Eugene City Council
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EUGENE CITY COUNCIL AGENDA

October 14, 2026

12:00 p.m. CITY COUNCIL WORK SESSION

City Council Wednesday work sessions are held in hybrid format using in person and virtual meeting technology. Information about online or other options for access and participation will be available at https://www.eugene-or.gov/3360/Webcasts-and-Meeting-Materials

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Meeting of October 14, 2026;
Her Honor Mayor Kaarin Knudson Presiding

Councilors

Lyndsie Leech, President	Eliza Kashinsky, Vice President
Matt Keating	Randy Groves
Alan Zelenka	Jennifer Yeh
Greg Evans	Mike Clark

12:00 p.m. CITY COUNCIL WORK SESSION

1. **WORK SESSION: Community Safety Payroll Tax Update**

The Eugene City Council welcomes your interest in these agenda items. This meeting location is wheelchair-accessible. For the hearing impaired, an interpreter can be provided with 48 hours' notice prior to the meeting. Spanish-language interpretation will also be provided with 48 hours' notice. To arrange for these services, contact the City Manager's Office at 541-682-5010. City Council meetings are telecast live on Metro Television, Comcast channel 21, and rebroadcast later in the week.

El Consejo de la Ciudad de Eugene agradece su interés en estos puntos de la agenda. La sala de reuniones del ayuntamiento es accesible para sillas de ruedas. Para personas con dificultades auditivas, se puede proporcionar un intérprete con 48 horas de anticipación. También se puede proporcionar interpretación al español con 48 horas de aviso. Para organizar estos servicios, contacte a la Oficina del Gerente de la Ciudad al 541-682-5010. Las reuniones del Consejo de la Ciudad se transmiten en vivo por Metro Televisión, Canal 21 de Comcast y se vuelven a emitir durante la semana.

For more information, contact the Council Coordinator at 541-682-5010,
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EUGENE CITY COUNCIL
AGENDA ITEM SUMMARY

Work Session: Community Safety Payroll Tax Update

Meeting Date: October 14, 2026
Department: Central Services
www.eugene-or.gov

Agenda Item Number: 1
Staff Contact: Kristie Hammitt
Phone: 541-682-5524

ISSUE STATEMENT

Staff will provide an update on the services and programs funded by the Community Safety Payroll Tax to include system metrics and program outcomes. This work session is informational only.

BACKGROUND

On June 10, 2019, City Council passed Ordinance No. 20616 establishing the Community Safety Payroll Tax (CSPT) (Attachment A). The CSPT was established to respond to the community's growing need for public safety services. The need was outpacing City resources resulting in critical service system gaps.

From 2014 to 2017, calls for service increased by 21 percent. Police were only able to respond to 1 in 3 non-life-threatening calls and the Municipal Court had reached a peak of 5,000 misdemeanor cases – second highest in the state to Multnomah County's Circuit Court. In addition, the city was experiencing significant growth in the number of unsheltered homeless individuals. The public safety system was in a state of crisis, and the community was experiencing the impact on a day-to-day basis.

In 2018, staff provided a detailed analysis of community safety service system gaps, informed by community input, and developed a plan to change the trajectory. The plan focused on improving response reliability and creating innovative service alternatives. The assessment identified specific strategies to strengthen traditional public safety services, diversify response systems to align with community needs, and implement proactive prevention programs with an emphasis on youth. The proposed service plan provided to council identified a $23.6 million funding need.

Council approved $8.6 million in one-time funding to serve as a bridge to a long-term revenue plan. A Community Safety Revenue Committee was formed to provide a recommendation to the City Manager. The committee evaluated several revenue options and recommended establishing a city payroll tax in February 2019.

The payroll tax collections started in January 2021. Between FY2021 and FY2025, over $100 million has been collected. The combined one-time bridge fund investments and tax revenue collections have provided $85 million in on-going services, programs, and infrastructure investments such as patrol vehicles, ambulances, and equipment.

Community Safety Programs and Services

The programs and services supported by CSPT funding span the breadth of the community safety system, with the intent of providing a comprehensive range of services to address community

needs. This includes prevention-oriented programs that reduce public safety risks for individuals and the community at large; foundational public safety and justice services that serve as the backbone of the community safety system; specific behavioral health and crisis response options, and an array of innovative and diversified response programs to address community needs effectively. The CSPT currently funds 53 programs and 88 positions.

A key gap area identified across the public safety and judicial system was the need to provide the community with efficient and timely access to services. CSPT funds have been used to improve service response by adding patrol officers, 911 call takers and dispatchers, and Records staff. The court system received funding to add and stabilize courtroom staff and programs to respond to long delays in case resolution. CSPT funds provided funding to sustain fire suppression response services. Stabilization and expansion of jail beds at Lane County and the City of Springfield has improved the ability to hold sentenced offenders.

Prevention and early interventions are strategic investments in up-stream efforts to improve community and individual outcomes. Wildfire Planning & Fuels Mitigation focuses on educating and working directly with the community to create safe, defensible spaces. The program launched in 2024 and has conducted 479 defensible space assessments, removed 360 cubic yards of fuel, and participated in over 20 community events to promote these services thus far.

Several youth prevention programs receive CSPT funding. The Youth Inclusion Services program supports the participation and success of youth with cognitive and physical disabilities across traditional recreation programs, serving hundreds of families each year. The Youth Empowerment Program provides extensive opportunities for teens to build skills, connect with supportive adults, and engage in positive activities, reaching thousands of young people through drop-in, employment readiness, and scholarship support. The City provides funding for the 15th Night Program. This program is a "youth-informed community movement to end youth homelessness by connecting existing resources and finding innovative ways to keep youth in school and off the streets" (Prevention & Intervention for Teens | 15th Night | Eugene, Oregon). Since the City began contributing funding to 15th Night in 2022, they have served 3,108 local youth, provided training on youth homelessness to over 500 community partners, and addressed over 5,500 needs identified through 15th Night's Rapid Access Network.

