

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 4, 2022
TIME: 6:00 PM
CHAIRPERSON: Virginia Stapleton
PLACE: Virtual

STAFF LIAISON:
Josh Eggleston, Chief Financial Officer
503-588-6130
jeggleston@cityofsalem.net
Kali Leinenbach, Sr. Fiscal Analyst
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.

<https://www.cityofsalem.net/Pages/Public-Comment-at-Salem-City-Council-Meeting.aspx>

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1. OPENING EXERCISES – Chairperson Virginia Stapleton
 2. PUBLIC TESTIMONY
Comment on agenda items other than public hearings and deliberations
 3. MINUTES
 - a. Minutes from April 27, 2022 City of Salem and Urban Renewal Agency Budget Committee Meeting
 4. ACTION ITEMS
 - a. Errata Sheet 2 – Willamette Valley Communication Center (WVCC) (Budget Book 1, pages, 40, 98, 99, 100, 101, 110, 244, 245, 246, 247, 403, 408)
 - b. Errata Sheet 3 – Scrivener Correction, Fleet Reserve (Budget Book 1, pages 61, 307, 308, 309)
 5. INFORMATION ITEMS
 - a. Staff Report: Summary of Budget Committee Actions Through April 27, 2022
 - b. FY 2022 Q3 Financial Report for the City of Salem
 - c. FY 2022 Q3 Financial Report for the Urban Renewal Agency
 6. PUBLIC HEARINGS
 - a. State Revenue Sharing Funds
Staff Report: Public Hearing on the Proposed Uses of State Revenue Sharing Funds; Josh Eggleston, Budget Officer
 7. SPECIAL ORDERS OF BUSINESS
 - a. Result Area Budget Review – Good Governance, pages 41 - 73
 - Overview by Budget Officer Josh Eggleston
 - Questions of staff and committee discussion

- Questions of staff and committee discussion
- b. Result Area Budget Review – Safe and Healthy Community, pages 93 - 119
 - Overview by Chief Financial Officer Josh Eggleston
 - Questions of staff and committee discussion
 - c. Committee Discussion
 - Opportunity for the Budget Committee to discuss any issues or concerns regarding agenda items or items not on the agenda
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 virtual Budget Committee meeting will be Wednesday, May 11, 2022 at 6:00 pm. The following budgets are scheduled to be reviewed and actions to be taken:

- *Approval of Tax Levy*
- *Recommendation of Proposed FY 2023 City of Salem Budget and Proposed FY 2023 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 503-588-6231 if you have any questions.

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

NOTE: Disability-related accommodations, including auxiliary aids or services, in order to participate in this meeting, are available upon request. Sign language and interpreters for languages other than English are also available upon request. To request such an accommodation or interpretation, contact Kali Leinenbach, (503) 588-6231 or kleinenbach@cityofsalem.net at least 2 business days before this meeting. TTD/TTY telephone (503) 588-6439 is also available 24/7.

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.

MINUTES



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

DATE: Wednesday, April 27, 2022
TIME: 6:00 PM
CHAIRPERSON: Virginia Stapleton
PLACE: Virtual

STAFF LIAISON:
Josh Eggleston, Chief Financial Officer
503-588-6130
jeggleston@cityofsalem.net
Kali Leinenbach, Sr. Fiscal Analyst
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kleinenbach@cityofsalem.net

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

Members present: Stapleton, Tigan, W.Andersen, Phillips, Leung, Cohen, Gonzalez, Brown, Hoy, Nordyke, Sorce, Varney, Bennett, Vieyra-Braendle

Members absent: Shirack, T. Andersen, and Milton

Pledge of Allegiance by: Member Cohen

Chair Stapleton informed the Committee about the additions agenda submitted which included one staff report.

Motion: Move to approve the additions agenda of April 27, 2022 for the City of Salem Budget Committee and Urban Renewal Agency Budget Committee Meeting.

Motion by: Member Varney
Seconded by: Member Phillips

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

2. PUBLIC TESTIMONY

Virtual Appearance:

Jim Schepcke
Questions or comments by: Members Nordyke and W. Andersen, Vice-Chair Brown, Chair Stapleton

Topic:

Salem Public Library

3. MINUTES

- a. Minutes from April 27, 2022 City of Salem and Urban Renewal Agency Budget Committee Meeting

Motion: Move to approve the meeting minutes from the April 27, 2022 City of Salem Budget Committee and Urban Renewal Agency Budget Committee Meeting.

Motion by: Member Tigan
Seconded by: Member Phillips

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

4. ACTION ITEMS

- a. Errata Sheet 1 – Scrivener Correction, Riverfront Downtown Urban Renewal Area Projects (Book 2, pgs. 47-48)

Motion: Move to approve Errata Sheet 1 – Scrivener Correction, Riverfront Downtown Urban Renewal Area Projects (Book 2, pgs. 47-48).

Motion by: Member Bennett
Seconded by: Member Phillips

Action: Motion passes
Vote:
Aye: Unanimous
Nay:

5. INFORMATION ITEMS

- a. Staff Report: Summary of Budget Committee Actions Through April 20, 2022
b. Staff Report: Responses to Committee Member Questions
Explanation of information items provided to the Budget Committee by Chief Financial Officer Eggleston.

Questions or comments by: None

6. PUBLIC HEARINGS

- a. Capital Improvements Plan
- Member Nordyke declared a potential conflict of interest.
 - Staff Report: Public Hearing on the Proposed Capital Improvement Plan for FY 2023 through FY 2027, Management Analyst II James Wharton-Hess.

Virtual Appearance:

Topic:

Carol Snyder

Eco-Earth Globe

Questions or comments by: Member Hoy

Answers and explanations by: Director Fernandez

- Chair Stapleton closed the Public Hearing.

Questions or comments by: Members Phillips, Varney, Sorce, Cohen, Nordyke, Tigan, W. Andersen, Vieyra-Braendle, Chair Stapleton

Answers and explanations by: Director Fernandez, City Engineer Brian Martin, Fleet / Facilities Manager Jim Schmidt, and Chief Financial Officer Josh Eggleston

Motion: Move to recommend the proposed FY 2023 through FY 2027 Capital Improvements Plan to the City Council for adoption.

Motion by: Member Phillips
 Seconded by: Member Varney

Amendment to the Motion: Move to amend the previous motion to move projects number 1 and 5 from the 309 list into the proposed FY 2023 through FY 2027 Capital Improvements Plan and have staff engage with the State regarding the Fairgrounds property.

Motion by: Chair Stapleton
 Seconded by: Member Hoy

Action: Motion to amend the original motion

Vote:

Aye: Unanimous

Nay:

Abstentions:

Questions or comments by: Members Hoy, Bennett and Chair Stapleton.

Chair Stapleton returned the Committee to the original motion of the floor to forward the proposed FY 2023 – FY 2027 Capital Improvement Plan to the City Council for adoption now as amended.

Action: Motion to recommend the proposed FY 2023 through FY 2027 Capital Improvements Plan to the City Council for adoption as amended

Vote:

Aye: Unanimous

Nay:

Abstentions:

7. SPECIAL ORDERS OF BUSINESS

a. Urban Renewal Agency Budget, Book 2

- Presentation and overview Chief Financial Officer Eggleston

b. Result Area Budget Review – Strong and Diverse Economy, pages 143 – 158

- Presentation and overview Chief Financial Officer Eggleston
- Discussion and review (for both the Proposed FY 2023 Urban Renewal Agency Budget and the Strong and Diverse Economy result area)

Questions or comments by: Members Nordyke, Cohen, Sorce, Vieyra-Braendle and Vice-Chair Brown, Chair Stapleton

Answers and explanations by: Interim City Manager Kristin Retherford and Chief Financial Officer Josh Eggleston

c. Result Area Budget Review – Safe, Reliable and Efficient Infrastructure, pages 121 – 142

- Presentation and overview Chief Financial Officer Eggleston
- Discussion and review

Questions or comments by: None

Answers and explanations by: 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: Members Nordyke, Sorce, Phillips, Vice-chair Brown

Answers and explanations by: Chief Financial Officer Eggleston

10. ADJOURNMENT

The meeting was adjourned at 8:16 PM

Respectfully Submitted,

Kelli Blechschmidt
Minutes Recorder

The next Budget Committee meeting will be virtually held Wednesday, May 4, 2022 at 6:00 pm in for presentation of the City Manager’s proposed FY 2023 budget.

