

# 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 6, 2020  
TIME: 6:00 PM  
CHAIRPERSON: Paul Tigan

STAFF LIAISON:  
Josh Eggleston, Budget Officer  
503-588-6130  
[jeggleston@cityofsalem.net](mailto:jeggleston@cityofsalem.net)  
Kali Leinenbach, Senior Fiscal Analyst  
503-588-6231  
[kleinenbach@cityofsalem.net](mailto:kleinenbach@cityofsalem.net)

---

## \*\*\* ADDITIONS AGENDA \*\*\*

### 2. PUBLIC TESTIMONY

- d. Correspondence from E.M. Easterly regarding Stormwater SDCs
- e. Correspondence from Jim Schepke regarding Salem Climate Action Plan
- f. Correspondence from Roberta Cade regarding Salem Climate Action Plan
- g. Correspondence from Matt Hale regarding fiscal sustainability
- h. Correspondence from Annie Battee regarding South Salem Connect
- i. Correspondence from Clair Clark regarding Salem Climate Action Plan
- j. Correspondence from Sarah Deumling regarding Salem Climate Action Plan
- k. Correspondence from Nadene LeCheminant regarding Salem Climate Action Plan
- l. Correspondence from the Home Builders Association of Marion and Polk Counties, Salem Area Chamber of Commerce and the Mid-Valley Association of Realtors regarding Community Development Department/Planning Division Fee Increases for Cost Recovery
- m. Correspondence from Richard Reid regarding South Salem Connect

### 3. ACTION ITEMS

- c. Errata 2-Position Summaries

### 4. INFORMATION ITEMS

- d. Memo-Community Development Department/Planning Division Fee Increases for Cost Recovery
- e. Memo-Response to Mr. Easterly Testimony to the Salem Budget Committee, dated April 30, 2020

**From:** [Josh Eggleston](#)  
**To:** [Kali Leinenbach](#); [Kelli Blechschmidt](#); [Ryan Zink](#)  
**Subject:** FW: FY 2020-2021 Salem Budget Testimony  
**Date:** Thursday, April 30, 2020 1:50:49 PM  
**Attachments:** [FY 2021 Salem Budget challenge.pdf](#)

---

FYI and please add this to the additions agenda

---

**From:** E Easterly <emeasterly@comcast.net>  
**Sent:** Thursday, April 30, 2020 1:48 PM  
**To:** Josh Eggleston <JEggleston@cityofsalem.net>  
**Cc:** citycouncil <citycouncil@cityofsalem.net>  
**Subject:** FY 2020-2021 Salem Budget Testimony

To: Salem FY2021 Budget Committee via Salem Budget Officer

Dear Mr. Eggleston,

Please transmit this email and attached document to budget committee members.

