

## Amy Johnson

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**From:** Finance  
**Sent:** Monday, August 12, 2019 3:14 PM  
**To:** Amy Johnson  
**Subject:** FW: Payroll and utility tax

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**From:** Jenny Ammon [mailto:jlawler3@hotmail.com]  
**Sent:** Monday, August 12, 2019 2:30 PM  
**To:** Finance <Finance@cityofsalem.net>  
**Subject:** Payroll and utility tax

I plan on attending the city council meeting tonight in opposition of the two proposed taxes. I recently had the Salem Keizer school district increase my property taxes. I have utility charges, gas taxes, and pay all of them.

These fees are punishing hard working middle class for doing the right thing. We pay taxes, we pass bonds for improved safety and schools and now we are going to pay more out of our shrinking payroll to fund city functions. When we teach our children about budgeting we discuss items we can live without first...not who do we ask for money to maintain this lifestyle. 1.4 million dollars PLUS is going toward homeless people who don't pay into the system. Our services are being abused by folks who aren't putting into the system.

I hope we can work together to find a better solution that further taxing our hardworking Salem residents.

Thank you,

Jenny Ammon

563.580.5272

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## Amy Johnson

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**From:** noreply@cityofsalem.net on behalf of nwbaxter11249@gmail.com  
**Sent:** Monday, August 12, 2019 9:07 AM  
**To:** citycouncil  
**Subject:** Contact City Council  
**Attachments:** ATT00001.bin

Your Name	Norm Baxter
Your Email	nwbaxter11249@gmail.com
Your Phone	5036023551
Street	980 Lefor Dr. NW
City	Salem
State	OR
Zip	97304
Message	<p>City Councilors: I am writing to express concerns about the proposed employee payroll tax. After reviewing the effect of this tax using a calculator provided by the city, I am disappointed to find that this is essentially a flat tax designed to lessen the impact on the wealthy while increasing the burden of those who can least afford additional taxes. Although this is a tiered tax, it is in reality a flat tax that favors the wealthy. Someone making \$200,000 annually would pay the same percentage as someone trying to support a family of four on Oregon's estimated median income of \$74,000. While those making below \$15. an hour are provided for, as well as those who make less than minimum wage, this assessment adds to the tax burden of families receiving median income or below, but making too much to qualify for a reduction in their taxes. Additional tiers need to be added so that the wealthy, who benefit most from their residence in Salem, pay more taxes. This tax is potentially a good way to meet the needs for city services. The council should not let it become yet another instance of government action worsening income inequality by policies favoring the already well off.</p>

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## Amy Johnson

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**From:** Susann Kaltwasser <susann@kaltwasser.com>  
**Sent:** Monday, August 12, 2019 3:30 AM  
**To:** citycouncil; CityRecorder  
**Subject:** Ordinance Bills 11-19 and 12-19 regarding a payroll tax and operating fee to fund City services.

Members of the Salem City Council and Mayor Bennett,

Regarding the Ordinance Bills 11-19 and 12-19 regarding a payroll tax and operating fee to fund City services.

Even though I am retired and live on a fixed income, I don't object to either of the proposed fees, but I do think that there needs to be a relief program for low-income people, especially the operating fee for city services. The relief should be in addition to the elderly and disabled relief program for water and sewer.

There should be some relief for all individuals and families whose income is at the poverty level, as well as, for the elderly and disabled. The City can't keep putting fees on the bill for essential services like water, without consideration of people's ability to pay more.

The Utility Rate Relief Program is good, but it does not go far enough. It helps with utilities, but now you are adding this higher general fee to it without adding to the relief provided. \$10 a month for both fees (utilities and this service fee) is not enough to provide adequate relief. Water and sewer are essential for all people whether young or old. I don't think you want to add this fee and then see more households lose their water services. I also think you would be remiss if you did not track the impact of the shut off numbers prior to and after implementing such a fee. You need to know if it is adversely impacting Salem residents. The assumption that this is a small amount for a big benefit, may not be correct especially if it hits some people harder than others. Beware of unintended consequences, please!

