



1 Even with cost saving measures, the City continues to use working capital, or the City's  
2 savings account, to balance the budget and has for the past several years.

3 **(d)** Working capital is a finite resource. Continued use of working capital to balance  
4 ongoing expenses at the current staffing level will cause a depletion of savings during  
5 fiscal year 2023. Without additional revenue, reductions to services would be required for  
6 the City to adopt a balanced fiscal year 2022 budget as required by Oregon budget law.  
7 Although the City is constantly looking for opportunities to further trim expenses and  
8 make additional efficiencies, these changes are not enough.

9 **(e)** The ratio of City employees to the city's growing population has decreased, affecting  
10 the City's ability to maintain services. For example, there is an 8 percent lower police  
11 officer to resident ratio than ten years ago and within that time period, crime rates have  
12 increased 22 percent. Additionally, while park land has grown by 25 percent and miles of  
13 walkways and trails have increased by 68 percent, parks maintenance personnel has  
14 increased by only 8 percent (or three positions). There are similar issues for nearly every  
15 service funded by the General Fund.

16 **(f)** Recognizing the need for new revenue in order to maintain a structurally balanced  
17 budget, the City of Salem's Budget Committee in the spring of 2018 recommended that  
18 City Council begin exploring new revenue options to support the General Fund. As a  
19 result, the Sustainable Services Revenue Task Force (Task Force) was created.

20 **(g)** The Task Force was comprised of Salem residents from the following groups: Salem  
21 City Council, Salem Budget Committee, Home Builders Association of Marion and Polk  
22 Counties, Latino Business Alliance Board, Oregon Marshallese Community, Salem 350,  
Salem Electric, Salem Fire Foundation, Salem Parks and Recreation Board, Salem Police  
Foundation, Salem Economic Development Corporation Executive Board and Straub  
Environmental Center.

**(h)** The Task Force reviewed twelve revenue options for the General Fund and one for  
the Transportation Services Fund. After a series of comprehensive public meetings which  
covered both the City budgeted revenues and expenses throughout the fall of 2018, the  
Task Force's recommendation was delivered to the City Council in April 2019. Of the  
twelve General Fund revenue options, the Task Force recommended an employee-paid  
payroll tax and a city operating fee.

1 (i) The City Council received the Task Force recommendation and made modifications  
2 to address concerns surrounding low-wage earners. Through this ordinance, the City  
3 Council is maintaining essential City services residents depend on while also fulfilling  
4 the obligation to ensure the fiscal health of the City both today and in the future.

4 **Section 3. Codification.** In preparing this ordinance for publication and distribution, the  
5 City Recorder shall not alter the sense, meaning, effect or substance of this ordinance, but  
6 within such limitations, may:

- 6 (a) Renumber sections and parts of sections of the ordinance;
- 7 (b) Rearrange sections;
- 8 (c) Change reference numbers to agree with renumbered chapters, sections or other  
9 parts;
- 9 (d) Delete references to repealed sections;
- 10 (e) Substitute the proper subsection, section or chapter, or other division numbers;
- 10 (f) Change capitalization and spelling for the purpose of uniformity;
- 11 (g) Add headings for purposes of grouping like sections together for ease of  
12 reference; and
- 13 (h) Correct manifest clerical, grammatical or typographical errors.

13 **Section 4. Severability.** Each section of this ordinance, and any part thereof, is  
14 severable, and if any part of this ordinance is held invalid by a court of competent  
15 jurisdiction, the remainder of this ordinance shall remain in full force and effect.

16 PASSED by the City Council this \_\_\_\_\_ day of \_\_\_\_\_, 2019.

17 ATTEST:

18  
19 City Recorder

20 Approved by City Attorney: \_\_\_\_\_

21 Checked by: Robert Barron