

Community Safety Funding

City Council Workshop
February 23, 2019



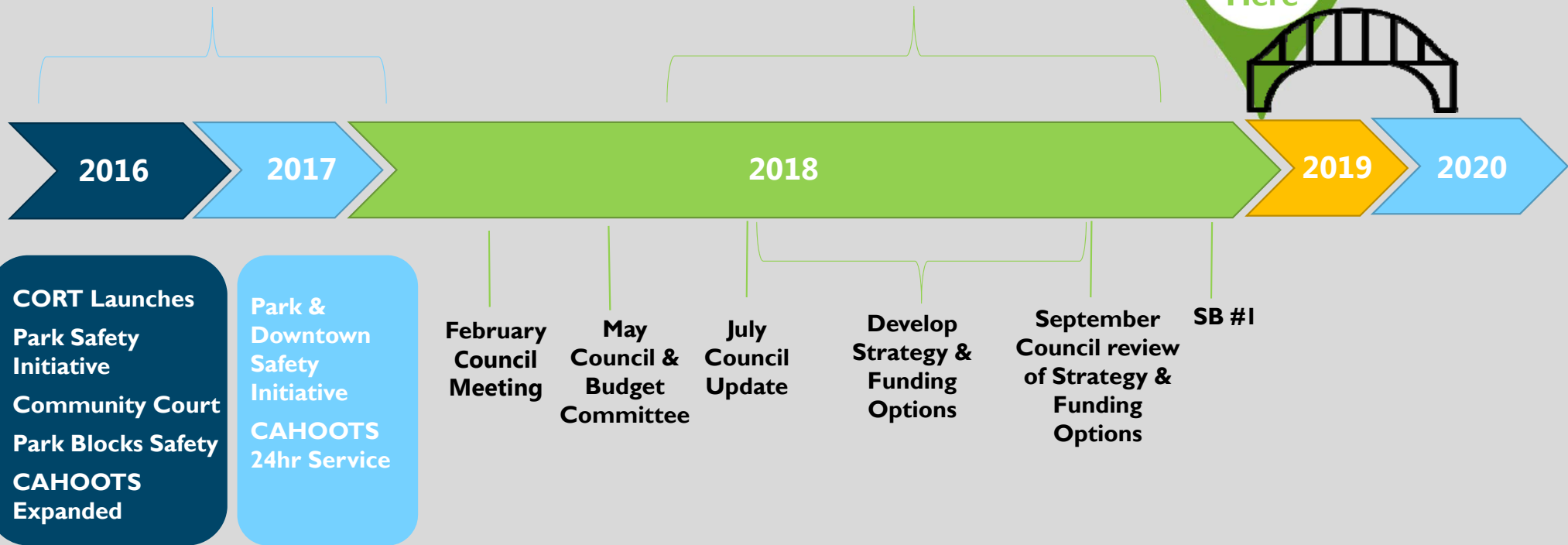
TIMELINE

Pilot Programing & Efficiencies

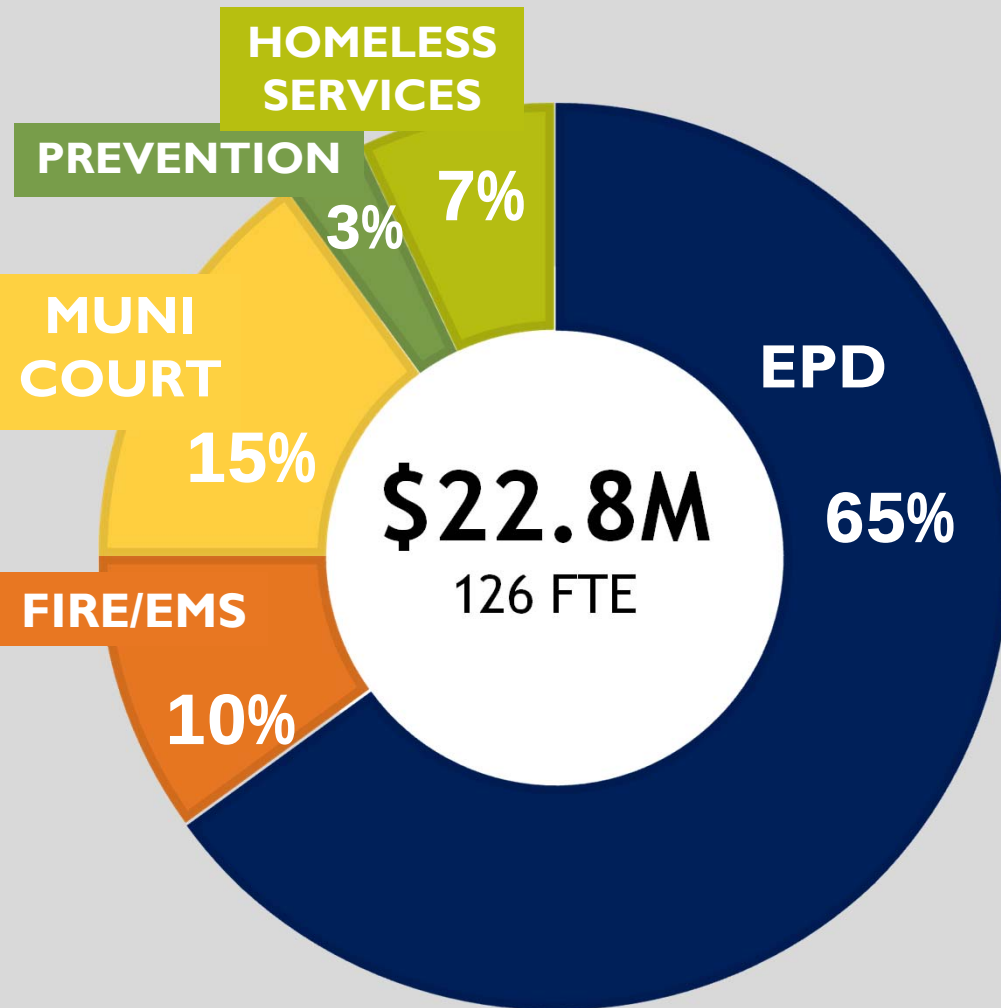
Community Outreach & Polling

Bridge Funding

You
Are
Here



THE PLAN



Community Court Expansion
 Expansion of Mental Health Court
 Enhanced Day Resource Center
 Enhanced Dusk to Dawn
 Enhanced Rest Stop Program
 After School Programs at Title I Schools

40 Patrol Officers, 4 Sergeants, & Lieutenant
 10 Community Service Officers, Sergeant, & Lieutenant
 9.5 9-1-1 staff
 9 EPD Support staff
 Animal Welfare Officer
 Court Bailiff
 Traffic Safety Officer
 Nurse Triage Program
 Triage Community Response Unit

5 Detectives
 Evidence Control and Forensic Analyst
 Jail Services + 10 Beds
 Additional Jail Services w/ Probation Officers
 Open 3rd Courtroom w/ staffing
 Muni Court and City Prosecutor capacity
 Court security

Revenue Team

funding options

Considerations

Business gross receipts tax
City service fee
Corporate income tax
Local option levy
Parking tax
Payroll tax
Personal income tax
Restaurant tax
Utility consumption tax

Yield
Administration Effort
Stability & Reliability
Fairness and Feasibility
Community Safety Nexus
Triple Bottom Line (TBL)

City service fee
Payroll tax
Utility consumption tax

Payroll tax

Local Option Levy

Considerations

Yield

\$9 Million

Compression

Competing Measures

TBL

Social Equity

**Environment
Stewardship**

Economic Prosperity

Administration