To further support the community safety system, CSPT funding helps maintain multiple shelter programs throughout the community, which provide options for sheltering as well as ongoing case management. Shelter and case management are two essential services offered to assist individuals in moving toward long-term stability, which in turn reduces risk of harm, justice-system involvement, and utilization of our local emergency services.

New programs established for individuals experiencing behavioral health and crisis related needs include the Peer Navigator and Co-Responder programs. The Co-Responder Program consists of a qualified mental health professional (QMHP) partnered with the downtown police unit, who responses alongside EPD officers to calls for service involving people experiencing a behavioral health or life crisis. This program is intended to address public safety needs, decrease the likelihood that someone will be incarcerated, and provide a pathway to behavioral health treatment as needed. The Peer Navigator program works alongside Eugene Police to provide daily outreach or response to non-criminal calls for service, offering connections to local resources and follow up case management. This team is staffed by individuals who have personally experienced challenges including housing instability or behavioral health related needs, and who are trained in trauma-

informed care, harm reduction, crisis intervention and cultural humility. CSPT funds have promoted an additional range of innovative response options including Community Court, Community Service Officers and Housing Support Officers and case management systems to help individuals receive services that support better long-term outcomes.

An ongoing priority for CSPT investments is to continue to diversify service response types to ensure that the right response is aligned with the unique community need. A sample of these innovative programs includes the Community Service Officer (CSO) program and the addition of the online reporting program, MYPD Connect, which provides more timely service response for the community and allows patrol officers to prioritize more urgent calls for service. Since the CSO program expanded via CSPT funding in 2020, they have served as the primary response for over 47,000 calls for service. The Street Crimes Unit (SCU), investment in the Internet Crimes Against Children Program, and the Victims/Witness Assistance program have worked to reduce crime and support victims of crime via dedicated, trained staff and direct compensation for victims of crime. One of the newest CSPT funded programs is the Rapid Response Clean Team, which was added in 2025 to support downtown clean-up via dedicated staff who respond within 1 hour to requests for trash, graffiti or biohazard clean up. Technology investments such as Drones as First Responder and Fire Department Data Analytics software (Dark Horse) improve response safety and aid in planning for deployment of emergency response services.

Expansion of the service system has required infrastructure investments. CSPT funds have been used to purchase vehicles, equipment, technology, and facility updates needed to accommodate programs.

Program Evaluation

Beginning in spring 2021, staff initiated a three-phase project consulting with Dialogues in Action (DIA) to develop outcome metrics for each of the five Community Safety System service areas.

Staff implemented an outcome-based metrics approach and developed tools to allow for collecting impacts and feedback from community members receiving services. The first two phases were completed in 2021 and 2022, establishing a framework and baseline to develop a comprehensive assessment composed of both qualitative and quantitative impacts as the City began to implement services. The third phase launched in July 2023. The evaluation captured the experience of those interacting with the CSPT services with the goal of using the impacts gathered to strengthen capacity and responsiveness of the Community Safety System in relationship to investments of Payroll Tax funds while identifying those impacts for better communication. Council received a presentation from DIA at their work session on November 20, 2024.

The Community Safety Citizen Advisory Board is currently drafting a comprehensive evaluation of the CSPT since its inception, with a focus on an analysis of the economic impacts of the payroll tax on businesses in the city and an analysis of the progress made toward achieving the

System outcomes based on the metrics outlined in Ordinance No. 20616. This evaluation is due to the City Manager by March of 2027.

Next Steps

The next council work session related to the Community Safety Payroll Tax is planned for January 2027. At this work session, council will receive a presentation about the Community Advisory Board's comprehensive system report, to include economic impact to businesses, and subsequent

data points specific to CSPT funded program outcomes, relevant to the CSPT investments.

RELATED CITY POLICIES

City of Eugene Ordinance No. 20616 created a dedicated payroll tax to fund community safety services, including police, fire/EMS, municipal court, prosecution, prevention, homelessness initiatives, and tax administration.

Eugene Municipal Code, Chapter 3.750–3.768, codified several provisions of the payroll tax ordinance related to the purpose and use of the payroll tax, annual audit and community oversight requirements, and provided for establishment of implementing rules.

Administrative Order 44-20-05-F established the process for administration of the payroll tax for the 2021 tax year. Administrative Order 44-21-07-F amended the previous administrative order and established payroll tax collection processes for tax periods after January 1, 2022.

Eugene City Charter, Chapter XII, Section 51 caps any payroll tax imposed by the City of Eugene at 0.0021 on total wages paid by employers and 0.0044 on wages earned by employees and restricts revenues from a payroll tax imposed by the City to be used only to fund community safety services and administration of the tax.

The City of Eugene 2026-2028 Strategic Plan Framework outlines direction and organizational priorities for the 2026-2028 period. Community Safety Payroll Tax aligns with the Community Safety focus area: "Eugene is a community where people feel safe, connected, and resilient, with risks reduced through prevention, early intervention, and effective response."

Specific strategies supported by the Community Safety Payroll Tax include strengthening trust and transparency; ensuring timely, effective emergency response and resource allocation for first responders; reducing crime and strengthening code compliance; and strengthening partnerships and services that support behavioral health, crisis response, and prevention/early intervention.

PREVIOUS COUNCIL DIRECTION

May 8, 2019 Work Session

Staff presented a revised recommendation for a payroll tax incorporating several new provisions including limits on the use of the funds, and equity considerations for minimum wage employees.

> Councilor Taylor, seconded by Councilor Semple, moved to direct the City Manager to prepare an ordinance with a payroll tax rate of 00.0040 on employees and 0.0020 on employers.
> Passed 6:1 (Opposed by Councilor Taylor)
>
> Councilor Taylor, seconded by Councilor Semple, moved to direct the City Manager to schedule a public hearing for May 28, 2019.
> Passed 7:0

June 10, 2019 Work Session

Council discussed the community safety plan and revisions made to the proposed ordinance regarding the payroll tax.

