems and needs.

Ability to explain rationale of Council’s priorities and proposed solutions and City’s procedures.

Able to explain City Council and community goals.

Involvement with public information program in local government; working relationship with media.

Involvement with neighborhood associations and an understanding of their role in local government.

Ability to work in a multi-cultured community with an understanding of the growth of diversity in the community.

<p>A. As the City Administrator, his performance is:</p>	<p>C. Comments for A & B</p>
<p>_____ Outstanding _____ Good _____ Average _____ Unacceptable _____ Needs to be discussed</p>	<p>A.</p>
<p>B. In my role as a City Councilor, I feel my knowledge in this subject area is:</p>	<p>B.</p>
<p>_____ Sufficient _____ Adequate but I would like to know more _____ Inadequate</p>	

5. COUNCIL RELATIONS

Ability to analyze issues and present policy alternatives to Council with documented justified recommendations.

Ability to work with Council members to help Council fully reason out its decisions.

Ability to keep Council members equally informed on issues and be equally responsible to all Council members.

Ability to identify future police issues that the Council will need to address.

<p>A. As the City Administrator, his performance is:</p>	<p>C. Comments for A & B</p>
<p> <input type="checkbox"/> Outstanding <input type="checkbox"/> Good <input type="checkbox"/> Average <input type="checkbox"/> Unacceptable <input type="checkbox"/> Needs to be discussed </p>	<p>A.</p>
<p>B. In my role as a City Councilor, I feel my knowledge in this subject area is:</p>	<p>B.</p>
<p> <input type="checkbox"/> Sufficient <input type="checkbox"/> Adequate but I would like to know more <input type="checkbox"/> Inadequate </p>	

6. INTERGOVERNMENTAL RELATIONS

Ability to maintain a cooperative attitude and good communications with other government managers in the Salem area.

Experience in coordinating provision of services among governmental jurisdictions.

Basic understanding of federal and state grants and appropriations.

Basic knowledge of the state legislative process.

A. As the City Administrator, his performance is:	C. Comments for A & B
<input type="checkbox"/> Outstanding <input type="checkbox"/> Good <input type="checkbox"/> Average <input type="checkbox"/> Unacceptable <input type="checkbox"/> Needs to be discussed	A.
B. In my role as a City Councilor, I feel my knowledge in this subject area is:	B.
<input type="checkbox"/> Sufficient <input type="checkbox"/> Adequate but I would like to know more <input type="checkbox"/> Inadequate	

7. ECONOMIC DEVELOPMENT

Experience in identifying and helping Council create conditions which foster economic development.

Understanding importance of, and knowledge of factors and methods for, maintaining existing businesses as well as recruiting new ones.

Recognition of relationship of local economy to region and beyond.

Ability to understand and develop a capital improvement plan that address community priorities.

Experience with downtown re-development.

Knowledge of how cities finance public improvement costs of economic development, i.e. redevelopment financing, federal problems, local and state bonds, public-private development agreements, and urban renewal districts.

Ability to develop policies and guidelines to reasonably allocate costs of public improvements and services related to economic development between the public and private sectors.

A. As the City Administrator, his performance is:	C. Comments for A & B
<input type="checkbox"/> Outstanding <input type="checkbox"/> Good <input type="checkbox"/> Average <input type="checkbox"/> Unacceptable <input type="checkbox"/> Needs to be discussed	A.
B. In my role as a City Councilor, I feel my knowledge in this subject area is:	B.
<input type="checkbox"/> Sufficient <input type="checkbox"/> Adequate but I would like to know more <input type="checkbox"/> Inadequate	

8. URBAN GROWTH

Familiarity with comprehensive land use planning and land use administration.

Understanding of the use of System Development Charges as they relate to growth management.

Familiarity with urban growth management techniques and policy options to manage growth.

Understanding of public housing programs and their financing.

<p>A. As the City Administrator, his performance is:</p>	<p>C. Comments for A & B</p>
<p> <input type="checkbox"/> Outstanding <input type="checkbox"/> Good <input type="checkbox"/> Average <input type="checkbox"/> Unacceptable <input type="checkbox"/> Needs to be discussed </p>	<p>A.</p>
<p>B. In my role as a City Councilor, I feel my knowledge in this subject area is:</p>	<p>B.</p>
<p> <input type="checkbox"/> Sufficient <input type="checkbox"/> Adequate but I would like to know more <input type="checkbox"/> Inadequate </p>	

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COUNCIL POLICY NO. A-7

TITLE: COMMUNITY FORUMS

POLICY: See attachment.

REFERENCE: January 22, 1996 Council Agenda Item 9.2.r.

RESPONSIBILITIES

- A. It shall be the responsibility of the individual council member to request council sponsorship of a community forum and to apprise the council of the subject of any such forum prior to its inception. Council sponsorship would require the consent of a simple majority of council present. That request will be embodied in a report describing the nature and scope of the forum and such other particulars as are known at the time respecting participants, content and format.

It shall also be the responsibility of the council member, or forum participants, to provide to the city council a follow-up report on any forum approved and staged. That report should provide information respecting final format and content of the forum, as well as number of speakers, participants and attendees.

The council member, of forum participants, will determine the nature, format and content of any forum as well as the speakers or principals from the public who will be involved.

The council member or forum participants will prepare all publicity materials for the forum. The cost of any paid publicity will be the responsibility of the forum, not the city.

Examples of unpaid publicity are public service announcements on the radio, notices to the press, items in the neighborhood newsletters and handbills in city utility billings.

All publicity material shall include the following statement:

“This forum is intended to enhance public understanding and awareness on the subject of _____. This Forum is not part of the priority setting process for city programs and budget.”

B. CITY STAFF

City staff shall provide liaison service to the council member and participants in an approved forum to facilitate the planning and organizational process for the forum.

City staff shall also provide advice and information to forum organizers respecting city facility reservations; the timing and physical limits of neighborhood newsletters and city utility billings, and the channels available to secure public service announcements on radio and to seek press coverage.

City staff will also coordinate the logistics of an approved forum in terms of the furniture and audiovisual equipment needed for that forum.

The City Manager will arrange for appropriate staff representation as resource persons to an approved forum as requested . Resource persons will provide desired information on current city programs and activities relevant to the subject of the forum and will respond to related technical questions.

COUNCIL POLICY NO. A-8

TITLE: 1997 LEGISLATIVE POLICIES

POLICY: See attachment.

REFERENCE: April 14, 1997 Council Agenda Item 9.2.1.

MEASURE 47

Measure 47, approved by voters during the 1996 General Election, rolls back property taxes and limits annual growth to 3%. The impact on Salem is a projected \$7 million loss in property tax revenues. After weeks of wrestling with how to interpret the value language in the Measure, the Legislature chose to re-write it in an attempt to create a more workable measure that will be less open to legal challenges and that also fixes some unintended consequences. This cleaned up version, now known as Measure 50, will be voted on May 20th. How the Legislature implements Measure 47 or to a slightly lesser extent Measure 50 (if approved by voters), will significantly affect how the city conducts its businesses.

Objective: The city has identified the following issues as its main concerns with Measure 47

1. Calculating the Cut. Salem believes that the reduction formula for determining the Measure 47 cut should include bonded debt. Measure 47 clearly states that the reduction shall not exceed the lesser of “the valorem property tax” for the year ending June 30, 1996, reduced by 10%, or “the ad valorem property tax” ending June 30, 1995. The term “ad valorem property tax” literally means the total tax bill, including both levy authority and debt.
2. Allocation Method for Revenue Losses. How the losses are apportioned is a key issue for the city. Some feel that local control should be maintained as much as possible and, therefore, it should be up to local jurisdictions to determine apportionment through a local negotiation model. The city is concerned that without strict time lines and some type of default method, agreement among local jurisdictions is not likely to be worked out in a timely manner. Salem feels the best method for determining loss would be a pro rata allocation method with an option that allows local governments to negotiate their regional priorities if they so choose.
3. Time lines for Enactment. Salem is in the middle of its budget process and is preparing to make \$9.3 million worth in cuts, largely due to Measure 47. It is essential to have legislative decisions worked out as quickly as possible since the new fiscal year for local governments begins July 1. Therefore, Salem supports using emergency clauses wherever legally possible and legislative authority to appeal directly to the Oregon Supreme Court.
4. Electoral Options. We support legislation that preserves a local option which will help protect a certain amount of self-determination and local control for our community. It has been interpreted that Measure 47 allows local governments the option of going to the voters for additional or increased levy authority as long as there is at least a 50% voter turnout (or super majority) approving the increase.
5. Reinstate June Election. The June election was eliminated during the 1993 Legislature as unnecessary since there are four other elections during the year. With the passage of Measure 47 and the requirement that local governments must obtain voter approval on certain types of fee increases, the importance of the June election is once again an issue. Because of the timing of our budget process and the three months that are required to prepare for an election, Salem believes that an annual June election should be reinstated as an important budgeting tool.

6. Narrow Definition of Public Safety. Salem supports maintaining a narrow definition of “public safety” as currently written in the ORS to apply to law enforcement, fire protection, emergency medical services, corrections, and emergency dispatch. The state should not dictate how local governments prioritize public safety. Rather each agency, as part of its budget process, should explain how they have prioritized public safety.
7. Fees and Charges. Salem agrees with the interpretation that fees requiring voter approval are those which apply to products and services principally provided by government which were previously funded by property taxes and which cannot be obtained elsewhere. We believe the intent of the measure is not to require a public vote to increase each type of fee, but to prevent governments from collecting property taxes in a different way or fees in lieu of taxes. Where alternative products or services are available, it should be the market place and not the ballot box that determines the amount of the fee.

STATE SHARED REVENUES

State cigarette and liquor excise taxes are shared revenues with cities. These revenues help provide necessary services to the community such as police and fire protection. There is a direct link between alcohol and tobacco use and a majority of the problems to which police and fire must respond. These are vital services necessary to the public safety and welfare of our community.

In its 1996-97 budget, Salem received approximately \$1,835,650 in state-shared revenues from the taxes on alcohol and cigarettes. At the same time, the city budgeted \$30,603,515 for the police and fire services. Salem recognizes the importance of a city-state partnership in providing services to the public and believes there are shared financial responsibilities as well.

Objective: Oppose reductions in or eliminations of state-shared revenues to cities.

FRANCHISING AUTHORITY

Cities are authorized to charge for the investment and management costs associated with maintaining and safely operating public rights-of-way. Five utilities pay fees to Salem including electricity, telephone, natural gas, garbage and cable.

Objective: Support continuation of cities’ franchising authority and oppose proposals that would restrict franchise revenues or impair a city’s ability to negotiate agreements that meet the particular needs and circumstances of that city.

TRANSIENT ROOM TAXES

Transient room taxes or hotel/motel taxes are used by over 60 cities and 13 counties. In past sessions, bills have been introduced to preempt or modify local authority to impose transient room taxes, or dedicate their proceeds for specific purposes such as tourism projects.

Objective: Support the LOC position that flexibility is needed by communities to decided on a local basis how to best provide services and infrastructure to support tourism.

SYSTEM DEVELOPMENT CHARGES

System development charges (SDCs) are an effective tool used to help finance a growth-related infrastructure. Such tools are important as Salem continues to experience a significant rate of growth. Under the current or pre-Measure 47 system, growth does not add to a local government's tax base. In fact it causes existing resources to be stretched further to cover an expanding need for services. There are legislative bills which would limit or modify portions of the SDC law this session.

Objective: Oppose efforts to change or weaken existing SDC law.

PROPERTY TAX EXEMPTIONS

Every session there is a legislation which would add to the list of property tax exemptions, deferrals, credits, etc. While the intended benefit of such exemptions may be worthwhile, the cumulative impact could be significant for cities, counties, and other local governments which rely on the property tax as a primary source of revenue. Property tax expenditures result in tax losses to schools and local governments under compression and tax shifts and increased tax rates for local governments not under compression.

Objective: Oppose large tax exemptions unless such proposals are part of a larger tax overhaul. Carefully examine legislation which adds or extends additional property tax exemptions or deferrals. Weigh the costs and benefits to the public on a case by case basis.

POTENTIAL STATE BUDGET IMPACTS

Even after the full implementation of Measure 5, there is still intense pressure on the state budget to increase spending on education, corrections, parks, human resources and salmon restoration. The resulting impacts on local government are not fully known. Possibilities include reduction in state shared revenues, increases in fees, cut-backs in services that would increase the burdens on local communities, losses to lottery-funded economic development projects, etc.

Objective: The city will oppose any cost shifting in services from the state to local governments. However, we will support maintaining flexibility to provide services in partnership with other governmental entities by creating intergovernmental agreements to fit our own regional circumstances.

LOTTERY FUNDS

See Community Development

PREEMPTIONS ON CITIES' REVENUE RAISING AUTHORITY

Legislation has again been introduced to preempt specific and collective methods for cities to raise revenue. These efforts undermine local control and the ability for a community to manage itself given its unique individual circumstances.

Objective: Oppose state legislation which preempts local control or erodes cities' revenue raising authority. It is important for local governments to maintain as many potential revenue options as possible in light of Measure 47.

REAL ESTATE TRANSFER TAX

Every session there is legislation to ban local governments' ability to enact a real estate transfer tax. For the past two sessions, these proposals have been vetoed by the Governor. This session a proposal may be considered to adopt a statewide real estate transfer tax, the proceeds of which would be dedicated to affordable housing, infrastructure, and county assessors.

Objective: Salem has consistently opposed efforts to pre-empt our ability to adopt a real estate transfer tax. We would like the ability to retain the flexibility to decide on a real estate transfer tax as a potential source of local revenue to meet the particular needs of our community.

COMMUNITY DEVELOPMENT

LOTTERY FUNDS

There are a number of infrastructure programs that benefit cities from lottery funding such as the Special Public Works Program, the Community Facilities Program, and the Water Fund. Special projects in Salem that could receive funding include Willamette Valley Rail Improvements, the AMTRAK station, the Salem Area Mass Transit District's Downtown Transfer Facility, and the Elsinore Theater. Lottery funds will become increasingly scarce as lottery sales are projected to fall off and lottery money traditionally available only for "economic development" is now also available for education.

Objective: The Council feels that cities should receive a formula allocation of lottery proceeds as a revenue sharing opportunity, which would be especially critical in light of Measure 47 losses. Lottery dollars allow for economic development projects that otherwise are not affordable. These projects provide jobs, improve the economy, and increase the livability of our communities.

DLDC BUDGET

Within the proposed budget for DLDC, there is approximately \$3 million in financial assistance to local governments in the form of planning assistance grants and demonstration project grants. These grants have helped local governments undertake a variety of planning projects to help develop and implement their comprehensive plans. For example, Salem received a \$15,000 planning assistance grant to help conduct the mandated periodic review of the Salem Area Comprehensive Plan.

Objective: Support funds to help provide technical planning assistance to meet state mandates

BUILDING CODES - CERTIFICATION FOR INSPECTORS

Under current law and administrative rules, the Building Codes Division adopts education, training and experience requirements for plans examiners and building inspectors. These requirements must be met before an applicant may sit for an Oregon exam. This means that building inspectors with national certifications and experience in other states are excluded from working in Oregon. This situation has fueled the shortage of available personnel, especially in rapid growth communities such as Salem.

Objective: Support legislation which would modify certification requirements, while assuring public safety, and which would relieve the shortage of building inspection personnel.

BUILDING CODES - LOCAL ENFORCEMENT

Legislation may be introduced to restrict municipalities' ability to administer building code programs or require that counties be given primary responsibility for building inspection services.

Objective: Oppose bills which may restrict cities' ability to offer local building inspection programs.

BUILDING CODES - DEDICATION OF TRAINING & EDUCATION SURCHARGE

Under current law, a 1% surcharge is levied on building permit fees to fund training and education programs administered by the Department of Consumer and Business Services. There is concern that these funds are not being used for the intended purpose of training and education building code staff. Legislation will be introduced to statutorily dedicate the 1% surcharge.

Objective: Support dedicating surcharge revenues to fund education and training programs for building officials and inspectors.

BUILDING PERMIT FEE INCREASES

Under new rules adopted by the Building Codes Division, the state must approve and possibly hold a hearing for all permit fee increase requests. There is no time limit placed on BCD to set a hearing. There is great concern that the process is unreasonable and will unnecessarily delay approval of fee increases.

Objective: Support efforts to allow building permit fee increases to be processed more efficiently.

GENERAL GOVERNMENT

TELECOMMUNICATIONS AND ENERGY DEREGULATION

There will be tremendous change over the next several years with the passage of federal legislation deregulating the telecommunications and power industries. No longer will there be clear distinctions between services provided by your telephone, cable and electric companies. This new structure

coupled with rapid changes in technology means new competitive providers will be entering the market with new products and services. In addition, traditional providers will be offering nontraditional services. Competition is expected to be fierce.

Cities have historically been responsible for the management of public streets and rights-of-way for the benefit to the public. Cities are also responsible for determining the appropriate uses of public streets and for charging a fair rate of return for the direct and indirect use of the rights-of-way for the delivery of electricity, natural gas, or telecommunication services. Currently, utilities and some telecommunication service providers compensate cities for use of the public rights-of-way with franchise fees or privilege taxes. This compensation is calculated as a percentage of gross revenues collected by the utility within the jurisdiction of the city charging the fee.

Cities support competition and the provision of new services to our citizens and businesses. In this new era of deregulation, some new providers entering the field will be by-passing the established fee system. For most cities, franchise fees are a significant contribution to their general fund. In Salem last year, the city received approximately \$6 million in franchise fees from public utilities for the use of the public's rights-of-way. Unless legislation changes the method for collecting franchise fees this amount is expected to drop off as utilities divide themselves up on the power side and the significant portion of the telecommunications providers by-pass the current franchise system.

To help analyze the various legislative concepts, the city has identified the following policy statements:

Objectives:

1. Cities must continue to have authority to manage and coordinate out rights-of-way to maintain and protect the public's investment and also the public's access and safety.
8. Cities should continue to have the authority to charge fair compensation for utilities' rent of the public rights-of-way and assess fees for the city services provided at the utility's request.
9. The compensation should be collected locally. State administration would be duplicative and unnecessary **because the level of compensation will vary across the state and some communities may choose not to seek compensation at all.**
10. Any change to the franchise fee system in terms of how compensation may be collected should not result in a redistribution of who pays or cost-shifting within classes of ratepayers.
11. The city supports competition and the provisions of new services for our citizens. The city does not want in any way to inhibit competition for new providers and therefore believes that all providers should pay for the direct and indirect uses of the public's right-of-way.

PUBLIC CONTRACTING

The city of Salem is committed to delivering city services in the most efficient and cost-effective manner possible. Currently, the city contracts out many of its services where it is cost-effective. In past sessions, there have been efforts to require contracting of public services.

Objective: Oppose legislation that does not allow for local decision making and flexibility in public contracting.

QUALITY BASED SELECTION

The professional associations representing architects and engineers have introduced legislation which would require that local governments treat the personal service contracts for architects, engineers, and land surveyors differently than all other contracts. For these contracts, local governments would not be allowed to consider the price of a proposal until after the consultant is selected. Salem currently uses a weighted combination of criteria that includes qualifications, experience, and price among other factors for judging proposals for professional design projects.

Salem fees including a price component up front helps ensure a better return on the public's dollar.

Objective: Oppose legislation that would prohibit local governments from using price as a consideration in the local decision-making process.

MUNICIPAL LIENS

During the 1995 session, legislation was introduced and approved by the Oregon Land Title Association that changed the filing requirements for municipal liens. The intent was to require cities to give notice of liens for local improvement districts and payment contracts for Bancrofted system development charge agreements to title companies. The new law also requires cities to provide notice of final payment of these liens. There are some unintended consequences of this legislation that needs to be fixed. The main issue for Salem is to clarify that cities providing on-line computer access to municipal liens are exempt from the new county filing requirements.

Objective: Support changes to the municipal lien law to clearly exempt those cities with on-line access from also having to file these liens with the county.

PUBLIC RECORDS

Current law allows for an exemption for disclosure of home addresses and phone numbers only if it would constitute a danger to personal safety. Currently, exemptions to disclosure happen only on a case by case basis and have to be proven with supportive documentation. Employees feel the release of their personal information is an invasion of their privacy and they fear for their personal safety.

Objective: Support legislation that exempts from public disclosure the home address, phone number, and performance evaluation (including disciplinary actions) of public employees so long as the performance evaluations are available through the court.

LITTLE DAVIS BACON

Under the current method for determining prevailing wage scales for public works contracts there is no relation to the true market value for the region. The result has been an inflated wage scale.

Objective: Support legislation that connects the prevailing wage with the true market wage for the local area.

HOUSING

HOUSING TRUST FUND

The Housing Trust Fund, initially started in 1991, provides an ongoing subsidy for construction of new or rehabilitated affordable housing units. The program leverages other public and private resources and has worked very well. The Housing Lobby Coalition is looking for additional funding to increase the benefits of the Housing Trust Fund. One possibility includes tapping into lottery dollars.

Objective: Support the concept of increasing the investment in the Housing Trust Fund. Analyze each proposal in a case by case basis.

OREGON LOW INCOME HOUSING TAX CREDIT

Formerly known as the Lender's Tax Credit, this program offers lenders a formula based tax credit reflecting the difference in interest rates in loans made to low and very low income borrowers. Legislation has been introduced to increase the annual cap on the amount of tax credit for lending institution loans.

Objective: Support increasing the cap.

SALEM SPECIFIC ISSUES

PAYMENT IN LIEU OF PROPERTY TAXES

Because we are the seat of state government, Salem contains a large amount of tax-exempt properties which do not contribute to the cost of providing public safety and other city services. It is estimated that over 40% of the land in Salem is tax exempt and the state's share of tax exempt property in Salem is estimated at 28%.

Objective: Support efforts to obtain compensation or other types of contributions from the state in lieu of paying property taxes for city services

STATE INSTITUTION IMPACTS

The city is concerned with the potential impacts from budget decisions made by the Legislature that would have the effect of increasing institutional impacts on the Salem community. Salem houses nine state institutions within our borders. The impact from these institutions on public safety and social service systems in Salem and the surrounding mid-valley communities are well documented.

The city would be particularly concerned with budget decisions for the Department of Corrections that either increase capacity or transfer other programs to Sale facilities. We would also be concerned with legislative decisions that would delay the construction of new prisons, and downsize Fairview or consolidate the schools for deaf and blind without the adequate consultation with the city.

Objective: Salem will continue to support efforts to maintain balance in the institutional population here in the Willamette Valley.

PRISON SITING

The effort to locate more prisons through a supersiting process may be in jeopardy. In December of last year, the Governor delayed a final decision on two recommended sites where alternatives were proposed too late to be considered by the siting process. The Governor instructed the Department of Corrections to go back out in search of new sites in the two specific regions to ensure the best site available would be chosen.

Legislation has been introduced to change the siting criteria and alter the siting process. Since Salem was nominated and has successfully avoided being chosen for another prison, we are concerned about proposals that would change the rules mid-stream and that might also result in the Department of Corrections having to start over. Overcrowding and associated problems in existing institutions will only get worse as construction on new facilities is delayed.

Objective: Carefully examine any legislation that alters the prison siting process. Oppose legislation that would cause unnecessary delays or unfairly subject Salem to housing more prison facilities.

SEND 'EM HOME LEGISLATION

The "Send 'Em Home" legislation was passed in 1989 so that inmates would be sent back to the county of conviction rather than released out of prison into Salem and the surrounding communities. Prior to this legislation, for every felon Salem admitted into the state prison system, we received two back into our community. The law did work to reduce the number of inmates being released into Marion County. However, because of a loophole and a large number of exemptions, the Mid-Willamette Valley is still receiving a disproportionate share of inmate releases.

Objective: Support legislation which would require inmates convicted of a crime while in prison to be released in the county where the original conviction took place.

CLOSURE OF FAIRVIEW TRAINING CENTER

Mental health officials with the state are planning to close the Fairview Training Center in July of 2000. The institution houses people who are mentally retarded or have developmental disabilities. Fairview currently houses about 350 residents and employs 1,550 staff. Those who favor closure say that it would make economic sense and enable the state to provide mental health services to more people. Those who are opposed to the closure are concerned that the population remaining in Fairview are those with the most severe disabilities and they could not be cared for in a group home. Closure will have economic impact on Salem. One projection estimated the value of take-home pay and health benefits that would be spent in the community at approximately \$27.6 million annually.

Objective: Support closure of Fairview only if there is adequate resources available to transition and house the remaining residents without diminishing their quality of care. Require

that the city be an active participant in all discussions about ultimate disposition of the property.

TRANSPORTATION

TRANSPORTATION FINANCE

Our transportation funding needs are reaching a critical level. Inflation has reduced the buying power of existing funding at a time when the state's population is experiencing unprecedented growth. Without additional funding, not only will we lose our investment in the existing system, but we will be unable to address the other critical transportation needs such as public transit and seismic retrofits. To fully implement the perpetual life maintenance goal, the City of Salem needs an increase of \$2.1 million per year in street maintenance funding.

The House of Transportation Committee has passed out a proposal that would increase the gas tax by \$.03 per year for the next three years. Plus it would increase the vehicle registration fee by \$20.00 per year. One of the most significant pieces of the proposal is the redistribution of the gas tax. It is currently split 60 % to the state, 24 % to the counties and 14 % to the cities. The new proposal calls for a 50/30/20 split which begins to move the distribution formula towards a more equitable formula.

Objective: Strongly support the transportation finance package for the 1997 session.

COST RESPONSIBILITY

Since 1925, Oregon has had a road user finance system based on the principle that road users should pay for their fair share of road costs. To determine responsibility, the Oregon Department of Transportation (ODOT) looks at the type of vehicles that are using the roads and the maintenance, rehabilitation, and modernization work that is being performed on the roads. ODOT then assigns a share of those costs to the vehicles in proportion to the wear caused by each type of vehicle.

The largest source of street revenues comes from the gas tax for cars and the weight-mile tax for heavy trucks. National trucking firms have been advocating for the repeal of the weight-mile system claiming that is one of the highest taxes in the nation.

Objective: Salem supports continuation of the principle that users of the road system should pay their fair share.

ODOT BUDGET

Within the proposed budget for the Oregon Department of Transportation (ODOT) are funds for the Transportation/Growth Management (TMG) program. This program provides technical assistance and project grants to local governments to help them comply with the Transportation Planning Rules, ISTEA, and also to demonstrate the implementation of a number of growth management planning tools.

Under the TGM program Salem has received approximately \$177,000 to fund six projects. ODOT's budget also contains financial assistance to large cities to develop transportation demand management

programs. Both of these programs will benefit Salem with regard to air quality, reduced traffic congestion, and economic development.

Objective: Support continuation of technical assistance grants to local governments in the ODOT budget.

COUNCIL POLICY NO. A-9

TITLE: ROLE OF CITY OF SALEM RELATING TO THE IMMIGRATION AND NATURALIZATION SERVICES (INS)

POLICY: See attachment.

REFERENCE: December 15, 1997, Council Agenda Item 9.2.k

1.0 PURPOSE

This policy clarifies the communication and enforcement relationship between the City of Salem (City) and Immigration and Naturalization Services (INS).

2.0 GENERAL POLICY

The INS has the legal authority to enforce immigration laws in the United States, in Oregon and in the City. While Federal Law does not permit the City to prohibit or restrict the sharing of citizenship or immigration status information between INS and local government entities or officials, the City does not operate its programs for the sole or primary purpose of enforcing federal immigration laws. The City works cooperatively with all federal, state and local government entities to ensure that specific laws, rules and regulations are identified and upheld by each respective agency.

3.0 POLICY GUIDELINES/PROCEDURES

- a. This will be the sole policy of the City regarding communication and enforcement policy between the City and INS.
- b. City Services
 - 1) City employees and representatives carry out their regular duties for the purpose of administering City services and programs and do not perform duties dictated by the INS or agents of the INS.
 - 2) City employees and representatives will follow general city, state and federal guidelines to assess eligibility for services. City employees and representatives will not discriminate against any current or potential service users in terms of race, sex, color or national origin. City employees and representatives will not require information from current or potential service in terms of race, sex, color, or national origin unless that information is required by law or by the program the employees and representatives administer. City employees and representatives may seek race, sex, color and national origin information on a voluntary basis, so long as the information is not used for the enforcement of immigration laws.
 - 3) City employees and representatives will cooperate and communicate with the INS as any other governmental entity. Some work functions of City employees and representatives includes verifying immigration status, such as when hiring new personnel. However, beyond these work functions, City employees and representatives will not administer their programs for the sole or primary purpose of enforcing immigration laws.
 - 4) City employees and representatives will not use their resources and personnel to detect or apprehend persons whose only violation of law is illegally residing in the United States, except as provided for in 3.0(b)(3) of this policy.
- c. Reference is made but not limited to the following laws, codes and statutes:
 - 1) 42 United States Code 2000(d), Title VI, Civil Rights
 - 2) Oregon Revised Statutes 181.850
 - 3) 8 United States Code 1357(d), Title VIII Aliens, and Nationality
 - 4) Federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996
 - 5) Federal Illegal Immigration Reform and Immigration Responsibility Act of 1996

- d. Willful violation of this policy shall be subject to disciplinary action under the City of Salem Rules, appropriate union contract, civil service rules, or other city or department rules and/or regulations.

COUNCIL POLICY NO. A-10

TITLE: CITY COUNCIL AGENDA BRIEFING FOR CCTV

- POLICY:**
1. Prior to each meeting, the Mayor or a City Councilor will brief the CCTV audience about important issues on the upcoming agenda. This assignment will be on a rotating basis. The Councilor from Ward 1 will be first; followed by the Councilor from Ward 2; and so on through the Mayor.
 2. If a Councilor declines to make a presentation or is absent, then the assignment will rotate to the next Councilor in line.

REFERENCE: Legal Department Staff Report 9/14/98 (Agenda Item 4.1.a); Councilor's item 9/13/99 (Agenda Item No. 11.2.c)

COUNCIL POLICY NO. A-11

TITLE: CITY COUNCIL STAFF REPORT OPTIONS

POLICY: See attachment.

REFERENCE: Councilor Policy Item 5/24/1999 (Agenda Item 11.2.a); City Manager Staff Report dated 12/6/1999, Agenda Item No. 4.2.1

Attachment II

Draft City Council Policy

STAFF REPORT OPTIONS

Staff reports to the City Council shall contain an Options section under the following criteria:

I. Reports Not Requiring an Options Section

- A. Response to direction already taken by City Council
- B. Reports with a recommendation of Receive and File
- C. Information only reports that describe an event, a program already in existence or matters of law or fact.
- D. Reports that establish meeting dates (for public hearings, work sessions, ect.)
- E. Issues reviewed in executive session
- F. Reports where the only other option is “Do not approve”
- G. Reports where, in the judgment of staff, options are not viable.

II. Reports Requiring an Options Section

- A. Reports that respond to Council request for options
- B. Reports where staff is asking the Council to make a decision about:
 - 1. Program direction
 - 2. A change of clarification in policy
 - 3. An issue with a significant fiscal impact on the city
 - 4. An issue that impacts staff workload

III. Items to Consider in Options Section, where applicable

- A. Cost
- B. Impact on adopted plans, policies or ordinances
- C. Impact on public
- D. Impact on staff workload
- E. Impact on economy, livability, and environment

IV. In order to conserve staff resources, options would be conceptual; Council could then direct staff to provide more detailed information on particular options(s).

COUNCIL POLICY NO. A-12

TITLE: POLICY ON NEWS MEDIA ATTENDANCE AT EXECUTIVE SESSIONS

POLICY: See attachment.

