

A G E N D A



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

DATE: Wednesday, May 3, 2023
TIME: 6:00 PM
CHAIRPERSON: Virginia Stapleton
PLACE: Hybrid
Council Chambers & Youtube

STAFF LIAISON:
Josh Eggleston, Chief Financial Officer
503-588-6130
jeggleston@cityofsalem.net
Kali Leinenbach, Budget Manager
503-588-6231
kleinenbach@cityofsalem.net

To sign up to provide virtual testimony to the Budget Committee, please visit the link below. Registration is open between 8:00 AM and 2:00 PM on the day of the meeting or email budgetoffice@cityofsalem.net.

<https://www.cityofsalem.net/Pages/Public-Comment-at-Salem-City-Council-Meeting.aspx>

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1. OPENING EXERCISES – Chairperson Virginia Stapleton
 2. PUBLIC TESTIMONY
Comment on agenda items other than public hearings and deliberations
 3. MINUTES
 - a. Minutes from April 26, 2023 City of Salem and Urban Renewal Agency Budget Committee Meeting
 4. ACTION ITEMS
 - a. Errata 4 – Safe and Healthy Community Position Allocations, pgs 112 and 118.
 - b. Errata 5 – Airport Fund Summary, pg. 266
 5. INFORMATION ITEMS
 - a. Staff Report: Summary of Budget Committee Actions Through April 26, 2023
 - b. Staff Report: Additional Responses to Committee Member Questions
 6. PUBLIC HEARINGS
 - a. Continuation of the Proposed Capital Improvements Plan Public Hearing
 - b. State Revenue Sharing Funds
Staff Report: Public Hearing on the Proposed Uses of State Revenue Sharing Funds; Josh Eggleston, Chief Financial Officer
 7. SPECIAL ORDERS OF BUSINESS
 - a. Result Area Budget Review – Good Governance, pages 43 - 76
 - Overview by Chief Financial Officer Josh Eggleston
 - Questions of staff and committee discussion

- b. Result Area Budget Review – Safe and Healthy Community, pages 97 - 124
 - Overview by Budget Manager Kali Leinenbach
 - Questions of staff and committee discussion
 - c. Committee Discussion
 - Opportunity for the Budget Committee to discuss any issues or concerns regarding agenda items or items not on the agenda
8. PUBLIC TESTIMONY FOR FUTURE BUDGET ISSUES
 The Budget Committee has set aside time for public comment to address items not on the agenda. Each individual testifying will be limited to no more than three (3) minutes.
9. ADJOURNMENT

The next virtual Budget Committee meeting will be Wednesday, May 10, 2023 at 6:00 pm. The following budgets are scheduled to be reviewed and actions to be taken:

- *Approval of Tax Levy*
- *Recommendation of Proposed FY 2024 City of Salem Budget and Proposed FY 2024 Urban Renewal Agency Budget*

Budget staff is available for your convenience to discuss the budget document and process. Please call the staff listed above or 503-588-6040 if you have any questions.

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

NOTE: Disability-related accommodations, including auxiliary aids or services, in order to participate in this meeting, are available upon request. Sign language and Spanish interpreters are available at this meeting. For other languages or accommodation or interpretation, contact Kelli Blechschmidt, (503) 588-6049 or kblechschmidt@cityofsalem.net at least 2 business days before this meeting. TTD/TTY telephone (503) 588-6439 is also available 24/7.

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MINUTES



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

DATE: Wednesday, April 26, 2023
TIME: 6:00 PM
CHAIRPERSON: Virginia Stapleton
PLACE: Hybrid
Chambers & YouTube

STAFF LIAISON:
Josh Eggleston, Chief Financial Officer
503-588-6130
jeggleston@cityofsalem.net
Kali Leinenbach,
503-588-6231
kleinenbach@cityofsalem.net

1. OPENING EXERCISES – Chairperson Stapleton called the meeting to order at 6:00pm

Members present: Chair Stapleton, Tigan, Phillips, Cohen, Gonzalez, Vice-chair Brown, C. Hoy, Nordyke, J. Hoy, Varney, Vieyra-Braendle, Nishioka, Milton, Gwyn, Shirack, Allen, Dixon, Curtis

Pledge of Allegiance by: All

Vice-chair Brown informed the Committee about the additions agenda submitted which included one staff report and one errata.

Motion: Move to approve the additions agenda of April 26, 2023 for the City of Salem Budget Committee and Urban Renewal Agency Budget Committee Meeting.

Motion by: Vice-chair Brown
Seconded by: Member C. Hoy

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

2. PUBLIC TESTIMONY

Council Chamber Appearance:

Matt Hale, Ward 4

Topic:

General Fund Budget

3. MINUTES
 - a. Minutes from April 19, 2023 City of Salem and Urban Renewal Agency Budget Committee Meeting

Motion: Move to approve the meeting minutes from the April 19, 2023 City of Salem Budget Committee and Urban Renewal Agency Budget Committee Meeting.

Motion by: Vice-chair Brown
Seconded by: Member Nishioka

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

4. ACTION ITEMS

- a. Errata 1 - Scrivener Correction, Safe, Reliable & Efficient Infrastructure Utility Fund (Book 1, pgs. 131, 141-42)
- b. Errata 2 – Scrivener Correction, Proposed CIP and the Safe, Reliable & Efficient Infrastructure Construction Section (CIP, pg. 8-10, 73, 81, 89, 93 and 96 and Book 1, pgs. 235, 237, 244 and 246)
- c. Errata 3 - Scrivener Correction, Cultural and Tourism (TOT) Fund Summary (Book 1, pgs 301-304)

Motion: Move to approve Errata Sheets 1, 2 & 3 as recommended by Staff

Motion by: Vice-chair Brown
Seconded by: Member Phillips

Action: Motion passes
Vote:
Aye: Unanimous
Nay:

5. INFORMATION ITEMS

- a. Staff Report: Summary of Budget Committee Actions Through April 19, 2023
- b. Staff Report: Responses to Committee Member Questions
- c. FY 2023 Q3 Financial Report for the City of Salem
- d. FY 2023 Q3 Financial Report for the Urban Renewal Agency
- e. Staff Report: Additional Responses to Committee Member Questions

Questions or comments by: Members Dixon, Curtis, Allen, Chairperson Stapleton, C. Hoy, Nishioka, Tigan, Gonzalez, Vice-chair Brown, Gwyn

Answers or comments by: Chief Financial Officer Josh Eggleston

6. PUBLIC HEARINGS

a. Capital Improvements Plan

- Member Nordyke declared a potential conflict of interest.
- Staff Report: Public Hearing on the Proposed Capital Improvement Plan for FY 2024 through FY 2028, Management Analyst II James Wharton-Hess.

- Chair Stapleton opened the Public Hearing.
- No members of the public signed up to testify

Questions or comments by: Members Cohen, Tigan, Phillips, Varney, Chairperson Stapleton, Vice-chair Brown, J. Hoy, Nordyke, C. Hoy

Answers and explanations by: Acting Public Works Director Brian Martin, P.E., Rob Romanek, Parks Planner, Josh Eggleston, Chief Finance Officer, James Wharton-Hess, Management Analyst II, Brandon Klukis, Street Maintenance Supervisor, Kristin Retherford, Urban and Community Development Director.

Motion: Move to continue the CIP Public Hearing until next week's Budget Committee Meeting.

Motion by: Member Tigan
Seconded by: Vice-chair Brown

7. SPECIAL ORDERS OF BUSINESS

a. Urban Renewal Agency Proposed FY 2024 Budget, Book 2

- Presentation and overview Budget Manager Leinenbach

b. Result Area Budget Review – Strong and Diverse Economy, pages 149 – 164

- Presentation and overview Budget Manager Leinenbach
- Discussion and review (for both the Proposed FY 2024 Urban Renewal Agency Budget and the Strong and Diverse Economy result area)

Questions or comments by: None
Answers and explanations by: None

c. Result Area Budget Review – Safe, Reliable and Efficient Infrastructure, pages 125 – 148

- Presentation and overview Chief Financial Officer Eggleston
- Discussion and review

Questions or comments by: Chair Stapleton, Vice-chair Brown, Member Nishioka

Answers and explanations by: Chief Financial Officer Eggleston, Assistant Public Works Director Becketl

8. PUBLIC TESTIMONY FOR FUTURE BUDGET ISSUES

The Budget Committee has set aside time for public comment to address items not on the agenda. Each individual testifying will be limited to no more than three (3) minutes.