Current language regarding the Utility Relief Program says:

Salem offers a utility rate relief program in the form of a monthly discount on single-family residential utility bills for qualified elderly or disabled customers meeting program requirements. Households are limited to receiving only one Utility Rate Relief discount. Customers must reapply for the program each year to continue receiving the monthly discount. The proposed ordinance provides a discount equal to the residential rate for qualified residential customers who are approved for the program.

So, this needs to be amended to include the Operating Fee as well.

Also, the lack of sufficient property taxes to fund the general services of cities is a state-wide problem due to Measures 5 and 50. I would like to see Salem join with other cities and agencies to look at repealing these laws, so that we can get back local control of our general funds and let citizens go back to voting on how we want to be taxed on.

Thank you for your consideration of my concerns.

Susann Kaltwasser  
Ward 8

## **Amy Johnson**

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**From:** Finance  
**Sent:** Friday, August 09, 2019 12:10 PM  
**To:** Amy Johnson  
**Subject:** FW: Written Comment - Ordinance #'s 11-19 & 12-19  
  
**Categories:** Follow-up

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**From:** DOUGLAS LUTH [mailto:towken@comcast.net]  
**Sent:** Friday, August 9, 2019 11:42 AM  
**To:** Finance <Finance@cityofsalem.net>  
**Subject:** Written Comment - Ordinance #'s 11-19 & 12-19

Please file my written statement below with others regarding the above matter.

Thank you!

### **WRITTEN COMMENT**

Ordinance Bill #'s 11-19 & 12-19

August 9, 2019

### **NO MORE TAXES, FEES OR ADD-ONS TO UTILITY BILLS ETC.**

I do not support the imposition of any more fees, taxes etc. without a vote by the residents of the City of Salem.

If additional funds are needed for the general fund; how about reviewing city expenditures?

Suggested areas of savings could be:

- Discontinuing future property tax exemptions given to businesses and others.
- Has a review of tax exempt property owned by all of the various governmental agencies and tax exempt entities in the city ever been made? It's effect upon our property tax rate?
- Get City government out of the social service business!

The City should confine itself to providing fire, police, water/sewer, roads.

Again, No more taxes fees etc. without a public vote by City Residents!!!

Douglas J Luth

4760 20<sup>th</sup> Ave S.

Ward #7

cc

## Amy Johnson

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**From:** Lora Meisner <lmgb@earthlink.net>  
**Sent:** Sunday, August 11, 2019 2:23 PM  
**To:** Chuck Bennett; citycouncil  
**Subject:** re: Funding options for city

**Categories:** Follow-up

Dear Mayor and Council,

We believe that it is important to fund city services so everyone benefits. We also think that everyone should pay their fair share to keep our services growing. We think having what amounts to a commuter tax—people working here and using our services but not living here to pay taxes for them—is a good thing. We’re not against an operating fee either. Our major objection is the same as our objection regarding federal taxes—the middle class and people of lesser means end up with the brunt of the burden while the wealthy and corporations pay little or nothing. Amazon just built a huge facility here in Salem and received all sorts of tax incentives, variances with regard to the development of their facility and federally Amazon pays no taxes.

Why is it that rich developers—most of whom don’t even live in Salem—get huge tax breaks and variances for their developments which end up costing the city revenue with regard to providing services and now WE have to make up for years of fiscal giveaways by the city? REALLY?

We realize that past mistakes can’t be corrected.....but the city can prevent future giveaways and variances by having better city policies or changes in city codes—Is that going to happen to off-set future fiscal problems in the city?

How about raising city’s fines with regard to development and stop all the giveaways via city variances? If a developer removes more trees than they should why not fine them \$10,000 per tree—now that would be an incentive to do the right thing? How about making all developers responsible for contributing to the communities they are developing in—not while we pay for their infrastructure and they go and live in mansions in California?

Our city needs to have adequate services for its citizens.....however, as present city councilors you now have an opportunity (unlike past city councils) to make sure that moving forward that the city turns over a new leaf and make those who profit the most start paying their fair share.