REFERENCE: Oregon Revised Statutes (ORS) Chapter 192

CITY OF SALEM
POLICY ON NEWS MEDIA ATTENDANCE AT EXECUTIVE SESSIONS

WHEREAS, Oregon public meetings law provides that representatives of the news media shall be allowed to attend certain executive sessions of public bodies, but such representatives may be required not to disclose specified information (ORS 192.660(4)); and

WHEREAS, because at the time state law regarding media attendance at executive sessions was adopted the “news media” consisted of entities that were institutionalized and structured to support compliance with the requirements of ORS 192.660(4), the law includes no express mechanism for enforcing those requirements; and

WHEREAS, technological advances since the time the public meetings law was initially adopted have resulted in communications mechanisms allowing virtually any individual or entity to disseminate information widely; and

WHEREAS, the City Council of the City of Salem finds that in the absence of a statutory definition of “news media” as that term is used in ORS 192.660(4) it is necessary to adopt a policy that implements the intent of the public meetings law relating to executive session attendance without precluding attendance by Internet-based or other “non-traditional” information disseminators that are institutionalized and committed to compliance with ORS 192.660(4); and

WHEREAS the City Council of the City of Salem recognizes that this policy is solely for the purpose of determining eligibility of individuals to attend executive sessions where disclosure of specified information from the executive sessions is prohibited, and is not intended to otherwise define “news media” or to determine eligibility to report on City of Salem activities or to limit access to other City of Salem meetings by any person.

Now, therefore, the City of Salem hereby adopts the following policy:

1. Currently Recognized New Media Organizations. The following entities, through their authorized and authenticated representatives, are hereby recognized as news media organizations eligible to attend executive sessions, as they have an established history of meeting the requirements of this policy:

Print Media Organizations:

<i>Appeal Tribune</i>	<i>Salem Weekly</i>
<i>Capital Press Agricultural Weekly</i>	<i>Statesman Journal</i>
<i>Daily Journal of Commerce</i>	<i>Stayton Mail</i>
<i>Keizer Times</i>	<i>Willamette Week</i>
<i>Oregonian</i>	
<i>Polk County Itemizer-Observer</i>	

Radio Media Organizations (within 10 miles of Salem)

KBZY
KMUZ
KPJC
KRKT
KSND
KWAX
KWBX
KYKN

Television Media Organizations:

KATU
KOIN
KGW
KJWY
KNMT
KOPB
KPTV
KPXG
KRCW

No other entity or its representative shall be permitted to attend an executive session unless it is recognized through the process set forth in Section 2 below.

2. Recognition of other News Media Organizations.

a. The following entities are recognized as news media organizations eligible to attend executive sessions:

- (1) A general or associate member newspaper of the Oregon Newspaper Publishers Association, a broadcast member of the Oregon Association of Broadcasters, or a member of the Associated Press; or
- (2) A newspaper that the City of Salem uses for publication of public notices and that meets the requirements of ORS 193.020; or
- (3) An entity recognized by the City of Salem as being a news source that:
 - A. is organized and operated to regularly and continuously publish, broadcast, transmit via the Internet, or otherwise disseminate news to the public, and that regularly reports on activities of the City of Salem or matters of the nature under consideration by the City of Salem; and

B. is determined by the City of Salem to be a business entity that is institutionalized¹ and that is committed to, and is structured to support the terms of ORS 192.660(4).² In making this determination, the City of Salem may consider and weigh any factors that it deems to be relevant, including, without limitation, the existence of any of the following factors:

i. the entity has multiple personnel with defined roles within its organizational structure;

ii. the names of news-reporting personnel and responsible entity management personnel, together with addresses and contact telephone numbers, are readily available; and

iii. the entity has a process in place for correcting errors, including violations of executive session statutes, by a person with authority to take corrective measures.

b. It shall be the entity's burden to persuade the City of Salem by substantial evidence that it should be recognized as a news media organization meeting the criteria in Section 2(a) of this policy. Such evidence must be submitted thirty (30) calendar days in advance of the first executive session that the entity desires to attend. The City of Salem shall make a determination within fifteen (15) calendar days of receiving the evidence submitted by the entity. A determination that the entity is not recognized shall be based upon written findings addressing the criteria in Section 2(a).

3. Attendance at Executive Sessions. Representatives of news media organizations recognized pursuant to Sections 1 and 2 of this policy shall be allowed to attend executive sessions, except as described in ORS 192.660(4) and 192.660(5), pursuant to the following process:

a. Representatives must provide substantial evidence persuading the City of Salem that they are a news reporter for a recognized news media organization. In making its determination whether to recognize a representative of a news media organization, the City of Salem shall require:

(1). A press badge or identification issued by the recognized news media organization, plus proof of identity (e.g. a driver's license); or

¹ For purposes of this policy, "institutionalized" means long-established or well-established.

² ORS 192.660(4). Representatives of the news media shall be allowed to attend executive sessions other than those held under subsection (2)(d) of this section relating to labor negotiations or executive session held pursuant to ORS 332.061(2) but the governing body may require that specified information be undisclosed.

(2). A recently published news article in the recognized news media organization publication or broadcast, with the person's byline, or a masthead showing the person's name as a member of the news gathering staff of the recognized news media organization, plus proof of identity; or

(3). A letter on letterhead from an editor of the recognized news media organization in which the editor states that the reporter is covering the meeting for the news media organization, plus proof of identity.

b. Representatives of the news media are not permitted to attend executive sessions involving the deliberations with persons designated to carry on labor negotiations. See ORS 192.660(4). If the executive session is being held for the purpose of conferring with counsel about current litigation or litigation likely to be filed, the City of Salem shall exclude any member of the news media from attending if the member is party to the litigation to be discussed or is an employee, agent, or contractor of a news media organization that is a party to the litigation. See ORS 192.660(5).

c. The City of Salem may require that a request to attend an executive session be made in writing. Such request shall provide the person's name and the entity for which he or she is a news reporter. The request shall also provide evidence described in subsections 3(a)(1), 3(a)(2), and 3(a)(3) of this policy. The request shall include the signature of the representative, certifying that he or she is gathering news for a recognized news media organization, that the information given is true and accurate, and that he or she agrees to comply with ORS 192.660(4).

d. The City of Salem may consider any relevant evidence provided or gathered in making its decision as to whether a person shall be recognized as a representative of a recognized news media organization.

4. Recording Devices Prohibited. Cameras, tape recorders, cellular telephones, tablets, laptop computers, and any other devices capable of recording voice or video shall not be permitted or used in executive sessions, except for the equipment used by City of Salem staff to make the official recording of the executive session.
5. Exclusion Based on Direct Personal Interest. A representative of any recognized news media organization that has a direct, personal interest in the subject of the executive session that would frustrate the purpose of the executive session may be barred from attending.
6. Application to Boards and Commissions. This policy and the procedures set forth herein shall also apply to all of the boards and commissions of the City of Salem to the extent that a board or commission has authority to meet in executive session.

GOVERNMENT

B - Administration

COUNCIL POLICY NO. B-1

TITLE: PROGRESSIVE ACTIONS TOWARD OBTAINMENT OF COMPLIANCE WITH CITY LICENSING, NUISANCE ABATEMENT, SIGN AND NOISE CODES

POLICY: It is the policy of the City of Salem to progressively take action to obtain compliance with City codes, i.e., correction notices shall be employed as the first step in obtaining compliance rather than citation issuance. This policy is based on the philosophy that citizens and businesses are often unaware of code requirements, that government's first responsibility is to educate violators through the correction notice process, giving citizens an appropriate period of time to alleviate the violation. At the time a correction notice is issued, City staff shall provide copies of the specific code requirements to help provide the appropriate information to the citizen(s).

There are three exceptions to the progressive compliance policy.

1. when a citizen refuses to take a correction notice and instead requests immediate court adjudication,
2. when the violation presents a clear and present danger and the citizen refuses to abate the hazardous situation, City staff shall take action to try and eliminate that danger,
3. when an individual or business has previously been notified by a correction notice within a one year period, further providing that a) it is the identical violation as before, b) it is the same address, and c) the same individual or business who received the previous correction notice. In such cases a citation is issued.

**IT IS THE CITY'S PHILOSOPHY TO ABATE NUISANCE AND VIOLATIONS,
ISSUING CITATIONS AS A LAST RESORT.**

REFERENCES: City Council Goals
Council Action: August 21, 1989 (Revised
Enforcement Procedures: Nuisance, Health Hazards
and Zoning Codes Staff Report)

BACKGROUND INFORMATION: This policy promotes Salem's livability by insuring compliance with Salem's codes while insuring due process rights of citizens and businesses in violation of these codes.

COUNCIL POLICY NO. B-2

TITLE: DEFENSE OF CITY OFFICIALS IN PROCEEDINGS NOT SUBJECT TO
THE OREGON TORT CLAIMS ACT

POLICY: See attachment.

REFERENCES: City Attorney/City Manager Staff Report dated 7/5/94, Agenda Item No. 7.2.h

**DEFENSE OF CITY OFFICIALS IN PROCEEDINGS NOT SUBJECT TO
THE OREGON TORT CLAIMS ACT**

1. It is in the public interest of the City of Salem that Salem’s elected officers, members of official City boards and commissions, and the City administrative employees be free of the fear of personal financial hardship resulting from having to defend claims and charges (other than “true” crimes punishable by imprisonment) which are beyond the scope of the OTCA and which arise out of their good faith performance of their duties.
2. In no event should the resources of the City be committed to the defense of a City officer or employee unless the Council is satisfied that :
 - A. The action or omission of the officer or employee was in good faith and without malice in the course of his or her official duties. Good faith is absent if the officer or employee knew or reasonably should have known that the action or omission would violate the law, rule or regulation which he or she is charged with violating; and
 - B. The officer or employee did not act contrary to the advice of legal counsel.
3. In no event should the resources of the City be committed to the defense of a City officer or employee unless the Council is satisfied that:
 - A. The offense charged is based solely on the alleged negligence of the officer or employee, and the officer or employee was not malfeasant in office nor willfully or wantonly neglectful of official duty.
 - B. It appears that the allegedly criminal act or omission was done or omitted as a conscious or good faith choice between evils in response to an emergency, or as a conscious and good faith attempt to protect persons from injury, disease, or to protect property from damage or destruction, either of which would have been likely and substantial had the officer or employee not acted in the manner charged.
 - C. The only basis for charging the official is vicarious liability for the misconduct of a subordinate, and where the official clearly did not participate in or condone the subordinate's conduct knowing or having good reason to know it to be unlawful.
4. Any such commitment of City resources must be contingent on the Council's continued satisfaction that the conditions found to justify defense continue to be met. Should it appear that the officer or employee has misstated or failed to disclose facts which, if known, would have changed the initial decision to defend, the City's commitment to that person's defense shall be withdrawn and the City shall be entitled to recover from that person any public funds expended on that person's defense.
5. Ordinarily the commitment to defense of an officer or employee will involve direct payment of defense costs as they are incurred. In any case, however, the Council may choose to commit only to reimbursement of validated expenses in the event the officer or employee is ultimately exonerated.

6. In no event will the office of the City Attorney be used to provide primary defense for a City officer or employee on a claim or charge outside the scope of the OTCA. The City Attorney may, however, provide information and assistance to the attorney retained to defend the case unless the City Attorney determines that such assistance would create a conflict of interest or otherwise violate the Code of Professional Responsibility governing attorneys.
7. Nothing in this policy should be construed to entitle any officer or employee to defense. The intent of the policy is to vest discretion with the Council with certain restrictions as to when defense funds may not be provided. In each case the Council should be guided by considerations of what is in the best interest of the City of Salem, subject to the above conditions and restrictions.
8. The exception to this policy is the case of citizen-signed traffic infraction citations issued to the City police officers for driving in the course of official duties. The current practice of the City Attorney is to provide a defense where such a citation is apparently groundless. This practice should be continued.

Discussion of Alternatives:

The above policy represents only one alternative, the other being a determination not to provide for defense of public officials.

COUNCIL POLICY NO. B-3

TITLE: SETTLEMENT OF CLAIMS BY THE CITY

POLICY: This policy applies to all instances in which the City of Salem has or may assert a monetary claim against any other person, firm, corporation or other entity, and then only to the extent that the City has the discretion to pursue recovery and to determine the amount of the claim or settlement.

It is in the public interest that claims which are the City of Salem has or May assert be resolved and settled to the City's best interest, considering such factors as value of the City's loss, damage, services, or other basis for the claim, the likelihood of achieving full recovery in light of the circumstances of the person or entity against whom the claim is made, the City's cost in pursuing recovery, and the precedent which may be set in the way the claim is resolved.

It is also in the public interest that all such claims be valued and settled expeditiously, and at the administrative level of the City government unless there are other factors present which involve significant public policy issues such that Council decision is appropriate.

To further these goals the City Manager, and such City staff as the Manager may designate, are authorized to evaluate, adjust and compromise or settle on behalf of the City of Salem, and on such terms as they deem in the City's best interest, any and all claims described in the first paragraph of this policy.

The City Manager is directed to refer to the City Council for its resolution, such claims as the Manager deems to involve significant policy issues, and such claims as the Council may, from time to time, direct to be so referred for its consideration.

REFERENCE: City Attorney/City Manager Staff Report July 22, 1996 (Agenda Item 9.2r)

COUNCIL POLICY NO. B-4

TITLE: COMPARABLE JURISDICTIONS

POLICY: From time to time council asks for or staff provides, on its own initiative, comparison with various other jurisdictions as a guide to setting policy.

With the exception of legal research, labor relations and salary survey information, the following cities will be included in such comparative surveys:

1. Beaverton
2. Corvallis
3. Eugene
4. Gresham
5. Medford
6. Springfield
7. Hillsboro
8. Keizer

Legal research is usually limited to narrow issues that may involve cases from throughout the country. Legal research should, therefore, be exempt from a policy on comparative surveys.

For salary and labor relations issues, the comparable agencies will be established by the arbitrator, the collective bargaining process or the personnel director.

Staff may include additional jurisdiction in comparative surveys. Staff should explain why these agencies were selected.

Because the reasons vary widely for comparative surveys outside of Oregon, council has not approved a regional comparison list. However, the staff should explain why particular agencies were selected when they present regional comparative information to the council.

REFERENCE: City Manager Staff Report dated 7/7/97, Agenda Item No. 7.2.o

COUNCIL POLICY NO. B-5

- TITLE:** PUBLIC FORUM POLICY FOR CIVIC CENTER ATRIUM AND BREEZEWAYS
- POLICY:** Set forth below.
- REFERENCE:** U.S. Constitution, First Amendment; Oregon Constitution, Article I, Section 8; Article XI, Section 2; *Perry Education Assn. v. Perry Local Educators' Assn.*, 460 U.S. 37, 45-46, 103 S.Ct. 948 (1983); *Rosenberger v. Rector and Visitors of University of Virginia*, 515 U.S. 819, 830, 115 S.Ct. 2510 (1995), and; *Good News Club v. Milford Central School*, 533 U.S. 98, 109, 121 S.Ct. 2093 (2001).

CITY OF SALEM POLICY ESTABLISHING THE CIVIC CENTER ATRIUM AS A LIMITED PUBLIC FORUM AND CIVIC CENTER BREEZEWAYS AS NOT PUBLIC FORUMS

Recitals:

1. The Civic Center Atrium, identified as the enclosed area within the Vern Miller Civic Center and covered by an semi-opaque roof (“Atrium”), and the breezeways within the enclosed area serving City offices, serve as the public entrance to the City’s administrative offices and the City Council Chambers, as well as the primary means of access between City offices for the public and City employees.
2. The Atrium has historically been used as an “outdoor” meeting room for City functions, such as ceremonial presentations, and a gathering place for City employee events. The City has not formally permitted the Atrium to be used by the general public for public recreation or assembly or private meetings or events.
3. The assembly of people within the Atrium is disruptive to the efficient operation of City business, in that; sounds within the Atrium echo and can be easily heard within abutting City offices, and; groups of people within the Atrium may cause inconvenience for City employees and visitors to the Civic Center by impeding their route to City offices.
4. It is in the best interests of the City and the public to designate the Atrium as a limited public forum in order to coordinate activities within the Atrium to minimize disruption of City operations and inconvenience to the public.
5. The breezeways abutting the Atrium have always not been considered public forums and not appropriate for public assembly, because they serve as the primary means of access to City offices by City employees and visitors to the Civic Center.

Now, therefore, the City of Salem hereby adopts the following policy:

1. The Civic Center Atrium is designated as a limited public forum, to be used as an outdoor meeting room for City sponsored purposes, such as City employee gatherings and events, and ceremonial events where the public may be invited.
2. The City shall not sanction or authorize the use of the Atrium for assembly of groups of the general public regardless of the content, viewpoint, or expressive nature of the assembly, and reserves the right to refuse permission for such assemblies, if in the City Manager's, or the City Manager's designee's, sole discretion, such an assembly is disruptive to City operations, inconveniences the public's use and access to the Civic Center, or is otherwise injurious to the public safety and welfare.
3. The breezeways abutting the Atrium are designated as not public forums and public assembly within the breezeways is not permitted.

GOVERNMENT

C - Finance

COUNCIL POLICY NO. C-1

TITLE: TOT FUNDING POLICY

POLICY: See Attached

REFERENCE: City of Salem Charter, Section 56 – Transient Occupancy Tax, and SRC Chapter 16 – Salem Cultural and Tourism Promotion Advisory Board & Chapter 37 – Transient Occupancy Tax

TRANSIENT OCCUPANCY TAX FUNDING POLICY

The City of Salem has collected a Transient Occupancy Tax (TOT) since 1974. Commonly known as a Hotel/Motel Tax or a Lodging Tax, the TOT is a nine percent (9%) tax charged to the occupant of a hotel/motel room. The TOT is based on the nightly rate paid by the occupant, and is collected for the City by the hotel/motel operator. The purpose of this policy is to provide guidance to the City Manager and the Cultural and Tourism Promotion Advisory Board (Board) to be used in making recommendations to the City Council for the allocation of TOT funds.

Part I - Definitions

As used in this Policy, the following mean:

Administration Division – One of five functional divisions within the Cultural and Tourism Fund in the City Budget. The Administration Division contains the funds budgeted for the costs of City administration of the Cultural and Tourism Fund.

Applicant – Any person that applies to the Board seeking a recommendation for the allocation of TOT funds from the Major Tourist Attraction and Cultural Facility Division.

Capital Asset – A depreciable asset, other than a capital improvement, that is necessary for the operation of a facility.

Capital Improvement – A depreciable asset that is affixed to a facility and either increases the useful life or types of uses for the building or structure upon which it is installed.

City Programs Division – One of five functional divisions within the Cultural and Tourism Fund in the City Budget. The City Programs Division contains the funds budgeted for enhancement and beautification of vehicular and pedestrian entrance-ways to the city urban beautification generally, restoration and maintenance of city-owned historic structures and grounds and payment of the structures' utilities, and City services at the state fair.

Conference Center Division – One of five functional divisions within the Cultural and Tourism Fund in the City Budget. The Conference Center Division contains the funds budgeted for the Salem Conference Center gain/loss reserve and general marketing.

Cultural Facility – A building, structure, premises, or monument or other similar structure having as its primary purpose the advancement or preservation of intellectual aspects of human activity. As used in this definition, intellectual aspects of human activity include, but are not limited to, visual art, literature, music, theatre, and dance.

Cultural Tourism Fund – The fund in the City’s Budget, into which the City deposits all of TOT revenues. The Cultural and Tourism Fund is divided into four functional divisions -- Conference Center Division, Tourism Promotion Division, City Programs Division, and the Major Tourist Attractions and Cultural Facilities Division. The Cultural Tourism Fund also includes a contingency account.

Event Sponsor –The principal organizer and responsible party for an event.

Facility – A cultural facility or a major tourist attraction facility.

Operating Expenses – Expenses incurred for general operating costs, as opposed to depreciable assets. As used in this policy, operating expenses include, but are not limited to, advertising, newsletters, conservation, maintenance, tour guides, security, promotions, brochures, education programs, exhibits, artifact care, event permits, fund-raising, administrative expenses, research, and marketing.

Person – An individual, partnership, corporation, limited liability company, governmental entity, non-profit corporation, cooperative, or other entity in law or fact.

Major Tourist Attraction – Something commonly considered a primary destination for tourists visiting the City including, but not limited to, historical places, monuments, zoos, museums and art galleries, gardens, parks and special events.

Major Tourist Attractions and Cultural Facilities Division – The Major Tourist Attractions and Cultural Facilities Division is one of five functional divisions within the Cultural and Tourism Fund in the City Budget. The Major Tourist Attractions and Cultural Facilities Division contains funds budgeted for operating expenses and capital improvements for facilities and operating expenses for special events.

Major Tourist Attraction Facility – A building, structure, premises, or monument or other similar structure that serves as a Major Tourist Attraction.

Special Events – Performances, conferences, gatherings and other similar events that are of limited duration and are generally sponsored by one or more entities. To be considered a special event, the event must enhance the quality of life for Salem residents and be the type of event that would reasonably be expected to draw tourists to visit Salem to attend the event. Both single and recurring events qualify as special events. Special events may, but need not be, tied to a facility.

Tourism Promotion Division – One of five functional divisions within the Cultural and Tourism Fund in the City budget. The Tourism Promotion Division contains the funds budgeted for

activities performed directly by the City or through contracts that promote the City for conventions, conferences, seminars or for general tourism.

Part II - Recommended Budget

As part of the City's yearly budget cycle, the City Manager will prepare an annual budget recommending an allocation of TOT funds within the Cultural and Tourism Fund for the following fiscal year. The City Manager shall ensure each of the five functional divisions is allocated funds in sufficient amounts to meet the City's contractual or other legal obligations and cover the costs of City administration of the Cultural and Tourism Fund.

The City Manager has discretion to determine what items or activities to recommend for funding under the Conference Center, Tourism Promotion, City Programs and Administration divisions. The City Manager's recommended budget shall include specific line items for each of those four divisions. The City Manager will provide a copy of the recommended budget to the Board for review, pursuant to SRC 16.060(a). Upon reviewing the City Manager's recommended budget, the Board will present any comments or recommendations to the City Budget Committee in the form of a report. The report may also include a summary of activities in the past year and a preliminary work plan for the coming year.

The City Manager shall provide an amount in the recommended budget for the Major Tourist Attractions and Cultural Facilities Division. In so doing, the City Manager shall not provide specific line item recommendations. Pursuant to SRC 16.060(a), the Board will review requests for TOT funds from owners and operators of facilities and sponsors of special events, and then make allocation recommendations to the City Budget Committee. The Board shall establish a process, consistent with this Policy, for receiving and evaluating the requests. The Board's total recommended funding package for the Major Tourist Attractions and Cultural Facilities Division shall be allocated as follows:

- A maximum of 10% of the funds for capital assets for, or capital improvements to, facilities;
- A minimum of 25% of the funds for operating expenses for special events; and
- A minimum of 60% of the funds for operating expenses for facilities.

The Board's recommendation shall allocate 100% of the funds, and the Board shall complete its recommendations for the capital, special event and facility operating grants and forward them to the City Manager by March 30 for inclusion in the proposed budget.

Part III - Evaluation of Requests for the Major Tourist Attractions and Cultural Facilities Division

1. Application / Evaluation Process

The Board shall adopt application forms, a schedule, and evaluation criteria by November 15 of each fiscal year for the capital, special event and facility operating grants. The Board may modify the application forms, schedule, and evaluation criteria from year to year, based upon funding goals and priorities.

The Board shall adopt three application forms: one form for capital assets and capital improvements, a second application form for operating expenses for facilities, and a third application form for operating expenses for special events. The application forms shall require the submittal of any information the Board deems necessary to make a recommendation for award of TOT funds. The Board shall adopt the application forms and make them available not less than 30 days prior to the application deadline.

A. Application

Applications may be submitted by any person who wishes to request TOT funds. The Board may authorize pre-application conferences, which may be mandatory or optional.

B. Schedule

The schedule should fairly inform applicants of the process the Board will use to evaluate requests for TOT funds. The schedule shall include a statement of the following:

- Due dates, and whether the Board will apply different due dates depending upon whether an applicant is seeking TOT funds for a capital asset, capital improvement, or operating expense;
- Whether the Board will hold pre-application conferences, and whether the conference is mandatory or optional;
- The anticipated date the Board will evaluate and make a determination regarding the applications;
- Guidelines for the applicant's participation in the evaluation process, including whether presentations by the applicant will be required or allowed;
- Whether the Board will establish classifications for evaluating requests based upon funding amount requested.

2. Evaluation Criteria

A. Process

The Board shall publish its evaluation criteria concurrently with the application forms and schedule.

The Board will hold a public meeting when considering all applications. Consideration shall occur in open session. The Board shall not consider untimely or incomplete applications.

The Board shall evaluate all requests to fund capital assets, capital improvements, operating expenses for special events and operating expenses for major tourist attraction or cultural facilities collectively, using a competitive process according to evaluation criteria adopted by the Board.

B. Minimum Criteria

The evaluation criteria adopted by the Board shall include the following minimum criteria.

Applicants must be a non-profit corporation having tax exempt status under section 501(c)(3), 501(c)(4) or 501(c)(6) of the Internal Revenue Code at the time of application submission, except that for profit entities may apply for a small special event grant not to exceed \$2,000. Applicants need not have a primary place of business within city limits as long as the funding requested will be used to promote or enhance Salem.

Funds may only be awarded for applications that comply with the limitation on TOT funds under Section 56 of the Charter of the City of Salem. Section 56 of the Charter provides that TOT funds may only be used for the following purposes:

- Enhancement and beautification of vehicular and pedestrian entrance-ways to the city;

- Urban beautification generally;
- Improvements to or operation of major tourist attraction or cultural facilities; or
- Activities performed directly by the city or through contracts that promote use of Salem for conventions, conferences, seminars or for general tourism.

Only owners or operators of facilities and operators of special events are eligible to apply for funding.

Requests by applicants operating City-owned facilities may only request TOT funds for capital assets or capital improvements specifically described as the applicant's responsibility under the applicant's management or maintenance agreement with the City.

Public funds shall not be used to purchase alcoholic beverages.

Part IV - Effective Date of Policy and Review

This Policy is effective beginning FY 2016-17 and is intended to be in effect until the City Council amends or repeals this Policy. If the City Council decides to amend or repeal this Policy the City Council will endeavor to involve the Salem Area Lodging Association, the City's tourism promotion contractor, funding recipients, and the Board in that decision. The Board should review this Policy not less than once every three years, and make recommendations for needed changes to the City Council by August 31 of the year during which the review occurs.

COUNCIL POLICY NO. C-2

TITLE: DEBT MANAGEMENT POLICY

POLICY: See attachment.

REFERENCE: Finance Committee Report dated 8/17/15, Agenda Item No. 3.a (Supplants Finance Committee Reports dated 8/12/13, Agenda Item No. 3.2(e), 2/8/2010, Agenda Item No. 4.2 (b); Finance Committee Report dated 8/4/2008, Agenda Item No. 4.2 (b); Finance Staff Report on CIP dated 4/7/1997, Agenda Item No. 7.2.n; Audit Subcommittee Report dated 5/3/1999, Agenda Item No. 4.2 .t)

CITY OF SALEM DEBT MANAGEMENT POLICY

I. Purpose

The purpose of the City of Salem's debt management policy is to manage the issuance of the City's debt obligations, retain or improve the existing bond rating, and maintain the City's ability to incur debt and other long-term obligations at favorable interest rates for capital improvements, facilities and equipment beneficial to the City and necessary for essential services.

II. Scope

This Policy provides general guidance for the issuance and management of all City debt.

III. Comprehensive Capital Planning and Financing System

The City plans long and short-term debt issuance to finance its capital improvement program based on cash flow needs, sources of revenue, capital construction periods, available financing instruments and market conditions. The City will develop and maintain a capital planning process, such as the annual Capital Improvement Program (CIP), for consideration and adoption by the City Council.

The Finance Division is responsible for analyzing debt requirements, requesting City Council authorization to issue debt, and coordinating the debt issuance. This includes timing of debt, calculation of outstanding debt, debt limitation calculations and compliance, impact on future debt burdens, current revenue requirements, and available unrestricted fund balance.

IV. Authority to Issue Bonds

The Oregon Revised Statutes, Chapter 287A authorizes the City to issue general obligation bonds, revenue bonds, and refunding bonds and to borrow funds for municipal purposes. Under the City Charter, the City Council authorizes the issuance of bonds and notes of indebtedness and the City Manager is responsible for seeing that the terms of all contracts and agreements are fulfilled.

V. Credit Objectives

In determining a city's credit worthiness, bond rating agencies review the following general factors:

- A. Local Economy** – the strength of the local economy and its influence on the ability to repay the debt.
- B. Outstanding Debt** – the amount and structure of a city's overall debt is considered relative to the community's ability to pay.
- C. Financial Environment** – revenue and expenditure trends and the status of reserves and fund balances for the city.

- D. Strength of Management Practices and Strategies** – established policies and practices of the city that promote strategic and financial planning.
- E. Meet the City’s goal to maintain or improve its bond ratings** – to that end, prudent financial and management policies will be established and adhered to in all areas. Full disclosure of operations will be made to the bond rating agencies. The City will strive to maintain an underlying rating in the double “A” range from one or more of the major rating agencies.

VI. Factors

The City will issue debt only for the purposes of acquiring or constructing capital improvements and equipment, and for making major renovations to existing capital improvements for the good of the public. Exceptions to this rule will be considered on a case-by-case basis, if the contemplated debt is in the best interests of the City. Before issuing any new debt the City will consider the following factors:

1. Global, national and local financial environment
2. Current interest rates
3. Expected interest rate changes
4. Condition of local economy
5. Cash and investment position (e.g., the availability of cash on hand for project)
6. Current debt position (e.g. current and projected coverage ratios)
7. Availability of funds to repay
8. Flexibility to cover future needs
9. Urgency of current capital needs
10. Opportunity to leverage debt with a grant or other low-cost financing mechanism

VII. Limitations on Indebtedness

The City will maintain a conservative debt position based on the factors listed above. Pay-as-you-go and replacement programs will be utilized whenever feasible to avoid financing costs. Debt will be issued only if the benefits outweigh the costs of the debt.

ORS 287A.050 limits general obligation debt to a maximum of 3% of the City’s real market value. City Council further restricts general obligation debt to a maximum of 1.5% of the City’s real market value.

VIII. Types of Debt

A. Long-Term Debt:

Depending on the specific circumstances, the City may use the following types of long-term (more than two years) financing instruments:

1. General Obligation Bonds (GOs): Bonds that are secured by a commitment to levy ad valorem real property taxes outside the limits imposed by Ballot Measure 5 and Ballot Measure 50. General obligation bonds must be first approved by vote of the electors of the City.
2. Full Faith and Credit Obligation (FF&C): Bonds or promissory notes that are not secured by a commitment to levy ad valorem real property taxes outside the limits imposed by Ballot Measure 5 and Ballot Measure 50, but which covenant the full faith and credit of the City to budget and appropriate all legally available funds to pay debt service for those bonds. Full Faith and Credit Obligations may be issued without voter approval.
3. Certificates of Participation (COPs): Financing technique provides long-term financing through a lease or lease-purchase agreement. It is not subject to other statutory requirements applicable to bonds, including the requirement of a vote of citizens.
4. Revenue Bonds: Bonds secured by a specific revenue stream other than ad valorem real property taxes.
5. Master Lease Agreements (Public/Private Lease-Purchase Agreements): A lease agreement with a provider or bank to lease equipment or buildings. The terms of the lease should coincide with the life of the equipment to be leased and a tax-exempt rate shall be sought. Before entering into a Master Lease Agreement, the City will seek to obtain the lowest rate possible using competitive bidding.
6. Pooled Financing: The pooling of debt with other governmental entities and the use of low-interest loans from state agencies or other organizations on either a long-term or short-term basis. Pooled Financing will be considered if it is financially or strategically beneficial to the City.
7. Assessment Bonds: Bonds backed by assessments on real property for public improvements authorized by the property owners or developer that specially benefit the assessed properties. Assessment Bonds are also referred to as “Bancroft Bonds.”

