

A G E N D A



Joint Meeting of the City of Salem Budget Committee and
the Salem Urban Renewal Agency Budget Committee

DATE: Wednesday, May 8, 2024
TIME: 6:00 PM
CHAIRPERSON: Dr. Irvin Brown

STAFF LIAISON:
Josh Eggleston, Chief Financial Officer
503-588-6130
jeggleston@cityofsalem.net
Kali Leinenbach, Budget Manager
503-588-6231
kleinenbach@cityofsalem.net

To sign up to provide virtual testimony to the Budget Committee, please visit the link below. Registration is open between 8:00 AM and 2:00 PM on the day of the meeting.

[Comment and Participate in a City Council or Budget Committee Meeting | Salem, Oregon \(cityofsalem.net\)](https://www.cityofsalem.net/Comment-and-Participate-in-a-City-Council-or-Budget-Committee-Meeting)

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1. OPENING EXERCISES – Chairperson Dr. Irvin Brown
 2. PUBLIC TESTIMONY
 - a. Correspondence from Kristi Woolner regarding Parks.
 3. MINUTES
 - a. Minutes from May 1, 2024 City of Salem and Urban Renewal Agency Budget Committee Meeting
 4. ACTION ITEMS
 - a. None
 5. INFORMATION ITEMS
 - a. Staff Report: Summary of Budget Committee Actions Through May 1, 2024
 - b. FY 2024 Q2 Financial Report for the City of Salem
 - c. FY 2024 Q2 Financial Report for the Urban Renewal Agency
 - d. FY 2024 Q3 Financial Report for the City of Salem
 - e. FY 2024 Q3 Financial Report for the Urban Renewal Agency
 6. PUBLIC HEARINGS
 - a. None.
 7. SPECIAL ORDERS OF BUSINESS
 - a. Discussion and Deliberation of tabled motion
 - Refunding of the JC Relays, movies in the park and concerts (amendment of Member C. Hoy’s motion, “I move that the proposed Library reductions be restored to the FY 2025 budget and funded with a transfer from the Cultural and Tourism Fund working capital”.)
 - b. Approve FY 2025 Salem Urban Renewal Agency Ad Valorem Property Taxes

Staff Report: Approval of Ad Valorem Property Taxes – Salem Urban Renewal Agency

Approve the estimated ad valorem property tax levies derived from the sum of the Division of Taxes and the Special Levy for the Salem Urban Renewal Agency Areas as follows:

	Division of Taxes	Special Levy	Estimated Total
1. Jory Apartments	100%	\$0	\$498,470
2. Mill Creek	100%	0	4,036,630
3. North Gateway	100%	0	5,159,260
4. Riverfront Downtown	100%	Remainder	7,411,130
5. South Waterfront	100%	0	544,560
6. West Salem	100%	0	2,314,860
			\$19,964,910

- Discussion
- Motion to approve Salem Urban Renewal Agency FY 2025 ad valorem property taxes

c. Recommend FY 2025 Salem Urban Renewal Agency Budget

Staff Report: Recommend FY 2025 Salem Urban Renewal Agency Budget

- Discussion
- Motion to approve final recommendation of FY 2025 Salem Urban Renewal Agency Budget

d. Approve FY 2025 City of Salem Ad Valorem Property Taxes

Staff Report: Approval of Ad Valorem Property Taxes – City of Salem

Recommendation:

Approve the ad valorem property taxes for the City of Salem General Fund and the City of Salem General Obligation Debt fund as follows:

1. Approve the City of Salem permanent tax rate of \$5.8315 for general fund operations.
2. Approve a General Obligation bond debt levy of \$20,335,440
 - Discussion
 - Motion to approve City of Salem FY 2025 ad valorem property taxes

e. Recommend FY 2025 City of Salem Budget

Staff Report: Recommend FY 2025 City of Salem Budget

Good Governance

- Expenditures: \$129,193,700
- Discussion
- Motion to approve final recommendation of the City of Salem FY 2025 Good Governance Result Area Budget

Natural Environment Stewardship

- Expenditures: \$26,310,070
- Discussion
- Motion to approve final recommendation of the FY 2025 City of Salem Natural Environment Stewardship Result Area Budget

Safe and Healthy Community

- Expenditures: \$172,167,930
- Discussion
- Motion to approve final recommendation of the FY 2025 City of Salem Safe and Healthy Community Result Area Budget

Safe, Reliable, and Efficient Infrastructure and Capital Improvements

- Expenditures: \$164,086,170 for the result area and \$175,921,310 for capital improvement projects
- Discussion
- Motion to approve final recommendation of the FY 2025 City of Salem Safe, Reliable, and Efficient Infrastructure Result Area and Capital Improvements Budgets

Strong and Diverse Economy

- Expenditures: \$16,417,540
- Discussion
- Motion to approve final recommendation of the FY 2025 City of Salem Strong and Diverse Economy Result Area Budget

Welcoming and Livable Community

- Expenditures: \$43,017,530
- Discussion
- Motion to approve final recommendation of the FY 2025 City of Salem Welcoming and Livable Community Result Area Budget

8. PUBLIC TESTIMONY FOR FUTURE BUDGET ISSUES

The Budget Committee has set aside time for public comment to address items not on the agenda. Each individual testifying will be limited to no more than three (3) minutes.

9. ADJOURNMENT

The next meetings related to the FY 2025 budget will occur with as follows:

- *Wednesday, May 15, 2024, FY 2025 City and URA Budget Recommendation (if needed) – Budget Cmte*
- *Monday, June 10, 2024, FY 2025 Budget and State Revenue Sharing Public Hearings – City Council*
- *Monday, June 24, 2024, FY 2025 Budget and CIP Adoption – City Council*

Budget staff is available for your convenience to discuss the budget document and process. Please call the staff listed above or 503-588-6049 if you have any questions.

<p>The City of Salem budget information can be accessed on the internet at: www.cityofsalem.net/departments/budget</p> <p>NOTE: Disability-related accommodations, including auxiliary aids or services, in order to participate in this meeting, are available upon request. Sign language and Spanish interpreters are available at the meeting. For languages other than English or other accommodation, contact Kelli Blechschmidt, (503) 588-6049 or kblechschmidt@cityofsalem.net at least 2 business days before this meeting. TTD/TTY telephone (503) 588-6439 is also available 24/7.</p>	<p>The City of Salem values all persons without regard to race, color, religion, national origin, sex, age, marital status, domestic partnership, disability, familial status, sexual orientation, gender identity and source of income.</p>
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From: [Kristilyn Woolner](#)
To: [budgetoffice](#)
Subject: Water at parks
Date: Wednesday, May 1, 2024 6:46:08 PM

Hello there!

Please do not turn off the water this summer at the parks! Parks are where families and friends spend time together outside enjoying nature and sunshine. We need water fountains and bathrooms accessible!

