



# Salem Strategic Plan

Fall 2017



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CITY OF *Salem*  
AT YOUR SERVICE

# Acknowledgments

This Strategic Plan would not have been possible without the input, insights, and contributions of the our community.

Hundreds of residents, businesspeople, elected officials, volunteers, City staff, and nonprofit organizations strive to make our community better every day, and enthusiastically turned out for this strategic planning effort. They shared their views about community priorities at three well-attended open houses, through a random and statistically valid telephone survey, and through an informal feedback questionnaire. Many community members also spoke up during the City Council's extensive strategic plan discussions through goal-based work groups, full-Council work sessions, and formal Council meetings.

As we proceed into implementing this plan, it is important to note that the City relies on partnerships within our community to deliver on the community and Council-desired outcomes that we all developed together.

The Council is grateful for everyone's contribution to this important process.



## Salem City Council

- Mayor Chuck Bennett
- Councilor Cara Kaser, Ward 1
- Councilor Tom Andersen, Ward 2
- Councilor Brad Nanke, Ward 3
- Councilor Steve McCoid, Ward 4
- Councilor Matt Ausec, Ward 5
- Councilor Chris Hoy, Ward 6
- Councilor Sally Cook, Ward 7
- Councilor Jim Lewis, Ward 8

## Consultant Team

The City is appreciative of the expertise and assistance the consultant team shared so generously with us.

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# Plan on a Page

## 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

### Vision for Growth and Development

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

### 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.

### Economic Development & 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.

### 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.

### Sustainable Services

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

### Public Transportation

A public transportation system that meets community needs.

### Environmental Action

Prepare a community-wide environmental strategy.

# Introduction

The City of Salem developed this Strategic Plan to articulate the mission, vision, values, and goals of its residents, businesses, and public agencies to more effectively serve its people. The plan charts a course for the City in response to an assessment of current conditions and anticipated changes within the city and the surrounding region. This technical analysis was enriched by the perspectives of residents, community leaders, and elected officials.

The City Council's primary goal in preparing this plan was to provide guidance for future decision-making as the community grows and changes.

Salem is a full-service city. The City of Salem provides its residents with services protecting health, safety, and welfare. These include police protection, emergency services, sewage collection and treatment, garbage collection, and safe drinking water. Salem also provides planning and permitting to help manage growth, as well as economic development to support job creation and downtown development. Other services go beyond the basics to provide amenities that increase quality of life, including parks and recreation, libraries and educational programs, housing and social services, public spaces, streetscaping and public art.

The Salem City Council is made up of local citizens who are elected by residents to make significant policy decisions. These decisions are usually based on information that is assembled by City staff. The staff is also responsible for carrying out the Council's

policy direction, monitoring progress, and reporting back to Council on how well the City is doing at reaching its objectives.

## How the Strategic Plan is Organized

This is a three- to five-year plan for how the City can operate to achieve its best future. This citywide strategic plan describes the vision, mission and values that guide the City. It also identifies goals that will drive strategic initiatives to address issues that the community faces today and expects in the near future. For each goal, the plan identifies actions the City will take to achieve the Council's desired outcome.

The Strategic Plan articulates Council priorities for increased effort in the next three to five years. It is less specific about facilities and services that are performing well, are integral to the health of the City, and that will continue without a major shift in effort. This is a living document, and the Council will use it to guide policy and track progress. The Council will also revisit and update this plan on an annual basis.

**Plan Website:** Additional information, including background materials and documentation of community input, is available on the City's website at: <http://www.cityofsalem.net/Pages/salem-strategic-plan.aspx>. This information serves as a record of the strategic plan and its development, and it will be periodically updated with City Council Policy Agendas and annual progress reports to the community.



## How Council Will Use the Strategic Plan

For the Council to set priorities, it needs input into what issues need attention, the magnitude of those issues, and the City's ability to effectively address each of them. Moving forward, the City Council will establish its Policy Agenda each January. The Policy Agenda is derived from the Strategic Plan and provides the City Council a focus for the calendar year. That City Council Work Plan includes not only high-priority actions from the Strategic Plan, but also ongoing activities associated with operational oversight and multi-year projects. The Council's Policy Agenda also informs the City Budget.

## How We Developed this Strategic Plan

As part of the FY 2016-17 Budget development, the Budget Committee and City Council discussed the need for an overarching plan to guide future decision-making as the community and organization change. This citywide strategic planning effort began in October 2016.

The strategic plan emerged over a year-long process through three distinct phases:

1. A comprehensive **Situation Assessment** reviewed and summarized conditions relevant to the development of the strategic plan and transition plan.
2. This **Strategic Plan** describes the mission, vision, values, and goals for the community, in addition to the actions that the City and its partners will take to achieve those goals.



3. A **Transition Plan** identifies the steps that the City is taking to move people and resources to implement the strategic plan, as well as key milestones in completing those steps, and measurements of progress toward strategic plan goals.

These phases included a robust and iterative dialog among residents, organized stakeholders, partner organizations, City staff, and the City Council.