- *Result Area: Good Governance, pages 41 – 73*
- *Result Area: Safe Community, pages 93 - 119*
- *Public Hearing State Shared Revenue Funds*

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.

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TO: Budget Committee Members
THROUGH: Kristin Retherford, Interim City Manager
FROM: Josh Eggleston, Chief Financial Officer
SUBJECT: Errata Sheet 2 – Willamette Valley Communication Center (WVCC)
ISSUE:

To inform the Budget Committee about errors and corrections, or updated information regarding the Proposed FY 2023 City of Salem Budget

RECOMMENDATION:

1. Accept changes to the Willamette Valley Communication Center project page to allocate \$1,000,000 to Capital Improvements Transfer (Budget Book 1, pages 40, 98, 99, 100, 101, 110, 244, 245, 246, 247, 403, 408). There is a budgetary impact to this change.
2. Accept changes to the Willamette Valley Communication Center project page to re-allocate \$500,000 from the Public Safety Call Taking and Dispatch program to the Contingencies program (Budget Book 1, page 110). The expenditure was allocated to the incorrect program. There is no budgetary impact to this change.

SUMMARY AND BACKGROUND:

Errata sheets are used in the budget process to identify and correct errors to the proposed budget or provide updated information. Small errors in formatting, spelling, and grammar may not be included in an errata sheet, but instead will be corrected prior to publication of the adopted budget. When an error or updated information has a budgetary impact or could affect comprehension, an errata sheet is prepared.

FACTS AND FINDINGS:

During the review process of the budget book, two errors were found by staff. The approval of the errata will add a transfer from the WVCC Fund for the Willamette Valley Communications Center Computer Aided Dispatch (CAD) system upgrade project. This multi-year project requires a transfer from the WVCC Fund to the Capital Improvements Fund each year. The expense was planned for and anticipated by staff but was not included in the budget.

The second error was the allocation of \$500,000 in contingency assigned to the incorrect program. There is no budgetary impact of this change.

Attachments:

1. Errata 2 replacement pages

City of Salem Budget
RESULT AREA SUMMARY

All Funds
FY 2023

		Result Areas						
Fund No.	Fund Name	Good Governance	Natural Environment Stewardship	Safe and Healthy Community	Safe, Reliable, and Efficient Infrastructure	Strong and Diverse Economy	Welcoming and Livable Community	Total
101	General	\$ 35,754,490	\$ 200,410	\$ 99,698,880	\$ 682,480	\$ 4,418,340	\$ 24,654,860	\$ 165,409,460
155	Transportation Services	-	-	-	20,594,720	-	-	20,594,720
156	Streetlight	-	-	-	2,269,020	-	-	2,269,020
160	Airport	-	-	-	-	2,003,710	-	2,003,710
165	Community Renewal	-	-	-	-	-	13,173,700	13,173,700
170	Downtown Parking	-	-	-	-	1,173,850	-	1,173,850
175	Cultural and Tourism	526,920	-	-	-	3,573,570	557,750	4,658,240
176	Public Art	-	-	-	-	-	46,000	46,000
177	Tourism Promotion Area	1,164,590	-	-	-	-	-	1,164,590
180	Leasehold	-	-	-	-	767,250	-	767,250
185	Building and Safety	526,330	-	6,895,950	-	69,620	-	7,491,900
210	General Debt Service	5,949,470	-	-	16,802,600	-	-	22,752,070
310	Utility	2,674,990	21,042,200	-	112,970,920	-	376,620	137,064,730
320	Emergency Services	-	-	1,117,390	-	-	-	1,117,390
330	Willamette Valley Comm. Center	-	-	15,276,460	-	-	-	15,276,460
335	Police Regional Records System	-	-	279,200	-	-	-	279,200
355	City Services	11,083,330	-	1,915,340	-	-	-	12,998,670
365	Self Insurance Benefits	38,375,810	-	-	-	-	-	38,375,810
366	Self Insurance Risk	14,890,820	-	-	-	-	-	14,890,820
388	Equipment Replacement Reserve	10,260,340	-	8,699,540	-	995,780	-	19,955,660
400	Trust (Special Revenue)	2,340,740	5,000	1,345,900	541,300	2,450	19,682,250	23,917,640
Total Operating		\$ 123,547,830	\$ 21,247,610	\$ 135,228,660	\$ 153,861,040	\$ 13,004,570	\$ 58,491,180	\$ 505,380,890
255	Capital Improvements	2,617,490	-	5,455,830	129,889,390	8,924,900	3,118,060	150,005,670
260	Extra Capacity Facilities	-	-	-	48,635,660	-	12,911,940	61,547,600
275	Development District	-	-	-	20,022,660	-	-	20,022,660
Total Construction		\$ 2,617,490	\$ -	\$ 5,455,830	\$ 198,547,710	\$ 8,924,900	\$ 16,030,000	\$ 231,575,930
Total Budget		\$ 126,165,320	\$ 21,247,610	\$ 140,684,490	\$ 352,408,750	\$ 21,929,470	\$ 74,521,180	\$ 736,956,820

Safe and Healthy Community FY 2023 Fund Overview

The City's financial activity is accounted for in various funds and are then grouped by the type of expenditure. The below table summarizes the result area expenditure budget by Fund, Department, and account group.

	Personal Services	Materials and Services	Capital	Interfund Transfers	Contingencies	Total
General Fund						
Municipal Court	\$ 1,738,540	\$ 695,820	\$ -	\$ -	\$ -	\$ 2,434,360
Police	43,237,580	10,011,020	155,000	-	-	53,403,600
Fire	37,482,510	5,643,410	250,000	-	-	43,375,920
Non Departmental	-	485,000	-	-	-	485,000
General Fund Total	\$ 82,458,630	\$ 16,835,250	\$ 405,000	\$ -	\$ -	\$ 99,698,880
Building and Safety Fund						
Community Development	\$ 4,876,440	\$ 1,169,510	\$ 50,000	\$ 500,000	\$ 300,000	\$ 6,895,950
Building and Safety Fund Total	\$ 4,876,440	\$ 1,169,510	\$ 50,000	\$ 500,000	\$ 300,000	\$ 6,895,950
Emergency Medical Services Fund						
Fire	\$ 518,740	\$ 538,650	\$ -	\$ -	\$ 60,000	\$ 1,117,390
Emergency Medical Services Fund Total	\$ 518,740	\$ 538,650	\$ -	\$ -	\$ 60,000	\$ 1,117,390
WVCC Fund						
Fire	\$ 11,424,580	\$ 2,309,880	\$ 42,000	\$ 1,000,000	\$ 500,000	\$ 15,276,460
WVCC Fund Total	\$ 11,424,580	\$ 2,309,880	\$ 42,000	\$ 1,000,000	\$ 500,000	\$ 15,276,460
Regional Records System Fund						
Police	\$ -	\$ 239,200	\$ -	\$ -	\$ 40,000	\$ 279,200
Regional Records System Fund Total	\$ -	\$ 239,200	\$ -	\$ -	\$ 40,000	\$ 279,200
City Services Fund						
Fire	\$ 553,270	\$ 1,262,070	\$ 100,000	\$ -	\$ -	\$ 1,915,340
City Services Fund Total	\$ 553,270	\$ 1,262,070	\$ 100,000	\$ -	\$ -	\$ 1,915,340

Safe and Healthy Community FY 2023 Fund Overview

The City's financial activity is accounted for in various funds and are then grouped by the type of expenditure. The below table summarizes the result area expenditure budget by Fund, Department, and account group.