Kristi Woolner
Sent from my iPhone

MINUTES



Joint Meeting of the City of Salem Budget Committee and the Salem Urban Renewal Agency Budget Committee

DATE: Wednesday, May 1, 2024 STAFF LIAISON:
TIME: 6:00 PM Josh Eggleston, Chief Financial Officer
CHAIRPERSON: Dr. Irvin Brown 503-588-6130
jeggleston@cityofsalem.net
PLACE: Hybrid Kali Leinenbach,
Chambers & YouTube 503-588-6231
kleinenbach@cityofsalem.net

1. OPENING EXERCISES – Chairperson Brown called the meeting to order at 6:00pm

Members present: Beleiciks, Cohen, Allen, Manvel, Vieyra-Braendle, Stapleton, Phillips, Gonzalez, Gwyn, J. Hoy, Nordyke, Varney, C. Hoy, Dixon, Curtis, Gier, Vice-chair Nishioka, Chair Brown.

Pledge of Allegiance by: All

Chair Brown informed the Committee about the additions agenda submitted which included nine pieces of written testimony and one staff report.

Motion: Move to approve the additions agenda of May 1, 2024 for the City of Salem Budget Committee and Urban Renewal Agency Budget Committee Meeting.

Motion by: Vice-chair Nishioka
Seconded by: Member Varney

Action: Motion passes
Vote:
Aye: Unanimous
Nay:
Abstentions:

2. PUBLIC TESTIMONY
 - a. Tim Cowan regarding the Salem Public Library
 - b. Megan Adams from the Willamette Practical Law Program regarding the CIP
 - c. Rachael Atchison, Ward 3, General Fund
 - d. AJ Foscoli, Ward 4, SEDCOR General Fund line item
 - e. Lynn Takata, Ward 1, Graffiti
 - f. Lisa Taylor, Ward 2, various community services
 - g. Jane Titchenal, Ward 7, regarding SEDCOR General Fund line item

Member Gwyn left at 6:19PM and returned at 6:29PM.

3. MINUTES

- a. Minutes from April 24, 2024 City of Salem and Urban Renewal Agency Budget Committee Meeting

Motion: Move to approve the meeting minutes from the April 24, 2024 City of Salem Budget Committee and Urban Renewal Agency Budget Committee.

Motion by: Vice-chair Nishioka
Seconded by: Member Stapleton*

Action: Motion passes

Vote:

Aye: Unanimous

Nay:

Abstentions:

*Member Phillips initially seconded the motion, but when it was restated by Vice-chair Nishioka, it was seconded by Member Stapleton.

Questions or comments by: Member Cohen

Answers or comments by: Josh Eggleston, Chief Financial Officer

4. ACTION ITEMS

- a. None

5. INFORMATION ITEMS

- a. Staff Report: Summary of Budget Committee Actions Through April 24, 2024
b. Staff Report: Responses to Committee Member Questions
c. Staff Report: Additional Responses to Committee Member Questions

Questions or comments by: Members Nordyke, Chair Brown, Members Stapleton, Cohen, Phillips, J.Hoy, Manvel, Curtis

Answers or comments by: Josh Eggleston, Chief Financial Officer and Scott Archer, Deputy City Manager

6. PUBLIC HEARINGS

- a. State Revenue Sharing Funds

- Staff Report: Public Hearing on the Proposed Uses of State Revenue Sharing Funds, Senior Fiscal Analyst Ryan Zink.
- Chair Brown opened the Public Hearing.
- No member of the public testified.
- Chair Brown closed the Public Hearing.

Motion: Move to recommend the proposed uses of State Revenue Sharing funds.

Motion by: Member Stapleton
Seconded by: Vice-chair Nishioka

Action: Motion passes

Vote:

Aye: Beleiciks, Cohen, Allen, Vieyra-Braendle, Stapleton, Phillips, Gonzalez, Gwyn, J. Hoy, Nordyke, Varney, C. Hoy, Dixon, Curtis, Gier, Vice-chair Nishioka, Chair Brown

Nay: Manvel

Abstentions:

Questions or comments by: Members Manvel, Cohen, C. Hoy, Phillips, Chair Brown, Members Stapleton, Varney and Vice-chair Nishioka

Answers or comments by: Josh Eggleston, Chief Financial Officer, Trevor Womack, Police Chief

Member J. Hoy left at 7:23PM and returned at 7:28PM

7. SPECIAL ORDERS OF BUSINESS

a. Result Area Budget Review – Good Governance, pages 55-88

- Presentation and overview Chief Financial Officer, Josh Eggleston

Questions or comments by: Members Manvel, Curtis, Cohen, Dixon, Phillips

Answers or comments by: Krishna Namburi, Deputy City Manager, Josh Eggleston, Chief Financial Officer, Courtney Knox-Busch, Strategic Initiatives Manager, Scott Archer, Deputy City Manager

b. Result Area Budget Review – Safe and Healthy Community, pages 107 – 134

- Presentation and overview Budget Manager Leinenbach

Motion: Restore the Graffiti Abatement position to the budget utilizing working capital from the General Fund to pay for it.

Motion by: Member C. Hoy

Seconded by: Member Phillips

Questions or comments by: Member C. Hoy, Chair Brown, Members J. Gonzalez, J. Hoy, Dixon, Manvel, Allen, Phillips, Nordyke, Stapleton, Gier, J. Hoy, Vieyra-Braendle, Curtis

Answers and explanations by: Josh Eggleston, Chief Financial Officer, Trevor Womack, Police Chief, Scott Archer, Deputy City Manager, Keith Stahley, City Manager

Action: Motion passes
Vote:
Aye: Unanimous
Nay:

Questions or comments by: Chair Brown, Members C. Hoy, Vieyra-Braendle, Phillips, Manvel, Cohen, Nordyke, Allen

Answers and explanations by: Trevor Womack, Police Chief, Josh Eggleston, Chief Financial Officer, Mike Niblock, Fire Chief

Chair Brown called a recess of the meeting between 8:36PM and 8:45PM

c. Discussion and Deliberation of tabled motions from the April 24, 2024 Budget Committee Meeting

Tabled Motion #1:

- Move to direct staff to move up to \$75,000 from the Business Retention and Recruitment / SEDCOR line item to our Parks Department to fund Movies in the Parks, kids relays and other community events.

Questions or comments by: Members Vieyra-Braendle, Allen, Phillips

Answers and explanations by: Josh Eggleston, Chief Financial Officer

Motion: Move to withdraw this motion for the time being

Motion by: Member Stapleton
Seconded by: Member Phillips

Questions or comments by: Member Stapleton

Answers and explanations by: None

Action: Motion passes
Vote:
Aye: Unanimous
Nay:
Abstentions:

Tabled Motion #2:

- Refunding of the JC Relays, movies in the park and concerts (was an amendment to Member C. Hoy's motion, "I move that the proposed Library reductions be restored to the FY 2025 budget and fund with a transfer from the Cultural and Tourism Fund working capital".)