- **Residents** participated throughout the planning process in many ways. A telephone survey in the fall of 2016 gained insight into values, concerns, needs, and satisfaction with City services, as expressed by a statistically valid sample of 450 Salem residents. Three community open

## Strategic Planning Terms

### Vision Statement

An overarching statement that describes where we want Salem to be in the future. It defines a desired future and helps answer the questions: *Where do we want to go? What do we want to be?*

### Mission Statement

A statement of the City of Salem's organizational purpose in achieving its vision. It defines who we are, as well as our products, services, customers, and overall strengths. The mission is the basis for decision-making within the organization. It describes what the organization does and why it exists. Mission statements are often straightforward and intended to be enduring. Everyone within the organization should understand its mission.

### Goals

A broad prioritized future condition, achievement, or target.

### Value Statements

Guiding principles that articulate the manner in which the City will carry out its mission. Central tenets of what an organization is willing, and not willing, to do in support of its constituents.

### Actions

Specific activities aligned to a goal that can be measured and tracked within specified timeframes.

Each action includes an action statement. As the action is further developed in the City Council's Annual Policy Agenda, it will incorporate details on how the City will accomplish this action (e.g., *Who does it? When do they do it? What resources do they have available?*)

### Performance Measures

Specific measures of progress toward the City's actions, including data to be collected and analyzed.

houses allowed hundreds to provide direct personal input and feedback. Residents also spoke out regularly at City Council meetings and work sessions, and at Council Work Group discussions of the priority issues in the summer of 2017.

- **Organized stakeholders** (both formal organizations and informal coalitions) participated visibly at open houses, Council meetings, and through online surveys. These groups made their concerns known through oral and written comments, as well as colorful t-shirts and signs.

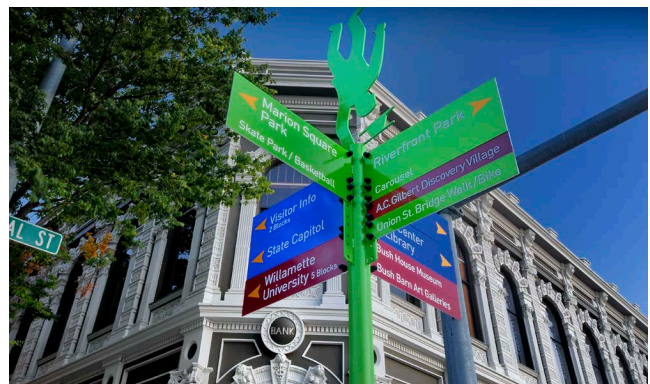
- **Partner organizations** participated through interviews with the consultant team, a facilitated conversation with neighborhood leaders, and a stakeholder charrette in the spring of 2017.
- **City staff** were engaged throughout the process through a core team of department executives, a staff ambassador group from throughout the organization, and through their daily interactions with departmental leadership and the public.
- **City Council** both guided and responded to the strategic planning process through four Council work sessions, and multiple

meetings of seven Council-led work groups on the plans goals, and through each Council member’s active participation in strategic plan open houses, other community meetings, and hundreds of individual conversations with residents.

## What We Learned

The Strategic Plann started with an assessment of the City’s situation. What did City Council, staff, interest groups, and public think about what the City does well? About possible improvements? About forces that would affect its future performance? The Situation Assessment looked at the City’s past performance, current issues, and the internal and external forces, economic, and demographic trends that may affect the City moving forward. The work relied on the results of a statistically valid telephone survey (conducted in December 2016) to assess resident satisfaction with City services; and interviews with community members and civic partners, Mayor and Councilors.

Overall, the feedback was positive about the City and the services it provides. Residents say the City is headed in the right direction (66%) and are very or somewhat satisfied (92%) with City services overall. Most residents feel safe and are satisfied (88%) with emergency services, but recognize that mental health, addiction, and homelessness complicate service delivery. Residents are also satisfied with the Library (85%), Parks and Recreation, City support of arts and culture (73%), and would like to see more neighborhood parks and community gardens.



The assessment identified several areas where improvement was possible, and in some cases necessary. In particular, residents noted that the City does not have an overarching vision or plan for how the City will grow, and residents are divided in how to approach growth. Residents are dissatisfied (40%) with access to housing and the interrelated issues of affordable housing, homelessness, and poverty were the single most important issue to residents.

In general, the City can improve communication between City Council and staff, among staff across departments, and among staff and citizens to more clearly define priorities, and to provide focus for budgets and staff efforts on making progress on those priorities.



# The Strategic Plan

## Vision, Mission, and Values

At a Work Session in March 2017, the City Council reached consensus on mission, vision, and values statements for the organization.

### 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

Based on the Situation Assessment, its proposed Vision, Mission, and Values, and input from the community, the City Council identified seven priority areas for action within the next three to five years:

- Vision for Growth and Development
- Affordable Housing, Social Services, and Homelessness
- Economic Development and Downtown
- Critical Infrastructure
- Sustainable Service Delivery
- Public Transportation
- Environmental Action

## Priority Area: Vision for Growth and Development

### Opportunities and Challenges

Salem's existing vision for growth and development, as encompassed by the Salem Area Comprehensive Plan, is out-of-date and has been updated over the years in a piecemeal fashion that has resulted in disconnected ideas for how the City should grow. The City is projected to continue adding residents and jobs over the next 20 years, and it is unclear how and where the community wants this growth accommodated. Without a distinct cohesive vision for the future, decision-making related to growth and development in Salem will be disjointed, will rely on potentially out-of-date policies, and may not be supported by the community.