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Lora Meisner & Glenn Baly  
1347 Spyglass Court SE  
Salem, OR 97306  
503-588-6924

## Amy Johnson

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**From:** Dirk Moeller <dirk@bcanswer.com>  
**Sent:** Monday, August 12, 2019 12:54 PM  
**To:** citycouncil  
**Subject:** Let Saletes Vote on Operating Fee and Payroll Tax

### Salem City Council:

Implementing two revenue proposals without letting constituents vote on them demonstrates another poor decision by the city council. The NEW operating fee and the NEW payroll tax are NOT small fees. Salem residents demonstrated their generosity when we voted "Yes" to fund School construction, library remodeling and construction of a new police station. Our property taxes rose by 16.3% in 2017. However, every citizen should feel uneasy when new far-reaching taxes are enacted without a chance to vote. The Salem City Council should re-read that famous quote from 19<sup>th</sup> century British politician Lord Acton... ***"Absolute power corrupts absolutely"***. Why are you afraid to let the citizens of Salem vote?

FYI – Business Connections has been located in downtown Salem since 1949. We also provide profit sharing and health insurance to our 32 employees

Sincerely,

Dirk Moeller  
Business Connections - ***Never Underestimate the Power of the Personal Touch***  
International Award Winner for Outstanding Service for 22 consecutive years (1998 – 2019)  
660 High Street N.E.  
Salem, Oregon 97301  
503-363-0056  
[dirk@bcanswer.com](mailto:dirk@bcanswer.com)  
[www.bcanswer.com](http://www.bcanswer.com)

## Amy Johnson

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**From:** noreply@cityofsalem.net on behalf of dirk@bcanswer.com  
**Sent:** Monday, August 12, 2019 12:42 PM  
**To:** citycouncil  
**Subject:** Contact City Council  
**Attachments:** ATT00001.bin

Your Name	Dirk Moeller
Your Email	dirk@bcanswer.com
Your Phone	5033630056
Street	660 High ST NE
City	Salem
State	OR
Zip	97301
Message	Implementing two revenue proposals without letting constituents vote on them demonstrates another poor decision by the city council. The NEW operating fee and the NEW payroll tax are NOT small fees. Salem residents demonstrated their generosity when we voted "Yes" to fund School construction, library remodeling and construction of a new police station. Our property taxes rose by 16.3% in 2017. However, every citizen should feel uneasy when new far-reaching taxes are enacted without a chance to vote. The Salem City Council should re-read that famous quote from 19th century British politician Lord Acton... "Absolute power corrupts absolutely". Why are you afraid to let the citizens of Salem vote?

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## Amy Johnson

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**From:** Jim Scheppke <jscheppke@comcast.net>  
**Sent:** Sunday, August 11, 2019 7:28 PM  
**To:** citycouncil  
**Cc:** CityRecorder  
**Subject:** Testimony on Agenda Item 4.b. at the 8/11/19 Council Meeting

Dear City Council:

As a 33 year resident of Salem I strongly support the staff recommendation to begin enactment of a payroll tax and operating fee to fund City services. There can be no doubt that the City is in need of new sources of revenue to fund essential City services. The two revenue sources being considered were developed by a broad-based Revenue Task Force that worked diligently to find the best options to meet our needs.

I am particularly pleased with the payroll tax recommendation, which will for the first time have thousands of "free riders," who work in Salem but do not live here, begin to support the services they have utilized, but not supported in the past. When I was the head of a state agency here, my staff included residents of Eugene, Corvallis, Portland, Tigard, and even Forest Grove! It is high time that everyone who works in Salem does their part to support our City services.

I am not in favor of referring these revenue proposals to voters. This would involve expensive and divisive campaigns that we need to avoid by having the Council exercise appropriate leadership. Having led a \$20,000 campaign to pass the library bond measure in 2017, I know firsthand what it takes to win an election in Salem. In addition to being costly, it takes lots of work and lots of volunteers. If you put this on the ballot who will step up to do this? If you don't know then please exercise your responsibilities as elected leaders and pass these revenue proposals that are so obviously needed to avert catastrophic cuts to City services.

We are counting on you to lead!