- a. None

9. COMMITTEE DISCUSSION ON FUTURE INFORMATION ITEMS

Questions or comments by: Members Tigan, Nordyke, Allen, Curtis, Dixon, Cohen, Vice-chair Brown

Answers and explanations by: Chief Financial Officer Eggleston, Kristin Retherford, Urban and Community Development Director.

10. ADJOURNMENT

The meeting was adjourned at 8:14 PM

Respectfully Submitted,

Kelli Blechschmidt
Minutes Recorder

The next Budget Committee meeting will be held Wednesday, May 4, 2023 at 6:00 pm in for presentation of the City Manager's proposed FY 2024 budget.

- *Result Area: Good Governance, pages 43 – 76*
- *Result Area: Safe Community, pages 97 - 124*
- *Public Hearing State Shared Revenue Funds*
- *Continuation of the Public Hearing for the Capital Improvements Plan*

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For the Budget Committee Meeting of: May 3, 2023
Agenda Item No.: 4.a.

TO: Budget Committee
THROUGH: Keith Stahley, City Manager
FROM: Josh Eggleston, Chief Financial Officer
SUBJECT: Errata Sheet 4 –Safe and Healthy Community General Fund pages 112 and 118.

ISSUE:

To inform the Budget Committee about errors and corrections, or updated information regarding the Proposed FY 2024 City of Salem Budget

RECOMMENDATION:

1. Accept changes to the Safe and Healthy Community General Fund pages 112 and 118. There is no budgetary impact to these changes.

SUMMARY AND BACKGROUND:

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

FACTS AND FINDINGS:

During the review process of the budget book, there were scrivener errors found in the Fire and Police program pages. First, both Fire and Police had portions of positions allocated to the Operational and Technology Transfers program which was done in error. Additionally, the Fire Department had assigned other miscellaneous costs like diesel and vehicle maintenance allocated to the transfers program. Costs for both departments have moved to their correct and intended programs.






Kelli Blechschmidt
Management Analyst I

Attachments:

1. Errata 4 replacement pages






4. Fire Department Summary of Services and Programs

General Fund Programs and FTE

	FY 2023		FY 2024		Alignment					
	Program Budget	Staff	Program Budget	Staff						
Aircraft Firefighting and Rescue Response	94,010	0.20	666,670	2.20	Most	✓	✓	✓	✓	✓
Career Development and Promotional Processes	252,400	0.82	417,680	1.37	Less	✓	✓			✓
Community Emergency Response Team (CERT)	52,620	0.20	53,040	0.20	Less	✓	✓		✓	✓
CPR in Schools	61,250	0.30	89,110	0.50	Least		✓			✓
Data Analysis, Reporting, and Records Management	157,240	0.85	266,400	1.35	Less		✓			✓
Disaster Planning	39,410	0.20	43,100	0.20	More	✓	✓	✓	✓	✓
Emergency Management Performance Grant Administration	18,010	0.10	20,450	0.10	Less		✓			✓
Emergency Operations Center (EOC)	53,310	0.20	89,170	0.25	More	✓	✓	✓	✓	✓
Emergency Preparedness Training and Exercises	33,270	0.15	36,880	0.15	More	✓	✓	✓	✓	✓
Fire Investigations	268,020	1.23	373,680	1.54	Less		✓		✓	✓
Fire Safety Systems Inspections and Code Enforcement	599,920	2.55	535,970	2.10	More	✓	✓	✓	✓	✓
Fire Safety Systems New Construction Plan Review	313,060	1.30	283,350	1.22	Most	✓	✓	✓	✓	✓
Fire, Emergency Medical, and Rescue Incident Response	35,850,990	157.42	38,715,080	155.94	Most	✓	✓	✓	✓	✓
Fire, Emergency Medical, and Rescue Incident Response - Mutual Aid Agencies	295,390	1.10	189,250	0.35	Most	✓	✓	✓	✓	✓
Fire, Emergency Medical, and Rescue Incident Response -Salem Suburban Rural Fire Protection District	1,169,560	5.10	182,760	0.35	Most	✓	✓	✓	✓	✓
Hazardous Materials Emergency Response	251,230	0.95	605,950	2.20	Most	✓	✓	✓	✓	✓
Intergovernmental Agreements and Other Agency Coordination	13,430	0.05	65,690	0.05	Less	✓	✓		✓	✓
National Incident Management System (NIMS) Compliance and Training	19,390	0.10	22,160	0.10	Least		✓			
Operational and Technology Transfers	2,017,290	0.00	2,115,450	0.00	Operating / technology transfers not scored					

6. Police Department Summary of Services and Programs

General Fund Programs and FTE

	FY 2023		FY 2024		Alignment					
	Program Budget	Staff	Program Budget	Staff						
Accreditation	257,680	1.25	113,290	0.40	Less		✓		✓	✓
Behavioral Health Team	952,820	4.75	638,060	2.75	More		✓		✓	✓
Community Service Officers	398,660	4.80	473,620	4.80	More	✓	✓		✓	✓
Computer Forensics Lab	516,440	2.00	702,010	3.00	Less		✓		✓	✓
Crime Analysis	157,390	1.00	775,220	5.00	Less		✓		✓	✓
Crime Lab	489,710	2.50	601,110	3.00	Less		✓		✓	✓
Custody and Transport	80,320	0.00	84,480	0.00	Least		✓			✓
Domestic Violence Response	190,670	1.60	288,730	2.00	Less		✓			✓
Downtown Enforcement	2,114,720	9.75	2,093,220	9.75	Most	✓	✓	✓	✓	✓
Fleet Management	174,160	1.30	304,660	2.00	Least					✓
Graffiti Removal	154,210	2.00	173,350	2.00	Less	✓	✓		✓	✓
Internal Affairs	613,750	2.40	558,260	2.00	Less		✓			✓
Operational and Technology Transfers	4,807,660	0.50	4,896,960	0.00	Operating / technology transfers not scored					
Patrol	25,723,940	131.14	28,154,060	137.19	More		✓		✓	✓
Photo Redlight	338,410	0.20	350,970	0.20	Less		✓	✓		✓
Police K9	1,363,190	6.00	1,803,660	6.00	Less		✓		✓	✓
Police Reception and Customer Service	2,132,320	18.50	2,102,360	18.00	Less		✓		✓	✓
Property and Evidence	1,010,860	5.83	908,230	5.33	Less	✓	✓			✓
Telephone Reporting - Non-Emergency Crimes	306,800	3.00	323,990	3.00	Least		✓		✓	✓
Traffic Enforcement	1,887,420	7.55	2,363,580	7.55	More	✓	✓	✓	✓	✓
Volunteer Coordination - Police	169,920	1.00	181,440	1.00	Less		✓		✓	✓
Public Relations and Crime Prevention	474,890	2.33	265,340	1.33	Less		✓		✓	✓
Person Crime Investigations	3,457,460	15.25	4,407,800	15.25	Less				✓	✓
Property Crime Investigations	1,786,060	7.25	2,341,340	8.25	More		✓		✓	✓
Street Crimes Unit	2,210,640	9.25	2,381,330	7.75	Less		✓		✓	✓

For the Budget Committee Meeting of: May 3, 2023
Agenda Item No.: 4.b.

TO: Budget Committee
THROUGH: Keith Stahley, City Manager
FROM: Josh Eggleston, Chief Financial Officer
SUBJECT: Errata Sheet 5 – Airport Fund Summary, pg. 266

ISSUE:

To inform the Budget Committee about errors and corrections, or updated information regarding the Proposed FY 2024 City of Salem Budget

RECOMMENDATION:

1. Accept changes to the Airport Fund Summary pg. 266. There is no budgetary impact from this change.

SUMMARY AND BACKGROUND:

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

FACTS AND FINDINGS:

During the review process of the budget book, Public Works staff found that the budgeted transfer from the General Fund to the Airport Fund to support Commercial Air Service was not displayed. Although this amount was budgeted, the display had the row hidden. There is no budget impact as it is simply fixing the display.

