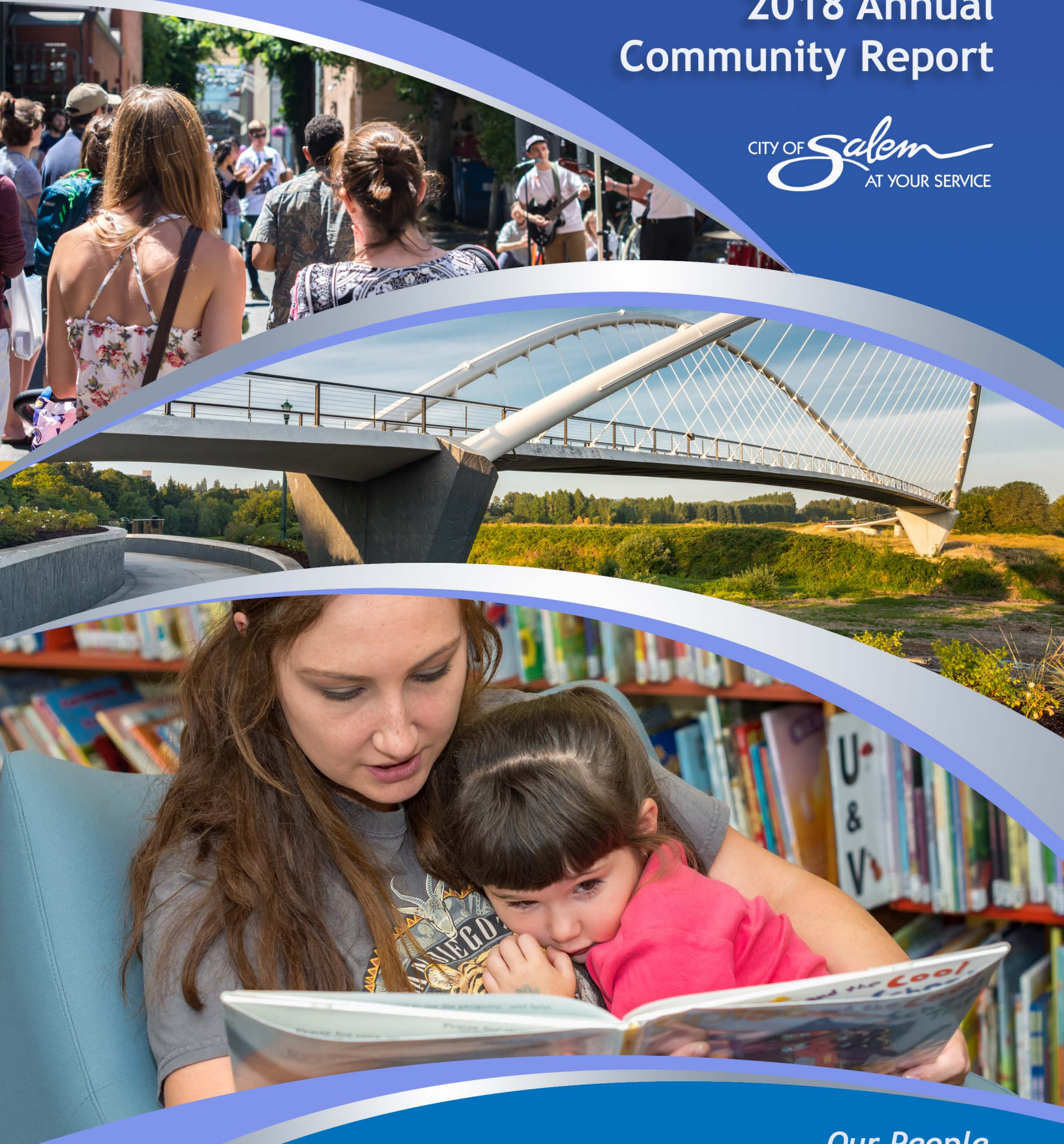


2018 Annual Community Report

CITY OF *Salem*
AT YOUR SERVICE



*Our People
Our Community
Our Mission, Vision, and Values*

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HOW TO USE THIS REPORT

The 2018 Annual Report provides an update on progress City is making toward Strategic Plan priorities, as articulated in the 2017 Strategic Plan and the City Council's annual work plan, or the 2018 City Council Policy Agenda. The report is organized around the community's and Council's expectations of service and desired results from the City, or result areas. The six result areas are based in the Strategic Plan's vision, mission and values: Safe Community; Welcoming and Livable Community; Strong and Diverse Economy; Safe, Reliable and Efficient Infrastructure; Natural Environment Stewardship; and Good Governance.



CREATING THE 2018 POLICY AGENDA

The 2018 Policy Agenda is part of an annual cycle of developing the budget, policy and program evaluation, financial forecasting and reporting to the Council and community on progress. For 2018, the Policy Agenda included the following Strategic Plan priorities:

- Sustainable Services: Core Services and Desired Level of Service through Priority Based Budgeting;
- Vision for Growth and Development: Updated Approach and Timeline for Community Visioning;
- Environmental Action: Greenhouse Gas Inventory;
- Economic Development and Downtown: High Speed Internet Downtown, Market Feasibility;
- Affordable Housing, Homelessness and Social Services: Sobering Center;
- Fire Station #11 Staffing;
- Added Capacity for Neighborhood Association Support;
- Sustainable Services: Options for Revenue Strategies;
- Critical Infrastructure: Asset Management and General Obligation Bonding Strategy; and
- Economic Development & Downtown: Increasing the use of Grants to Seismically Retrofit Downtown Buildings.

LETTER FROM THE CITY MANAGER

2018 Community Report



Steve Powers
City Manager

It's been a year since the City Council adopted Salem's first-ever Citywide Strategic Plan, providing the organization—and sharing with the community—its direction for the next three-to-five years. This annual report looks back on the Council's first work plan—the 2018 Policy Agenda—as we begin to ask our community, neighborhood associations, advisory boards and commissions, and Council to weigh in on what's important to them, forming the foundation for the 2019 Policy Agenda. What have we been doing this last year to further the community's and Council's priorities? In the following pages, we share our progress toward making Salem a safe, welcoming, and livable community, with a strong and diverse economy, supported by safe, reliable, and efficient infrastructure, in stewardship of the natural environment and continuing to manage toward principles of good governance. In this first annual report, we share what we have learned, including data culled from a statistically-valid Residential Satisfaction Survey as well as other sources we use to measure our progress.

We look forward to another year of continual improvement.

Thank you,

A handwritten signature in blue ink that reads "Steve Powers". The signature is fluid and cursive, matching the name of the City Manager.



ANNUAL CYCLE

Through an annual City Council Policy Agenda, City Council makes its initial priorities for action clear to staff and the community, and provides direction on aligning resources towards the Strategic Plan Policy areas through the City's budgeting process.

FALL/WINTER

Annual Community Report

How we measure progress

Forecasting

Residential Satisfaction Survey

WINTER (January)

City Council Policy Agenda

How does the City achieve its strategic priorities and ensure success?



SPRING (April, May)

City of Salem Budget

STRATEGIC PLAN, COUNCIL'S POLICY PRIORITIES

2018 Community Report

The Salem Strategic Plan, adopted by City Council in October 2017, articulates the mission, vision, values, and goals of the City organization (Appendix). The Strategic Plan charts a three-to-five-year course for the City, and represents the culmination of extensive

community input on issues, followed by discussion and vetting of actions to advance the policy issues by City Council-led work groups in seven broad areas. The Strategic Plan is foundational to the Salem City government in four primary ways, listed below.



Vision

A safe and livable capital city with a sustainable economy and environment that is open to all.



Mission

The City of Salem provides fiscally sustainable and quality services to enrich the lives of present and future residents, the quality of our environment and neighborhoods, and the vitality of our economy.



Values

Opportunity: Salem is proactive and forward-thinking.

Compassion: Salem is fair, equitable, and safe.