	Personal Services	Materials and Services	Capital	Interfund Transfers	Contingencies	Total
Equipment Reserve Fund						
Equipment Replacement	\$ -	\$ 5,552,820	\$ 3,146,720	\$ -	\$ -	\$ 8,699,540
Equipment Reserve Fund Total	\$ -	\$ 5,552,820	\$ 3,146,720	\$ -	\$ -	\$ 8,699,540
Trust Fund						
Police	\$ -	\$ 1,245,900	\$ -	\$ -	\$ -	\$ 1,245,900
Fire	-	-	100,000	-	-	100,000
Trust Fund Total	\$ -	\$ 1,245,900	\$ 100,000	\$ -	\$ -	\$ 1,345,900
Result Area Total	\$ 99,831,660	\$ 29,153,280	\$ 3,843,720	\$ 1,500,000	\$ 900,000	\$ 135,228,660

Safe and Healthy Community FY 2023 Department Overview

The City's financial activity is accounted for in various funds and are then grouped by the type of expenditure. The below table summarizes the result area expenditure budget by department and account group.

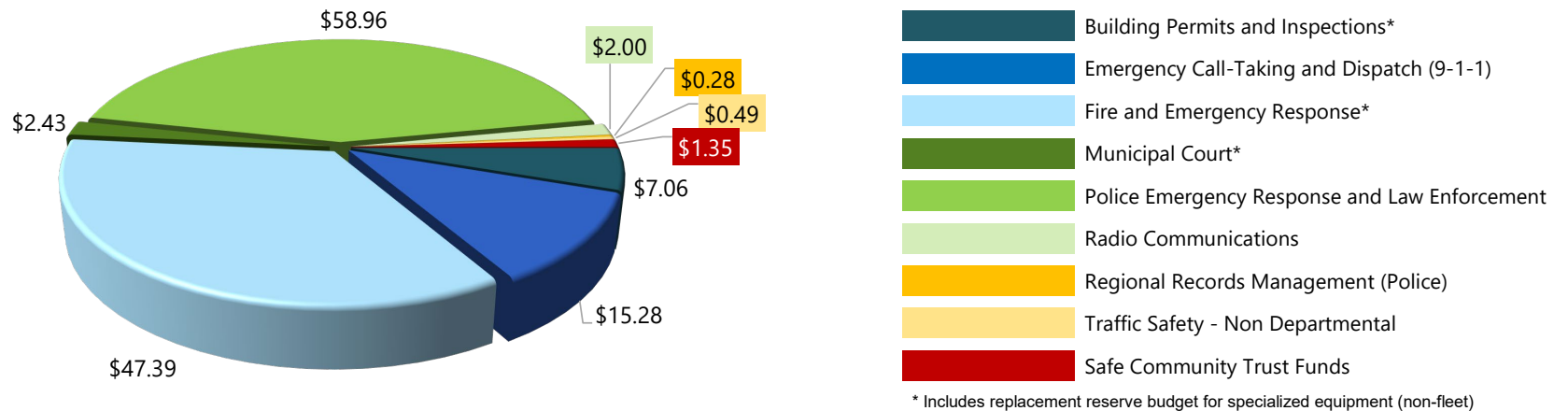
Section	Personal Services	Materials and Services	Capital	Interfund Transfers	Contingencies	Total
1. Community Development	\$ 4,876,440	\$ 1,169,510	\$ 50,000	\$ 500,000	\$ 300,000	\$ 6,895,950
2. Equipment Replacement	-	5,552,820	3,146,720	-	-	8,699,540
3. Municipal Court	1,738,540	695,820	-	-	-	2,434,360
4. Fire	49,979,100	9,754,010	492,000	1,000,000	560,000	61,785,110
5. Non Departmental	-	485,000	-	-	-	485,000
6. Police	43,237,580	10,250,220	155,000	-	40,000	53,682,800
7. Trust - Fire	-	-	-	-	-	-
8. Trust - Police	-	1,245,900	-	-	-	1,245,900
Result Area Total	\$ 99,831,660	\$ 29,153,280	\$ 3,793,720	\$ 1,500,000	\$ 900,000	\$ 135,228,660

Safe and Healthy Community FY 2023 Budget Overview

The City is required to display all phases of the budget - the initial proposal from the City Manager, the recommendation of the Budget Committee, and the result adopted by the City Council. The columns in the numeric table (below) will be populated with numbers when each phase of the budget process is completed. Capital projects appear in the Capital Improvements section of the budget document.






Expenditures	Mgr Rec FY 2023	BC Rec FY 2023	Adopted FY 2023	% of Total
Result Area - All Funds				
Personal Services	\$ 99,831,660			73.8%
Materials and Services	29,153,280			21.6%
Capital Outlay	3,843,720			2.8%
Contingencies	900,000			0.7%
Transfers	1,500,000			1.1%
Total Expenditures - All Funds	\$ 135,228,660			
<i>Total Number of Positions</i>	<i>554.77</i>			

Safe and Healthy Community
Result Area Expenditures by Program / Department



4. Fire Department Summary of Services and Programs

General Fund Programs and FTE

FY 2022		FY 2023		Alignment					
Program Budget	Staff	Program Budget	Staff						

Willamette Valley Communication Center (WVCC) Fund Programs and FTE

Capital Improvements Transfer	1,400,000	0.00	1,000,000	0.00	Capital improvement transfers not scored					
Contingencies	500,000	0.00	500,000	0.00	Contingencies not scored					
Public Safety Call Taking and Dispatch	12,634,230	75.60	13,776,460	75.60	Most	✓	✓	✓	✓	✓
Total WVCC Fund	\$ 14,534,230	75.60	\$ 15,276,460	75.60						
Total Fire Department	\$ 62,448,250	258.61	\$ 61,685,110	261.60						

City of Salem Budget
RESULT AREA SUMMARY
(Including construction by fund)
All Funds
FY 2023

		Result Areas						
Fund No.	Fund Name	Good Governance	Natural Environment Stewardship	Safe and Healthy Community	Safe, Reliable, and Efficient Infrastructure	Strong and Diverse Economy	Welcoming and Livable Community	Total
101	General	\$ 35,754,490	\$ 200,410	\$ 99,698,880	\$ 682,480	\$ 4,418,340	\$ 24,654,860	\$ 165,409,460
155	Transportation Services	-	-	-	20,594,720	-	-	20,594,720
156	Streetlight	-	-	-	2,269,020	-	-	2,269,020
160	Airport	-	-	-	-	2,003,710	-	2,003,710
165	Community Renewal	-	-	-	-	-	13,173,700	13,173,700
170	Downtown Parking	-	-	-	-	1,173,850	-	1,173,850
175	Cultural and Tourism	526,920	-	-	-	3,573,570	557,750	4,658,240
176	Public Art	-	-	-	-	-	46,000	46,000
177	Tourism Promotion Area	1,164,590	-	-	-	-	-	1,164,590
180	Leasehold	-	-	-	-	767,250	-	767,250
185	Building and Safety	526,330	-	6,895,950	-	69,620	-	7,491,900
210	General Debt Service	5,949,470	-	-	16,802,600	-	-	22,752,070
255	Capital Improvements	2,617,490	-	5,455,830	129,889,390	8,924,900	3,118,060	150,005,670
260	Extra Capacity Facilities	-	-	-	48,635,660	-	12,911,940	61,547,600
275	Development District	-	-	-	20,022,660	-	-	20,022,660
310	Utility	2,674,990	21,042,200	-	112,970,920	-	376,620	137,064,730
320	Emergency Services	-	-	1,117,390	-	-	-	1,117,390
330	Willamette Valley Comm. Center	-	-	15,276,460	-	-	-	15,276,460
335	Police Regional Records System	-	-	279,200	-	-	-	279,200
355	City Services	11,083,330	-	1,915,340	-	-	-	12,998,670
365	Self Insurance Benefits	38,375,810	-	-	-	-	-	38,375,810
366	Self Insurance Risk	14,890,820	-	-	-	-	-	14,890,820
388	Equipment Replacement Reserve	10,260,340	-	8,699,540	-	995,780	-	19,955,660
400	Trust (Special Revenue)	2,340,740	5,000	1,345,900	541,300	2,450	19,682,250	23,917,640
Total		\$ 126,165,320	\$ 21,247,610	\$ 140,684,490	\$ 352,408,750	\$ 21,929,470	\$ 74,521,180	\$ 736,956,820