Kelli Blechschmidt
Management Analyst I

Attachments:

1. Errata 5 replacement pages

City of Salem Budget
 Airport Fund
 FY 2024

Airport Fund Resources

Account Description	Budget FY 2021	Actual FY 2021	Budget FY 2022	Actual FY 2022	Budget FY 2023	Mgr Rec FY 2024	BC Rec FY 2024	Adopted FY 2024	Difference from FY 2023	% Chg Difference
32310 ACCIDENT AND FIRE RECOVERY	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -	-
32495 OTHER CHARGE FOR SERVICE	1,000	900	1,000	900	1,000	900			(100)	-10.0%
32646 FUEL FEE	42,500	35,856	38,000	43,007	40,000	66,340			26,340	65.9%
32647 RENTAL CAR COMMISSION	-	-	-	-	-	152,500			152,500	-
32648 TIE DOWN FEE	2,500	1,830	2,500	1,099	2,500	2,500			-	-
32649 RESTAURANT GROSS RECEIPTS COM	-	-	-	-	-	6,150			6,150	-
32650 LANDING FEE	4,000	5,773	4,600	4,936	4,600	6,500			1,900	41.3%
32651 GROUND TRANSPORTATION FEE	-	-	-	-	-	16,200			16,200	-
32653 SECURITY AND BADGE FEE	-	-	-	-	-	28,200			28,200	-
Total Sales, Fees, Licenses, Permits	\$ 50,000	\$ 44,358	\$ 46,100	\$ 49,943	\$ 48,100	\$ 279,290			\$ 231,190	480.6%
34110 LAND / BUILDING RENT	\$ 1,149,170	\$ 1,160,508	\$ 1,168,670	\$ 1,230,382	\$ 1,179,070	\$ 1,174,530			\$ (4,540)	-0.4%
34115 EQUIPMENT RENT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,200			\$ 11,200	-
34148 PARKING RENT - METERS	34,700	5,759	27,800	28,400	32,150	410,470			378,320	1176.7%
34295 PARKING RENT - OTHER	33,500	11,880	28,600	10,190	10,400	16,200			5,800	55.8%
Total Rents	\$ 1,217,370	\$ 1,178,147	\$ 1,225,070	\$ 1,268,972	\$ 1,221,620	\$ 1,612,400			\$ 390,780	32.0%
35510 STATE GRANTS	\$ 35,000	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -	-
Total Internal / Intergovernmental	\$ 35,000	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -	-
35630 US FEDERAL AVIATION ADMIN (FAA)	\$ -	\$ 23,000	\$ -	\$ 63,200	\$ -	\$ -			\$ -	-
35641 US DEPT OF THE TREASURY	-	131	-	-	-	-			-	-
Total Federal Grants	\$ -	\$ 23,131	\$ -	\$ 63,200	\$ -	\$ -			\$ -	-
36210 INTEREST	\$ 15,000	\$ 24,215	\$ 18,000	\$ 14,413	\$ 18,000	\$ 20,000			\$ 2,000	11.1%
36840 ADVERTISING REVENUE	-	-	-	-	-	12,000			12,000	-
36895 OTHER REVENUE	-	-	-	3,600	-	-			-	-
Total Other Revenues	\$ 15,000	\$ 24,215	\$ 18,000	\$ 18,013	\$ 18,000	\$ 32,000			\$ 14,000	77.8%
39110 INTERFUND TRANSFERS	\$ -	\$ -	\$ -	\$ -	\$ 395,500	\$ 652,290			\$ 256,790	64.9%
Total Interfund Transfers	\$ -	\$ -	\$ -	\$ -	\$ 395,500	\$ 652,290			\$ 256,790	64.9%
39910 BEGINNING WORKING CAPITAL	\$ 1,061,910	\$ 1,209,456	\$ 988,120	\$ 1,005,007	\$ 789,250	\$ 517,420			\$ (271,830)	-34.4%
Total Beginning Balance	\$ 1,061,910	\$ 1,209,456	\$ 988,120	\$ 1,005,007	\$ 789,250	\$ 517,420			\$ (271,830)	-34.4%
Total Resources	\$ 2,379,280	\$ 2,479,307	\$ 2,277,290	\$ 2,405,134	\$ 2,472,470	\$ 3,093,400			\$ 620,930	25.1%

TO: Budget Committee Members

THROUGH: Keith Stahley, City Manager

FROM: Josh Eggleston, Chief Financial Officer

SUBJECT: Summary of Budget Committee Actions Through April 26, 2023

RECOMMENDATION:
Information only.

FACTS AND FINDINGS:

The purpose of this staff report is to provide a summary of the actions of the Budget Committee during the FY 2024 proposed budget review process, which includes weekly meetings from April 19, 2023 through May 10, 2023. The list of potential attachments, which appears below, will form the content of the report. A notation adjacent to an item on the list indicates its inclusion in the weekly report.

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

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

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

Attachment 4: Lists additional appropriations for the FY 2024 budget proposed by the Budget Committee, which the committee may wish to consider for inclusion in the balanced budget.

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

**Information and Reports
Requested by the Budget Committee
As of April 26, 2023**

		<u>Requested Agenda Date</u>	<u>Response Date</u>	<u>Estimated Agenda Date</u>	<u>Department Responsible</u>
1.	Questions from Member Dixon regarding payroll v. income tax and a forecasting scenario	April 19, 2023	April 21, 2023	April 26, 2023	Finance
2.	Questions from Member Cohen regarding the City Operations Fee and Utility Billing	April 19, 2023	April 21, 2023	April 26, 2023	Finance / Public Works
3.	Questions from Member Allen regarding baseline General Fund budget	April 19, 2023	April 21, 2023	April 26, 2023	Finance
4.	Questions from Member Nordyke regarding a payroll tax and remote work tracking	April 19, 2023	April 21, 2023	April 26, 2023	Finance
5.	Questions from Member Shirack regarding the City's Tree Canopy	April 19, 2023	April 21, 2023	April 26, 2023	Public Works
6.	Questions from Member Cohen regarding Police vacancies	April 19, 2023	April 28, 2023	May 3, 2023	Police
7.	Questions from Member Nordyke regarding a City auditor	April 19, 2023	April 28, 2023	May 3, 2023	Finance/CMO/ Enterprise Svcs
8.	Questions from Member Cohen regarding Police and Fire overtime	April 26, 2023	April 28, 2023	May 3, 2023	Police / Fire
9.	Questions from Member Curtis regarding new positions	April 26, 2023	May 3, 2023	May 3, 2023	Finance
10.	Inquiry about photo red light	April 26, 2023	April 28, 2023	May 3, 2023	Police
11.	Question from Member Dixon regarding City services costs per capita	April 26, 2023	April 28, 2023	May 3, 2023	Finance
12.	Question from Member Dixon regarding tracking of services provided by housing status	April 26, 2023	April 28, 2023	May 3, 2023	Finance

**Correspondence Received by the Budget Committee
As of April 26, 2023**

Subject	From	Agenda
1. Salem Public Library Staffing and Expenditures	Jim Scheppke	4/19/2023
2. City Staffing and the Salem Public Library	Jim Scheppke	4/19/2023
3. City Operations Fee	Mary Nikas, Marion Co. Democrats	4/19/2023
4. Proposed FY 2024 City Budget	Julie Hall	4/19/2023
5. Revenue	Lora Meisner & Glenn Baly	4/19/2023
6. Payroll Tax	Bill Smaldone	4/19/2023

TO: Budget Committee Members
THROUGH: Keith Stahley, City Manager
FROM: Josh Eggleston, Chief Financial Officer
SUBJECT: Responses to Committee Member Questions

SUMMARY:

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

ISSUE:

Responses to member questions through April 26, 2023.

RECOMMENDATION:

Information only.

BACKGROUND:

1. What has been the Police vacancy rate for officers? Also, Fire and Police overtime budgets in the General Fund are budgeted at \$4,514,370. What is being done to mitigate this overtime?

Police - Staffing

In response to community questions and concerns, an independent [Community Engagement Assessment](#) of Salem police policies, procedures, and operations was commissioned by the City Council in 2020. The resulting report detailed valuable findings and recommendations, which the department then incorporated into its three-year [strategic plan](#). However, the assessment also identified low staffing levels as a barrier to effectively implementing the report's recommendations (p.11), and noted that staffing, "has not kept up with the growth of the city's population" (p. 9).

A subsequent 2021 [Independent Staffing Study](#) confirmed the department was significantly understaffed, particularly in the Patrol Division. Among other recommendations, assessors recommended an additional 27-83 sworn patrol officers for that single division (the department has three divisions). The 27-83 range was based upon the desired level of "unobligated patrol time," which is the amount of unassigned time officers have during their shifts to do proactive work, including community engagement. The low end (27 additional officers) provides 50% unobligated time while the high end (83 additional officers) provides 67% unobligated time. Our review of the study's findings and recommendations estimates

Page 2

the need for 60 additional officers to meet growing service demands and effectively implement a community policing model, as recommended in the Community Engagement Assessment and outlined in our strategic plan.