Sincerely,

E.M. Easterly  
503-363-6221  
~~~~

Dear Members of the FY 2021 Budget Committee,

Enclosed please find a request to modify Salem System Development Charge (SDC) Fund Budgets to comply with ORS 294.358.

The last three Stormwater SDC fund budget cycles have included just one budgeted \$100,000 capital expenditure (in 2019) and three years of Design and Analysis budgeted expenditures equaling a half-time FTE for SDC stormwater capital work that has not been budgeted. Using SDC capital funds to design a non-SDC project needs to be explained.

To: City of Salem FY 2021 Budget Committee

Date: May 6, 2020

From: E.M. Easterly  
775 Fir Gardens St NW  
Salem, OR 9704

Re: Salem System Development Charges  
Budget Modification

Dear Council and Budget Committee Members:

Oregon budget law requires that the five Salem SDC funds include past Actual and Estimated future revenue and past Actual and Estimated future expenditure information.<sup>1</sup>

The proposed Salem FY2020-2021 draft budget at page 351 initially complies with these requirements in regards to budgeted revenue for the five individual Systems Development Charge (SDC) funds then quickly consolidates all other revenue resources for all five funds. The resulting picture is an opaque aggregation of information which masks, for example, the beginning balance of each separate fund. What is initially identified as the FY 2021 aggregate revenue for the five SDC funds of \$13,723,980 is subsequently reported as \$45,522,470 in total resources. Such aggregation directly contradicts ORS 294.358 and the requirement that each SDC Budget fund comply with ORS 294.358.

The expenditure side of the five SDC funds on page 352 is also consolidated. This consolidation is also in conflict with the requirements of ORS 294.358. It resulted in a fiduciary error on November 25, 2019 when City staff recommended at Agenda Item 3.3b a land purchase to City Council and Council approved the expenditure of over \$400,000 of Stormwater SDC funds<sup>2</sup> contrary to the SDC legal requirements of ORS 223.307(4).<sup>3</sup>

For these reasons I ask that Salem FY2021 proposed budget document be updated to include complete OR S294.358 budget information of each of the five<sup>4</sup> Salem SDC funded budgets replacing the initial Salem FY2020-2021 draft consolidated SDC funds summary budgets shown on pages 351 and 352 of the 2021 draft budgets. There are fiduciary responsibilities that need correction in the proposed Salem FY 2021 Budget. Thank you for your attention to this serious matter.

<sup>1</sup> **294.358 Expenditure and resource estimate sheets; made part of budget document.**

- (1) The sheet or sheets containing the estimate of expenditures shall also show in parallel columns the actual expenditures for the two fiscal years next preceding the current year or the actual expenditures for the two budget periods preceding the current budget period, the estimated expenditures for the current year or current budget period and the estimated expenditures for the ensuing year or ensuing budget period.
- (2) The sheet or sheets containing the estimate of budget resources shall also show in parallel columns the actual budget resources of the two fiscal years next preceding the current year or the actual budget resources for the two budget periods preceding the current budget period, the estimated budget resources for the current year or current budget period and the estimated budget resources for the ensuing year or ensuing budget period.
- (3) The estimate sheets shall be made a part of the budget document.

<sup>2</sup> The monies allocated to purchase 298 Taybin Road NW November 2019 did not comply with the Salem Stormwater SDC fund adopted 309 capital expenditure list or the expenditure requirements described in **ORS 223.307**.

<sup>3</sup> **ORS 223.307 Authorized expenditure of system development charge.**

- (4) Any capital improvement being funded wholly or in part with system development charge revenues must be included in the plan and list adopted by a local government pursuant to ORS 223.309 (Preparation of plan for capital improvements financed by system development charges).

<sup>4</sup> (A) Water supply, treatment and distribution.

- (B) Wastewater collection, transmission, treatment and disposal.
- (C) Drainage and flood control; [Salem: Stormwater]
- (D) Transportation; or
- (E) Parks and recreation.

**Kali Leinenbach**

---

**From:** Jim Scheppke <jscheppke@comcast.net>  
**Sent:** Saturday, May 2, 2020 10:32 AM  
**To:** budgetoffice  
**Subject:** Testimony for the May 6th Citizen Budget Committee Meeting

Dear Citizen Budget Committee:

I want to thank the City Manager for his recommendation to budget \$150,000 to complete a Salem Climate Action Plan in FY 2021. As a member of 350 Salem OR, I am pleased that this longstanding goal of our organization may finally come to pass. As you probably know, most major cities in Oregon have had a Climate Action Plan for years now. As the capital city of Oregon, Salem needs to join the ranks of Oregon cities responding aggressively to the Climate Emergency that is already upon us. Cities across the US are taking the lead in reducing greenhouse gas emissions and many are having great success. I am confident Salem can do the same. I hope our planning process can be very inclusive and can engage and inspire all of Salem to get behind the goals and strategies of our plan. Please be assured that 350 Salem OR is ready to do everything we can to be an active and constructive partner in the development of the Salem Climate Action Plan.

Sincerely,

Jim Scheppke  
1840 E. Nob Hill SE, Salem  
jscheppke@comcast.net  
503-269-1559

**Kali Leinenbach**

---

**From:** Roberta A <robertaanne1@gmail.com>  
**Sent:** Saturday, May 2, 2020 11:12 AM  
**To:** budgetoffice  
**Subject:** Climate Action Plan

Dear Budget Office Committee:

It is great that the City Manager has recommended to budget \$150,000 to complete a Salem Climate Action Plan in FY 2021. I'm a member of 350 Salem OR, and have worked on this goal with our organization so I'm happy we care so close to making it happen.

Salem is one of the last of our major cities in Oregon to have a Climate Action Plan. Salem needs to lead the way and respond completely and thoroughly to the Climate crisis which is here.

There are cities in the US which have shown that reducing greenhouse gas emissions is possible. I know Salem can do the same. Let's make our planning process inclusive and engage and inspire all of Salem to get behind the goals and strategies of our plan.

I am, and know 350 Salem OR is, ready to do everything we can to bring about the development of the Salem Climate Action Plan.

Sincerely,  
Roberta Cade  
1321 Chemeketa St NE  
Salem, OR 97301