Questions or comments by: Member C.Hoy, Stapleton, Beleiciks, Dixon, Varney, Vice-chair Nishioka, Phillips, J. Hoy, Curtis, Cohen, Nordyke, Chair Brown, Gwyn, Manvel, Allen

Answers and explanations by: Josh Eggleston, Chief Financial Officer, Dan Atchison, City Attorney, Chris Neider, Program Manager III, Scott Archer, Deputy City Manager

Motion: I move we table this motion [(refunding of the JC Relays, movies in the park and concerts) which was an amendment to Member C. Hoy’s motion, “I move that the proposed Library reductions be restored to the FY 2025 budget and fund with a transfer from the Cultural and Tourism Fund working capital”)] to a future meeting.

Motion by: Member C. Hoy
Seconded by: Member Nordyke

Questions or comments by: Member Curtis, Chair Brown, Members Varney, Vice-chair Nishioka, Beleiciks, Manvel, Allen, Dixon, Stapleton
Answers and explanations by: Josh Eggleston, Chief Financial Officer, Scott Archer, Deputy City Manager, Keith Stahley, City Manager

Motion to extend the meeting: I move that we extend the meeting until 10:25PM.

Motion by: Member Stapleton
Seconded by: Vice-chair Nishioka

Questions or comments by: Chair Brown

Action: Motion passes
Vote:
Aye: Beleiciks, Cohen, Allen, Manvel, Vieyra-Braendle, Stapleton, Phillips, Gonzalez, J. Hoy, Varney, Dixon, Curtis, Gier, Vice-chair Nishioka, Chair Brown.
Nay: Nordyke, Gwyn and C. Hoy
Abstentions:

Questions or comments by: Member Stapleton, Phillips

Returned to tabled motion #2

Action: Motion passes
Vote:
Aye: Beleiciks, Nordyke, Gwyn, C. Hoy, Allen, Manvel, Vieyra-Braendle, Stapleton, Phillips, Gonzalez, J. Hoy, Varney, Dixon, Curtis, Gier, Vice-chair Nishioka, Chair Brown.
Nay: Cohen
Abstentions:

- d. Committee Discussion
 - a. None

8. PUBLIC TESTIMONY FOR FUTURE BUDGET ISSUES

The Budget Committee has set aside time for public comment to address items not on the agenda. Each individual testifying will be limited to no more than three (3) minutes.

- a. None

9. COMMITTEE DISCUSSION ON FUTURE INFORMATION ITEMS

Questions or comments by: Member Beleiciks, Dixon, Chair Brown
Answers and explanations by: Josh Eggleston, Chief Financial Officer

Motion: Move to adjourn

Motion by: Member Nordyke
Seconded by: Member Gwyn

Questions or comments by: Chair Brown

Action: Motion passes

Vote:

Aye: Unanimous

Nay:

Abstentions:

10. ADJOURNMENT

The meeting was adjourned at 10:04 PM

Respectfully Submitted,

Kelli Blechschmidt
Minutes Recorder

The next Budget Committee meeting will be held Wednesday, May 8, 2024 at 6:00 pm. The following budgets are to be scheduled to be reviewed and actions to be taken:

- *Approval of Tax Levy*
- *Recommendation of the Proposed FY 2025 City of Salem Budget and Proposed FY 2025 Urban Renewal Agency Budget*

Budget staff is available for your convenience to discuss the budget document and process. Please call the staff listed above or 503-588-6040 if you have any questions.

The City of Salem budget information can be accessed on the internet at: www.cityofsalem.net/budget

NOTE: Disability-related accommodations, including auxiliary aids or services, in order to participate in this meeting, are available upon request. Sign language and Spanish interpreters are available. Languages other than English are also available upon request. To request such an accommodation or interpretation, contact Shengnan Thomas, (503) 588-6040 or finance@cityofsalem.net at least 2 business days before this meeting. TTD/TTY telephone (503) 588-6439 is also available 24/7.

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TO: Budget Committee Members

THROUGH: Keith Stahley, City Manager

FROM: Josh Eggleston, Chief Financial Officer

SUBJECT: Summary of Budget Committee Actions Through May 1, 2024

RECOMMENDATION:

Information only.

FACTS AND FINDINGS:

The purpose of this staff report is to provide a summary of the actions of the Budget Committee during the FY 2025 proposed budget review process, which includes weekly meetings from April 17, 2024 through May 8, 2024. The list of potential attachments, which appears below, will form the content of the report. A notation adjacent to an item on the list indicates its inclusion in the weekly report.

Included Attachment 1: Lists actions, deletions, or changes with a budgetary impact made by the Budget Committee.

Attachment 2: Lists ideas and discussion points to be considered as the Budget Committee deliberates its budget recommendation.

Included Attachment 3: Lists information and reports requested by the Budget Committee and the date the reports are scheduled to be presented.

Attachment 4: Lists additional appropriations for the FY 2025 budget proposed by the Budget Committee, which the committee may wish to consider for inclusion in the balanced budget.

Included Attachment 5: Lists the correspondence received by the Budget Committee and the meeting it addresses.

Additions, Deletions and Changes Approved by the Budget Committee Through May 1, 2024

1. Cultural and Tourism Fund (TOT)		
A. Resources - Proposed		\$ 9,530,290
1.		-
		<u>\$ 9,530,290</u>
B. Expenditures - Proposed		\$ 5,593,930
1. Budget Committee Motion on April 17, 2024 - Transfer to General Fund for Library Services		1,049,680
		<u>\$ 6,643,610</u>
C. Unappropriated Ending Balance - Proposed		\$ 3,936,360
1. Budget Committee Motion on April 17, 2024 - Allocation of Unappropriated Ending Balance for Library Services		(1,049,680)
		<u>\$ 2,886,680</u>
2. General Fund		
A. Resources - Proposed		\$ 206,882,420
1. Budget Committee Motion on April 17, 2024 - Transfer from Cultural and Tourism Fund for Library Services		1,049,680
		<u>\$ 207,932,100</u>
B. Expenditures - Proposed		\$ 188,340,010
1. Budget Committee Motion on April 17, 2024 - Restore Library Services proposed for FY 2025 Budget		1,049,680
3. Budget Committee Motion on May 1, 2024 - Restore one graffiti abatement position in the FY 2025 Budget		88,480
		<u>\$ 189,478,170</u>
C. Unappropriated Ending Balance - Proposed		\$ 18,542,410
1.		-
3. Budget Committee Motion on May 1, 2024 - Allocation of Unappropriated Ending Fund Balance to restore one graffiti abatement position in the FY 2025 Budget		(88,480)
		<u>\$ 18,453,930</u>

Additions, Deletions and Changes Approved by the Budget Committee Through May 1, 2024