The department continues making service and staffing adjustments and implementing efficiency measures as appropriate. This includes recent [service reduction adjustments](#) for certain low-level, non-emergency calls; the reassignment of seven officers from other assignments to patrol duties; and the implementation of a new patrol shift structure—changing from 10-hour shifts to 12-hour shifts.

Beyond just the need for additional budgeted positions, the sworn vacancy rate recently surpassed 10%. As with agencies across the nation, vacancies are on the rise due to increased attrition coupled with declining career interest and applications. As of April 27, the department has 22 sworn vacancies (11% of 199 budgeted positions). Recent steps have been taken to increase recruiting and expedite hiring processes. We hired 15 new officers in 2022 and are striving to double our historical hiring rate from 12 to 24 hires this year. We will need to remain highly competitive in the marketplace to achieve that goal. Many Oregon agencies are in similar need and actively hiring new police officers.

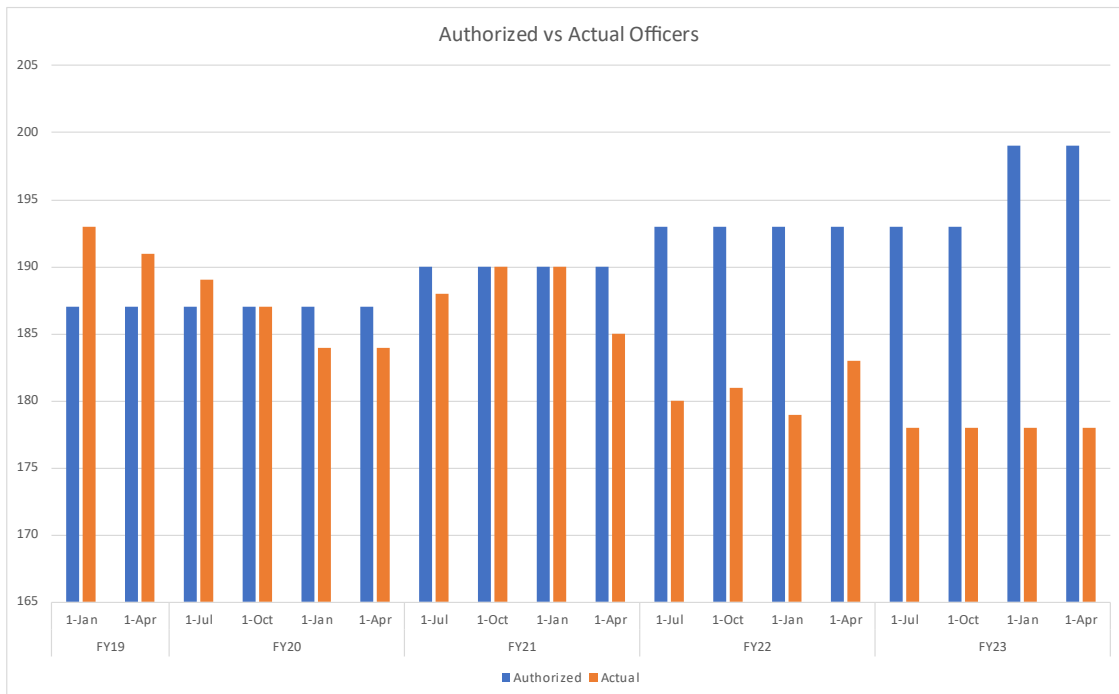
Projecting vacancies is an imperfect science, as people separate from employment for various reasons, planned and unplanned. Based upon known dates of retirement eligibility, we estimate 9-12 sworn separations per year for the next three years (2023-2025), followed by significantly fewer departures in 2026 and 2027.

Additional non-sworn professional staff is needed as well. Using salary savings from current vacancies, two new full-time non-sworn Community Service Officer positions were recently added. These are unfunded, limited-duration positions requiring new sustainable funding to continue. Additional non-sworn support staff is needed also, including a Crime Victim Advocate, Crime Analysts, Evidence Technicians, Graffiti Abatement Technicians, and administrative staff assistants.

Attached for reference is a summary memo provided to City Council in late 2021 regarding the Independent Staffing Study (attachment 1). On the next page are displays of vacancy rates by quarter. Some quarters you will notice have an overflow of positions, this is due to the double filling of positions on a temporary basis before the senior officer in the position retires.

Vacancy Rate of Sworn Positions by Quarter

Fiscal Year	Quarter	Authorized	Actual
FY19	1-Jan	187	193
	1-Apr	187	191
FY20	1-Jul	187	189
	1-Oct	187	187
	1-Jan	187	184
	1-Apr	187	184
FY21	1-Jul	190	188
	1-Oct	190	190
	1-Jan	190	190
	1-Apr	190	185
FY22	1-Jul	193	180
	1-Oct	193	181
	1-Jan	193	179
	1-Apr	193	183
FY23	1-Jul	193	178
	1-Oct	193	178
	1-Jan	199	178
	1-Apr	199	178



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Police – Overtime

While police department overtime is actively managed and controlled to the extent possible, some level of overtime expenditure will always be necessary given the nature of 24/7 emergency services work. Officers are frequently compelled to work overtime hours for various reasons, including becoming involved in an emergency call at the end of a shift, attending court under subpoena outside of their regular shift schedule, and mandatory training. Additionally, our department lacks adequate staffing to consistently cover all patrol shifts, leaving gaps that must be filled with overtime coverage when unplanned absences such as injury or sick leave occur. Having a high number of vacancies, as we do now, only exacerbates the issue and increases the reliance upon overtime coverage.

The Department requires proper documentation, management, analysis, and direct supervision of all overtime hours to ensure we continue to be good stewards of City resources. All overtime must be pre-approved by a supervisor and is then documented, to include a detailed description of purpose and need.

Fire – Overtime

Being fully staffed is the best defense against elevated overtime costs. With that understanding, there will always be some level of overtime to maintain minimum staffing levels - even when fully staffed. The Fire Department will likely be down 20 positions by this December due to a mixture of retirements, employees leaving the field, or to another agency. This will be an historic amount of vacancy for the Salem Fire Department. Recruiting has been difficult at best since the beginning of the pandemic and we believe this trend will continue for several more years.

The Fire Department will be holding a recruitment effort this May to fill some of the 20 vacancies anticipated by the end of the year. It's a very competitive job market, but we have just reached a tentative agreement with the firefighters' union (IAFF). Once ratified at the City Council level, this contract will aid in recruitment efforts.

There are three main drivers of overtime: daily minimum staffing to operate all of our fire stations, mandatory training and the City Medic Unit. The Department needs 43 staff each day to fully operate. Large incidents in recent years such as the Ice Storm and the Labor Day wildland fire require large amounts of overtime to manage the incident and continue to respond to the rest of the city. Additionally, mandatory training such as live fire training for ARFF (Aircraft Rescue and Firefighting) certification also contributes to the overtime costs. Finally, during the pandemic, the City began to operate a Medic Unit to help augment with the services provided by the City's franchise of Faulk Ambulance Service. With the levels of calls for medical aid continuing, coupled with staffing issues at Faulk, this unit is still operating. Fiscal year to date, costs are \$1,044,122. It is important to know that the work done for the

Page 5

Medic Unit are reimbursed to the General Fund through the transport revenue generated from the Emergency Medical Service Fund.

2. There was an inquiry regarding photo red light and speed on green traffic enforcement and revenue. Would you help us understand this program?

Salem has traffic enforcement cameras active at six intersections. The purpose of the photo enforcement program is to improve traffic safety and be used as an education tool. Any revenue generated from this program supports system operation and maintenance. Additionally, the Municipal Court offers reductions to those with infractions based on driving records and other factors which impacts overall revenue.

Site selection is a data-driven process focusing on improved community safety through the reduction of injury collisions. The full assessment-to-implementation process takes up to one year and can only occur at locations that will provide sufficient revenue to support ongoing operations.

Site selection begins with the Police Department analyzing traffic data to determine the collision rate of an intersection. Only those with an inordinately high level of crashes may move forward in the process. Next, the system vendor conducts a no-cost feasibility study, which typically includes the placement of temporary equipment to tally red light and speed violations. The resulting data determines if the level of violations will support system installation and maintenance costs. Each new system costs approximately \$5,000 per month to operate.

In addition to baseline costs, some levels of associated costs are incurred through increased staff time for citation processing. The Police Department employs part-time staff to process traffic enforcement camera violations and ensure an infraction occurred. Municipal Court and Customer Service Center staff workloads are also impacted for processing and payments.