Sincerely,

Jim Scheppke  
1840 E Nob Hill SE  
Salem, OR 97302  
jscheppke@comcast.net  
503-269-1559

## Amy Johnson

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**From:** Finance  
**Sent:** Monday, August 12, 2019 3:15 PM  
**To:** Amy Johnson  
**Subject:** FW: Comments re: Revenue Raising Options Public Hearing  
**Attachments:** RevenueOptions\_LettertoSalemCC\_081219.pdf

**From:** Willamette Valley GAD [mailto:willamettevalleygad@gmail.com]  
**Sent:** Monday, August 12, 2019 10:57 AM  
**To:** Finance <Finance@cityofsalem.net>  
**Cc:** Craig Evans <craig@crowrealestategroup.com>; Jean Wheat-Palm <jean@midvalleyassn.realtor>; Kelly Martin <kelly@oregonmartingroup.com>; Patrick Sieng <patrick@rogwv.com>  
**Subject:** Comments re: Revenue Raising Options Public Hearing

Hello - Attached please find a letter submitted on behalf of the Mid Valley Association regarding tonight's public hearing re: wage tax and operations fee. Could you confirm that the letter was received and copies will be provided to the Mayor and City Council?

Thank you and regards,  
Holly

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**Holly Sears**  
**Government Affairs Director**  
**Mid Valley Association of REALTORS**  
**HDS Consulting, LLC**  
**(503) 931-0876**  
[willamettevalleygad@gmail.com](mailto:willamettevalleygad@gmail.com)



MID-VALLEY ASSOCIATION OF REALTORS®

**August 12, 2019**

**TO: Salem City Council**

**FR: Kelly Martin, President  
Mid-Valley Association of REALTORS®**

**Patrick Sieng, Chair  
Government Affairs Committee**

**Holly Sears, Government Affairs Director  
[willamettevalleygad@gmail.com](mailto:willamettevalleygad@gmail.com)**

**RE: Proposed Revenue Options to Fund City Services**

On behalf of the more than 1100 members of the Mid-Valley Association of REALTORS® (MVAR), thank you for the opportunity to comment on the proposed revenue options for the City of Salem. We appreciate the time and effort of City Staff and members of the Sustainable Services Revenue Task Force on coming up with the proposed options.

MVAR wholeheartedly supports the unanimous recommendation of the Task Force that any new tax or fee should be referred to the voters. Housing affordability in Salem is a real issue. If both revenue options pass, a Salem resident who owns a single-family home and makes \$50,000 per year would pay close to an additional \$300 annually. The impact of these fees are significant and Salem residents should have a voice in letting the Council know if they can bear this additional cost.

Thank you for your consideration of our comments and for your service to the City of Salem.

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## Amy Johnson

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**From:** Paul Tigan <paultigan@gmail.com>  
**Sent:** Monday, August 12, 2019 12:53 PM  
**To:** citycouncil; CityRecorder; SALEM Manager  
**Cc:** Cara Kaser  
**Subject:** Public Comment on Sustainable Revenue Hearing

Councilors and Mr. Mayor -

As the Ward 1 representative on the City of Salem's Citizen Budget Committee, I want to voice my support for the payroll tax and operating fee up for public hearing this evening. For the last two budget cycles - and certainly years before - we have discussed the general fund's structural imbalance. The cost of providing essential city services continues to rise, but the city's ability to raise revenue to pay for these services through traditional property taxes is very limited. Our committee voted to recommend a budget this year that spent a significant amount of the city's "savings account", but such a habit is just as unwise for our city as it would be for a family.

And though a family may have the ability to trim expenses here and there to balance their budget, our city's responsibilities and expectations on the city from our residents continue to grow. The council and city staff have done lots of work over the last few years to identify the priorities of the city residents and develop a budget process that aligns our fiscal decisions with those priorities.

This may sound like a regurgitation of what we as budget committee members already know. But I think it is important to put it in the record as a resident who volunteered to examine the city's finances - most of our residents do not have the luxury of studying the city's finances the way our committee has.

There is a saying that the right time to plant a tree was twenty years ago. That adage may apply here as well. The city's general fund is likely to fall outside of council policy if establishing these revenue sources takes longer than another budget cycle or two. The council and city has done the work of justifying these measures and should vote on them on their merits rather than referring them to voters. Like has occurred in other municipalities, the city budget's structural imbalance will persist even if the voters reject a measure for additional revenue.

My one technical question, unanswered in my review of the materials, is why the \*wage\* tax is not an \*income\* tax. The council has tried to make the structure less regressive, but this proposal would omit rental income, capital gains, annuities, etc. in favor of a levy on only wages earned from an employer.

Thanks for your consideration,  
Paul Tigan  
Ward 1