According to the *2016 Salem Housing Needs Analysis*, the Salem area is projected to add nearly 60,000 new people through 2035, which would increase the population to 269,274. The demographic trends expected to influence this growth include an aging baby boomer generation, aging millennial generation, and continued increase in the Hispanic/Latino population. Continued growth in employment is also expected in Salem. This includes new and expanded industrial and commercial businesses.

This type and amount of population and employment growth cannot be accommodated in the Salem area without new development. There is disagreement in the community, however, as to how development should occur. This is reflected in community reactions to City projects as well as private development proposals.

This lack of general consensus was also captured in the engagement activities supporting the City's strategic planning process. For example, many people think multifamily housing should be added near already-developed areas, while others want Salem to prioritize single-family development at the City's edges. Similarly, many residents prefer the mixing of uses such as housing and shops, while some want development that separates commercial and residential uses.

A natural place for the City to address issues such as housing, mix of land uses, transportation, overall vision, and Salem's urban planning process in the Salem Area Comprehensive Plan.

### Desired Outcomes

The desired outcome is a comprehensive vision and plan for growth and development. That plan should address:

- Where and how expected growth should be accommodated;
- The type and pattern of development desired; and
- Other specific policies on issues such as housing, transportation, community services, and economic development.

The plan would be implemented through a variety of methods, such as codifying land use policies into Salem's zoning and development codes, updating the City's capital improvement projects (e.g., roads, parks, and other City-built infrastructure), and utilizing economic development incentive programs (e.g., grants and urban renewal).



## Goal and Actions

**Vision for Growth:** Develop a comprehensive, long-term vision for future growth and development in Salem that has community participation.

- Conduct 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.

## Role of the City and Community Partners

Planning for growth and development is a primary function of the City. Residents typically relate to a city first, and most directly, through its physical form.

## Current Activities and Progress Measures

The FY2017-18 budget includes funding for a citywide visioning effort and a multi-year Comprehensive Plan update to help guide future growth and development. As these initiatives get underway in Spring 2018, an advisory group is likely to be formed to help guide the work.

## Comprehensive Plan

*The Salem Area Comprehensive Plan is a long-range plan for guiding development, transportation, open space and parks, and public buildings in the Salem urban area and its relationship with the Salem/Keizer urban area.*

The City has legal authority to dictate the uses of the land within its boundaries and the legal obligation, as stipulated in the State constitution, to prepare a Comprehensive Plan as well as other analyses needed to forecast the needs of its residents. In fact, Oregon has a strong tradition of locally-led comprehensive planning, which takes place within the framework of the Statewide Planning Program. Salem’s Comprehensive Plan has been updated in a piecemeal fashion over the years, but it has not had a complete update since the 1970s.

Success of these activities will be measured by the volume and diversity of participation from residents and partner organizations in outreach to support these initiatives.

## Priority Area: Affordable Housing, Social Services, Homelessness

### Opportunities and Challenges

The diversity of Salem’s homeless population has garnered a broad community response, with individuals, charitable organizations, and service providers working to help with immediate shelter, housing, food, mental health services, addiction counseling, job training, and other case management services.

Nevertheless, Salem has a very low residential vacancy rate and many vulnerable people who are experiencing homelessness. At the same time, Salem lacks affordable housing, shelter beds, permanent supportive housing, coordinated social services, and funding to address these issues effectively. More than half of Salem’s households are paying more than 30 percent of their income toward housing costs. Minimum wage isn’t enough to afford an average Salem apartment, and rents are increasing at more than 10 percent annually. As demand for all types of rental housing outpaces development, Salem’s residential vacancy rate declines (now below 1.3%).

The lack of affordable rental housing in Salem is due to little dedicated funding or incentives, among other factors. In addition to inadequate housing and services, there is also a lack of coordination, strategic funding, and enough data to fully understand the challenges. Additionally, when people without homes camp out in City facilities like parks and parking garages, it creates maintenance challenges and can be off-putting to other Salem residents.

### Desired Outcomes

To increase the affordable housing options, coordinate and centralize social services and funding, and reduce the number of chronically homeless in the community.

### Goals and Actions

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

**Services:** Accessible health and social services for Salem residents.

- Create a sustainable, substantive funding stream for development of affordable housing (through City, Salem Housing Authority, and Urban Renewal Agency sources, the possibility of tax exemptions, new fees, fee waivers, etc.)
- 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.

### Role of the City and Community Partners

The Salem Housing Authority is the largest provider of affordable housing in the Salem area. Salem-area shelters have an estimated



total capacity of up to 300. These include Union Gospel Mission (serving men), Simonka House (women), Salvation Army (families and individuals), HOST (juveniles), and the Inter-Faith Hospitality Network (families). Other services are provided at HOAP and ARCHES. Additionally, Shangri-La provides transitional and supportive housing to intellectually and developmentally disabled individuals as well as those in substance abuse recovery. Currently, there are no locations in which personal items may be stored during the day. There are a number of agencies that will be a part of the community-wide resource mapping and needs/gaps analysis.