B. Short-Term and Interim Debt:

Short-term obligations (less than two years) may be issued in anticipation of particular revenues, such as taxes or grants, and such revenue may be pledged for repayment of the debt issuance. Interim debt may also be issued to finance projects or portions of projects for which the City ultimately intends to issue long-term debt. Short-term and/or interim financing shall not exceed ten percent of outstanding long-term debt, unless there is a situation that needs immediate attention in order to address an emergency or that allows for significant cost savings. Other situations warranting short-term obligations may be identified, upon the recommendation of the Finance Director.

Interim financing may be appropriate when long-term interest rates are expected to decline in the near future. In addition, some forms of short-term obligations can be obtained quicker than long-term obligations and can be used in urgent situations until long-term financing can be obtained.

Short-term Obligations and Interim Financing include:

1. Line of Credit: A credit source extended to a business by a bank or financial institution. The line of credit creates an account that can readily be tapped into if the need arises or not touched at all and saved for emergencies. Interest is only paid on the money actually taken out. . Draws shall be made on the line of credit when the need for financing is so urgent that time does not permit the issuance of long-term debt or the need for financing is so small that the total cost of issuance of long-term debt would be prohibitive.
2. Pooled Financing: (see VIII.A.6. above)
3. Internal Financing: (see section VIII.C. below)
4. Inter-Governmental Financing: (see section VIII.C. below)
5. Internal Interim Financing: Should the City desire to issue bonds for large capital projects, the City can, upon passage of an intent-to-issue resolution, use non-restricted reserve funds as interim financing to pay a portion of project costs that will be repaid with bond proceeds. This type of financing will be reviewed by Bond Counsel to ensure the City is in compliance with applicable federal tax rules.
6. Other types: The City may consider the use of Tax Anticipation Notes, Bond Anticipation Notes, Revenue Anticipation Notes, Commercial Paper, derivatives or other such structured borrowings if it is in the best financial interests of the City to do so.

C. Internal and Inter-governmental Financing:

Internal Financing: The City may meet internal financing needs if the City Council determines it is in the City's best financial interest to do so. The City may also enter into an inter-governmental agreement (IGA) between the City of Salem and Urban Renewal Agency for the City of Salem to provide financing for urban renewal activity, when the City Council determines it is in the City's best interest to do so. The same analysis conducted for internal financings above will be conducted for inter-governmental agreements. Consideration will be given to:

- Length of the borrowing term: The maximum term for a capital loan is limited to ten years, and the maximum term for an operating loan is limited to one year. See ORS 294.468(2)(a-d) and (3).

- Cost-benefit analysis: The rate of interest and borrowing costs from external sources must be weighed against the current and anticipated interest earnings for internal funds.
 - The borrowing fund's ability to repay the loan.
 - Budget authority.
1. Interest Rate on Internal Financings: Financings shall bear an annually adjusted interest rate of .50% above the City's combined portfolio rate. The initial rate shall be based on the City's prior year's combined portfolio rate, and shall be recalculated at the beginning of each fiscal year based on the prior fiscal year's combined portfolio rate. Existing short-term loans with a variable interest rate will be converted to a fixed rate.
 2. Interest Rate on Inter-governmental Financings (a.k.a. government-to-government financing): Inter-governmental agreements shall bear an annual interest rate equal to 1.00% above the City's prior year's combined portfolio rate, and shall be recalculated at the beginning of each fiscal year based on the prior fiscal year's combined portfolio rate.

D. Conduit Debt:

The City may sponsor conduit financings for those activities by other entities authorized by law to use conduit financing, if the proposed conduit financing has a general public purpose, are in the best interest of the City, and are authorized by Oregon law. All conduit financings must insulate the City completely from any credit risk or exposure, and must be approved by the City Council. The City shall collect a \$10,000 fee for each issuance of conduit debt.

IX. Structural Features of Debt:

A. Taxable and Tax-exempt Debt:

The cost of taxable debt is higher than the cost of tax-exempt debt. However, the issuance of taxable debt is mandated in some circumstances, and may allow flexibility in subsequent contracts with users or managers of the improvement constructed with bond proceeds. Therefore, the City will usually issue obligations tax-exempt, but may occasionally issue taxable obligations when there is an expected benefit from doing so.

B. Maturity:

The term of City debt issues shall not exceed the useful life of the project or equipment financed. The repayment of principal on tax supported debt should generally not extend beyond twenty years.

C. Bond Insurance:

Bond insurance is an insurance policy which can be purchased by the City, guaranteeing the payment of principal and interest due on the bond. This security provides a higher credit rating and a lower borrowing cost for an issuer. The purchase of bond insurance will be considered on a case-by-case basis through a cost-benefit analysis and will be acquired when it is in the best interest of the City.

D. Surety and Debt Service Reserve Funds:

Surety and Debt Service Reserve Funds are used to provide a ready reserve to meet current debt service payments should monies not be available from current revenues to pay principal and interest when due to bondholders. The City will utilize the methodology to calculate Surety and Debt Service Reserve Funds that best serves its needs on a case-by-case basis.

E. Coverage Requirements:

Coverage is the ratio of pledged revenues to related debt service for a given year. For each bond issue, the Finance Division, in conjunction with the financing team, shall determine the appropriate coverage requirements, if any.

F. Use of Variable-Rate Securities:

When appropriate, the City may choose to issue securities that pay a rate of interest that varies according to a predetermined formula or results from a periodic remarketing of the securities. However, the City will generally avoid use of variable-rate debt due to the potential volatility of such instruments.

G. Level Debt Service:

Every effort will be made to structure principal and interest payments in a manner that minimizes fluctuations in annual debt service payments and the impact on the property tax levy and/or user fees to meet debt service requirements. Exceptions may be made to allow matching debt service to a specific revenue stream or to maintain a level tax levy.

H. Call Provisions:

The City will seek to structure debt agreements with flexible call provisions in order to take advantage of favorable market conditions.

X. Investment of Bond Proceeds

Investment of bond proceeds will be consistent with those authorized by Oregon law and by the City's investment policy and applicable bond covenants. Bond proceeds shall be invested and tracked separately from other investments. The City may contract with a bond trustee to invest and track the bond proceeds in accordance with bond covenants.

XI. Arbitrage Liability Management

Arbitrage is the profit made by issuing bonds bearing interest at tax-exempt rates, and investing the proceeds at materially higher taxable yields. The Internal Revenue Code limits the opportunity for borrowers to use moneys associated with tax-exempt bonds to acquire

materially higher yielding taxable investments. If a profit is made which does not meet the allowable exception rules, the excess profit must be “rebated” to the Internal Revenue Service. Because of the complexity of arbitrage rebate regulations and the severity of non-compliance penalties, qualified arbitrage professionals will perform arbitrage calculations in strict adherence to applicable laws and regulations. These calculations will be done in accordance with required Internal Revenue Service reporting dates, which are five years after the delivery date of each issue, and each fifth year thereafter, until the bonds have matured, or been redeemed early or retired.

It is the City’s policy to minimize the cost of arbitrage rebate and yield restriction while strictly complying with the applicable laws. The City Manager will be responsible for identifying the amount of unspent debt proceeds including interest which is on hand, and to the maximum extent feasible, shall ensure the oldest proceeds on hand are spent first.

Arbitrage rebate costs shall be charged as negative interest revenue to the funds in which the related obligation proceeds were originally deposited.

XII. Refinancing of Outstanding Debt

A. Advance Refundings:

A procedure whereby outstanding bonds are refinanced by the proceeds of a new bond issue. Typically an advance refunding is performed to take advantage of interest rates that are significantly lower than those associated with the original bond issue or to remove restrictive language. The City may issue Advance Refunding Bonds (as defined for federal tax law purposes) when advantageous, legally permissible, prudent and a net present value savings of at least three percent is provided. Exceptions to the requirement may be made only upon the recommendation of the City Manager.

B. Current Refundings:

The City may issue Current Refunding Bonds (as defined for federal tax law purpose) when advantageous, legally, prudent and net present value savings equal or exceed three percent.

C. Restructuring of Debt:

The City may choose to refund outstanding indebtedness when existing bond covenants or other financial structures impinge on prudent and sound financial management. Savings requirements for Current Refundings or Advance Refundings undertaken to restructure debt may be waived by the City Council upon a finding that such a restructuring is in the City’s overall best financial interests.

XIII. Ongoing Disclosure

In accordance with the Securities and Exchange Commission (SEC), Rule 15c2-12, the City will provide financial and operating information to the Nationally Recognized Municipal Securities Information Repositories (NRMSIRs) designated by the SEC. The City will also provide its annual financial statements and other relevant information to rating agencies, paying agent, and banking institutions, as required by continuing disclosure

requirements within all debt documents. The City shall comply with the continuing disclosure requirements by filing its annual financial statements and other relevant information through Disclosure USA or other generally accepted electronic repository.

XIV. Method of Sale

There are three ways the City may sell bonds: competitive (public) sale, negotiated sale and private placement.

1. **Competitive Sale:** When determined appropriate by the City Council, the City may sell debt obligations in a manner in which any interested underwriter is invited to submit a proposal to purchase an issue of bonds. The debt obligation is awarded to the underwriter presenting the best bid according to criterion set forth in the notice of sale. The criterion used to select an underwriter in a competitive sale shall include the True Interest Cost. The City shall seek to issue debt obligations by competitive sale, unless City Council determines that such a method would not produce the best results for the City.
2. **Negotiated Sale:** When determined appropriate by the City Council, bonds may be sold through an exclusive arrangement between the City and an underwriter. At the end of successful negotiations, the issue will be awarded to the underwriter.

Negotiated Sales offer flexibility that may be advantageous for the City. In a negotiated sale, the underwriter is selected through the Request for Proposal process. The criteria used to select an underwriter in a negotiated sale should include, but not be limited to the following: overall experience, marketing philosophy, capability, underwriter's discount, and expenses. The City Manager may waive the requirement for a Request for Proposals, if necessary to meet emergency financing needs.

3. **Private/Direct Placement:** When determined appropriate by the City Council, the City may elect to sell its debt obligations through a private/direct placement or limited public offering. If the City anticipates several private placement financings, the City may elect to complete a Request for Proposal process in order to establish a Financing Entity of Record. The services of a financial advisor or placement agent may be obtained to assist in the Request for Proposal process.

XV. Assembling a Financing Team

A Financing Team will be assembled to provide professional services that are required to develop and implement the City's debt program with the goal of continuity, quality service and competitive prices.

Bond Counsel: The City Manager, with input from the City Attorney, shall select bond counsel. The bond counsel's role is to prepare or review and advise the issuer regarding authorizing resolutions or ordinances, trust indentures, official statements, validation proceedings and litigation. All debt issued by the City will include a written opinion by bond counsel affirming that the City is authorized to issue the proposed debt. The opinion

shall include confirmation that the City has met all city and state constitutional and statutory requirements necessary for issuance, a determination of the proposed debt's federal income tax status and any other components necessary for the proposed debt.

Underwriters: The City Manager shall solicit proposals for underwriting services for all debt issued in a negotiated sale. The Underwriter is responsible for purchasing negotiated debt and reselling the debt to investors.

Financial Advisor: The City Manager shall select a financial advisor. The financial advisor shall provide services for all debt issued in a negotiated, competitive or private placement sale.

City Staff: The City Manager shall designate the Finance Director and any other City staff members deemed appropriate to coordinate the efforts of the hired consultants and the City.

XVI. Rebate Reporting and Covenant Compliance

The Finance Director shall establish a system of record keeping, written procedures and reporting to meet the arbitrage rebate and monitoring and private use limitation compliance requirements of the federal tax code. This effort shall include tracking investment earnings on bond proceeds and expenditures of bond proceeds, calculating rebate payments in compliance with tax law, remitting any rebatable earnings to the federal government in a timely manner, and actively monitoring compliance and the uses of bond-financed assets throughout the entire life of the debt to preserve the tax-exempt status of the City's outstanding debt issues.

It shall be the primary responsibility of the Finance Director to ensure that appropriate accounting records of tax-exempt bond expenditures are maintained for a period of time that allows the City to comply with its arbitrage rebate requirements. The Finance division shall document and monitor compliance for appropriate record-retention timeframes based upon current legal requirements and industry best practices. City departments issuing debt are responsible to promptly notify the Finance department of any issues surrounding the appropriate use of tax-exempt bond proceeds or facilities financed with tax exempt bonds.

Additionally, general financial reporting and certification requirements embodied in bond covenants shall be monitored to ensure that all covenants are complied with.

XVII. Modification to Policy

The City Council Finance Committee will review this policy as needed, but at a minimum, every five years. The Finance Director will review this policy annually, and make recommendations for changes when needed.

Glossary

Ad Valorem Tax: a tax calculated “according to the value” of property. Such a tax is based on the assessed valuation of real and tangible personal property.

Advance Refunding: a procedure whereby outstanding bonds are refinanced by the proceeds of a new bond issue. Typically an advance refunding is performed to take advantage of interest rates that are significantly lower than those associated with the original bond issue or to remove restrictive language.

Arbitrage: the difference between the interest rate cost of a debt instrument and the rate of interest earned on the investment of the proceeds. Federal law limits the amount of interest cities earn on proceeds of debt issuance.

Assessment Bonds: special obligations of the municipality which are payable solely from the proceeds of the special assessments levied for an assessable project.

Bond: includes bonds, debentures, notes, certificates of indebtedness, mortgage certificates, or other obligations or evidences of indebtedness of any type or character.

Bond Anticipation Note (BAN): a short-term debt instrument issued by a state or municipality that will be paid off with the proceeds of an upcoming bond issue.

Bond Counsel: an attorney (or firm of attorneys) retained by the issuer to give a legal opinion concerning the validity of the securities. Bond counsel may prepare or review and advise the issuer regarding authorizing resolutions or ordinances, trust indentures, official statements, validation proceedings, disclosure requirements and litigation.

Bond Insurance: an insurance policy purchased by an issuer, which guarantees the payment of principal and interest of an issue. This security provides a higher credit rating and thus a lower borrowing cost for an issuer.

Capital Improvement Plan: a plan outlining capital needs for a specified time period.

Capital Lease: an acquisition of a capital asset over time rather than merely paying rent for temporary use. A lease-purchase agreement, in which provision is made for transfer of ownership of the property for a nominal price at the scheduled termination of the lease, is referred to as a capital lease.

Conduit Bonds: conduit financings are securities issued by a government agency to finance a project of a business, whose activities have a general public purpose. The business receives all

proceeds of the tax-exempt bond issue and is responsible for payment of the debt in its entirety. The City of Salem provides conduit financing for the Salem Hospital.

Competitive Sale: a bond sale conducted through a sealed bid, containing price and terms, submitted by a prospective underwriter(s) to an issuer, who awards the contract to the bidder with the best price and terms.

Continuing Disclosure: the requirement by the Securities and Exchange Commission for most issuers of municipal debt to provide current financial information to the informational repositories for access by the general marketplace.

Coverage: the ratio of pledged revenues to related debt service for a given year.

Debt Service Reserve Fund: the fund into which moneys are placed which may be used to pay debt service if pledged revenues are insufficient to satisfy the debt service requirements. This is often established with debt proceeds.

Derivatives: a financial product, the value of which is derived from the value of an underlying asset, reference rate, or index. Typically these agreements are contracts between a lender/investor and a borrower.

Financial Advisor: a consultant who advises an issuer on matters pertinent to a debt issue, such as structure, sizing, timing, marketing, pricing, terms and bond ratings.

Financing Team: the group of professionals consisting of City staff, Bond Counsel, Underwriters and Financial Advisors that work together to issue bonds.

General Obligation Bonds (GO): bonds which are secured by the full faith and credit and taxing power of the municipality and use funds that are legally available for payment of debt service. A city can issue ad valorem GO bonds with voter approval, which are repaid solely from ad valorem taxes, or non-ad valorem bonds which are repaid from legally available general fund revenues by a covenant to budget and appropriate.

Master Lease Agreement: a pre-determined lease agreement between a city and a provider to lease equipment whose useful life is too short to finance with long-term debt.

Negotiated Sale: underwriting of a new securities issue in which the spread between the purchase price paid to the issuer and the public offering price is determined through negotiation with one or more underwriters rather than multiple competitive bidding.

Paying Agent: an agent of the issuer with responsibility for timely payment of principal and interest to bond holders.

Present Value: the value of a future amount or stream of payments stated in current dollars.
Project: any capital expenditure the City Council deems to be for a public purpose.

Reserve Fund: a fund established by the terms of a bond issue into which money is deposited for payment of debt service in case of a shortfall in current revenues.

Revenue Anticipation Note (RAN): a short-term debt issue of a municipality that is to be repaid out of anticipated revenues. When the revenue is collected, the RAN is paid off.

Revenue Bond: a bond payable from a specific source of revenue and to which the full faith and credit of an issuer is not pledged. Revenue bonds are payable from identified sources of revenue and do not permit the bondholders to compel a jurisdiction to pay debt service from any other source. Pledged revenues often are derived from the operation of an enterprise.

Tax Anticipation Note (TAN): a short-term obligation of a state or municipal government to finance current expenditures pending receipt of expected tax payments.

Underwriter: the firm that purchases a securities (bond) offering from a governmental issuer for resale.

Yield Restriction: the investment of bond proceeds in financial instruments that earn interest rates which are not significantly higher than the cost of borrowing.

COUNCIL POLICY NO. C-3

TITLE: POLICIES FOR FEE WAIVERS OR FUNDING CITY SERVICES TO
COMMUNITY EVENTS

POLICY: See attachment.

REFERENCE: Finance Staff Report on Community Event Cost Recovery/Fee Waiver Policy
dated 5/13/96, Agenda Item No. 9.2.m

RESCINDED 6/11/2001
COMMUNITY DEVELOPMENT STAFF REPORT

COUNCIL POLICY NO. C-4

TITLE: POLICY ON THE SELECTION OF THE CITY AUDITOR
POLICY: See attachment.
REFERENCE: ORS Chapter 297, City Public Contracting Rules

CITY OF SALEM
POLICY ON THE SELECTION OF THE CITY AUDITOR

WHEREAS, Oregon Revised Statutes (ORS) 297.405 – 297.990 pertain to municipal audits; and

WHEREAS, ORS 297.425 provide that the accounts and fiscal affairs of every municipal corporation shall be audited and reviewed at least once each calendar or fiscal year, and

WHEREAS, The audits and reviews shall be made by accountants pursuant to contracts entered into by the governing body, or managing or executive officer, and accountants, or by the Secretary of State pursuant to a duly adopted ordinance or resolution, and

WHEREAS, The compensation for audits and reviews performed by accountants shall be as agreed upon between the governing body, or managing or executive officer of the municipal corporation, and the accountant, and shall be paid in the same manner as other claims against the municipal corporation are paid, and

WHEREAS, Audits and review required under ORS 297.425 shall inquire into:

- (a) The principles of accounting and methods followed by the municipal corporation in recording, summarizing and reporting its financial transactions and financial condition;
- (b) The accuracy and legality of the transactions, accounts, records, files and financial reports of the officers and employees of the municipal corporation as they relate to its fiscal affairs; and
- (c) Compliance with requirements, orders and regulations of other public officials which pertain to the financial condition or financial operations of the municipal corporation,

and

WHEREAS, Pursuant to ORS 297.466, the City’s auditor shall submit the audit report to the City Council, and

WHEREAS, Pursuant ORS 297.466(2) the City Council has the obligation to determine measures it considers necessary to address any deficiencies disclosed in an audit report, and

WHEREAS, It is essential that the City Council trust and have confidence in the City’s auditor, and therefore the City Council, in compliance with State and City public contracting rules, should participate in the selection of the City’s auditor, and

WHEREAS, this Policy is consistent with Salem City Charter Section 23(10), which prohibits a member of Council from attempting to influence the City Manager (or candidate for City Manager) regarding the award of any City contract, because Council, as the City’s local contract review board, has the authority to delegate its obligations under state public contracting law. Therefore, individual members of Council, acting as an appointed member of the Finance Committee, are acting under the authority of the Council.

Now, therefore, the City of Salem hereby adopts the following policy:

1. The City Council shall award the contract for the City's auditor to provide auditor services required under ORS 297.405 – 297.990.
2. The Joint Finance Committee of the Salem City Council and Urban Renewal Agency Board ("Finance Committee" or "Committee") shall serve as the Request for Proposals (RFP) Review Committee, and shall make a recommendation to the City Council regarding auditor selection.
3. Subject to the requirements of State public contracting laws, and the City's public contracting rules, the Committee shall review the RFP prior to issuance, and may direct staff to modify the RFP to ensure that it meets the Council's needs.
4. Each member of Council participating in the review of RFP responses, and award of a contract shall, prior to participation, execute a written declaration stating whether or not they have any conflict of interest in participating in process. Members of Council shall not discuss the auditor selection process with any party other than other members of Council and City staff.
5. The auditor shall serve as the auditor for the City and for the Urban Renewal Agency of the City of Salem ("Agency"). Due to the unique nature of housing authority finance issues and federal regulations, the auditor for the Housing Authority of the City of Salem may, but is not required to, be a different entity than that serving as the City's or Agency's auditor.
6. The City shall undertake a competitive RFP process to award an auditing services contract every five years.

COUNCIL POLICY NO. C-5

- TITLE:** CAPITALIZATION LEVEL FOR REPORTING GENERAL FIXED ASSETS
- POLICY:** The capitalization level for recording general fixed assets is increased from \$500 to \$10,000.
- REFERENCE:** Finance Department Staff Report dated 5/5/2003, Agenda Item No. 4.2.s

COUNCIL POLICY NO. C-6

TITLE: REIMBURSABLE EXPENSES FOR TRAVEL, TRAINING, PROFESSIONAL DEVELOPMENT, AND OTHER CITY BUSINESS

POLICY: See attachment.

REFERENCE: Finance Department Staff Report dated 3/20/06, Agenda Item No. 4.2 (a) and 4.2 (b) (Supplants Finance Department Staff Report dated 5/23/94, Agenda Item 9.2.1)

REIMBURSABLE EXPENSES FOR TRAVEL, TRAINING, PROFESSIONAL DEVELOPMENT, AND OTHER CITY BUSINESS

General Discussion

During the normal course of city business, the Mayor and members of the City Council (herein referred to as “Council Members”) may incur expenses for travel, meals, lodging, and incidental travel expenses that would require either (1) Council Members to use their own personal resources or (2) request for advancement of City funds. This Council Policy sets forth the policies and procedures applicable to advancement and/or reimbursement of these expenses.

Reimbursable Expenses

I. Mileage and Transportation Expenses

- A. Council Members may use a privately owned vehicle (POV) for travel on City business. Council Members must have a valid Oregon driver’s license and must carry liability insurance as required by State law. Council Members may request, through the City Manager, to use city motor pool vehicles for out-of-town travel.
- B. A mileage reimbursement will be paid for use of a POV for city business. The City of Salem uses the IRS established mileage reimbursement rates in effect at the time of travel. Reimbursable mileage will be measured from the Council Member’s principal place of business (PPB), as defined under applicable IRS regulations, to the travel destination(s) and back to the Council Member’s PPB.
- C. Council Members must purchase commercial travel (i.e., plane, train) tickets through the City’s approved travel agencies. Air travel shall be by the most direct and cost effective air route. Travel shall be coach class. When possible, tickets should be purchased 14 days or more in advance.
- D. Frequent Flyer awards or promotional incentives issued by commercial travel companies are the property of the City of Salem. Recipients of certificates/credits must turn them into the Finance Department.
- E. Reimbursement for travel to and from the airport in a POV will be limited to one round trip plus parking fees. Council Members are encouraged to use the airport shuttle.
- F. A Council Member who elects to use a POV to combine official travel with a holiday or weekend trip, vacation, or elects to travel by an indirect route for personal convenience, will not be reimbursed for the personal portion of the trip. Reimbursement for mileage will be calculated by using the most direct route from the Council Member’s PPB to the destination.

II. Lodging

- A. A dollar limit on lodging has not been established; however, only reasonable and practical accommodations should be obtained. When a spouse and/or guest is sharing a room and the rate for double occupancy is higher than the single occupancy rate, only the single rate will be reimbursed. Council Members should specifically request the governmental rate when making reservations and/or payments for lodging.

III. Meal Reimbursements

- A. General Rules. The following rules apply to all meal expense reimbursements:
 - i. Meals already included in conference registration fees pre-paid by the City will not be reimbursed as an individual expense.
 - ii. Alcoholic beverages are non-reimbursable.
 - iii. Council Members will be reimbursed for the actual cost of eligible meals up to the IRS Scheduled per diem rates, plus a tip of up to 15% of the meal cost. Itemized meal receipts must be submitted to obtain reimbursement (see Expense Reporting, below).
- B. Eligible Meals. The following are the meal expenses for which the City will reimburse a Council Member.
 - i. Overnight Travel. Council Members may seek reimbursement of meal expenses incurred in connection with overnight travel.
 - ii. Business Meals. Council Members who attend a meal while participating in a business meeting with a documented agenda may be reimbursed for the cost of the meal. The reimbursement will only be allowable if the main purpose of the combined business and meal is the active conduct of city business and there is more than a general expectation that specific business benefit will be derived. Council Members who pay for meals of other persons while conducting city business may receive reimbursement for expenses associated with the meal. The following must be submitted with the applicable reimbursement form (See Expense Reporting, below) for reimbursement of such expenses:
 - (a) Receipt
 - (b) Description of the purpose of the meeting
 - (c) List of persons and their organization for whom meals were purchased
 - iii. Professional Association Meals. Council Members who attend a professional association meeting as an authorized representative of the City of Salem may seek reimbursement for meal expenses associated with attending the meeting.

IV. **Incidental Travel Expenses**

- A. Non-meal Tip Expenses. Council Members may seek reimbursement in the customary amounts for tips given for services such as bell hops, parking attendants, taxi, etc.
- B. Communications Expenses.
 - i. Council Members may seek reimbursement for all business calls and one call to their residence every other night, while traveling overnight on City business.
 - ii. The Council Member shall maintain a record of toll charges. If the calls are detailed on the hotel bill, this can serve as a substitute for the toll record sheet. The bill or toll record shall include the date of the call, the person or agency called, and the area code and number called.

Travel Advances

When advance travel funds are requested, a Travel Request and Expense Report must be submitted to the City Manager. Payments for registration fees, airline travel, and lodging will be paid directly to the supplier. Council Members should indicate on the Travel Request and Expense Report form the name of the payee and the amount due. Request for travel advances should be submitted a minimum of 15 calendar days prior to the date of departure. Due to the costs of processing travel advances, Council Members should not request travel advances for non-overnight travel or for amounts less than \$25.

Expense Reporting

Pursuant to IRS regulations, Council Members must substantiate expenses within 30 days of either the date of the expense, or the return date of travel. A different process is used depending upon the type of travel (overnight or non-overnight)

(1) **Substantiating Overnight Travel Expenses**

To substantiate expenditures incurred in connection with overnight travel, Council Members should first submit to the City Manager a Travel Request and Expense Report form with applicable cost estimates prior to any overnight travel. Within 30 days from the return date of travel, Council Members should submit a completed Travel Request and Expense Report form to the City Manager with receipts.

(2) **Substantiating Non-Overnight Travel Expenses**

To substantiate non-overnight expenses incurred while conducting the City's business, Council Members should submit to the City Manager, a Miscellaneous Expense Report form with receipts.

(3) Receipt Requirements

Receipts submitted must identify the date, time, place, amount, and business purpose of the expense. Council Members that lack receipts should submit a signed affidavit describing the cost incurred and the reason for the lack of a receipt. The affidavit must also identify the date, time, place, amount, and business purpose of the expense.

Finance forms may be modified from time to time to meet reasonable travel accounting requirements, changes in allowances, or changes in law.

COUNCIL POLICY NO. C-7

TITLE: INVESTMENT POLICY AND PORTFOLIO GUIDELINES

POLICY: See attached.

REFERENCE: City Council Finance Committee Report dated 3/19/18, Agenda Item No. 4a
(Supplants Amendment adopted 2/8/16 by Resolution No. 2016-6, Finance
Division Staff Report 11/16/15 (Item 3(a))

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MARCH 2018**

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CITY OF SALEM

INVESTMENT POLICY AND PORTFOLIO GUIDELINES

The purpose of this Investment Policy (Policy) is to establish investment objectives, provide guidelines, and set forth responsibilities and reporting procedures necessary for the prudent management and investment of the funds of the City of Salem and its component units (the City). Financial terms can be found in **Appendix I –Glossary**.

I. Scope

This Policy applies to the activities of the City of Salem with regard to the consolidated investment of short-term operating funds, reserves, and capital funds, including bond proceeds and bond reserve funds held by the City. Balances in checking accounts, negotiable order of withdrawal (NOW) accounts, investments of employees' retirement funds, and deferred compensation plans are not covered by this Policy.

II. Delegation of Authority

The fiduciary responsibility and authority for the investment of City funds resides with the City Council. The City hereby designates the Financial Operations Manager as the Custodial Officer for the City's funds. The Custodial Officer shall be responsible for the operation of the investment program and shall act in accordance with ORS Chapter 294, Public Financial Administration, and written procedures and internal controls for the operation of the investment program that are consistent with this Policy. This Policy shall constitute a "written order" from the City Council per ORS 294.035.

The Custodial Officer, with the consent of the City Manager, may further delegate the authority to invest City funds to additional City Finance personnel listed in **Appendix II** of this Policy. No person may engage in an investment transaction except as provided under the terms of this Policy and procedures established by the Custodial Officer. The Custodial Officer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of delegees and other subordinate officials with access to the funds subject to this Policy.

III. General Objectives

The investment objectives of this Policy and their priority are: (1) safety; (2) liquidity; and (3) yield.

1. **Safety.** Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective shall be to remain compliant with applicable laws and to mitigate Credit Risk, Interest Rate Risk, and Custodial Risk.
 - a. **Legality.** All funds within the scope of this Policy are subject to regulations established by the State of Oregon; specifically ORS 294.035; 294.040; 294.052; 294.135; 294.145; and 294.810.
 - b. **Credit Risk.** The City will minimize the risk of loss by:
 - Limiting exposure to poor credits.
 - Pre-qualifying the financial institutions, Broker-Dealers, intermediaries, and advisers with which the City will do business.
 - Diversifying the investment portfolio so that potential losses on individual securities will be minimized.

- Actively monitoring the investment portfolio holdings for ratings changes, changing economic/market conditions, etc.
- c. **Interest Rate Risk.** The City will minimize the risk that the Market Value of securities in the portfolio will fall due to changes in general interest rates, by:
- Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities prior to maturity.
 - Investing the City's funds primarily in 0 to 5 year securities and overnight funds.
- d. **Custodial Risk.** The City will minimize Custodial Risk by placing its securities with a third-party custodian, who will hold the securities in the City's name, as evidenced by the safekeeping contract and monthly statements.
2. **Liquidity.** The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by:
- Maintaining appropriate balances in investment vehicles that provide overnight liquidity; and
 - Structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands where possible and prudent.
3. **Yield.** The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Securities shall not be sold prior to maturity with the following exceptions:
- A security with declining credit may be sold early to minimize loss of principal.
 - A security trade will improve the quality, yield, or target Duration in the portfolio.
 - Liquidity needs of the portfolio require that the security be sold.

IV. Standards of Care; Ethics; Internal Controls

1. **Prudence.** The standard of care to be used by the Custodial Officer and Custodial Officer's designees shall be the "prudent investor" standard and shall be applied in the context of managing all aspects of the portfolio.

The "prudent investor" standard requires investments to be made with judgment and care, under circumstances, then prevailing. The standard requires the exercise of reasonable care, skill and caution, and is to be applied to investments not in isolation but in the context of each investment fund's investment portfolio and as a part of an overall investment strategy, which should incorporate risk and return objectives reasonably suitable to the particular investment fund.

The Custodial Officer (Oregon Revised Statutes 294.004 (2)) and the Custodial Officer's designees acting in accordance with the prudent investor standard, this Policy, written policies and procedures ORS 294.035 and 294.040 and exercising due diligence, shall be relieved of personal responsibility for an individual security's Credit Risk or market price change or other loss in accordance with ORS 294.047, provided these deviations and losses are reported in a timely fashion and actions are taken to control adverse developments in accordance with this Policy.