Councilor Taylor, seconded by Councilor Semple, moved to adopt Attachment B, an Ordinance to Fund Community Safety Services with a Payroll Tax, and Adding New Sections to the Eugene Code, 1971.
Passed 6:2 (Opposed by Councilors Taylor and Clark)

Councilor Taylor, seconded by Councilor Semple, moved to adopt Attachment C, a Resolution Calling a City Election on November 5, 2019, for the Purpose of Referring to the Legal Electors of the City of Eugene a Charter Amendment that Caps the Rate and Limits the Use of the City's Payroll Tax.
Passed 6:2 (Opposed by Councilors Zelenka and Yeh)

July 20, 2020 Work Session

Staff provided a review of public safety funding including a timeline of accomplishments, 21st Century Policing, Community Safety Initiative, calls for service, crime statistics, expense overviews, community safety FY21 budget, and homeless services funding.

Councilor Semple, seconded by Councilor Yeh, moved to direct the City Manager to convene workshops with organizations representing communities of color to specify changes or additions to the Community Safety Initiative that would best respond to the needs of their communities and to return to Council in September with a report on which organizations have or will be included with process and timeline.
Passed 7:1 (Opposed by Councilor Taylor)

May 10, 2021 Work Session

After completing all engagement sessions, staff compiled all information collected through the focus group meetings, workshops and survey and presented a report to City Council.

September 13, 2021 Work Session

Council was provided with an overview of the Community Safety Initiative progress, next steps, engagement processes, police calls-for-service metrics and the payroll tax collection.

October 11, 2021 Work Session

Staff reviewed Community Safety Initiative outcomes and service investments to achieve established outcomes. How the Community Safety Payroll Tax funds critical community services including police, fire and emergency medical services, municipal court and prosecution services, prevention, and homeless services. While the funding is limited to these services by ordinance, there is flexibility in how funds are distributed among these services to achieve desired community outcomes. Staff requested input regarding areas of focus and proposed strategies for FY22.

October 9, 2023 Work Session

Staff provided a status update on the Community Safety System, Payroll Tax revenue update, and discuss the implementation of Alternative Response Study recommendations. Included within the presentation was an update on Community Safety Payroll Tax impact assessment.

November 20, 2024 Work Session

Staff provided the City Council with an impact assessment for services and programs funded by the Community Safety Payroll Tax across all service areas.

September 28, 2026 Work Session

Council received a Community Safety Payroll Tax process update specific to the timeline for completing a comprehensive review of the community safety system, use of payroll tax revenues and economic impact as established in Ordinance No. 20616, Section 5.

COUNCIL OPTIONS

This item is informational only.

CITY MANAGER'S RECOMMENDATION

None.

POSSIBLE MOTIONS

None.

ATTACHMENTS

A. Ordinance No. 20616

FOR MORE INFORMATION

Staff Contact: Kristie Hammitt, Assistant City Manager
Phone: 541-682-5524
Staff E-Mail: khammitt@eugene-or.gov

COUNCIL ORDINANCE NO. 20616

COUNCIL BILL 5210

AN ORDINANCE TO FUND COMMUNITY SAFETY SERVICES WITH A PAYROLL TAX AND ADDING NEW SECTIONS TO THE EUGENE CODE, 1971.

ADOPTED: June 10, 2019

SIGNED: June 11, 2019

PASSED: 6:2

REJECTED:

OPPOSED: Clark, Taylor

ABSENT:

EFFECTIVE: July 12, 2019

ORDINANCE NO. 20616

AN ORDINANCE TO FUND COMMUNITY SAFETY SERVICES WITH A PAYROLL TAX AND ADDING NEW SECTIONS TO THE EUGENE CODE, 1971.

The City Council of the City of Eugene finds as follows:

A. Being safe, and feeling safe, is important to everyone. The City, through its community safety services, strives to make Eugene a safe and welcoming place for everyone to live, work, and do business.

B. The City's community safety services include the Eugene Police Department, the Eugene-Springfield Fire & EMS Department, Eugene Municipal Court, and multi-departmental efforts aimed at addressing and preventing homelessness. These City services provide the foundation needed to have accessible parks and natural resources, a prosperous economy, thriving arts and culture, and healthy, safe neighborhoods.

C. During the recession the City eliminated over 20% ($30 million) of the general fund operating budget, primarily through efficiencies, reorganizations and trimming of some services. Recognizing the importance of providing safety services, during the recession and continuing today, the public safety budget has remained steady, at around 60% of the City's total general fund budget.

D. To better serve our community's expanding and changing public safety needs, the City has worked over the last five years to optimize available resources and become even more efficient in its provision of services. Programs such as the Community Outreach Response Team, Mental Health Court, and Community Court provide alternative paths out of the traditional public safety system, helping reduce overall demands on the system. Eugene-Springfield Fire implemented Basic Life Support response for non-life-threatening calls to the Fire Department and added an Advanced Life Support ambulance unit which has improved patient outcomes for some of the most critical emergency medical calls for service across both Eugene and Springfield. Increased CAHOOTS services provide mobile crisis intervention that responds to thousands of police calls for service every year providing critical behavioral health services. Using grant funding, Municipal Court was able to make improvements that reduced their case backlog by 20%. While all of these programs are positive additions to our community safety system, more needs to be done.

E. The community's need for safety services has continued to grow, outpacing City resources and resulting in critical gaps in the system. From 2014 to 2017, daily average calls for police services increased 21%, but staffing has remained flat. Homicide, rape, robbery, assault, sex offenses and family offenses have increased by 18% in that same time. Police response time has increased 86% from 23 minutes in 2014 to 42 minutes in 2017. Police are unable to respond to 1 in 3 non-life-threatening calls for service, an increase of 40%. Eugene Municipal Court handles 5,000 misdemeanor criminal cases (like theft, disorderly conduct, or driving under the influence) annually – second in the state to Multnomah County's Circuit Court. The number of unsheltered homeless adults in Eugene is significantly higher than in many other similarly-sized communities.