### Current Activities and Progress Measures

The FY2017-18 City Budget includes \$1.4 million for a joint community program to assist the hardest-to-house with permanent housing and additional support services through non-profit organizations and the Housing Authority. An ongoing effort to organize a sobering facility in Salem with support from the City, Marion County, and Salem Health is underway.

Staff will continue to engage the Salem Housing Authority Commission and the Salem Urban Development Community Services and Housing Commission, an advisory board making annual recommendations to the City Council regarding local awards of federal allocations and the City's social service funding, in discussion of the first-year actions with regular reports and recommendations to Council.



## Salem Housing Authority

Salem Housing Authority (SHA) provides housing to more than 8,000 people and about 3,770 households through its 637 units of affordable and public housing, and 3,133 housing vouchers. SHA has a number of programs serving the homeless, including dedicated housing vouchers for homeless individuals and self-sufficiency coordination to provide wraparound services to help increase their chances of housing stability. SHA's Emergency Housing Network also serves as the community's social services resource network. Additionally, SHA partners closely with Salem Police Department to triage individual homeless individuals and find them emergency shelter, housing, and resources. Salem's Police Department frequently responds to the criminal and non-criminal aspects of homelessness.

## Priority Area: Economic Development and Downtown

### Opportunities and Challenges

A vibrant downtown is central to a healthy local economy, and to attracting and retaining a skilled workforce. Growth in business investment, jobs, and wages are necessary to improve economic vibrancy and livability in the City. While employment growth in Salem will depend, in part, on the rate of employment growth in Oregon, Salem's comparative advantages make it attractive to companies looking to grow. These advantages include location, the Historic Downtown, access to transportation, and supply of development-ready employment land.

The Downtown has attributes and advantages that make it ripe for continued investment and revitalization: a supply of character-defining historic buildings, proximity to state government offices and activities, and waterfront access. Community engagement activities conducted in support of the Strategic Plan, confirm many of the priorities first adopted in the 2010 Downtown Strategic Action Plan, and re-affirmed by recent downtown stakeholder focus groups, including:

- **Downtown commercial and residential development.** There is an adequate supply of commercial space, but some buildings need renovation and second floors hold a significant potential for increased use.
- **Downtown transportation.** Downtown needs more pedestrian and transit improvements, and parking continues to be an issue.

- **Waterfront recreation development.**

The waterfront is potentially a great resource, but is difficult to access.

Salem residents would like future economic development investments to support locally-grown business efforts. While the City has actively supported eligible locally-grown businesses with urban renewal grants and loans, it has not had resources to provide direct financial assistance to small businesses that are located outside of an urban renewal area. As the City continues with its existing business recruitment, retention, and expansion programs, it needs to explore tools and resources to assist business that do not have access to existing incentive programs. While direct financial resources are limited, there are opportunities to support small business through education and connecting businesses to resources or partners.

### Desired Outcomes

The City will have a vibrant downtown with low commercial vacancy rates and quality housing. The City will identify and implement additional small business support programs, resulting in a higher survival rate for small businesses and greater business diversity.

### Goals and Actions

**Economic Development:** A greater survival rate for small businesses, growth of existing businesses, and attraction of new businesses.

**Downtown:** 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.

## Actions/Objectives

- 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 building codes for adaptive re-use of older buildings.

## Role of City and Community Partners

The City's role in economic development is to engage in business recruitment, retention, and expansion efforts and to leverage the efforts of our partners. The City is uniquely positioned to connect businesses and citizens interested in starting businesses with the resources they may need through our network of partners, such as the Chemeketa Center for Business and Industry. The City and Urban Renewal Agency have several tools and resources to assist in these efforts, including urban renewal tax increment, which can be used to

fund public improvements for site readiness and development; grants and loans to assist businesses with needed capital improvements; Enterprise Zone incentives to eligible businesses; and collaboration with SEDCOR to provide business relocation assistance, tax incentives, and promotion of the region.

## Current Activities and Progress Measures

A number of projects and programs are already in process to support the goals and objectives, including:

- Creating a business plan and development strategy for the Airport.
- Working with the community on a streetscape plan for Downtown.
- Supporting the development of incubators and maker space.
- Developing a food hub and commercial kitchen.
- Exploring the need for and timing of future urban renewal areas: State Street, Lancaster, Silverton Road, North Waterfront, and Mission.

Success of these activities will be measured by the volume of urban renewal grants awarded and jobs created, changes in industrial and commercial vacancy rates, and expanded downtown activity at all hours of the day.

The FY 2017-18 Budget includes continued investment in job creation and downtown vibrancy. The Downtown Advisory Board provides annual recommendations to the Urban Renewal Agency Board on annual budget priorities for investment in downtown vibrancy.

## Priority Area: Critical Infrastructure

### Opportunities and Challenges

Salem owns and operates a valuable network of infrastructure that produce services and products for residents. Infrastructure in Salem includes buildings, streets and appurtenances, pipes, dams, properties, parking garages, recreation facilities, runways and taxiways, equipment, and trees. Well-maintained and operated infrastructure is required for the efficient provision of services, the economic vitality of the community, and quality of life experienced by residents and visitors.