The results of the program are so far positive. Collisions and violations have been reduced at each of our digitally monitored intersections. Attached for reference is the latest photo enforcement biennial report, which is required by the State (attachment 2).

3. Regarding the average cost of fees and taxes (addressed in the April 19th additions agenda): Would it be feasible to calculate a per capita cost burden (per capita income divided by per capita taxes/fees levied by the city)? If not, is there a standard measure of local-government cost burden that could be used?

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The Budget Office has calculated the average household impact of general City taxes and fees. This does not include user fees (events or programs) or specific utility fees for water, wastewater, and stormwater service.

Fee / Tax	Basis for Calculation	Average Fee / Tax Annual Amount
City of Salem Permanent Property Tax	Average Property Assessed Value	\$ 1,217.03
City of Salem Bond Property Tax	Average Property Assessed Value	\$ 250.44
City Operations Fee	Flat rate based on utility account type	\$ 107.16
Utility Franchise Fees	Average Cost per Household	\$ 277.00
	Total	\$ 1,851.63

- Regarding a system to track the housing status of those the city serves (addressed in the April 19th additions agenda): What would it take to begin gathering this information for those living on the street and those who are housed but seeking city housing assistance? Given the impact of homelessness, the likelihood that housing insecurity will be with us for a while, and the importance of this issue locally, this kind of information would seem to be quite useful, especially over time.

A “Gaps Analysis” is prepared annually by the Mid-Willamette Valley Homeless Alliance, which aims to give a regional sense of total need. Housing status is tracked for each unsheltered person who completes an assessment for services. Coordinated regionally, there is a database that catalogues the needs and aspirations of those who are unsheltered seeking services. This assessment guides service referrals and gives some data regarding need of those currently experiencing homelessness. For people who are housed and in need of housing assistance, there are several points of data collected regionally. Programs such as the NW Human Services crisis hotline receive calls for people with emergency financial assistance in need of keeping housing; the Mid-Willamette Valley Community Action Agency coordinates prevention services that help keep housing insecure persons in housing rather than becoming unsheltered.

The City does not specifically collect housing status when providing service. If someone does not provide an address, they still receive the service.

- Information about an Internal City Auditor position was requested as well as information about the what the City is currently doing with other audit services.

During consideration of the FY 2018 budget, the Budget Committee added a City Auditor position to their wish list. Some correspondence was shared with the Budget Committee in support of this idea (attachment 3) on May 15, 2017. The general description of this position was to provide an additional level of financial and programmatic auditing internal to the City organization. An internal audit position

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would use financial and performance audits, conduct investigations, and provide advisory services to the City's executive managers. The cost for a Manager II position (the identified classification by Human Resources) to perform this work would be approximately \$158,730 in FY 2024.

Some of the financial and performance auditing services contracted through outside firms over the last few years include:

- Required annual financial audit
- Purchasing and contracting audit
- Internal controls audit
- Five-year financial forecast validation
- Greenhouse gas inventory through the Climate Action Plan
- Report card in the Our Salem plan
- Fire Department Standards of Cover
- Police Department Community Engagement Assessment
- Police Department Independent Staffing Study
- Permitting Efficiency Study
- Strategic Communications and Engagement Plan
- Warehouse Study
- Customer Service Center development and processes
- Facilities Maintenance Efficiency Study
- Ethics, Equity, and Efficiency Study

Based on the diversity of the City's programs and the difficulty finding one person with enough expertise to audit all functions, another option would be a position situated in the Finance Department to focus on process improvements and performance management.



MEMO

TO: Mayor, Council President and Councilors
City Council

THROUGH: Steve Powers
City Manager's Office

FROM: Trevor Womack, Chief of Police
Police

DATE: November 9, 2021

SUBJECT: Independent Staffing Analysis

In April 2021, the Hillard Heintze consulting firm completed an independent assessment of the Salem Police Department's policies, procedures and operations. Their report noted the Department must increase staffing to successfully implement their recommendations and meet community expectations, with an emphasis on interactions with communities of color, the unsheltered population, and those experiencing behavioral health crisis. The Department subsequently requested the firm conduct a more in-depth staffing analysis to help inform decisions regarding current staffing needs and the prioritization of existing resources.

On October 5, we received the Hillard Heintze staffing analysis, which I am sharing here for your general awareness (full report attached). Findings and recommendations include:

- SPD is understaffed, particularly in Patrol Division.
- Patrol has continued to promptly respond to 9-1-1 emergency calls, but this comes at the expense of other services and proactive community engagement.
- The existing police corporal rank is uncommon in the industry and supervisory duties should remain at the sergeant level.
- Adjustments to Patrol shifts could improve staffing efficiency. However, even with the recommended adjustments, Patrol requires 27-83 additional officers. This range is based upon the desired level of "unobligated patrol time," which is the amount of unassigned time officers have during their shifts to do proactive work, including community engagement. The low end provides 50% unobligated time while the high end provides 67% unobligated time.
- SPD command-level management structure may benefit from addition of the police captain rank. Currently, 9 police lieutenants report directly to three deputy chiefs.
- Violent crime levels exceed the capacity of the Violent Crimes Unit to conduct follow-up investigations; more detectives are needed.

- The Department should continue identifying alternative call response options (physically respond to fewer calls). Examples include further limiting response to burglary alarm calls and routing more call types to online reporting.
- More capacity is needed to manage digital evidence and investigative technology services (demands are increasing rapidly).
- The Department should enhance succession planning in specialized units and up the ranks.
- The crime scene and evidence processing unit may benefit from additional non-sworn management expertise.
- Non-sworn Community Service Officer (CSO) capacity should be expanded. Current CSOs are not full-time, career employees.
- Enhancing online services could improve non-sworn records management staff efficiency.

Attachments:

1. Hillard Heintze Final Report for the City of Salem, Oregon



City of Salem Photo Red Light Program 2021 Legislative Report

For the Budget Committee Meeting of: May 3, 2023

Agenda Item No.: 5.b.

Attachment 2

February 24th, 2021

Sgt. Jonathan Hardy

Salem Police Department – Traffic Team

INTRODUCTION AND BACKGROUND

Introduction:

The City of Salem implemented a Photo Red Light Camera Enforcement Program in March 2008 to improve traffic safety at selected intersections in the city. In Q4 of 2019 the City of Salem added one fixed Speed on Green Photo Enforcement in at one of the existing Photo Red Light Camera intersections. Furthermore, in Q3 of 2020 the City of Salem added three more Photo Red Light cameras at three new intersections. With the addition of speed enforcement, the program is now called the Electronic Traffic Enforcement Program.

While red light and fixed speed enforcement cameras are not the end all solution for intersection safety problems, the use of Electronic Traffic Enforcement cameras has been shown to reduce the number of red-light and speeding violations, which in turn reduces red-light and speed related crashes. Red-light running and speeding are a precursor to angle, turning and rear-end crashes, which result in more severe injuries than other types of crashes. The Electronic Traffic Enforcement cameras will enhance traffic safety and will be a part of the City of Salem's overall approach which includes education, enforcement and engineering.

In response to what appeared to be a growing disregard for traffic laws in general and intersection red-lights in particular, the Oregon Legislature enacted a law in 1999, with subsequent expansions and revisions in 2001 and 2003, to help Oregon communities like Salem effectively enforce and reduce red-light running. The addition of speed enforcement at these fixed locations was added by the Oregon Legislature several years later.

The City of Salem has determined that the running of red-lights and speeding is an issue of public safety for our community and one that presents unique enforcement challenges. Cars that run red-lights and speed place themselves and others in peril. For law enforcement to catch these types of violations often requires a police car to proceed through the intersection against the same red-light, as well as violate the speed limit thus increasing the danger.

This situation is mitigated to some degree with the use of police motorcycles because they can position themselves better than a police car, but even with a police motorcycle the ability to observe and then pursue those that run red-lights is a challenge to the City of Salem Police.

Background:

The City of Salem operates red-light Electronic Traffic Enforcement Cameras at the following intersections;

Original Intersections:

1. Silverton Rd NE at Fisher Rd NE.
2. Commercial St NE at Marion St NE.
3. Mission St (Hwy 22E) at 25th St.

Speed on Green Enforcement added Q4 2019:

1. Silverton Rd NE at Fisher Rd NE.

New Intersections Added in Q3 2020:

4. Commercial St SE at Madrona Av SE
5. Kuebler Blvd SE at Commercial St SE
6. Center St SE at Hawthorne Av SE

The intersections were selected based on crash data as obtained from sources such as internal Records Management Systems, the Oregon Department of Transportation and on observed violations.