**From:** [Hale, Matthew](#)  
**To:** [budgetoffice](#)  
**Subject:** Proposed Fiscal Year 2021 Budget Written Testimony  
**Date:** Monday, May 04, 2020 8:57:13 PM

---

5/4/2020

I ask our City Council and Budget Committee to consider a more sustainable approach to our City finances, with consideration given to the current State and City financial outlook based on the record number of unemployed Oregonians, challenges facing most Oregon households, and a very uncertain future due to the COVID-19 pandemic.

I urge you not to add an unsustainable burden to our City finances that can't be supported by the existing tax base.

Do not approve

- A 8.9 percent increase in salaries and wages in the General Fund, on top of a increase of 6.6 percent in the current year
- A 43.50 FTE increase over the current budget, which adds a tremendous burden to the City's uncertain financial future
- Any cost of living or step increases for all employees until the City has an accurate understanding of their fiscal resources as a result of the COVID-19 pandemic

Sincerely,

Matt Hale  
Ward 4

**From:** [noreply@cityofsalem.net](mailto:noreply@cityofsalem.net) on behalf of [ab9@comcast.net](mailto:ab9@comcast.net)  
**To:** [budgetoffice](mailto:budgetoffice)  
**Subject:** 2020-2021 Budget Comment  
**Date:** Tuesday, May 5, 2020 4:07:41 PM  
**Attachments:** [ATT00001.bin](#)

---

|            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Your Name  | Annie Battee                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Your Email | ab9@comcast.net                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Message    | <p>I want to be sure that the final 6 months, July - December 2020 of the current Neighborhood Partnership is funded for \$1,400. The City 2-Year Partnership with South Salem Connect was approved from January 2019 through December 2020. Each 6 months the \$1,400 was provided and i am not able to identify that money in the Budget document. Since no new application process was opened last year and the staff position for the Partnership Program was not opened when the former Coordinator left, it appears that this \$1,400 is the final commitment to this Program. Please allow us to finish our Partnership with the City through December 2020 by budgeting the \$1,400. Thank you for your consideration.</p> |

This email was generated by the dynamic web forms contact us form on 5/5/2020.

**From:** [Clair Clark](#)  
**To:** [budgetoffice](#)  
**Subject:** Testimony for the May 6th Citizen Budget Committee Meeting  
**Date:** Tuesday, May 05, 2020 6:57:21 PM

---

Dear Citizen Budget Committee,

I want to ask you to support the City Manager's recommendation to budget \$150,000 to complete a Salem Climate Action Plan in FY 2021. As a co-coordinator of 350 Salem OR, I am on the edge of my seat knowing Salem may finally have it's own Climate Action Plan. Most major cities in Oregon and numerous cities across the US are taking the lead in reducing emissions that contribute to climate change. As a late-comer, Salem will be able to apply the lessons learned by those cities to our own plan, giving us a leg-up in ensuring we successfully lower emissions while protecting and improving our quality of life. 350 Salem OR hopes the planning process is inclusive and engages and inspires all of Salem to get behind the goals and strategies in the plan. Please know, we are ready to be an active, constructive partner and help in any way we can with the development of the Salem Climate Action Plan.

Sincerely,

Clair Clark  
350 Salem OR Co-Coordinator



**From:** [Sarah Deumling](#)  
**To:** [budgetoffice](#)  
**Subject:** Budget committee testimony for may 6th  
**Date:** Tuesday, May 05, 2020 8:57:12 PM

---

To: Citizen Budget Committee,

I am very happy that the City Manager has recommended \$150,000 for a Climate Action Plan and so look forward to the process of Salem joining many other cities on the front lines of combating the climate crisis. If we don't have a livable city (state/planet) none of our other problems really matter. I look forward to the widest possible community input and engagement in this process to create a plan with maximum buy-in to achieve a large and ever increasing reduction in our carbon footprint and an improved quality of life for all citizens of Salem.

Thank you.

Sincerely,

Sarah Deumling

2667 Orchard Hts. Rd

Salem, OR 97304

**From:** [nadene@yatesguitar.com](mailto:nadene@yatesguitar.com)  
**To:** [budgetoffice](#)  
**Subject:** Salem Climate Action Plan  
**Date:** Wednesday, May 6, 2020 9:30:50 AM

---

Dear Citizen Budget Committee,

I want to thank the City Manager for his recommendation to budget \$150,000 for a Salem Climate Action Plan.

Our attention is turned to Covid-19 right now, but climate change still represents the biggest challenge to the future of humanity and the life-support systems that make our world habitable.

I am thrilled that Salem has stepped up to join other major cities across the state to address climate change by reducing greenhouse gas emissions. As the capital city of Oregon, Salem has an obligation and privilege to help ensure that our planet is sustainable and that our children have a secure future.

Thank you again, and best wishes,

Nadene LeCheminant  
Volunteer, 350 Salem OR  
Salem, Oregon



May 6, 2020

Dear Mayor Bennett, City Council and Budget Committee members,

The Home Builders Association of Marion & Polk Counties, the Salem Area Chamber of Commerce and the Mid-Valley Association of REALTORS® jointly submit this testimony to you on behalf of our three organizations in regards to the proposed Planning Division fee increases. As the stakeholders most impacted by the increases in these fees, we wish to share our commonly held concerns.

The addition of three new planning staff positions at a time when the economy has collapsed due to the COVID-19 pandemic seemingly ignores the coming realities we all expect later this year. While the Planning Division reports that land use applications haven't dropped off in recent weeks, one must realize that these applications have been in the works well before the current pandemic. With unemployment approaching levels unseen since the Great Depression and business closures and the resulting vacancies expected in coming months, we believe it would be irresponsible of the City to hire additional Planning Division staff under the assumption that the pace of land use applications will continue as they have in the last year.