2. **Ethics and Conflicts of Interest.** Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper

execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose in writing to the Custodial Officer any material interests in financial institutions that conduct business with the City. They shall further disclose in writing annually to the Custodial Officer any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees, officers and their families shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the City. Officers and employees shall, at all times, comply with ORS Chapter 244, Salem Revised Code, Chapter 12, and Human Resource Rule Section 8.2 (m).

3. **Internal Controls.** The Custodial Officer is responsible for establishing and maintaining an adequate internal control structure designed to reasonably protect the assets of the City from loss, theft, or misuse. The concept of "reasonable protection" recognizes that (1) the cost of control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by the Custodial Officer. Accordingly, the Custodial Officer shall establish a process for an annual independent review by an external auditor to assure compliance with this Policy and the internal controls established by the Custodial Officer. The internal controls should address the following points:

- Control of collusion
- Separation of transaction authority from accounting and record keeping
- Confirmation of transactions for investments and wire transfers
- Custodial safekeeping
- Avoidance of physical delivery of securities whenever possible
- Address control requirements for physical delivery where necessary
- Clear delegation of authority to subordinate staff members
- Development of a wire transfer agreement with the lead bank and third-party custodian and implementation of the appropriate safeguards
- Compliance and oversight with investment parameters including diversification and maximum maturities
- Staff training
- List of approved Brokers-Dealers, safekeeping and financial institutions

V. Authorized Financial Institutions, Brokers-Dealers, Investment Advisers, and Depositories

1. **Authorized Financial Institutions and Brokers-Dealers.** The Custodial Officer shall maintain a list of financial institutions and brokers/dealers authorized to provide investment services. The list of approved financial institutions and brokers/dealers shall be selected through a process that ensures due diligence in the selection process. Financial institutions and brokers/dealers may include "primary" dealers or regional dealers that qualify under Securities and Exchange Commission (SEC) Rule 15C3-1 (uniform net capital rule). Regional brokers and dealers must have an office in Oregon in order to be considered for doing business with the City. The City will limit all security purchases to financial institutions and brokers/dealers on the approved list. Additions or deletions from the list shall be made at the Custodial Officer's discretion.

All financial institutions and Brokers-Dealers who desire to be considered for investment transactions, must supply the following, in writing (electronic delivery is acceptable):

- Audited financial statements
- Proof of Financial Industry Regulatory Authority, Inc (FINRA) registration

- Proof of state licensing
- Completed Broker-Dealer questionnaire
- Certification of having read and understood and agreeing to comply with the City's investment Policy
- Evidence of adequate insurance coverage

An annual review of the financial condition and registration of financial institutions and brokers/dealers on the list shall be conducted by the Custodial Officer.

If the City utilizes an external investment adviser, the adviser is authorized to transact with its own approved Broker-Dealer list on behalf of the City. The adviser will perform all due diligence for the Brokers-Dealers on its approved list. The adviser will annually provide the City their approved Broker-Dealer list so that the Custodial Officer may conduct its own review.

2. **Investment Adviser.** The Custodial Officer may engage the services of an external investment adviser to assist in the management of the City's investment portfolio. All investment transactions executed by the external investment adviser on behalf of the City must be consistent with this Policy and be pre-approved in writing by the Custodial Officer.

A list will be maintained of approved external investment advisers selected by the Custodial Officer using a fair selection process. An annual review of all external investment advisers shall be conducted by the Custodial Officer to determine their continued eligibility with the requirements below. All investment advisers shall:

- a. Be registered with the Securities and Exchange Commission (SEC) or licensed by the State of Oregon; (Note: Investment adviser firms with assets under management > \$100 million must be registered with the SEC, otherwise the firm must be licensed by the state of Oregon).
- b. Have certified that all of the representatives of the investment adviser who conduct investment transactions on behalf of this entity have read, understood and agreed to comply with this Policy.

If the City uses an external investment adviser, the adviser is authorized to enter into transactions with its own approved Broker-Dealer list on behalf of the City. The adviser shall perform all due diligence for all brokers/dealers on its approved list. The external investment adviser shall annually provide the City its approved Broker-Dealer list so that the Custodial Officer may conduct his or her own review.

3. **Delivery vs. Payment (DVP).** The Custodial Officer shall not pay for/deliver any securities until the Custodial Officer has received sufficient evidence of title/funding to the securities. Evidence of title must be consistent with modern investment, banking and commercial practices as specified in ORS 294.145 (4) and (5).
4. **Safekeeping.** Securities shall be held by an independent third-party safekeeping institution selected by the Custodial Officer. The Custodial Officer shall maintain a list of safekeeping institutions eligible to conduct business with the City. The safekeeping institution shall, upon request, provide a copy of its most recent report on internal controls – Statement on Standards for Attestation Engagements (SSAE) No. 16.

VI. Authorized Investments

1. **Investment Types.** The following securities are permitted under this Policy as allowed by ORS 294.035 and 294.810. If additional types of securities become eligible for investment under Oregon law, investment in such securities shall not be permitted until this Policy has been amended.
 - a. **U.S. Treasury and Government Agency Obligations.** Lawfully issued general obligations of the United States, the agencies and instrumentalities of the United States or enterprises sponsored by the United States Government and obligations whose payment is guaranteed by the United States, the agencies and instrumentalities of the United States or enterprises sponsored by the United States Government.
 - b. **Oregon Short-Term Fund (OSTF)/Local Government Investment Pool (LGIP).** Oregon managed portfolio offered to governmental entities for the investment of public funds.
 - c. **Repurchase Agreements.** An agreement of one party to sell securities at a specified price to a second party and a simultaneous agreement of the first party to repurchase the securities at a specified price or at a specified later date. As provided in ORS 294.035(3)(j), only U.S. treasury obligations and government agency issues described in paragraph (a) of this subsection that are limited in maturity to three years and priced according to percentages prescribed by written Policy of the Oregon Investment Council or the Oregon Short-Term Fund Board may be used in conjunction with a Repurchase Agreement.
 - d. **Bankers' Acceptances.** A draft or bill of exchange drawn upon and accepted by a bank. Used as a short-term credit instrument, Bankers' Acceptances are traded at a Discount from face value as a money market instrument on the basis of the credit quality of the guaranteeing bank. Bankers acceptances must be: (i) Guaranteed by, and carried on the books of, a qualified financial institution; (ii) Eligible for discount by the Federal Reserve System; and (iii) Issued by a qualified financial institution whose short-term letter of credit rating is rated in the highest category by one or more nationally recognized statistical rating organizations.
 - e. **Corporate Indebtedness.** Commercial Paper and Medium Term Corporate Notes subject to a valid registration statement on file with the Securities and Exchange Commission or issued under the authority of section 3(a)(2) or 3(a)(3) of the Securities Act of 1933, as amended. Corporate indebtedness described in this paragraph does not include bankers acceptances. The corporate indebtedness must be issued by a commercial, industrial or utility business enterprise, or by or on behalf of a financial institution, including a holding company owning a majority interest in a qualified financial institution.
 - g. **Municipal Debt.**
 - i. Lawfully issued debt obligations of the agencies and instrumentalities of the State of Oregon and its political subdivisions that have a long-term rating of A, or an equivalent rating or better, or are rated on the settlement date in the highest category for short-term municipal debt by a Nationally Recognized Statistical Rating Organization.
 - ii. Lawfully issued debt obligations of the States of California, Idaho and Washington and political subdivisions of those states if the obligations have a long-term rating of AA or an equivalent rating or better or are rated on the settlement date in the highest category for short-term municipal debt by a Nationally Recognized Statistical Rating Organization.
 - h. **Time Deposit Accounts, Certificates of Deposit, and Deposit Accounts.**

- i. Deposits in insured institutions as defined in ORS 706.008, in credit unions as defined in ORS 723.006 or in federal credit unions, if the insured institution or credit union maintains a head office or a branch in Oregon.
- ii. Certificates of Deposit placed through deposit placement services, such as the Certificate of Deposit Account Registry Service (CDARS), are allowable so long as they comply with the requirements under ORS 295.004.

2. Percentage of Investments, Maximum Maturity, and Credit Ratings by Type.

Portfolio percentages shall be based on the Market Value of the investments at time of purchase. The maximum portfolio percentages for investments of surplus funds are as follows:

Security	Maximum % of Total Portfolio	Maximum Maturity	Credit Requirements
US Treasury Obligations	Up to 100 %	5 years	-
US Government Agency Issues	Up to 100 % and 33 % per issuer	5 years	-
U.S. Instrumentality Debt	Up to 10% and 3% per issuer	5 years	AAA or A-1+ or equivalent
OSTF/LGIP	Statutory Limit (ORS 294.810)	-	-
Repurchase Agreements	Up to 10 % and 5 % per issuer	90 days	Collateral securing repo and margin requirements
Bankers' Acceptances	Up to 20 % and 10 % per issuer	6 months	A-1/P-1
Medium Term Corporate Notes	Up to 35% and 5% per issuer	5 years	"AA" or equivalent, or "A" or equivalent if the issuer is meets the requirements of ORS 294.035(3)(i)(C)(i)
Commercial Paper		270 days	A-1/P-1
Municipal Debt	Up to 10 % and 10% per issuer	5 years	Oregon: "A" CA, WA, ID: "AA"
Time Deposit Accounts (CDs)	Up to 25 % and 10 % per issuer	2 years	Collateral requirements per ORS Chapter 295
Deposit Accounts	Up to 100%	-	Collateral requirements per ORS Chapter 295

The maximum percent of Callable Securities in the portfolio shall be 25%.

Due to fluctuations in the aggregate surplus funds balance, maximum percentages for a particular investment type may be exceeded at a point in time subsequent to the purchase of a specific security. Securities need not be liquidated to realign the portfolio; however, consideration should be given to liquidation of that security when future liquidations are made.

3. **Credit Ratings.** Investments must have a rating from at least one Nationally Recognized Statistical Ratings Organizations, including, but not limited to, Moody's, Standard & Poor's, or Fitch Ratings Service.
 - a. The minimum weighted average credit rating of the portfolio's rated investments shall be "Aa" by Moody's Investors Service; "AA" by Standard & Poor's; and "AA" by Fitch Ratings Service. Credit rating levels apply to the security on the transaction's settlement date.
 - b. If the credit rating of a security is subsequently downgraded below the minimum rating level for a new investment of that security, the Custodial Officer shall evaluate the downgrade on a case-by-case basis and determine whether the security should be held or sold. The Custodial Officer shall apply the general objectives of safety, liquidity, and yield in making such determination. That determination shall be documented in the quarterly report.
4. **Collateralization.** Cash management tools, defined as bank deposits, time deposits, Certificates of Deposit, and savings accounts, shall be held in qualified Oregon depositories which have met Oregon's Collateralization requirements per ORS Chapter 295. The Custodial Officer is responsible for the quarterly review of the State or Oregon's Approved Banking Institution list to ensure that banks in which such deposits and accounts are being held are on the approved list. The State of Oregon must be notified of changes in banking institutions.

VII. Investment Parameters

1. **Diversification.** Investments shall be diversified by:
 - o Limiting investments to avoid over-concentration in securities from a specific issuer or business sector (excluding government securities).
 - o Limiting investment in securities that have high credit or interest risks.
 - o Investing in securities with varying maturities.
 - o Continuously investing a portion of the portfolio in readily available funds such as the OSTF/LGIP.
2. **Liquidity Requirements and Maturity Limits.** At all times, the City will maintain a minimum amount of funds to meet liquidity needs for the next three months. Unless matched to a specific cash flow requirement, the City shall not invest in securities maturing more than five years from the date of settlement. The Weighted Average Maturity of the City's portfolio shall at no time exceed 2.5 years.
3. **Bond Covenant Restrictions.** The investment of bond proceeds are restricted under bond covenants and tax laws that may be more limiting than this Policy. Bond proceeds shall be invested in accordance with the most restrictive parameters of this Policy and the applicable bond covenants and tax laws.
4. **Bids and Offers.** Each investment transaction shall be competitively transacted with financial institutions or Brokers-Dealers on the approved list. The Custodial Officer shall maintain a transaction record of each investment transaction. Competitive bids or offers should be obtained, when possible, from at least three financial institutions or Brokers-Dealers. In the event competitive bids or offers are not sought, the decision to do so shall be documented by the Custodial Officer. If the Custodial Officer uses an investment adviser, the investment adviser must retain documentation of competitive pricing execution on each transaction and provide such documentation to the Custodial Officer upon request.

5. **Settlement Restrictions.** Pursuant to ORS 294.145, the Custodial Officer is prohibited from making a commitment to invest funds or sell securities more than 14 business days prior to the anticipated date of settlement of the purchase or sale transaction.
6. **Compliance Maintenance and Monitoring.** Compliance with this Policy shall be maintained and be integral to each investment decision. Compliance status shall be reported to the Finance Committee at least quarterly, as described in Section IX. Out of compliance instances shall be reported to the Custodial Officer in a timely manner. The Custodial Officer shall determine the cure for non-compliance that is in the best interest of the City. Such action may include holding the investment to maturity, liquidating the investment, reversing the purchase, or adjusting future allowable investments until compliance is achieved.

VIII. Prohibited Investments

Investment in the following securities is prohibited:

1. Private placement of "144A" securities. "144A" securities include Commercial Paper issued under Section 4(2)144A (also known as "4(2)A" of the Securities Act of 1933).
2. The City shall not lend securities nor directly participate in a securities lending program.
3. Reverse Repurchase Agreements.
4. Mortgage-backed securities.
5. Stock in any joint company, corporation or association.

IX. Reporting and Performance Standards

1. **Methods.** Except where legally required to hold separate funds, the City will consolidate cash balances from all funds to maximize investment earnings. Net investment income will be allocated to the various funds at least quarterly based on their respective cash balances and in accordance with generally accepted accounting principles.

The Custodial Officer shall review a monthly investment management report that provides an analysis of the status of the current investment portfolio and transactions made over the last month. The report shall be provided to the Custodial Officer within a reasonable time after the previous reporting period end and shall include the following:

- List of transactions occurring during the reporting period
- List of individual securities held at the end of the reporting period, including security type, maturity date and call date
- Percentage of the total portfolio that each type of investment represents
- Weighted Average Maturity of the portfolio

The Custodial Officer shall provide a quarterly investment report to the Finance Committee, including a management summary that provides an analysis of the status of the current investment portfolio and transactions made over the last quarter. The report shall be provided within a reasonable time after the quarter end and shall include everything contained in the monthly report and the following:

- Status of compliance with this Policy
- Book yield during the reporting period
- Market value of portfolio holdings at the end of the reporting period

- Performance of the portfolio relative to benchmark(s), as appropriate
2. **Performance Standards.** The investment portfolio shall be managed in accordance with this Policy. The Custodial Officer shall establish an appropriate benchmark or benchmarks, as appropriate, for investment parameters that reflects the types and maturities of investment allowed under this Policy. The Custodial Officer shall compare portfolio performance to the benchmark or benchmarks on a quarterly basis. It is anticipated the portfolio should attain a benchmark average rate of return over time. Factors influencing performance deviations shall be described by the Custodial Officer in the quarterly reports to the Finance Committee.

X. Policy Adoption and Re-adoption

1. This Policy may be reviewed by the vote of a majority of the Finance Committee. Changes shall be adopted by the City Council as amendments to this Policy. The data contained in the appendices to this Policy may be updated by the Custodial Officer as necessary, provided the changes in no way affect the substance or intent of this Policy.
2. OSTF Board review shall be requested for any material changes (e.g. changes in investment parameters, portfolio Duration, compliance issues, etc.) to this Policy.

Appendix I – Glossary

Bankers Acceptances: A draft or bill of exchange drawn upon and accepted by a bank. Appropriate if guaranteed by, and carried on the books of, a qualified financial institution; eligible for Discount by the Federal Reserve System; and issued by a qualified financial institution whose short-term letter of credit rating is rated in the highest category by one or more Nationally Recognized Statistical Rating Organizations (NRSRO).

Brokers-Dealers: A bank or securities Broker-Dealer that is permitted to trade directly with the Federal Reserve System. Such firms are required to make bids or offers when the Federal Reserve System conducts open market operations, provide information to the Federal Reserve System's open market trading desk, and to participate actively in Treasury auctions.

Bullet Notes/Bonds: Notes or Bonds that have a single maturity date and are non-callable.

Callable Securities: A bond issue in which all or part of its outstanding principal amount may be redeemed before maturity by the issuer under specified conditions.

Certificates of Deposits (CD): A savings certificate entitling the bearer to receive interest. A CD bears a maturity date, a specified fixed interest rate and can be issued in any denomination. CDs are generally issued by commercial banks and are insured by the FDIC up to \$250,000. The term of a CD generally ranges from one month to five years.

Certificate of Deposit Account Registry Service (CDARS): A private service that breaks up large deposits (from individuals, companies, nonprofits, public funds, etc.) and places them across a network of banks and savings associations around the United States. Allows depositors to deal with a single bank that participates in CDARS but avoid having funds above the FDIC deposit insurance limits in any one bank.

Collateralization: Process by which a borrower pledges securities, property, or other deposits for the purpose of securing the repayment of a loan and/or security.

Commercial Paper: Short term unsecured promissory note issued by a company or financial institution. Issued at a Discount and matures for Par or face value. Usually a maximum maturity of 270 days, and given a short-term debt rating by one or more NRSROs.

Coupon Rate: Annual rate of interest received by an investor from the issuer of certain types of fixed-income securities. Also known as the "interest rate."

Credit Risk: Credit Risk is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt.

Custodial Officer: The City has designated the Financial Operations Manager as the Custodial Officer for the City's funds.

Custodial Risk: Custodial Risk, or Custodial Credit Risk, is the risk of loss associated with the counter-party's (any entity that obtained the investment on a public entity's behalf) failure.

Discount: The amount by which the Par Value of a security exceeds the price paid for the security.

Duration: A measure of the timing of the cash flows, such as the interest payments and the principal repayment, to be received from a given fixed-income security. The Duration of a security is a useful indicator of its price volatility for a given change in interest rates.

Government-Sponsored Enterprise: A privately owned entity subject to federal regulation and supervision that was created by the U.S. Congress to reduce the cost of capital for certain borrowing sectors of the economy such as students, farmers, and homeowners. GSEs carry the implicit backing of the U.S. Government, but they are not direct obligations of the U.S.

Government. For this reason, these securities typically offer a yield premium over Treasuries. Examples of GSEs include: Federal Home Loan Bank (FHLB), Federal Home Loan Mortgage Corporation ("Freddie Mac"), Federal Farm Credit Bank (FFCB), and Federal National Mortgage Association ("FNMA").

Interest Rate Risk: The risk associated with declines or rises in interest rates which cause an investment in a fixed-income security to increase or decrease in value.

Liquidity Risk: Liquidity Risk is the risk that an investment may not be easily marketable or redeemable.

Local Government Investment Pool (LGIP): The state or Local Government Investment Pool offered to public entities for the investment of public funds.

Market Value: Current market price of a security.

Nationally Recognized Statistical Rating Organization (NRSRO): A credit rating agency that issues credit ratings that the U.S. Securities and Exchange Commission (SEC) permits other financial firms to use for certain regulatory purposes. Designated NRSROs include, but are not limited to, Standard & Poor's, Fitch, and Moody's.

Oregon Short-Term Fund (OSTF): A Local Government Investment Pool organized pursuant to ORS 294.805 through 294.895. Participation in the pool will not exceed the maximum limit annually set by ORS 294.810.

Par Value: Face value, stated value or maturity value of a security.

Repurchase Agreements: An agreement whereby the Custodial Officer purchases securities from a financial institution or securities dealer subject to an agreement by the seller to repurchase the securities. The Repurchase Agreement must be in writing and executed in advance of the initial purchase of the securities that are the subject of the Repurchase Agreement.

Secondary Market: Markets for the purchase and sale of any previously issued financial instrument.

Treasury Bills (T-Bills): Short-term direct obligations of the United States Government issued with an original term of one year or less. Treasury Bills are sold at a Discount from face value and do not pay interest before maturity.

Treasury Bonds (T-Bonds): Long-term interest-bearing debt securities backed by the U.S. Government and issued with maturities of ten years and longer by the U.S. Department of the Treasury.

Treasury Notes (T-Notes): Intermediate interest-bearing debt securities backed by the U.S. Government and issued with maturities ranging from one to ten years by the U.S. Department of the Treasury.

Weighted Average Maturity (WAM): The average time it takes for securities in a portfolio to mature, weighted in proportion to the dollar amount that is invested in the portfolio.

Yield to Maturity (YTM at Cost): The percentage rate of return paid if the security is held to its maturity date at the original time of purchase. The calculation is based on the Coupon Rate, length of time to maturity and original price. It assumes that coupon interest paid over the life of the security is reinvested at the same rate. The Yield at Cost on a security remains the same while held as an investment.

Appendix II: Authorized Finance Staff by Title

Financial Operations Manager

Deputy City Manager

Financial Reporting Manager

Treasury Supervisor

Accounting Supervisor

COUNCIL POLICY NO. C-8

TITLE: BUDGET AND REVENUE POLICIES

POLICY: See attachment.

REFERENCE: Finance Committee Report dated 8/4/2008, Agenda Item No. 4.2 (b)

**CITY OF SALEM
BUDGET AND REVENUE POLICIES**

OPERATING BUDGET POLICIES

I. Stable Financial Environment

The City will strive to provide the stable financial environment necessary to sustain municipal services over time. Financial forecasts will be used to assess the long-term ability of City revenue to sustain services. The City will seek to diversify revenue sources to take advantage of economic upturns and cushion against times of slower growth. Prudent reserves will be established and maintained as a resource to sustain services during periods of imbalance in the City budget.

II. Long-Term Financial Plan

Each year, staff shall develop a Long-Term Financial Plan that forecasts operating and capital expenditures and revenue for the next three to five years. The Long-Term Financial Plan will be updated prior to the start of the annual budget process. As part of the budget message, the City Manager will advise the City Council of potential long-term positive and adverse trends along with an analysis. The initial priority for the Long-Term Financial Plan is the General Fund but the intent is to address all operating funds of the City.

III. Balanced Budget

The City will adopt a structurally balanced budget where operating revenues are equal to, or exceed, operating expenditures for all funds. In the event a structurally balanced budget is not attainable, and the cause of the imbalance is expected to last for no more than one year, the planned use of reserves and/or other one-time revenue to balance the budget is permitted. In the event a budget shortfall is expected to continue beyond one year, the use of reserves and/or other one-time revenue must be part of a corresponding strategic financial plan developed to return the budget to a structural balance through revenue increases and/or expenditure decreases.

The City Manager will include in the letter transmitting the City Manager's Recommended Budget a concise description of how the recommended budget is balanced. If the structural balance changes between the Recommended and Adopted Budgets, the City Manager will clearly delineate the changes and the impact on the structural balance of the Adopted Budget.

REVENUE POLICIES

I. User Fees

The City will seek to recover the cost of service provision through fees whenever users receive specific benefits. The City Council will establish cost recovery policies which consider the relative public/private benefits received and/or the desirability of providing service access for specialized populations. These policies will determine the percent of full service costs to be recovered through fees. When setting or revising fees, the method for fee calculation will be described along with a justification for any deviation from adopted policies.

The level of cost recovery will be routinely adjusted to ensure that rates are current, equitable and competitive and cover that percentage of the total cost deemed appropriate by the City Council. The Finance Division shall maintain a Master Fee Schedule that includes the cost recovery policy and date of most recent fee adjustment.

II. Use of One-Time Resources

One-time resources such as proceeds from asset sales, debt refinancing, one-time grants, revenue spikes, budget savings and similar nonrecurring revenue may be used for establishing and rebuilding reserves, early retirement of debt, capital expenditures and other nonrecurring expenditures. Such resources should not be used for current or new ongoing operating expenses except as included in a strategic financial plan as part of a strategy to achieve a structurally balanced budget.

III. Grants

City staff will seek out, apply for and effectively administer federal, state and other grants that address the City's priorities and policy objectives and provide a positive benefit to the City. Before any grant is pursued, staff shall provide an analysis that identifies the immediate and long-term costs and benefits to the City.

COUNCIL POLICY NO. C-9

TITLE: CAPITAL IMPROVEMENT PROGRAM POLICY

POLICY: See attachment.

REFERENCE: Finance Committee Report dated 11/10/2008, Agenda Item No. 4.2 (a)

CITY OF SALEM CAPITAL IMPROVEMENT PROGRAM (CIP) POLICY

I) Purpose

One of the primary responsibilities of local governments is the creation and preservation of a community's physical infrastructure including; roads and bridges; water, wastewater and stormwater systems; public buildings; parks and open spaces; and, communication and information management systems. Because these require a significant commitment of public resources, planning for capital improvements is a matter of prudent financial management. This Capital Improvement Policy provides the general principles under which the City's Capital Improvement Program (CIP) is developed and implemented.

II) Definitions

The **Capital Improvement Program (CIP)** is a five-year plan that identifies the City's prioritized investments in capital assets and corresponding financial plans. A **capital improvement** (a.k.a. capital project) is defined as a planned activity that: creates, improves, maintains, repairs or replaces a fixed asset; results in a permanent addition to the City's asset inventory valued at \$50,000 or greater; and, has a useful life of more than 5 years. Capital improvements usually involve one of the following actions:

- Acquisition of property, equipment, or debt financed assets;
- Construction of new facilities; and/or
- Rehabilitation, reconstruction, renovation or upgrade of an existing asset to a condition which extends its useful life and/or increases its capacity.

Fleet rolling stock and equipment are excluded from the CIP Policy.

III) Policy

- A) Governing Body Approval: Annually, the City Council Board will adopt a 5-year CIP. Prior to adopting the CIP, the City will hold a public hearing on the proposed CIP.
- B) Responsibility: The City's Administrative Services Department will be responsible for coordinating and producing the annual CIP.
- C) Review: The CIP Review Committee will be a standing committee that will review the: department project requests, additions/changes to the CIP, financial assumptions, organizational capacity to complete the requests, and project plans. Projects proposed for the CIP will be reviewed and prioritized by a CIP Review Committee before being forwarded to Council for approval.

The CIP Review Committee will develop a quarterly CIP report that summarizes changes to the adopted CIP and provide the report to Council.

- D) Project Information: The CIP document shall at a minimum provide the following details on each capital project; project description, estimated cost, sources of funding, operating budget impact, and justification. Project justifications will directly relate to a Council Goal, City Policy, asset management plan and/or approved Master or Comprehensive Plan of the City.
- E) Financial Planning: Capital projects will identify the annual impact on the operating budget. The operating budget impact will be incorporated into the forecast report. Year-1 capital and operating costs will be included in the Proposed Budget.
- F) Funding Sources: Whenever an improvement is for the benefit of a rate or self-supported program, the City will work to fund the capital improvements on a pay-as-you-go basis, or by using self-supporting revenue/tax-increment bonds. Use of General Obligation bonds will be limited to major capital improvements in support of general municipal services.
- G) Asset Management: The City will move towards the development of an asset preservation plan to maximize the assets' useful life and minimize future maintenance and replacement costs. An inventory of the City's assets, including their condition, will be maintained.
- H) Capital Maintenance & Replacement Reserves: The City will move towards the establishment of a future maintenance/replacement reserve account (segregated by fund and program).
- I) Budget Implementation: Upon adoption of the CIP, projects identified in Year-1 of the adopted CIP will be included in the proposed budget for Council approval. Mid-year amendments to the CIP will be treated as amendments to the City's adopted budget, and will be made through the supplemental budget process.

COUNCIL POLICY NO. C-10

TITLE: BUILDING AND SAFETY FUND BALANCE/RESERVE POLICY

POLICY: See attachment.

REFERENCE: Finance Committee Report dated 5/4/2009, Agenda Item No. 4.2 (a)

FUND BALANCE/RESERVE POLICY FOR THE BUILDING AND SAFETY FUND

Purpose

This policy establishes the components and uses of the fund balance for the Building and Safety Fund (“the Fund”). Sound financial management practices include establishing designated and undesignated fund balances sufficient to provide resources for events and service needs that were unanticipated during budget development; cover cash flow needs during a fiscal year; and provide a source of funds to sustain services during a temporary slowing in revenue and/or a source of bridge funding to allow transition to sustainable service levels.

Scope

This policy applies to the Fund.

Definitions

Capital Asset Reserve – A reserve established to accumulate resources annually that will be used to replace capital assets and to provide for major customer service enhancements, and where procurement will be budgeted in the Fund in a future year.

Contingency Account – A budgetary account used to appropriate resources that can be used to address events or service needs that were unanticipated during budget development. With City Council adoption of a transfer resolution, funds are transferred from the Contingency Account to an operating program.

Debt Service Reserve – A reserve established as a requirement of a bond covenant, or covenant in another debt instrument.

Fund Balance – On a budgetary basis the Fund Balance is the sum of the Contingency Account, Service Stabilization Reserve, Capital Asset Reserve and Debt Service Reserve. In the Comprehensive Annual Financial Report it is identified in the schedule titled Statement of Revenues, Expenditures and Changes in Fund Balance.

Service Stabilization Reserve – A reserve established to provide resources in the event of a material decrease in projected revenue during a given fiscal year, which will impact the upcoming fiscal year. The Service Stabilization Reserve allows the continuation of services for a finite period until additional resources are identified or a transition to a sustainable service level is completed. If the Service Stabilization Reserve is used to balance a City Manager budget proposal, the City Manager must include a plan for identifying additional resources or the transition to a sustainable service level. The Budget Committee will review a City Manager’s plan during the review of the City Manager’s Recommended Budget.

Related Financial Policies

- Stable Financial Environment
- Balanced Budget
- General Fund Balance Reserve Policy

Policy Statement

The Fund Balance for the Building and Safety Fund is the sum of the following:

- Service Stabilization Reserve
- Contingency Account
- Capital Asset Reserve
- Debt Service Reserve

For the purposes of preparing the budget, the Fund Balance shall consist of:

- The Service Stabilization Reserve, which shall equal six months of budgeted operating expenditures.
- The Contingency Account, which shall not exceed 10% of budgeted expenditures.
- The Capital Asset Reserve, if any, which shall be recommended by the City Manager, who will, during the annual budget process, provide to the City Council a schedule of capital assets to be funded by the reserve.
- The Debt Service Reserve, if any, as required by any bond covenants or covenants in other debt instruments that require a reserve, which is unavailable for purposes other than debt service.

The Service Stabilization Reserve, Contingency Account and Capital Asset Reserve can be used in the following circumstances:

1. Service Stabilization Reserves can be used by the City Manager to offset an unanticipated loss of revenue within a fiscal year or to balance a budget proposal in the event anticipated revenues may be insufficient to meet the expenditures necessary to maintain current services. Utilization of the Service Stabilization Reserve must be within the context of a multi-year financial plan designed to bring services to a sustainable level through additional resources, service reductions or a combination of such actions.
2. Contingency can be used with City Council adoption of a transfer resolution to meet expenditure requirements resulting from events or service needs not anticipated during budget development.
3. Capital Asset Reserve can be used for planned capital expenditures only with the express written consent of the City Manager. After the City Manager's approval, funds from the Reserve may be included in a transfer resolution for Council approval during a given fiscal year or included in a succeeding year's budget proposal.

COUNCIL POLICY NO. C-11

TITLE: GENERAL FUND BALANCE/RESERVE POLICY

POLICY: See attachment.

REFERENCE: Finance Committee Report dated 1/26/09, Agenda Item No. 4.2 (a)

Policy on Fund Balance/Reserves: General Fund

Purpose: This policy establishes a Fund Balance goal for the General Fund. Sound financial management practices include establishing designated and undesignated Fund Balances sufficient to provide resources for events and service needs that were unanticipated during budget development; cover cash flow needs during a fiscal year; and provide a source of funds to sustain services during a temporary slowing in revenue and/or a source of bridge funding to allow transition to sustainable service levels.