As with many local governments, Salem has a significant infrastructure funding problem. During the recession, the City focused on direct services by reducing its infrastructure repairs and maintenance. “Catching up” on the backlog of infrastructure repair and maintenance is a difficult task for which the City has not allocated sufficient resources. Delaying necessary repairs and maintenance increases the total cost of ownership for the City.

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. These are listed below (not in priority order):

- Shops complex upgrade and rehabilitation
- Streets and bridges deferred maintenance and expansion
- Civic Center rehabilitation
- Salem Fire Department rolling stock

- IT enterprise application upgrades and expansions
- Parks rehabilitation and expansion
- Sidewalk repair and construction
- Wallace Marine softball complex
- Utility deferred maintenance and expansion
- Airport runway extension
- Parking garage maintenance and security

Salem funds the operation and maintenance of its infrastructure through a variety of sources. These include: the General Fund, Streetlight Fund, Transportation Services Fund, Transient Occupancy Tax, and Utility Fund. Capital construction is funded by Utility Rates, Urban Renewal Funds, System Development Charges, General Obligation Bonds, and Grants. The City does not have a comprehensive capital cost inventory, but it is possible to perform a back of the envelope assessment to estimate the potential cost.

In addition to the needs associated with existing infrastructure, the City also has new infrastructure needs. Current residents want more cultural and recreation facilities, especially:

**Branch libraries.** The City has two public libraries, one downtown and one in West Salem. During its own strategic planning, Library Board members noted that the absence of neighborhood branches in the north, south, and east parts of the City is the largest barrier to public use and support of the library. A “mobile library” has some support as an intermediate step toward permanent branch libraries.

**More neighborhood parks and community gardens.** The most recent Comprehensive Park System Master Plan Update found that many areas in the city are not served by a neighborhood park. At a level of service standard of 2.5 acres per 1,000 residents, the city would need 23 additional parks sites.

The City will also need to provide for new residents, including infrastructure investments. Strategic Planning outreach activities confirmed residents are split on whether a third Willamette River vehicle bridge is needed—some would like more bicycle and pedestrian infrastructure, and some view environmental sustainability as a critical aspect of maintaining a healthy infrastructure system.

### Desired Outcomes

The City’s infrastructure master planning process should be simplified to better align Council and community goals to infrastructure funding, and Strategic Plan strategies and goals should map to appropriate adopted master plans.

### Goal and Actions

**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 prioritization by funding source.

- Develops a budget process that identifies maintenance activities, and consider implementing an operations budget set-aside for maintaining assets.
- Develop a general obligation bonding strategy that includes public involvement in its development.

### Role of the City and Community Partners

Maintaining, repairing, and increasing the available infrastructure is a primary function of the City. Residents typically relate to a city first and most directly through its physical form. The City has legal authority to issue bonds in order to pay for capital projects with resident approval. Given that infrastructure needs can greatly impact public safety, the City also has a legal obligation to repair and maintain its existing infrastructure.

### Current Activities and Progress Measures

Recently, staff completed work on a ballot measure for November 2017 to seismically upgrade and extend the life of the Salem Public Library. Work has begun on the voter-approved new Police Facility. The FY2017-18 Budget includes funding for some deferred maintenance on City facilities. Through the Capital Improvement Program, the FY2017-18 Budget also identified \$55.7 million for improving the City’s transportation system, utility systems, and infrastructure. City staff will continue to engage the Council’s Finance and Budget Committees in discussions and recommendations.

## Priority Area: Sustainable Service Delivery

### Opportunities and Challenges

The City's General Fund is imbalanced. Services have been continued by cutting costs, deferring ongoing needs, and foregoing long-term investments. These actions, along with recession-era workforce reductions, retirement system rate relief, and recovery in the housing market have allowed the City to accumulate sufficient working capital. Increased property tax receipts have also improved the City's financial position, but during Fiscal Year 2017, the City will need to use about \$3 million of its working capital to offset expenses. Without more revenue, the City will need to make further cuts to its General Fund expenses.

A number of factors limit the City's ability to sustain services. Municipalities in Oregon rely heavily on property taxes, but the voters imposed strict limitations on this revenue source during the 1990s. Salem is also home to the state capital and many other tax-exempt governmental, educational, and nonprofit institutions. Revenue sources other than property taxes are projected to grow only modestly at rates near general inflation.

Most of the City's General Fund costs are associated with the City's workforce. This includes obligations to retired and current employees that are funded through a combination of pension system investment earnings and contributions from public employers.

Without new revenue or additional cost reductions, just maintaining current services will further strain the General Fund. Paying for

additional services and strategic initiatives will require trade-offs and choices among priorities.

### Desired Outcomes

The City must identify core services and strategic initiatives to be funded through a sustainable financial plan. Questions include:

- What are desired baseline services, and what do they cost?
- What additional services and initiatives are needed to support residents, the environment, neighborhoods, and the economy, and what do those cost?
- Are there opportunities to fund desired services by shifting funding sources or generating additional revenue?
- Do current fees and charges actually recover costs for related services?
- Are there opportunities to modify service delivery or work with partners to reduce City costs?

### Goal and Actions

**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 driver 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 and the 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.