3. Capital Improvements Fund		
A. Resources - Proposed	\$	203,398,650
2. Approval of Errata 2 on April 24, 2024 - additional Airport construction project		<u>378,000</u>
	\$	<u><u>203,776,650</u></u>
B. Expenditures - Proposed		136,253,990
2. Approval of Errata 2 on April 24, 2024 - additional Airport construction project		<u>300,000</u>
	\$	<u><u>136,553,990</u></u>
C. Unappropriated Ending Balance - Proposed	\$	67,144,660
2. Approval of Errata 2 on April 24, 2024 - additional Airport construction project		<u>78,000</u>
	\$	<u><u>67,222,660</u></u>

**Information and Reports
Requested by the Budget Committee
As of May 1, 2024**

	<u>Requested Agenda Date</u>	<u>Response Date</u>	<u>Estimated Agenda Date</u>	<u>Department Responsible</u>
1. Can Cultural Tourism funds be used to fund JC Kids Relay, Movies in the Park and Concerts?	April 17, 2024	April 19, 2024	April 24, 2024	Legal
2. What is the impact of wage increases (COLA and merit) for the Department Heads and City Manager?	April 17, 2024	April 24, 2024	April 24, 2024	Finance / HR
3. What is the impact of reallocating General Fund dollars from the Business Retention and Recruitment / SEDCOR line item to fund parks events?	April 24, 2024	May 1, 2024	May 1, 2024	Community Planning and Development
4. Additional context regarding canceling of the 2024 JC Relays	April 24, 2024	May 1, 2024	May 1, 2024	Community Services
5. What are the sources and uses / restrictions of various funds?	April 24, 2024	May 1, 2024	May 1, 2024	Finance
6. What wards and neighborhoods are the CIP projects in for the FY 2025-FY 2029 period?	April 24, 2024	May 1, 2024	May 1, 2024	Finance / Public Works
7. How much fund balance would remain in the Cultural and Tourism Fund after adding back the Library and Parks reductions included in the FY 2025 proposed budget?	May 1, 2024	May 8, 2024	May 8, 2024	Finance

Summary of Correspondence Received by the Budget Committee
As of May 1, 2024

Subject	Count	Agenda
1. Salem Public Library	151	4/17/2024
2. Emergency Medical Services	1	4/17/2024
3. Youth Development Program	2	4/17/2024
4. Parks Programs	3	4/24/2024
5. Transportation	1	4/24/2024
6. Capital Improvement Plan	1	4/24/2024
7. Salem Public Library	1	5/1/2024
8. Police	1	5/1/2024
9. Police and Fire	1	5/1/2024
10. Youth Services	2	5/1/2024
11. Parks	3	5/1/2024
12. Vacant Positions	1	5/1/2024

CITY OF SALEM FINANCIAL SUMMARY Through Q2 / FY 2024

The summary of FY 2024 Second quarter (Q2) July 2023 through December 2023 financial activity displays expenditure information at the department level for the General Fund and resources displayed by type. For all other City funds, data is displayed with resources and expenditures. For all funds, the display includes columns noting comparison to budget and prior year actual activity. A positive number in the prior year comparison denotes an increase in FY 2024.

General Fund

Resources	Budget	Actual through Dec 31	As a Percent of Budget	Difference FY 2023 to FY 2024 Actual	<p style="text-align: center;">BY THE NUMBERS Resources</p> <p>The City received over 92.5 percent of total current-year budgeted Property Taxes during the second quarter. Property tax receipts in FY 2024 are 3.7 percent higher than the same time last year. Franchise Fees and State Shared Revenue collections increase later in the year.</p> <p>Marijuana Sales Tax receipts are collected by the State and remitted to the City quarterly. Currently they are trending 35 percent lower than this time last year. However, timing for receipt of this revenue is variable and State deposits for this tax are expected to normalize later in the year.</p> <p>Beginning Fund Balance—the funding available at the start of the fiscal year—equals almost 25.4 percent of total resources through Q2, and is 10.1 percent less than FY 2023.</p> <p>The year-to-year increase of 32.6 percent for Fees, Permits reflects an increase in City Operations Fee Revenue. Internal Charges include the support services charges, reimbursements for labor and overhead from other funds, and fund-to-fund transfers. The 15.5 percent increase is mainly due to higher Service Charges and Transfers, which are received in regular intervals.</p>
Property Taxes	84,007,940	77,717,034	92.5%	3.7%	
Franchise Fees	21,573,020	4,694,741	21.8%	2.9%	
Internal Charges	23,822,990	10,170,998	42.7%	15.5%	
Marijuana Sales Tax	1,656,000	437,204	26.4%	-35.0%	
State Shared	7,990,340	2,794,520	35.0%	4.9%	
Fees, Permits	21,095,000	8,384,495	39.7%	32.6%	
All Other Revenues	7,640,320	3,360,505	44.0%	0.1%	
Beginning Fund Balance	38,485,060	36,578,563	95.0%	-10.1%	
Total Resources	206,270,670	144,138,059	69.9%	1.5%	

Expenditures by Department	Budget	Actual through Dec 31	As a Percent of Budget	Difference FY 2023 to FY 2024 Actual
Mayor & Council	410,290	172,764	42.1%	33.16%
Municipal Court	2,632,840	992,243	37.7%	-2.61%
City Manager	1,475,450	498,953	33.8%	-38.32%
Human Resources	2,839,390	1,079,255	38.0%	-18.67%
Customer Service Center	1,003,340	380,054	37.9%	-0.75%
Legal	3,069,060	1,411,170	46.0%	10.23%
Finance	4,121,130	1,692,086	41.1%	7.71%
Parks and Recreation	13,888,090	6,289,772	45.3%	0.95%
Facilities Services	5,503,850	2,262,102	41.1%	-5.63%
Community Development	6,549,110	2,569,774	39.2%	-18.30%
Library	5,418,630	2,234,803	41.2%	-15.16%
Police	59,259,360	27,394,717	46.2%	4.80%
Fire	48,710,080	22,866,754	46.9%	4.05%
Information Technology	13,367,160	5,341,063	40.0%	5.51%
Non Departmental	8,969,540	1,688,110	18.8%	-2.70%
Urban Development	4,307,940	1,639,656	38.1%	3.26%
Total Expenditures	181,525,260	78,513,276	43.3%	1.4%

BY THE NUMBERS Expenditures	<p>With half of the fiscal year complete, including 12 payroll periods (representing 46.2 percent of payroll periods for the year), expenditures are trending as anticipated. The 1.4 percent year-over-year increase is influenced by anticipated cost escalators, such as labor contract / market adjustments to salaries, increased social services spending, PERS expense, and health benefits expense.</p>
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CITY OF SALEM FINANCIAL SUMMARY Through Q2 / FY 2024