Scope: This policy applies to the General Fund.

Definition of Terms:

Fund Balance – On a budgetary basis the Fund Balance is the sum of the Contingency Account, Service Stabilization Reserve and the Unappropriated Ending Fund Balance. In the Comprehensive Annual Financial Report it is identified in the schedule titled Statement of Revenues, Expenditures and Changes in Fund Balance.

Contingency Account – A budgetary account used to appropriate resources that can be used to address events or service needs that were unanticipated during budget development. With City Council adoption of a transfer resolution, funds are transferred from the Contingency Account to an operating program.

Service Stabilization Reserve – A reserve established to provide resources in the event of a material decrease in projected revenue during a given fiscal year, which will impact the upcoming fiscal year. The Service Stabilization Reserve allows the continuation of services for a finite period until additional resources are identified or a transition to a sustainable service level is completed. If the Service Stabilization Reserve is used to balance a City Manager budget proposal, the City Manager must include a plan for identifying additional resources or the transition to a sustainable service level. The Budget Committee will review a City Manager's plan during the review of the City Manager's Recommended Budget.

Unappropriated Ending Fund Balance – An amount set aside in the budget to be used as cash carryover for the following year's budget, providing a cash resource until other revenue is received. During a fiscal year, state law prohibits transfers from this account except in the event of a calamity or natural disaster.

Related Financial Policies

- Stable Financial Environment
- Balanced Budget

Policy Statement

The Fund Balance goal for the General Fund is 15% of current budgeted revenues. For purposes of preparing the budget, the Fund Balance shall consist of the total of the Contingency Account, Service Stabilization Reserve and Unappropriated Ending Fund Balance. Funds appropriated and available to meet unanticipated events, service needs or revenue shortfalls during a current fiscal year shall consist of two components; 1) the Contingency Account, budgeted at \$500,000 and 2) the Service Stabilization Reserve budgeted at \$2,000,000 for a total of \$2,500,000. The remaining portion of the Fund Balance shall be unappropriated. Until the goal is reached, resources may be added to the Fund Balance in the following manner.

1. \$250,000 per year through the budget development process.
2. Available proceeds from events such as asset sales or legal settlements.
3. 50% of the difference between any Audited Ending Fund Balance and the Budgeted Beginning Fund Balance for the following fiscal year.

Example:

2006 Audited Ending Fund Balance	\$1.7m
2007 Budgeted Beginning Fund Balance	<u>1.0m</u>
Difference	\$700k
Addition to Fund Balance	\$350k

Fund Balance resources can be used in the following circumstances.

1. Contingency can be used with City Council adoption of a transfer resolution to meet expenditure requirements resulting from events or service needs not anticipated during budget development.
2. Service Stabilization Reserves can be used by the City Manager to offset an unanticipated loss of revenue within a fiscal year or to balance a budget proposal in the event anticipated revenues may be insufficient to meet the expenditures necessary to maintain current services. Utilization of the Service Stabilization Reserve must be within the context of a multi-year financial plan designed to bring services to a sustainable level through additional resources, service reductions or a combination of such actions.
3. Unappropriated Ending Fund Balance can be accessed only as allowed by state law.
4. If Fund Balance is utilized to balance a budget proposal, replenishing the Fund Balance to the goal percentage shall be in accordance with the methods described above.

COUNCIL POLICY NO. C-12

TITLE: FUND BALANCE / RESERVE POLICY FOR EMERGENCY SERVICES FUND

POLICY: See attachment.

REFERENCE: Finance Committee Report dated 12/14/2009, Agenda Item 4.2 (a)

TITLE: FUND BALANCE/RESERVE POLICY FOR THE EMERGENCY SERVICES FUND

POLICY: PURPOSE

Sound financial management practices include establishing designated and undesignated fund balances sufficient to provide resources for events and service needs unanticipated during budget development, such as a cash flow need during a fiscal year; providing a source of funds to sustain services during a temporary slowing in revenue and/or a source of bridge funding to allow transition to sustainable service levels; and providing a source of funds for other unexpected events that cause a need for additional expenditures. The purpose of this policy is to establish the components and uses of the Fund Balance for the Emergency Services Fund.

SCOPE

This policy applies to the Emergency Services Fund.

DEFINITIONS

Emergency Services Fund – An enterprise fund established for financing the City’s ambulance service operations.

Fund Balance –The sum of the Service Stabilization Reserve, Contingency Account, and the Unappropriated Ending Fund Balance in the Emergency Services Fund. In the Comprehensive Annual Financial Report the Fund Balance is included in the schedule titled “Statement of Revenues, Expenditures and Changes in Fund Balance.”

Contingency Account – A budgetary account established to provide resources to address events or service needs that were unanticipated during budget development.

Service Stabilization Reserve - A reserve established to provide resources, beyond those available in the Contingency Account, to allow the continuation of services for a finite period until additional resources are identified or a transition to a sustainable service level is completed.

Capital Asset Reserve – A reserve established to accumulate resources on an annual basis that will be used to replace capital assets and to provide for major customer service enhancements, where procurement of the assets or enhancements will be appropriated in a future year.

RELATED FINANCIAL POLICIES

- Stable Financial Environment – City Council Policy C-8
- Balanced Budget – City Council Policy C-8

POLICY STATEMENT

City Manager's recommended budget shall contain a Fund Balance comprised of a Service Stabilization Reserve, Contingency Account, and Capital Asset Reserve, as follows:

- The Service Stabilization Reserve shall be a minimum of six months' operating expenditures, based on the costs to the City if the Fire Department becomes the City's primary medical transport agency.
- The Contingency Account shall be an amount not to exceed 10% of all budgeted expenditures in the Emergency Services Fund.
- The Capital Asset Reserve, if any, shall be an amount recommended by the City Manager, based on a schedule of capital assets to be funded by the Capital Asset Reserve.

The Service Stabilization Reserve, Contingency Account and Capital Asset Reserve can be used in the following circumstances:

1. The Service Stabilization Reserve can be used by the City Manager to balance the Emergency Services Fund budget, in the event revenues may be insufficient to meet the expenditures necessary to maintain current services. In addition, the Service Stabilization Reserve can be used to provide resources through a supplemental budget to sustain services in a current fiscal year, if an unforeseen event occurs, and the Contingency Account is insufficient to cover operational needs. Utilization of the Service Stabilization Reserve shall be within the context of a financial plan designed to bring services to a sustainable level through additional financial resources, service reductions, or a combination of both.
2. The Contingency Account can be used only to meet expenditure requirements resulting from events or service needs not anticipated during the development of the budget. The expenditure of funds in the Contingency Account is subject to the prior authorization by the City Council through the adoption of a transfer resolution.
3. The Capital Asset Reserve can be used for planned capital expenditures. The expenditure of funds in the Capital Asset Reserve can be used only after express written consent of the City Manager has been given. After City Manager's approval, the expenditure of funds in the Capital Asset Reserve may be made

after adoption of a transfer resolution by the City Council during a given fiscal year, or may be made as a budgeted expenditure in the budget proposal for the year during which the capital asset or enhancement will be acquired.

REFERENCE: 11/12/09 Finance Committee Report (Agenda Item No. 3.a)

COUNCIL POLICY NO. C-13

TITLE: Identity Theft Prevention Program

POLICY: See attachment.

REFERENCE: Salem City Council Finance Committee Report dated November 7, 2011, Agenda Item No. 3 (a)
Supplants Administrative Services Report dated April 27, 2009, Agenda Item No. 4.2 (c)

City of Salem

Identity Theft Prevention Program

Effective May 1, 2009

I. PURPOSE

In 2003, the Federal Trade Commission adopted 16 C.F.R. § 681.2 (“Red Flag Rule”), which implements Section 114 and 315 of the Fair and Accurate Credit Transactions Act (FACTA) of 2003. According to the Red Flag Rule, municipalities are creditors subject to FACTA. In 2007, the State of Oregon enacted ORS 646A.622, the Oregon Consumer Identity Theft Protection Act, (OCITPA). Under these laws, every financial institution and creditor is required to establish an “Identity Theft Prevention Program” tailored to its size, complexity and the nature of its operation. The Identity Theft Prevention Program must contain reasonable policies and procedures to:

- A. Identify relevant patterns, practices, or specific activities (red flags) that may indicate the existence of identity theft related to new and existing covered accounts and incorporate those red flags into the Program;
- B. Detect red flags that have been incorporated into the Program;
- C. Respond appropriately to any red flags that are detected to prevent and mitigate identity theft; and
- D. Update periodically to reflect changes in risks to customers or to the safety and soundness of information to prevent identity theft.

The purpose of the City’s Identity Theft Prevention Program (the “Program”) is to comply with the Red Flag Rule and OCITPA by providing for the detection, prevention, and mitigation of identity theft in connection with the opening of a new covered account or with an existing covered account with the City, and providing for continued administration of the Program for compliance with changes to the Red Flag Rule and the OCITPA. The Program was developed with oversight by the Program Administrator. After consideration of the size and complexity of the City's operations and account systems, and the nature and scope of the City's activities, the City Council determined that this Program is appropriate to the size, complexity and nature of the City’s operations, and approved the Program on April 20, 2009.

II. DEFINITIONS

- A. **Customer** means a person to whom the City provides services.
- B. **Covered Account** means:
 1. Any account the City offers to, or maintains for, customers that is primarily for personal, family or household purposes, and that involves multiple payments or transactions; and

2. Any other account that the City offers or maintains for persons where there is a reasonably foreseeable risk of identity theft.

C. **Identity Theft** means fraud committed using the personal information of another.

D. **Personal Information** means:

1. A customer's first name, or first initial and last name, in combination with one or more of the following:
 - a. The customer's social security number;
 - b. The customer's driver's license number or state identification card number issued by the Oregon Department of Transportation;
 - c. The customer's passport number or other identification number issued by the United States; or
 - d. The customer's financial account number, credit or debit card number, in combination with a security code, access code or password that would permit access to the customer's financial account.
2. The information in Section 1 is not "Personal Information" when the information is rendered inaccessible through encryption, redaction, or other security method, and the encryption key or other security method has not been acquired by an unauthorized person.
3. "Personal Information" does not include information in a federal, state or local government record that is lawfully made available to the public in compliance with Public Records Laws.

E. **Program Administrator** means the Director of Finance, or appointed designee.

F. **Red Flag** means a pattern, practice, or specific activity that indicates possible Identity Theft.

G. **Security Breach** means the unauthorized acquisition of Personal Information.

H. **Security Information** means government data, the disclosure of which would likely place the security of information, individuals, or property in substantial jeopardy of theft, tampering, improper use, attempted escape, illegal disclosure, trespass, or physical injury.

III. IDENTITY THEFT PROTECTION.

- A. City departments, divisions, and employees shall only collect Personal Information for appropriate business reasons, including, but not limited to, the opening of an account, making a payment on an account, or the application of a license or permit. Examples

include, but are not limited to, City water or sewer utility accounts, program loans, library account information, or applications for permits.

- B. The City will safeguard Personal Information in its possession, unless disclosure is required by law.
- C. Personal Information shall not be printed on mailed materials unless the Personal Information has been redacted in such a way as to render the information unusable for identity theft. Personal Information shall not be printed on cards used to access products, services, or City buildings. Personal Information shall not be included on public postings or displays, including the City's web site. Personal Information may be used by City staff for internal verification or administrative purposes.
- D. The City will maintain reasonable safeguards for the custody and disposal of Personal Information so as to prevent disclosure. Each City Department shall establish administrative, technical, and physical safeguards to protect Personal Information maintained by the Department.
 - 1. Administrative safeguards shall include assigning an employee to coordinate a security program, to identify internal and external risks, and to train employees.
 - 2. Technical safeguards shall include assessing risks in network and software design; in information processing, transmission, and storage; and in testing and monitoring controls.
 - 3. Physical safeguards shall include locking material containing Personal Information in file cabinets or storage systems; electronic data kept on a secured server; detecting, preventing, and responding to intrusions that could result in the disclosure of Personal Information; and protecting Personal Information from unauthorized access.
- E. Each City Department is responsible for the proper disposal of Personal Information after the Personal Information is no longer needed for City business purposes. Proper disposal may include shredding or rendering the material unreadable by other means.
- F. Each City employee shall take the following actions to safeguard Personal Information, whether in paper or electronic form:
 - 1. Social security number shall not be collected or used unless there is an appropriate business reason, or the collection or use is required by law.
 - 2. Social security numbers shall not be printed on cards or documents that are mailed to customers or publicly displayed unless the customer has requested the information that requires a social security number. Examples include, by way of illustration, a copy of a credit application or employment application.
 - 3. Credit card receipts shall not include the full credit card number of the customer.
 - 4. Paper documents containing Personal Information shall be stored in locked cabinets and storage systems, or in locked rooms or locked storage areas.
 - 5. If an employee has computer access to Personal Information, the employee's computer shall be password protected and include an active password protected screen saver.

6. Observable confidential or individually identifiable information shall be shielded from unauthorized disclosure on computer screens and paper documents.

IV. RED FLAGS.

In addition to the procedures covered under the Program in Section III, each Department shall identify “Red Flags” that will allow detection of the misuse or theft of Personal Information. A Red Flag may be a pattern, practice, or specific activity that may indicate the existence of Identity Theft.

A. Identifying Red Flags

To identify Red Flags, each Department shall consider the types of accounts that it offers and maintains, the methods it provides to open accounts, the methods it provides to access the accounts, the methods applied to closing accounts, and any previous experiences with Identity Theft. The following shall be considered Red Flags by each Department:

1. Notifications and Warnings from Credit Reporting Agencies

- a. Report of fraud accompanying a credit report.
- b. Notice or report from a credit agency of a credit freeze on a customer or applicant.
- c. Notice or report from a credit agency of an active duty alert for an applicant.
- d. Indication from a credit report of activity that is inconsistent with a customer’s usual pattern of activity.

2. Suspicious Documents

- a. Identification document or card that appears to be forged, altered, or inauthentic.
- b. Identification document or card on which a customer’s or applicant’s photograph or physical description is not consistent with the person presenting the document.
- c. Other document with information that is not consistent with existing customer information. Example: a person’s signature on a check appears forged.
- d. Application for service that appears to have been altered or forged.

3. Suspicious Personal Identifying Information

- a. Identifying information presented that is inconsistent with other information the customer provides. Example: inconsistent birth dates.

- b. Identifying information presented that is inconsistent with other sources of information. Example: an address not matching an address on a credit report.
- c. Identifying information presented that is the same as information shown on other applications that were found to be fraudulent.
- d. Identifying information presented that is consistent with fraudulent activity. Example: an invalid phone number or fictitious billing address.
- e. Social security number presented that is the same as one given by another customer.
- f. An address or phone number presented that is the same as that of another person.
- g. A person fails to provide complete personal identifying information on an application when reminded to do so.
- h. A person's identifying information is not consistent with the information that is on file for the customer.

4. Suspicious Account Activity or Unusual Use of Account

- a. Change of address for an account followed by a request to change the account holder's name.
- b. Payments stop on an otherwise consistently up-to-date account.
- c. Account used in a way that is not consistent with prior use. Example: very high activity.
- d. Mail sent to the account holder is repeatedly returned as undeliverable.
- e. Notice to the City that a customer is not receiving mail sent by the City.
- f. Notice to the City that an account has unauthorized activity.
- g. Breach in the City's computer system security.
- h. Unauthorized access to or use of customer account information.

5. Alerts from Others

Notice to the City from a customer, identity theft victim, law enforcement or other person that a fraudulent account has been opened or maintained for a person engaged in identity theft.

B. Detecting Red Flags.

- 1. New Accounts.** In order to detect any of the Red Flags associated with opening a *new account*, City personnel shall take the following steps to obtain and verify the identity of the person opening the account:
 - a. Require multiple forms of identifying information such as name, date of birth, residential or business address, principal place of business for an entity, driver's license or other identification;
 - b. Review documentation showing the existence of a business entity; and/or

c. Independently verify the information provided.

2. Existing Accounts. In order to detect any of the Red Flags identified above for an *existing account*, City personnel shall take the following steps to the extent possible to monitor transactions with an account:

- a. Verify the identification of customers if they request information, either in person, via telephone, via facsimile, via email;
- b. Verify the validity of requests to change billing addresses; and
- c. Verify changes in banking information given for payment purposes.

C. Preventing and Mitigating Identity Theft

In the event an employee detects a Red Flag, the employee shall immediately contact the Program Administrator and continue to monitor the account for evidence of identity theft. The Program Administrator shall investigate the matter and determine the appropriate response, which should include one or more of the following actions:

1. Notify the Customer.
2. Not open a new account.
3. Close an existing account.
4. Reopen an account with a new number.
5. Notify law enforcement.
6. Determine that no response is warranted under the particular circumstances.

If a Red Flag is detected, the Program Administrator shall determine whether a Security Breach has, or is likely to have, occurred and take appropriate action as outlined in Section V.

V. SECURITY BREACH.

If the Program Administrator determines a Security Breach has, or is likely to have, occurred, the following actions are required:

A. The Program Administrator shall immediately report the security breach to the City Manager.

B. The Program Administrator shall, as soon as possible, notify all persons whose Personal Information was subject to a security breach by one of the following methods:

1. Written notification;
2. Electronic notification, if this is the customary means of communication with the person;
3. Telephone notice, provided that direct contact with the person is made; or
4. Substitute notice as provided in ORS 646A.604.

- C. The notice provided to the customer shall include:
1. A description of the incident in general terms;
 2. The approximate date of the security breach;
 3. The type of Personal Information obtained as a result of the security breach;
 4. The contact information of the Program Administrator or the Program Administrator's designee in order for the customer to have direct contact for questions or concerns about the incident;
 5. Contact information for national customer reporting agencies; and
 6. Information to the customer to report suspected identity theft to law enforcement, including the Federal Trade Commission.

D. An incident response team designated by the Program Administrator shall investigate any security breach and provide a written report to the City Manager assessing the situation and actions to be undertaken, if necessary.

VI. PROGRAM UPDATES

- A. **Time for Updates.** The Program Administrator shall review the Program when changes in risks to customers or to the safety and soundness of the City's practices in reducing the risks of customers from Identify Theft occur.
- B. **Considerations when Updating.** In reviewing the Program, the Program Administrator shall consider the City's experiences with Identity Theft, changes in Identity Theft methods, changes in Identity Theft detection and prevention, and changes in the City's business arrangements with other entities.
- C. **Recommend Changes to Program.** After considering these factors, the Program Administrator shall determine whether changes to the Program, including the listing of Red Flags, are warranted. If warranted, the Program Administrator shall recommend changes to the City Manager who shall refer the Program updates to the City Council for proposed adoption.

VII. SERVICE PROVIDER CONTRACTS

If the City engages a service provider (the "Contractor") to perform an activity or service that involves processing, storing, or transmitting customer personal, financial, or account information, the contract shall include a clause that:

- A. "Contractor acknowledges that it is the City's responsibility to ensure that activities of all service providers and contractors are conducted in accordance with reasonable policies and procedures designed to detect, prevent, and mitigate the risk of identity theft, and shall comply with the federal Fair and Accurate Credit Transactions Act of 2003, as amended, and the Oregon Consumer Identity Theft Protection Act (ORS 646A.600 to 646A.628), as amended. By contractor signature hereon, the contractor certifies and warrants that contractor maintains its own Identity Theft Prevention

- Program, consistent with the guidance of the red flag rules (16 C.F.R. Part 681) and validated by appropriate due diligence;
- B. Contractor agrees to defend, indemnify, and hold harmless the City, its officers, employees, and agents from and against any and all claims arising out of or related to Contractor violating: (i) the federal Fair and Accurate Credit Transactions Act of 2003, as amended; (ii) the Oregon Consumer Identity Theft Protection Act (ORS 646A.600 to 646A.628), as amended;
 - C. A statement that in the event of a breach of customer personal, financial, or account information, the contractor will immediately notify the City and take steps to reduce the risk of identity theft; and if applicable; and
 - D. A statement that vendor's software and data transmission process is, and will remain, compliant with Payment Card Industry (PCI) Data Security Standards (DSS)."

VIII. PROGRAM ADMINISTRATION.

A. Responsibility and Oversight.

Responsibility and oversight for developing, implementing and updating the Program lies with the Program Administrator. The Program Administrator shall appoint an Identity Theft Committee. At least one member of the Committee shall have detailed technical knowledge of the City's information technology systems.

B. Responsibility for Implementation.

The Program Administrator shall be responsible for the Program implementation and oversight of Department compliance, for ensuring Departments provide adequate training on the Program, for determining which steps of prevention and mitigation should be taken in particular circumstances, and for considering and recommending changes to the Program.

C. Internal Audits.

A compliance audit will be conducted annually on a component, department, or division covered by this program by the Administrative Services Finance Division Chief Accountant.

D. Staff Training and Reports.

The Program Administrator shall ensure that City staff responsible for the Program are trained. Training shall include the goals of the Program, how to protect Personal Information, how to detect Red Flags, and how to take steps responsive to a Red Flag. Department Heads are responsible for the Program compliance for their Departments, and shall periodically meet with their staff to assess current compliance and document appropriate safeguard practices. Department Heads responsible for the Program will provide reports to the Program Administrator on incidents of Identity Theft.

E. Non-disclosure of Specific Practices.

For the effectiveness of this Identity Theft Prevention Program, knowledge about Red Flag identification, detection, mitigation and prevention practices shall be limited to the Identity Theft Committee and employees who implement the Program.

Documents produced in order to develop or implement the Program shall be considered “security information” and unavailable to the public because public disclosure would substantially jeopardize the security of information against improper use and circumvent the City’s Identity Theft prevention efforts, thereby facilitating the commission of Identity Theft. Employees shall comply with the Program and any internal processes adopted by the City Manager, the Identity Theft Prevention Committee, and Department Heads. Noncompliance may result in formal disciplinary action, up to and including termination of employment. Employees should contact their immediate supervisor or Program Administrator if they have questions about compliance with the Program or any implementing measures.

COUNCIL POLICY NO. C-14

TITLE: UTILITY FUND FINANCIAL POLICY

POLICY: See attached.

REFERENCE: City Council Finance Committee Report dated 3/17/14, Agenda Item No. 3a; Public Works and Administrative Services Staff Report dated April 14, 2014, Agenda Item No. 3.3 (f); City Council Finance Committee Report dated November 21, 2016, Agenda Item No. 4a; Finance Division Staff Report dated December 12, 2016, Agenda Item No. 3.2a

I. Introduction

Salem provides water, wastewater, and stormwater services to all Salem residents. In addition, Salem provides water and/or wastewater services to Keizer, Turner, and unincorporated areas of East Salem, Jan Ree, Orchard Heights, Eola/Chatnicka, and Labish. Meeting the funding needs for the maintenance and reinvestment in each system is critical.

II. Purpose

This policy establishes practices, which will guide forecasting, and rate proposal development for sound financial management of the Utility Fund (“the Fund”). To this end, this policy will include the establishment of operating and debt reserve levels, a subordinate debt coverage ratio, capital funding strategies, and a defined schedule for financial planning, modeling, and rate cases to support Fund management.

III. Scope

This policy applies to the Fund including water, wastewater, and stormwater utility revenue and other associated fees and charges.

IV. Related Financial Policies

Debt Management, City Council Policy C-2

Operating Budget and Revenue Policies, City Council Policy C-8

General Fund Balance Reserve Policy, City Council Policy C-11

V. Policy Statement

For the purposes of developing the biennial rate proposal and preparing the annual budget, the following shall be modeled and maintained in forecasting:

1. Debt Reserve shall be fully funded as required by the Master Water and Sewer System Revenue Bond Declaration and/or Policy.
2. Reserves for Full Faith and Credit obligations shall be funded at one year of outstanding debt service, equivalent to highest single year of total Full Faith and Credit debt service payment.
3. Operating Reserve equal to 120 days of operating expenditures shall be fully funded and shall include Rate Stabilization Reserve funds. Rate Stabilization funds are not set aside in addition to, but rather are a portion of the Operating Reserve.

4. Parity and subordinate coverage ratios will be maintained as required by the Master Water and Sewer System Revenue Bond Declaration with calculations included in the Comprehensive Annual Financial Report.
5. An expense ratio (expenditures/revenues) shall be maintained at or below 100 percent over the long-term. As long as financial projections stabilize or improve in future years, the Fund may use reserves in the short-term.
6. Capital funding allocations are to increase over time as debt service is retired. The long-term goal is to increase annual funding for capital projects consistently until the level approaches one percent of total asset value.
7. The Fund shall be managed either in aggregate with the revenue slope applied uniformly to each utility or separately, where a revenue slope for each utility service may be established independently.
8. A financial plan and rate proposal shall be prepared and presented to Council biennially in even numbered years. A comprehensive Cost of Service Analysis (COSA) update shall be prepared every four (4) years beginning with the Fiscal Year 2018-19 rate proposal.

VI. Use of Contingency/Reserves (in usage order):

1. Contingency funds may be used for unanticipated expenditures that are either operating or capital in nature. When the contingency is sufficiently funded, most issues can be addressed without a supplemental budget.
2. Capital Reserve may be accumulated and used for a specified project purpose. Retention and identification of these funds as they are accumulated provides transparency in financial planning efforts.
3. Operating Reserve is held as a best practice and to enhance bond ratings. The City of Salem includes the amount reserved for rate stabilization in the calculation of total Operating Reserves. Rate Stabilization Reserve is held and used when consumption declines, or there is a revenue shortfall so significant that net revenue (after operating expenditures) is insufficient to meet debt coverage requirements as stated in the Master Water and Sewer System Revenue Bond Declaration. Rate Stabilization Reserve may be used in lieu of an immediate mandatory rate increase.
4. A Debt Reserve is established for payment of the final year of debt service based on the amount specified in the debt service schedule; usually calculated as the highest year of

annual debt service. The purpose is to protect bondholders from an insufficiency of funds to pay debt service resulting from a sharp decline in consumption or revenue. For the protection of the General Fund, this policy establishes the requirement of a debt reserve for full faith and credit debt equivalent to the highest annual payment of this debt.

Glossary

Beginning Working Capital—Funds available at the beginning of a fiscal year representing the sum of debt reserves (both required by covenant and by policy), operating reserves, capital construction reserves, unused contingency, and unrestricted fund balance. These resources may or may not be budgeted for expenditure.

Capital Reserve—Accumulation of funds for a capital project(s). Funds may be held in the capital reserve until project(s) are budgeted and undertaken. The capital reserve shall not exceed 1 percent of the asset value. It is the Public Works Department's practice to retain unused capital funds in the Utility Fund rather than in a construction fund.

Contingency—Budgeted funds available during the fiscal year, with the approval of City Council, for unanticipated expenditures.

Cost of Service Analysis (COSA) – The process of determining the cost of providing utility service to each of the defined customer classifications. This includes the functionalization and allocation of system revenue requirements followed by the distribution of costs by customer classification based on usage, peak demands, and customer-related costs for which each class of service is responsible.

Coverage Ratio—Calculation comparing net revenue (total revenue less operating expenditures) to total annual debt service on parity bonds. $\text{Net revenue/parity debt service} = 1.25$ minimum as required by the Master Water and Sewer System Revenue Bond Declaration adopted resolution of City Council.

Debt Reserve—Amount, equivalent to highest single year of total debt service payment, to be set aside for debt service on revenue bonds in the event of a revenue shortfall. The reserve ensures a year of payments is available until a rate increase, or other financial solution, may be implemented to balance the fund. Debt reserve requirements are typically stated in the Master Water and Sewer System Revenue Bond Declaration.

Full Faith and Credit—Bonds issued by the City of Salem on behalf of the Fund and backed by the General Fund. Although identified as an obligation of the Fund, the Master Water and Sewer System Revenue Bond Declaration does not require a debt reserve for this obligation.

Master Water and Sewer System Revenue Bond Declaration—Legal document approved by City Council governing conditions for the sale of utility revenue bonds. The document establishes debt reserves, rate stabilization reserves, coverage ratios, and requirements for the issuance of additional debt.

Operating Reserve—Funds equal to 120 days of the annual operating expenditure budget. A 120-day reserve is considered “good” by Standard and Poor's and should be sufficient in case of an emergency need for additional funds. The calculation does not include capital outlay, debt service, or contingencies. Operating Reserve includes Rate Stabilization Reserves as required by the Master Water and Sewer System Revenue Bond Declaration.

Parity Debt—Debt that has a first priority requirement to be paid with net revenue.

Rate Stabilization Reserve—The amount established in the Master Water and Sewer System Revenue Bond Declaration to be used in case net revenue is insufficient to meet debt coverage requirements. Per the Master Water and Sewer System Revenue Bond Declaration, if Rate Stabilization Reserve funds are required and used, the funds will be reclassified as revenue.

Rates—Individual fees and charges for each utility service based on customer class and service area. Annual rate adjustments for each fee may not match the overall revenue slope identified for the Fund.

Revenue Bond—Long term debt issued by the Fund and backed by utility sales revenue.

Revenue Slope—Projected change in combined revenue from all sources in the Fund.

Subordinate Debt—All debt other than Parity Debt, including loans or other obligations such as Full Faith and Credit bonds backed by the General Fund and issued on behalf of the Fund.

Total Debt Ratio—Net revenue less parity debt service divided by total subordinate debt service.

Unrestricted Fund Balance—Amount of fund balance or beginning working capital not specified for expenditure or reserves including debt reserve, capital reserve, operating reserve, or rate stabilization reserve.

COUNCIL POLICY NO. C-15

TITLE: POLICY ON USE OF CITY RESOURCES FOR MARIJUANA BASED ACTIVITIES

POLICY: See below.

REFERENCE: Oregon Constitution, Article IV, Section 5, and Article XI, Section 2.

CITY OF SALEM POLICY CONCERNING USE OF CITY RESOURCES, INCLUDING CITY PROPERTY AND CITY FUNDS FOR MARIJUANA BASED ACTIVITIES

Whereas, Oregon law, with certain restrictions, allows the use, manufacture, and distribution of marijuana and marijuana products for personal use;

Whereas, marijuana is a schedule 1 controlled substance under federal law, and its use, manufacture, or distribution remains illegal under federal law;

Whereas, the City is committed to maintain the City as a drug-free workplace, in compliance with the Drug-Free Workplace Act of 1988;

Whereas, the City has made assurances to the federal government as conditions of receipt of federal grant funds that the City will not allow the use of certain City property in violation of federal law;

Whereas, the City maintains programs for the lease of City-owned property for lease for commercial and retail purposes;

Whereas, the City has the authority to provide City funds and other incentives for the private development of real property.

Now, therefore, the City of Salem hereby adopts the following policy:

1. **Leasing of Property.**

The City shall not lease real property to others if the property will be used for the use, farming, manufacture, distribution or transfer of marijuana or products containing marijuana.

The City shall include a provision in all lease agreements or permits of entry that violation of this policy shall be a default of the agreement or permit, and the agreement or permit shall be subject to termination.

2. **Grants or Loans.**

The City shall not grant or loan City funds in connection to any development that intends to or does allow the use, farming, manufacture, distribution or transfer of marijuana or products containing marijuana.

The City shall include a provision in all grant or loan agreements that requires grant or loan recipients, their heirs, successors and assigns, to comply with this policy for a period of two years from the final grant or loan disbursement, that violation of this policy shall be a default of the grant or loan agreement, and the defaulting party shall be obligated to immediately repay any grant or loan funds already disbursed.

3. **Use of Marijuana at City Facilities**

The City shall not permit the use of marijuana products at City facilities, and shall not issue permits or licenses for the use of City facilities, such as park facilities, meeting rooms or other City owned facility if the applicant for such a permit or license intends to use, or allow the use of, marijuana products at the City facility.

GOVERNMENT

D - Boards and Commissions

GOVERNMENT

E - Neighborhood Associations

COUNCIL POLICY NO. E-1

TITLE: NEIGHBORHOOD COMMUNICATIONS

POLICY: To provide direction to neighborhood associations and to staff regarding the content of neighborhood newsletters and fliers.

