

**CITY OF SALEM  
FINANCE DEPARTMENT**

Si necesita ayuda para comprender esta información, por favor llame 503-588-6274

Disability-related modification or accommodation, including auxiliary aids or services, in order to participate in this meeting or event, are available upon request. Sign language and interpreters for languages other than English are also available on request. To request such an accommodation or interpretation, contact the Finance Department at 503-588-6040 at least **two business days** before meeting; or TTD/TTY telephone (503) 588-6439, is also available 24/7.

**CITY OF SALEM AND SALEM URA  
FINANCE COMMITTEE**

Committee Members

Councilor Tom Andersen, Chair  
Councilor Virginia Stapleton  
Councilor Trevor Phillips  
Councilor Jose Gonzalez  
Alternate-Councilor Jackie Leung

City Staff

Steve Powers, City Manager  
Dan Atchison, City Attorney  
Josh Eggleston, AIC Chief Financial Officer  
Jenny Mattechek, Chief Accountant  
Jeremy Morgan, Supervisor  
Anja Hill, Treasury Supervisor  
Kelli Blechschmidt, Management Analyst I  
Shengnan Thomas, Administrative Analyst I

Next Scheduled Meeting: February 28, 2022

It is the City of Salem's policy to assure that no person shall be discriminated against on the grounds of race, religion, color, sex, marital status, familial status, national origin, age, mental or physical disability, sexual orientation, gender identity, and source of income, as provided by Salem Revised Code 97. The City also fully complies with Title VI of the Civil Rights Act of 1964, and related statutes and regulations, in all programs and activities.

**MEETING AGENDA  
Meeting Virtually**

January 24, 2022  
4:00 PM

View Via YouTube:

[https://www.youtube.com/channel/UCQLi9RKZNHu4wfYcs\\_TC0TA](https://www.youtube.com/channel/UCQLi9RKZNHu4wfYcs_TC0TA)

To sign up to testify via Zoom or to submit public comment, contact the Finance Department via email at [finance@cityofsalem.net](mailto:finance@cityofsalem.net) or telephone at 503-588-6040 by 1PM on January 24<sup>th</sup>, 2022.

1. Call to Order
2. Approval of Minutes
  - a. December 13, 2021 (Package page 2)
3. Public Comment  
(Appearance of persons wishing to address the Committee on any matter other than those which appear on this Agenda.)
4. Action Items
5. Management Update/Information Items
  - a. Grove, Mueller and Swank, P.C. presentation of City of Salem CAFR and Salem URA Annual Report presentation (Package page 4)
6. Continued Business
7. New Business
8. Adjournment

# Finance Committee of the Salem City Council and the Urban Renewal Agency of the City of Salem Minutes

**DATE:** December 13, 2021

**CHAIRPERSON:** Tom Andersen

**PLACE:** Zoom

**STAFF LIAISON:**

Josh Eggleston

503-588-6130

[JEggleston@cityofsalem.net](mailto:JEggleston@cityofsalem.net)

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**Members Present:**

Chair Andersen  
Councilor Stapleton  
Councilor Phillips  
Councilor Gonzalez

**Staff Present:**

Josh Eggleston, AIC Chief Financial Officer  
Jenny Mattechek, Chief Accountant  
Anja Hill, Treasury Supervisor  
Kelli Blechschmidt, Management Analyst I  
Shengnan Thomas, Administrative Analyst I

**Members Absent:**

Alternate-Councilor Leung

1. CALL TO ORDER: 4:00 PM / Quorum

2. APPROVAL OF COMMITTEE MINUTES

a. November 22, 2021

Motion was moved by Member Stapleton, seconded by Member Phillips and carried by the following vote:

Aye: Unanimous  
Nay: None  
Abstentions: None

3. ACTION ITEMS

Policy C-7 Investment Review

Staff requested the Committee forward staff's recommendation to the full City Council for approval in February 2022.

Questions or comments by: Chair Andersen and Member Phillips  
Responses by: Jenny Mattechek, Chief Accountant

Motion was moved by Member Phillips, seconded by Member Stapleton and carried by the following vote:

Aye: Unanimous  
Nay: None  
Abstentions: None

4. MANAGEMENT UPDATE / INFORMATION ITEMS

The Annual Comprehensive Financial Report will be presented during the January 24<sup>th</sup> meeting and then that evening at the full City Council Meeting. Member Gonzalez accepted to serve as the chair during Chair Andersen's absence.

## 5. NEW BUSINESS

AIC Chief Financial Officer Eggleston asked the Committee subjects they would want to discuss next year.

- Chair Andersen offered to provide feedback for the bond measure and have the Finance Committee work with the Infrastructure Bond Steering Committee.
- Member Phillips would like to discuss marijuana tax increase for use toward a sobering center.
- Member Stapleton would like to look at the Forecast with an aim toward aiding the unhoused population, climate action, and ways to save money.
- Member Gonzalez would like to discuss City operation changes since COVID and if there have been any cost reductions as a result.

## 6. ADJOURNMENT: 4:25 PM

The next meeting is scheduled for Monday, January 24, 2022 at 4:00PM.