Other Funds

	Resources			Expenditures		
	Actual through Dec 31	As a Percent of Budget	Difference FY 2023 to FY 2024 Actual	Actual through Dec 31	As a Percent of Budget	Difference FY 2023 to FY 2024 Actual
* Transportation Services	15,524,787	62.9%	-3.8%	8,154,588	40.4%	-10.0%
Streetlight	2,185,831	63.4%	0.0%	966,079	38.5%	19.9%
* Airport	1,774,113	53.7%	-2.5%	1,012,222	36.7%	51.6%
Community Renewal	2,708,120	23.9%	27.7%	2,601,530	23.0%	26.4%
Downtown Parking	795,184	74.2%	0.9%	519,983	48.5%	12.5%
Cultural and Tourism	6,688,132	71.3%	7.7%	2,414,470	42.2%	20.3%
Public Art	71,233	98.5%	82.7%	55	0.1%	-90.6%
Tourism Promotion Area	475,219	35.2%	0.1%	407,149	30.2%	1.1%
Parking Leasehold	651,653	67.8%	11.1%	392,903	40.9%	46.4%
* Building and Safety	20,039,196	81.2%	2.1%	3,249,198	38.9%	13.4%
General Debt	23,057,216	90.1%	9.4%	5,657,973	23.3%	115.5%
Capital Improvements	160,589,354	80.4%	94.5%	28,090,263	17.5%	6.8%
Extra Capacity Facilities	53,207,557	94.1%	12.1%	6,182,155	10.9%	39.3%
Development Districts	10,837,350	103.6%	2.1%	718,876	6.9%	819.5%
* Utility	122,209,847	68.2%	1.6%	52,750,784	37.9%	1.8%
* Emergency Services	5,114,245	55.9%	3.0%	1,072,755	17.9%	-22.6%
* WVCC	9,586,475	58.9%	8.0%	6,371,798	39.5%	-5.4%
Police Regional Records	2,000,046	80.2%	32.0%	299,438	64.6%	566.0%
* City Services	10,813,100	61.4%	3.6%	6,181,670	43.3%	5.8%
* Self Insurance Benefits	22,862,140	54.3%	-6.6%	14,416,464	38.3%	-4.4%
* Self Insurance Risk	8,107,751	74.1%	-12.6%	5,130,615	46.9%	21.5%
Equipment Replacement	22,135,187	82.3%	21.5%	2,379,451	8.8%	329.8%
Trust and Agency	27,958,239	97.2%	-9.8%	3,469,322	21.6%	-12.7%

Resources

Beginning fund balance accounts for \$357.2 million or 67.5 percent of the \$529.4 million total resources reported in the above table for all other City funds. To begin FY 2024, budgeted fund balance exceeded actuals by \$4.8 million or 1.36 percent. At the second quarter mark in the fiscal year, total resources equal 75 percent of the amount anticipated in the FY 2024 budget for this grouping of funds.

Expenditures

The nine funds marked with an * have a total of 567 full-time equivalent (FTE) authorized positions, approximately 41.2 percent of the total FTE count for the City in the FY 2024 budget. The General Fund supports the remaining 810.5 FTE positions. Of the \$152.4 million in total actual expense through December 31 documented in the above table, \$33.1 million or 21.7 percent is personal services expense.

Materials and services, purchases for supplies, equipment, and services, equal \$91.5 million or 60 percent of total expenses. Four funds—the Utility Fund, Self Insurance Benefits Fund, Transportation Services Fund, and Capital Improvements Fund—account for \$103.4 million—or 67.8 percent—of the total expenses of these funds.

URBAN RENEWAL AGENCY FINANCIAL SUMMARY Through Q2 / FY 2024

This "By the Numbers" summary of FY 2024 activity for the period of July 2023 through December 2023 provides a brief update of the Urban Renewal Agency's eight active areas and the Agency-owned Salem Convention Center. For the comparisons to budget and prior year activity, a positive percentage denotes FY 2024 results are greater.

Debt Service Fund	Resources			Expenditures		
	Actual through December 31	As a Percent of Budget	Difference FY 2024 to FY 2023 Actual	Actual through December 31	As a Percent of Budget	Difference FY 2024 to FY 2023 Actual
Riverfront Downtown	7,887,718	87.3%	-16.3%	6,960	0.1%	-48.8%
Fairview	-	0.0%	0.0%	-	0.0%	0.0%
North Gateway	5,694,577	96.4%	19.2%	-	0.0%	0.0%
West Salem	2,759,933	101.5%	0.4%	-	0.0%	0.0%
Mill Creek	3,645,598	69.9%	30.8%	893,127	18.2%	0.0%
McGilchrist	1,712,027	98.8%	-0.4%	-	0.0%	0.0%
South Waterfront	496,166	74.5%	-19.7%	-	0.0%	0.0%
Jory Apartments	476,070	178.0%	173.7%	-	0.0%	0.0%
Total	22,672,089	88.8%	1.9%	900,087	4.0%	-0.7%

Capital Improvements Fund	Resources			Expenditures		
	Actual through December 31	As a Percent of Budget	Difference FY 2024 to FY 2023 Actual	Actual through December 31	As a Percent of Budget	Difference FY 2024 to FY 2023 Actual
Riverfront Downtown	23,235,310	74.2%	4.5%	1,973,849	6.3%	-16.0%
Fairview	986,414	291.4%	-59.1%	124,703	36.8%	-36.0%
North Gateway	21,027,044	81.6%	21.9%	501,295	1.9%	86.4%
West Salem	8,966,516	77.4%	14.7%	3,479,618	30.0%	739.5%
Mill Creek	4,140,975	55.7%	85.6%	74,230	1.0%	-26.1%
McGilchrist	7,683,172	50.1%	22.8%	1,676,136	10.9%	116.3%
South Waterfront	1,649	0.3%	-99.9%	5,164	1.1%	29.6%
Jory Apartments	(7,314)	-2.7%	1217.0%	78	0.0%	-98.6%
Total	66,033,767	71.4%	10.9%	7,835,074	8.5%	90.5%

Salem Convention Center Fund and Convention Center Gain / Loss Reserve

Resources for the Salem Convention Center Fund include beginning fund balance of \$1,108,163 and revenue from food sales and equipment and room rentals of \$1,940,209 for a total of \$3,048,372. Through the period, \$1,749,367 has been posted as the cost of providing convention services.

The Convention Center Gain / Loss Reserve* started the fiscal year with beginning fund balance of \$3,323,239. Interest postings through the quarter added \$47,863. Expenses through the period totaled \$188,387, largely for HVAC upgrades, chiller compressor repair and carpet replacement, offset by a \$167,896 correction for prior year, bringing the total to \$20,491.

Resources for the Capital Improvement fund includes mostly beginning fund balance. Short - term borrowings for the Debt fund will happen in quarter three of the fiscal year.

CITY OF SALEM FINANCIAL SUMMARY Through Q3 / FY 2024

The summary of FY 2024 third quarter (Q3) July 2023 through March 2024 financial activity displays expenditure information at the department level for the General Fund and resources displayed by type. For all other City funds, data is displayed with resources and expenditures. For all funds, the display includes columns noting comparison to budget and prior year actual activity. A positive number in the prior year comparison denotes an increase in FY 2024.