F. It is not just statistics that demonstrate the City's need for increased community

safety resources; community members have said there is a need too. A survey of Eugene voters in July 2018 demonstrated that the community strongly supports addressing the City's public safety needs. A vast majority of survey respondents (84%) believe that City officials should take steps to address issues that impact public safety. Follow-up community outreach confirmed the community's very real and growing concern about a delayed, or no, police response due to police resource levels.

G. Seeing the immediate, critical need for additional community safety services, in September 2018, the City Council approved spending $8.6 million to add some limited capacity and maintain funding for several critical programs (often referred to as the "bridge funding"). When appropriating the bridge funding, the Council made clear its intent to find a long-term, sustainable funding source for the community safety system.

H. Without a new, permanent source of funds, the community safety services funded by the $8.6 million bridge will end, and the gaps in the system will continue to widen. Specifically, response times will keep getting longer, an increasing number of calls will go unanswered, a higher percentage of violations and citations will not make it to the courts, safety concerns in parks, along pathways and in neighborhoods will continue to go unsolved, the little time currently available for proactive policing will dissipate, and fewer opportunities will be available to move homeless community members onto paths of wellness.

I. Making some of the systematic changes needed to alter the current trajectory of our safety system will cost an additional $23.6 million per year. The $23.6 million funding need is based on the following package of community safety services:

- Police services, including 40 patrol officers, 5 detectives, 4 sergeants, 10 community service officers, 9.5 staff for 911, animal welfare and traffic safety officers, and evidence control and forensic analysts.
- Fire and emergency medical services, including the creation of a 911 triage program and field triage/community response unit.
- Municipal court and prosecution services, including opening third courtroom, expanding community court and mental health court programs and adding 10 jail beds and increased jail services.
- Prevention and homelessness services, including adding emergency shelters, a day center and funding after school programs at Title 1 schools.

J. To fund the above-described package of services, the $23.6 million would generally be allocated among the services as follows: 65% for police services; 10% for fire and emergency medical services; 15% for municipal court and prosecution services; and, 10% for prevention and homelessness services.

K. By increasing capacity and services with an additional $23.6 million in funding, the community can expect that, as the safety system ramps-up over the next one to five years, the following will occur:

- Faster and more responsive police services.
- Increased proactive community policing by sworn officers, achieved through the use of Community Response Units and Community Service Officers (CSOs) that can provide public safety support to assist with non-emergency calls like routine crashes and retrieving stolen property.

- Crime deterrence through the establishment of a 10-person Street Crimes Unit that will proactively deter crimes and increase officer presence in neighborhoods.
- Implementation of prevention efforts aimed at keeping people and youth off the streets, such as adding homeless services that help people stabilize and improve their lives, strengthening the network of support with nonprofit and medical organizations to help reduce the number of people who chronically use the system, and growing youth programs to engage and help at-risk youth, including after-school programs, 15th Night and inclusion programs.
- More people who commit crimes will be held accountable through the addition of detectives to investigate crimes, the opening of a third courtroom to resolve cases more quickly, the addition of more prosecutors, court appointed attorneys and court staff, and the increase in the number of jail beds and probation officers.

L. Providing the community safety services necessary to achieve the above-described outcomes requires a new, long-term, sustainable funding source. As part of the effort to find a new funding source, the Council directed the formation of a Community Safety Revenue Team to make recommendations to the City Manager. The Revenue Team focused on identifying a funding mechanism that could raise the amount needed, would be stable and flexible, fair and feasible. The Revenue Team recommended a modest payroll tax to address the significant and urgent gaps in our system and to provide the services that those who live, visit and work in Eugene need, expect and deserve.

M. A payroll tax on both employers and employees provides the funds needed to bring our community safety services up to the level that the community is expecting and entitled to receive. The addition of this separate, dedicated, revenue source for community safety services, together with the City's current, stable budget, will make a real difference in how community safety services are provided throughout the City.

THE CITY OF EUGENE DOES ORDAIN AS FOLLOWS:

Section 1. Sections 3.720, 3.722, 3.724, 3.726, 3.728, 3.730, 3.732, 3.734, 3.736, and 3.738 of the Eugene Code, 1971, are added to provide as follows:

Community Safety Payroll Tax

3.720 **Payroll Tax – Purpose.** The provisions contained in sections 3.720 to 3.738 of this code are for the purpose of providing funding to increase community safety services through the adoption of a dedicated tax on wages, hereinafter referred to as the payroll tax.

3.722 **Payroll Tax - Definitions.** For the purposes of sections 3.720 through 3.738 of this code, the following words and phrases shall have the following meanings, unless the context requires otherwise:

City. The City of Eugene.

City Manager. The city manager or the city manager's designee.

Employer. Any of the following:

(a) A person who is in such relation to another person that the person may control the work of that other person and direct the manner in which it is to be done;

(b) An officer or employee of a corporation, or a member or employee of a partnership, who as such officer, employee or member is under a duty to perform the acts required of employers by ORS 316.167, 316.182, 316.197, 316.202 and 316.207;

(c) The State of Oregon or any political subdivision of the state; or

(d) An independent contractor.

Employee. An individual who renders personal services at a fixed rate to an employer if the employer either pays or agrees to pay for personal services or permits the individual to perform personal services.

Fixed Rate. Compensation based on the time spent in the performance of the services, on the number of operations accomplished or on the quantity produced or handled.

Independent Contractor. As defined in ORS 670.600.

Minimum Wage Employee. An employee working for the minimum wage rate established by ORS 653.025.

Tax Administrator. The city manager, the manager's designee, or any person or entity with whom the city manager contracts to perform those duties. More than one person or entity can concurrently serve as the tax administrator.

Wages. As defined in ORS 267.380(1)(c), (2)(b) – (c), and (2)(e) – (j).

3.724 Payroll Tax – Tax Imposed.

(1) A tax is hereby imposed on every employer, except the federal government, State of Oregon or any political subdivision of the state, with a physical address in the city at a rate of 0.0021 of wages paid by the employer.

(2) Notwithstanding subsection (1) of this section, the tax rate imposed on the first $100,000 of wages paid by an employer with two or less employees is 0.0015.

