

Council Business Meeting

June 30, 2017

Title: Public Hearing for BN 2017-19 Property Tax Levy

From: Mark Welch
Administrative Services Director &
Budget Officer

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Summary:

At its June 20, 2017 meeting, Council amended the Budget Committee's approved budget and property tax rate to increase the property tax rate up to \$4.2865 per \$1,000 of assessed valuation and hold a special meeting on June 30th to adopt a specific property tax rate.

State Law requires that the amendment to the approved property tax rate be republished in the newspaper prior to action of the Council. The Ashland Daily Tidings published a proposed tax rate of up to \$4.2865 per \$1,000 of assessed valuation and budget on June 24th.

State Law requires that the City Council adopts a property tax assessment prior to the beginning of each Fiscal Year, or June 30th. Although the City adopts a biennium budget the property tax levy must be adopted annually.

Actions, Options, or Potential Motions:

I move to approve "A Resolution Levying Taxes for the Period of July 1, 2017 to and Including June 30, 2018, Such Taxes in the Levy rate of [*\$4.2865/\$1000 or some lower rate*] Assessed Value Upon All the Real and Personal Property Subject to Assessment and Levy Within the Corporate Limits of the City of Ashland, Jackson County, Oregon".

Staff Recommendation:

Staff recommends approval of a property tax levy resolution.

Policies, Plans and Goals Supported:

2.1 Engage community in conversation about core services, desired service levels and funding mechanisms.

Background and Additional Information:

The biennial budget for the City provides appropriations and expenditure authority for a two-year period. However, the Council must elect to levy taxes annually. The City has followed the public process including republishing the amended budget and tax rate in the newspaper along with a second public hearing to adopt the amended levy.

Funding for the authorized five new Police Officers

The City Council approved hiring five new Police Officers in April. It was decided at that time to refer potential funding mechanism to the Budget Committee. The Budget Committee met and did not develop a funding method for the Police Officers. The estimated cost of the Police Officer is \$550,000 per year, or \$110,000 each.

Council directed staff to review potential funding options to be discussed, along with the property tax levy increase, at the June 30, 2017 Special City Council Meeting.

Staff developed four potential funding options to assist Council in their deliberations. The options presented in the attachment reflect several different scenarios that range from no property tax increase to the property tax increasing the maximum 0.09 cents available.

The resolution provided for adoption is based on the motion from the June 20th meeting. The property tax rate can be set at any rate below \$4.2865 per \$1,000 of assessed valuation.

Attachments:

1. Resolution re: Levying Taxes
2. Funding Options
3. Funding Options Calculation Sheet
4. Reasons for Each Funding Options
5. Police Department Staffing Report

RESOLUTION NO. 2017-_____

**A RESOLUTION TO LEVY TAXES FOR THE FISCAL YEAR
JULY 1, 2017 THROUGH JUNE 30, 2018.**

THE CITIZENS OF THE CITY OF ASHLAND RESOLVE AS FOLLOWS:

Section 1. That the City Council of the City of Ashland hereby levies a tax upon all real and personal property subject to assessment and levy within the corporate limits of the City of Ashland, Jackson County, Oregon for general government purposes.

Section 2. The City Council also levies a tax on all taxable property within the City of Ashland as authorized for the repayment of General Obligation Debt.

Section 3. That the City Council hereby declares taxes levied as follows:

	Bonded Debt	Per \$1000/Assessed Value
General Fund - Operations		\$4.2865
2005 General Obligation Bonds	299,700	
2011 General Obligation Bonds	215,609	
	\$515,309	\$4.2865

This resolution was duly PASSED and ADOPTED this _____ day of June, 2017.

Melissa Huhtala, City Recorder

SIGNED and APPROVED this ____ day of _____, 2017.