Responsiveness: Salem is at your service, with capacity and partnerships to prepare for the future.

Accessibility: Salem is open and inclusive.



The Strategic Plan:

1. Articulates the mission, vision and values for the organization;
2. Defines expectations of the Council and community for the services the City should provide;
3. Establishes policy priorities for the next three to five years; and
4. Sets the framework for Council's annual policy direction through the City Council Policy Agenda.

Defining the City of Salem's Service Areas through our Vision, Mission, and Values



Safe Community

Providing emergency response while proactively reducing the risk of crime, fire, natural disasters, and health emergencies to residents, businesses and property owners.

- Fire Station 11 Staffing



Welcoming and Livable Community

Neighborhoods are safe and clean, with a mix of quality housing and access to parks, recreation, historic and cultural resources, and the arts.

- Affordable Housing, Homelessness, and Social Services: Sobering Center
- Vision for Growth and Development: Updated Approach and Timeline
- Added Capacity for Neighborhood Association Support



Strong and Diverse Economy

A diverse economic base with robust job growth, business retention and recruitment, and a thriving downtown.

- Economic Development & Downtown: High-Speed Internet Downtown, Market Feasibility



Safe, Reliable, and Efficient Infrastructure

An integrated municipal asset system of streets and bridges, sidewalks, civic buildings, technology, and utility system.

- Critical Infrastructure
- Public Transportation



Natural Environment Stewardship

Protect natural resources, including healthy streams and the Willamette River, and a reduced impact from the built environment and City operations on our natural environment.

- Environmental Action: Greenhouse Gas Inventory



Good Governance

The enterprise is managed to be fiscally sustainable, provide quality services, proactively engage residents, be forward thinking, and build capacity and partnerships to prepare for the future.

- Sustainable Services: Core Services and Desired Level of Service through Priority-Based Budgeting

PRIORITY-BASED BUDGETING

2018 Community Report

Salem's lines of business are as varied as the needs of the community. The mission of the City is to provide fiscally sustainable and quality services to enrich the lives of present and future residents, the quality of our environment and neighborhoods, and the vitality of the economy. The half-billion-dollar municipal corporation operates under the council-manager form of city government.

GOVERNING THE CITY

Salem's Mayor and eight City Councilors are elected by the citizens and hire the City Manager to implement their policy direction and manage operations. The Mayor and all Council members are unpaid volunteers. In Salem, the Council also serves as the governing board for Salem's Urban Renewal Agency and Salem Housing Authority, and participates with nine residents on the Budget Committee.

MANAGING CITY OPERATIONS

The City Council and the Mayor set laws, policies, and goals for the City. The City Manager directs the day-to-day administration of the City, the Salem Urban Renewal Agency, and the Housing Authority

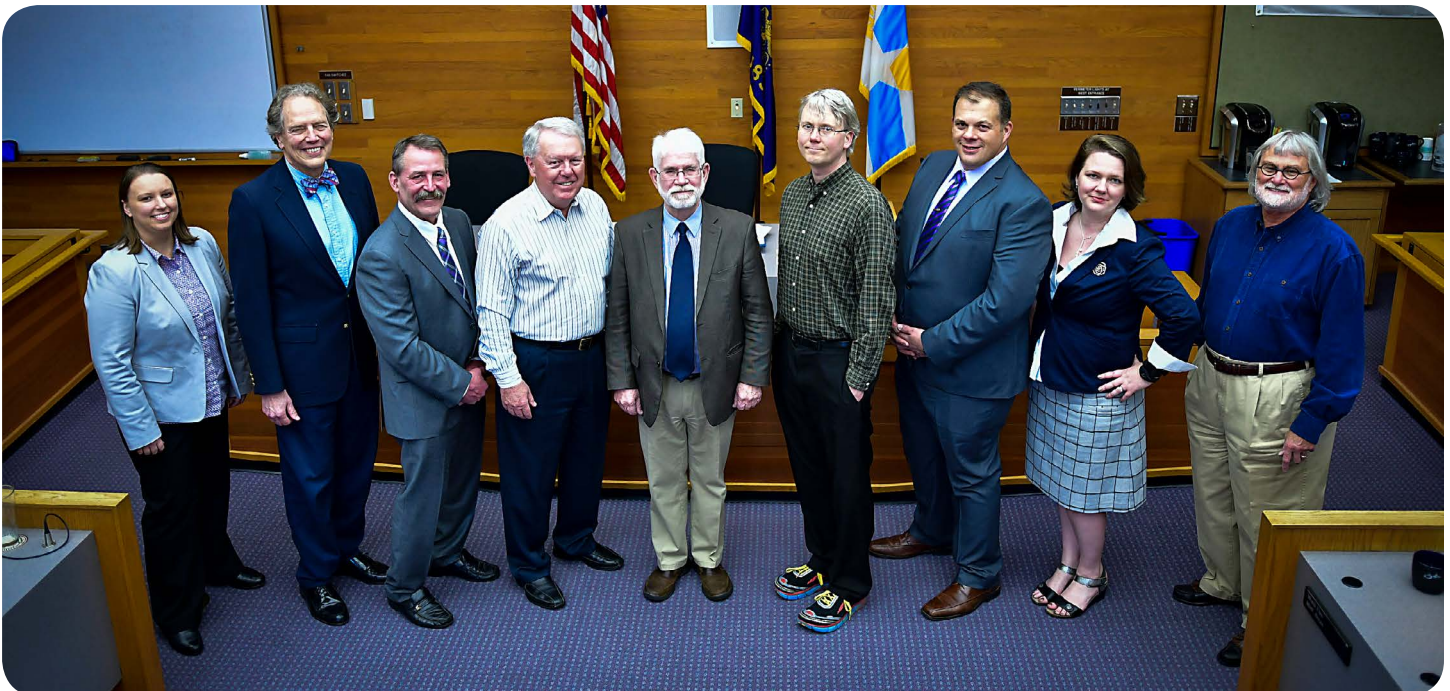
through Department Directors, who manage operations and provide services to meet the needs of our community based on City Council direction, state and federal law, and City ordinance.



Council Policy Update

PRIORITY-BASED BUDGETING

Priority-based budgeting is a nationally-recognized best practice for focusing public resources on results. It provides a framework for making decisions to allocate resources to where they benefit the community most. Unlike traditional or incremental approaches to government budgeting, where the current year's budget becomes the basis for the next year's plan, the priority-based budgeting framework allows the City to make better resource decisions based on the relative priority of programs and services—according to our shared values—providing a new way to link budget decisions to our result areas.



2018 Community Report

MORE ABOUT RESULT AREAS



Providing an emergency response while proactively reducing the risk of crime, fire, natural disasters, and health emergencies to residents, businesses, and property owners.



Neighborhoods are safe and clean, with a mix of quality housing with access to parks, recreation, historic and cultural resources, and the arts.



A diverse economic base, robust job growth, business retention and recruitment, and a thriving Downtown.



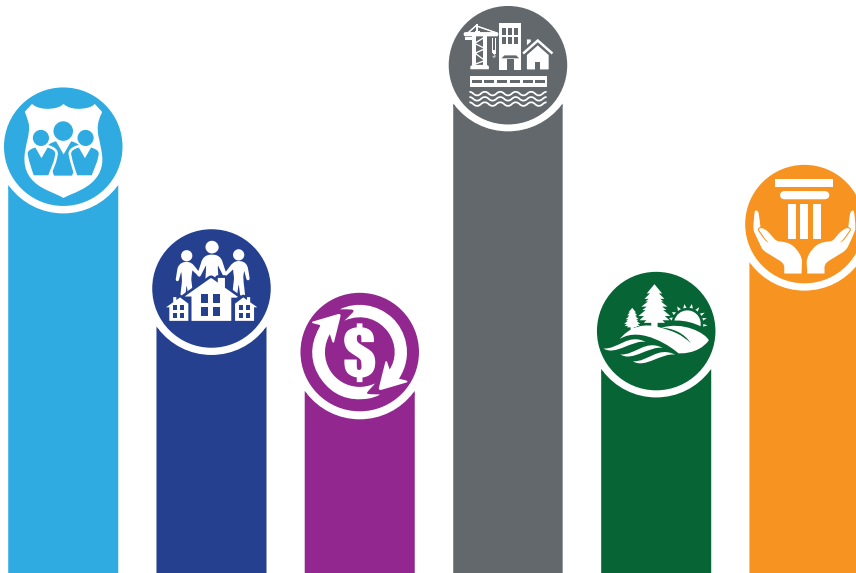
An integrated municipal asset system of streets, bridges and sidewalks, civic buildings, technology, and utility systems.