General Fund

Resources	Budget	Actual through March 31	As a Percent of Budget	Difference FY 2024 to FY 2023 Actual
Property Taxes	84,007,940	81,225,183	96.7%	3.5%
Franchise Fees	21,573,020	15,931,897	73.9%	6.4%
Internal Charges	23,822,990	16,096,830	67.6%	17.3%
Marijuana Sales Tax	1,656,000	1,059,217	64.0%	8.9%
State Shared	7,990,340	4,930,420	61.7%	-0.2%
Fees, Permits	21,095,000	13,319,663	63.1%	30.9%
All Other Revenues	7,640,320	7,694,155	100.7%	43.3%
Beginning Fund Balance	38,485,060	36,578,563	95.0%	-10.1%
Total Resources	206,270,670	176,835,928	85.7%	4.4%

Expenditures by Department	Budget	Actual through March 31	As a Percent of Budget	Difference FY 2024 to FY 2023 Actual
Mayor & Council	410,290	280,352	68.3%	37.4%
Municipal Court	2,632,840	1,558,246	59.2%	-0.4%
City Manager	1,475,450	822,714	55.8%	-37.0%
Customer Service Center	1,003,340	586,110	58.4%	-0.1%
Human Resources	2,839,390	1,700,834	59.9%	-21.3%
Legal	3,069,060	2,229,680	72.7%	15.0%
Finance	4,121,130	2,628,495	63.8%	8.9%
Parks and Recreation	13,888,090	9,436,022	67.9%	3.6%
Facilities Services	5,503,850	3,713,804	67.5%	-3.3%
Community Development	6,549,110	4,015,383	61.3%	-15.2%
Library	5,418,630	3,488,693	64.4%	-12.0%
Police	59,259,360	42,375,643	71.5%	6.7%
Fire	48,710,080	36,116,266	74.1%	7.2%
Information Technology	13,367,160	8,208,348	61.4%	6.7%
Non Departmental	8,969,540	2,747,440	30.6%	-41.1%
Urban Development	4,307,940	2,584,450	60.0%	4.2%
Total Expenditures	181,525,260	122,492,482	67.5%	2.0%

BY THE NUMBERS Resources

The City received over 96.7 percent of total current-year Property Taxes as of the third quarter. Property tax receipts in FY 2024 are 3.5 percent higher than the same time last year.

Franchise Fees are also trending 6.4 percent higher while State Shared Revenue collections are down 0.2 percent.

Local Marijuana sales tax receipts are collected by the State and remitted to the City quarterly. This category is trending 8.9 percent higher than last year.

Beginning Fund Balance—the funding available at the start of the fiscal year—equals 20.7 percent of total resources through Q3, and is 10.1 percent less than FY 2023.

The year-to-year increase of 30.9 percent for Fees, Permits reflects increased City Operations Fee revenue.

Internal Charges include the support services charges, reimbursements for labor and overhead from other funds, and fund-to-fund transfers. The 17.3 percent increase is mainly due to higher Service Charges and Transfers, which are received in regular intervals.

BY THE NUMBERS Expenditures

With 75 percent of the fiscal year complete, including 19.1 payroll periods (representing 73.2 percent of payroll periods for the year), expenditures are trending as anticipated. The 2 percent year-over-year increase is influenced by anticipated cost escalators, such as labor contract / market adjustments to salaries, PERS expense, and health benefits expense, increased social services spending and continued impacts of high inflation for goods and services.

CITY OF SALEM FINANCIAL SUMMARY Through Q3 / FY 2024

Other Funds

	Resources			Expenditures		
	Actual through March 31	As a Percent of Budget	Difference FY 2024 to FY 2023 Actual	Actual through March 31	As a Percent of Budget	Difference FY 2024 to FY 2023 Actual
* Transportation Services	20,582,283	83.4%	1.4%	12,347,464	61.1%	-8.3%
Streetlight	2,691,320	78.0%	-0.2%	1,368,930	54.6%	1.5%
* Airport	2,181,532	66.0%	1.5%	1,510,959	54.8%	41.5%
Community Renewal	3,240,052	28.6%	12.8%	3,454,278	30.5%	19.1%
Downtown Parking	989,879	92.3%	2.8%	775,892	72.4%	4.3%
Cultural and Tourism	7,634,417	81.3%	7.9%	3,379,159	59.0%	9.4%
Public Art	84,871	117.3%	86.6%	102	0.1%	-86.0%
Tourism Promotion Area	668,723	49.5%	2.7%	588,579	43.6%	1.3%
Parking Leasehold	805,579	83.8%	9.0%	546,552	56.9%	29.8%
* Building and Safety	21,259,272	86.1%	-2.6%	4,860,884	58.2%	13.2%
General Debt	25,477,952	99.6%	8.8%	5,657,973	23.3%	115.5%
Capital Improvements	172,025,843	86.1%	-17.2%	37,776,412	23.6%	-38.7%
Extra Capacity Facilities	54,532,862	96.4%	8.4%	8,442,872	14.9%	61.7%
Development Districts	10,956,641	104.8%	-0.1%	732,585	7.0%	554.4%
* Utility	151,979,477	84.8%	2.6%	80,185,077	57.5%	2.2%
* Emergency Services	7,643,767	83.6%	14.0%	3,799,365	63.5%	36.3%
* WVCC	13,212,024	81.1%	6.8%	9,962,875	61.7%	-2.7%
Police Regional Records	2,180,215	87.5%	32.5%	321,073	69.2%	15.4%
* City Services	14,076,436	80.0%	4.2%	9,217,517	64.6%	4.1%
* Self Insurance Benefits	31,137,072	74.0%	-2.9%	22,176,235	58.9%	-2.2%
* Self Insurance Risk	9,562,058	87.4%	-7.8%	7,334,093	67.0%	34.9%
Equipment Replacement	24,290,495	90.3%	27.4%	3,220,852	12.0%	89.0%
Trust and Agency	31,015,173	107.9%	-2.4%	7,035,186	43.7%	23.6%

Resources

Beginning fund balance accounts for \$357.2 million or 58.7 percent of the \$608.2 million total resources reported in the above table for all other City funds. To begin FY 2024, actual fund balance was greater than the budget by \$4.8 million or 1.4 percent.

Expenditures

The nine funds marked with an * have a total of 567 full-time equivalent (FTE) authorized positions, approximately 42.2 percent of the total FTE count for the City in the FY 2024 budget. The General Fund supports the remaining 777.15 FTE positions. Of the \$224.7 million in total actual expense through March 31 documented in the above table, \$52.4 million or 23.3 percent is personal services expense.

Materials and services, purchases for supplies, equipment, and services, equal \$134.5 million or 59.9 percent of total expenses. Four funds—the Transportation Services Fund, Utility Fund, Self Insurance Benefits Fund, and Capital Improvements Fund—account for \$152.5 million—or 67.9 percent—of the total expenses of these funds.

URBAN RENEWAL AGENCY FINANCIAL SUMMARY Through Q3 / FY 2024

This "By the Numbers" summary of FY 2024 activity for the period of July 2023 through March 2024 (Q3) provides a brief update of the Urban Renewal Agency's eight active areas and the Agency-owned Salem Convention Center. For the comparisons to budget and prior year activity, a positive percentage denotes FY 2024 results are greater.