City of Salem Budget
SUMMARY OF RESOURCES AND REQUIREMENTS

All Funds
FY 2023

Fund No.	Fund Name	Beginning Balance	Revenues	Expenditures	(Use) / Addition Unappropriated	
					Fund Balance	Ending Balance
101	General	\$ 40,712,680	\$ 154,577,140	\$ 165,409,460	\$ (10,832,320)	\$ 29,880,360
155	Transportation Services	7,392,040	17,406,230	20,594,720	(3,188,490)	4,203,550
156	Streetlight	1,352,930	1,968,650	2,269,020	(300,370)	1,052,560
160	Airport	715,990	1,287,720	2,003,710	(715,990)	-
165	Community Renewal	-	13,173,700	13,173,700	-	-
170	Downtown Parking	228,020	945,830	1,173,850	(228,020)	-
175	Cultural and Tourism	2,041,620	4,216,130	4,658,240	(442,110)	1,599,510
176	Public Art	20,570	25,430	46,000	(20,570)	-
177	Tourism Promotion Area	-	1,164,590	1,164,590	-	-
180	Leasehold	142,880	633,680	767,250	(133,570)	9,310
185	Building and Safety	14,316,670	6,608,880	7,491,900	(883,020)	13,433,650
210	General Debt Service	1,453,390	23,160,480	22,752,070	408,410	1,861,800
255	Capital Improvements	68,806,230	81,199,440	150,005,670	(68,806,230)	-
260	Extra Capacity Facilities	41,071,520	20,476,080	61,547,600	(41,071,520)	-
275	Development District	10,142,800	9,879,860	20,022,660	(10,142,800)	-
310	Utility	62,693,270	117,788,500	137,064,730	(19,276,230)	43,417,040
320	Emergency Services	2,438,120	1,086,810	1,117,390	(30,580)	2,407,540
330	Willamette Valley Comm. Center	1,584,550	13,860,540	15,276,460	(1,415,920)	168,630
335	Police Regional Records System	1,066,640	492,590	279,200	213,390	1,280,030
355	City Services	4,206,390	11,364,920	12,998,670	(1,633,750)	2,572,640
365	Self Insurance Benefits	10,937,010	27,438,800	38,375,810	(10,937,010)	-
366	Self Insurance Risk	8,161,930	6,728,890	14,890,820	(8,161,930)	-
388	Equipment Replacement Reserve	16,529,160	3,426,500	19,955,660	(16,529,160)	-
400	Trust	30,479,450	2,167,390	23,917,640	(21,750,250)	8,729,200
Total		\$ 326,493,860	\$ 521,078,780	\$ 736,956,820	\$ (215,878,040)	\$ 110,615,820

City of Salem Budget
 RECAP OF EXPENDITURES

All Funds
 FY 2022 and FY 2023

Fund No.	Fund Name	Adopted FY 2022	Proposed FY 2023	Increase (Decrease)	Percent Change
101	General	\$ 162,714,030	\$ 165,409,460	\$ 2,695,430	1.7%
155	Transportation Services	17,506,640	20,594,720	3,088,080	17.6%
156	Streetlight	2,082,060	2,269,020	186,960	9.0%
160	Airport	2,277,290	2,003,710	(273,580)	-12.0%
165	Community Renewal	11,076,710	13,173,700	2,096,990	18.9%
170	Downtown Parking	1,299,380	1,173,850	(125,530)	-9.7%
175	Cultural and Tourism	4,021,620	4,658,240	636,620	15.8%
176	Public Art	42,370	46,000	3,630	8.6%
177	Tourism Promotion Area	896,030	1,164,590	268,560	30.0%
180	Leasehold	1,076,270	767,250	(309,020)	-28.7%
185	Building and Safety	6,424,230	7,491,900	1,067,670	16.6%
190	Traffic Safety	1,729,120	-	(1,729,120)	-100.0%
210	General Debt Service	22,538,470	22,752,070	213,600	0.9%
255	Capital Improvements	149,788,910	150,005,670	216,760	0.1%
260	Extra Capacity Facilities	52,966,680	61,547,600	8,580,920	16.2%
275	Development District	8,301,620	20,022,660	11,721,040	141.2%
310	Utility	123,724,850	137,064,730	13,339,880	10.8%
320	Emergency Services	3,117,990	1,117,390	(2,000,600)	-64.2%
330	Willamette Valley Comm. Center	14,534,230	15,276,460	742,230	5.1%
335	Police Regional Records System	346,950	279,200	(67,750)	-19.5%
355	City Services	15,840,640	12,998,670	(2,841,970)	-17.9%
365	Self Insurance Benefits	37,966,260	38,375,810	409,550	1.1%
366	Self Insurance Risk	11,946,330	14,890,820	2,944,490	24.6%
388	Equipment Replacement Reserve	18,863,430	19,955,660	1,092,230	5.8%
400	Trust (Special Revenue)	25,520,670	23,917,640	(1,603,030)	-6.3%
Total		\$ 696,602,780	\$ 736,956,820	\$ 40,354,040	5.8%

City of Salem Budget
 REQUIREMENTS BY OBJECT CATEGORY
 All Funds
 FY 2023

Fund No	Fund Name	Personal Services	Materials and Services	Capital Outlay	Transfers	Debt	Contingencies	Total Expenditures
101	General	\$ 127,094,140	\$ 32,838,370	\$ 775,790	\$ 1,326,150	\$ 375,010	\$ 3,000,000	\$ 165,409,460
155	Transportation Services	7,667,190	10,008,890	370,000	2,048,640	-	500,000	20,594,720
156	Streetlight	-	1,257,100	-	600,000	211,920	200,000	2,269,020
160	Airport	543,650	865,770	-	-	44,230	550,060	2,003,710
165	Community Renewal	-	13,173,700	-	-	-	-	13,173,700
170	Downtown Parking	-	1,010,040	-	-	-	163,810	1,173,850
175	Cultural and Tourism	-	2,708,320	-	1,749,920	-	200,000	4,658,240
176	Public Art	-	46,000	-	-	-	-	46,000
177	Tourism Promotion Area	-	1,116,350	-	48,240	-	-	1,164,590
180	Leasehold	-	487,970	-	200,000	-	79,280	767,250
185	Building and Safety	5,142,000	1,499,900	50,000	500,000	-	300,000	7,491,900
210	General Debt Service	-	-	-	-	22,752,070	-	22,752,070
255	Capital Improvements	-	140,448,540	9,557,130	-	-	-	150,005,670
260	Extra Capacity Facilities	-	59,622,080	1,755,520	170,000	-	-	61,547,600
275	Development District	-	20,022,660	-	-	-	-	20,022,660
310	Utility	45,344,420	40,173,400	860,710	28,608,800	19,077,400	3,000,000	137,064,730
320	Emergency Services	518,740	538,650	-	-	-	60,000	1,117,390
330	Willamette Valley Comm. Center	11,424,580	2,309,880	42,000	1,000,000	-	500,000	15,276,460
335	Police Regional Records System	-	239,200	-	-	-	40,000	279,200
355	City Services	3,096,050	9,762,620	100,000	40,000	-	-	12,998,670
365	Self Insurance Benefits	655,060	37,720,750	-	-	-	-	38,375,810
366	Self Insurance Risk	1,022,920	13,867,900	-	-	-	-	14,890,820
388	Equipment Replacement Reserve	-	5,556,500	14,399,160	-	-	-	19,955,660
400	Trust (Special Revenue)	-	22,077,680	600,000	1,239,960	-	-	23,917,640
Total		\$ 202,508,750	\$ 417,352,270	\$ 28,510,310	\$ 37,531,710	\$ 42,460,630	\$ 8,593,150	\$ 736,956,820