The city coordinates the publication of neighborhood newsletters and fliers and pays for printing and distribution of one newsletter per neighborhood. The policy reflects the limitations placed on publicly funded publications and issues of concern to the city.

REFERENCE: Adopted by City Council motion in 1984; Amended by Community Services Staff Report dated December 9, 1996, Agenda Item No. 9.2.i

NEIGHBORHOOD COMMUNICATIONS

PURPOSE

The purpose of the policy is to provide a framework for the publication of neighborhood newsletters using initial City resources. The intention of the policy is to provide clear, specific guidelines which provide flexibility in administering the program and which are easily understood. Neighborhood newsletters published without use of City funds are not covered by this policy.

DEFINITIONS

Neighborhood Newsletters: An annual publication designed to distribute neighborhood news for broad distribution announcing the neighborhood annual meeting and funded by the City.

Neighborhood Newsletter Committee: A group of people designated by the neighborhood association to have responsibility to oversee the editing and publication of the neighborhood newsletter and other communications. The neighborhood newsletter editor is a member of that committee and six direction for the newsletter from that committee.

AVAILABILITY OF CITY RESOURCES

1. In dance initial cap each neighborhood association shall publish at least one neighborhood newsletter to announce the neighborhood annual meeting each year, utilizing the neighborhood association's allocation for newsletters (as determined by the printing and postage budget for neighborhood newsletters in the initial cap community image initial cap involvement initial Division budget). This publication shall be sent to all residents, businesses, and non-resident vacant lot property owners, as outlined in SRC 64.320.

NEIGHBORHOOD AND CITY RESPONSIBILITIES

1. The Neighborhood Association responsibilities are:
 - A. To provide research, writing, editing for articles submitted for the newsletter.
 - B. To appoint a commission Newsletter Editor/Newsletter Committee to oversee the Neighborhood's responsibilities.
 - C. To provide copies of neighborhood newsletters to anyone requesting them.
 - D. Subject to the limitation specifically prohibited by law, neighborhood association (NA) boards must have final approval of neighborhood newsletters prior to printing:
 - i. NA boards should decide which articles are included;
 - ii. NA boards need to know before printing what City staff wants to add, modify or delete or have legal concerns about, and

- iii. More lead time is needed (60-90) days to prepare newsletters so there is adequate time for preparation and reviews of the product.
2. The City's responsibilities are:
 - A. To provide coordination of publication done by the City.
 - B. To provide typesetting, graphics support, and coronation for neighborhood newsletters solely funded by the City.
 - C. To provide mailing lists of absentee owners and businesses when required for notification in SRC 64.340 and in A above.
 - D. To provide occasional educational assistance in the production of neighborhood newsletters. City staff should include information on NA newsletters for new NA board members as part of their orientation.
 - E. To review content for such things asked: basic election hearing, libel/slander, accuracy of facts relating to city projects/studies.
 3. Review of newsletter content is the shared responsibility of NA Boards and City staff.

CONTENT

1. Material included in newsletters is subject to the limitations outlined in the policy. Each NA will determine the content of its own newsletter.
2. Material can be submitted from the following sources:
 - A. The neighborhood association or any of its general members may submit material to the neighborhood Newsletter Editor/Newsletter Committee. Anyone in the neighborhood can submit opinion (or other) articles.
 - B. City departments or agencies contracting with the City to provide City services may submit material directly to the neighborhood Newsletter Editor/Newsletter Committee or to the Newsletter Coordinator and Community Development.
 - C. Other organizations or agencies, such as schools, community schools, churches or civic groups, may submit material to the neighborhood Newsletter Editor/ Newsletter Committee or, if submitted to the Newsletter Coordinator, is subject to the approval of the neighborhood Newsletter Editor/Newsletter Committee.
3. Material from City sources that is required by agencies providing funds for neighborhood newsletters will have priority for up to 1/4 of the usable space.
 - A. Upon request, the Newsletter Coordinator who provide other City-originated material to the neighborhood association. The neighborhood association will determine its relevancy to the individual neighborhood, timeliness, and conciseness.

4. City staff and City Council members should encourage persons concerned with NA newsletter content to resolve the issue directly with the author and/or the NA.

EDITORIAL GUIDELINES

1. Editorial guidelines are intended to allow publication of all materials except those limited by this policy or specifically prohibited by law. Neighborhood Newsletter Editors/ Newsletter Committees should use common sense, responsible judgment, and good taste in determining the content of neighborhood newsletters and other communications.
2. Election material may include an impartial (equitable, fair, unbiased and dispassionate) simple, factual description of the issue. It must not advocate about (promote or oppose) a measure or candidate. The material must contain a balance of factual information. It cannot lead the reader to support or oppose a measure or candidate by selective use of factual material, even in this material does not expressly urging yes or no vote.
3. Neighborhood newsletters should include a complete list of the officers and/or members of the executive board with addresses and/or phone numbers. Other communications should include the name of at least one contact person in the neighborhood association. The name of the neighborhood association shall be included in all newsletters. Schedules of regular meetings of the neighborhood should be included in newsletters.
4. Neighborhood newsletters must include a summary of neighborhood actions and activities. The summary may appear in an article on the by-line of neighborhood association share or other neighborhood person.
5. It is the NA's discretion as to whether to include an opinion article. If opinion articles are to be included, we recommend to NA boards that they consider having a separate page or sections specified as "opinion". All opinion articles should include the author's name.
6. NA's should include a disclaimer in the newsletters that these opinions do not necessarily represent the opinion of the neighborhood association; the City should continue its disclaimer and enlarge the print size.
7. All materials submitted must include the author's name, including official titles to any elected or appointed governmental or political positions. The author's name may be published with the article as directed by the Newsletter Editor/Newsletter Committee.
8. Any individual who feels that he/she has been misquoted may submit material for the correction to appear in the following communication.
9. When any question arises as to whether or not material may be libelous, the material will be submitted to the City Attorney for an opinion, whose decision shall be final.
10. No advertising should be included in the City-funded newsletters in order to maximize room for articles. Public service announcements can be included.

11. No copyrighted material from other publications may be reprinted except with written permission of the appropriate party or except where it specifically states that the material may be reprinted without permission.

NEWSLETTER POLICY CHANGES

1. When changes in this policy document are needed, a newsletter task force will be formed to provide guide guidance and advice on newsletter policy. The task group will be composed of:
 - A. any representatives from different neighborhood associations, with at least three neighborhoods represented, Salem Neighborhoods, Inc.;
 - B. the Public Information Officer, as a representative of the City Manager's office;
 - C. the Community Services Administrator, the shall be responsible for calling the meetings;
and
 - D. the Newsletter Coordinator.

COUNCIL POLICY NO. E-2

TITLE: DISTRIBUTION OF INFORMATION TO NEIGHBORHOOD ASSOCIATIONS

SUBJECT: Distribution of Information to Neighborhood Associations

POLICY DECISION: Whether to adopt a policy on distribution of information to neighborhood association that reads as follows:

Information provided to neighborhood associations through the Department of Community Services could include the following:

1. Materials coming from City sources such as the City Council and board/commission agendas, staff reports, notices of City-sponsored meetings, communications, etc.
2. Information from outside sources which meet the following criteria.
 - the subject of the information is an issue of interest to neighborhood associations; and,
 - sufficient copies of the material are provided for the mailing; OR staff determines that the nature of the information is such that it is important for neighborhoods to have and copying it for distribution would benefit neighborhood associations. Generally, the material would be non-commercial.

REFERENCE: Community Services Staff Report dated 12/9/96, Agenda Item No. 9.2.j

GOVERNMENT

F - Other Public Entities

COUNCIL POLICY NO. F-1

TITLE: WATERSHED COUNCILS

- POLICY:**
1. To be officially recognized by the City, watershed councils shall include on their decision making body representatives from neighborhood associations located within their watershed. Where more than three neighborhood associations exist within a watershed boundary, the watershed council should attempt to have full representation from at least two of them. The remaining neighborhood associations would, at a minimum, be represented as general members and receive regular mailings of the watershed council.
 2. Watershed councils shall work with neighborhood associations on issues of concern to both groups that will be brought before the council, boards and commissions. The neighborhood associations will remain the officially recognized voice of the community. However, watershed councils are not precluded from making recommendations to the same governing bodies and are encouraged to do so.
 3. Where one or more watershed councils exist within a neighborhood boundary, the neighborhood association shall seek representation from the watershed council(s) to serve on their executive board or establish a committee with the chairperson having representation on their executive board.

REFERENCE: Public Works Department Staff Report dated 12/7/98, Agenda Item No. 4.2.t

GOVERNMENT

G - Legislature

COUNCIL POLICY NO. G-1

TITLE: TESTIMONY BEFORE LEGISLATURE

POLICY: Any representative of the Common Council, the City Manager's Office, city department, board, commission, committee, or sub-committee desiring to testify before the legislative assembly, state agencies or municipal corporations as herein defined shall, where possible, receive prior approval from the Common Council on City policy.

If the City Manager or his designee determines it is important that the City of Salem speak on a legislative issue and the hearing schedule does not permit prior Common Council approval, the City Manager or his designee is authorized to speak for the City of Salem. Summaries of all testimony delivered under this section shall be provided to the Common Council.

No representative of the Council, City Manager's Office, city department, board, commission, committee, or subcommittee shall make a statement on City time or in their official capacity contrary to the adopted policies of the Common Council.

This is not to be construed to abridge the rights of individuals to testify in their own names.

REFERENCE: Council motions adopted March 2, 1991, and February 22, 1993.

GOVERNMENT

H - Miscellaneous

QUALITY OF LIFE

I - Public Safety

COUNCIL POLICY NO. I-1

TITLE: REQUIRED LOCATION FOR FIRE HYDRANTS

POLICY: The City shall maintain fire protection services capable of receiving favorable rates for the City's property owners. Insurance rates are based on periodic inspections of the city's fire protection by the Insurance Services Office (ISO). A major criteria for low rates is the fire hydrant distribution and capability of the hydrant system to provide adequate water.

REFERENCE: The Standard Schedule for Grading Towns and Cities of the United States with Preference to Their Defenses and Physical Conditions - Insurance Services Office. (Old Council Policy No. 23)

COUNCIL POLICY NO. I-2

TITLE: BURNING PRIVATELY-OWNED BUILDINGS BY FIRE DEPARTMENT
FOR TRAINING PURPOSES

POLICY: See attachment.

REFERENCE: ORS 487.960(5) Burning permit required
SRC 56.017 Demolition permit required
SRC 73.105 Capping abandoned sewers required
UBC Section 301 Permit required for demolition
Fire Department Staff Report dated 7/21/86 and 9/15/86
(Old Council Policy No. 45)

BURNING PRIVATELY-OWNED BUILDINGS BY FIRE DEPARTMENT FOR TRAINING PURPOSES

It is the policy of the City to accept the donation of privately-owned buildings for purposes of burning them in training exercises for City firefighters. Such buildings must meet minimum guidelines for liability risk, neighborhood notification, public safety and training value.

The purpose of this policy is to provide an adequate supply of useful buildings to adequately train City firefighters. No fee will be charged expressly for the burning of the building, although normal permit fees related to disconnecting services, demolition of property, and inspections will be charged.

The City recognizes that controlled burning of buildings by the Fire Department through planned training exercises offers a valuable asset to the community in providing well-trained firefighters. The City further recognizes that the value of the exercises must be weighed against potential negative aspects that may occur in the surrounding neighborhood.

The actual burning of privately-owned buildings will be performed by the Salem Fire Department. Other fire departments and students from the Chemeketa Community College Fire Science program may be invited to participate in the practice burns provided that the other fire departments at the time of the burn have a working mutual aid agreement with the City of Salem and that the City and Chemeketa Community College have an operational fire education contract. The Salem Fire Department will maintain control over the acceptance of buildings to be burned and will maintain command of the training exercise.

Exceptions to this provision will be allowed for buildings within the corporate limits of the City of Salem that are owned by the State of Oregon or the federal government that are proposed to be burned for training purposes by a state fire brigade for a state building or a federal fire brigade for a federal building. In these cases, the burn must be permitted by the Fire Chief or his designee and the agency actually performing the burning exercise must adhere to the guidelines listed below.

COUNCIL POLICY NO. I-3

TITLE: FIRE AND EMERGENCY SERVICE PLANNING STANDARDS

POLICY: Amended

REFERENCE: Fire Department Staff Report dated 10/02/99

COUNCIL POLICY NO. I-4

- TITLE:** ESTABLISHING COUNCIL CURATORSHIP FOR ANTIQUE FIRE VEHICLES
- POLICY:** Council to ensure that certain historical fire fighting vehicles are not disposed of without Council approval
- REFERENCE:** Antique Fire Vehicles; Establishing Council Curatorship (Fire Dept staff report dated 11/7/94, Agenda Item 7.2.n)

COUNCIL POLICY NO. I-5

TITLE: BACKYARD BURNING PROGRAM REVIEW & RECOMMENDED CHANGES

POLICY: The backyard burn task force shall report to Council on the issues of large acreage lot exemptions and whether the phase-in of the ban on backyard burning should be lengthened, shortened, or eliminated when the task force reconvenes in two years (1995). (Tentative elimination of backyard burning is July 1, 1997 - SRC 58.334. [Council action as of July 6, 1993]).

REFERENCE: Fire Department Staff Report dated 2/7/94, Agenda Item 7.2.1

QUALITY OF LIFE

J - Social Services

QUALITY OF LIFE

K - Health and Safety

COUNCIL POLICY NO. K-1

TITLE: SEQUENCE OF CONDEMNATION

POLICY: A sequence of condemnation has been established to provide for an effective method of condemning buildings which are either structurally unsafe or a health or fire hazard. Such buildings constitute a hazard to safety or health, or public welfare. The sequence allows time for an owner to appeal findings of building inspectors to the Community Development Board of Appeals, to make needed corrections in a reasonable time period or to have a public hearing before the Council.

REFERENCE: Salem Revised Code Sections 56.020-56.390
(Old Council Policy No. 2)

QUALITY OF LIFE

L - Library

COUNCIL POLICY NO. L-1

- TITLE:** USE OF BRANCH LIBRARY MEETING ROOMS
- POLICY:** See attachment.
- REFERENCE:** Library Staff Report dated 7/17/06, Agenda Item No. 3 (c)
(Supplants Library Staff Report dated 5/6/96, Agenda Item No. 7.2.u)

SALEM PUBLIC LIBRARY MEETING ROOM POLICY

Welcome to the Salem Public Library. The Library's meeting rooms may be scheduled by groups and organizations when the rooms are not being used for City activities or library-sponsored events. Articles 5 and 6 of the American Library Association's Bill of Rights serve as the foundation of the Library Meeting Room Policy:

"Article 5: A person's right to use a Library should not be denied or abridged because of origin, age, background, or views."

"Article 6: Libraries which make exhibit spaces and meeting rooms available to the public they serve should make such facilities available on an equitable basis, regardless of the beliefs or affiliations of individuals or groups requesting their use."

Many community groups use our meeting rooms, and we want groups to enjoy our public meeting spaces. In order for this to work efficiently and conveniently for all, please follow the rules and regulations outlined below:

1. Library-sponsored programs will have preference for all meeting room use. Reservations may be made at the Library administration office, Monday through Friday 8AM to 5PM. Reservations for the West Salem Branch meeting room can be made at the West Salem branch during its open hours or at the Library administration office. Reservations for meeting room space are on a first-come, first-served basis. Reservations may be placed no more than 60 days in advance. **Reservations will only be confirmed when all fees are paid and the Meeting Room Reservation Form is completed and returned.**
2. If a Meeting Room is no longer needed, notification to the Library is required. When the Library is notified in writing of a canceled meeting at least two business days before the meeting's scheduled start time, a refund of 80% of the fee may be requested from the Library's administration office.
3. No activities which are in conflict with national, state or local laws or regulations may be conducted.
4. Groups are encouraged to bring their own audio-visual equipment. Library-owned audio-visual equipment is available for a fee (see fee schedule below); arrangements for equipment use must be made at least two weeks in advance. The Library holds weekly meeting room tours and training on Mondays at 2 PM. To register, contact the Salem Public Library administration office at 503-588-6071.
5. Chairs and tables are available for groups to set up to meet their special needs. A detailed inventory of each room's seating capacity and equipment is attached. Library staff possesses no ability to control or change the temperature of meeting rooms.
6. Meeting rooms must be left in a neat condition. All food containers must be placed in the receptacles provided. A minimum charge of \$25 will be assessed if cleaning the room requires staff time. Groups will be charged at cost if facilities or equipment is damaged.

7. City of Salem Departments may reserve and utilize Salem Public Library meeting rooms at no cost providing the reservation is for official City business, such as in-service training, staff meetings, board and commission meetings.
8. 10% of all gross sales of any kind (admission, books, CDs, raffle tickets, etc.) will be donated to the Salem Public Library.
9. Parking is available in the metered areas of the Library parking facilities and the Pringle Parking structure. Library parking meters are enforced from 8AM to 6PM, Monday through Saturday at a rate established by Salem City Council resolution. At the West Salem Branch, meeting room users should park as close as possible to the branch in the parking lot sharing space with Roth's Hospitality Center.
10. State Law prohibits smoking in public facilities. No alcoholic beverages will be allowed.
11. Please be considerate to library patrons and activities during your time here.
12. Library meeting rooms are not designed for the serving of meals. Intent to serve light refreshments in any meeting room must be denoted on the Meeting Room Reservation Form. Food and beverages are prohibited inside the Loucks Auditorium; refreshments should be served and consumed only in the foyer. Food service should be arranged through the Library café.
13. Do not post flyers announcing location of meetings on Library doors, walls or windows. Flyers may be posted on bulletin boards after approval from the Library administration office.
14. Deviation from the above policies may jeopardize future access to the facilities.

Salem Public Library Meeting Room Fee Schedule

The rental fees for meeting room usage and the use of audio-visual equipment shall be per the Library fee schedule as set by Salem City Council resolution.

Meeting Room	Capacity
Plaza conference room	Up to 20 people
West Salem branch conference room	Up to 30 people
Anderson A or B conference rooms	Up to 40 people each
Anderson A and B conference rooms	Up to 80 people
Loucks Auditorium	Up to 285 people

Meeting Room Inventory

1. Each room is equipped with chairs and tables to meet the seating capacities listed above. The Loucks Auditorium contains 25 chairs and eight tables of various sizes. If more tables and chairs are needed, groups must make arrangements to bring more equipment.

2. The Library has live telephone lines and wired and wireless network connections in all conference rooms. Long distance telephone calls must be made using a pre-paid calling card.
3. The Library has the following equipment available for use in its meeting rooms
 - TV/VCR*
 - Overhead Projector*
 - Opaque Projector
 - Slide Projector
 - Microphones
 - Chalkboard
 - Easel capable of holding flip chart*
 - Video Projector (available in late 2006)

** Also available at the West Salem Branch Meeting Room*

Equipment needs must be communicated to the Library administration office (or West Salem branch staff if booking the meeting room at that location) at least two weeks in advance. If equipment needs are not communicated to the Library, the Library is not responsible for procuring that equipment. AV fees are due before the meeting date. The Library does not provide chalk, flip charts, or markers.

CLOSING CHECKLIST

Before leaving the facility, all groups using the Library's meeting facilities must:

- Clean/wipe tables and chairs.
- Sweep/dust mop floors.
- Place trash in available trash cans.
- Remove all personal items.
- Turn off appliances and electronic devices.
- Any special clean-up costs required will be billed to the user.
- If an evening program, please inform Library staff when you have vacated the meeting room.

It is the expectation that all user groups leave the facilities in clean condition. If the meeting room is not clean upon your arrival, contact Library staff immediately to avoid being charged cleanup costs.

Approved by the Salem Public Library Advisory Board: June 14, 2006

Adopted by Salem City Council: July 17, 2006

QUALITY OF LIFE

M - Parks

COUNCIL POLICY NO. M-1

TITLE: RECREATION SERVICES EXTENDED BEYOND CITY LIMITS

POLICY: Normally, no recreation services shall be extended by the City to persons living beyond the city limits. The only time that the City will offer programs outside the city limits will be cases where facility(s) are not available within the city limits and the facility(s) outside fulfill the City service need.

Persons living outside the city limits are permitted to use recreation facilities, with non-resident fees being applied per the City's Recreation Program Fee and Charge policy.

REFERENCE: Old Council Policy No. 8 - revised 4/93 by Parks.

COUNCIL POLICY NO. M-2

TITLE: PARK OPERATING HOURS

POLICY: Establishment of operating hours shall be based upon input from neighborhood associations, on an individual basis, and approved by City Council.

REFERENCE: Parks Staff Report dated 10/17/88, Agenda Item No. 5.4.o

COUNCIL POLICY NO. M-3

TITLE: PARK RESTROOM POLICY

POLICY: Toilet services be provided in park areas during those times when scheduled use is high, and chemical toilets shall be removed during the off season, low use periods of time.

REFERENCE: Parks Department Staff Report dated 8/5/91, Agenda Item No. 6.2.x

COUNCIL POLICY NO. M-4

TITLE: DEVELOPMENT AND OPERATION OF CONCESSION IN CITY PARKS

POLICY: See attachment.

REFERENCE: Parks Staff Report dated 1/7/80, Agenda Item No. 5.c

DEVELOPMENT AND OPERATION OF CONCESSION IN CITY PARKS

1. GOAL:

The goal of the City of Salem Parks and Recreation Department's concession policy is to achieve and maintain a balanced program of commercial and noncommercial revenue producing concession services which are designed to: 1) supplement the Department's park and recreation services, 2) provide an opportunity for nonprofit organizations to generate funds to support their recognized leisure programs on public facilities, 3) contribute to the patron's total experience in sanctioned leisure programs, 4) aesthetically complement existing programming and facilities, 5) generate revenues to offset costs of providing leisure service facilities and services. Such operations provide needed services to the public and are considered to be an integral part of the overall park and recreation program.

2. DEFINITION OF CONCESSION:

Whenever used in this policy, the term "concession" shall mean any operation performed on property under the jurisdiction and control of the Parks and Recreation Department which offers merchandise and/or services to the public for a fee and for which the operator is not a Department employee but is, in fact, a private citizen, organization or firm under an agreement or contract from the City of Salem. Current scope does not encompass carnivals or contract classes offered by the Department.

3. ROLE OF CITY COUNCIL AND DIRECTOR OF PARKS AND RECREATION:

- A. The City council shall make all policy decisions relative to the establishment of new concessions, the substantial modification of existing concessions, the establishment of concession contracts requirements, the selection of concessionaires, and the establishment of controls necessary to administer concession contracts. The City Council approves all contracts to be let for concession operations.
- B. The Director shall be responsible for making recommendations concerning policy matters to the City Council, for establishing procedures to implement City Council policies; and for administering the policies of the City Council.

4. ESTABLISHMENT OF NEW CONCESSIONS:

- A. Consideration for the establishment of a new concession shall be based on the following factors:
 - 1. The relation of the proposed concession to the community's overall concession demand;
 - 2. The relation of the proposed concession to existing programs, facilities, and services at, and near, the proposed site;
 - 3. The relation of the proposed concession to the Department's total park and recreation program;
 - 4. The economic feasibility of the proposed concession;

5. The probable response of prospective bidders;
 6. Probable public response to the proposed service.
- B. All new concession opportunities shall be placed out to bid unless they meet one of the following criteria for direct negotiation with qualified and experienced persons:
1. When only a minimal amount of interest concerning similar operations has been expressed by, or is anticipated from, qualified and experienced persons:
 2. When the anticipated amount to be guaranteed the City from the proposed operation is insufficient to justify the normal bidding procedure. Usually a minimum guarantee of five hundred dollars (\$500) is required to justify the bidding procedure; however, this amount could vary based upon the profit margin of the particular product or service offered.
 3. When there is a significant need to provide immediate concession services in order to meet public demand;
 4. When there is a need to test public response to the proposed concession services;
 5. When a private group is proposing to provide a service to its members at a City facility.
 6. When a nonprofit community service organization is proposing to provide a service to the community at a City facility.
- C. All concession sites will be in conformance to the site master plans as approved by the City Council.

5. SELECTION OF CONCESSIONAIRE IN BIDDING PROCEDURE:

- A. When a concession opportunity is placed out to bid, as many potential bidders as possible shall be contacted. This shall be accomplished as follows:
1. A listing shall be maintained of all interested parties who may, from time to time, contact the Department regarding concession opportunities. Each name shall be kept on the listing for a minimum of two years.
 2. A bid invitation shall be forwarded to each applicant who has expressed an interest in, and appears to be qualified for, the particular type of operation available.
 3. If deemed appropriate, additional measures may be taken.

- B. The factors to be analyzed in determining a recommended concessionaire shall be established in advance for each concession. These factors may include: estimated annual gross receipts, amount of investment and equipment required, operational experience record, financial responsibility, business reputation, character references, outline of operation, items and prices, percentage of gross and/or minimum guaranteed amount bid, layout and design, and length of contract.
- C. In order to avoid giving unfair advantage to any bidder, the findings concerning the above factors shall remain confidential and shall not become a matter of public record, except as required under ORS Chapter 192.
- D. At the date and time set for receiving bids, each bid shall be opened and declared. The name of the bidder, the percentage of gross bid, and the amount of the minimum guarantee bid are the only items to be announced at the opening. The final recommendation of a concessionaire shall remain confidential until presented to the City Council.
- E. If qualified bids are not received, the appropriateness of the concession shall be reevaluated to determine if new bids should be advertised on the same or different terms, or if direct negotiation with qualified and experienced persons would be appropriate.

6. RENEWAL OF EXISTING CONCESSION PERMITS:

- A. Except in the following instances, a concession contract may be renewed or reissued two times prior to its date of expiration without going to bid, in accordance with the criteria established under Section VIII of this document and the Standard Provisions:
 - 1. When the Department is not able to successfully negotiate the contract renewal or reissuance with the concessionaire;
 - 2. When considerable interest has been expressed in the operation by qualified and experienced persons;
 - 3. When a pattern of contract noncompliance or unsatisfactory operation has been noted by the Department that necessitated formal notification of the contractor. Examples of such contract deviations are as follows:
 - a. When the concessionaire has failed to complete required repairs and/or improvements;
 - b. When the Department has noted a number of written citizen or employee complaints.
 - c. When staff inspections have determined that the quality of service provided by the concessionaire is unsatisfactory;
 - d. When citations have been issued against the concessionaire or his operation by other governmental agencies.
 - e. When the concessionaire is behind in their payment to the City.

- B. Upon expiration of a concession contract, the concession operation shall be placed out to bid unless it meets one of the criteria for direct negotiation with qualified and experienced persons as outlined in Section IV, Paragraph B.

7. CONTRACT TERMS:

The terms of the contract will be dependent upon an evaluation of the concession potential and financial demands upon the concessionaire. The following criteria will be used as guidelines to establish this term of contract.

- A. A contract of up to, and including, one year may be established under any of the following conditions:
 - 1. When it is anticipated that within the term of the contract interest may be expressed in the operation by qualified and experienced persons;
 - 2. When the operation is interim by nature and has been established to avoid the interruption of services offered and/or revenue generated;
 - 3. When there is the need to provide immediate services to the public;
 - 4. When there is a need to test public response to the proposed concession services.

- B. A contract term of up to and including, three years may be established under any of the following conditions:
 - 1. When the past performance of the operation and concessionaire have been satisfactory;
 - 2. When only a minimal amount of interest in similar operations had been expressed by, or is anticipated from, qualified and experienced persons;
 - 3. When it is anticipated that the turnover in management may cause a fluctuation in the gross receipts upon which the fee paid to the City is based.

- C. A contract term in excess of three years may be established under any of the following conditions:
 - 1. When the operation required considerable investment on the part of the concessionaire;

When the vendor provides a service (which may on its own be an unprofitable operation supported by other locations) primarily to accommodate the public and/or to provide a complete service area for the operation.

8. ADMINISTRATION OF CONCESSION CONTRACTS:

Although administration of concession contract is the direct responsibility of the Business and Administrative Services Division, the proper administration of concession permits is also the concern of all departmental employees whose program or facility interrelates with the concessionaire's operation. Insuring enforcement of any given contract regulation shall be made the responsibility of the department employee who is most able to observe and control that requirement (e.g., where applicable, leaders-in-charge of facilities will have the right to inspect concession operations for cleanliness, days/hours of operation, personnel, items and prices, etc.; and the Business and Administrative Services staff will schedule inspections of premises as necessary, will receive and review concession report forms and fee payments, and will enforce bond and insurance requirements, etc.). By exercising this right the City assumes no liability for the conditions and operations of the concession. Each department employee is responsible for reading and understanding the contract requirements which he/she is to monitor and control. Contract violations that are beyond the expertise or enforcement capabilities of the leader should be reported to the Business and Administrative Services Division.

**CITY OF SALEM
PARKS AND RECREATION DEPARTMENT
CONTRACT PROVISION AND REGULATION GUIDELINES
FOR CONCESSION OPERATIONS**

1. ACCESSORY STANDS (FIXED AND/OR MOBILE):

No accessory stands or buildings, other than the structure provided for in the Special Provisions, shall be permitted without the written approval of the Director, and the contractor shall confine business strictly to that area which has been set aside for said purpose.

2. ALTERATIONS OR ADDITIONS TO THE PREMISES:

- A. No alterations, changes or additions of any character shall be made by the contractor on the premises assigned to the contractor until prior written consent is secured from the Director; such changes shall be at the sole cost and expense of the contractor.
- B. Any improvements made to premises provided by the City may, at the option of the Director, become the property of the City. All concession facilities must be compatible with planned or existing improvements and facilities in the area.
- C. Repairs to the area provided by the Parks and Recreation Department, necessitated by reasonable wear and tear will be at the City's expense. The cost of all other repairs necessitated by any other cause whatsoever except acts of God shall be borne by the contractor.

3. ASSIGNMENT AND TRANSFER:

- A. Said contractor shall not underlet or sublet the premises occupied by him or any part thereof or allow the same to be used or occupied by any other person or for any other use than that herein specified, nor assign said contract, without the written consent of the Director nor shall the contractor thereafter assign or in any manner convey any of the rights or privileges herein granted without said written consent of the Director. It is further provided that neither said contract nor the rights herein granted shall be assignable by attachment, execution, proceedings in insolvency or bankruptcy either voluntary or involuntary, or receivership proceedings; and in the event of the insolvency or bankruptcy, either voluntary or involuntary, of the contractor, the City may at its option terminate and cancel said contract, in which event, all rights of contractor thereunder shall immediately cease and terminate and he or his representatives shall immediately deliver up possession to the City.
- B. If the contractor is a corporation, the majority control of that corporation shall not be transferable in any way without the written consent of the City.
- C. The City, may at its option, cancel and terminate this contract in the event that the contractor is unable to perform the duties called for herein through death or personal incapacity. Or, if the contractor be a corporation, by the transfer of the majority control of the corporation without the written consent of the City.

4. BOND, FAITHFUL PERFORMANCE

Prior to the execution of the permit by the City the contractor may be required to provide a faithful performance bond of a satisfactory surety company, a check certified by a responsible bank, or a certificate of deposit payable to the City of Salem in an amount equal to the minimum annual guaranteed amount submitted in the proposal. In the event the contractor defaults in the performance of any of the terms of the contract, the sum guaranteed by his faithful performance bond, check or deposit shall be available to reimburse the City for any cost or loss occurred by reason of said default. Said bond, check or deposit shall be held by the City during the entire term of the contract. All faithful performance bonds and certificates of deposit shall provide the Parks and Recreation Department a thirty (30) day prior notification of cancellation clause and shall also indicate that the Parks and Recreation Department will be notified within fifteen (15) days of the renewal of such bond or certificate. (The faithful performance bond is not a proposal bond and should not be obtained until the proposer is notified that his proposal has been accepted and a bond is required.)