Protect natural resources including healthy streams and the Willamette River, and reduce the impact from the built environment and City operations on the environment.



The enterprise is managed to be fiscally-sustainable, provide quality services, proactively engage residents, be forward-thinking, and build capacity and partnerships to prepare for the future.



Safe Community	\$106,347,990
Welcoming and Livable Community	\$27,590,940
Strong and Diverse Economy	\$14,612,270
Safe, Reliable, and Efficient Infrastructure	\$150,302,680
Natural Environment Stewardship	\$17,618,790
Good Governance	\$77,768,120

FUNDING BY RESULT AREAS

RESULT AREAS

For the FY 2019 budget, Salem began organizing the budget around the community's and Council's expectations of services from the City, or results. These result areas are derived from the vision, mission, and values in the Strategic Plan and provide the framework for the presentation of the 2019 budget, adopted on a fiscal year (July 1, 2018 –June 30, 2019).

The larger programs in Good Governance are Self Insurance (\$43M) and the Equipment Replacement Reserve (\$8M). This is where we track funds used to insure the City and its properties and where we designate funding to replace critical equipment to continue providing services to our community.



SAFE COMMUNITY

2018 Community Report

WHAT IT MEANS

Fosters a climate of safety for individuals in homes, businesses, neighborhoods, and public places.

Plans for and provides timely and effective response to emergencies and natural disasters.

Public safety is a critical function of local government. In Salem, our 911 call center sends Police, Fire, and emergency medical services to those in need and keeps Salem safe by protecting residents, visitors, and businesses properties from harm in the event of a natural disaster or other emergency. In addition to responding directly, we plan for and prepare the community for situations that may threaten health or safety. Salem also has a Municipal Court, responsible for protecting the rights of individuals and prosecuting crimes that impact the quality of life in Salem.

Behavioral health was a concern in almost 2,000 Police responses, involving a trained behavioral health professional.

During 2017, there were 8.7% fewer traffic crashes to which Salem’s Police responded.

In 2017, more crime was reported to Police compared to 2016, including aggravated assaults involving serious physical injury or use of a deadly weapon (15.7%) and thefts of motor vehicles (43.7%). There was also a 31% increase in robberies (in which a victim is present, involving force or the threat of force) and an 8.1% increase in burglaries (a property crime). Salem Police are sharing crime-prevention tips to help reduce thefts of motor vehicles, robberies and burglaries. Check our website for more at: www.cityofsalem.net/police

Source data: Computer Aided Dispatch; Records Management System; FBI- Federal Bureau of Investigation (some crime reporting is mandated to the FBI and results in the release of the Uniformed Crime Reports).

EMERGENCY CALL CENTER

In 2017, Salem’s 911 call center took more than 173,000 emergency calls for the 29 Police and Fire agencies it serves in Marion, Polk and Lincoln Counties. Our call takers answer 89% of the calls within 20 seconds—about four rings—and 98% within 40 seconds. A 911 call is measured from the time it reaches the call center until it is answered. Another 276,000 non-emergency calls were answered in 2017 at the Willamette Valley Communications Center.

Source: Computer Aided Dispatch

FIRE AND EMERGENCY MEDICAL SERVICES

Salem Fire Department responded to 23,435 calls for service in 2017, including requests for medical aid (17,428 or 74% of calls), responding to hazardous conditions (550 calls) and fire-related incidents (546 calls), as well as false alarms and other service calls.



Council Policy Update

FIRE STATION 11

Fire Station 11 on Orchard Heights Road in West Salem was closed in 2012. Since that time, the City has experienced an almost 24 percent increase in calls for service, and fewer calls are answered within the 5½-minute standard. With the reinstatement of Engine 11, response time is expected to decrease, meaning 350 more individuals should be reached within desired response time when experiencing a critical emergency, adding capacity in West Salem, and improving citywide reliability for fire and emergency medical response. A grand re-opening ceremony of Fire Station 11 is planned for January, when all 15 of the new firefighter paramedic candidates have completed their training.

SALEM’S POLICE: PROTECT AND SERVE

In 2017, Salem’s Police responded to 110,000 calls, a 4.9% increase from 2016. Most of the time, Police respond to 911 calls (68%), and more than one officer may respond based on the situation.

2018 Community Report

Encourages partnerships to proactively prevent crime, and provide education on personal and community safety

Encourages sustainable community redevelopment and rehabilitation practices.

Offers activities and intervention programs that promote positive youth development.

The total call volume in 2017, including priority emergencies, represents an increase of 5.2% since 2016. In 2018, call volume continues to increase and has increased 8.6% based on mid-year analysis.

The department measures response times for the calls that pose an immediate risk to health, life, property, or the environment.

Our first responders answered 328 fire and special operations calls, arriving on scene within 5 1/2 minutes 72.9% of the time*. A special operations call may be a response to a spill of hazardous material, a water rescue, or where a victim in an auto accident needs to be removed from a vehicle using special equipment.

Fire crews responded to 72 first alarm or significant fires in 2017, a 14.3% increase from 2016. For first alarm residential structure fire, we send four engines, one ladder truck, one ambulance, and a battalion chief.

In 2017, the department responded to 10,904 calls for medical emergencies such as a heart attack or stroke, arriving within 5 minutes 69.9% of the time.**

**For fire and special operations calls, the National Fire Protection Association standard is to arrive on scene within 5 1/2 minutes of call to dispatch 90% of the time.*

***For emergency calls (other than fire or special operations) the goal is to arrive on scene within 5 minutes 90% of the time.*

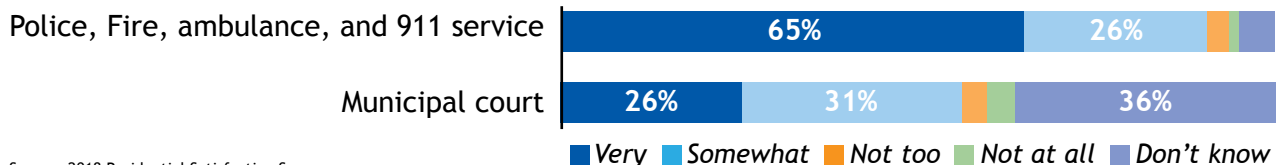
Source: Computer-aided dispatch and incident management software.

CONSTRUCTING THE NEW SALEM POLICE STATION

In May 2017, residents passed a \$61.8 million bond measure to finance the design and construction of a new Police Station. To ensure the Salem Police can conduct business efficiently and safely, the new facility will meet current seismic standards, and bring together important police functions located off-site in separate and leased buildings. The new Police Station, located on the corner of Commercial and Division Streets NE, will also provide a safe and welcoming environment to access Police services and attend community events. Construction began in October 2018 and will be completed by fall 2020.



SERVICE SATISFACTION



Source: 2018 Residential Satisfaction Survey



WELCOMING AND LIVABLE COMMUNITY

2018 Community Report

WHAT IT MEANS

Supports a long-term vision for future growth and development with the community.

Addresses homelessness, poverty, and other human services needs by leveraging resources and partnerships.