City of Salem Budget Willamette Valley Communication Center (WVCC) Fund Assumptions and Trends FY 2023

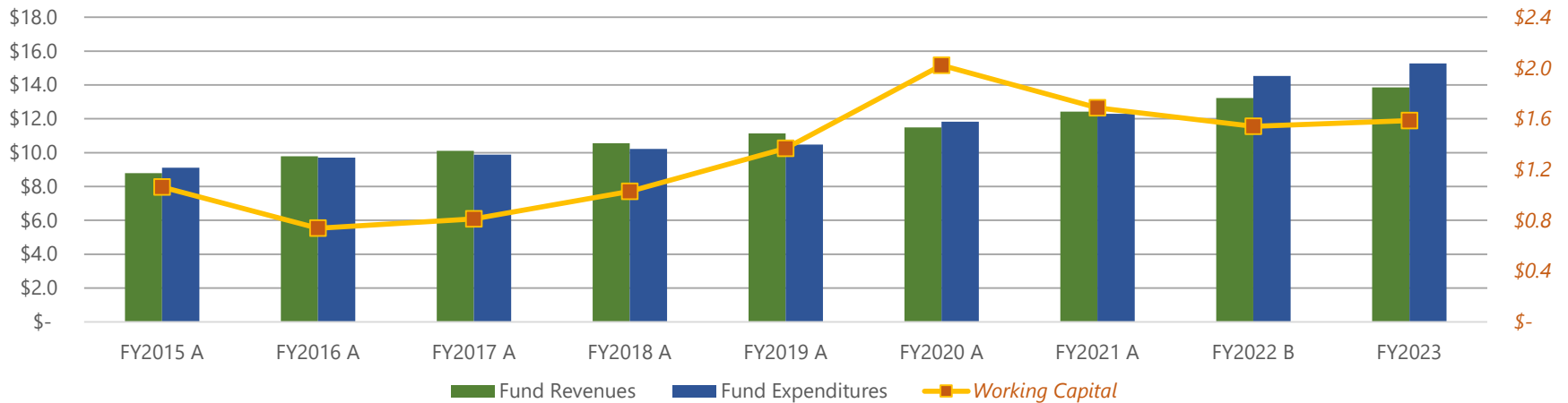
Account	Assumption	Amount	Account	Assumption	Amount
35213	Intrafund - Budgeted Transfers: support from the Radio Communications Division and member rate payments from the Police and Fire departments, increase of 4.1% over the FY 2022 Budget	\$ 5,934,900	35495	Other Agencies: annual member rates budgeted for the participating non-government agencies, estimating a 5.8% increase over the FY 2022 Budget	\$ 306,110
35370-35395	Other Government Agencies: annual member rates budgeted for the participating government agencies, estimating a 5.2% increase over the FY 2022 Budget	\$ 7,368,550			

Not all revenues included on the next page are highlighted here.

See the result area of *Safe Community* for more information about Willamette Valley Communication Center Fund program expenses.

WVCC Fund Revenues, Expenditures, and Working Capital - Multi-Year View

In millions



*Includes transfers to the construction fund for the replacement of the computer aided dispatch (CAD) system.

City of Salem Budget
Willamette Valley Communication Center Fund
FY 2023

WVCC Fund Expenditures

Account	Description	Budget FY 2020	Actual FY 2020	Budget FY 2021	Actual FY 2021	Budget FY 2022	Mgr Rec FY 2023	BC Rec FY 2023	Adopted FY 2023	Difference from FY 2022	% Chg Difference
53380	OTHER MAINTENANCE AND REPAIRS	-	-	-	85	-	-	-	-	-	-
53510	BUILDING RENTAL	202,010	194,158	202,000	204,667	208,760	212,750			3,990	1.9%
53610	GAS	3,310	2,431	3,300	2,689	3,300	3,000			(300)	-9.1%
53620	ELECTRIC	38,400	30,636	36,690	29,764	35,000	35,000			-	-
53650	REFUSE DISPOSAL	1,610	2,357	1,600	3,363	3,400	3,600			200	5.9%
53767	BANKING AND INVESTMENT FEES	1,200	2,805	1,200	3,241	2,400	6,000			3,600	150.0%
53769	CARD PROCESSING FEES	-	-	-	67	-	500			500	-
53812	INTRA CITY - DIRECT CHG (LABOR)	73,000	58,198	73,000	56,567	70,000	70,000			-	-
53813	INTRA CITY - BUDGETED TRANSFERS	94,160	94,160	100,610	100,610	123,420	134,750			11,330	9.2%
53830	RADIO	35,040	35,040	47,950	47,950	57,170	60,800			3,630	6.3%
53840	MOTOR POOL RENTAL	1,000	-	1,000	-	1,000	-			(1,000)	-100.0%
53851	COPY	1,700	877	1,700	445	1,700	1,700			-	-
53854	PHOTOCOPIES	6,570	5,475	6,560	3,689	5,000	5,000			-	-
53860	BUILDING SERVICES	12,010	6,259	12,000	5,531	8,000	8,000			-	-
53900	SUPPORT SERVICES CHARGE	531,290	531,290	525,730	525,730	662,090	674,410			12,320	1.9%
	Total Materials and Services	\$ 1,767,300	\$ 1,551,806	\$ 1,751,520	\$ 1,657,119	\$ 2,078,090	\$ 2,309,880			\$ 231,790	11.2%
55130	EQUIPMENT AND MACHINERY	\$ 35,000	\$ -	\$ 130,000	\$ 127,424	\$ 35,000	\$ 42,000			\$ 7,000	20.0%
	Total Capital Outlay	\$ 35,000	\$ -	\$ 130,000	\$ 127,424	\$ 35,000	\$ 42,000			\$ 7,000	20.0%
62110	TRANSFERS TO OTHER FUNDS	\$ 900,000	\$ 900,000	\$ 1,000,000	\$ 1,000,000	\$ 1,400,000	\$ 1,000,000			\$ (400,000)	-28.6%
	Total Transfers to Other Funds	\$ 900,000	\$ 900,000	\$ 1,000,000	\$ 1,000,000	\$ 1,400,000	\$ 1,000,000			\$ (400,000)	-28.6%
61110	CONTINGENCIES	\$ 500,000	\$ -	\$ 440,000	\$ -	\$ 500,000	\$ 500,000			\$ -	-
	Total Contingencies	\$ 500,000	\$ -	\$ 440,000	\$ -	\$ 500,000	\$ 500,000			\$ -	-
	Total Expenditures	\$ 12,782,480	\$ 11,830,166	\$ 13,391,880	\$ 12,293,939	\$ 14,534,230	\$ 15,276,460			\$ 742,230	5.1%

TO: Budget Committee Members

THROUGH: Kristin Retherford, Interim City Manager

FROM: Josh Eggleston, Chief Financial Officer

SUBJECT: Errata Sheet 3 – Equipment Replacement Reserve Fund

ISSUE:

To inform the Budget Committee about errors and corrections, or updated information regarding the Proposed FY 2023 City of Salem Budget

RECOMMENDATION:

1. Accept changes to the Equipment Replacement Reserve Fund Summary section, removing four duplicate Police vehicles from the replacement list (Budget Book 1, pages 61, 307, 308, and 309). There is no budgetary impact to this change.
2. Accept changes to the Equipment Replacement Reserve Fund Summary section, adding two facilities vehicles to the replacement list (Budget Book 1, pages 61, 307, 308 and 309). There is no budgetary impact to this change.

