City Council
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EUGENE CITY COUNCIL AGENDA

April 8, 2019

5:30 p.m. **CITY COUNCIL WORK SESSION**
Harris Hall, 125 East 8th Avenue
Eugene, Oregon 97401

Meeting of April 8, 2019;
Her Honor Mayor Lucy Vinis Presiding

Councilors

Betty Taylor, President	Emily Semple, Vice President
Mike Clark	Greg Evans
Chris Pryor	Claire Syrett
Jennifer Yeh	Alan Zelenka

5:30 p.m. **CITY COUNCIL WORK SESSION**
Harris Hall, 125 East 8th Avenue
Eugene, Oregon 97401

1. **Committee Reports and Items of Interest**

2. **WORK SESSION: Community Safety Initiative**

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El consejo de la Ciudad de Eugene agradece su interés en estos asuntos de la agenda. El lugar de la reunión tiene acceso para sillas de ruedas. Se puede proveer a un intérprete para las personas con discapacidad auditiva si avisa con 48 horas de anticipación. También se puede proveer interpretación para español si avisa con 48 horas de anticipación. Para reservar estos servicios llame al 541-682-5010. Las reuniones del consejo de la ciudad se transmiten en vivo por Metro Television, Canal 21 de Comcast y son retransmitidas durante la semana.

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EUGENE CITY COUNCIL
AGENDA ITEM SUMMARY

Work Session: Community Safety Initiative

Meeting Date: April 8, 2019
Department: Central Services
www.eugene-or.gov

Agenda Item Number: 2
Staff Contact: Kristie Hammitt
Contact Telephone Number: 541-682-5524

ISSUE STATEMENT
The purpose of this work session is to provide the City Council with additional information about a possible payroll tax structure to fund the Community Safety service system gaps.

BACKGROUND
At the September 26, 2018, work session on Community Safety, staff provided an update on Community Safety funding options, community outreach efforts, and results of an online survey. The presentation included strategies and funding packages to address community safety system gaps and desired outcomes identified by the council. The City Council unanimously passed a motion to include $8.6 million in Supplemental Budget #1. This one-time, 18-month bridge funding strategy supports prevention efforts and services for youth and people experiencing homelessness as well as police and emergency response services. The funding includes expanding prevention programs that help move at-risk youth and chronic offenders toward stable lives and away from the jail and the courtroom, and also adds police officers, 911 dispatchers and jail beds.

Council also gave direction to immediately begin work on long-term funding strategies to address critical community safety needs based on the identified strategies. A Community Safety Revenue Team was formed to develop a recommendation for the City Manager. The Revenue Team included Councilors Pryor, Semple, and Yeh, current and former Budget Committee Members Scott Nowicki, Eliza Kashinsky, John Barofsky, and Laura Illig as well as Bill Whalen from the Police Commission. The team began meeting in November 2018 and has been working to develop funding options to fund Community Safety strategies of $22 million on an on-going basis. The Revenue Team met between November 2018 and February 1, 2019, and submitted a report to the City Manager recommending a payroll tax as the ongoing funding mechanism for the community safety initiative.

At the February 13, 2019, work session staff provided an update on the progress of the Community Safety Initiative and the Revenue Team's recommendation of a payroll tax.

At the February 23, 2019, City Council workshop, staff provided more information on the Revenue Team's work including evaluation of a local option levy, public safety service fee, utility consumption tax and the payroll tax. Additional payroll tax information on accountability

recommendations, the annual revenue requirement and payroll tax rate modeling were also presented.

At this work session, additional information on a possible payroll tax structure (Attachment A) and proposed next steps will be presented for council input.

PREVIOUS COUNCIL DIRECTION

Eugene City Council Workshop: February 23, 2019
Eugene City Council Work Session: February 13, 2019
Eugene City Council Work Session: September 26, 2018
Eugene City Council Wednesday Work Session: July 18, 2018
Eugene City Council Wednesday Work Session: May 16, 2018
Eugene City Council Public Hearing and Work Session: February 20, 2018

COUNCIL OPTIONS

Informational work session only

CITY MANAGER'S RECOMMENDATION

None at this time.

SUGGESTED MOTION

None.

ATTACHMENTS

A. Possible Payroll Tax Structure

FOR MORE INFORMATION

Staff Contact: Kristie Hammitt
Telephone: 541-682-5524
Staff E-Mail: khammitt@eugene-or.gov

POSSIBLE PAYROLL TAX STRUCTURE

- **Purpose & Need**
  - Employer and Employee Payroll Tax for the sole purpose of funding Community Safety services.
  - Total funding need in 2019 dollars = $22.8 million
    - Plus an additional $840,000 that is currently being transferred from the Parking Services for Downtown Police services.

- **Employers**
  - Subject to tax:
    - Any business (including self-employed) with a physical location within the city limits of Eugene.
  - Tax Rate:
    - Flat rate of 0.28% applied to gross taxable payroll

- **Employees**
  - Subject to Tax:
    - All employees working for an employer (business) located within the city limits of Eugene.
  - Tax Rate:
    - Flat rate of 0.28% applied to gross taxable wages.

- **Implementation Date**
  - July 1, 2020

- **Accountability & Commitment**
  - Maintenance of Funds:
    - Separate from the tax revenue, City will maintain its funding of Community Safety services at not less than the amount of the funding in FY18 (fiscal year prior to bridge funding).
  - Tracking Funds & Progress:
    - Payroll tax funds will be "lock boxed" in a separate fund established to track the receipt and use of these funds.
    - Specific performance measures will be established, tracked, and reported on annually.
  - Annual Financial Audit:
    - Completed by an external auditing service.
  - Citizen Advisory Board:
    - Convened by the City Manager

- Prepare an annual report, separate and distinct from the report prepared by the outside auditor, documenting the City's use of the tax fund and noting whether the tax funds proceeds were used in compliance with the terms of ordinance and whether/how the specific performance measures are being accomplished through use of the payroll tax funds.
- The City Manager will provide the Citizen Advisory Board's report to the Council and make the report publicly available.

o 7 Year Evaluation and Reauthorization:

- Comprehensive 7-year review and report by Citizen Advisory Board
- Council public hearing
  - To hear citizen input regarding whether the payroll tax is accomplishing the objectives specified in the ordinance.
- Based on the comprehensive report and public testimony, by June 30, 2027, Council either:
  - Adopts a motion finding the objectives of the payroll tax are being met and the payroll tax should continue to be paid after June 30, 2028. or
  - Does nothing, then no tax owed after June 30, 2028.