Council Policy Update

PARTNERSHIPS PROVIDE HOMELESSNESS SOLUTIONS

In its 2018 Policy Agenda, the Salem City Council made reducing homelessness a priority. The City and its partners are working to reduce the hardships that lead to the homelessness of our residents and families with children. Community support and partnership is critical. Homelessness in Salem is a complex problem that requires long-term, committed partnerships with public and nonprofit agencies and organizations across Salem, Marion County, and Polk County. Many nonprofit, private, and government organizations have joined together in seeking proactive solutions.

Together, we are increasing access to affordable housing for those at risk of becoming homeless, and adapting best practices aimed at reducing hardships faced by the homeless to fit our community through the following programs.

Homeless Rental Assistance Program

Launched in July 2017, the City of Salem, through the Salem Housing Authority, committed \$1.4 million to launch the Homeless Rental Assistance Program, the largest housing-first initiative in Oregon. In its first year, the program helped 71 homeless individuals get off the street and enrolled 121 people in the program. In addition to shelter, the program focuses on the most vulnerable, hardest to house individuals and provides them with medical and mental health treatment, intensive case management, and other resources.

Read the 2017-18 [Homeless Rental Assistance Program report](#).

WHO IS HOMELESS?

In Marion and Polk Counties, approximately 1,218 persons are homeless—according to the 2018 Point In Time Count. Homeless persons in our community tend to reside in Marion County (81.5%), be over 24 years of age (50%), unsheltered (50%), male (60%), and white (84%). Almost 40% are chronically homeless.*

People who are chronically homeless have experienced homelessness for at least a year - or repeatedly - while struggling with a disabling condition such as a serious mental illness, substance use disorder, or physical disability.

*Marion and Polk Counties represent 10.1% of Oregon's population** and are home to 8.4% of the State's homeless.*

*2018 Point In Time Count, Rural Oregon Continuum of Care
**Certified Population Estimates, July 1, 2017, Portland State University Population Research Center

Downtown Homelessness Task Force

Beginning in February 2018, this Task Force was established to address specific impacts of homelessness in downtown Salem including trash, health, hygiene, and perceptions of safety. Task Force members included City leaders, business and property owners, service providers, residents, and advocates for the homeless. The group's recommendations, issued in September 2018, include:

- Provide public toilet facilities that are available 24/7.

Creates and maintains parks, trails, and open public spaces to offer activities that connect, benefit, and reflect our community.

Supports the arts, historically-significant buildings and sites, and community events.

Enhances multi-generational community enrichment and meaningful volunteer and neighborhood engagement.

- Support additional storage for homeless individuals in need of a safe place to store their possessions during the day.
- Support alternative ways of providing financial support to those in need.
- Pursue options for expanding Downtown cleaning services.

Read the suggested solutions on the City's website: www.cityofsalem.net/Pages/salem-task-force-ap-proves-several-downtown-homeless-solutions.aspx

New Affordable Housing

The Salem Housing Authority is developing 86 units of low-income housing, and works with developers to encourage construction of affordable housing. Through urban renewal funds, the City supported the construction of 188 affordable apartments on Portland Road. Also in 2018, the City Council created a tax incentive for qualifying non-profit owners of low-income housing.

Sobering Center

The City of Salem is one of several agencies developing a safe, clean, and supervised space to become sober and connect to further treatment. The Oregon Legislature and Governor provided start-up funding for a sobering center in Salem to relieve some of the burden on our regional hospital and jail, and to connect individuals with treatment resources. Opening early 2019, the sobering center will receive ongoing funding from the City of Salem, Marion County, and Salem Health.

Police Behavioral Health Detachments

The Salem Police Department continues to include officers who are specially trained to help people who are experiencing a mental health crisis, in both Marion and Polk Counties.

Regional Coordination

Following the recommendation of the Mid-Valley Homeless Initiative, in 2018, the City of Salem contributed \$45,000 toward the hiring of a regional coordinator at the Mid-Willamette Valley Council of Governments who is responsible for planning and coordinating programs and projects to prevent and reduce homelessness with our region's cities, counties, agencies, and services providers.

Low-Income Assistance

Salem and Keizer receive and distribute federal grants to fund a wide range of activities that build, buy, or rehabilitate affordable housing for rent or homeownership. Salem also awards roughly \$400,000 each year in grants to local non-profits that provide emergency or essential services to the most vulnerable populations with the highest need. As part of the annual planning to support funding of these local priorities, in September 2018, the City Council better aligned the use of these low-income assistance funds to the Strategic Plan.

We have built a strong foundation to address homelessness. But we need more individuals in the community to step up and join the effort. We are thankful to everyone who is already chipping in.”

- Salem Mayor Chuck Bennett



Continued

IMPROVING SALEM PUBLIC LIBRARY

In November 2017, Salem voters approved a bond to improve the Library’s ability to withstand an earthquake, make it more accessible by bringing it into full compliance with the Americans with Disabilities Act, and other critical improvements, to include replacement of library shelving. This project may require us to temporarily move the Salem Public Library to a new location during construction. Building construction is scheduled to begin in early 2020, and we’ll reopen the library in May 2021.



The Salem Library serves more than 165,000 people in the Salem area and maintains 337,373 items in its collection. Internal statistics compiled by Library staff show that each day, roughly 1,600 people check out 3,700 books and library materials.

BLIGHT TO BRIGHT PROGRAM

In 2018, Salem started Blight to Bright to convert the most dangerous and problematic properties to new, developable parcels. Dangerous and derelict buildings and other blight cases generate accumulation of trash, junk, and debris. Each instance of blight is a detriment to public health, safety, and welfare; a nuisance; and a potential liability. Some cases have been managed in our current code compliance program for several years. The Blight to Bright program uses existing staff and financial resources to remove the most dangerous and/or persistent issues of blight. After a site is cleared of its blight, the highest and best use for the site will be determined.

ACRES OF PARK LAND PER 1,000 RESIDENTS

We have 2,319 acres of parks in Salem. In 2013, according to the Salem Comprehensive Park System Master Plan, Salem had 12.5 acres of park land per 1,000 residents. As of 2018, Salem has 14.13 acres of park land per 1,000 residents.





Council Policy Update

OUR SALEM TODAY

In September 2018, we launched a multi-year project to update the Salem Area Comprehensive Plan, which guides development in the Salem area. As part of their 2018 Council Policy Agenda, the City Council sought a vision for growth and development. This first phase, called Our Salem: Today, will analyze the existing conditions and evaluate how Salem could grow under current policies. This work will inform critical discussions and decisions about future growth in the City. Watch for upcoming community conversations.

SATISFACTION WITH AFFORDABLE HOUSING

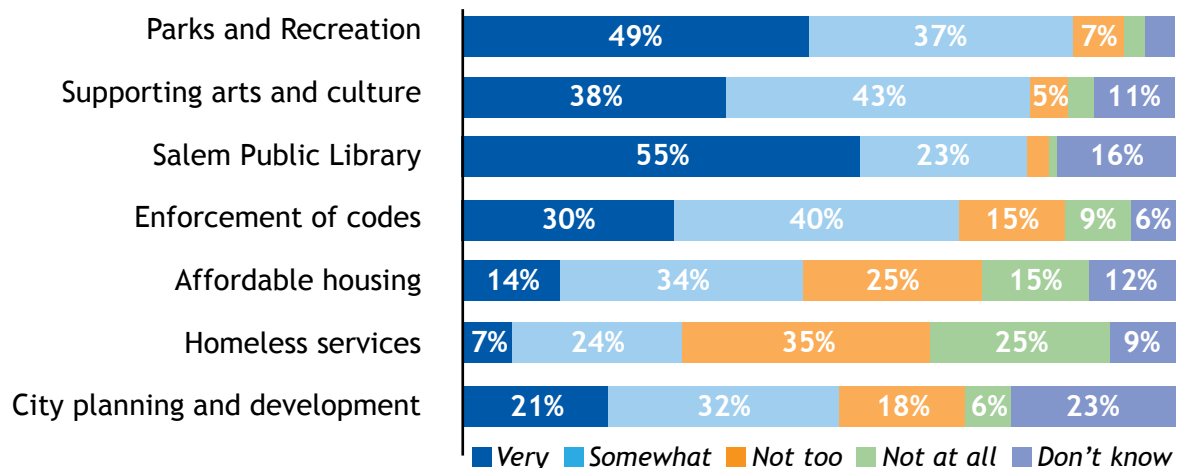
Satisfaction with affordable housing increased from 30% in 2017 to 48% in 2018. Men are more satisfied than women, as are people of color in comparison to white people. Residents under 35 are twice as satisfied with the City's efforts regarding affordable housing (71%) than older residents (36%). West Salem residents are more satisfied (63%) than others (44%).