John Stromberg, Mayor

Reviewed as to form:

David Lohman, City Attorney

Funding Options for 5 new Police Officers

Annual Cost estimated at \$550,000

Approximately \$110,000 each

Option #1:

Property Tax rate increase: None

Electric Meter Fee Per Month: \$1.75 per meter

Water Meter Fee Per Month: \$2.85 per meter

Or \$1.75 and \$2.15 adjusted based on State Marijuana Tax estimate

Option #2:

Property Tax rate increase: 4.5 cents (\$112,000)

Electric Meter Fee Per Month: \$3 per meter

Or \$2.50 adjusted based on State Marijuana Tax estimate

Option #3:

Property Tax rate increase: Full tax levy 8.93 cents (\$224,000)

Electric Meter Fee Per Month: \$2.25 per meter

Or 1.75 adjusted based on State Marijuana Tax estimate

Option #4

Phase in approach. Hiring of Police Officers is a time consuming effort and the new officers will not begin on July 1st. The phase in approach assumes that any savings created by the hiring process can be set aside at the beginning of the year and utilized at the end to fund the 5 Police Officers.

Year 1: No property tax change

\$2.25 Electric Meter Fee

Use estimated State Marijuana Tax

Year 2: Property tax increase 9 cents (\$232,182)

\$1.75 Monthly Electric Meter Fee

Use estimated State Marijuana Tax

Police Officer Cost By Month Phase In

9166.67

[illegible]

Reasons for Each Funding Option

The two funding mechanisms for the 5 new Policers can take the form of a Public Safety Support Fee (charged as a meter fee on each electric and water account) or a combination of a property tax increase combined with a Public Safety Support Fee. The options presented provide possible funding options to hire the full 5 Police Officers. The estimates for the State portion of Marijuana tax are becoming clearer and it is currently estimated that the City will generate roughly \$75,000 a year.

Staff is not making a recommendation on any specific model but will provide thoughts behind each of the options.

The options range from no property tax, half of the potential increase, the full 9 cent increase and a phase in model to smooth the charges to the residents.

Option #1:

Property Tax rate increase: None

Electric Meter Fee Per Month: \$1.75 per meter

Water Meter Fee Per Month: \$2.85 per meter

Or \$1.75 and \$2.15 adjusted based on State Marijuana Tax estimate

The meter fee (Public Safety Support Fee) versus the percentage of usage was used to spread the cost amongst all residents of Ashland evenly.

The reason behind having the meter fee split between water and electric is to ensure that all segments of the Ashland community are contributing. This model ensures (as much as possible) that each household and business is contributing (through the electric meter) and that each property owner is as well (through the water meter). An example is an apartment complex where residents pay the electric bill but not the water. It is not just the residents, in their units that would have a need for increased public safety, but also the common areas of the complex.

Option #2:

Property Tax rate increase: 4.5 cents (\$112,000)

Electric Meter Fee Per Month: \$3 per meter

Or \$2.50 adjusted based on State Marijuana Tax estimate

Providing an option halfway between the current rate and the maximum allowable rate was provided to allow for additional discussion relating to the property tax. At a 4.5 cent increase the City would still need to generate additional revenue to fund the 5 Police Officers.

The reason behind a water meter fee, along with the electric meter fee, was to ensure property owners also contributed to the public safety funding. With the property tax being increased the property

owners are contributing. This option, along with the other options, could continue to split the fee between water and electric.

Option #3:

Property Tax rate increase: Full tax levy 8.93 cents (\$224,000)

Electric Meter Fee Per Month: \$2.25 per meter

Or 1.75 adjusted based on State Marijuana Tax estimate

At the full 9 cent increase the City would still need to generate additional revenue to fund the 5 Police Officers.

Same logic behind the electric fee as Option #2. This option, along with the other options, could continue to split the fee between water and electric.

Option #4

Phase in approach. Hiring of Police Officers is a time consuming effort and the new officers will not begin on July 1st. The phase in approach assumes that any savings created by the hiring process can be set aside at the beginning of the year and utilized at the end to fund the 5 Police Officers.

Year 1: No property tax change
\$2.25 Electric Meter Fee
Use estimated State Marijuana Tax

Year 2: Property tax increase 9 cents (\$232,182)
\$1.75 Monthly Electric Meter Fee
Use estimated State Marijuana Tax

The phase in approach is staff's attempt to lower the initial burden on tax and fee payers and smooth the increased cost over the next year. The Police Department will not hire the 5 Officers on July 1st. This model reflects an attempt to hire the Police Officers over the entirety of the first year. By implement the fee increases on July 1st, the City can save those funds and apply those to the end of the year when the full cost impacts are realized, allowing for a lower fee increase in the first year. Once the officers are hired, the City would then be required to fund the 5 Police Officers in year two. The year two model increases the Property Tax rate by 9 cents and then reduces the electric meter fee by 50 cents a month. The year two model could take the form of any of the other options.