(3) A tax is hereby imposed on every employee working at an employer located in the city at a rate of 0.0044 of employee's wages.

(4) Notwithstanding subsection (3) of this section, the tax rate imposed on every non-minimum wage employee making a wage of $15.00/hour or less working at an employer located in the city is 0.0030 of the employee's wages.

(5) Notwithstanding subsection (3) of this section, the tax rate imposed on every minimum wage employee working at an employer located in the city is 0.0000 of the employee's wages.

(6) If an employer located in the city also has one or more business locations outside the city, no tax is owed by the employer or the employee for those hours an employee works at an employer's business location that is outside the city.

(7) Every employer at the time of the payment of wages shall deduct and withhold from the total amount of the wages paid to employees an amount equal to the

total amount of wages multiplied by the rate of tax imposed under subsection (3), (4) or (5) of this section.

3.726 **Payroll Tax – Payment and Remittance**. The employer shall pay the tax imposed by 3.724(1) and (2), and remit the tax imposed by 3.724(3), (4) and (5), to the tax administrator quarterly, or less frequently than quarterly if directed by the rules adopted under section 3.732 of this code. The tax administrator is authorized to exercise all supervisory and administrative powers with regard to the enforcement, collection and administration of the wage tax, except any administrative rules may only be adopted by the city manager under section 3.732.

3.728 **Payroll Tax – Use.** Payroll tax revenue shall only be used to fund:

(1) Police services, including but not limited to, patrol officers, detectives, sergeants, community service officers, 9-1-1 staff, animal welfare and traffic safety officers, and evidence control and forensic analysts;

(2) Fire and emergency medical services, including but not limited to, the creation of a 9-1-1 triage program and a field triage/community response unit;

(3) Municipal court and prosecution services, including but not limited to, staffing a third courtroom, expanding community court and mental health court programs and adding 10 jail beds and increased jail services;

(4) Prevention and homeless services, including but not limited to, adding emergency shelters, a day center and funding after school programs at Title I schools; and,

(5) Administration of the payroll tax.

3.730 **Payroll Tax – Interest and Penalties**. The city manager shall adopt administrative rules pursuant to section 2.019 of this code to specify the amount of penalties and interest that an employer must pay if the employer fails to timely pay or remit any tax imposed by this code. The amount of penalties and interest established by administrative rule shall be consistent with comparable provisions of state law.

3.732 **Payroll Tax – Implementing Rules**. The city manager may adopt regulations, procedures, forms, guides and written policies pursuant to section 2.019 of this code for implementation of sections 3.720 through 3.738 of this code, including but not limited to interest and penalties, collection and enforcement, appeals, and further clarification of the definitions contained in 3.722.

3.734 **Payroll Tax – Appeal**. Any person aggrieved by any decision under this code may appeal the decision in the manner provided by administrative rule adopted pursuant to section 2.019 of this code. The appeal shall be heard and determined as provided in the adopted administrative rule.

3.736 **Payroll Tax - Annual Audit**. The city manager shall contract with an outside auditor to prepare an annual written report on the use of the payroll tax revenue. The auditor shall ascertain and report on whether the tax revenue was used in compliance with the purpose and use set forth in sections 3.720 and 3.728 of this code. The city manager shall provide the report to the Council and make the report publicly available.

3.738 **Payroll Tax - Citizen Advisory Board**. The city manager shall convene a Citizen Advisory Board. The Citizen Advisory Board shall prepare an annual report, separate and distinct from the report prepared by the outside auditor, documenting

the city's use of the tax revenue and noting whether the tax revenue was spent in compliance with the purpose and use set forth in sections 3.720 and 3.728 of this code. The city manager shall provide the Citizen Advisory Board's report to the Council and make the report publicly available.

Section 2. Payroll tax revenues shall be budgeted and accounted for in a separate fund that is easily identifiable by members of the public.

Section 3. The purpose of the payroll tax is to raise additional revenue to be able to increase community safety services beyond what the City was able to fund in FY18 (before the $8.6 "bridge" funding). Therefore, the Council will use, in accordance with Oregon budget law, the payroll tax revenues to supplement, and not replace, funding used in FY18 for community safety services.

Section 4. Notwithstanding Section 3, the Council may use payroll tax revenues to replace $840,000 of downtown police services funding that is currently coming from the parking fund.

Section 5. In FY27, the Citizen Advisory Board established by section 3.738 of this code shall conduct a comprehensive review of the city's community safety system, use of the payroll tax revenues, and compliance with Section 3 and shall prepare and deliver a report to the city manager no later than March 31, 2027. The report shall include, but is not limited to, an analysis of the economic impacts of the payroll tax on businesses in the city and an analysis of the progress made toward achieving the following system outcomes: 1) increase the number of minutes per hour officers are available for community policing (currently, officer availability is approximately five minutes per hour); 2) reduce the number of calls for service per day to which no city personnel are dispatched to respond (currently, there is no response to approximately 80 calls for service per day); and, 3) reduce the number of minutes it takes city personnel to respond to non-emergency requests for service (currently, non-emergency response time is approximately 42 minutes).

Section 6. The city manager shall provide the Citizen Advisory Board's report to the Council and make the report publicly available. After receiving the report, the Council shall hold

a public hearing to hear community input regarding whether the payroll tax is accomplishing the objectives specified in Section 5, this Ordinance's findings, and the purpose specified in section 3.720. After reviewing the Citizen Advisory Board's report and public testimony, the City Council shall determine whether the payroll tax should continue. If the Council concludes that the payroll tax should continue, the Council shall adopt a resolution not later than June 30, 2027, referring continuation of the payroll tax to the voters. Unless the Council adopts such a resolution by June 30, 2027, and the voters subsequently vote to continue the payroll tax, the payroll tax shall terminate with respect to wages earned after December 31, 2028.

Section 7. No tax shall be owed under section 3.724 of this code on wages earned prior to July 1, 2020. The date after June 30, 2020, on which taxes shall first be owed shall be established by administrative rule adopted pursuant to section 2.019 of this code.