Mayor Chuck Bennett cuts the ribbon with Oregon Governor Kate Brown at the grand opening of 180 affordable homes on Portland Road. Increasing access to affordable housing was one of City Councils agenda goals in 2018.

Source: 2018 Residential Satisfaction Survey



SERVICE SATISFACTION



Source: 2018 Residential Satisfaction Survey



STRONG AND DIVERSE ECONOMY

2018 Community Report

WHAT IT MEANS

Creates opportunities for development, entrepreneurship, and economic innovation.

Invests in programs, incentives, and technology that support business attraction, growth, and retention.

Salem is home to a wide range of industries and private employers. As the State's capital, the local economy is relatively stable and enjoys a wide variety of employment. In addition to agricultural production, the area is also a strong manufacturing and distribution region with a prime location on Interstate 5 between California and Washington.

Stable, low-cost infrastructure and development costs characterize the area's business climate. Abundant, high quality water, stable electrical supply, and low-cost shovel-ready land are available to industrial and business customers. The addition of **high tech** to the local economy has provided steady growth in manufacturing. Other industries include trade, transportation, utilities, agriculture, food and beverage processing, education, health services, and professional and business services.

Major employers, in addition to government and Salem Health, include Kettle Foods, Garmin, Yamasa, West Salem Machinery, Gilgamesh Brewing, and Amazon.

ADVANCED MANUFACTURING AND TECHNOLOGY

Advanced manufacturing and technology jobs represent more than 13 percent of all private sector jobs in our region. The advanced manufacturing and technology industry is transforming the way companies do business worldwide. With the use of these materials, manufacturers are able to create competitive and innovative products which can be marketed globally.

AGRICULTURE AND FOOD PROCESSING

Agriculture and related industries are essential to the vitality of the Mid-Willamette Valley. Within our region, food processing represents more than half of our manufacturing base. Whether it is growing, storing, or packaging food; building equipment to harvest or process crops; or managing the harvest; the Mid-Willamette Valley specializes in agriculture and food processing.

OREGON TECH

- *The Oregon Employment Department forecasts the high-tech industry will grow by 20% between 2014 and 2024.*
- *Technology sales in Oregon are projected to reach \$29 billion by 2020.*



LOCAL TECH

- *79 tech firms are located in Salem, including Garmin, Bookbyte, Amazon, and Rigado.*
- *Salem is home to 1,633 tech employees with an average wage of \$64,981.*



Fosters community networks to act, connect, advocate, and cross-pollinate ideas across business sectors.

Supports housing options, educational opportunities, and amenities that attract and develop a skilled and quality workforce.

Fosters regional and public/private collaboration to contribute to economic stability.



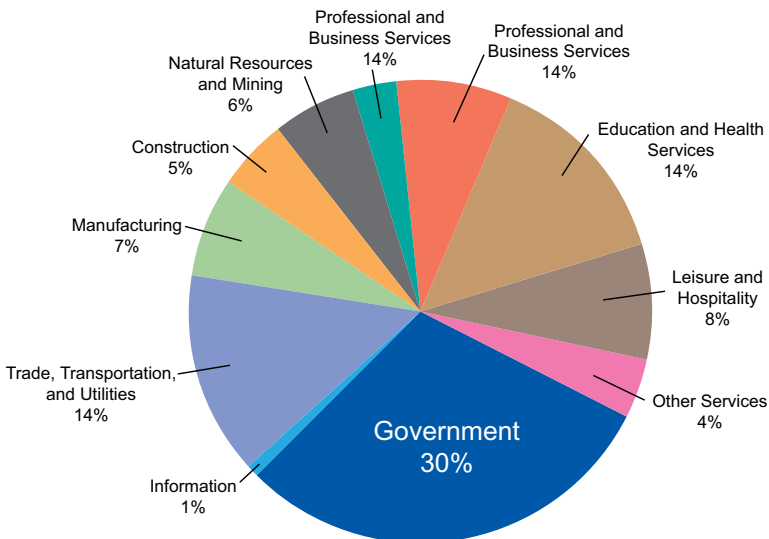
Council Policy Update

TESTING THE MARKET FOR HIGH-SPEED INTERNET DOWNTOWN

One priority from the Strategic Plan is to explore the possibility of bringing City-provided high-speed internet to the Downtown. A consultant-led market analysis will assess the need and demand for a high-speed broadband network and free Wi-Fi

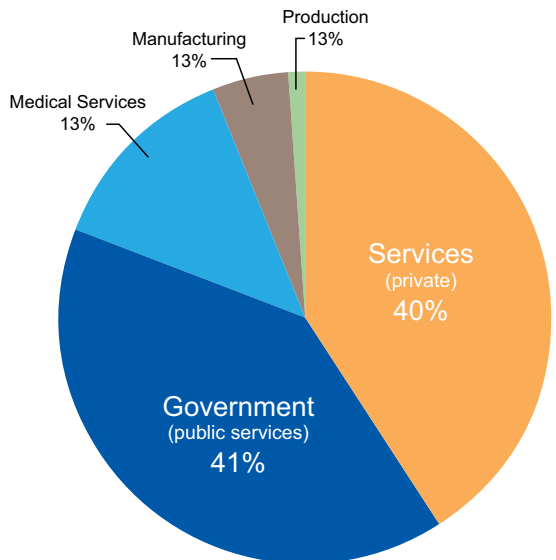
Downtown. Work to estimate the market for high-speed internet Downtown is expected to be complete in June 2019. If the Downtown-focused study shows City broadband is feasible, a pilot project will follow.

WHO WE ARE - SERVICES, GOVERNMENT AND HEALTH



Source: Salem MSA Quarterly Census of Employment and Wages 2017 Annual

2016 TOTAL AVERAGE EMPLOYMENT



Source: Salem MSA Quarterly Census of Employment and Wages 2017 Annual

SATISFACTION WITH SUPPORT FOR LOCAL ECONOMY

Satisfaction with the City's support for the local economy is up 15 percentage points from 57% in 2016. Residents under 35 are more satisfied (84%), and while those aged 35-54 and older are similarly dissatisfied, the oldest age cohort is more unsure of the state of the local economy. People of color are more satisfied (88%) than white people (65%), largely due to differences in uncertainty rather than dissatisfaction. Those with a high school degree or less are also more satisfied (87%) than residents with further educational attainment (67%).

Source: 2018 Residential Satisfaction Survey

SERVICE SATISFACTION



Source: 2018 Residential Satisfaction Survey



SAFE, RELIABLE, AND EFFICIENT INFRASTRUCTURE

2018 Community Report

WHAT IT MEANS

Optimizes the use of City assets.

Manages water, stormwater, and wastewater safely and responsibly.

Salem owns and operates a valuable network of infrastructure including buildings, streets, pipes, dams, properties, parking garages, recreation facilities, airport runways and taxiways, and equipment. While the current Capital Improvement Program identifies \$164 million in infrastructure construction projects, 95 percent of the project funding is dedicated to the City's utility and transportation system. A large number of critical infrastructure projects are known—most are listed in the City's infrastructure master plans—but are not yet funded. In addition to the needs associated with existing infrastructure, the City will also need to provide for new residents as the community grows and changes.