City of Ashland Police Staffing Report

Staffing Report for City of Ashland Police Department

Submitted by Tighe O'Meara, Chief of Police

Executive Summary

As the City of Ashland enters a new biennial budget process, and as we continue to find creative way to address public safety concerns, the police department has been analyzing its staffing levels. Given that the population has risen over the years, along with the tourist population and the student population, and that police staffing has remained essentially the same, it seems clear that police staffing needs to be scrutinized. This report will examine police staffing levels, tourism, population, crime trends and policing strategies, as well possible funding options should the council decide to move toward increased police staffing.

Current Staffing Overview

The Ashland Police Department is made up of 28 sworn officers, as well as several non-sworn staff members.

A sworn officer is a police officer with full powers to stop a person, investigate a crime and make an arrest when appropriate. These team members are required to attend the police academy as well as extensive in-house training. Non-sworn team members perform a variety of tasks that support the sworn officers and overall mission of the department. These positions include a community service officer, an evidence tech and various clerk positons.

The 28 sworn officers are assigned as follows:

- 1-Chief
- 1-Deputy Chief
- 1-Patrol Lieutenant
- 1-Detective Sergeant
- 4-Detectives
 - 3-General crimes detectives
 - 1-Detective assigned to the You Have Options Program (YHOP)
- 1-Traffic Officer, responsible for all of the city's special events, traffic enforcement, and major crash investigation
- 2-Central Area Patrol (CAP) officers, working opposite days, to allow for seven day a week uniformed presence downtown
- 4-Patrol Sergeants, each supervising a patrol team made up of:

Three patrol officers, giving a minimum staffing of one supervisor on duty at any given time, as well as two officers. This is the day-to-day uniform presence, available for emergency response at any given time. Given vacations, sickness and training we often, if not usually, end up with a supervisor plus two officers as opposed to the full team, which is the supervisor and three officers.

City of Ashland Police Staffing Report

- 13 patrol officer positions in the department. Three on each of the four teams, plus one extra to help cover the busier times at night.

During the week days there are a few more resources available but this is not reliable given the admin officers' (chief, deputy chief etc.) responsibilities.

*Any critical or confrontational incident requires at least two officers to cover it safely, if not more. A basic rule of law enforcement is that we need to have any potential suspect out matched by at least a 2:1 ratio, so any confrontational investigation or even moderate incident (as opposed to major incident) will require at least two thirds of the department's on duty uniformed officers. **This means APD officers can respond safely to exactly one incident at a time given our minimum, and often in-place, staffing levels.***

If multiple incidents happen at the same time, and even if the on duty team can manage to effectively handle both incidents, it often results in the sergeant being left in the city alone, as the solitary police presence able to respond to incidents.

It should also be noted that often the decision must be made to cite someone who would otherwise go to jail, in lieu of arrest, due to staffing levels being insufficient.

On February 4th of this year there was incident on Van Ness Ave that had to be entirely handled by outside agencies as the APD officers were otherwise engaged. An APD officer was not able to respond and assume control of the incident for 40 minutes.

Additionally, in the four weeks leading up the initial presentation of this report, officers or sergeants were left in the city as the sole police presence on at least nine occasions. That's one uniformed officer/sergeant in the city to answer calls for service. This puts our officers/sergeants in a gravely dangerous situation, as well as endangering our residents.

If a sole police resource is left in town and is called to handle an emergency situation one of two things will happen. If the officer/sergeant attempts to handle the situation alone, the officer/sergeant is significantly increasing his/her exposure to danger. This will necessitate the officer potentially having to rely on a greater use of force than a two or three-officer response would require.

If the officer/sergeant were to decide that the situation is too dangerous to handle alone, then the resident requesting assistance is left without police assistance until more officers can be summoned from neighboring agencies. One of these choices increases the risk to our officers and other the risk to our residents. This is clearly not the level of service that we want to provide to our community members, or the support that we want to give to our officers.