Section 8. The City Recorder, at the request of, or with the consent of the City Attorney, is authorized to administratively correct any reference errors contained herein, or in other provisions of the Eugene Code, 1971, to the provisions added, amended or repealed herein.

Passed by the City Council this

10th day of June, 2019.

Beth Forrest
City Recorder

Approved by the Mayor this

11 day of June, 2019.

Lucy Vinis
Mayor

Eugene City Attorney's Office

Memorandum

Date: August 5, 2019

To: Beth Forrest, City Recorder

From: Kathryn P. Brotherton, City Attorney

Subject: Scrivener Error Corrections / Ordinance No. 20616

It has come to our attention that reference errors exist in Ordinance No. 20616.

On June 10, 2019, the City Council adopted Ordinance No. 20616 (Payroll Tax) adding Sections 3.720, 3.722, 3.724, 3.726, 3.728, 3.730, 3.732, 3.734, 3.736, and 3.738 to the Eugene Code, 1971. However, prior to the Council's adoption of Ordinance No. 20616, on April 8, 2019, the City Council adopted Ordinance No. 20609 (Construction Excise Tax) applying Code section numbers 3.730, 3.732, 3.734, 3.736, and 3.738 to new Code sections adopted by that ordinance. At the time of Ordinance No. 20616's adoption, the Code sections adopted by Ordinance No. 20609 did not yet appear in the Eugene Code.

We consider the erroneous use of duplicate Code section numbers in Ordinance No. 20616 to be scrivener errors and, therefore, the Code sections adopted by Ordinance No. 20616, and all references to those sections in the Ordinance, should be renumbered.

Please effect scrivener error corrections to Ordinance No. 20616 so that the Code sections are renumbered to 3.750, 3.752, 3.754, 3.756, 3.758, 3.760, 3.762, 3.764, 3.766, and 3.768 as shown in legislative format on the copy of the Ordinance attached to this memo.

This correction is authorized by Section 8 of Ordinance No. 20616. Please attach a copy of this memo and its attachment to that Ordinance.

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Ordinance No. 20616 with Corrected Code Section Numbers
Attachment to August 5, 2019 Scrivener Error Memo

ORDINANCE NO. 20616

AN ORDINANCE TO FUND COMMUNITY SAFETY SERVICES WITH A PAYROLL TAX AND ADDING NEW SECTIONS TO THE EUGENE CODE, 1971.

The City Council of the City of Eugene finds as follows:

A. Being safe, and feeling safe, is important to everyone. The City, through its community safety services, strives to make Eugene a safe and welcoming place for everyone to live, work, and do business.

B. The City's community safety services include the Eugene Police Department, the Eugene-Springfield Fire & EMS Department, Eugene Municipal Court, and multi-departmental efforts aimed at addressing and preventing homelessness. These City services provide the foundation needed to have accessible parks and natural resources, a prosperous economy, thriving arts and culture, and healthy, safe neighborhoods.

C. During the recession the City eliminated over 20% ($30 million) of the general fund operating budget, primarily through efficiencies, reorganizations and trimming of some services. Recognizing the importance of providing safety services, during the recession and continuing today, the public safety budget has remained steady, at around 60% of the City's total general fund budget.

D. To better serve our community's expanding and changing public safety needs, the City has worked over the last five years to optimize available resources and become even more efficient in its provision of services. Programs such as the Community Outreach Response Team, Mental Health Court, and Community Court provide alternative paths out of the traditional public safety system, helping reduce overall demands on the system. Eugene-Springfield Fire implemented Basic Life Support response for non-life-threatening calls to the Fire Department and added an Advanced Life Support ambulance unit which has improved patient outcomes for some of the most critical emergency medical calls for service across both Eugene and Springfield. Increased CAHOOTS services provide mobile crisis intervention that responds to thousands of police calls for service every year providing critical behavioral health services. Using grant funding, Municipal Court was able to make improvements that reduced their case backlog by 20%. While all of these programs are positive additions to our community safety system, more needs to be done.

E. The community's need for safety services has continued to grow, outpacing City resources and resulting in critical gaps in the system. From 2014 to 2017, daily average calls for police services increased 21%, but staffing has remained flat. Homicide, rape, robbery, assault, sex offenses and family offenses have increased by 18% in that same time. Police response time has increased 86% from 23 minutes in 2014 to 42 minutes in 2017. Police are unable to respond to 1 in 3 non-life-threatening calls for service, an increase of 40%. Eugene Municipal Court handles 5,000 misdemeanor criminal cases (like theft, disorderly conduct, or driving under the influence) annually – second in the state to Multnomah County's Circuit Court. The number of unsheltered homeless adults in Eugene is significantly higher than in many other similarly-sized communities.

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F. It is not just statistics that demonstrate the City's need for increased community safety resources; community members have said there is a need too. A survey of Eugene voters in July 2018 demonstrated that the community strongly supports addressing the City's public safety needs. A vast majority of survey respondents (84%) believe that City officials should take steps to address issues that impact public safety. Follow-up community outreach confirmed the community's very real and growing concern about a delayed, or no, police response due to police resource levels.

G. Seeing the immediate, critical need for additional community safety services, in September 2018, the City Council approved spending $8.6 million to add some limited capacity and maintain funding for several critical programs (often referred to as the "bridge funding"). When appropriating the bridge funding, the Council made clear its intent to find a long-term, sustainable funding source for the community safety system.

H. Without a new, permanent source of funds, the community safety services funded by the $8.6 million bridge will end, and the gaps in the system will continue to widen. Specifically, response times will keep getting longer, an increasing number of calls will go unanswered, a higher percentage of violations and citations will not make it to the courts, safety concerns in parks, along pathways and in neighborhoods will continue to go unsolved, the little time currently available for proactive policing will dissipate, and fewer opportunities will be available to move homeless community members onto paths of wellness.