Debt Service Fund	Resources			Expenditures		
	Actual through March 31	As a Percent of Budget	Difference FY 2024 to FY 2023 Actual	Actual through March 31	As a Percent of Budget	Difference FY 2024 to FY 2023 Actual
Riverfront Downtown	8,205,972	90.8%	-16.5%	6,427,066	81.4%	-14.2%
Fairview	-	0.0%	0.0%	-	0.0%	0.0%
North Gateway	5,911,842	100.1%	18.4%	5,000,903	100.0%	25.0%
West Salem	2,858,439	105.1%	0.4%	2,500,451	100.0%	12.4%
Mill Creek	3,796,848	72.8%	32.2%	3,593,615	73.4%	38.6%
McGilchrist	1,773,556	102.4%	-0.4%	1,100,199	78.6%	-21.4%
South Waterfront	518,028	77.7%	-19.5%	500,090	100.0%	0.0%
Jory Apartments	497,247	185.9%	0.0%	485,088	181.3%	179.1%
Total	23,561,931	92.2%	1.8%	19,607,411	87.3%	6.7%

Capital Improvements Fund	Resources			Expenditures		
	Actual through March 31	As a Percent of Budget	Difference FY 2024 to FY 2023 Actual	Actual through March 31	As a Percent of Budget	Difference FY 2024 to FY 2023 Actual
Riverfront Downtown	29,799,547	95.2%	-0.5%	4,384,652	14.0%	4.3%
Fairview	990,568	292.6%	-59.2%	126,260	37.3%	-39.3%
North Gateway	26,094,370	101.3%	22.1%	763,269	3.0%	141.6%
West Salem	11,482,003	99.1%	13.7%	4,747,533	41.0%	369.5%
Mill Creek	6,853,656	92.2%	72.8%	121,227	1.6%	-18.7%
McGilchrist	10,479,635	68.4%	26.2%	3,697,512	24.1%	141.7%
South Waterfront	501,649	102.4%	-73.1%	15,030	3.1%	110.9%
Jory Apartments	477,686	178.6%	175.7%	438,901	164.1%	5568.9%
Total	86,679,114	93.7%	10.9%	14,294,384	15.5%	92.3%

Salem Convention Center Fund and Convention Center Gain / Loss Reserve

Resources for the Salem Convention Center Fund include beginning fund balance of \$1,108,163 and revenue from food sales, miscellaneous revenue, and equipment and room rentals of \$3,808,194 for a total of \$4,916,357. Through the period, \$3,525,277 has been posted as the cost of providing convention services.

The Convention Center Gain / Loss Reserve started the fiscal year with beginning fund balance of \$3,323,239. Interest postings added \$81,701 along with a \$452,453 transfer from the Convention Center Fund. Through the quarter, \$126,860 of expenses have been posted for facilities maintenance, professional services, and banking and investment fees.

Resources for the Capital Improvement Fund include beginning fund balance, Federal Highway grants, interest earnings, and short term borrowing.

Resources for the Debt Service Fund include beginning fund balance, property tax collections, and interest earnings.

For the Budget Committee Meeting of: May 8, 2024
Agenda Item No.: 7.b.

TO: Budget Committee Members

THROUGH: Keith Stahley, City Manager

FROM: Josh Eggleston, Chief Financial Officer

SUBJECT: Approval of Ad Valorem Property Taxes – Salem Urban Renewal Agency

ISSUE:

Should the Budget Committee approve the ad valorem property tax levies for all Salem Urban Renewal Agency areas for FY 2025?

RECOMMENDATION:

Approve the estimated ad valorem property tax levies derived from the sum of the Division of Taxes and the Special Levy for the Salem Urban Renewal Agency Areas as follows:

	Division of Taxes	Special Levy	Estimated Total
1. Jory Apartments	100%	\$0	\$498,470
2. Mill Creek	100%	0	4,036,630
3. North Gateway	100%	0	5,159,260
4. Riverfront Downtown	100%	Remainder	7,411,130
5. South Waterfront	100%	0	544,560
6. West Salem	100%	0	2,314,860
			\$19,964,910

SUMMARY AND BACKGROUND:

Oregon Local Budget Law requires the Budget Committee to separately specify the ad valorem property taxes for the Urban Renewal Agency of the City of Salem. The Agency Board of Directors can reduce but cannot increase the amount of property taxes approved by the Budget Committee.

FACTS AND FINDINGS:

The Budget Committee is being asked to establish and approve the property tax levies to be imposed for FY 2025 for the Salem Urban Renewal Agency funds. These recommended levies are consistent with the urban renewal budgets presented at the April 24, 2024 Budget Committee meeting.

Staff recommends that the Budget Committee approve the Salem Urban Renewal Agency estimated ad valorem property taxes. The estimated levy amounts are shown below. For the Riverfront Downtown Urban Renewal Area, the property tax levy includes 100 percent of the Division of Taxes Levy and the Special Levy. The Jory Apartments, Mill Creek, North Gateway, South Waterfront, and West Salem areas are eligible for only the Division of Taxes Levy. McGilchrist will stop collecting increment this next fiscal year.

	Division of Taxes	Special Levy	Estimated Total
1. Jory Apartments	100%	\$0	\$498,470
2. Mill Creek	100%	0	4,036,630
3. North Gateway	100%	0	5,159,260
4. Riverfront Downtown	100%	Remainder	7,411,130
5. South Waterfront	100%	0	544,560
6. West Salem	100%	0	2,314,860
			\$19,964,910

For the Budget Committee Meeting of: May 8, 2024
Agenda Item No.: 7.c.

TO: Budget Committee Members

THROUGH: Keith Stahley, City Manager

FROM: Josh Eggleston, Chief Financial Officer

SUBJECT: Recommend FY 2025 Salem Urban Renewal Agency Budget

ISSUE:

Should the Budget Committee recommend the FY 2025 Salem Urban Renewal Agency Budget as it is represented in Table 1 of this report?

RECOMMENDATION:

Approve and recommend to the Urban Renewal Agency Board the FY 2025 Salem Urban Renewal Agency Budget as it is represented in Table 1 of this report.

SUMMARY AND BACKGROUND:

Oregon Local Budget Law provides for the Budget Committee to review, discuss, and possibly make changes to the Urban Renewal Agency Executive Director’s proposed budget. Upon completion of the Budget Committee’s deliberations, the committee approves the budget and provides a recommendation to the Urban Renewal Agency Board.

FACTS AND FINDINGS:

Table 1 of this report is the proposed FY 2025 budget presented to the Budget Committee for its consideration on April 24, 2024. The FY 2025 budget represented in Table 1 is a balanced budget for the Salem Urban Renewal Agency. For each Salem Urban Renewal Agency fund, the table provides total resources detailed as beginning working capital (beginning balance) and revenues, and total requirements detailed as expenditures and unappropriated ending fund balance. Table 1 does not include any potential changes to the budget that may be approved by the Budget Committee during its final FY 2025 review meeting on May 8, 2024.