Other cities, such as Portland, are already expecting tighter budgets due to the pandemic and preparing accordingly. According to an April 22<sup>nd</sup> article by Oregon Public Broadcasting, *"[Portland's] bureau of development services will likely be the next to see its funding decline as the development fees they collect dry up. While Gov. Kate Brown classified construction as essential and construction projects begun pre-COVID are allowed to continue, the bureau is expecting construction to decline in the next three to six months."* The City of Portland has responded with a hiring freeze, freezing wages for non-union city employees and requiring them to take a mandatory 10-day furlough period.

We share a strong concern that should the City of Salem increase planning fees, the positions will ultimately go unfilled and the additional fees collected will be siphoned off to pay for other General Fund needs. As such, we would ask the following of the City:

- We ask that the City suspend any consideration of the three new planning positions, and the fee increases necessary to support the positions, for at least six months at which time the City will be in a better position to assess the level of land use application activity and the staffing levels needed to process these applications.

- Should the City disagree with our request and instead move forward with the fee increases, we seek a guarantee that the new revenue be used to hire the promised positions, and that the fee revenue not be used elsewhere within the City's General Fund budget.

Thank you for your consideration of our request. We appreciate the volunteer time that each of you gives towards making Salem a better community, and we look forward to a continuing dialogue on the most appropriate ways to fund the Planning Division.

Respectfully,



---

Mike Erdmann, CEO  
Home Builders Association of  
Marion & Polk Counties



---

Tom Hoffert, CEO  
Salem Area Chamber of  
Commerce



---

Jean Wheat-Palm, Executive  
Officer, Mid-Valley Association  
of REALTORS®

Home Builders Association of Marion  
& Polk Counties  
2075 Madrona Ave SE #100  
Salem, OR 97302  
503-399-1500

Salem Area Chamber of Commerce  
1110 Commercial St NE  
Salem, OR 97301  
503-581-1466

Mid-Valley Association of REALTORS®  
2794 12<sup>th</sup> St SE  
Salem, OR 97302  
503-540-0081

**From:** [RR + SR](#)  
**To:** [budgetoffice](#)  
**Cc:** [citycouncil](#)  
**Subject:** How a little money can go a long way  
**Date:** Wednesday, May 6, 2020 2:35:53 PM

---

A very small amount in the back pages of the budget could provide very large benefits to South Salem Connect. SSC is one of five Community Partnership Teams that includes eight Neighborhood Associations, several community groups churches and schools.

Based on the good work already begun by many people, the City committed to a 2-Year Partnership with SSC in support of community betterment.

Since SSC officially opened in January 2019 Salem Leadership Foundation worked with a City Program Director and they continued to bring community leaders together month after month. Leaders from all walks of life continued to plan and put on several community events and programs. The level of volunteerism and community connection is impressive and priceless.

We were able to grow these programs and volunteerism because we had a Program Coordinator helping to organize, plan and coordinate. Believe me most of us involved in this Community Partnership Team were very disappointed to see this key supportive role withdrawn. (SEE; Budget page 401; Neighborhood Enhancement, A22; Program Coordinator.)

On top of that we can't find the final \$1400 commitment in the Budget that the City pledged as part of the original Partnership agreement.

This is a small amount of money but it is greatly multiplied by the volunteerism and goodwill it created throughout the community.

Please restore our Program Coordinator and follow through on the \$1400 commitment to the Neighborhood Partnership Program, South Salem Connect.

Thank you  
Richard Reid

PS - About the our Neighborhood Partnership Program - <https://www.cityofsalem.net/Pages/neighborhood-partnership-program.aspx>

**TO:** Budget Committee  
**FROM:** Steve Powers, City Manager  
**SUBJECT:** Errata Sheet 2 – Position Summaries  
**ISSUE:**

To inform the Budget Committee about errors and corrections, or updated information regarding the Proposed FY 2021 City of Salem Budget.

**RECOMMENDATION:**

1. Accept a correction to the scrivener error in the Work Force changes table and paragraph on page 15 to include:
  - a. General Fund
    - i. 6.0 Human Resources / Facilities Services positions
    - ii. 0.37 position in Legal
    - iii. 0.85 position in Recreation Services.
  - b. Other Funds
    - i. 1.0 Human Resources Risk position

There is no budgetary impact to these changes.

2. Accept a correction to the scrivener error on the following pages:
  - a. Page 46: total number of positions from 199.01 to 199.68.
  - b. Page 54, 56: increase Custodial Services staff count by .67 to 11.90 and the corresponding totals for Facilities, General Fund, and Employee Services
  - c. Page 396 from 31.33 FTE to 32 FTE for FY 2021 in Facilities Services and the corresponding year-over-year change and total.

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:**

### *Facilities Services Positions*

With the opening of the Police Station in the fall of 2020, there are a total of 5 FTE positions added to the facilities services division of the Human Resources Department to maintain and operate the 24/7 facility. Four of these positions are expected to be hired later in the fiscal year and were costed appropriately. As a result, the number of FTE was depicted at only 10 months of the FTE rather than the full position, which will be needed to hire full time staff. The overall budget appropriation remains the same and there is no additional financial impact. This errata is simply to correct the various summary displays.

Josh Eggleston  
Budget Officer

#### Attachments:

1. Errata 2 replacement pages

## Work Force Changes

The FY 2021 Proposed Budget includes a net increase of **44.17** full-time equivalent (FTE) positions as compared to the FY 2020 adopted budget. Year-over-year changes are demonstrated in the adjacent table. Net change for the General Fund is an increase of **26.57** FTE positions. All other City funds add 17.6 FTE positions.

For more information about work force changes, each department section of the six *Result Areas* contains a detailed explanation.

Detailed information on staffing and position salaries for all City departments is provided in the *Miscellaneous* section of the budget document.

|                                                         |              |
|---------------------------------------------------------|--------------|
| <i>Adopted FY 2020 Budget Positions</i>                 | 1,237.75     |
| <u>FY 2020 Budget Positions</u>                         |              |
| General Fund:                                           |              |