Existing Mechanism

Low Burden

Other

Stability & Reliability

**Fairness & Political
Feasibility**

Nexus

Public Safety Fee

Considerations

Yield

\$22.8 Million

Impact on Residents

Impact on Commercial

TBL

Social Equity

**Environmental
Stewardship**

Economic Prosperity

Administration

New Mechanism

EWEB

City

Other

Stability & Reliability

**Fairness & Political
Feasibility**

Nexus

Utility Consumption Tax

Considerations

Yield

\$22.8 Million

**Impact on Residential
Users**

**Impact on Commercial
Users**

TBL

Social Equity

**Environmental
Stewardship**

Economic Prosperity

Administration

New Mechanism

**Utility Providers Collect
Fee**

Other

Stability & Reliability

**Fairness & Political
Feasibility**

Nexus

Payroll Tax

Considerations

Yield

\$22.8 Million

Impact on Employees

Impact on Employers

TBL

Social Equity

**Environmental
Stewardship**

Economic Prosperity

Administration

New Mechanism

**Department of Revenue
Administration**

City Administration

Other

Stability & Reliability

**Fairness & Political
Feasibility**

Nexus

Payroll Tax

Revenue Team Accountability Recommendations

Separate Fund

Clear Outcomes

Community Outreach

Citizen Review Board

Annual Report to Council

Payroll Tax

Annual Revenue Requirement

	FY21	FY22	FY23	FY24	FY25	FY26
Annual Yield Needed	\$11.1 million	\$11.2 million	\$18.0 million	\$18.1 million	\$25.9 million	\$26.2 million
Service Level (in 2019 dollars)	\$10 million		\$16 million		\$22.8 million	