Table 1 - Urban Renewal Agency Budget
FY 2025

Fund No.	Fund Name	Beginning Balance	Revenues	Expenditures	Ending Balance
220	Debt Service (Tax Allocation Bond Debt)	\$2,154,800	\$19,332,890	\$ 19,992,380	\$ 1,495,310
265	Capital Improvements (Tax Allocation Improvement)	61,791,790	20,523,330	59,308,240	23,006,880
345	Salem Convention Center	1,521,110	5,737,500	6,834,390	424,220
428	Convention Center Gain / Loss Reserve	3,103,040	2,076,000	1,444,000	3,735,040
TOTAL		\$68,570,740	\$47,669,720	\$ 87,579,010	\$ 28,661,450

For the Budget Committee Meeting of: May 8, 2024
Agenda Item No.: 7.d.

TO: Budget Committee Members

THROUGH: Keith Stahley, City Manager

FROM: Josh Eggleston, Chief Financial Officer

SUBJECT: Approval of Ad Valorem Property Taxes – City of Salem

ISSUE:

Should the Budget Committee approve the ad valorem property taxes for all City of Salem funds for FY 2025?

RECOMMENDATION:

Approve the ad valorem property taxes for the City of Salem General Fund and the City of Salem General Obligation Debt Fund as follows:

1. Approve the City of Salem permanent tax rate of \$5.8315 for general fund operations.
2. Approve a General Obligation bond debt levy of \$20,335,440

SUMMARY AND BACKGROUND:

Oregon Local Budget Law requires the Budget Committee to separately specify the ad valorem property taxes for all City of Salem General and Debt Service funds. The City Council can reduce but cannot increase the amount of property taxes approved by the Budget Committee.

FACTS AND FINDINGS:

The Budget Committee is being asked to separately specify the forthcoming fiscal year's ad valorem property taxes for all funds. In this case, the Budget Committee will be considering the establishment and approval of the amount and / or rate of property taxes to be imposed for FY 2025 for both the General Fund and the General Obligation Debt Fund.

The recommended levies are consistent with the General Fund and General Debt Fund budgets reviewed by the Budget Committee at previous meetings. Staff recommends that the Budget Committee approve the City of Salem permanent tax rate of \$5.8315 for the General Fund and the General Obligation bond debt levy of \$20,335,440.

For the Budget Committee Meeting of: May 8, 2024
Agenda Item No.: 7.e.

TO: Budget Committee Members

THROUGH: Keith Stahley, City Manager

FROM: Josh Eggleston, Chief Financial Officer

SUBJECT: Recommend FY 2025 City of Salem Budget

ISSUE:

Should the Budget Committee recommend the FY 2025 City of Salem Budget as it is represented in Table 1 and Table 2 of this report?

RECOMMENDATION:

Approve and recommend to the City Council the FY 2025 City of Salem Budget as it is represented in Table 1 and Table 2 of this report.

SUMMARY AND BACKGROUND:

Oregon Local Budget Law provides for the Budget Committee to review, discuss, and possibly make changes to the City Manager's proposed budget. Upon completion of the Budget Committee's deliberations, the committee approves the budget and provides a recommendation to the City Council.

FACTS AND FINDINGS:

Table 1 of this report represents the proposed FY 2025 budget presented to the Budget Committee for its consideration on May 8, 2024. Table 1 displays the budget by fund, which is the manner in which it will be displayed for the resolution and exhibits for budget adoption by the City Council. Table 2 displays the FY 2025 budget by result area, which is the manner in which it was reviewed and discussed by the committee.

The FY 2025 budget represented in Table 1 includes the display of resources and is a balanced budget for the City of Salem. For each City of Salem fund, the table provides total resources detailed as beginning fund balance and revenues, and total requirements detailed as expenditures and unappropriated ending fund balance. For the purposes of recommendation to the City Council, the budget is presented at the fund-level. The six result areas defined in the Proposed FY 2025 City of Salem Budget and represented in Table 2 are included within the fund appropriations.

The budget does include the changes made through erratas or motions approved at prior meetings. The tables do not include any potential changes to the budget that may be approved by the Budget Committee during its final FY 2025 review meeting on May 8, 2024.

Table 1 - City of Salem Budget
 All Funds
 FY 2025

Fund		Beginning			Unappropriated
No.	Fund Name	Balance	Revenues	Expenditures	Ending Balance
101	General	\$ 32,436,340	\$ 175,495,760	\$ 189,478,170	\$ 18,453,930
155	Transportation Services	7,835,830	19,235,720	20,959,900	6,111,650
156	Streetlight	1,187,450	2,014,860	2,488,990	713,320
160	Airport	1,035,590	2,331,100	3,088,520	278,170
165	Community Renewal	45,370	8,084,430	7,991,580	138,220
170	Downtown Parking	164,490	1,201,570	1,366,060	
175	Cultural and Tourism	4,238,180	5,292,110	6,643,610	2,886,680
176	Public Art	74,380	26,700	101,080	
177	Tourism Promotion Area		1,500,000	1,500,000	
180	Leasehold	207,330	628,950	836,280	
185	Building and Safety	15,726,180	4,450,650	8,292,290	11,884,540
210	General Debt Service	3,440,070	27,408,650	25,752,270	5,096,450
255	Capital Improvements	134,481,390	69,295,260	136,553,990	67,222,660
260	Extra Capacity Facilities	40,220,080	15,943,050	34,554,840	21,608,290
275	Development District	9,902,640	4,606,630	4,812,480	9,696,790
310	Utility	57,327,300	128,647,380	148,009,380	37,965,300
320	Emergency Services	2,632,430	9,065,990	11,698,420	
330	Willamette Valley Comm. Center	1,848,600	15,230,990	16,455,070	624,520
335	Police Regional Records System	1,832,090	692,140	649,960	1,874,270
355	City Services	3,317,070	13,833,440	14,924,710	2,225,800
365	Self Insurance Benefits	6,707,430	32,953,920	39,661,350	
366	Self Insurance Risk	3,769,470	8,341,640	12,111,110	
388	Equipment Replacement Reserve	21,462,220	5,616,080	27,078,300	
400	Trust	20,471,830	3,697,020	12,105,890	12,062,960
Total		\$ 370,363,760	\$ 555,594,040	\$ 727,114,250	\$ 198,843,550

Table 2 - City of Salem Budget
All Funds
FY 2025

Result Area	Expenditures
Good Governance	\$ 129,193,700
Natural Environment Stewardship	26,310,070
Safe and Healthy Community	172,167,930
Safe, Reliable, and Efficient Infrastructure and Capital Improvement Projects	164,086,170 175,921,310
Strong and Diverse Economy	16,417,540
Welcoming and Livable Community	43,017,530
	<u>\$ 727,114,250</u>