| City Manager's Office                                   | 0.00         |
| Community Development                                   | 3.00         |
| Finance                                                 | (1.00)       |
| <b>Human Resources</b>                                  | <b>6.00</b>  |
| Information Technology                                  | 5.75         |
| Legal                                                   | <b>0.37</b>  |
| Library                                                 | 3.20         |
| Municipal Court                                         | 0.00         |
| Police                                                  | 8.40         |
| Recreation Services                                     | <b>0.85</b>  |
| Urban Development                                       | 0.00         |
| Total General Fund                                      | <b>26.57</b> |
| Other Funds / Departments:                              |              |
| Building and Safety / Community Development             | 2.00         |
| Risk/Human Resources                                    | <b>1.00</b>  |
| Transportation / Public Works                           | 3.00         |
| Utility / Public Works                                  | 9.00         |
| <i>Willamette Valley Communications Center / Police</i> | 2.60         |
| Total Other Funds                                       | 17.60        |

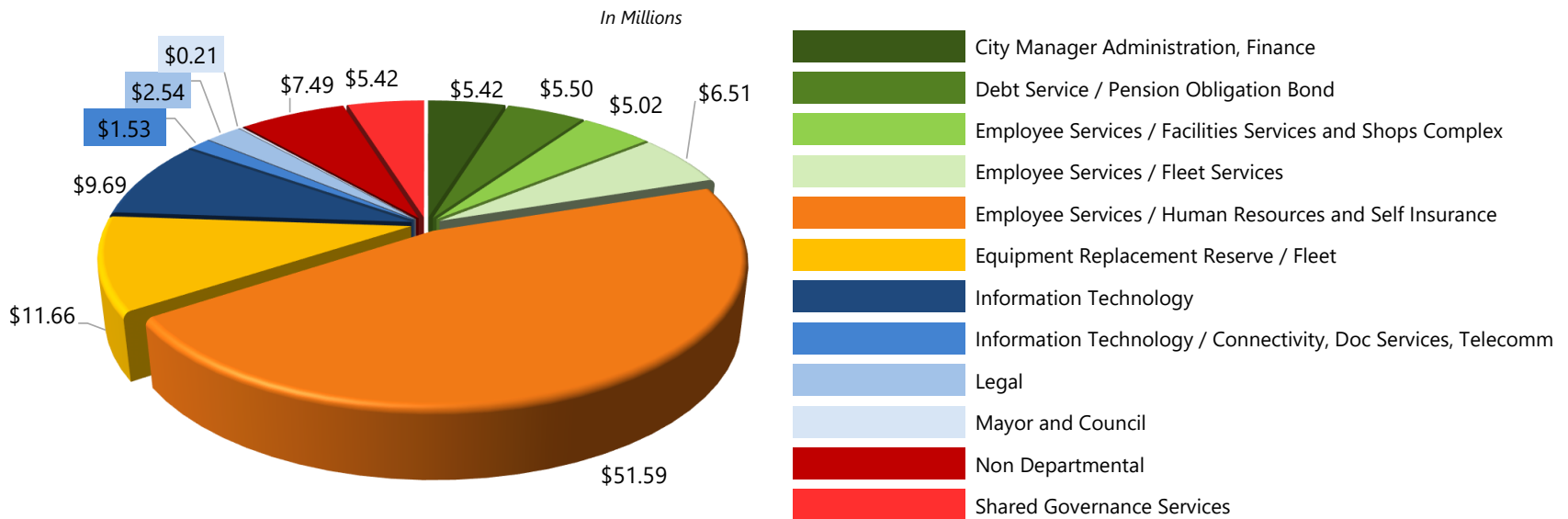


# Good Governance FY 2021 Budget Overview

The City is required to display all phases of the FY 2021 budget - the initial proposal from the City Manager, the recommendation of the Budget Committee, and the result adopted by the City Council. The columns in the numeric table will be populated with numbers when each phase of the budget process is completed. Capital projects appear in the Capital Improvements section of the budget document.

| Expenditures                          | Mgr Rec<br>FY 2021    | BC Rec<br>FY 2021 | Adopted<br>FY 2021 | % of<br>Total |
|---------------------------------------|-----------------------|-------------------|--------------------|---------------|
| <b>Service Area - All Funds</b>       |                       |                   |                    |               |
| Personal Services                     | \$ 26,653,960         |                   |                    | 23.7%         |
| Materials and Services                | 63,797,780            |                   |                    | 56.7%         |
| Capital Outlay                        | 12,428,750            |                   |                    | 11.0%         |
| Debt Service                          | 6,189,670             |                   |                    | 5.5%          |
| Contingencies                         | 3,000,000             |                   |                    | 2.7%          |
| Transfers                             | 504,610               |                   |                    | 0.4%          |
| <b>Total Expenditures - All Funds</b> | <b>\$ 112,574,770</b> |                   |                    |               |
| <i>Total Number of Positions</i>      |                       | <b>199.68</b>     |                    |               |

## Good Governance Result Area Expenditures by Department / Program



## 4. Employee Services Department Summary of Services and Programs

### General Fund Programs and FTE

|                                              | FY 2020             |                     | FY 2021      |                                             | Alignment | CC | LC | RC | SS | SP |
|----------------------------------------------|---------------------|---------------------|--------------|---------------------------------------------|-----------|----|----|----|----|----|
|                                              | Program Budget      | Program Budget      | Staff        | Staff                                       |           |    |    |    |    |    |
| Contracts and Purchasing - Facilities        | 190,200             | 182,230             | 1.35         | More                                        | ✓         | ✓  | ✓  | ✓  | ✓  | ✓  |
| Custodial Services                           | 779,310             | 1,117,770           | 11.90        |                                             |           |    | ✓  | ✓  |    |    |
| Energy Use Management                        | 492,510             | 540,190             | 1.00         | Least                                       |           |    | ✓  | ✓  |    |    |
| Operating and Technology Transfers           | 2,000               | -                   | 0.00         | Operating / technology transfers not scored |           |    |    |    |    |    |
| Shops Complex Facilities Maintenance         | 7,420               | 11,310              | 0.05         | Least                                       |           | ✓  | ✓  | ✓  | ✓  |    |
| Space Planning and Accessibility             | 66,270              | 41,000              | 0.20         | Least                                       | ✓         | ✓  | ✓  | ✓  | ✓  |    |
| Vehicle / Equipment Acquisition and Disposal | 7,420               | -                   | 0.00         | Less                                        | ✓         | ✓  | ✓  | ✓  | ✓  | ✓  |
| <b>Total Facilities Services</b>             | <b>\$ 4,297,960</b> | <b>\$ 4,839,090</b> | <b>32.00</b> |                                             |           |    |    |    |    |    |
| <b>Total General Fund</b>                    | <b>\$ 5,878,180</b> | <b>\$ 6,515,630</b> | <b>42.00</b> |                                             |           |    |    |    |    |    |

### City Services Fund Programs and FTE

|                                                        |                     |                     |              |                                             |   |   |   |   |   |   |
|--------------------------------------------------------|---------------------|---------------------|--------------|---------------------------------------------|---|---|---|---|---|---|
| Equipment Maintenance and Repair                       | 836,930             | 952,960             | 3.67         | Less                                        | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Fire Emergency Response Vehicle Maintenance and Repair | 671,120             | 802,340             | 2.62         | More                                        | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Fuel Management                                        | 2,250,470           | 2,314,900           | 0.68         | Least                                       | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Light-Duty Vehicle Maintenance and Repair              | 714,440             | 850,870             | 2.45         | Less                                        | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Operating and Technology Transfers                     | 907,610             | 300,000             | 0.00         | Operating / technology transfers not scored |   |   |   |   |   |   |