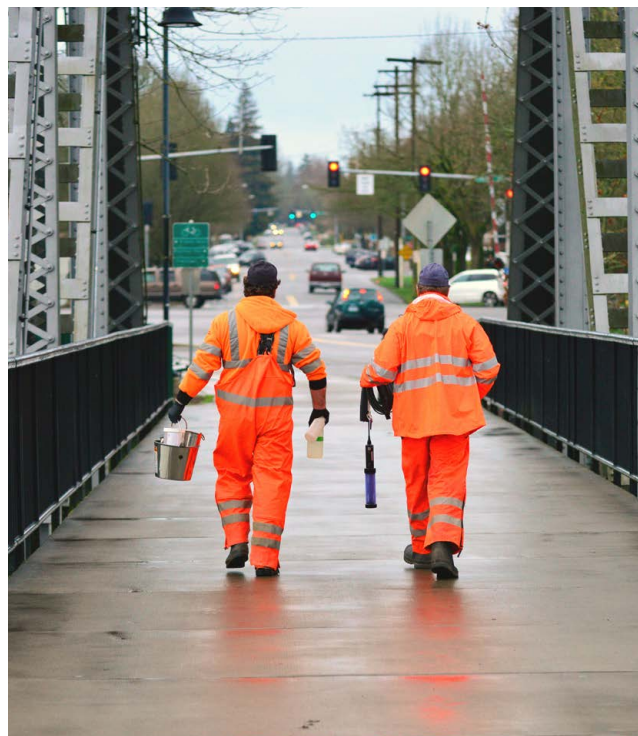
- Explore the financial, legal, and operational feasibility of alternative methods of service delivery, such as contracting for and consolidation of services, and the creation of a service district within compression limitations.
- Identify service areas where independent, programmatic audits may identify cost-saving opportunities.

### **Role of the City and Community Partners**

The City is required by law to adopt a balanced budget. A fiscally responsible and financially sustainable organization is guided in its fiscal decisions by sound financial policies, which include maintaining a prudent level of reserves or working capital. These reserves enable the organization to meet cash flow needs and debt requirements and maintain a sound credit rating. A sound credit rating, in turn, provides greater access to capital and reduces the cost of borrowing to Salem's taxpayers.

### **Current Activities and Progress Measures**

The FY2017-18 Budget includes dedicated funding to continue the strategic planning initiative and survey residents to inform future policy decisions. Staff will continue to engage the City Council's Finance Committee and Budget Committee in discussion of the actions with regular reports and recommendations to Council.



Progress will be measured by:

- Ratio of current year revenues to expenditures.
- Percentage of direct services costs recovered through fees.
- General Fund savings through alternative service delivery.
- Annual dollar savings generated per dollar invested in programmatic audits.

## Priority Area: Public Transportation

### Opportunities and Challenges

Transit Service in Salem does not meet the needs of the community. The absence of night and weekend public transportation was a top concern expressed during the strategic planning process.

While the City strongly supports transit service through its adopted *Transportation System Plan*, the City itself does not operate public transit. The Salem-Keizer Transit District (Cherriots) provides transit and paratransit service throughout Marion and Polk counties, but it is a separate government entity with its own elected Board of Directors and taxing authority.

Cherriots has been unable to fund night and weekend services since 2009. The Salem Area Mass Transit Board recently tried to pass a 0.21% payroll tax on businesses to restore night, weekend, and holiday service, but that effort failed and an alternative funding plan has yet to emerge publicly.

Although public transportation is not under the City's jurisdiction, residents want a solution and expect the City to help find it. Fortunately, the 2017 Legislature approved a statewide funding measure to support transit operations, which will allow Cherriots to fund some additional services both within the urban area and to outlying communities.

### Goal and Actions

**Public Transportation:** A public transportation system that meets community needs.

- Update intergovernmental agreement between City and Cherriots to address

how Transit operates in City right-of-way, particularly as it relates to location of stops, shelters, and associated parking regulation.

- 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. These may include, but are not limited to, provision of transit stops and associated amenities, pedestrian access to and from public realm, and sidewalk construction.

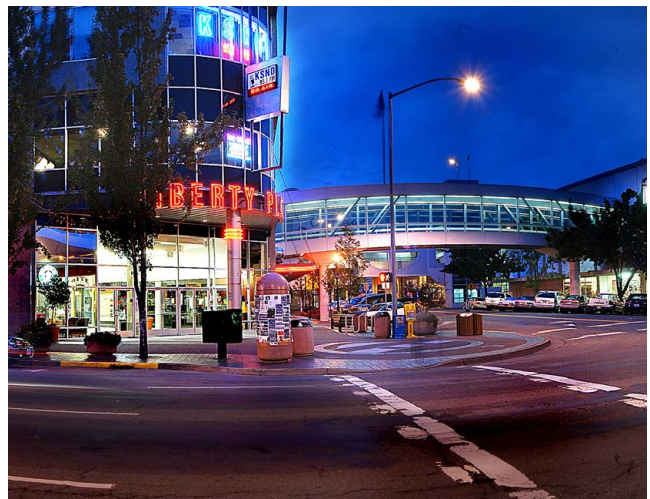
### Role of City and Community Partners

The City does play a role in the success of public transportation, since buses operate on city streets, people get to and from transit on city sidewalks, and the City regulates land development. The City's role in transit falls into four categories:

- City as **Owner, Operator, and Planner of Infrastructure.** The City controls streets, sidewalks, bike facilities, bridges, and parking. This infrastructure allows transit to operate effectively. Planning for City projects already supports transit system needs by including curb extensions and transit pull-outs. The City and Transit District already have an Intergovernmental Agreement regarding the placement of shelters and benches in public right-of-way and a Memorandum of Understanding about coordination between the two organizations, but these long-standing agreements could be reviewed and updated.