These intersections are located within the corporate city limits of Salem and two of these intersections have a state highway approach that is controlled by the Oregon Department of Transportation, which approved the program and the use and placement of the cameras.

The City of Salem encompasses 48.45 square miles in both Marion and Polk County and has an estimated population of 174,365 as of 2019 (US Census Bureau).

A significant issue facing the City of Salem is traffic management. There are four major factors that have a significant impact on the traffic volume in the area;

1. The City of Salem's resident population has grown by an estimated 37,441 people since 2000
2. There is a significant commuting traffic increase during normal business hours from Monday to Friday.
3. Mission St (Hwy 22E) is a major east-west thoroughfare for motorists, which connects to Hwy 22W for travelers trying to get to the Oregon coast.
4. Motorists also use Commercial St as a major north-south thoroughfare to connect from I5 to Hwy 22W.

As a result of these factors, the community feels the impact of an increase in both local and regional traffic. With the increase in traffic volume, there has been an increase in intersection related traffic crashes.

Redflex, the company which manages the electronic traffic enforcement cameras tracks information regarding to traffic volume flowing through the six intersections.

In 2012, the traffic volume at the three original intersections was recorded to be 7,936,482 per year. In 2019 the traffic volume at the original three intersections was recorded to be 22,168,630, which indicates a traffic volume increase of 65% compared to 2012. In 2020 the traffic volume at the original three intersections was recorded to be 18,996,690, which indicates a traffic volume increase of 59% compared to 2012. It should be noted the decrease in traffic volume in 2020 is likely due to a large reduction in traffic due to COVID restrictions throughout the year.

PUBLIC INFORMATION CAMPAIGN

The City of Salem conducted an extensive and thorough public information campaign regarding the proposed use of red-light camera enforcement, before the final decision was made to utilize photo red light and long before any cameras wherever installed. The campaign included presenting and providing information through the local media.

In 2019, the City of Salem conducted a similar public information campaign prior to adding the new intersections and the fixed Speed on Green enforcement.

Since the start of the Electronic Traffic Enforcement Program, the City of Salem has maintained public information through their legislative reports. The Police Department also fields calls periodically about the system and process for capturing violations and the secondary process involved for issuing citations.

PROCESS AND OUTCOME EVALUATION

Effects on Traffic Safety:

The City of Salem’s Electronic Traffic Enforcement Program formally began when the cameras went operational in March 2008. For the first thirty (30) days, the system issued only warnings to those drivers who violated a red light. The system began issuing citations in April 2008. In 2019 and 2020 the City of Salem used a similar format when the speed on green enforcement and three new photo red light camera intersections were added

The charts below demonstrate the effectiveness of the red-light cameras in reducing red-light and speeding violations, since the photo red-light program has been in operation. It should be noted that comparing total numbers from year to year is somewhat difficult since the addition of the new intersections changes the total traffic volume, total of red-light violations and there is no comparison for speed violations as of this point.

Traffic Violations – Original Intersections:

For the three original intersections, if we compare total citations issued in 2009/10 to total citations issued in 2019/20, it appears there has been only a minor decrease in notices issued. However, if we compare total citations issued by traffic volume, it shows there has been a 51% decrease in the number of notices issued as compared to 2012/13.

Even with COVID travel restrictions and stay at home orders traffic volume is still up 57% since 2012/13. Current notices issued, relative to the traffic volume rate, indicates the rate was 1.89% in 2019/20 compared to 3.85% in 2012/13, which is a **51% reduction** overall.

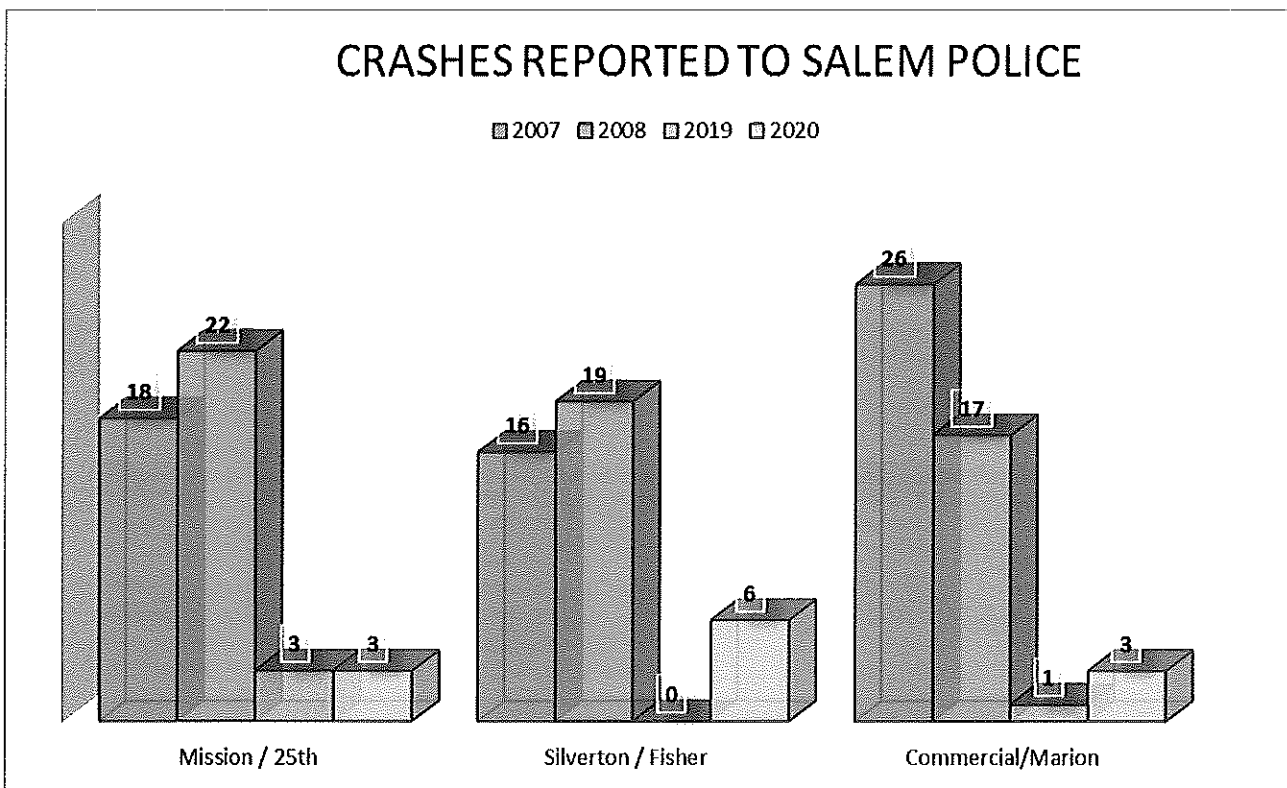
RED LIGHT NOTICES ISSUED VS. TRAFFIC VOLUME – ORIGINAL INTERSECTIONS			
YEAR	TOTAL VEHICLES	CITATIONS ISSUED	% TO VOLUME
2009	Unknown	4,333	Unknown
2010	Unknown	4,095	Unknown
2009/10 TOTAL	Unknown	8,428	Unknown
2012	7,936,482	3,543	4.5%
2013	9,964,471	3,280	3.2%
2012/13 TOTAL	17,900,953	6,823	3.85% Avg
2019	22,168,630	3,753	1.7%
2020	18,996,690	4,048	2.13%
2019/20 TOTAL	41,165,320	7,801	1.89% Avg
TOTAL CHANGE	57% Increase from 2012/13	7% Decrease from 2009/10	51% Decrease from 2012/13

Source: Redflex PRL Customer Management Report

Traffic Crashes:

Since the implementation of the PRL program, The City of Salem has had an overall **reduction** of traffic collisions at the original intersections by **87%**. Again, it should be noted that a significant increase in traffic volume has been seen through these intersections over the past several years, and yet there is still a reduction in intersection related crashes.

The chart below shows the number of crashes reported to the Salem Police Department at each intersection from 2007-2008 as compared to 2019-2020. This chart graphically represents the decrease in crashes at these intersections since photo red light was implemented.



Traffic Violations – New Intersections:

The three new photo red-light intersections have only been installed for six months as it pertains to this report. For these locations the red-light enforcement data is new and this report will serve as a historical benchmark for those locations. Currently, there is insufficient data to see if there has been an effective change in driving behavior through the number of citations issued.