| Parts and Inventory Management                         | 457,290             | 330,270             | 2.57         | Least                                       | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Police Vehicle Maintenance and Repair                  | 711,930             | 652,970             | 2.65         | Less                                        | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Vehicle / Equipment Acquisition and Disposal           | 291,000             | 308,360             | 1.36         | Less                                        | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| <b>Total Fleet Services, City Services Fund</b>        | <b>\$ 6,840,790</b> | <b>\$ 6,512,670</b> | <b>16.00</b> |                                             |   |   |   |   |   |   |

## 4. Employee Services Department Summary of Services and Programs

### General Fund Programs and FTE

|                | FY 2020        | FY 2021        |       |           |
|----------------|----------------|----------------|-------|-----------|
| Program Budget | Program Budget | Program Budget | Staff | Alignment |

CC
LC
RC
SS
SP

### Risk Self Insurance Fund Programs and FTE

|                                                     |           |           |      |                                             |   |   |   |   |   |
|-----------------------------------------------------|-----------|-----------|------|---------------------------------------------|---|---|---|---|---|
| Liability / Property Insurance and Claim Management | 1,877,330 | 2,177,470 | 1.15 | More                                        | ✓ | ✓ | ✓ | ✓ | ✓ |
| Litigation Management                               | 170,040   | 164,160   | 1.25 | Less                                        | ✓ | ✓ | ✓ | ✓ |   |
| Operating and Technology Transfers                  | 465,390   | -         | 0.00 | Operating / technology transfers not scored |   |   |   |   |   |
| Reserve - Insurance                                 | 8,870,640 | 6,606,380 | 0.00 | Reserve not scored                          |   |   |   |   |   |
| Safety and Loss Prevention                          | 175,320   | 284,120   | 2.35 | More                                        | ✓ | ✓ | ✓ | ✓ | ✓ |
| Workers' Compensation                               | 2,073,120 | 2,271,310 | 1.25 | Less                                        | ✓ | ✓ | ✓ | ✓ |   |

Total Risk Self Insurance Fund    \$ 13,631,840    \$ 11,503,440    6.00

Total Employee Services    \$ 65,563,950    \$ 63,121,940    **68.00**

## City of Salem Position Summary - Authorized FTE

Reflects changes in full time equivalent position authority as positions are added or eliminated through the annual budget adoption.

|                                              | FY 2017         | FY 2018         | FY 2019         | FY 2020         | Proposed<br>FY 2021 | Change<br>from 2020 |
|----------------------------------------------|-----------------|-----------------|-----------------|-----------------|---------------------|---------------------|
| <b>General Fund</b>                          |                 |                 |                 |                 |                     |                     |
| City Manager's Office                        | 11.00           | 7.00            | 8.00            | 7.00            | 7.00                | 0.00                |
| Municipal Court <sup>1</sup>                 | 14.00           | 14.00           | 14.00           | 15.00           | 15.00               | 0.00                |
| Finance <sup>2</sup>                         | 30.00           | 32.00           | 32.00           | 32.00           | 31.00               | (1.00)              |
| Human Resources (Employee Services)          | 8.00            | 9.00            | 9.00            | 9.00            | 10.00               | 1.00                |
| Facilities Services <sup>3</sup>             | 27.00           | 27.00           | 27.00           | 27.00           | 32.00               | 5.00                |
| Legal                                        | 15.00           | 15.00           | 15.00           | 14.00           | 14.37               | 0.37                |
| Administrative Services <sup>4</sup>         | 0.00            | 0.00            | 0.00            | 0.00            | 0.00                | 0.00                |
| Parks Operations                             | 38.50           | 39.00           | 39.00           | 39.00           | 39.00               | 0.00                |
| Recreation Services                          | 10.70           | 10.70           | 10.70           | 10.70           | 11.55               | 0.85                |
| Community Development                        | 31.20           | 31.20           | 34.20           | 33.20           | 36.20               | 3.00                |
| Library <sup>5</sup>                         | 44.70           | 43.70           | 42.60           | 41.35           | 44.55               | 3.20                |
| Police                                       | 230.00          | 233.00          | 234.00          | 233.00          | 241.40              | 8.40                |
| Fire                                         | 164.00          | 165.00          | 177.00          | 177.00          | 177.00              | 0.00                |
| Information Technology                       | 42.00           | 47.00           | 50.00           | 48.00           | 53.75               | 5.75                |
| Urban Development                            | 32.50           | 32.50           | 31.50           | 31.00           | 31.00               | 0.00                |
| <b>Total General Fund</b>                    | <b>698.60</b>   | <b>706.10</b>   | <b>724.00</b>   | <b>717.25</b>   | <b>743.82</b>       | <b>26.57</b>        |
| Transportation Services Fund                 | 53.00           | 53.00           | 56.00           | 57.00           | 60.00               | 3.00                |
| Airport Fund                                 | 4.00            | 4.00            | 4.00            | 4.00            | 4.00                | 0.00                |
| Building and Safety Fund                     | 23.00           | 25.00           | 25.00           | 27.00           | 29.00               | 2.00                |
| Utility Fund                                 | 303.80          | 309.80          | 317.30          | 322.50          | 331.50              | 9.00                |