SUMMARY AND BACKGROUND:

Errata sheets are used in the budget process to identify and correct errors to the proposed budget or provide updated information. Small errors in formatting, spelling, and grammar may not be included in an errata sheet, but instead will be corrected prior to publication of the adopted budget. When an error or updated information has a budgetary impact or could affect comprehension, an errata sheet is prepared.

FACTS AND FINDINGS:

During the review process of the budget book, an error was found by staff. The approval of the errata will remove four duplicate Police vehicles (#s 11009, 11094, 11083, and 11247) from the FY 2023 Fleet Replacement List.

Since drafting the FY 2023 Fleet Replacement List, budget staff has also been notified that the Enterprise Services Department (Facilities Division) intends to replace two vehicles (#s 1604 and 3114) that have reached the end of their useful life. These two vehicles have been added to the list for replacement.

Attachments:

1. Errata 3 replacement pages

4. Equipment Replacement Reserve Summary of Services and Programs

Summary of Services

Considered a financial best practice, a reserve is the set aside of funding designated for a specific purpose to support City operations. To fund the Equipment Replacement Reserve, City departments are assessed charges to cover the cost of vehicle replacement. For more information about vehicles and equipment scheduled for replacement in fiscal year 2023, see the equipment replacement list in the Equipment Replacement Reserve Fund pages of the Financial Summaries section.

Long-term forecasting for vehicle replacement is employed in this fund to help plan for future expenses and balance those costs in department operational budgets against the goal of maintaining adequate reserves for the future.

Replacement Reserve Program

	FY 2022 Program Budget	FY 2023 Program Budget
Equipment Replacement Reserve	3,024,290	3,246,190
Reserve - Fleet	6,936,640	7,014,150
Total Equipment Replacement Reserve Fund	\$ 9,960,930	\$ 10,260,340

City of Salem Budget
Equipment Replacement Reserve Fund
FY 2023

Equipment Replacement Reserve Fund Expenditures

Account	Description	Budget FY 2020	Actual FY 2020	Budget FY 2021	Actual FY 2021	Budget FY 2022	Mgr Rec FY 2023	BC Rec FY 2023	Adopted FY 2023	Difference from FY 2022	% Chg Difference
52130	SUPPLIES	\$ -	\$ 724	\$ -	\$ 6,551	\$ -	\$ -			\$ -	-
52815	CONTROLLED EQUIPMENT	-	137,773	125,790	60,266	4,687,600	5,551,460			863,860	18.4%
52830	COMPUTER SOFTWARE AND LICENSES	-	4,546	-	-	-	-			-	-
53767	BANKING AND INVESTMENT FEES	6,580	10,530	6,870	10,364	5,040	5,040			-	-
	Total Materials and Services	\$ 6,580	\$ 153,573	\$ 132,660	\$ 77,181	\$ 4,692,640	\$ 5,556,500			\$ 863,860	18.4%
55130	EQUIPMENT AND MACHINERY	\$ 2,824,080	\$ -	\$ 3,686,710	\$ -	\$ 4,213,150	\$ 4,142,110			\$ (71,040)	-1.7%
55150	FLEET REPLACEMENT	3,319,000	3,530,649	3,334,000	3,565,107	3,021,000	3,243,000			222,000	7.3%
55151	EQUIPMENT REPLACEMENT - RESERVE	7,609,800	-	8,320,990	-	6,936,640	7,014,050			77,410	1.1%
	Total Capital Outlay	\$ 13,752,880	\$ 3,530,649	\$ 15,341,700	\$ 3,565,107	\$ 14,170,790	\$ 14,399,160			\$ 228,370	1.6%
	Total Expenditures	\$ 13,759,460	\$ 3,684,222	\$ 15,474,360	\$ 3,642,288	\$ 18,863,430	\$ 19,955,660			\$ 1,092,230	5.8%

FY 2023 Fleet Replacement List

The City's Fleet Replacement Reserve includes department / division specific accounts for the management of equipment replacement funds and other revenue sources for fleet replacement purposes.

Adjustments may be made to the replacement list due to unforeseen circumstances such as vehicle collisions or mechanical failures. Surplus vehicles will be sold and the proceeds used to fund future replacements.

Number	Equipment No. and Description	Estimated Replacement			
		Cost	Primary User	Primary User Fund	
1	Eq# 3654 - Pickup 1/2T 4X2 x-cab (rebudget)	\$ 33,000	Compliance Services	General Fund	
2	Eq# 1604 - Chevrolet Pickup 1/2T	\$ 34,000	Facilities	General Fund	
3	Eq# 3114 - Ford Pickup 1T	\$ 40,000	Facilities	General Fund	
4	Eq# 4302 - Sterling L7500 Chip Truck (rebudget)	\$ 130,000	Parks Operations	General Fund	
5	Eq# 5106 - Ford F350 XL Super Duty 1 ton, 4x2 (rebudget)	\$ 65,000	Parks Operations	General Fund	
6	Eq# 10848 - ATV 4x4 AWD Gator OffRoad-John Deere (rebudget)	\$ 16,000	Parks Operations	General Fund	
7	Eq# 1115 - Ford F550 19kgvw 4x2 Truck w/2yard dump bed	\$ 100,000	Parks Operations	General Fund	
8	Eq# 7869 - Ford F350 1 ton Super Duty 12 passenger van	\$ 55,000	Parks Operations	General Fund	
9	Eq# 931 - Ford TS110 Tractor	\$ 90,000	Parks Operations	General Fund	
10	Eq# 1141 - Dodge 3500 single cab Pick-up with DRW	\$ 40,000	Parks Operations	General Fund	
11	Eq# 10617 - Toro Riding Mower 4x4 72" deck	\$ 30,000	Parks Operations	General Fund	
12	Eq# 5709 - Tilt-Trailer 7kgw 2-axle 8x14	\$ 20,000	Parks Operations	General Fund	
13	Eq# 10886 - Patrol Car - K9 (rebudget)	\$ 51,000	Police	General Fund	
14	Eq# 11094 - Patrol Car (rebudget)	\$ 51,000	Police	General Fund	
15	Eq# 10746 - Patrol Car (rebudget)	\$ 51,000	Police	General Fund	
16	Eq# 11083 - Patrol Car (rebudget)	\$ 51,000	Police	General Fund	
17	Eq# 11247 - Patrol Car (rebudget)	\$ 51,000	Police	General Fund	
18	Eq# 11009 - Motorcycle (rebudget)	\$ 43,000	Police	General Fund	
19	Eq# 10302 - Sedan (rebudget)	\$ 32,000	Police	General Fund	
20	Eq# 10635 - Sedan	\$ 32,000	Police	General Fund	
21	Eq# 10637 - Sedan	\$ 32,000	Police	General Fund	
22	Eq# 10851 - Patrol Car	\$ 51,000	Police	General Fund	
23	Eq# 10860 - Patrol Car	\$ 51,000	Police	General Fund	
24	Eq# 11034 - Patrol Car	\$ 51,000	Police	General Fund	
25	Eq# 11036 - Patrol Car	\$ 51,000	Police	General Fund	
26	Eq# 11299 - Patrol Car	\$ 51,000	Police	General Fund	
27	Eq# 11300 - Patrol Car	\$ 51,000	Police	General Fund	
28	Eq# 11301 - Patrol Car	\$ 51,000	Police	General Fund	
29	Eq# 11310 - Patrol Car	\$ 51,000	Police	General Fund	
30	Eq# 11311 - Patrol Car	\$ 51,000	Police	General Fund	

FY 2023 Fleet Replacement List

The City's Fleet Replacement Reserve includes department / division specific accounts for the management of equipment replacement funds and other revenue sources for fleet replacement purposes.