The situation described above, as well as large fights and disturbances, often bring outside agencies into Ashland to assist the APD. It is common for Talent and Phoenix PD to both respond to assist. However, they have their own areas of responsibility, and while APD maintains an excellent partnership with TPD, PPD and other agencies, APD can't assume that they are available to help handle Ashland's police business. It also needs to be noted that while we operate with a strong mutual aid agreement, it is by nature a quid pro quo, and we are often asked to respond to their jurisdictions to assist.

The Jackson County Sheriff's Office typically has two deputies on patrol in the south county area. Just as Talent and Phoenix have their own responsibilities, the deputies do as well, covering approximately 1,400 square miles (the south half of the county). There can't be any assumption that they can assist us.

City of Ashland Police Staffing Report

Ashland's Population Numbers Have All Increased in the Last 20 Years

- Population: Up 14%
- Tourist population: Up 33%
- SOU Population: Up 15%

APD's Key Numbers Have All Been Trending Up Over the Last Five Years

- Response times to priority 1 calls are up to 281 seconds, above our goal of 264
- Number of cases is up 13% since 2012
- Number of cases handled by detectives is up 22% since 2012

Historical Staffing Levels

Since 1997 APD staffing levels for sworn police have remained essentially the same, fluctuating between a low of 26 in 1998 to a high of 31 in 2002. Even at the high point of 31 in 2002 the department was understaffed per Bureau of Justice Statistics (BJS) averages, which indicate that the full time sworn strength should have been 38 officers (see below for further on this).

New Policing Strategies Affect Our Staffing

APD has always wanted, and expected, its officers to act professionally and compassionately with all members of the public. The department has always strived for engagement and education before enforcement. While these approaches have long been a part of community policing, they are very specifically integral parts of procedural justice. Procedural justice is a philosophy that is being embraced and encouraged nationally as a better way to engage the community. The fundamentals of procedural justice are that everyone needs to be given respect, needs to be treated with dignity, needs to be given voice, and needs neutrality in decision making.

Studies have shown that if the officers are given time to engage each person in a more meaningful way, allowing all to feel heard and respected, the officer is less likely to encounter resistance when arresting a suspect. This translates to less use of force, fewer injuries to suspects and officers alike, and an increase in the credibility and legitimacy of the police department in the eyes of all community members.

This necessitates officers spending more time on each call, which, combined with an increased population and case volume further demonstrates the need for more officers.

Additional Cadets

For the last several years the department has employed cadets to perform low level enforcement duties downtown. This has been a very successful program and has recently been expanded. One of the peripheral results of this is that the officers see an increased workload due to increased cadet-initiated contacts. For example, more cadets stopping more people results in more warrants being discovered

City of Ashland Police Staffing Report

which results in more demands on the officers' time. This is, of course, what we want our police resources to accomplish. The apprehension of fugitives is a core function of any police department. It is also an additional strain on our resources and re-affirms the need for additional officers.

Regional/City Partnerships

Due to the acute staffing crisis of 2015, along with increased demand in the city in general, and specifically downtown, the department has had to temporarily step back from city and regional partnerships. Specifically, the department no longer participates in Medford Area Drug and Gang Enforcement (MADGE), the Southern Oregon High Tech Crimes Task Force and the school resource officer program. The problem solving unit (PSU) is preparing to deploy in April of 2017. This unit will help the department address problem areas as they develop, and we are hopeful that it will be effective in dealing with some of the downtown and south end problems. However, we are still left lacking in our proactive partnerships that help the department stay ahead of issues instead of being reactive to them. Our most immediate need in partnerships is the re-establishment of the school resource officer. This can be an invaluable tool and partnership, allowing the department to stay connected to the teen community at a critical time in their lives.

Additional Officers Needed—Current Staffing is Below National Averages

Currently Ashland has 1.3 officers for every 1,000 residents, (not including tourists and SOU students). This is significantly lower than the averages presented by the Bureau of Justice Statistics (BJS). The BJS statistics have the lowest average officer:resident ratio as 1.8:1,000 residents (for towns between 25,000 and 100,000). Following this lowest average formula APD would employ 38 officers. The average ratio as presented by the BJS for towns between 10,000 and 24,999 residents is 2:1,000, which would have us employing 42 officers. Again, this is not taking into account that Ashland is so much more than a town of 21,000 residents. When the tourist and the student population are also factored in it makes the need for more officers even more pronounced, based purely on the numbers.