| Emergency Services Fund                      | 2.00            | 2.00            | 2.00            | 2.00            | 2.00                | 0.00                |
| Willamette Valley Communications Center Fund | 73.00           | 73.00           | 73.00           | 73.00           | 75.60               | 2.60                |
| City Services Fund                           | 29.00           | 29.00           | 26.00           | 26.00           | 26.00               | 0.00                |
| Self Insurance Fund                          | 7.00            | 8.00            | 9.00            | 9.00            | 10.00               | 1.00                |
| <b>Total All Funds</b>                       | <b>1,193.40</b> | <b>1,209.90</b> | <b>1,236.30</b> | <b>1,237.75</b> | <b>1,281.92</b>     | <b>44.17</b>        |

<sup>1</sup> Municipal Court transferred to the City Manager's Office in FY 2017 when Administrative Services was dissolved.

<sup>2</sup> Finance and Purchasing sections were transferred to the City Manager's Office in FY 2017 and then moved to the Finance department for FY 2020.

<sup>3</sup> Facilities Services was transferred to the City Manager's Office for FY 2015, FY 2016, then to the Human Resources Department in FY 2017.

<sup>4</sup> The Administrative Services Department was dissolved, and its divisions were assigned to other departments in FY 2017.

<sup>5</sup> The Library was transferred to the City Manager's Office for FY 2015 and FY 2016, then moved to Community Development in FY 2017.



MEMO

**TO:** Steve Powers, City Manager  
**FROM:** Norman Wright, Director  
Community Development Department  
**DATE:** May 4, 2020  
**SUBJECT:** **Planning Division Fee Increases for Cost Recovery**

For the FY20-21 Budget, the Community Development Department proposes fee increases to achieve 100% cost recovery for all current planning positions. The department also proposes authorization for three new positions. Permit request and land use cases have consistently grown year-over-year since 2010 and the proposed positions are necessary to provide services at a quality that all customers (both applicants and the community at-large) expect.

|                                                | <b>COPP FY 2021</b>    | <b>M&amp;S</b>       | <b>TOTAL</b>           |
|------------------------------------------------|------------------------|----------------------|------------------------|
| <b>Current Planning Staffing (ongoing)</b>     | \$ 1,538,770.00        | \$ 175,200.00        | <b>\$ 1,713,970.00</b> |
| Sign Inspector (Code Officer 2, step 1)        | \$ 106,600.00          | \$ 2,210.00          | \$ 108,810.00          |
| Planning Supervisor (Manager II, step 6)       | \$ 154,880.00          | \$ 1,300.00          | \$ 156,180.00          |
| Zoning Code Inspector (Code Officer 2, step 1) | \$ 106,600.00          | \$ 2,210.00          | \$ 108,810.00          |
| <b>New Total Current Planning cost</b>         | <b>\$ 1,906,850.00</b> | <b>\$ 180,920.00</b> | <b>\$ 2,087,770.00</b> |

The proposed fee increases fully reflect the staff time and cost necessary to process applications. The fee increases are most prominent in commercial and industrial development applications. For example, new fees have been added for projects valued at \$10 million and great since these projects require a large amount of staff time.

Other notable increases, in terms of the degree of increase, include the following:

- Fees for zoning inspections and sign inspections. Both have been increased to cover the average staff time dedicated to them (1 hour).
- Fees for copying and mailing notification. These fees have been increased to capture the actual costs.
- All sign permit fees to reflect the full cost of administration.

Other fees have increased at a marginally-smaller rate but involve cases and requests that constitute the bulk of the division's work. Context is helpful in understanding the impact of these fees in relation to the total cost of the City's review services. For example, consider the three fees listed below. These fees are charged for some of the most common permits the division administers. These permits constitute a high volume of the team's work. These permits also constitute a high volume of work for other teams, such as Building and Safety and Public Work's Development Services group.

## **Subdivisions**

A hypothetical 100-lot subdivision will be charged an additional \$14.94 increase per lot under the proposal. This is to reflect the full cost of staff time dedicated to the case. An actual 48-lot subdivision from 2019, if charged the proposed rates, would require an additional \$36.48 increase per lot.

The proposed fees constitute 18.3% of all fees paid to the City for the review and eventual approval of a Subdivision.

### Dwelling Permits

A dwelling permit will be charged an additional \$49.00 under the proposal to reflect the full cost of staff time. The proposed fee constitutes 1.42% of all fees paid to the City for the review and eventual approval of a dwelling permit.

### Partitions

Partition fees increased by \$384 to capture the increases in the Consumer Price Index and mailing costs for notifications. This fee is less than 10% of the total fees paid for the review and eventual approval of a Partition.

### Cost Recovery

Again, the fees are calibrated to achieve 100% cost recovery. Current cost recovery fluctuates between 70 and 80% based on volume and staff levels, which are insufficient for the volume of permits and cases that have been processed over the course of a multi-year average. Thus, cost recovery is sought not only for the current staffing but also for the additional staffing necessary to best-administer the workload the City has experienced over the past few years.

|                                                | COPP FY 2021           | M&S                  | TOTAL                  | Recovery |
|------------------------------------------------|------------------------|----------------------|------------------------|----------|
| <b>Current Planning Staffing (ongoing)</b>     | \$ 1,538,770.00        | \$ 175,200.00        | <b>\$ 1,713,970.00</b> |          |
| Sign Inspector (Code Officer 2, step 1)        | \$ 106,600.00          | \$ 2,210.00          | \$ 108,810.00          |          |
| Planning Supervisor (Manager II, step 6)       | \$ 154,880.00          | \$ 1,300.00          | \$ 156,180.00          |          |
| Zoning Code Inspector (Code Officer 2, step 1) | \$ 106,600.00          | \$ 2,210.00          | \$ 108,810.00          |          |
| <b>New Total Current Planning cost</b>         | <b>\$ 1,906,850.00</b> | <b>\$ 180,920.00</b> | <b>\$ 2,087,770.00</b> | 101.42%  |