I. Making some of the systematic changes needed to alter the current trajectory of our safety system will cost an additional $23.6 million per year. The $23.6 million funding need is based on the following package of community safety services:

- Police services, including 40 patrol officers, 5 detectives, 4 sergeants, 10 community service officers, 9.5 staff for 911, animal welfare and traffic safety officers, and evidence control and forensic analysts.
- Fire and emergency medical services, including the creation of a 911 triage program and field triage/community response unit.
- Municipal court and prosecution services, including opening third courtroom, expanding community court and mental health court programs and adding 10 jail beds and increased jail services.
- Prevention and homelessness services, including adding emergency shelters, a day center and funding after school programs at Title 1 schools.

J. To fund the above-described package of services, the $23.6 million would generally be allocated among the services as follows: 65% for police services; 10% for fire and emergency medical services; 15% for municipal court and prosecution services; and, 10% for prevention and homelessness services.

K. By increasing capacity and services with an additional $23.6 million in funding, the community can expect that, as the safety system ramps-up over the next one to five years, the following will occur:

- Faster and more responsive police services.
- Increased proactive community policing by sworn officers, achieved through the use of Community Response Units and Community Service Officers

(CSOs) that can provide public safety support to assist with non-emergency calls like routine crashes and retrieving stolen property.

- Crime deterrence through the establishment of a 10-person Street Crimes Unit that will proactively deter crimes and increase officer presence in neighborhoods.
- Implementation of prevention efforts aimed at keeping people and youth off the streets, such as adding homeless services that help people stabilize and improve their lives, strengthening the network of support with nonprofit and medical organizations to help reduce the number of people who chronically use the system, and growing youth programs to engage and help at-risk youth, including after-school programs, 15th Night and inclusion programs.
- More people who commit crimes will be held accountable through the addition of detectives to investigate crimes, the opening of a third courtroom to resolve cases more quickly, the addition of more prosecutors, court appointed attorneys and court staff, and the increase in the number of jail beds and probation officers.

L. Providing the community safety services necessary to achieve the above-described outcomes requires a new, long-term, sustainable funding source. As part of the effort to find a new funding source, the Council directed the formation of a Community Safety Revenue Team to make recommendations to the City Manager. The Revenue Team focused on identifying a funding mechanism that could raise the amount needed, would be stable and flexible, fair and feasible. The Revenue Team recommended a modest payroll tax to address the significant and urgent gaps in our system and to provide the services that those who live, visit and work in Eugene need, expect and deserve.

M. A payroll tax on both employers and employees provides the funds needed to bring our community safety services up to the level that the community is expecting and entitled to receive. The addition of this separate, dedicated, revenue source for community safety services, together with the City's current, stable budget, will make a real difference in how community safety services are provided throughout the City.

THE CITY OF EUGENE DOES ORDAIN AS FOLLOWS:

Section 1. Sections ~~3.720, 3.722, 3.724, 3.726, 3.728, 3.730, 3.732, 3.734, 3.736, and 3.738~~ ***3.750, 3.752, 3.754, 3.756, 3.758, 3.760, 3.762, 3.764, 3.766, and 3.768*** of the Eugene Code, 1971, are added to provide as follows:

Community Safety Payroll Tax

~~**3.720**~~ ***3.750*** **Payroll Tax – Purpose.** The provisions contained in sections ~~3.720 to 3.738~~ ***3.750 to 3.768*** of this code are for the purpose of providing funding to increase community safety services through the adoption of a dedicated tax on wages, hereinafter referred to as the payroll tax.

~~**3.722**~~ ***3.752*** **Payroll Tax - Definitions.** For the purposes of sections ~~3.720 to 3.738~~ ***3.750***

to 3.768 of this code, the following words and phrases shall have the following meanings, unless the context requires otherwise:

City. The City of Eugene.

City Manager. The city manager or the city manager's designee.

Employer. Any of the following:

(a) A person who is in such relation to another person that the person may control the work of that other person and direct the manner in which it is to be done;

(b) An officer or employee of a corporation, or a member or employee of a partnership, who as such officer, employee or member is under a duty to perform the acts required of employers by ORS 316.167, 316.182, 316.197, 316.202 and 316.207;

(c) The State of Oregon or any political subdivision of the state; or

(d) An independent contractor.

Employee. An individual who renders personal services at a fixed rate to an employer if the employer either pays or agrees to pay for personal services or permits the individual to perform personal services.

Fixed Rate. Compensation based on the time spent in the performance of the services, on the number of operations accomplished or on the quantity produced or handled.

Independent Contractor. As defined in ORS 670.600.

Minimum Wage Employee. An employee working for the minimum wage rate established by ORS 653.025.

Tax Administrator. The city manager, the manager's designee, or any person or entity with whom the city manager contracts to perform those duties. More than one person or entity can concurrently serve as the tax administrator.

Wages. As defined in ORS 267.380(1)(c), (2)(b) – (c), and (2)(e) – (j).

~~3.724~~ ***3.754*** **Payroll Tax – Tax Imposed.**

(1) A tax is hereby imposed on every employer, except the federal government, State of Oregon or any political subdivision of the state, with a physical address in the city at a rate of 0.0021 of wages paid by the employer.

(2) Notwithstanding subsection (1) of this section, the tax rate imposed on the first $100,000 of wages paid by an employer with two or less employees is 0.0015.

(3) A tax is hereby imposed on every employee working at an employer located in the city at a rate of 0.0044 of employee's wages.

(4) Notwithstanding subsection (3) of this section, the tax rate imposed on every non-minimum wage employee making a wage of $15.00/hour or

less working at an employer located in the city is 0.0030 of the employee's wages.

(5) Notwithstanding subsection (3) of this section, the tax rate imposed on every minimum wage employee working at an employer located in the city is 0.0000 of the employee's wages.

(6) If an employer located in the city also has one or more business locations outside the city, no tax is owed by the employer or the employee for those hours an employee works at an employer's business location that is outside the city.

(7) Every employer at the time of the payment of wages shall deduct and withhold from the total amount of the wages paid to employees an amount equal to the total amount of wages multiplied by the rate of tax imposed under subsection (3), (4) or (5) of this section.

