

## **RESOLUTION NO. 2019-84**

### **A RESOLUTION REFERRING TO THE ELECTORS OF THE CITY OF SALEM THE QUESTION OF ESTABLISHING A TAX ON WAGES EARNED WITHIN THE CITY OF SALEM**

**Whereas**, The City of Salem is a full-service City, supporting residents and the community through a range of services. Community members rely on and expect the City of Salem to provide these services to maintain a city that is safe, welcoming, and livable;

**Whereas**, Services without a dedicated revenue source are paid for by the City's General Fund. The largest revenue in the General Fund is property taxes generated by the City's permanent rate levy. Property tax revenue has not kept pace with escalating costs and the demand for services;

**Whereas**, The City's population has grown by more than nine percent in the last ten years with the anticipation of 60,000 more residents by 2035, while the City has over thirty less total full-time employees than it had in 2008;

**Whereas**, The City has implemented cost-saving measures, including; consolidating staffing; utilizing technology to automate processes and reduce paper and other costs, saving energy, enhanced utilization of volunteers; performing more work within the City with less reliance on consultant services; and many other measures. Through the recent recession, the City was faced with decisions on how to balance the budget and in doing so eliminated or reduced General Fund services. Some examples include closing two fire stations, and reducing library hours, recreation services and support to neighborhoods. Even with cost saving measures, the City continues to use working capital, or the City's savings account, to balance the budget and has for the past several years;

**Whereas**, Working capital is a finite resource. Continued use of working capital to balance ongoing expenses at the current staffing level will cause a depletion of savings during fiscal year 2023. Without additional revenue, reductions to services would be required for the City to adopt a balanced fiscal year 2022 budget as required by Oregon budget law;

**Whereas**, Recognizing the need for new revenue in order to maintain a structurally balanced budget, the City of Salem's Budget Committee in the spring of 2018 recommended that City Council begin exploring new revenue options to support the General Fund. As a result, the Sustainable Services Revenue Task Force (Task Force) was created, comprised of Salem residents, representing an array of community interests;

**Whereas**, The Task Force reviewed a variety of revenue options. After a series of comprehensive public meetings which covered both the City budgeted revenues and expenses throughout the fall of 2018, the Task Force recommendation was delivered to the City Council in April 2019. Of the twelve General Fund revenue options considered, the Task Force recommended an employee-based payroll tax and a city operating fee;

**Whereas,** The City Council considered the Task Force recommendations and determined it is in the best interest of the city and its residents to implement both an employee-based payroll tax with revenues to be dedicated to public safety, and city operating fee;

**Whereas,** The City Council determines that the payroll tax should be referred to Salem voters, and that it is necessary to directly implement the operating fee to address immediate needs and avoid substantial reductions in City services that would result in significant negative impacts on city residents;

**Whereas,** on November 12, 2019, the City Council passed ordinance bill no. 11-19, setting forth an employee-based payroll tax, and referring the ordinance to the electors of the city of Salem at the May 19, 2020 general election; and

**Whereas,** Salem Revised Code 11.240 requires the City Council to declare the referral of a municipal measure to the legal voters of the city of Salem by resolution.

NOW, THEREFORE, THE CITY OF SALEM, OREGON, RESOLVES AS FOLLOWS:

**Section 1. Measure.** A measure election (the “Measure Election”) is hereby called for the purpose of submitting to the electors of the city of Salem a measure proposing the establishment of an employee-based payroll tax, a copy of which is attached hereto as “Exhibit A,” and incorporated herein by reference.

**Section 2. Election conducted by mail.** The Measure Election shall be held in the City on May 19, 2020. As required by ORS 254.465, the Measure Election shall be conducted by mail by the County Clerk of Marion County, Oregon and the County Clerk of Polk County, Oregon, according to procedures adopted by the Oregon Secretary of State, pursuant to ORS 254.470.

**Section 3. Delegation.** The City Council authorizes the City Manager, or the City Manager’s designee (“Authorized Representative”) to act on behalf of the City and to take such further action as is necessary to carry out the intent and purposes set forth herein, in compliance with the applicable provisions of law.

**Section 4. Preparation of Ballot Title.** The City Attorney is hereby directed to prepare the ballot title for the measure and deposit the ballot title with the City Recorder within the times set forth in SRC 11.266.

**Section 5. Publication of Notice of Ballot Title and Rights to Appeal.** The City Recorder shall publish in the Statesman Journal, or in some other newspaper of general distribution within the city, a notice of receipt of the ballot title, including notice that an elector may, pursuant to SRC 11.266, appeal the ballot title to the Municipal Judge, by filing a written appeal with the City Recorder no later than five business days after the date the ballot title is deposited with the City Recorder, requesting a different ballot title and stating why the ballot title is unsatisfactory.

**Section 6. Explanatory Statement.** The Explanatory Statement for the measure, which is attached hereto as “Exhibit B,” and incorporated herein by reference, is hereby approved.

**Section 7. Filing with County Elections Office.** Pursuant to ORS 254.095(2), the City Recorder shall deliver the Notice of Measure Election to the Election Officers of Marion County, Oregon, on or before March 19, 2020, which is a date not later than sixty-one days prior to the election.

**Section 8. Effective Date.** This resolution is effective upon adoption.

ADOPTED by the City Council this \_\_\_\_ day of December, 2019.

ATTEST:

City Recorder

Approved by the City Attorney: \_\_\_\_\_