The International Association of Chiefs of Police (IACP) does not recommend relying solely on factors such as population, but rather on more qualitative factors. The IACP suggests that communities decide what the department's and community's priorities are and what the department wants to accomplish.

If the quantitative analysis presented by the BJS serves as a foundation it is clear that the department should have several more officers than it currently does, based purely on the city population. Add on top of that the IACP recommendation (the qualitative approach) that the community provide police staffing consistent with how the community wants its police officers to engage the community members (e.g. implementing procedural justice practices) the need for additional officers is even more clear.

If the department were to hire five additional officers, which is the immediate goal, we would increase our ratio to 1.6:1,000 residents, much closer to the national average of 1.8:1,000. This would result in one additional officer being on duty at any given time, and the re-establishment of the school resource officer program. The department's staffing would increase to a minimum of a supervisor and three officers, and the department would be able to more safely handle two critical incidents simultaneously.

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Officer Cost

How much an officer costs is dependent on whether or not the officer is an entry level or a lateral candidate. Lateral officers are easier to train, but are more expensive to employ. Entry level officers are less expensive to hire but take longer to train. Additionally, lateral candidates are in high demand and move off of eligibility fairly quickly as other opportunities develop, or their circumstances change.

The cost of hiring each officer after July 1, 2017 will be:

- Entry level: \$100,905.97 per year
- Lateral hired at Step 3: \$112,887.53 per year

Even within the lateral pricing there are unknowns that can't be predicted. Any candidate coming in with a bachelor's or master's degree is entitled to an incentive, as is any officer that qualifies for an advanced certificate through the Department of Public Safety Standards and Training (DPSST).

These costs will presumably go up as the contract with the Ashland Police Association is negotiated, but this is the cost as of this report.

There is a detailed costs analysis at the end of this report.

Funding Options

Utility Bill Surcharge

The City has approximately 13,000 utility accounts (not including AFN-only accounts). If each of those accounts were to be assessed a \$3.50 surcharge per month, that would raise \$45,500 per month, or \$546,000 per year, enough to cover the cost of five new officers and their related equipment and peripheral costs. If the Council were to choose this option staff asks that this surcharge be addressed as a percentage rather than as a constant \$3.50 per month. This allows for future increases in costs due to inflation, wage increases etc., and would allow the funding stream to maintain its effectiveness in the years to come.

ECSO Transitions to Special District

Currently the police department pays Emergency Communications of Southern Oregon (ECSO) \$421,160 a year in direct funding to cover costs of participating in a regional dispatch operation. There is a potential for a push toward ECSO becoming a special district under Oregon law, which would allow it to draw its funding directly from the property owners instead of it flowing through the city's general fund. If this were to happen, but the city retained this funding level to the department, the department could pay for 4.3 additional officers and the needed equipment. However, this would not be recommended unless the city were committed to funding the new officers regardless of whether or not the special district initiative were approved.

Property Tax

City of Ashland Police Staffing Report

The City is not currently assessing the maximum tax rate. There is an additional nine cents per \$1,000 of value that could be assessed. If the remaining nine cents were to be assessed the city's revenue would increase by approximately \$217,000.

Public Safety Bond

The City could choose to pursue a public safety bond through a May or November 2017 election. However, such a move would not be a guaranteed long-term strategy to fund these positions.

Deployment of New Officers

As noted above, each of the patrol teams, when at minimum staffing, can handle exactly one contentious incident at a time. The five new officers represent one new officer on each of the four teams, plus a school resource officer. This will allow the department to increase minimum staffing levels to a supervisor and three officers, giving us the ability to handle more calls more safely, while also allowing us to re-engage the school system in an essential program.

Summary

The population of the city has increased over the last 20 years, as has the tourist population and the student population. The call load that the officers have to handle has never been higher, and policing strategies that have been put forward as national best practices require that officers slow down their interactions with all members of the community and provide more meaningful engagement.

However, the staffing levels of the department have remained the same over the last 20 years. While the men and women who comprise the Ashland Police Department will always strive to provide the best police service possible to the community, current staffing levels do not allow the men and women of the department to safely and effectively engage the community in the manner that represents best practices in 21st century policing.