~~3.726~~ ***3.756*** **Payroll Tax – Payment and Remittance**. The employer shall pay the tax imposed by ~~3.724~~ ***3.754***(1) and (2), and remit the tax imposed by ~~3.724~~ ***3.754***(3), (4) and (5), to the tax administrator quarterly, or less frequently than quarterly if directed by the rules adopted under section ~~3.732~~ ***3.762*** of this code. The tax administrator is authorized to exercise all supervisory and administrative powers with regard to the enforcement, collection and administration of the wage tax, except any administrative rules may only be adopted by the city manager under section ~~3.732~~ ***3.762***.

~~3.728~~ ***3.758*** **Payroll Tax – Use.** Payroll tax revenue shall only be used to fund:

(1) Police services, including but not limited to, patrol officers, detectives, sergeants, community service officers, 9-1-1 staff, animal welfare and traffic safety officers, and evidence control and forensic analysts;

(2) Fire and emergency medical services, including but not limited to, the creation of a 9-1-1 triage program and a field triage/community response unit;

(3) Municipal court and prosecution services, including but not limited to, staffing a third courtroom, expanding community court and mental health court programs and adding 10 jail beds and increased jail services;

(4) Prevention and homeless services, including but not limited to, adding emergency shelters, a day center and funding after school programs at Title I schools; and,

(5) Administration of the payroll tax.

~~3.730~~ ***3.760*** **Payroll Tax – Interest and Penalties**. The city manager shall adopt administrative rules pursuant to section 2.019 of this code to specify the amount of penalties and interest that an employer must pay if the employer fails to timely pay or remit any tax imposed by this code. The amount of penalties and interest established by administrative rule shall be consistent with comparable provisions of state law.

~~3.732~~ ***3.762*** **Payroll Tax – Implementing Rules**. The city manager may adopt regulations, procedures, forms, guides and written policies pursuant to section 2.019 of this code for implementation of sections ~~3.720 to 3.738~~ ***3.750 to 3.768*** of this code, including but not limited to interest and penalties, collection and enforcement, appeals, and further clarification of the definitions contained in ~~3.722~~ ***3.752***.

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~~3.734~~ ***3.764*** **Payroll Tax – Appeal**. Any person aggrieved by any decision under this code may appeal the decision in the manner provided by administrative rule adopted pursuant to section 2.019 of this code. The appeal shall be heard and determined as provided in the adopted administrative rule.

~~3.736~~ ***3.766*** **Payroll Tax - Annual Audit**. The city manager shall contract with an outside auditor to prepare an annual written report on the use of the payroll tax revenue. The auditor shall ascertain and report on whether the tax revenue was used in compliance with the purpose and use set forth in sections ~~3.720 and 3.728~~ ***3.750 and 3.758*** of this code. The city manager shall provide the report to the Council and make the report publicly available.

~~3.738~~ ***3.768*** **Payroll Tax - Citizen Advisory Board**. The city manager shall convene a Citizen Advisory Board. The Citizen Advisory Board shall prepare an annual report, separate and distinct from the report prepared by the outside auditor, documenting the city's use of the tax revenue and noting whether the tax revenue was spent in compliance with the purpose and use set forth in sections ~~3.720 and 3.728~~ ***3.750 and 3.758*** of this code. The city manager shall provide the Citizen Advisory Board's report to the Council and make the report publicly available.

Section 2. Payroll tax revenues shall be budgeted and accounted for in a separate fund that is easily identifiable by members of the public.

Section 3. The purpose of the payroll tax is to raise additional revenue to be able to increase community safety services beyond what the City was able to fund in FY18 (before the $8.6 "bridge" funding). Therefore, the Council will use, in accordance with Oregon budget law, the payroll tax revenues to supplement, and not replace, funding used in FY18 for community safety services.

Section 4. Notwithstanding Section 3, the Council may use payroll tax revenues to replace $840,000 of downtown police services funding that is currently coming from the parking fund.

Section 5. In FY27, the Citizen Advisory Board established by section ~~3.738~~ ***3.768*** of this code shall conduct a comprehensive review of the city's community safety system, use of the payroll tax revenues, and compliance with Section 3 and shall prepare and deliver a report to the city manager no later than March 31, 2027. The report shall include, but is not limited to, an analysis of the economic impacts of the payroll tax on businesses in the city and an analysis of

the progress made toward achieving the following system outcomes: 1) increase the number of minutes per hour officers are available for community policing (currently, officer availability is approximately five minutes per hour); 2) reduce the number of calls for service per day to which no city personnel are dispatched to respond (currently, there is no response to approximately 80 calls for service per day); and, 3) reduce the number of minutes it takes city personnel to respond to non-emergency requests for service (currently, non-emergency response time is approximately 42 minutes).

Section 6. The city manager shall provide the Citizen Advisory Board's report to the Council and make the report publicly available. After receiving the report, the Council shall hold a public hearing to hear community input regarding whether the payroll tax is accomplishing the objectives specified in Section 5, this Ordinance's findings, and the purpose specified in section ~~3.720~~ ***3.750***. After reviewing the Citizen Advisory Board's report and public testimony, the City Council shall determine whether the payroll tax should continue. If the Council concludes that the payroll tax should continue, the Council shall adopt a resolution not later than June 30, 2027, referring continuation of the payroll tax to the voters. Unless the Council adopts such a resolution by June 30, 2027, and the voters subsequently vote to continue the payroll tax, the payroll tax shall terminate with respect to wages earned after December 31, 2028.

Section 7. No tax shall be owed under section ~~3.724~~ ***3.754*** of this code on wages earned prior to July 1, 2020. The date after June 30, 2020, on which taxes shall first be owed shall be established by administrative rule adopted pursuant to section 2.019 of this code.

Section 8. The City Recorder, at the request of, or with the consent of the City Attorney, is authorized to administratively correct any reference errors contained herein, or in other provisions of the Eugene Code, 1971, to the provisions added, amended or repealed herein.

Passed by the City Council this

10th day of June, 2019.

/s/
City Recorder

Approved by the Mayor this

11th day of June, 2019.

/s/
Mayor