Adjustments may be made to the replacement list due to unforeseen circumstances such as vehicle collisions or mechanical failures. Surplus vehicles will be sold and the proceeds used to fund future replacements.

Number	Equipment No. and Description	Estimated Replacement		
		Cost	Primary User	Primary User Fund
31	Eq# 11356 - Patrol Car	\$ 51,000	Police	General Fund
32	Eq# 11358 - Patrol Car	\$ 51,000	Police	General Fund
33	Eq# 11364 - Patrol Car	\$ 51,000	Police	General Fund
34	Eq# 11312 - Patrol Car	\$ 51,000	Police	General Fund
35	Eq# 10422 - Traffic Control Service Truck F550 (rebudget)	\$ 75,000	Public Works	Transportation Services Fund
36	Eq# 6910 - Paint Striper Truck GMC Medium Duty	\$ 450,000	Public Works	Transportation Services Fund
37	Eq# 10304 - Chevrolet Colorado (rebudget)	\$ 32,000	Public Works	Transportation Services Fund
38	Eq# 10340 - Chevrolet Colorado (rebudget)	\$ 32,000	Public Works	Transportation Services Fund
39	Eq# 10969 - Aqua Tech Combination Vactor Sewer Cleaning Truck (rebudget)	\$ 442,000	Public Works	Utility Fund
40	Eq# 3913 - GMC MOD960 Flatbed Crane Truck w/3933 15-ton cap (rebudget)	\$ 248,000	Public Works	Utility Fund
41	Eq# 10421 - F550 4x2 Diesel Service Truck w/Utility Service body (rebudget)	\$ 99,000	Public Works	Utility Fund
42	Eq# 10300 - Ford 350 1 ton Super Duty 12 passenger Van (rebudget)	\$ 47,000	Public Works	Utility Fund
43	Eq# 10593 - Ford F150 1/2 T Pick-up Truck 4x4 X-Cab (rebudget)	\$ 40,000	Public Works	Utility Fund
44	Eq# 10323 - Chevrolet Silverado 1/2 T Pick-up 4x2 standard cab (rebudget)	\$ 34,000	Public Works	Utility Fund
45	Eq# 10850 - Ford F-150 1/2 ton Pick-up Truck (rebudget)	\$ 34,000	Public Works	Utility Fund

TO: Budget Committee Members

THROUGH: Kristin Retherford, Interim City Manager

FROM: Josh Eggleston, Chief Financial Officer

SUBJECT: Summary of Budget Committee Actions Through April 27, 2022

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 2023 proposed budget review process, which includes weekly meetings from April 20, 2022 through May 11, 2022. 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.

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 2023 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.

Information and Reports
Requested by the Budget Committee
As of April 27, 2022

	Requested Agenda Date	Response Date	Estimated Agenda Date	Department Responsible
1. Comparable jurisdiction's Transient Occupancy Tax rates	April 20, 2022	April 27, 2022	April 27, 2022	Finance / Community Development
2. Information regarding the Infrastructure Bond	April 20, 2022	April 27, 2022	April 27, 2022	Finance
3. Information regarding State owned property	April 20, 2022		May 4, 2022	Finance
4. Capital Improvement Plan scoring details	April 27, 2022		May 4, 2022	Public Works
5. Parks system; total park land, developed park land by ward, master plan maps	April 27, 2022		May 4, 2022	Public Works
6. Diversity, Equity and Inclusion Update	April 27, 2022		May 4, 2022	Enterprise Services
7. Urban Renewal Agency general information	April 27, 2022		May 4, 2022	Urban Development / Finance
8. Parking meter revenue	April 27, 2022		May 4, 2022	Urban Development

Correspondence Received by the Budget Committee
As of April 27, 2022

Subject	From	Agenda
1. Urban Forestry Program	Laura Buhl, NEN	4/20/2022
2. Parking Fund Budget	Downtown Advisory Board	4/27/2022

CITY OF SALEM FINANCIAL SUMMARY Through Q3 / FY 2022

The summary of FY 2022 third quarter (Q3) July 2021 through March 2022 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 2022.

General Fund

Resources	Budget	Actual through March 31	As a Percent of Budget	Difference FY 2022 to FY 2021 Actual
Property Taxes	77,968,070	74,898,941	96.1%	4.4%
Franchise Fees	18,284,150	14,394,977	78.7%	7.1%
Internal Charges	25,670,860	12,970,899	50.5%	3.2%
Other Taxes	1,532,730	994,359	64.9%	-17.7%
State Shared	7,431,890	4,596,056	61.8%	-9.1%
Fees, Permits	13,885,440	10,590,651	76.3%	19.2%
All Other Revenues	16,508,560	4,799,738	29.1%	-36.3%
Beginning Fund Balance	30,893,040	30,909,507	100.1%	23.8%
Total Resources	192,174,740	154,155,128	80.2%	6.0%

Expenditures by Department	Budget	Actual through March 31	As a Percent of Budget	Difference FY 2022 to FY 2021 Actual
Mayor & Council	243,410	191,581	78.7%	31.8%
Municipal Court	2,344,940	1,544,339	65.9%	19.0%
City Manager	1,759,620	1,030,408	58.6%	15.3%
Human Resources	2,054,350	1,291,095	62.8%	19.8%
Legal	2,838,620	1,869,133	65.8%	8.0%
Finance	4,287,930	2,838,457	66.2%	7.8%
Parks and Recreation	11,652,060	7,997,143	68.6%	9.0%
Facilities Services	5,081,480	3,491,574	68.7%	19.6%
Community Development	4,915,150	3,404,940	69.3%	0.8%
Library	5,706,290	3,571,889	62.6%	10.7%
Police	51,848,420	37,163,014	71.7%	6.8%
Fire	40,309,010	28,941,345	71.8%	5.0%
Information Technology	10,607,130	6,892,099	65.0%	7.8%
Non Departmental	13,308,030	5,367,065	40.3%	62.2%
Urban Development	5,757,590	3,442,904	59.8%	5.8%
Total Expenditures	162,714,030	109,036,986	67.0%	9.1%

BY THE NUMBERS

Resources

The City received over 96 percent of total current-year Property Taxes as of the third quarter. Property tax receipts in FY 2022 are 4.4 percent higher than the same time last year.

Franchise Fees and State Shared Revenue collections are also trending 7.1 percent higher.

The category, Other Taxes, is local marijuana sales tax receipts. These are collected by the State and remitted to the City quarterly.

Beginning Fund Balance—the funding available at the start of the fiscal year—equals almost 23.8 percent of total resources through Q3, and is 23.8 percent more than FY 2021. This is due to an influx of one-time money from the State and Federal governments.

Year-to-year increases of 19.2 percent for Fees, Permits reflect continuing local development.

Internal Charges include the support services charges, reimbursements for labor and overhead from other funds, and fund-to-fund transfers. The 3.2 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 9.1 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 record high inflation.