- Improving Winter-Maple Neighborhood Greenway by adding stop signs at the intersection of D Street NE and Winter Street NE, and at six intersections along Maple Avenue NE;
- Building a new traffic signal, new lighting, crosswalks, and median island at the intersection of Union Street NE at Commercial Street; and
- Making improvements to sidewalks and street lighting on 12th Street SE.

Learn more about infrastructure improvements planned for your neighborhood at:
www.cityofsalem.net

PEDESTRIAN SAFETY

In September 2018, the City initiated a Safer Crossings Program with community input and participation from neighborhood associations. Crossing improvement projects will be recommended to City Council in spring 2019. The Safer Crossings Program is a recommendation from the Pedestrian Safety Study, (March 2018), which looked at a combination of crash data, police reports, and field observations to find ways to make it safer for everyone who drives, walks, or bikes in Salem. Other recommendations include upgrading 19 traffic intersections and corridors, and strategies to improve citywide conditions.

In addition to police enforcement, since January 2018, the City is improving pedestrian safety in the following areas:

- Installing rapid-flashing beacons on Portland Road;
- Adding stop signs and radar speed signs along Fisher Road NE;



Council Policy Update

PUBLIC TRANSPORTATION: TRANSIT COMMITTEE

In July 2017, the City Council created a Public Transit Committee to advise Council on the role the City can play in the success of public transportation. Starting in October 2017, the Committee sought to better understand the diverse public transportation needs of the community and services provided by Cherriots. Cherriots' service will expand to include later evenings and weekends starting in fall 2019 as a result of new funding approved by the Oregon Legislature. The Public Transit Committee is on track to make recommendations to Council by the end of 2018.

Supports a balanced transportation system that reflects effective land use and reduces congestion.

Designs, constructs, and maintains an interconnected and multi-modal transportation network that is safe, accessible, and sustainable.

Plans, operates, and maintains infrastructure networks.

RELIEVING VEHICULAR CONGESTION

Salem’s growth has been accompanied by rising traffic volumes and increasingly congested roadways. In November 2017, Council approved a Task Force to reduce vehicular congestion and improve vehicular mobility. The Task Force’s area of study includes both sides of the Willamette River.

The Task Force met six times between February and September to evaluate existing conditions, review past studies, and consider a wide range of options, including many proposed by community members. In late 2018, the Task Force will report recommendations to Council.

RUSH HOUR TRAFFIC CONTINUES TO BE A CHALLENGE FOR SALEM RESIDENTS

A strong majority of residents with experience doing so say driving across town during peak traffic hours is difficult (73%), with 37% indicating high levels of difficulty. Difficulties with traffic have returned to levels similar to those seen in 2016 (75%) after a spike in 2017 (82%).

Source: 2018 Residential Satisfaction Survey



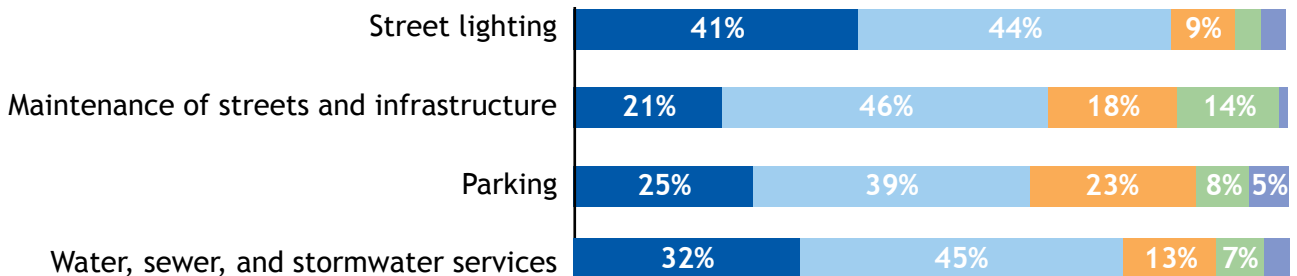
Council Policy Update

ASSET MANAGEMENT, GENERAL OBLIGATION STRATEGY

Properly maintained and upgraded infrastructure is key to the delivery of City services to the community, and to the City’s economic vitality. The City does not have the budget to fully address the backlog of infrastructure repairs and maintenance, nor the new investments in cultural, recreational and transportation facilities desired by the community. To better develop a clear picture of infrastructure needs for the foreseeable future and plan to meet those needs, the Finance Subcommittee of Council will continue to evaluate proposals for:

- Condition assessments and criteria to prioritize infrastructure maintenance needs;
- How to identify maintenance needs within the budget; and
- A general obligation bonding strategy, developed with community engagement.

SERVICE SATISFACTION



Source: 2018 Residential Satisfaction Survey

Very Somewhat Not too Not at all Don't know



NATURAL ENVIRONMENT STEWARDSHIP

2018 Community Report

WHAT IT MEANS

Reduces the carbon footprint of City operations and conserves energy.

Protects and enhances watersheds, natural areas, and natural resources.

Cities impact the environment and natural resources directly through their operations, services, and infrastructure (such as transportation, pathways, urban nature, and walkable neighborhoods), through development (such as land use patterns), and resident and business use of water, energy, and waste systems. Many Salem activities protecting our environment, drinking water, flooding, stormwater, and wastewater treatment are the subject of state or federal laws to which the City must comply and may incorporate into local regulations.

Salem also prepares for and works to reduce flooding; supports an education program related to keeping streams clean; invests in parks, open spaces and the urban tree canopy; balances land use needs today and into the future; plans for infrastructure needs as the community grows and changes; incents Brownfield clean up and development; invests in energy efficient operations; and plans for resiliency of services to our community.



Council Policy Update

GREENHOUSE GAS INVENTORY

Salem's first greenhouse gas inventory is being developed as part of the Comprehensive Plan update project called Our Salem, which began in September 2018. The inventory will measure the community's impact on the environment by examining a broad range of emissions, including those related to buildings and vehicles. Relying on existing data sources obtained through partnerships with local utility companies, state agencies, and others, the inventory will be used to help evaluate the state of the City during the first phase of the Our Salem project.

COGENERATION FACILITY UPGRADE

In FY 2019, the City planned construction of a \$9.6 million cogeneration facility at the Willow Lake Water Pollution Control Facility. The cogeneration facility uses methane gas from the wastewater treatment process to power the treatment plant. Funding is provided through PGE Renewable Energy Funds and utility rates. For 30 years, this clean energy generation system has powered a portion of the wastewater treatment facility. Once upgrades are complete in 2019, the cogeneration facility will create an additional 2.66 million kWh annually. This is enough to power 50 percent of the wastewater treatment facility.

MORE STREET TREES

In FY 2019, Salem established a new tree-planting program to strategically plant trees throughout the City on public rights-of-way and City-owned properties. Over time, an increasing tree canopy will result in reduced stormwater runoff, lower stream temperatures, and improvements in water and air quality. The program, with at least five years of funding for about 250-300 trees each year includes planning, planting, monitoring, and maintaining the trees during a three-year establishment period. In 2009, Salem had 18.1% canopy coverage. An update to the tree canopy assessment is expected next year.

CONVERTING STREETLIGHTS TO LEDs

Salem has been converting the entire street-light system from high pressure sodium fixtures to light emitting diode (LED) lamps. These replacements have reduced energy costs and energy use, while still providing a safe, consistent and sufficient lighting system for cars, bicycles and pedestrians. Monthly electricity expenses were reduced by 37.5% as a result of streetlight relamping, from \$104,000 to \$65,000 each month.

Plans and designs the City's growth to minimize emissions and other environmental impacts.

Provides education to the community to protect and preserve the natural environment.

Mitigates and abates threats to the environment.

SALEM AND FRIENDS OF TREES

Over the past five years, the City and the nonprofit agency, Friends of Trees, have worked together to focus tree planting in low-canopy neighborhoods, train volunteers, and engage residents with the goal of increasing the tree canopy. In the 2017/18 planting season, seven Friends of Trees events in Salem brought out 800 volunteers to plant a total of 66 large trees and 7,900 shrubs. The focus of this season was the Minto Island Conservation Area, the area near McKay High school, Weathers Park, Eola Ridge Park, Judson Middle School, and the Salem Audubon property in West Salem.