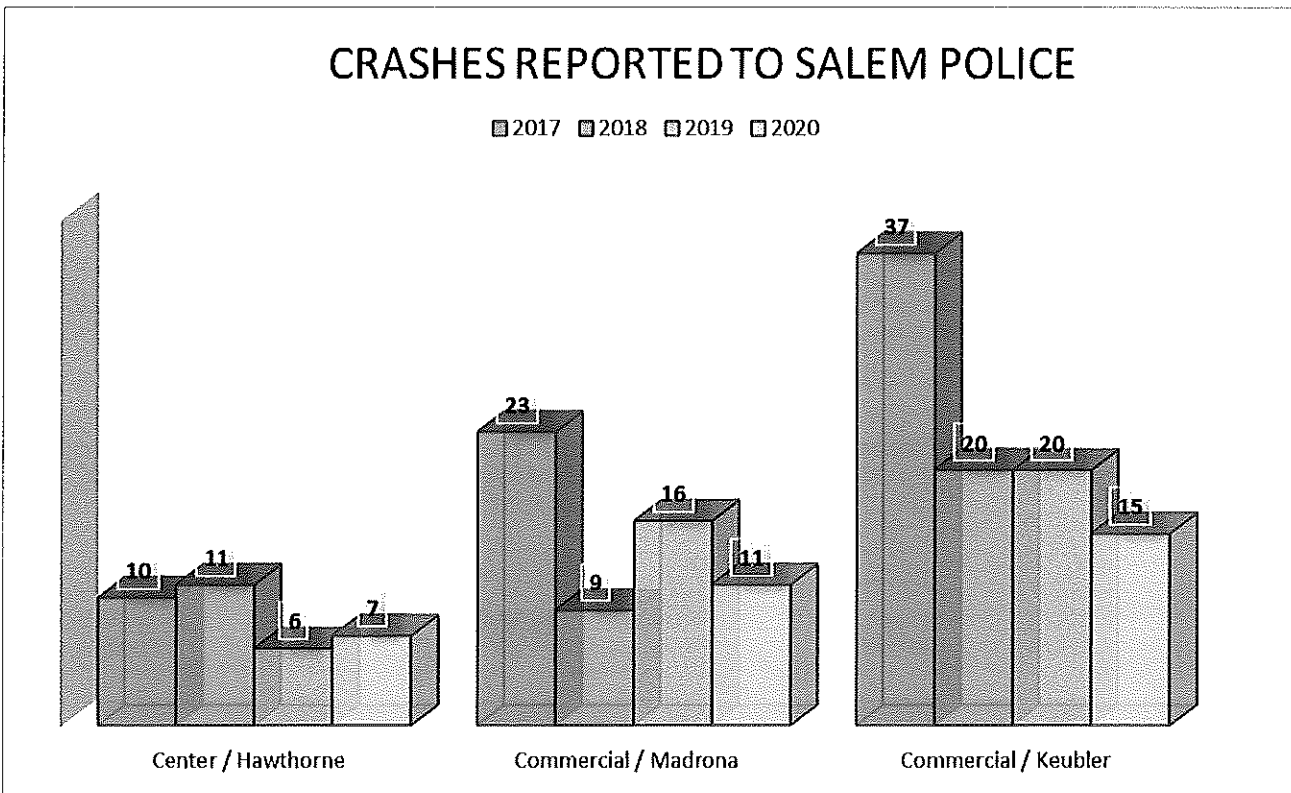
As such, the data shown in the chart below compares the first three months of red-light citations issued to the second three months of the project at these new intersections. Overall, there has been a minimal increase (3%) in the number of citations issued. It should be noted, however, that we are still in the early stages of the project. It is expected that there will be a change in driving behavior by the next biennial report.

RED LIGHT NOTICES ISSUED COMPARISON – NEW INTERSECTIONS			
YEAR	AVAIL FOR PROSECUTION	CITATIONS ISSUED	% TO VOLUME
07.2020-09.2020	1,877	1,674	89% Cites Issued
10.2020-12.2020	1,896	1,751	92% Cites Issued
2019/20 TOTAL	3,773	3,425	89% Cites Issued
TOTAL CHANGE	2% Increase from 1 st 3 Mo	5% Increase from 1 st 3 Mo	3% Increase from 1 st 3 Mo

Traffic Crashes – New Intersections:

As mentioned previously the three new intersections have only been active for six months. Considering that, the overall reduction of traffic crashes does not appear as great as the original intersections. Since the implementation of the three new red-light electronic enforcement intersections, the City of Salem has had an overall **reduction** of traffic collisions at the involved intersections by **32%**.

The chart below shows the number of crashes reported to the Salem Police Department at each intersection from 2017-2018 as compared to 2019-2020. This chart graphically represents the decrease in crashes at these intersections since photo red-light electronic enforcement was implemented.



Source: ODOT and Salem Police Records

Traffic Violations – Speed on Green:

The one new speed on green intersection has been installed for 16 months as it pertains to this report. For this location, the speed on green enforcement data is new and this report will serve as a historical benchmark for this location. For the purposes of this report we will compare citations issued in the first eight-months to the second eight-months of the program.

In the first eight-months of the speed cameras being installed there were **2,913** citations issued for speeding. In the second eight months there were **2,433** citations issued for speeding. This shows a **17%** reduction in the number of citations issued. It is believed this downward trend will continue as time goes on and with the implementation of speed on green traffic enforcement at other fixed electronic traffic enforcement locations.

SPEEDING NOTICES ISSUED COMPARISON – NEW INTERSECTIONS			
YEAR	AVAIL FOR PROSECUTION	CITATIONS ISSUED	% TO VOLUME
09.2019-04.2020	2983	2913	97% Cites Issued
05.2020-12.2020	2525	2433	96% Cites Issued
2019/20 TOTAL	5508	5436	96.5% Cites Issued
TOTAL CHANGE	16% Decrease from 1 st 8 Mo	17% Decrease from 1 st 8 Mo	1% Decrease from 1 st 8 Mo

The Degree of Public Acceptance:

While there has not been any formal survey conducted recently, informal results obtained throughout the Public Information Campaign and during the early period of the program indicate consistent public acceptance of the Photo Red Light and Speed on Green Program. Public opinion polls have appeared through local media outlets in the past and routinely indicate a belief that the cameras were improving roadway safety in Salem.

Citizen groups that have engaged the Police Department in the past about Photo Red Light have been supportive and some communities have made requests and recommendations for expansion of the program. The Salem Police Traffic Team regularly receives questions from citizens regarding electronic traffic enforcement and how they could have more locations added at other intersections within the city.

As with any enforcement-based traffic safety initiative, there have been some detractors. The City of Salem Police Department investigates all formal complaints which it receives. The City of Salem Police Department has not received any formal complaints regarding the Electronic Traffic Enforcement Program to date.

The Electronic Traffic Enforcement Program’s Administrative Process:

The administrative process of the Electronic Traffic Enforcement Program includes many steps. The process includes;

- violation detection, meaning a car must travel across the intersection stop line against a solid red-light, or speed at 11mph or greater over the posted speed limit on a green-light
- quality control checks, which are internal checks made by the vendor (Redflex) to ensure the system was functioning properly at the time the violation was captured,
- violation processing, meaning every violation is reviewed to ensure the violation is valid,
- police officer review, which is the final review of each violation by a City of Salem Police Officer who issues and signs the citation.

Throughout this process the City of Salem complies with all applicable statutes, including ORS 810.434 and 810.436. All citations are issued into the jurisdiction of the City of Salem Municipal Court and are handled the same as all other citations.

Prepared by:
Sgt. Jonathan Hardy
Salem Police Department
Traffic Control Unit
(503)588-6171

This report is provided in accordance with ORS 810.434 (3, b), (4), and ORS 192.245.

Distribution:

- (1) Office of the President of the Senate
- (1) Office of the Speaker of the House of Representatives
- (5) Legislative Administration Committee
- (90) Legislative Assembly Members

Kali Leinenbach

To: Kelley Jacobs
Subject: RE: Response to May 15, 2017 Budget Committee Meeting Agenda Packet - Steve Bergmann

Fellow City of Salem Budget Committee Members,

I am sending this message in response to agenda item 6.a in the May 15, 2017 budget committee meeting agenda packet. Item 6.a details the City's recommendations on proposed wish list items.