Annual Revenue Requirement Assumptions

- Phase in of service delivery over six year timeframe
- Inflation of 5% annually
- Fund balance of two months of operating expenditures

Payroll Tax

Net Revenue Yield Assumptions

Payroll Data

- 2017 payroll data from Oregon Employment Department
 - \$3.9 billion total, \$3.1 billion non-government (physical locations in Eugene city limits)
- 4% average annual payroll growth over the last 7 years

Administrative Costs

- Approximately \$1 million as a starting point for system configuration
- Ongoing administration of approximately \$600 thousand per year

Collection Rate

- Estimated to start at 75% in FY21
- Increases by around 5% annually until it reaches 97% in FY25

Payroll Tax

Same Rate Employee & Employer

Rate	FY21	FY22	FY23	FY24	FY25	FY26
0.20%	\$10,300,000	\$12,600,000				
0.25%			\$17,700,000	\$19,500,000		
0.29%					\$25,600,000	\$26,600,000
Net Yield	\$10,300,000	\$12,600,000	\$17,700,000	\$19,500,000	\$25,600,000	\$26,600,000
Revenue Requirement	\$11,100,000	\$11,200,000	\$18,000,000	\$18,100,000	\$25,900,000	\$26,200,000
Difference	(\$800,000)	\$1,400,000	(\$300,000)	\$1,400,000	(\$300,000)	\$400,000

Payroll Tax

Employee Fixed, Employer Variable

Rate	FY21	FY22	FY23	FY24	FY25	FY26
Employee						
0.20%	\$5,900,000	\$7,100,000	\$7,900,000	\$8,700,000	\$9,800,000	\$10,200,000
Employer						
0.20%	\$4,500,000	\$5,500,000				
0.31%			\$9,700,000	\$10,700,000		
0.41%					\$16,000,000	\$16,700,000
Net Yield	\$10,400,000	\$12,600,000	\$17,600,000	\$19,400,000	\$25,800,000	\$26,900,000
Revenue Requirement	\$11,100,000	\$11,200,000	\$18,000,000	\$18,100,000	\$25,900,000	\$26,200,000
Difference	(\$700,000)	\$1,400,000	(\$400,000)	\$1,300,000	(\$100,000)	\$700,000

Payroll Tax

Employer Fixed, Employee Variable

Rate	FY21	FY22	FY23	FY24	FY25	FY26
Employee						
0.20%	\$5,900,000	\$7,100,000				
0.29%			\$11,500,000	\$12,700,000		
0.37%					\$18,300,000	\$19,100,000
Employer						
0.20%	\$4,500,000	\$5,500,000	\$6,100,000	\$6,800,000	\$7,700,000	\$8,000,000
Net Yield	\$10,400,000	\$12,600,000	\$17,600,000	\$19,500,000	\$26,000,000	\$27,100,000
Revenue Requirement	\$11,100,000	\$11,200,000	\$18,000,000	\$18,100,000	\$25,900,000	\$26,200,000
Difference	(\$700,000)	\$1,400,000	(\$400,000)	\$1,400,000	\$100,000	\$900,000

Payroll Tax

Variable Rates Employee & Employer

Rate	FY21	FY22	FY23	FY24	FY25	FY26
Employee						
0.12%	\$3,200,000	\$4,100,000				
0.16%			\$6,200,000	\$6,900,000		
0.21%					\$10,300,000	\$10,700,000
Employer						
0.30%	\$7,100,000	\$8,500,000				
0.35%			\$11,000,000	\$12,100,000		
0.40%					\$15,600,000	\$16,300,000
Net Yield	\$10,300,000	\$12,600,000	\$17,200,000	\$19,000,000	\$25,900,000	\$27,000,000
Revenue Requirement	\$11,100,000	\$11,200,000	\$18,000,000	\$18,100,000	\$25,900,000	\$26,200,000
Difference	(\$800,000)	\$1,400,000	(\$800,000)	\$900,000	\$0	\$800,000

Payroll Tax Structure Considerations

Simplicity

- Impacts costs to set up and administer
- Impacts compliance
- Impacts community understanding

Tax Structure

- Employer/Employee Rate is equal
- Combination Fixed/Variable Rate
- Variable Rate

Applicability

- Base on physical location within City?
- Base on work performed in City?
- Types of businesses/employees?

Implementation

- By Ordinance
- Refer to Voters