
Title/Topic: Public Safety Fee

Meeting Date: March 11, 2024
Department: Administration

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ISSUE STATEMENT

Should the City Council increase the monthly public safety fee to address a Law Enforcement Fund revenue shortfall?

BACKGROUND

On July 12, 2021 the Veneta City Council unanimously passed Ordinance No. 562, creating a monthly public safety fee for the City of Veneta. On August 9, 2021 the Council unanimously directed staff to enact a \$4.00 per month public safety fee beginning in January 2022. Currently, public safety fee revenues are collected in the Law Enforcement Fund to pay for contracted police services from Lane County Sheriff's Office (LCSO) among other public safety expenses.

One of the goals of implementing the public safety fee was to allocate no more than 50% of property taxes to the Law Enforcement Fund. The cost of contracted police services with the LCSO is expected to be \$1,070,565. At 50% of property tax, revenue is estimated to be \$956,983 for FY 2025. At \$4.00 per month, public safety fee revenues are estimated to be approximately \$100,000. If a \$4.00 monthly fee is maintained, there would be a funding gap of approximately \$20,000 needed to match the LCSO's contract. See Table 1 below. An increase of \$0.75 to this fee would make up the difference to support the LCSO contracted police services.

Table 1. FY 25 Budget for LCSO Contract

LCSO Contract	\$ 1,079,656
Expected FY 25 Property Tax	\$ (956,893)
Remaining After Property Tax	\$ 122,763
\$4 Public Safety Fee	\$ (100,000)
Remaining	\$ 22,763

The public safety fee can also be allocated towards other public safety expenses within the Law Enforcement Fund. In 2023, code enforcement activities were moved into the Fund to represent all public safety activities. Code Enforcement activities for FY 2025 are expected to be \$120,344 when budgeting for a potential new code enforcement position. Marijuana tax revenues have also previously contributed to the Fund. Based on prior years' funding, it is estimated that additional contributions from marijuana and prior years property tax will total \$45,000. Law Enforcement Fund Expenditures

are expected to surpass revenues for the next year by roughly \$100,000. See Table 2 below.

Table 2. FY 2025 Law Enforcement Fund Forecasted Expenditures and Revenues

Expenditures		
	LCSO Contract	\$ 1,079,656
	Code Enforcement	\$ 120,344
	Total	\$ 1,200,000
Revenues		
	Property Tax FY 2025	\$ 956,893
	\$4 Public Safety Fee	\$ 100,000
	Marijuana Tax	\$ 30,000
	Prior Property Tax	\$ 15,000
	Total	\$ 1,101,893
Difference w/ Total Estimate Revenue		\$ 98,107

Although the public safety fee is not the only source of revenue to support activities in this fund, increasing it to \$8.00 per month would add an additional \$100,000 in expected revenue. This increase would cover the total financial shortfall and be enough to support the LCSO contracted police services along with all other public safety expenses within the LEF.

COUNCIL OPTIONS

1. Direct staff to bring forth a resolution to increase the Public Safety Fee to \$4.75 per month.
2. Direct staff to bring forth a resolution to increase the Public Safety Fee to \$8.00 per month.
3. Direct Staff to conduct further analysis on the public safety fee and come back to City Council in April with additional options.
4. Maintain the Public Safety Fee at \$4.00 per month.

CITY ADMINISTRATOR'S RECOMMENDATION

Option #2 – Direct staff to bring forth a resolution to increase the monthly Public Safety Fee to \$8.00 per month.

SUGGESTED MOTION

"I make a motion to direct staff to bring forth a resolution to increase the Public Safety Fee to \$8.00 per month."

ATTACHMENTS

N/A