ENERGY EFFICIENT BUILDING SYSTEMS

In March 2018, the City replaced the chiller that cools City Hall and the Salem Public Library. Rated to last 16 years, the old system was well into its 17th year of service and, due to frequent breakdowns, was operating at 60 to 70 percent efficiency. The new system uses roughly 40 percent less power, saving more than 1.02 million kWh annually compared to the old system, and has a rated service life of 25 years.

ENVIRONMENTAL EDUCATION

During the 2017-18 school year, through our Youth Environmental Education Program, we presented to 12,616 students through 461 presentations on bats, bears, decomposers, owls, and frogs, among others. We also led ten discovery hikes, three outdoor school events, and 27 after-school science, technology, engineering, and math programs.



SERVICE SATISFACTION

Protecting our natural environment



■ Very ■ Somewhat ■ Not too ■ Not at all ■ Don't know

Source: 2018 Residential Satisfaction Survey



GOOD GOVERNANCE

2018 Community Report

WHAT IT MEANS

Ensures stewardship and sustainability of the City's financial, human, information, and physical assets.

Clearly communicates responsive, accurate, and accessible information and services.

According to the annual Residential Satisfaction survey, Salem residents expressed satisfaction with core City services such as emergency response, parks, and street lighting. Consistent with responses from 2016, nine out of ten residents are generally satisfied with the services the City provides. According to the survey results, residents feel that everyday tasks are easy in Salem, particularly for those with experience walking or biking, getting a permit or paying a bill, operating a business, and finding information on how to solve a City issue or how decisions are made. Residents also expressed satisfaction with the City's cultural offerings, and most think their neighborhoods are getting a fair share of City resources.



Residents voiced concerns about homelessness and City infrastructure. While homelessness was a top concern in both 2017 (26%) and 2016 (17%), more residents (33%) list it as the most important issue for Salem to do something about in 2018. Roads, potholes and other infrastructure were also noted by residents as being in need of improvement. A majority of residents with experience driving across town during peak traffic hours say it is difficult (73%). Nearly half of those surveyed listed building and making major repairs to streets, bridges and sidewalks as their highest priority for future investments.



Council Policy Update Revenue Task Force

With the adoption of the FY 2019 budget, the City Council directed the City Manager to make recommendations regarding a task force that would review potential revenue options for balancing future budgets. The City Council approved the formation and membership of the Sustainable Services Revenue Task Force on September 24, 2018. The task force is slated to meet in October and November and make a recommendation in December regarding revenue options for further consideration by the City Council.

SATISFACTION WITH THE CITY

Over two-thirds are satisfied with the value of services they receive from Salem, with most residents somewhat satisfied (57%). Results are consistent with past surveys.

Source: 2018 Residential Satisfaction Survey

FUNDING SERVICES

After being told the City of Salem may no longer be able to provide the same level of service without more revenue, residents were asked how they prefer the City respond. About equal proportions advocate for increasing funding for City programs and services versus reducing programs and services. No notable changes are seen in responses to this question from the past three years.

Source: 2018 Residential Satisfaction Survey

2018 Community Report

Strengthens community and regional partnerships.

Provides assurance of regulatory compliance to minimize and mitigate risk.

Maintains transparent, ethical, inclusive and accountable leadership and collaboration.

IMPROVING WORK PLACE SAFETY SAVES MONEY

Reducing the number of worker’s compensation claims helps to keep our workers safe, provides for safer operations, and reduces our experience modifier, a reflection of both claim frequency and severity. When City workers are more safe, we are less likely to rupture a gas line, cause an auto accident, or affect other hazards.

The experience modifier is pulled from the City’s injury reports from the prior three calendar years, and compared to other similar entities. As an example, a rating of 1.00 ERM would mean that a city is

right in line with other cities or similar operations based on data from 2015, 2016, and 2017. For 2018, the City of Salem ERM rating is 0.84, or below the industry average for similar operations. We’ve dropped our rating year over year now for three years, following a focus on improving worker safety through more hands-on training, field investigations, and work with staff teams to raise safety awareness and improve the safety culture.

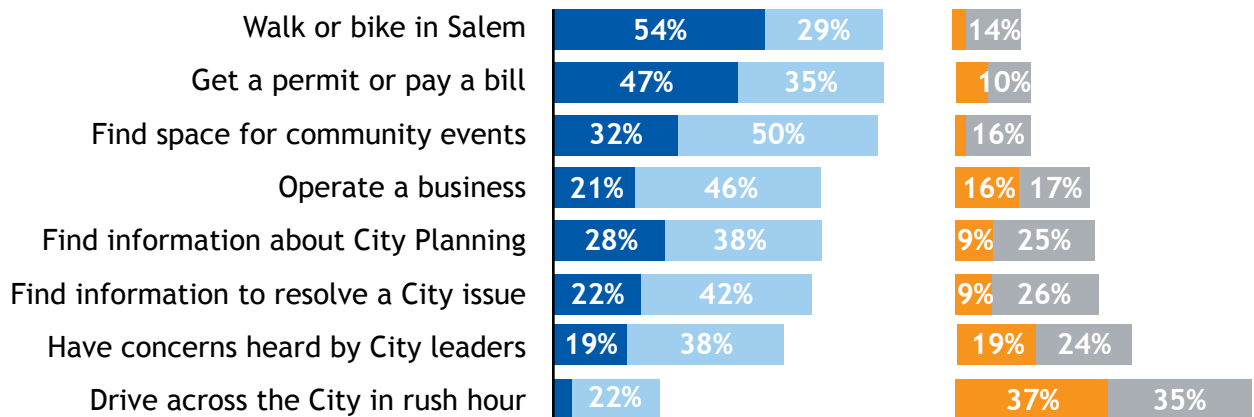
Source data: State of Oregon Department of Consumer Business Services

FORECASTING FINANCIAL

On an annual basis, the City prepares a five-year forecast. This is a planning tool to aid the City Council and Salem’s executive management team in maintaining consistent service delivery to the community within available resources. Highlights of the forecasts include a summary of fiscal health, the future outlook for many City funds, and local economic analysis.

A financial forecast is widely accepted as a best practice to evaluate current and future fiscal conditions. The Government Financial Officers Association recommends that governments at all levels forecast major revenues and expenditures and that the forecast extend several years into the future.

HOW DIFFICULT IS IT TO...



Source: 2018 Residential Satisfaction Survey

■ Very easy ■ Somewhat easy ■ Very Difficult ■ Somewhat difficult

SALEM AT A GLANCE

2018 Community Report

SALEM IS A FULL-SERVICE CITY

Operating as a regulating agency, and as a large employer, the City impacts many facets of our community. Day-to-day, the City provides residents, visitors and businesses Police and fire protection and emergency medical response, collects and treats sewage, and supplies safe drinking water. As a regulator, Salem provides planning and permitting to help manage growth, while simultaneously supporting job creation and Downtown development. Through franchise agreements, the City provides access to the rights-of-way for public utilities and oversight of solid waste collection. The City owns, operates,

and plans for infrastructure like streets, sidewalks, bike facilities, bridges, parking, parks, and water and sewer pipes to meet community needs today and in the future. Other services go beyond the basics to provide amenities that increase quality of life, including recreation, libraries and educational programs, housing and social services, public spaces, streetscaping, and public art. As of July 2017, the municipal corporation has 1,210 full-time equivalent positions, equating to approximately 7.5 employees per 1,000 residents.

SALEM IS HOME TO...