- City as **Regulator**. The City plans for and regulates land use, density, parking, and other factors that impact transit. Street and sidewalk improvements can support access to transit. Design regulations impact how transit users get from the public right-of-way to their destination. There are a number of areas where development requirements might be enhanced to further support public transportation. For example, code requirements could address pedestrian access between the sidewalk and business entries. There may also be opportunities to require transit stop improvements in conjunction with development.
- City as **Employer**. The City is a large employer, with more than 1,100 employees. As such, its employment policies can support transit use. For example, charging for parking creates an incentive for employees to use transit. Participation in Cherriots' Emergency Ride Home Program helps remove a barrier to using transit. The City, along with the State of Oregon and Willamette University, used to subsidize bus passes for employees, but these subsidies were eliminated in 2009 for budget reasons.
- City Council as **Influencer**. The City Council plays an important leadership role in our community's political, social, and cultural realms. Even though the City does not operate transit service, the City Council can be a community leader and influencer. There may also be opportunities for the City and Cherriots to work together to advocate for funding at the State or Federal levels.



### Current Activities and Progress Measures

Staff will continue to engage the Transit Committee and provide regular reports and recommendations to City Council.

## Priority Area: Environmental Action

### Opportunities and Challenges

Local governments may impact the environment through direct services to residents and through its operations of a variety of facilities that comply with state and federal laws in providing safe drinking water, preventing flooding, and treating stormwater and wastewater. State regulations also provide a framework through which the built environment is developed. Local governments, in turn, regulate local development. In communities across Oregon, local governments are also developing policies and longer-range planning for energy use, climate action, and resilience.

Local government plans to protect the environment and natural resources focus on measuring the impact of city operations, services, and infrastructure (such as transportation, pathways, and walkable neighborhoods), development (such as land use patterns), water, energy, waste, and the natural environment. Many City activities which protect our environment and the safety of drinking water, prevent flooding, and treating stormwater and wastewater are also the subject of state or federal laws to which the City must comply and which may be incorporated into local regulations.

The City, as a municipal corporation in its day-to-day operations and as a regulatory body for our local community, has undertaken numerous efforts and developed partnerships to address climate-related issues of energy use and efficiency, preparing for and reducing flooding, community sustainability

(community gardens, fall leaf haul), preserving and enhancing the urban tree canopy, planning for all types of natural hazards and seismic retrofitting of its facilities. These efforts have been documented in the City's EarthWise certification of all buildings and facilities, the City's Sustainability Action Plan, and the community's commitment to fund improved sidewalk and bicycle infrastructure throughout the transportation system. Staff report on these activities throughout the year in a variety of formats. The City does not currently monitor greenhouse gas emissions or report holistically on its operations and the impact to the environment, or the community's impact on the environment.

When asked as part of the statistically valid survey in December 2016, the majority of residents (77%) were satisfied with the City's protection of the natural environment. However, participants at engagement activities supporting the Strategic Plan were concerned that the City does not have measures in place to ensure environmental protection into the future. Specifically, participants asked the City to report progress on the 2010 grant-funded Salem Community Energy Strategy and incorporate environmental impacts into policy decisions.

### Desired Outcomes

An ongoing, comprehensive, and robust program, partnerships, and commitment to support reduction of greenhouse gas emissions in our community and energy conservation in City facilities and operations.

## Goal and Actions

**Environmental Action:** Prepare a community-wide environmental strategy.

### Actions/Objectives

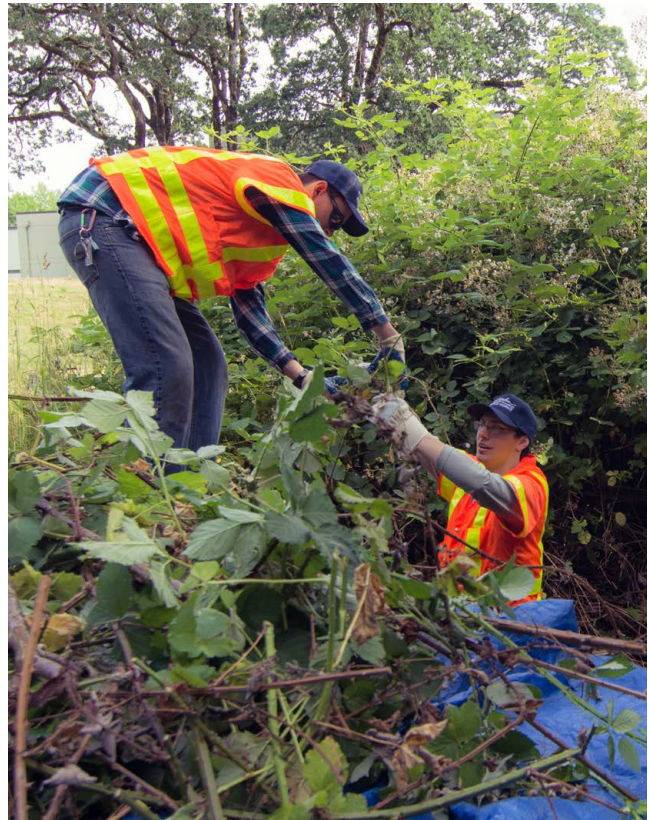
- Develop a Climate Action Plan that prioritizes reductions of greenhouse gas emissions in collaboration with our local utilities, State Agencies, and educational institutions. The Climate Action Plan should include provisions to:
  - Make data-driven decisions to prioritize investments that make a measurable impact.
  - Report regularly on progress toward measures to Council and the community.
  - Emphasize equity in terms of access to resources to help all members of our community reduce their individual impact on the environment.
- Inventory community impact on the environment, to include greenhouse gas inventory.