**TO:** Finance Committee of the Salem City Council and the Urban Renewal Agency of City of Salem

**THROUGH:** Josh Eggleston, AIC Chief Financial Officer

**FROM:** Jennifer Mattecheck, Chief Accountant

**SUBJECT:**

FY 2020-21 Financial Audit of the City of Salem, Oregon

**ISSUE:**

Results of the FY 2020-21 financial audit of the City of Salem, Oregon

**RECOMMENDATION:**

Information Only

**SUMMARY:**

The certified public accounting firm of Grove, Mueller & Swank, PC, completed the annual financial audit of the City for the fiscal year ending June 30, 2021. There were no formal findings or recommendations for improvement as a result of the audit.

Mr. Ryan Pasquarella, CPA, will present the results of the FY 2020-21 Annual Comprehensive Financial Report (ACFR) to the joint meeting of the Salem City Council Finance Committee and the Urban Renewal Agency Finance Committee. As in prior years, the audit will be provided to City Council as an information item.

The FY 2020-21 Federal Grant Compliance Report is pending completion of final audit procedures and will be finalized no later than March 31, 2022, in accordance with the Federal Grant Compliance Reporting requirements. The results of the FY 2020-21 Federal Grant Compliance Report will be presented at a future joint meeting of the Salem City Council Finance Committee and the Urban Renewal Agency Finance Committee and subsequently provided to City Council as an information item. .

**FACTS AND FINDINGS:**

This was the fifth annual audit performed by Grove, Mueller & Swank, PC, pursuant to its current contract with the City and Urban Renewal Agency. Mr. Ryan Pasquarella of Grove, Mueller & Swank, PC, managed the City's audit engagement.

The financial reports can be found on the City's webpage at:

<https://www.cityofsalem.net/citydocuments/comprehensive-annual-financial-report-fy-21.pdf>

**BACKGROUND:**

Oregon law requires an annual audit of the City's financial statements and for the results to be presented to the governing body. A report for the ACFR will be presented to the full City Council at their regular meeting on January 24, 2022. Once audit procedures have been finalized, a report of the FY 2020-21 the Federal Grant Compliance Report will be presented to the full City Council.

**TO:** Finance Committee of the Salem City Council and the Urban  
Renewal Agency of City of Salem

**THROUGH:** Josh Eggleston, AIC Chief Financial Officer

**FROM:** Jennifer Mattechuck, Chief Accountant

**SUBJECT:**

Fiscal Year 2020-21 Urban Renewal Agency Financial Report

**ISSUE:**

Receive the Fiscal Year 2020-21 Urban Renewal Agency Financial Report.

**RECOMMENDATION:**

Information only

**SUMMARY:**

Under ORS 457.460, each year an urban renewal agency must prepare a report on its finances and file that report with the governing body of the municipality where the agency is located. This report will be forwarded to the full Urban Renewal Agency Board during its regular meeting on January 24, 2022.

**FACTS AND FINDINGS:**

ORS 457.460 requires an urban renewal agency to report:

1. The tax increment revenue received in FY 2020-21 and budgeted in FY 2021-22.
2. The debt service payments made in FY 2020-21 and budgeted in FY 2021-22.
3. The amount of debt issued in FY 2020-21 and budgeted in FY 2021-22.
4. The amount and purpose of actual expenditures in FY 2020-21, and budgeted expenditures in FY 2021-22.
5. An analysis of the impact, if any, of the urban renewal plan on the tax collections for FY 2020-21 for all taxing districts included under ORS 457.430.
6. The maximum indebtedness for each urban renewal area included in an urban renewal plan of the agency, including the amount of indebtedness incurred through the end of the immediately preceding fiscal year.

Requirements 1-4 are displayed in the table below. Expenditures by project can be found on page 71 of the Annual Financial Report of the Urban Renewal Agency located through the link below. The impact to other taxing jurisdictions (requirement 5), and maximum indebtedness by area (requirement 6) can both be found on page 74 of this same document.

<https://www.cityofsalem.net/citydocuments/ura-annual-financial-report-fy-21.pdf>

|                                 | ORS 457<br>Requirement | Actual<br>2020-21 | Budget<br>2021-22 |
|---------------------------------|------------------------|-------------------|-------------------|
| <u>Debt Service Fund</u>        |                        |                   |                   |
| Beginning balance               |                        | \$ 4,728,768      | \$ 4,617,760      |
| Tax increment revenue received  | 1                      | 15,931,086        | 16,980,430        |
| Debt service expenditures       | 2                      | (15,625,827)      | (17,438,780)      |
| Debt issuance proceeds received |                        | -                 | -                 |
| Refunding debt                  |                        | -                 | -                 |
| Other revenue sources           |                        | 1,119,496         | 205,500           |
| Other expenditures              |                        | -                 | -                 |
| Ending balance                  |                        | \$ 6,153,523      | \$ 4,364,910      |
| <u>Improvements Fund</u>        |                        |                   |                   |
| Beginning balance               |                        | \$ 36,943,699     | \$ 49,476,200     |
| Debt issuance proceeds received | 3                      | 23,101,200        | 15,140,000        |
| Improvement expenditures        | 4                      | (12,316,274)      | (70,579,670)      |
| Other revenue sources           |                        | 1,622,135         | 5,963,470         |
| Ending balance                  |                        | \$ 49,350,760     | \$ -              |

The City's Finance Department will ensure that the notice is published as required by ORS 457.460. The statement is on file with the City Recorder, 555 Liberty Street SE, Room 205, Salem, OR 97301, and is available to all interested persons.

## **BACKGROUND:**

The City's independent auditor, Grove, Mueller and Swank, P.C., have completed the audit of the Urban Renewal Agency for the year end date of June 30, 2021. Their review resulted with an unmodified opinion and no significant findings.