- *State government and 19,700 employees who work there;*
- *Willamette University, the oldest university in the West, which hosts nearly 3,000 students;*
- *The region's health care facility, Salem's largest private company, which employs almost 3,500; and*
- *A historic Downtown—like most towns with a working riverfront, Salem's central business core sprang up adjacent to the Willamette River.*



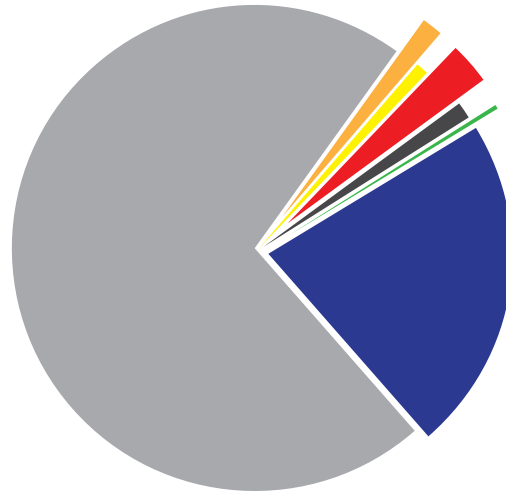
49 SQUARE MILES

Salem is 49 square miles, straddling the Willamette River and both Marion and Polk counties.

About 1/5 the size of Crater Lake National Park



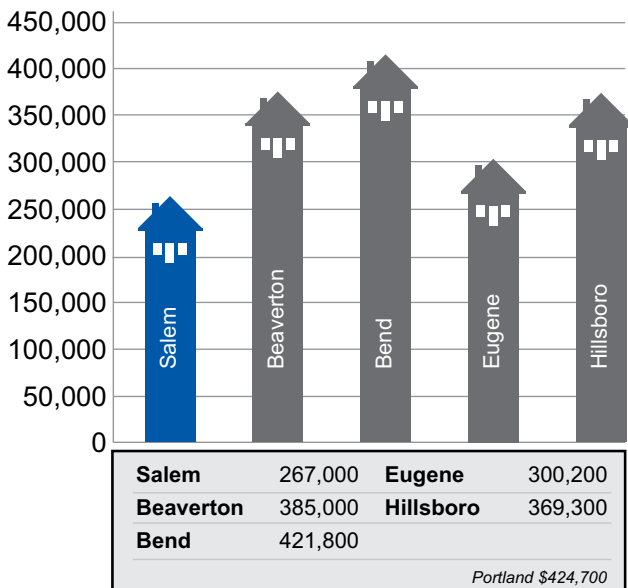
SALEM IS A DIVERSE COMMUNITY DEMOGRAPHICS



■ Caucasian	68.80%	■ Native Hawaiian/Pacific Island	1.10%
■ Hispanic/Latino	21.70%	■ American Indian/Alaska Native	.70%
■ Asian	2.80%	■ Other	.10%
■ African American	1.30%		

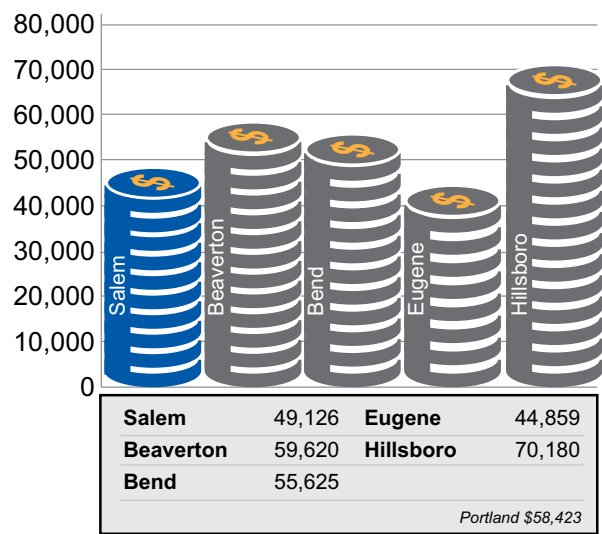
Source: U.S. Census Bureau's American Community Survey

SALEM IS AFFORDABLE AVERAGE COST TO BUY A HOUSE



Source: Zillow Research Center 2018

INCOMES ARE LOWER THAN STATE AVERAGE MEDIAN HOUSEHOLD INCOME



Source: American Community Survey 2016 State Average: \$57,532

STRATEGIC PLAN APPENDIX

2018 Community Report

Vision

A safe and livable capital city with a sustainable economy and environment that is open to all.



Mission

The City of Salem provides fiscally sustainable and quality services to enrich the lives of present and future residents, the quality of our environment and neighborhoods, and the vitality of our economy.

Values

Opportunity: Salem is proactive and forward-thinking.

Compassion: Salem is fair, equitable, and safe.

Responsiveness: Salem is at your service, with capacity and partnerships to prepare for the future.

Accessibility: Salem is open and inclusive.

GOALS AND ACTIONS



Vision for Growth and Development

Develop a comprehensive, long-term vision for future growth and development in Salem that involves community participation.

Conduct a citywide visioning process to determine the community's goals and priorities for future growth and development.

Update the Salem Area Comprehensive Plan with the results of the visioning.

Affordable Housing, Homelessness and Social Services

Implement a Housing First strategy to provide housing security for Salem residents.

Accessible health and social services for Salem residents.

Create a sustainable, substantive funding stream for development of affordable housing.

Enhance neighborhood livability and resident engagement through thoughtful site selection and

design for new affordable housing: prioritize access to transit, proximity to services, and the creation of a sense of community.

Maximize resources for and coordination of local social services, and align Salem's existing social service funding with strategic initiatives.

Continue funding a program for rental assistance for homeless people.

Partner to establish a sobering and recovery center.

2018 Community Report

Economic Development and Vibrant Downtown

A greater survival rate for small businesses, growth of existing businesses, and attraction of new businesses.

A vibrant Downtown with low commercial vacancy, improved public amenities, and high-quality housing that meets the needs of residents of all ages and incomes.

Explore start-up and entrepreneurial support programs, including shared workspace, incubators, maker-space, collaboration hubs, food hubs, and commercial kitchens.

Develop an airport business plan.

Explore the possibility of bringing City-provided high-speed internet to Salem.

Explore the need for and feasibility of possible new urban renewal areas on State Street, Silverton Road, and the North Waterfront areas.

Increase the use of grants to seismically retrofit Downtown buildings.

Study the feasibility of a Downtown Entertainment District.

Develop options for programming and improvements to revitalize Marion Square Park.

Research fees and penalties for long-term retail vacancies Downtown.

Explore alternative means and methods for adaptive re-use of older buildings in Downtown.

Critical Infrastructure

Simplify and streamline the City’s infrastructure and master planning to better align City Council and community goals for the development and maintenance of a robust infrastructure system.

Develop a robust City asset management program that:

- Assesses infrastructure conditions and develops criteria for infrastructure maintenance; and
- Develops a budget process that identifies maintenance activities.

Develop a general obligation bonding strategy that includes public involvement in its development.

Sustainable Services

Align City services and available resources and maintain fund balance for the future.

Redesign the City’s budget process to incorporate the Strategic Plan and Annual Work Plan as the drivers of budget priorities and resource allocation.

Define Salem’s core services and identify the desired level of service the City can provide as a full-service city, as well as associated costs.

Explore new, additional revenue sources and review potential adjustments to fees for General Fund services to close the gap between the cost of services to be provided and available current revenues to support those services.

Explore the financial, legal, and operational feasibility of alternative methods of service delivery, such as contracting for and consolidation of services, and the creation of a service district within compression limitations.

Identify service areas where independent, programmatic audits may identify cost-saving opportunities.

Public Transportation

A public transportation system that meets community needs.

Update the intergovernmental agreement between City and Cherriots to address how Transit operates in City right-of-way.

Establish Transit Committee to advise Council on the diverse needs of the community.

Review development regulations that impact the ability of transit to provide effective service.

Environmental Action

Prepare a community-wide environmental strategy.

Develop a Climate Action Plan that prioritizes reductions of greenhouse gas emissions in collaboration with our local utilities, State Agencies, and educational institutions.

Inventory community impact on the environment to include greenhouse gas inventory.



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