### Role of the City and Community Partners

The City acts as a municipal corporation in its day-to-day operations and as a regulatory body for our local community. To achieve the broader outcome, the City will rely on partnerships with residents, businesses in our community, local utilities, educational institutions, and State agencies.

### Current Activities and Performance Measures

As part of the development of the Strategic Plan, in late June 2017, the City Council formed an Environmental Action Work Group to better define this issue, what the City should try to achieve in this area, and what partnerships may be instrumental in making measurable



progress toward the desired outcome. The Work Group included City Councilors Hoy, Kaser, Nanke, and McCoid, in addition to representatives from 350Salem, Northwest Natural, and Portland General Electric. Members of this Work Group expressed interest in continuing their work in developing a community-wide environmental strategy.

It is likely that these issues will also be related to the work in three other Strategic Plan areas of focus: the vision for growth and development, critical infrastructure, and sustainable service delivery. For example, as the vision for growth and development is articulated for Salem's built environment, there may be an intent to locate density in proximity to services to reduce driving trips.



# Transitioning to a Council Policy Agenda

The City of Salem is a big organization with many departments and multiple divisions that are often facing dozens of important policy decisions in a single year. Part of this strategic planning effort is to clarify how policy issues reach the City Council for discussion and prioritization. Through an annual work plan, to be known as the City Council Policy Agenda, Council will give clear direction to City staff about when they need to bring policy alternatives, data, and analysis to Council so that the Council can make policy decisions.

For the Council to set priorities, it needs input about what issues need attention, the magnitude of each issue, and the potential for the City to effectively address it on its own or with community partners. Using that information, the Council will decide which issues are priorities for its annual Council Policy Agenda, which gives direction to staff to prepare a more detailed evaluation. During the year, the Council looks at information provided by staff, deliberates, and decides on policy. Staff then implements that policy.

- Not all of the City Council's time can or should be spent on issues and actions identified in the Strategic Plan. For example, there are many ongoing operations that need periodic Council oversight, such as the asset management and program delivery. In other words, the Council has responsibility for checking on the asset management and program delivery that is primarily managed by staff. There are also multi-year and carryover projects. And, when new issues arise, Council must

## City Council Policy Agenda

The City Council will establish its Policy Agenda each January by identifying a subset of items from the Strategic Plan for Council focus during the coming calendar year. The Council's Policy Agenda will also include ongoing operational oversight and continuing multi-year projects. It will inform the City Budget as well.

decide whether these are of an importance, magnitude, and urgency that they should be added to the annual City Council Policy Agenda.

- The annual City Council Policy Agenda is central to an efficient and effective city government. It allows the City Council to agree on priorities and makes those priorities clear to staff and the community. It makes those priorities clear to staff and the public. It sets City priorities directly by Council in a policy context, rather than indirectly by staff in a budgeting process.
- The annual City Council Policy Agenda should inform the budget process. An annual cycle of policy and program evaluation, financial forecasting, and reporting progress should allow the City Council and the community to discuss priorities in the Fall, and the Council to adopt its annual Policy Agenda in January.



# Supporting Information

The City's Strategic Plan was developed in phases over a one-year period. To communicate interim results with City staff, Council, and citizens, the consultant team created several memoranda and presentations explaining parts of the data and analysis. The consultant team consolidated the most important parts of these memoranda into documents, available on the City's website: <http://www.cityofsalem.net/Pages/salem-strategic-plan.aspx>

- Situation Assessment (February 2017). Provides information about past, current, and potential future conditions in the City of Salem. Its purpose is to identify the internal (strengths and weaknesses) and external (opportunities and threats) conditions impacting the provision of services by the City to address in the Strategic Plan.
- City Council Work Groups (Summer 2017). Provides information about meetings of seven Work Groups formed by City Council to consider priority issues for the City to address in its Strategic Plan.
- Engagement Summaries (January, June, September 2017). Provides information about the community engagement conducted in support of the Strategic Plan development.

For more information, please contact Courtney Knox Busch, Strategic Initiatives Manager, at [cbusch@cityofsalem.net](mailto:cbusch@cityofsalem.net) or 503-540-2426.