5. BOOKKEEPING AND AUDITING:

- A. The contractor shall be required to maintain a method of accounting of all the receipts and disbursements in connection with the concession granted hereunder which shall correctly and accurately reflect the gross receipts and disbursements received or made by said contractor from the operation of said concession. The method of accounting including bank accounts, established for concession contracted for hereunder, shall be separate from the accounting system used for any other business operated by the contractor or for recording the contractor's personal financial affairs.
- B. Such method shall include the keeping of the following documents:
 - 1. Regular books of accounting such as general ledgers.
 - 2. Journals including any supporting and underlying documents such as vouchers, checks, tickets, bank statements, etc.
 - 3. State and Federal income tax returns and checks and other documents proving payment of sums shown.
 - 4. The contractor may, at his sole cost and expense, be required to install and maintain such cash register equipment as may be deemed necessary by the Director. All cash register tapes and keys pertaining to resetting the grand total shall be conveyed to the Business and Administrative Services Division of the Department at such times as shall be requested.
 - 5. The contractor further agrees that the Director shall have the right to stipulate in writing any other accounting records that the Director deems necessary for the proper reporting of receipts.
- C. Said documents, books and accounting records shall be open for inspection and reinspection at any reasonable time during the term of this agreement and for a reasonable period, not to exceed one year, thereafter. Failure to keep any records

required to be maintained above, or failure to allow full inspection or reinspection of said records shall be considered a default of this contract entitling the Director to remedies described elsewhere in these provisions.

- D. In addition to the right of inspection, the Director shall have the right from time to time to conduct an audit and reaudit of the books and business conducted by the contractor and to observe operation of the business by the contractor so that accuracy of the above records can be confirmed. In the event that the report of gross receipts made by the contractor to the Parks and Recreation Department is found to be less than the amount of gross receipts disclosed by such audit and observation, contractor shall, within ten (10) days after billing therefore by the Parks and Recreation Department, pay any amount due the City as disclosed by said audit, any service charges that are due (see "PAYMENT"), and the costs of such audit. In the event that said discrepancy is two percent (2%) or more, and no reasonable explanation is given for such discrepancies, then, in addition to the above provisions, the Director shall have the right to declare the contractor in default as described elsewhere in these provisions.

6. BURGLARY, THEFT AND VANDALISM:

Contractor may, at the discretion of the Director, be held responsible for any damage or loss which may occur to the premises, equipment, merchandise or receipts; including, but not limited to, that damage or loss resulting from burglary, theft or vandalism.

7. CLEANLINESS:

The contractor shall keep the premises, and surrounding premises clean and sanitary at all times. In the event that the contractor fails to keep and perform the preceding, the Director shall have the right to order said work required by this agreement and charge the contractor the cost to perform said work. Cost to perform work shall be cost of direct labor and materials required plus an overhead cost figure. The contractor shall furnish all equipment and materials necessary therefore, including trash receptacles of a type and number approved by the Director for use by the public. The contractor shall be responsible for emptying trash receptacles as often as necessary.

8. CONDUCT:

The contractor shall at all times conduct his business of operating the concession in a quiet and orderly manner and to the satisfaction of the Director.

9. CONTROL OF PREMISES:

The Director shall have full control over the concession premises during the term of the contract and reserves the right to alter said premises at his discretion.

10. DEFAULT:

The acceptance by the Department of all or part of a monthly payment by the concessionaire for any period after a default in the faithful performance of any of the terms or conditions of the contract shall not act as a waiver of the right of the Parks and Recreation Department to cancel this contract on account of such default. Any waiver by the Parks and Recreation Department of a default by concessionaire shall not be construed as, or constitute a waiver of, any subsequent default of the same or any other term or condition to be performed by the concessionaire.

11. DEFAULT AND CANCELLATION:

Director shall have the right to terminate this contract if Contractor:

1. Refuses or neglects to change or improve the service rendered within ten days of being lawfully directed to do so by Director; or
2. Refuses to conform with the directions or instructions of Director properly made in the exercise of his powers; or
3. Fails to pay the considerations as required under the terms of this contract; or
4. Fails to perform any term or condition under this contract, said failure having continued for a period of thirty (30) days after written notice has been given to concessionaire by Director.

In the event of termination under this section, Director may reenter and repossess the concession premises. If Contractor refuses to surrender the premises, he shall be deemed guilty of forcible detention under the law and subject to all conditions and provisions thereof.

The right to termination granted in this section is not exclusive and shall not impair any other rights or remedies of Director by reason of concessionaire's default.

12. DEFINITIONS:

For the purpose of these provisions, the following words and phrases are defined and shall be construed as hereafter set out unless it shall be apparent from the context that a different meaning is intended:

1. "City" Shall mean the City of Salem, Oregon.
2. "Director" Shall mean the Director of Parks and Recreation in the City of Salem, Oregon, or his designated representative.
3. "Gross Receipts" Shall include all moneys received by or due the contractor as a result of the operation authorized by the contract without deduction whatsoever, except any sales tax payable to the State or other governmental agency.
4. "City Council" Shall mean the City Council of the City of Salem, Oregon.
5. "Parks and Recreation Department" Shall mean the Recreation Department of the City of Salem, Oregon.

13. DEPARTMENT RULES:

The contractor and his employees shall at all times abide by all Rules and Regulations heretofore adopted or that may hereafter be adopted by the Parks and Recreation Department, and cooperate fully with Department employees in the performance of their duties. The Leader/Person In Charge of a Park and Recreation Department area or facility, or his equivalent (Ctr. Dir., Pool Manager, etc.) is specifically designated a Parks and Recreation Department agent and is empowered by Department to conduct inspections of the contracted premises, and to inform the Director fully as to contractor's operation of the concession.

14. DISORDERLY PERSONS:

The contractor shall permit no intoxicated person or persons, profane or indecent language, or boisterous or loud conduct in or about the premises, and will call upon the aid of peace officers to assist in maintaining peaceful conditions.

15. EMPLOYEES:

The contractor shall provide such employees as may be required to render good service to the entire satisfaction of the Parks and Recreation Department. Persons employed shall be satisfactory to the Parks and Recreation Department as to the personal conduct, honesty, courtesy health, ability, personal appearance and the willingness to cooperate with the Department employees. In the event such employees shall not be satisfactory to the Department, the Department shall have the right to direct the contractor to require the employee to correct the cause of said dissatisfaction.

16. EXPIRATION, RENEWAL AND RESTORATION:

This contract may be renewed upon the same terms and conditions if an application for renewal is filed a minimum of sixty (60) days prior to the expiration date of the contract. If upon the expiration of the permit, the City Council shall not renew the contract, the contractor shall have the right to remove his equipment and furnishings from said premises and shall be allowed a period of thirty (30) days from notification to make such removal and to restore the area to the condition existing at the time his occupancy thereof commenced to the satisfaction of the Director; if the contractor's equipment and furnishings are not removed within that period, they shall become the property of the City; OR at the option of the Director, he may cause the removal and restoration to be performed and to charge the contractor for the labor and materials required to perform the work plus any overhead costs.

17. FOOD AND BEVERAGE PRODUCTS:

All foods, drinks, beverages, confections, refreshments, etc., sold or kept for sale by the contractor shall be first class in quality, wholesome and pure, and shall conform to the Federal, State and Municipal food laws, ordinances and regulations in all respects. No imitation, adulterated, misbranded, or impure articles shall be sold or kept for sale by the contractor, and all merchandise kept on hand by said contractor shall be stored and handled with due regard for sanitation. All merchandise kept for sale by the contractor shall be kept subject to the approval or rejection of the Director and the contractor shall remove from the premises any articles which may be rejected and shall not again offer it for sale without the consent of the Director. The Director shall have the right to order the improvement of the quality of any merchandise kept or offered for sale. Failure to comply with such an order by the Director shall constitute a default of this contract.

18. GARBAGE AND RUBBISH:

No boxes, barrels, supplies or rubbish in any form shall be kept, piled or stored outside the concession

structure unless approved in writing by the Director. The contractor shall provide, in a place to be designated by the Director standard garbage receivers, and shall place therein all garbage and refuse and shall see that it is collected at least once a week. The contractor shall pay any charges which may be made for the removal of garbage and refuse.

19. HOURS:

The contractor shall keep the concession open during such days and hours as required by the Director to adequately serve public demand. Any deviation from such days and hours shall be subject to approval by the Director.

20. INGRESS AND EGRESS:

The Parks and Recreation Department, its authorized representatives; shall have the privilege to enter upon said premises at any and all reasonable times during the term of this contract for the purpose of inspection to determine whether or not the contractor is complying with the terms and conditions hereof, or for any other purpose incidental to the rights of the Recreation Department. Such visits by the Parks and Recreation Department, its authorized representatives, are not to hinder the normal operation of said concession.

21. INSURANCE:

A. Public Liability and Property Damage Insurance:

1. As one of the conditions of the contract, and as a term of its renewal, and in partial performance of the contractor's obligations hereunder, the contractor shall procure and maintain in full force and effect during the term of this contract, a policy of public liability insurance, and property damage insurance from a company authorized to do business in the State of Oregon with minimum coverages of:
 - a. Public liability insurance including (if appropriate) food products liability:
 1. Per schedule determined by the City for death or bodily injury or less sustained by any one person in any one occurrence. C (Minimum \$100,000)
 - b. Property damage insurance:
 1. Per schedule determined by the City for loss by damages or injury to property in any one occurrence. (Minimum \$50,000)
 2. The insurance policy shall either contain a provision for a broad form of contractual liability, including written agreements, or there shall be attached thereto an endorsement providing for such coverage. In lieu of such provision or endorsement, the contractor may have attached to his insurance policy the following endorsement:

"The contractor agrees to save, defend and hold harmless the City of Salem, its employees, agents or officers from any and all claims for personal injury or property damage arising from or alleged to have arisen from contractor's activities under this contract.

3. All of the foregoing insurance shall name the City and the City Council, their officers, agents and employees as additional insured with respect to claims arising out of or directly or indirectly relating to performance under the contract and shall be endorsed to stipulate that the insurance afforded the City and the City Council, officers, agents and employees shall be primary insurance and not contributing with any other insurance of the City.
4. The endorsement shall provide that liability assumed by contractor under this contract is covered by the policy; that the policy shall not be canceled until the director shall have received a written notice of such cancellation thirty (30) days prior to the effective date of such cancellation; and that said endorsement controls overall other provisions of the policy, or endorsements thereto, which are inconsistent therewith. Contractor shall, as one of the conditions of the contract, deliver said policy of insurance or a certified or photostatic copy thereof to the Director for approval as to sufficiency and the City Attorney as to form. In lieu of filing said policy with the City, the same will be returned to contractor when contractor files a certificate of insurance executed by the insurance carrier issuing said policy certifying that said insurance is in full force and effect and that all operations of contractor under this contract are covered by such policy. In the event contractor does not desire to present the original or a photostatic copy of said policy for approval as above provided, contractor may present for approval and filing a certificate of levels insurance to which is attached an endorsement in the form approved by the City Attorney of the City of Salem.
5. The procuring of such policy of insurance shall not be construed to be a limitation upon contractor's liability or as a full performance on his part of the indemnification provisions of the contract, contractor's obligations being, notwithstanding said policy of insurance, for the full and total amount of any damage, injury or loss caused by the negligence or neglect connected with or attributable to his operations under the contract.

B. Worker's Compensation Insurance:

Before the contractor shall employ any person or persons to aid or assist the contractor in the conducting or managing of business contemplated to be carried on hereunder, said contractor shall procure a policy of Workmen's Compensation Insurance. The contractor shall furnish to the City a certificate of insurance showing that the aforesaid insurance is in full force and effect. The relationship between the City and the contractor is that of contract to independent contractor. The contractor waives all rights to workers compensation under the City's workers compensation program.

22. LAWS AND ORDINANCES:

The contractor shall conduct his business in accordance with all the laws, ordinances, rules and regulations applicable to such business as set forth by the City of Salem, Counties of Marion or Polk, State of Oregon and the Federal government.

23. MAINTENANCE OF EQUIPMENT:

The contractor shall be required to provide all maintenance, repair and service required on all equipment used in the concession. Insofar as sanitation and appearance of concession is involved, the Director shall have the right to direct the contractor to perform necessary repairs and maintenance to contractor owned equipment and structure. In the event City owned equipment is used, the Director shall have the right to prescribe in detail the type and frequency of maintenance and repair to be performed by the contractor. Because of the City's interest in preserving its equipment and providing clean and sanitary conditions in the event the contractor fails to perform the work prescribed pursuant to the above on city or contractor owned equipment, the Director shall have the right after ten (10) days notice to correct has been given, to cause the prescribed work to be performed in an efficient manner and to charge the contractor for the cost thereof. Cost shall be equal to the sum of the cost of the direct labor and materials necessary to perform the work in an efficient manner plus overhead cost figure. No equipment provided by the City shall be removed or replaced by the contractor without prior written consent of the Director and if consent is secured such removal and replacement shall be to the sole cost and expense of the contractor.

24. MAINTENANCE OF PREMISES:

The contractor shall be responsible for maintenance and repair as set forth below of all areas and surfaces of the premises under his control. In particular but without limiting the generality thereof, the contractor's duties shall include all sweeping, washing, cleaning of the premises that may be required to properly maintain the premises in a manner appropriate to the activities carried on at said premises. The Director may require that buildings be painted annually, by the contractor, in a color acceptable to the Director. Contractor shall also be required to perform necessary repairs and maintenance, including painting and removal of markings and other defacements, on the concession structure. Because of its interest in protecting the premises and providing the public with clean, attractive, and well maintained facilities appropriate to the activities carried on by the contractor, the Director shall have the right to direct that certain maintenance or repairs be performed where such work is necessary to protect the premises or provide clean, attractive and well maintained premises. The City reserves the right to do any and all work of any nature for the preservation, maintenance and operation of the area; the performance of such work shall not affect any other section of this contract. If the contractor has failed to perform any of the above duties, the Director shall have the right upon ten (10) days notice to correct, to enter onto the premises and cause the required work to be performed and to charge

the contractor the cost of the direct labor and materials required to perform the work plus an overhead cost.

25. OTHER CONTRACTS AND/OR CONTRACTORS:

The contractor shall have the privilege of using the premises solely for the purpose set forth in these provisions and the contract agreement. The City Council shall have the right to grant additional contracts for different purposes in the vicinity of the premises permitted hereunder, and contractor shall cooperate fully with any other contractor or permittee in the vicinity.

26. PAYMENT BY CONTRACTOR:

The total payment due the City shall be the minimum amount or percentage of gross receipts as stipulated in the proposal of the contractor whichever is greater. Each payment, monthly or otherwise, shall be made on or before the 20th day of the month it is due unless noted otherwise in the special provision. The contractor, at the discretion of the Director shall also submit at the same time, a concessionaire report, and the inventory report form for that period of time for which the payment is submitted. A service charge in addition to the regular payment may be assessed by the Director for failure to meet the payment due date or any of the dates specified for submission of statements required for payment calculation. The service charge shall be one percent (1%) per month of the payment from the date statement and payments were due or \$25.00, whichever is greater. If a due date falls on a non-workday, the service charge will not apply until the end of the next work day.

27. PERMISSIONS:

Any permission required by these provisions shall be secured in writing by the contractor from the Director and any errors or omissions therefrom shall not relieve the contractor of his obligations to faithfully perform the conditions herein.

The contractor shall immediately comply with any written request or order submitted to him in writing by the Director.

28. PERMITS AND LICENSES:

The contractor shall be required to obtain any and all permits or licenses that may be required in connection with the operation of the concession.

29. PRICES:

- A. All rates for service and all prices charged for items by the contractor shall be subject to the approval of the Director. The standard used to approve or disapprove prices shall be the prevailing market price for the same grade of merchandise. Before commencing operation each year under the term of this agreement, or any renewal thereof, the contractor shall submit a list of all food prices and the prices of any other items and services to be offered or sold in writing to the Director.
- B. The contractor will be notified of the approval or disapproval of the items listed and the contractor shall not alter the list of approved prices without the prior written approval of the Director. The Director reserves the right to revoke his approval of any list price when it appears that the price is above the prevailing market price for the same grade and/or quantity of merchandise.

30. RIGHT OF INSPECTION:

A. The Director shall have the right to enter upon said premises at any and all reasonable times during the term of the contract for the purpose of inspection and observation of the contractor's operations. During these inspections, the Director shall have the right to utilize photographic devices and other instruments for recording conditions and events taking place upon the permitted premises. It is further agreed that the inspections may be made by City employees, or may be made by independent contractors engaged by the Director. The Director shall have the right to inspect for the purposes set forth below, however, the enumerations below shall not be construed to limit the Director's right of inspection for any purpose incidental to the rights of said Director:

1. To determine if the terms and conditions of this contract are being complied with.
2. To observe transactions between the contractor and patrons in order to evaluate the quality and quantities of food or drinks or other items sold or dispensed, the courtesy extended to and method of dealing with the public, the performance and caliber of the contractor's employees and the methods of recording receipts. It is understood the information gathered on these inspections will be used to evaluate the contractor to provide a basis for any action by the Director or the City Council for the renewal or denial of renewal of this contract.

Director's right to enter and inspect the premises shall not relieve concessionaire of his responsibility for the safety, cleanliness or healthful condition of the premises. Director shall not be responsible for any condition of the premise discovered or not discovered during an inspection.

31. SAFETY:

The contractor shall correct safety deficiencies and violations of safety practices immediately and shall cooperate fully with the Department in the investigation of accidents occurring on the permitted premises. In the event of injury to a person or customer, contractor shall ensure that the injured person received prompt and qualified medical attention. If contractor fails to correct hazardous conditions which have led or, in the opinion of the Director, could lead to injury, the Director may immediately exercise the default and cancellation clause contained in these Standard Provisions.

32. SIGNS AND ADVERTISEMENTS:

The contractor shall not advertise, in connection with his contracted operation, in any manner or form except by means acceptable to the Director. No signs of any kind shall be displayed unless prior written approval is obtained from the Director. The Director shall have the right to require removal or order refurbishment of any sign or advertisement previously approved. The contractor shall not permit vendors to display wares inside or outside the concession or on said property unless written permission is secured from the Director.

33. STORAGE:

The contractor shall not rent, sell, lease or offer any space for storing of any article or articles whatsoever within or on the premises occupied by the contractor other than his own equipment, without the written consent of the Director.

34. TAXES:

The contractor shall pay all taxes upon personal property and improvements belong to said contractor located on said premises, the premises herein contracted, and all sales and other taxes levied against the operation of said business or other taxes assessed to him.

35. USE OF AREA:

The contractor, in the conduct of the concession and exercise of the privileges herein granted, shall not in any manner whatsoever interfere with regular use of said properties for the purpose it was provided for, the enjoyment thereof by the public.

36. UTILITIES:

The contractor shall pay all charges for gas, water, electricity and telephone service necessary to carry on the operations of the contractor unless otherwise specified in the contract.

37. VENDING MACHINES:

The contractor shall first receive written approval from the Director before installing or permitting the installation of any and all vending machines. The Director reserves the right to order removal of any and all vending machines within ten (10) days after notice thereto.

References

Salem Revised Code Sections: 2.193, 2.194, 2.195, 2.196, 2.197

Ord. No. 204-70 (Policy)

City Purchasing Manual Chapters 1-5 Bid Procedures

Oregon Revised Statutes - Chapter 279

City Code - -

Food Establishment	32.050
	32.060
Food Handlers	32.072
	32.130

COUNCIL POLICY NO. M-5

TITLE: PARK FACILITY USE FEE AND CHARGE SCHEDULE

POLICY: See attachment.

REFERENCE: Parks Staff Report dated 4/4/88, Agenda Item No. 5.4.t

RESCINDED: **September 12, 2005**
Community Services Department Staff Report
Agenda Item No. 4.3 (d)

COUNCIL POLICY NO. M-6

TITLE: CITY RECREATION PROGRAM FEE AND CHARGE POLICY

POLICY: See attachment.

REFERENCE: Parks Staff Report dated 4/4/88, Agenda Item No. 5.4.c

RESCINDED: **September 12, 2005**
Community Services Department Staff Report
Agenda Item No. 4.3 (d)

COUNCIL POLICY NO. M-7

TITLE: NAMING OF PARKS

POLICY: See attachment.

REFERENCE: Parks Department Staff Report dated 1/15/79, Agenda Item No. 4.3

NAMING OF PARKS

The Salem Park and Recreation Advisory Board will receive names and recommend an appropriate park name to the Salem City Council for approval. The City Council will approve and officially designate a park name. A park may be named after the following:

- An historic place or event.
- A popular descriptive name, i.e., Englewood, Livingston, etc.
- A geographic feature, i.e., Minto Island, Candalaria Hill, Mill Creek.
- An historic figure, national, state or local, i.e., Hoover, Grant.
- A distinguished deceased citizen, i.e., Mrs. Donna Aldrich.
- A living "substantial"* donor.
- Other - the policy should be flexible enough to allow for the "exception to the rule" in the naming of a park.

*Acquisition - "Substantial" shall be defined as having donated approximately 50% of the "estimated market value" of the parcel.

Example: A 10 acre parcel with "estimated market value" of \$15,000 per acre is acquired for \$75,000 (2.5 acre donation, 7.5 acres for \$75,000). Estimated value \$150,000, less actual cost of \$75,000, equals donation of \$75,000 or 50%.

*Development - "Substantial" shall be defined as having donated approximately 50% of the estimated total cost of construction of the area or facility. If the total cost of development exceeds \$150,000, then a 40% donation would be considered "substantial". Credit shall be allowed for donation of cash, material and labor performed in accordance with approved plans and specifications for facility construction.

Example: The estimate for the development of a five-acre neighborhood park is \$150,000. A developer donates \$15,000 cash; grades, prepares seedbed and seeds 3.5 acres - value, \$30,000; paves a multi-purpose court and pathways - value, \$15,000; total value of donation - \$60,000, or 40% of total estimated cost of construction.

COUNCIL POLICY NO. M-8

TITLE: FUNDING OF CITIZEN SELF-HELP PROJECTS

POLICY: See attachment.

REFERENCE: Parks Department Staff Report dated 10/2/95, Agenda Item No. 7.2.i

FUNDING CITIZEN SELF-HELP PROJECTS

City of Salem, Oregon Self Help Funding Application Procedure and Funding Round Announcement

The Salem City Council has established a “self help” projects account. The Salem City Council has authorized the starting of a 'self help” grant funding round with the application period being September 15, 1995, through December 1, 1995. Grant awards will be made during January 1996. Applications must be submitted to the City Recorder, Room 205, 555 Liberty St. SE, Salem, Oregon 97301 by 5:00 p.m. December 1, 1995.

I. PROJECT CATEGORIES

- A. The annual self-help appropriation shall be for:

Public Works self-help projects, such as sidewalks, paved shoulders, walkways, bicycle paths, drainage, etc., in public rights-of-way.

Parks self-help projects in publicly owned park and landscaped areas such as, playground equipment, walks, trails, benches, and other park improvements, tree and shrub planting, irrigation, signing, etc., Improvements to historic facilities owned by public entities will also be given consideration.

- B. Self-help projects are intended to be improvements or renovations to publicly-owned facilities where citizens work shoulder-to-shoulder to accomplish the project from planning through the construction phase.
- C. A specific project must apply in only one of the two categories.

II. APPLICATION PROCESS

- A. There will be one grant round per year. Each round will seek to allocate all of the fiscal year's available funds. Applications must be submitted in writing.
- B. In the event that sufficient applications are not received to exhaust the funds, the remaining funds shall be disbursed on a “first come, first served” basis until all funds are expended. All other grant matching requirements would still apply.
- C. Any “not for profit” citizen group may submit a project request. An eligible project is broadly defined as a capital project which benefits the health, welfare and good of the city.
- D. The annual application round will commence in September of each year, with the deadline for receipt of proposals in early December of each year. Project proposals will be awarded by the Salem City Council in mid-January of each year.

- E. An eligible project must show a minimum 50% non-City funded match. A greater match is encouraged. Match could include money, materials, equipments or labor.
- F. The non-City match could include donated right-of-way for walkway projects or other land donations for park projects.
- G. The application process is :
 - 1. Council to authorize staff to initiate a grant round.
 - 2. Proponents would work with the appropriate respective City department to develop scope, location, and costs of projects.
 - 3. Proponents will then submit a letter of request to the City which would then be coordinated with the appropriate department head. The letter must be received no later than 5:00 p.m. by the City Recorder by the December 1, deadline.
 - 4. The letter must state:
 - a) Specific request and nature of proposal.
 - b) Location
 - c) Total project costs, including a discussion of maintenance impact and who would assume it.
 - d) Source, amount and type of match
 - e) Proposed time line
 - f) Results and benefits envisioned
 - g) Position of neighborhood groups
 - h) Other groups supporting application
 - 5. When all materials have been received, staff will review, rank and Forward to City Council with appropriate summary and recommendation.

III. REVIEW CRITERIA

Each proposal will be competitively rated on a maximum 100 point scale. Ratings are as follows:

- A. Extent to which the proposal meets long term goals of the City - 25 points
- B. Leverage ratio of City resources to other resources - 25 points
- C. Extent to which a project can be quickly implemented - 10 points

- D. Extent to which a project does not increase City maintenance burden - 20 points
- E. Concurrence of affected neighbors, businesses or neighborhood association - 20 points

IV. REVIEW COMMITTEE

The review committee will consist of a staff committee consisting of the representatives of the department coordinating the requested project category, e.g., either Community Services or Public Works. The Salem Park and Recreation Advisory Board will also review staff recommendations on park projects.

V. EVALUATION

Each proposal will be competitively ranked according to the review criteria. Ranking scores will be the average score of the members of the review committee. Recommendations for allocating funds will be descending succession, starting with the highest ranking, until all funds for a grant round have been allocated.

QUALITY OF LIFE

N - Parking

COUNCIL POLICY NO. N-1

TITLE: CONVENTION PARKING

POLICY: See attachment.

REFERENCE: Old Council Policy #7. Revised by General Services 4/93.

CONVENTION PARKING

Visitors to the City of Salem for the purposes of attending conventions, may, by arrangement with the City's designated contractual agent (currently the Salem Convention and Visitors Association), be issued permits, known as courtesy passes for the purpose of free parking. These courtesy passes shall be of a type, color and content that is approved by the City Parking and Security Division. These permits allow convention visitors to park free of charge for unlimited times in all metered and unmetered zones with a time limit of one hour or more, except for special or restricted use zones such as disabled spaces, loading zones, bus zones, designated 10 hour visitor parking meters (located on court Street NE in front of the State Capitol Building), and the Capitol Mall area. (The Capitol Mall area is comprised of the 1200 block of Ferry Street SE, the State of Oregon underground parking garage located off of the 900 block of Chemeketa Street NE, and all other on-street or off-street parking facilities controlled and regulated by the State of Oregon.) The Downtown Parking District provides unlimited free parking for all shoppers and convention visitors who are encouraged to take advantage of this free parking while shopping or touring our downtown area.

Courtesy passes shall be limited to those visitors who are from out of town and who are staying overnight in Salem. State employees who are visiting Salem while attending state conferences shall contact the State Parking Office for available parking and shall not be issued courtesy passes. The City's contractual agent shall, after verifying a convention in Salem, list the name of the convention and the number of passes issued including the expiration date of the passes. This information shall be transmitted to the City Parking and Security Division in time to be received prior to the effective date of the permits; notification shall be in writing. The expiration date shall be clearly visible on each pass. Passes must be clearly displayed and visible from outside the vehicle. Citations for parking violations will not be issued to vehicles displaying valid courtesy passes.

QUALITY OF LIFE

O - Miscellaneous

PUBLIC FACILITIES

P - Public Buildings

PUBLIC FACILITIES

Q - Sewers

PUBLIC FACILITIES

R - Storm Drainage

COUNCIL POLICY NO. R-1

TITLE: DITCH CLEANING

POLICY: The City cleans and maintains all drainage ditches in the public right-of-way and within drainage easements.

Property owners must maintain ditches on private property, unless there is an existing threat or major flooding of other private property or the public right-of-way, in which case the City may clean or maintain a ditch which is on private property, Right of entry to enter upon private property must be obtained from the property owners prior to entrance by city workers.

REFERENCE: Old Council Policy #13. Revised by Public Works 4/93. Salem Revised Code, Chapter 73 (City Council authority over sewers and drains).

PUBLIC FACILITIES

S - Water

COUNCIL POLICY NO. S-1

TITLE: WATER SERVICES IN JAN REE

POLICY: The adopted policies of the City of Salem regarding the extension of water service in the Jan Ree are:

When a property is contiguous to the City, the property shall annex to the city for the provision of water.

No property shall be annexed to the service area of the Jan Ree water system.

Properties within the Jan Ree service area but not currently served by the Jan Ree water system or vacant property within the currently served area of the Jan Ree water system, shall not be provided water service without meeting the requirements of the urban growth management regulations (SRC 66) of the City of Salem and the Development Fee (SRC 41) requirements of the City of Salem; the owners of such property shall sign a consent to annexation agreement, which shall be recorded; annexation shall occur when the property is contiguous to the City of Salem.

An existing dwelling unit on a private well - which fails - may be provided temporary water service with the explicit approval of the Salem City Council; the extension and maintenance of water service shall be at the sole expense of the property owner; such service shall only be for a single family residence; the owners of such property shall sign a consent to annexation agreement, which shall be recorded; annexation shall occur when the property is contiguous to the City of Salem.

Existing water companies or districts within the Jan area service area may be provided temporary water service with a special agreement approved by the Salem City Council; such special agreement shall be renewed annually by review and approval of the Salem City Council. New water services shall not be provided to individual properties within the existing water company or district, while the company or district is receiving water under the special agreement. Permanent water service to the company or district shall only be provided through annexation to the City of Salem.

If a property is within the sewer district and does not abut the City limits, sewer service may be provided to the property but water service from the Jan Ree water system shall not be provided, except as may be provided by other policies herein city (Policy #3).

System Development Charge revenue shall not be used to extend a water line of the Jan Ree system outside the Salem city limits.

REFERENCE: Community Development Staff Report dated 6/1/92, Agenda Item No. 6.2r
Council Policy Manual / Public Facilities / Water

COUNCIL POLICY NO. S-2

TITLE: WATER CONSERVATION AND REGIONALIZATION

POLICY: See attachment.

REFERENCE: Public Works Staff Report dated 10/7/91

WATER CONSERVATION AND REGIONALIZATION

RECOMMENDATION:

It is recommended Council approve the following water system policies to guide completion of a Water System Analysis and to prolong the existing reserve water supply as long as possible.

1. Regionalization Policy

The City of Salem shall reexamine the present policy of serving the existing regional customers in East Salem and Orchard Heights Water Districts as part of an annexation policy now being prepared by staff for Council consideration. The long-term costs of serving the out-of-City customers shall be studied and presented to the Council as part of the 1991 Revised Water COSA. Expanding the existing regional system shall not be considered in completing a Water System Analysis.

2. Conservation Policy

The City of Salem shall, as a first priority in expanding the existing water supply, consider and implement, if economically cost-effective, conservation practices.

Conservation practices to be studied for cost-effectiveness, initially, are:

- A. leak detection and repair in the water system;
- B. zone code requirements for landscaping and irrigation at commercial and industrial developments;
- C. City use of water, such as parks irrigation, fire hydrant testing, and others identified by staff;
- D. a grants program or low-interest loan program for industrial water conservation shall be developed by staff and brought back to Council for review and approval;
- E. initiation of a public information and education program of conserving water in homes and businesses during peak-use time with economical irrigation practices emphasized and with information also furnished on leak repairs and low water use appliances; and
- F. evaluation of water pricing strategies in the Revised Water COSA that encourage water conservation during peak periods.

COUNCIL POLICY NO. S-3

- TITLE:** TESTIMONY ON PROPOSED RULE CHANGE NORTH SANTIAM RIVER WATERSHED
- POLICY:** Council opposes any amendments to existing water quality rules which could open the door to degradation of the quality of the water which is used as a source of Salem's domestic drinking water
- REFERENCE:** Testimony on Proposed Rule Change North Santiam River Watershed 1/10/94.