CITY OF SALEM FINANCIAL SUMMARY Through Q3 / FY 2022

Other Funds

	Resources			Expenditures		
	Actual through March 31	As a Percent of Budget	Difference FY 2022 to FY 2021 Actual	Actual through March 31	As a Percent of Budget	Difference FY 2022 to FY 2021 Actual
* Transportation Services	17,556,510	83.1%	30.7%	10,033,381	57.3%	0.5%
Streetlight	2,534,922	81.2%	5.4%	1,213,129	58.3%	5.4%
* Airport	1,989,955	87.4%	-8.4%	898,972	39.5%	-19.5%
Community Renewal	2,309,919	20.9%	111.9%	1,854,601	16.7%	65.9%
Downtown Parking	978,607	75.3%	29.9%	931,950	71.7%	20.9%
Cultural and Tourism	4,657,667	70.2%	111.3%	2,491,450	62.0%	14.3%
Public Art	40,491	95.6%	-33.6%	11,876	28.0%	-36.6%
Tourism Promotion Area	613,270	68.4%	53.5%	540,606	60.3%	68.3%
Parking Leasehold	695,002	64.6%	-17.3%	530,701	49.3%	11.7%
* Building and Safety	18,574,957	93.3%	5.5%	3,881,232	60.4%	-5.3%
Traffic Safety	1,367,365	75.7%	100.4%	547,604	31.7%	66.3%
General Debt	22,095,798	94.8%	5.1%	3,025,989	13.4%	-5.8%
Capital Improvements	90,757,967	60.6%	-41.1%	30,641,363	20.5%	-53.1%
Extra Capacity Facilities	48,060,011	90.7%	4.2%	5,811,131	11.0%	-37.8%
Development Districts	8,536,149	102.8%	20.8%	1,443,350	17.4%	141.4%
* Utility	138,854,448	83.4%	6.1%	71,096,948	57.5%	0.8%
* Emergency Services	4,623,538	91.8%	16.0%	1,514,751	48.6%	205.2%
* WVCC	11,716,208	79.4%	6.9%	9,720,969	66.9%	5.7%
Police Regional Records	1,354,494	92.8%	8.4%	115,777	33.4%	-64.4%
* City Services	16,162,543	83.7%	3.9%	11,067,686	69.9%	75.5%
* Self Insurance Benefits	32,167,359	84.7%	-0.5%	20,148,377	53.1%	-2.8%
* Self Insurance Risk	11,275,134	94.4%	-4.0%	3,945,145	33.0%	25.0%
Equipment Replacement	17,305,888	91.7%	31.8%	1,417,038	7.5%	-43.0%
Trust and Agency	28,430,870	79.4%	208.0%	4,653,938	18.2%	489.4%

Resources

Beginning fund balance accounts for \$249.8 million or 51.8 percent of the \$482.6 million total resources reported in the above table for all other City funds. To begin FY 2022, actual fund balance exceeded the budget by \$16.4 million or 7 percent. This is mainly due to the influx of State and Federal grants. At the third quarter mark in the fiscal year, total resources equal 78.4 percent of the amount anticipated in the FY 2022 budget for this grouping of funds.

Expenditures

The nine funds marked with an * have a total of 539.1 full-time equivalent (FTE) authorized positions, approximately 41.8 percent of the total FTE count for the City in the FY 2022 budget. The General Fund supports the remaining 750.62 FTE positions. Of the \$187.5 million in total actual expense through March 31 documented in the above table, \$46 million or 24.5 percent is personal services expense.

Materials and services, purchases for supplies, equipment, and services, equal \$112.8 million or 60.1 percent of total expenses. Four funds—the Utility Fund, Self Insurance Benefits Fund, Self Insurance Risk Fund, and Capital Improvements Fund—account for \$125.8 million—or 67.1 percent—of the total expenses of these funds.

URBAN RENEWAL AGENCY FINANCIAL SUMMARY Through Q3 / FY 2022

This "By the Numbers" summary of FY 2022 activity for the period of July 2021 through March 2022 (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 2022 results are greater.

	Resources			Expenditures		
	Actual through March 31	As a Percent of Budget	Difference FY 2022 to FY 2021 Actual	Actual through March 31	As a Percent of Budget	Difference FY 2022 to FY 2021 Actual
Debt Service Fund						
Riverfront Downtown	9,882,434	116.7%	13.3%	6,675,503	84.5%	10.8%
Fairview	-	0.0%	0.0%	-	0.0%	0.0%
North Gateway	4,987,280	91.1%	-7.1%	4,500,156	100.0%	0.0%
West Salem	2,602,721	93.5%	-2.3%	1,800,063	99.9%	-10.0%
Mill Creek	2,858,509	102.8%	15.8%	1,693,155	100.0%	21.5%
McGilchrist	1,527,050	96.9%	19.3%	1,000,035	99.9%	11.1%
South Waterfront	626,365	92.1%	-3.4%	500,017	99.9%	0.0%
Jory Apartments	11,736	28.1%	0.0%	-	0.0%	0.0%
Total	22,496,095	103.2%	6.4%	16,168,929	92.7%	5.5%

	Resources			Expenditures		
	Actual through March 31	As a Percent of Budget	Difference FY 2022 to FY 2021 Actual	Actual through March 31	As a Percent of Budget	Difference FY 2022 to FY 2021 Actual
Capital Improvements Fund						
Riverfront Downtown	26,006,837	100.6%	2.2%	2,749,322	10.6%	-54.3%
Fairview	2,423,201	98.1%	-1.0%	27,710	1.1%	-48.7%
North Gateway	18,411,993	99.7%	11.3%	551,226	3.0%	-77.4%
West Salem	8,489,735	99.7%	19.0%	542,233	6.4%	134.1%
Mill Creek	2,629,478	93.1%	-10.6%	487,676	17.3%	-49.4%
McGilchrist	7,034,262	64.2%	23.4%	1,239,191	11.3%	324.8%
South Waterfront	1,360,520	93.7%	43.6%	13,969	1.0%	-80.1%
Jory Apartments	(522)	-1.3%	0.0%	28	0.1%	0.0%
Total	66,355,505	94.0%	8.5%	5,611,355	8.0%	-44.3%

Salem Convention Center Fund and Convention Center Gain / Loss Reserve

Resources for the Salem Convention Center Fund include beginning fund balance of negative \$21,881 and revenue from food sales, miscellaneous revenue, and equipment and room rentals of \$1,100,595 for a total of \$1,078,713. Through the period, \$1,023,800 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 \$4.21 million. Interest postings and donations added \$48,256. Through the quarter, \$232,413 of expenses have been posted for facilities maintenance, professional services, and banking and investment fees.

TO: Budget Committee Members

THROUGH: Kristin Retherford, Interim City Manager

FROM: Josh Eggleston, Chief Financial Officer

SUBJECT: Public Hearing on State Revenue Sharing Funds

ISSUE:

A public hearing before the Budget Committee on the possible uses of State Revenue Sharing funds is required in order to receive these funds in FY 2023.

RECOMMENDATION:

1. Conduct the public hearing.
2. Recommend a proposed use for State Revenue Sharing to the City Council.

SUMMARY AND BACKGROUND:

The State Revenue Sharing program allocates 14 percent of state liquor revenues to cities. These funds are general purpose. This means that local governments have almost complete discretion on how they spend State Revenue Sharing funds.

The purpose of the public hearing this evening is to allow citizens an opportunity to propose uses of State Revenue Sharing funds in the FY 2023 budget, including as an offset to the City's property tax levy. The hearing has been announced in the Budget Committee's schedule and agenda packets, and published April 13, 2022 in the *Statesman Journal*.

To receive State Revenue Sharing funds in FY 2023, State Revenue Sharing Law (ORS 221.770) requires the City to certify to the State of Oregon that two public hearings have been held on the uses of State Revenue Sharing funds. The first hearing must cover the possible uses of State Revenue Sharing funds (the matter before you tonight). After the hearing the Budget Committee will be asked to recommend the proposed uses of State Revenue Sharing to the City Council.

The second public hearing is to address the proposed uses of State Revenue Sharing funds and will be held during a regular City Council meeting. Following the second hearing, the City Council will be asked to approve the proposed uses of the funds.

FACTS AND FINDINGS:

The City Manager's Proposed FY 2023 Budget estimates the City of Salem will receive \$2,382,950 in State Revenue Sharing funds. The State Revenue Sharing funds are fully allocated in the General Fund and have been recommended to offset the costs of police patrol. This is consistent with how these funds have been historically budgeted and used.