### Proposed New Positions

Three new positions are necessary to manage the division and the workload in a sustainable fashion. The positions are listed in order of importance to the division.

#### 1. Current Planning Manager

The Planning Division currently has 14 FTE and the Planning Administrator directly supervises 13 of the 14 FTE. The number of staff and land use applications necessitates the need for a manager for the Current Planning section. This position, which was eliminated in the recession, would split their time (~70/30) between management and application review. They would assign work, monitor application time lines, train employees and monitor employee caseloads. Additionally, they would be available to meet with customers to resolve land use issues and provide final answers to customers on the Planning Administrator's behalf. This position would be assigned a limited caseload, involving complex and/or controversial land use applications which need special attention and consideration.

#### 2. Sign Inspector

Sign permit review and inspections are currently done by planners. The permit review is manageable at current staffing levels. However, every permanent sign must be inspected

which requires a planner to go out in the field to ensure the sign was correctly installed. Many signs do not require building or electrical permits, so this inspection is the only City inspection that is conducted. Sending individual planners into the field when an inspection is requested is not an efficient use of staff time. (Inspections are generally conducted the day they are requested).

Additionally, the City receives constant complaints about illegal signs including signs in the right-of-way, signs installed without permits, and temporary signs in excess of the number allowed per property. Sign enforcement is currently conducted on a limited basis, despite the volume of complaints received.

This position, which was eliminated during the recession, would be responsible for sign permit review, sign inspections and sign enforcement. This position would respond to demand for sign enforcement, including signs in the right-of-way, signs installed without permits, and excess temporary signs.

### **3. Zoning Inspector**

After the recession, planners took on the task of completing zoning inspections for commercial, industrial and multi-family developments. Building and Safety inspectors complete inspections of single family dwellings, which is limited to a review of trees. Generally, zoning inspections are expected to be completed the same day they are requested. The current system results in disruption in planners' day, as they are required to conduct inspections the day they are requested. This inability to plan their day has resulted in delayed inspections and/or missed application timelines.

This position would perform zoning code inspections and would focus on commercial, industrial and multi-family developments. Inspection fees are proposed to increase to cover the actual cost and time to perform an inspection. This position will also be tasked with helping the Building and Safety inspectors with the tree inspections for single family dwellings. Specifically, if a Building and Safety inspectors notes any issues with the trees to be protected or planted, they will contact the Zoning Inspector who will follow up with the applicant and work through the issues. The fees for this inspection (\$15) are not proposed to increase.

### **Comparisons to Other Cities**

Below is a list of three common developments the Planning division reviews, along with their proposed fees. The fees are compared to those of similar jurisdictions.

#### **50-lot Subdivision including per lot fee**

Eugene \$8,266

*Salem (Proposed) \$9,512*

Corvallis \$10,566

Beaverton \$11,188

Hillsboro \$15,225

Gresham \$25,038

#### **20-lot Subdivision including per lot fee**

Eugene \$7,456

Beaverton \$8,218

*Salem (Proposed)* \$8,912  
Hillsboro \$8,925  
Corvallis \$9,006  
Gresham \$14,268

**Partition Fees**

Hillsboro \$1,575  
Eugene \$2,792  
Corvallis \$3,330  
*Salem (Proposed)* \$4,476  
Beaverton \$5,018  
Gresham \$7,088





# MEMO

**TO:** Salem Budget Committee

**FROM:** Dan Atchison, City Attorney  
City Attorney's Office

**DATE:** May 6, 2020

**SUBJECT:** **Response to Mr. Easterly Testimony to the Salem Budget Committee, dated April 30, 2020**

Mr. Easterly raises the following issues in his testimony. The issues are followed by the staff response:

- 1) Use of SDC capital funds to design a non-SDC project needs to be explained.

The testimony is incorrect that the City has used SDC capital funds for a "non-SDC project." As set forth in ORS 223.307, in order to use SDC revenue for a capital improvement, the improvement (or project) must be included in the applicable "plan," and included in the list of eligible projects required under ORS 223.309 (known as the "309 list"). In this case, the projects that utilized FY19 and FY20 Stormwater SDC revenues were all included within the 5 percent allowance for small projects in the City's stormwater master plan and in the City's Stormwater Methodology and 309 list. Mr. Easterly appears to be asserting that all SDC funded projects must be included in the Capital Improvement Plan (CIP). That is incorrect. ORS 223.309 identifies a variety of plans, including a master plan, that fulfill that requirement.

- 2) Aggregation of SDC expenditure and revenue estimates into a single fund, the Extra Capacity Facilities Fund (Fund 260) – Request that the FY 2021 budget separate out each SDC type into separate funds.

SRC 41.130 creates the Extra Capacity Facilities Fund and requires all SDC revenue of every type to be deposited into the fund. It also requires separate accounts within the fund for each type of SDC. ORS 294.358 does not require the level of detail sought by the request. The City utilizes a fund-cost center accounting structure that segregates each SDC type into a separate cost center. For budgeting purposes, the Extra Capacity Facilities Fund budget is adopted at the Fund level that includes all cost centers. As required by Oregon budget law the fund display contains the proposed budget, one prior year budget, and two years of actuals.

- 3) Claim that use of stormwater SDCs for purchase of property at 298 Taybin Road violated ORS 223.307.

As discussed above, ORS 223.307 requires any capital project that is funded with SDCs be included in the applicable plan and included in the City's 309 list. In this case, the acquisition was included within the 5 percent allowance for small projects as described in the Stormwater Master Plan, page 4-5, and included within the 5 percent allowance for small projects in the City's Stormwater Methodology Report and 309 list, Section 2, page 14, and on Table 3, page 15.