

**CITY OF SALEM
FINANCE DEPARTMENT**

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**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: September 27, 2021

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**MEETING AGENDA
Meeting Virtually**

August 30, 2021
3:00 PM

View Via YouTube:

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 or telephone at 503-588-6040 by 1PM on August 30th, 2021.

1. Call to Order
2. Approval of Minutes
 - a. July 26, 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
 - a. Priority Based Budgeting Refresh
(Package page 4)
5. Management Update/Information Items
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: July 26, 2021

CHAIRPERSON: Tom Andersen

PLACE: Zoom

STAFF LIAISON:

Josh Eggleston

503-588-6130

JEggleston@cityofsalem.net

Members Present:

Chair Andersen
Councilor Stapleton
Councilor Phillips
Councilor Gonzalez

Members Absent:

Alternate-Councilor Leung

Staff Present:

Josh Eggleston, AIC Chief Financial Officer
Jeremy Morgan, Accounting Supervisor
Anja Hill, Treasury Supervisor
Kali Leinenbach, Senior Fiscal Analyst
Kelli Blechschmidt, Management Analyst I
Shengnan Thomas, Administrative Analyst I

1. CALL TO ORDER: 4:05 PM / Quorum
2. APPROVAL OF COMMITTEE MINUTES
 - a. May 24, 2021

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

Aye: Unanimous
Nay: None
Abstentions: None
3. MANAGEMENT UPDATE / INFORMATION ITEMS

Monthly investment report for month ending June 30, 2021 presented by AIC Chief Financial Officer Josh Eggleston. Questions or comments by: Chair Andersen, Josh Eggleston, AIC Chief Financial Officer

 - a. Priority Based Budgeting Refresh

Questions or comments by: Member Stapleton and Member Gonzalez
Responses by: Josh Eggleston, AIC Chief Financial Officer
4. CONTINUED BUSINESS
 - a. Chair Andersen asked about the City's investment policy

Questions or comments by: Member Stapleton, Josh Eggleston, AIC Chief Financial Officer
 - b. Maintenance Bond Recommendation

Staff will do more research and bring the recommendation to the Work Session in September or October to develop a ballot measure for a general obligation bond by August 2022 for the city's infrastructure to the full City Council for approval in July, 2021.
Questions or comments by: Member Stapleton

5. NEW BUSINESS

- a. AIC Chief Financial Officer Josh Eggleston asked the committee if we will continue to meet through Zoom or in person.

The committee decided to follow the Council meeting procedures

- b. AIC Chief Financial Officer Josh Eggleston asked the committee if we will continue to meet at 4PM each month or at a different time.

The committee decided to keep the meeting time at 4PM

6. ADJOURNMENT: 4:42 PM

The next meeting is scheduled for Monday, August 23, 2021 at 4:00PM.

FOR COMMITTEE MEETING OF: August 30, 2021

TO: Salem City Council and Salem Urban Renewal Agency Finance Committee

FROM: Josh Eggleston, AIC Chief Financial Officer

SUBJECT: Priority Based Budgeting result area descriptions and definitions

ISSUE:

Shall the Finance Committee review and recommend changes to the Priority Based Budgeting result area descriptions and definitions to the Salem City Council for adoption?

RECOMMENDATION:

Review and recommend changes to the Priority Based Budgeting result area descriptions and definitions to the Salem City Council for adoption.

SUMMARY:

The Priority Based Budgeting (PBB) result area descriptions and definitions were originally selected in June 2018 by the Sustainable Services Council workgroup. With the recent update to the Strategic Plan, staff is recommending several changes to the descriptions and definitions to best align with the update. The descriptions and definitions are used as the criteria to score City programs and ultimately determine their overall alignment with the City's priorities.






FACTS AND FINDINGS:

The City of Salem has over 460 active programs in its fiscal year 2022 budget. Examples of some of these programs include Police Patrol, Business Retention and Recruitment, and Natural Areas Management. Each program is assigned to a home result area; for example, the Police Patrol program is in the Safe Community result area.

Annually, City Departments review their current programs. This review can include proposing new programs, combining programs to improve efficiencies, renaming or redefining programs, and concludes with conducting a scoring exercise. The scoring exercise assess how each program is aligned with the definitions of each result area.

Then, a peer review group comprised of staff from other departments reviews the Department's programs and scores, to either validate or change department scores. The peer review group provides input on only one result area or basic program attribute and provides a citywide perspective. Changes by the peer review group to the department score are used in calculating the final score which is used to determine if a program is least, less, more or most aligned with overall City priorities and outcomes.

An example from the fiscal year 2022 budget can be seen below for Municipal Court programs in the Safe Community result area. The result of the score assigned to each program can be found under the "alignment" column.