I am concerned with the City's recommendation for wish list item number 10, which proposes the addition of a City Auditor position. The City has recommended that this proposal be excluded in the FY 2017-18 budget and recommends to "wait for current Citywide strategic planning efforts to conclude".

The argument to hold off on hiring a City Auditor until strategic planning makes sense when viewing an auditor as an assessor of strategy or a verifier of financial accuracy (which they can be). However, I urge you to consider the value that a City Auditor would provide to the City **beyond** strategy and financial accuracy.

A City Auditor is independent by organizational design, and reports functionally to the Mayor & City Council. This reporting relationship preserves the auditor's independence. An Auditor provides objective assurance to the Mayor & City Council on important topics, such as:

- Providing assurance that a department's usage of overtime is consistent with City policy, and a good use of the City's resources.
- Reviewing the City's procurement practices to ensure the City is selecting the best vendor for the job, and that contract management/oversight is adequate.
- Assessing the City's IT security controls (e.g. is credit card information is being securely stored?)
- Evaluating the City's payment methods (paying a bill using ACH or credit card can save an entity millions per year when compared to the traditional PO/check process)
- Providing assurance that strategic planning is being carried out in accordance with the direction set by those charged with governance.
- Providing assurance that the City is in compliance with operational, reporting, and any other requirements.
- Reviewing existing processes for improvement opportunities, and increased efficiency.
- Objectively reviewing allegations of fraud, waste, or abuse.
- Providing transparency to the operations of the City of Salem (e.g. clarifying how the City addresses earthquake/facility related risks). Here is a link to a listing of services provided by the City of Portland's auditor as an example of services an auditor can provide: <https://www.portlandoregon.gov/auditservices/27096>

The City of Salem currently receives an annual financial statement audit. The audit is performed by independent auditors that provide assurance regarding the accuracy of the City's financial statements. Financial statement accuracy is important (especially to creditors), and an annual audit on this topic makes sense. I would argue that audits of other important topics (beyond financial statement accuracy) also make sense. Auditors can provide assurance on what the Mayor & Council (as representatives of the people) truly care about - assurance is not limited to strategic planning and financial accuracy.

An audit function has become relevant as technology, governance models, and management science has evolved, as evidenced through the requirement that many comparable entities maintain and audit function, including state agencies with more than 400 FTE (or biennial expenditures greater than \$100 million, see OAR 125-700) and for SEC issuers (to ensure shareholder value is being preserved). Many Oregon municipalities

have added audit functions because it is widely recognized as a best business practice that provides transparency to it's citizens.

Support for audit functions makes economic sense. The federal government's audit function (The Government Accountability Office), reported that in fiscal year 2016, it provided a return to the federal government of \$112 for every dollar invested.

I hope you are willing to consider the true benefits and costs of this proposal. I realize having an independent assurance provider may not be a popular idea amongst everyone, but I hope this message helps develop an appreciation for the expanded role that an auditor can perform. Audit functions not only provide assurance and highlight opportunities for improvement, but they also validate high performing areas within the City's operations (high performing operations often really like them!). Auditors are a valuable, trusted advisor for our elected decision makers.

If you would like to discuss this proposal further, please feel free to contact me at stevenbergmann@gmail.com.

Sincerely,

Steve Bergmann

City of Salem Citizen Budget Committee Member

Kali Leinenbach

To: Kelley Jacobs
Subject: RE: Response to May 15, 2017 Budget Committee Meeting Agenda Packet - Steve Bergmann

From: Derik Milton [mailto:miltode@gmail.com]
Sent: Friday, May 12, 2017 9:54 PM
To: Kelley Jacobs <KJacobs@cityofsaalem.net>; Steven Bergmann <stevenbergmann@gmail.com>
Subject: Re: Response to May 15, 2017 Budget Committee Meeting Agenda Packet - Steve Bergmann

Kelley,

I also agree with Steve regarding the auditor position stay on the wish list. I believe removing this gives a wrong perception when noting the exact benefits Steve references below. My experience as a auditor and working side by side gives a perspective that can benefit not only the city but more importantly, gives the tax payer reassurance that each agency is utilizing the budget correctly and effectively.

I strongly suggest this be reconsidered.

Sincerely

Derik Milton

City of Salem Citizen Budget Committee Member

From: Sheronne Blasi, 2375 Summer Street SE, Salem OR 97302
To: City of Salem Budget Committee

Subj: Proposed Internal Auditor Position

Good morning,

I'm writing to you to express strong support for the proposed Internal Auditor position within the City of Salem. As a performance auditor myself with the Oregon Secretary of State Audits Division, I can attest to the value of an Internal Auditor.

Internal audits should not be confused with the annual CAFR (financial condition) audit the City receives. Internal audits, including data driven performance audits, are designed to help an organization identify internal control weaknesses, and inform on how critical programs/services can be strengthened. The Internal Audit function can, and should, provide recommendations to policy makers on how services can be provided in a more cost effective and efficient manner.

Internal Audits can also provide a level of accountability and transparency to the public about how scarce resources are being spent, and demonstrate the City's commitment to using public dollars in the most effective way. As a former City Councilor, I know how important increasing public confidence in city functions is. Internal Auditors are required to follow governmental auditing standards, and make recommendations for improvement based on data and solid evidence. This can go a long way towards improving public perceptions and trust.

A few examples of internal audit work that could be performed by a professional Internal Auditor include:

- Response times to critical services provided by police and fire
- How the City handles abandoned properties, and what might be done to reduce the numbers
- How the City is currently addressing the increasing issue of homelessness, and what other cities of similar size and makeup are doing to successfully address the issues
- Capital construction audit of the upcoming new police facility and other major capital construction projects
- Opportunities for greater outreach, engagement and partnerships with citizens of color
- Proposed changes to fees and services
- Use of parks and other city owned property
- Procurement processes
- Streets and sidewalk maintenance
- Financial and performance impacts of deferred maintenance not being addressed

Each of the above examples would be based on audit work that examined current conditions within the City, and compared to best practices used by other municipalities. Evidence collected and recommendations could then be reported to an independent Audit Committee, along with a written report to the City Manager, Mayor and City Council.

It is my understanding there is a recommendation to hold off on funding this position until the strategic planning process is complete. As someone who has conducted impactful performance audits of state agencies and programs for the last two decades, I believe it is important to bring on a trained, professional Internal Auditor sooner, rather than later, that can help the City through this process by beginning to identify weak spots and areas that need greater focus in the future.

A city the size of Salem that continues to grow in size, complexity and diversity could greatly benefit from an Internal Audit function. Again, I would encourage to vote in support of funding this position.

Thank you for your work on the Budget Committee and for your consideration of this matter.

Regards,
Sheronne Blasi

TO: Budget Committee Members
THROUGH: Keith Stahley, City Manager
FROM: Josh Eggleston, Chief Financial Officer
SUBJECT: Public Hearing on State Revenue Sharing Funds

ISSUE:

A public hearing before the Budget Committee on the possible uses of State Revenue Sharing funds is required in order to receive these funds in FY 2024.

RECOMMENDATION:

1. Conduct the public hearing.
2. Recommend a proposed use for State Revenue Sharing to the City Council.

SUMMARY AND BACKGROUND:

The State Revenue Sharing program allocates 14 percent of state liquor revenues to cities. These funds are general purpose. This means that local governments have almost complete discretion on how they spend State Revenue Sharing funds.

The purpose of the public hearing this evening is to allow citizens an opportunity to propose uses of State Revenue Sharing funds in the FY 2024 budget, including as an offset to the City's property tax levy. The hearing has been announced in the Budget Committee's schedule and agenda packets, and published April 6, 2023 in the *Statesman Journal*.

To receive State Revenue Sharing funds in FY 2024, State Revenue Sharing Law (ORS 221.770) requires the City to certify to the State of Oregon that two public hearings have been held on the uses of State Revenue Sharing funds. The first hearing must cover the possible uses of State Revenue Sharing funds (the matter before you tonight). After the hearing the Budget Committee will be asked to recommend the proposed uses of State Revenue Sharing to the City Council.

The second public hearing is to address the proposed uses of State Revenue Sharing funds and will be held during a regular City Council meeting. Following the second hearing, the City Council will be asked to approve the proposed uses of the funds.

FACTS AND FINDINGS:

The City Manager's Proposed FY 2024 Budget estimates the City of Salem will receive \$2,374,380 in State Revenue Sharing funds. The State Revenue Sharing funds are fully allocated in the General Fund and have been recommended to offset the costs of police patrol. This is consistent with how these funds have been historically budgeted and used.