FOR COUNCIL MEETING OF January 10, 1994
AGENDA ITEM NO.:

TO: MAYOR AND CITY COUNCIL
THRU: LARRY J. WACKER, INTERIM CITY MANAGER
FROM: FRANK MAULDIN, PUBLIC WORKS DIRECTOR
SUBJECT: TESTIMONY ON PROPOSED RULE CHANGE
NORTH SANTIAM RIVER WATERSHED
ENVIRONMENTAL QUALITY COMMISSION

ISSUE:

The Department of Environmental Quality (DEQ) is proposing to amend Oregon Administrative Rule (OAR) 340-41-470(1). The proposed rule change could have serious negative impacts on the extraordinarily high water quality in Salem's watershed. The proposed rule change is centered around permitting the Kinross Copper (formerly Plexus, Inc.) bornite mining project and, potentially, other waste dischargers located within the watershed to discharge waste products into the waters of the North Santiam River Sub-basin.

RECOMMENDATION:

It is recommended that the Council:

1. Adopt the companion resolution (Attachment I).
2. Adopt Alternative 1 that opposes any amendments to the OAR which could result in a lowering of water quality in the North Santiam River Sub-basin. This could be accomplished by adopting a revision to DEQ's Option 1 as detailed by staff in Attachment II, Technical Comments.
3. Authorize the Mayor or a selected Council designee to provide testimony at the January 27, 1994, public hearing before the Environmental Quality Commission.

POLICY DECISIONS:

Should the City oppose amendment to existing Water Quality Rules which could open the door to degradation of the quality of the water which is used as a source of Salem's domestic drinking water?

BACKGROUND:

On January 3, 1994, staff submitted a report (Attachment III) to Council, alerting them of the proposed actions by DEQ and indicated that a follow-up staff report would be submitted on January 10, 1994, containing specific recommendations addressing the proposed action by DEQ.

Attached to the January 3, 1994, staff report were the following items:

- 1) Attachment 1 October 7, 1991, staff report
- 2) Attachment 2 January 11, 1993, staff report
- 3) Attachment 3 OAR 340-41-470(1)
- 4) Attachment 4 DEQ Notice of Rule Making

The central issue of this subject is: Should the existing rules be amended to allow new or increased "wastewater" to be discharged to any of the three drainage systems identified in OAR 340-41-471(1), i.e., a) the Clackamas River Sub-basin; b) the McKenzie River Sub-basin above the Hayden Bridge (River Mile 15); and c) the North Santiam River Sub-basin.

The North Santiam River Sub-basin is the watershed for the City of Salem.

FACTS AND FINDINGS:

The City of Salem has relied upon the high quality waters of the North Santiam River Sub-basin since 1937. At that time, this community made a substantial investment to secure and develop its water source some 17 miles east of the City, within the sub-basin. In addition, the City developed, and continues to rely upon the filtration technology known as slow-sand filters to meet the requirements of the Federal Safe Drinking Water Act. While this technology enables us to meet all requirements at a very low cost, it is susceptible to changes in the quality of the water entering it.

The City has just completed a 20-year Water Master Plan which is based upon the continued use of this technology as the principle method to meet the requirements of the Safe Drinking Water Act. In preparing the Plan, the City identified the cost of installing alternative technology at a \$87 million increased capital cost plus significant additional annual operating costs. To fund such an improvement would require the newly adopted water rates to be raised in excess of 100 percent above the currently projected levels. Therefore, a degradation of water quality in the North Santiam Sub-basin would have a significant economic impact on every person and economic activity in the City of Salem.

In preparing a response to the proposed rule amendment, staff has drafted a resolution for Council consideration and action. This resolution (Attachment I) provides a general overview of our position on this issue. In addition, staff has currently developed technical comments relative to the rule notification and the potential impacts upon the City, its citizens, and the industrial community. The Technical Comments are enclosed as Attachment II.

The technical comments address the following areas in detail:

1. Existing condition of the water quality in the North Santiam River Basin.
 - a) Background and history of Salem water supply.
 - b) Treatment technology.
 - c) Water rights.
 - d) Quality impacts to industrial users.
2. Review of specific rule changes.
 - a) Review each proposed option.
 - b) Possible revisions to Option 1.

Staff is currently in the process of contacting major industrial users which rely upon the quality of the water in the operation of their facilities. They will be urged to provide comments to the Environmental Quality Commission. In addition, staff has been in contact with other water system owners which are located within the three drainage systems identified, plus the League of Oregon Cities and Oregon Water Utilities Council. Copies of this report have also been sent to the Water and Wastewater Task Force.

Alternatives

1. Adopt Alternative 1 that opposes any amendments to the OAR which could result in a lowering of water quality in the North Santiam River Sub-basin. This could be accomplished by adopting a revision to DEQ's Option 1 as detailed by staff in Attachment II, Technical Comments.
2. Support one of the three options identified in the proposed rule amendment. This could result in a political process being used to develop a rule which could result in requiring the City to make modifications to existing and future water supply facilities.
3. Do nothing - such action would most probably result in the adoption of an amendment to the current Oregon Administrative Rule (OAR), which could have a major impact on the future water supply system of the City of Salem and subsequently require major rate adjustments.

COUNCIL POLICY NO. S-4

TITLE: WATER SYSTEM DEVELOPMENT CHARGE

POLICY: To annually adjust the SDCi fees based upon the inflationary cost of construction as defined in the *Engineering News Record* Construction Cost Index

REFERENCE: Public Works Staff Report dated 11/6/98, Agenda Item No. 7.2.t

PUBLIC FACILITIES

T - Streets

COUNCIL POLICY NO. T-1

- TITLE:** PERPETUAL LIFE SERVICE LEVEL FOR STREET MAINTENANCE
- POLICY:** "Perpetual Life" street maintenance shall be fully funded by the year 2000, and continual progress shall be made each year in the attainment of that goal.
- REFERENCE:** Public Works Staff Report dated 4/12/93, Agenda Item No. 7.2.o

COUNCIL POLICY NO. T-2

TITLE: MINIMUM SERVICE LEVEL ALTERNATIVE FOR STREET MAINTENANCE

POLICY:

1. A County Regional Local Vehicle Fuels Tax is the preferred method for increasing street maintenance levels to the MINIMUM Service Level, and staff is authorized to participate in technical subcommittees of the regional SKATS Policy Committee for the purpose of studying regional street needs and developing a recommended Local Vehicle Fuels Tax level and implementation schedule.
2. Overloaded vehicle ordinances will not be considered at this time because of the high cost of regulation and the uncertainty of effectiveness with low regulation priorities.

REFERENCE: Public Works Staff Report dated 3/19/90, Agenda Item No. 5.2f

COUNCIL POLICY NO. T-3

TITLE: TRAFFIC AND STREETS MANAGEMENT

- POLICY:**
1. The traffic and streets management programs consisting of management, traffic engineering, transportation planning, public inquiries, and records maintenance will be maintained at a minimum service level so that street maintenance programs will receive maximum available funds.
 2. Traffic demand and street capacity management is preferred over constructing new traffic lanes as a way of accommodating the rapid increase in traffic the City is now experiencing.
 3. The \$2,500,000 annual revenue shortfall for funding Council's "minimum" street maintenance standards will be addressed by supporting increases in state gas taxes and the initiation of a 3 cents per gallon Marion/Polk County Regional Motor Vehicles Fuels Tax.
 4. As additional gas tax or general fund revenues are received, the first program to be increased shall be contracted programs; and, conversely, when revenues are lost, the first programs to be cut shall be contracted programs.

REFERENCE: Public Works Staff Report dated 6/3/91, Agenda Item No. 6.2o

COUNCIL POLICY NO. T-4

TITLE: FUNDS TRANSFERS FOR 1993/94 PAVEMENT RESTORATION

POLICY: Because of public testimony received during the 1993/94 budget hearings, a funding strategy has been followed which would preclude the use of water and sewer franchise fee moneys on pavement work associated with arterial streets after the 1993/94 budget year.

The current strategy as reflected in the adopted 5-year CIP is to use franchise fee funds only on residential and collector R & R projects beginning in FY 1994/95.

REFERENCE: Public Works Staff Report dated 2/7/94, Agenda Item No. 7.2.r

COUNCIL POLICY NO. T-5

TITLE: STREET CONSTRUCTION DEFERRAL AGREEMENTS

- POLICY:**
1. If a private owner obligation to construct or fund public street improvements predates a publicly funded project, the property owner remains obligated to construct or fund the improvements.
 2. If a public funding for a street improvement project predates an owner's obligation to construct public street improvements and the required improvements are identical to the publicly funded improvements, then the property owner has the option to wait until the improvements are constructed by the City or construct their portion of the improvement prior to the City improvement at their own expense.
 3. If public funding for a street improvement project predates an owner's obligation to construct public street improvements and the publicly funded street improvement differs in scope from that required by the owner, then an agreement shall be executed between the City and the property owner to coordinate the construction of the improvements and define appropriate reimbursements between the parties.
 4. A publicly funded improvement that, in part, serves to correct conditions from a previous development, and is not clearly the current property owner's obligation under policies 1 through 3, will be funded and constructed by the City project.
 5. Prior to taking general obligation bond authorization measures to the public, all existing agreements obligating any property owner to directly participate in the cost of the project in addition to the public funds being authorized, shall be accounted for to the Council.
 6. Council may, at its sole discretion, call up one or a series of street deferral agreements to require the property owner or series of owners to complete the deferred improvements by the methods and timelines laid out in said agreements.

REFERENCE: Public Works Staff Reports dated 1/3/94, Agenda Item No. 7.2.q and dated 1/10/94, Agenda Item No. 9.2.e

COUNCIL POLICY NO. T-6

- TITLE:** BASKETBALL HOOPS IN THE RIGHT-OF-WAY
- POLICY:** Require the removal of all basketball hoops from the right-of-way of all local streets on a complaint basis.
- REFERENCE:** Public Works Staff Report dated June 28, 1999, Agenda Item No 4.2 (n)
(Supplants Public Works Staff Report - See Council Minutes
December 20, 1993, Agenda Item 9.2.(h) - Amended Council Decision)

PUBLIC FACILITIES

U - Street Lights

PUBLIC FACILITIES

V - Sidewalks

PUBLIC FACILITIES

W - Vacations

COUNCIL POLICY NO. W-1

TITLE: VACATION PROCESS

POLICY: See attachment.

REFERENCE: Legal Department Vacation Procedures - Revised March 1992
(Ordinance No. 55-90)

**CITY OF SALEM
VACATION OF PUBLIC PROPERTY
ORDINANCE NO. 55-90**

Vacation of streets, alleys, plats and easements in the City of Salem are governed by state law, ORS Chapter 271, and city ordinance, SRC 76.130 to 76.144. Prior to filing a vacation petition it is recommended you first confer with the Public Works Department and the Planning Administrator relative to the proposed vacation.

Because of the complex nature of vacation proceedings it is suggested you work with a private attorney or land use consultant to prepare the vacation petition.

VACATION PROCESS

1. Petition and Signature Requirements

The petition must include the following:

(The attached sample forms are to be used only as a reference)

- a. Legal Description of the proposed area to be vacated.
- b. Where the City of Salem is an abutting property owner, a consent form should be presented to Public Works (Engineering Division, Traffic Subdv) for the appropriate signature. Consent by the City at this stage does not bind the City Council to ultimately vacate the property in question.

If Public Works refuses to consent to the vacation, the refusal shall be in writing setting forth their reasons. The Petitioner may then proceed to the Council for consent.

- c. The consent of 100% of abutting property owners (not including the street area) is required. Property which abuts only at a point is considered abutting property and owner must sign the consent form.
- d. The consents of the owners of 2/3 of the *affected area (does not include dedicated streets) are required. The affected area is to be shown outlined in red on a map attached to the petition. (* see 2.b)
- e. The petitioner (the person filing the petition) in addition to signing Page 2 of the petition must also sign the consent to vacation on Exhibit "A" (assuming he owns property abutting the portion of street to be vacated).
- f. All signatures must appear the same as those on the property deed, and usually includes that of both husband and wife.
- g. All signatures must be in ink.

- h. The consent of the contract purchaser, if any, is required along with that of the record owner, on property abutting the street proposed to be vacated. The consent of the contract purchaser of record is sufficient on other property within the affected area.
- i. The completed petition is to be filed, with the filing fee at the Permit Application Center, Room 320, first and will be forwarded on to the City Recorder for initial review.
- j. All documents submitted must be typed or printed legibly in blue or black ink.

2. Tax Maps

Accompanying the petition there should be a tax map showing the following:

- a. The street, alley, plat or easement to be vacated;
- b. The area surrounding the proposed vacation known as the "*affected area". (Running 200' parallel and 400' off each end of proposed vacation).
- c. Those ownerships consenting to the vacation by placing a mark on each property consenting.

3. Title Report

Also accompanying the petition there should be a title report verifying ownership of the property abutting the area proposed to be vacated and in the *affected area (*see 2.b). Property is considered abutting even at "a point". If the petition is for a public easement vacation, the title report should also describe the name of the owner of the property where the easement is located, that owner's address, tax lot number, and any liens pertaining to the property where the easement is located.

4. Filing Fee

An initial filing fee of \$1150 payable to the City of Salem is required. This fee is to cover the cost of giving legal notice of the proposed vacation, the recording of the vacation ordinance and other anticipated costs. The costs may be increased or decreased depending on said final cost.

5. Verification

Upon the filing of the petition, the petition shall be referred to the Public Works Department for verification of the petition requirements. Petitions in proper form are returned to the City Recorder for presentment to the City Council.

6. Public Hearing before City Council

Petitions presented to Council will be set down for public hearing. Notice is given of such hearing by publication in a newspaper once a week for two successive weeks and by posting at each end of the property to be vacated. Copy of the legal notice will be mailed to the petitioners and to all abutting property owners. Petitioners should be prepared to appear at the hearing in person or through their attorney or representative. At the hearing the Council will receive the planning commission's recommendation, a staff report from the Director of Public Works setting forth findings in regards to the proposed vacation and testimony for the vacation. The staff report shall also be mailed to the petitioner prior to the hearing by Public Works (588-6075). The staff report will be available on Thursday afternoon before the Monday Council meeting.

7. Assessments and Conditions

- a. It is the policy of the City Council to assess special benefits to the abutting property as a result of the vacation. The amount of the assessment is generally determined by computing the square foot value of property in the vicinity of the vacation and taking this figure and multiplying it by the square footage of the area to be vacated. Special benefits also include the costs of public improvements in the vacated area.
- b. Conditions may also be attached to the vacation. If there are existing utility lines (electric, telephone, sewer, water), the vacation will be made subject to an easement for maintenance of these lines.
- c. Other prerequisites may be required of Council as a condition of the vacation which may require a written agreement to be entered into with the City.

8. Vacation Ordinance

The vacation process is consummated by the passage of an ordinance by Council vacating the public property or plat and the recording of the ordinance with the County Clerk. The vacation will not be effective until it is recorded. City Recorder will not so record until all conditions are satisfied and assessments are paid. Application may be made to pay the assessment in installments.

9. Questions

Should you have further questions, you may contact the City Recorder's office at 588-6097.

BEFORE THE COMMON COUNCIL OF THE CITY OF SALEM

MARION COUNTY, OREGON

In the Matter of the Vacation

of

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PETITION FOR VACATION

I.

The undersigned petitioner(s) hereby request(s) that the following described area be vacated, to-wit:

(Legal Description)

II.

The area described above should be vacated for the following reasons:

III.

That if vacated the area described above is proposed to be used in the following manner:

IV.

There is appended hereto, marked "Exhibit A", and by this reference made a part hereof, the consent of all abutting property owners.

V.

There is appended hereto, Marked "Exhibit B", and by this reference made a part hereof, the consent of the owners of real property in the affected area, as defined in ORS 271.080, and that said owners represent the ownership of more than two-thirds of the property affected by the proposed vacation.

WHEREFORE, your petitioner(s) pray(s) that all of the property described aforesaid be vacated.

PETITIONER(S)

EXHIBIT A

BEFORE THE COMMON COUNCIL OF THE CITY OF SALEM

MARION COUNTY, OREGON

In the Matter of the Vacation)
)
 of)
)
)
)
 _____)

CONSENT TO THE VACATION BY ALL THE

ABUTTING PROPERTY OWNERS

The undersigned, being owner(s) of all the property abutting the proposed vacation described aforesaid do(es) hereby consent(s) to the vacation.

Dated this _____ day of _____, 19____.

NAME	SIGNATURE	TAX LOTS	RECORDING NO.
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

EXHIBIT B

BEFORE THE COMMON COUNCIL OF THE CITY OF SALEM

MARION COUNTY, OREGON

In the Matter of the Vacation)
)
 of)
)
)
)
)
 _____)

CONSENT TO THE VACATION BY OWNERS

OF PROPERTY IN THE AFFECTED AREA

The undersigned, being owners of real property in the affected area of the proposed vacation described aforesaid do hereby consent to the vacation.

NAME	SIGNATURE	TAX LOTS	RECORDING NO.
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

PUBLIC FACILITIES

X - Miscellaneous

COUNCIL POLICY NO. X-1

TITLE: MANAGEMENT OF SEWER AND WATER SDC REVENUES AND EXPENDITURES

Definitions:

“Growth Facility” means any public water or sewer facility identified in the most recent adopted sector or master plans for sewer or water.

“SDCr” means the “reimbursement fee” portion of the SDC fees (see SRC 41.100.(f)).

“SDCi” means the “public improvement charge” portion of the SDC fee (see SRC 41.100.(d)).

“Service Area” means the service basin identified as benefitting from a particular growth facility, such as a water reservoir or sewer trunk line.

POLICY: **Policy No. 1- How a project gets funded**

The annual five-year CIP process will include an element for specific SDC funded growth facilities to benefit residential, commercial, and industrial properties. This element of the CIP, also known as the “Extra Capacity Facilities Construction Fund,” will be funded from the SDCr and that portion of the SDCi not used to reimburse or credit developers under Policy No. 2. Other projects where the timing does not fit the annual five-year CIP process must be approved by the city council in a public hearing process.

Policy No. 2 - Reimbursement to residential developers

Any developer who constructs at its expense a growth facility required by the city as a condition of residential development approval will receive reimbursement from the city from the SDCi collected from each lot in the development. This reimbursement when applied to area facilities such as water reservoirs, pump stations, and force mains, shall apply to the entire cost of the facility. This reimbursement, when applied to linear facilities such as gravity sewers and water lines shall apply to the entire cost of the facility, except when lots representing 25 percent or more of the front footage connect directly to said facility, in which case the credits will apply to only the oversize portion of the cost. Such reimbursement shall cease when the sum total of these and other reimbursements from subsequent developers provided under SRC 66.195 equals the developer's certified investment cost. Any subsequent SDCi collected may be applied to any growth facility through Policy No. 1.

Policy No. 2a - Timeliness of SDC Credits to Developers

SRC Chapter 66 specifies the order in which various reimbursements mechanisms to developers are paid as follows:

- a) From specific budgeted city project which has been funded under Policy No. 1
- b) From SDC credits generated by the development
- c) From connection fee and prior facility charges

The net amount of reimbursement a developer is entitled to under mechanisms a) and c) is determined after deducting from his total allowable costs the SDC credits that will potentially accrue from his development. These credits will actually be paid out by the city on a quarterly basis from the SDCi collected from individual lots within his development during the quarter. After SDCi has been collected from 90 percent of the lots within the development, the city will (at the end of the quarter) pay out to the developer 100 percent of the potentially available credits within his development.

Policy No. 3 - Separate accounting of SDCr revenues

SRC 41.120 requires 50 percent of sewer SDCr revenues be dedicated to Willow Lake expansion. Remaining SDCr revenues shall be separated into two accounts, residential and commercial/industrial. Source of revenue for the residential account shall be residential development paying SDCr. Residential SDCr funds shall pay for growth facilities identified through Policy No. 1. Sources of revenue for the commercial/industrial account shall be SDCr and applicable connection fees collected from commercial/industrial development. Commercial/industrial SDCr funds shall pay for growth facilities which benefit commercial/industrial lands, whether inside or outside of the C.D.A.

REFERENCE:

Public Works Staff Report dated 11/28/94, Agenda Item No. 9.2.n.; Public Works Staff Report dated 11/6/95, Agenda Item No. 7.2.u.; Public Works Staff Report dated 3/24/97, Agenda Item No. 9.2.k.

COUNCIL POLICY NO. X-2

TITLE: PUBLIC WORKS PERMIT FEES

POLICY: The "cost of service" is the basis for determining fees charged for processing Public Works permits.

REFERENCE: Public Works Staff Report dated 2/21/89, Agenda Item No. 5.4.f

COUNCIL POLICY NO. X-3

TITLE: TRANSPORTATION SYSTEMS DEVELOPMENT CHARGE AND STREET CONSTRUCTION FINANCING STRATEGY

POLICY: Allow increases in transportation systems development charges until July 1, 2000.

REFERENCE: Public Works Staff Report dated 10/9/95, Agenda Item No. 4.b

COUNCIL POLICY NO. X-4

TITLE: CONNECTION TO WATER AND/OR SEWER SERVICE OUTSIDE CITY LIMITS

POLICY: See attached

REFERENCE: Public Works Staff Report dated November 4, 2013, Agenda Item No. 3.3 (c)

X-4A ELIGIBILITY

Properties outside city limits often have limited eligibility and special requirements for connecting to City water and sewer service. Properties within the City of Keizer or City of Turner are not subject to these requirements. Only those properties that meet the criteria below are eligible for City water and/or sewer service.

Properties Eligible for Water Service (meets any one of the following)

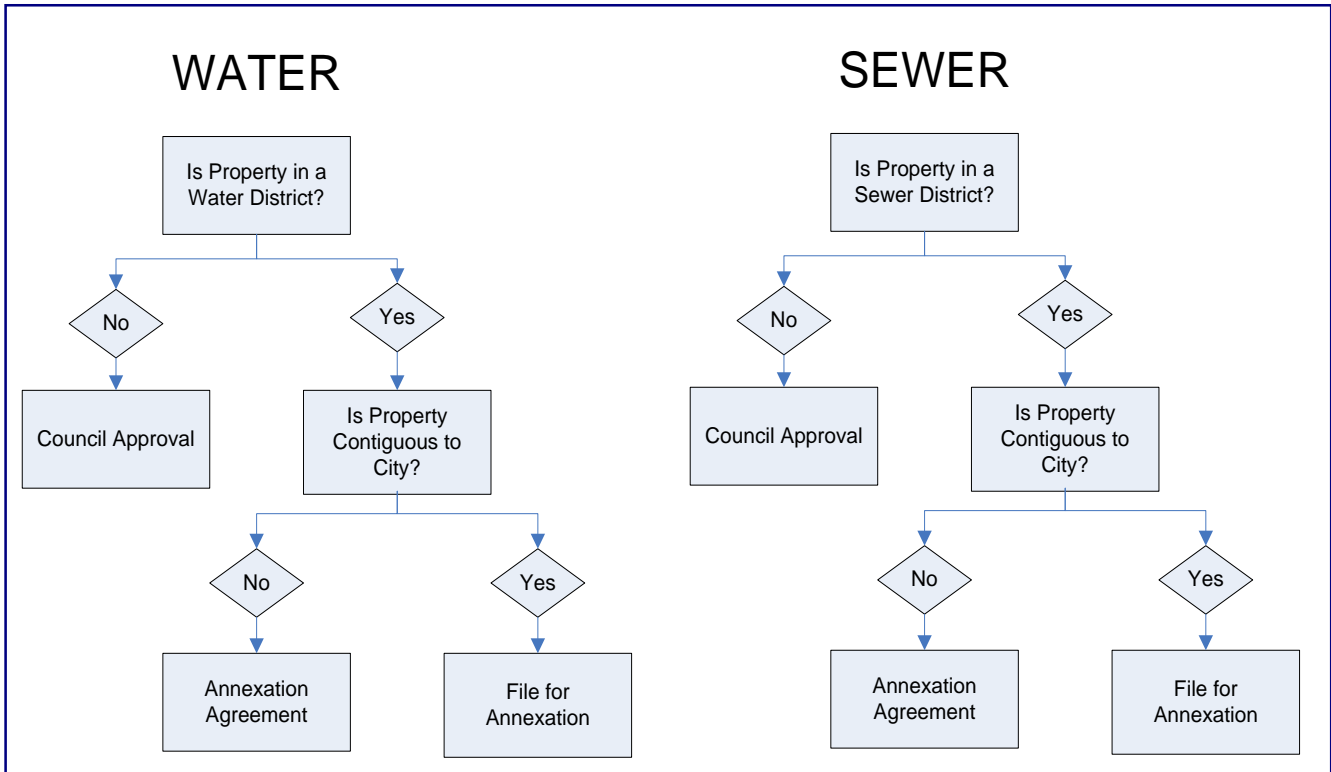
- Annexation petition has been approved at second reading of City Council
- Located within both a water and a sewer district
- Annexation contract signed prior to May 2000
- Connection is mandated by the State of Oregon
- Well has failed according to qualified testing agency
- A water health hazard exists according to local or state health officer
- The property is developed, contiguous to city limits, and a water main is available at the property line to serve the existing use

Properties Eligible for Sewer Service (meets any one of the following)

- Annexation petition has been approved at second reading of City Council
- Annexation contract signed prior to May 2000
- Connection is mandated by the State of Oregon
- Located inside a sewer district
- Septic system has failed according to County sanitarian
- A sewer health hazard exists according to local or state health officer
- The property is developed, contiguous to city limits, and a sewer main is available at the property line to serve the existing use

X-4 B CONDITIONS OF CONNECTION

If a property meets the eligibility criteria in Policy No. X-4A, the conditions of connection are specified in the flowchart and definitions below:



Definitions:

Council Approval

Applicant submits letter to Public Works Director requesting service per *Salem Revised Code* (SRC) 72.220 (water) and/or SRC 73.030 (sewer). Connection is authorized upon approval by City Council and satisfaction of the following conditions:

- a. If property is not contiguous to city limits, applicant is required to record a complete annexation agreement prior to connection authorization.
- b. If property is contiguous to city limits, connection is authorized once applicant has filed for annexation and City Planning staff has determined annexation application is complete. In addition, the applicant must sign and record an annexation agreement to protect the City in the case of ownership changes. Voter-exempt annexation is allowed per SRC 165.050 if failed septic or health hazards exist.

File for Annexation

Applicant files a petition for annexation. Connection is authorized once City Planning staff determines annexation application is complete.

Annexation Agreement

Connection is authorized once the applicant records a complete annexation agreement.

PUBLIC FACILITIES

Y - Land Use Matters

COUNCIL POLICY NO. Y-1

TITLE: CERTIFICATE OF OCCUPANCY: TEMPORARY VS. FINAL APPROVAL

POLICY: Upon completion of all new construction requiring a building permit, the individual/company who took out the building permit is required by State of Oregon law to apply for a final inspection PRIOR to any occupancy.

The Certificate of Occupancy is used to insure that all construction work has met the provisions of the State of Oregon Uniform Building, Plumbing and Mechanical Codes, the National Electrical Code, Federal Handicapped & FEMA flood proofing laws, and City of Salem Public Works and Parks Departments' development requirements. A Temporary Certificate of Occupancy will be issued by the Building Official when all work is completed except for non-safety items such as back ordered equipment or fixtures and outside painting, landscaping, paving and similar work which could not be completed due to weather conditions.

A Certificate of Final Occupancy shall be granted when all code requirements, development requirements and project specifications have been approved.

REFERENCES: Ordinance No. 103-67, Section 1, Salem Revised Code, Section 56.010
Uniform Building Code, Sect. 306

BACKGROUND INFORMATION The City has a responsibility to insure that buildings are not occupied until after they are safe for use.

COUNCIL POLICY NO. Y-2

TITLE: BILLBOARDS IN COMMERCIAL ZONES

POLICY: Directs staff to include for any future land use decision a condition which precludes the installation of a billboard on all commercial or industrial zoned property.

REFERENCE: Council minutes for October 23rd and November 20, 1989.

OCTOBER 23, 1989

CLOSED Determining that no one else wished Historic Bldg. to speak regarding this matter, Mayor Neilsen declared public hearing CLOSED. He advised that there would be deliberations at the next regular meeting.

Sign Code (b) Public hearing to consider amendments to the Salem Revised Code, Chapter 62 (sign code) primarily pertaining to increasing the minimum space between billboards.
Attached: Staff Report (CD) Addition: Communication from North Gateway Plan Development Committee

OPEN Mayor Neilsen declared public hearing open to receive comments.

Elegant John Elegant, Building and Safety Administrator, asked that the staff report be made a part of the record.

Moss Councilor Moss asked if there is a zone change from residential multi family to commercial retail, is there a way under the code to condition the zone change so that it does not gain the ability to put in a billboard.

Elegant Mr. Elegant replied that such a condition is allowable and that Council could approve to limit the height or totally prohibit a billboard.

Saabye, H Hap Saabye, Chairman of the Sign Code Committee, complimented the committee members for doing a good job, and said that as far as the committee is concerned, their work is complete.

Mayor Mayor Neilsen thanked the committee.

Blakely, J June Blakely, Sign Code Committee member and member of the North Gateway Plan Development Committee, asked if the moratorium on billboards be continued an additional 45 days until a decision is made on the North Gateway Urban Renewal Plan.

Juza City Attorney Juza explained that the present moratorium will terminate December 21st, and an effective date for the urban renewal plan is not anticipated until December 27th. He recommended that

the moratorium extension be included in the ordinance so that there will be no permits for that area for that period of time.

CLOSED

Determining that no one else wished to speak regarding this matter, Mayor Neilsen declared public hearing CLOSED. He advised that there would be deliberations at the next regular meeting.

NOVEMBER 20, 1989

Motion

Councilor Thompson moved approval of the Hearings Officer report, with the two following additional conditions: (1) That no billboards will be allowed to be placed on the property; and (2) that a roadway be built on the western edge of the property to line up with Croisan Creek; however, if the various property owners all agree to realign Golf Course Road and Acacia Drive, that credit for the costs of alignment of the westerly roadway would be applied to Golf Course Road and the requirement for that westerly access would be removed. The motion was seconded.

Moss

Councilor Moss announced that he has had an ex parte contact with the appellant, who is his neighbor, that although there has been discussion of the issues, he does not feel it will affect his participation in discussion or voting.

Jackson

Councilor Jackson advised that although he was absent from the public hearing, he has listened to the tape recordings and will participate in discussion and voting.

CARRIED

The motion was put to a vote and declared CARRIED.

COUNCIL POLICY NO. Y-3

TITLE: WAIVER OF MAXIMUM HEIGHT RESTRICTIONS FOR ACCESSORY STRUCTURES IN POLK COUNTY

POLICY: See attached.

REFERENCE: Community Development Staff Report dated December 5, 2011, Agenda Item No. 4.2 (b)

WAIVER OF MAXIMUM HEIGHT RESTRICTIONS FOR
ACCESSORY STRUCTURES IN POLK COUNTY

Land outside the City but within an Urban Growth Boundary (UGB) is considered urbanizable, and is intended for eventual development at urban levels. Development of urbanizable land should conform to the greatest extent practicable to the City's applicable development standards so that as urbanizable land is incorporated into the City, the creation of non-conforming uses and developments are avoided, and development on those lands are consistent and compatible with development at urban levels and City standards.

The Polk County Zoning Ordinance (PCZO) 112.300, for properties within a UGB, adopts the affected city's standard for maximum height of accessory structures, but allows the affected city to waive the requirement in writing.

The City Council finds that allowing development that is inconsistent with the City's development standards for properties within the UGB would create non-conforming development that is inconsistent and incompatible with development at urban levels.

Therefore, the City Council hereby delegates to the City Manager, or the City Manager's designee, the authority to issue determinations consistent with this Policy that the maximum height limitation for accessory structures within the Polk County UGB should not be waived.