General Fund Programs and FTE	FY 2021 Program Budget	FY 2022 Program Budget	Staff	Alignment					
Community Service Monitoring	125,160	115,920	0.79	Less	✓	✓			✓
Court Customer Service	230,860	240,670	2.49	Least		✓			✓
Court Proceedings - Criminal	834,340	966,630	3.57	Less		✓		✓	✓
Court Proceedings - Violations	295,120	311,410	2.24	Less		✓			✓
Court Security	87,640	75,680	0.11	Least		✓			
Criminal Court Jury Coordination	63,270	61,080	0.39	Least		✓			
Probation / DUII Diversion Monitoring	135,610	137,330	1.04	Less		✓			✓
Records Management - Court	171,210	180,150	1.69	Least		✓			
Violations Bureau	237,830	236,320	2.72	Least		✓			✓
Total General Fund \$ 2,181,040 \$ 2,325,190 15.00									

The check marks on the right-hand side of the table indicate if a program in some way supports other outcomes besides their home result area. Most City programs support the desired outcomes of multiple result areas. Using this table as example, the Court Customer Service program not only supports the Safe Community result area but also Welcoming & Livable Community.

BACKGROUND:

In 2018, work began to align the City's budget with six core areas, called result areas that describe the major outcomes for the City. These six areas include: Safe Community, Welcoming and Livable Community, Strong and Diverse Economy, Safe, Reliable and Efficient Infrastructure, Natural Environmental Stewardship and Good Governance. These result areas are now included in other major planning documents such as the Strategic Plan and the Council Policy Agenda.

Attachments

1. PBB definitions – Redlined Recommended Changes

City of Salem Result Areas

					
Good Governance	Natural Environment Stewardship	Safe Community	Safe, Reliable, and Efficient Infrastructure	Strong and Diverse Economy	Welcoming and Livable Community
The enterprise is managed to be fiscally sustainable, provide quality services equitably across our community , proactively engage all residents, be forward thinking, and build capacity and partnerships to prepare for the future.	Protect natural resources including healthy streams and the Willamette River, and reduce the impact from the built environment and City operations on both the environment and all residents .	Provide emergency services while proactively addressing the impact of crime, fire, natural disasters, and health emergencies to residents, businesses, and property owners.	An integrated municipal asset system of streets, bridges, bike paths , and sidewalks, civic buildings, parks , technology, and utility infrastructure . systems .	A diverse economic base, robust job growth, business retention and recruitment, and a thriving, resilient downtown.	Salem is safe and clean, with a mix of quality housing for all residents featuring with access to parks, recreation, historic and cultural resources, and the arts.
Ensures stewardship and sustainability of the City's financial, human, information, and physical assets. (Stewardship and Sustainability)	Reduces the carbon footprint of City operations and conserves energy.	Fosters a climate of safety for individuals in homes, businesses, neighborhoods, and public places.	Optimizes the use of City assets. Uses City property and infrastructure systems for the public good.	Creates opportunities for development, entrepreneurship, job creation and economic innovation.	Supports a long-term vision for future growth and development that strengthen, connect and complete all neighborhoods within the community.
Clearly communicates responsive, accurate, and accessible information and services. (Clearly Communicates)	Protects and enhances watersheds, natural areas, and natural resources.	Plans for and provides timely and effective response to emergencies and natural disasters.	Manages water, stormwater, and wastewater safely and responsibly.	Invests in programs, incentives, and technology that support business attraction, growth, and retention.	Promotes an inclusive and vibrant community offering diverse and affordable housing options and within well-kept neighborhoods.
Strengthens community and regional partnerships. (Strengthens Partnerships)	Plans and designs the City's growth to minimize emissions, climate change and other environmental impacts.	Encourages partnerships or activities Actively engages with the community to proactively prevent crime, and provide education on personal and community safety, and strengthen community preparedness .	Supports a balanced, accessible transportation system that reflects effective efficient land use and reduces traffic congestion.	Fosters community networks to act, connect, advocate, and cross-pollinate ideas across business sectors.	Creates and maintains parks, recreation areas, and other public spaces to offer activities that connect, benefit, and reflect our community.
Provides assurance of regulatory compliance to minimize and mitigate risk. (Regulatory Compliance)	Provides education to the community to protect and preserve the natural environment.	Encourages sustainable community redevelopment and rehabilitation practices.	Designs, constructs, and maintains an interconnected and multimodal transportation network that is safe, accessible, and sustainable for all travelers .	Supports housing options, educational opportunities, and amenities that attract and develop - cultivate a skilled and quality work force.	Supports the arts, historically and culturally significant buildings and sites, and community events.
Maintains transparent, ethical, inclusive equitable and accountable leadership and inclusive collaboration. (Leadership and Collaboration)	Mitigates and abates threats to the environment.	Investigates and endeavors to solve crimes and address the needs of crime victims.	Plans, operates, and maintains infrastructure networks.	Fosters regional and public / private collaboration to contribute to economic stability.	Enhances access to multi-generational community enrichment and meaningful volunteer and neighborhood engagement opportunities .

Result Area Scoring

- 4 - Essential to the result area
- 3 - Strong influence on result area
- 2 - Some influence on result area
- 1 - Minor influence on result area
- 0 - No influence on result area