

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 11, 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>

1. OPENING EXERCISES – Chairperson Virginia Stapleton
2. PUBLIC TESTIMONY
Comment on agenda items other than public hearings and deliberations
 - a. Correspondence from Kaethe Mentrum regarding Stortz Avenue NE.
3. MINUTES
 - a. Minutes from May 4, 2022 City of Salem and Urban Renewal Agency Budget Committee Meeting
4. ACTION ITEMS
None.
5. INFORMATION ITEMS
 - a. Staff Report: Summary of Budget Committee Actions Through May 4, 2022
 - b. Staff Report: Responses to Committee Member Questions
6. PUBLIC HEARINGS
None.
7. SPECIAL ORDERS OF BUSINESS
 - a. Approve FY 2023 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	\$284,520
2. McGilchrist	100%	\$0	1,257,410
3. Mill Creek	100%	\$0	2,408,340
4. North Gateway	100%	\$0	4,366,140
5. Riverfront Downtown	100%	Remainder	7,878,600
6. South Waterfront	100%	\$0	518,200
7. West Salem	100%	\$0	1,890,860
			\$18,604,070

- Discussion
- Motion to approve Salem Urban Renewal Agency FY 2023 ad valorem property taxes

- b. Recommend FY 2023 Salem Urban Renewal Agency Budget
Staff Report: Recommend FY 2023 Salem Urban Renewal Agency Budget

- Discussion
- Motion to approve final recommendation of FY 2023 Salem Urban Renewal Agency Budget

- c. Approve FY 2023 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 \$17,686,890
 - Discussion
 - Motion to approve City of Salem FY 2023 ad valorem property taxes

- d. Recommend FY 2023 City of Salem Budget
Staff Report: Recommend FY 2023 City of Salem Budget

Good Governance

- Expenditures: \$123,547,830
- Discussion
- Motion to approve final recommendation of the City of Salem FY 2023 Good Governance Result Area Budget

Natural Environment Stewardship

- Expenditures: \$21,247,610
- Discussion

- Motion to approve final recommendation of the FY 2023 City of Salem Natural Environment Stewardship Result Area Budget

Safe and Healthy Community

- Expenditures: \$135,228,660
- Discussion
- Motion to approve final recommendation of the FY 2023 City of Salem Safe and Healthy Community Result Area Budget

Safe, Reliable, and Efficient Infrastructure and Capital Improvements

- Expenditures: \$153,861,040 for the result area and \$231,575,930 for capital improvement projects
- Discussion
- Motion to approve final recommendation of the FY 2023 City of Salem Safe, Reliable, and Efficient Infrastructure Result Area and Capital Improvements Budgets

Strong and Diverse Economy

- Expenditures: \$13,004,570
- Discussion
- Motion to approve final recommendation of the FY 2023 City of Salem Strong and Diverse Economy Result Area Budget

Welcoming and Livable Community

- Expenditures: \$58,491,180
- Discussion
- Motion to approve final recommendation of the FY 2023 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 2023 budget will occur with the City Council as follows:

- Monday, June 13, 2022, FY 2023 Budget and State Revenue Sharing Public Hearings
- Monday, June 27, 2022, FY 2023 Budget and CIP Adoption

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.

From: [Kaethe Mentrum](#)
To: [budgetoffice](#)
Cc: [Irma Dowd](#)
Subject: Speed H/Bumps on residential streets
Date: Wednesday, May 4, 2022 3:33:29 PM
Attachments: [Letter to City of Salem re street bumps.docx](#)
[petition 1.pdf](#)
[petition 3.pdf](#)
[petition 4.pdf](#)
[History of Street Bumps on Stortz Ave NE.docx](#)

Hello Budget Committee,

Please find attached a letter we submitted to the City Councilors dated 04/29/22 along with the attachments. Since you will be discussing the budget at this evening's virtual meeting, we wanted to make sure that you will include street bumps as priority although we have been discussing about the problem of speeding drivers since last year. We should mention that one of our board members started the petition, going door to door and as you can see, he was able to get petitions signed by all the residents of Stortz Avenue NE. City of Salem already approved street bumps for Stortz, however, last year we were told there was no funding. We, therefore, were elated when we found out about the \$300 Million Infrastructure Bond Measure.

We would appreciate your selecting a few streets first that needs speed bumps due to the fact these streets are being used to get to Portland Road NE in a hurry by drivers to get on I-5. Besides Stortz Ave NE, there is 31st Ave NE and Edgewood Avenue NE to name a couple. There are little children living at the houses on all of these streets and we see more speeding drivers, some going as fast as 45-50 mph. They seem to take advantage of the fact that there are not enough patrol cars on the road anymore. In addition, although there are 25 mph signs, they completely ignore them.

We thank you for your consideration to the above. Relative to bike lanes and sidewalks, we understand funding to be used for certain danger zones but not for the whole of Salem. If that can be done, we might be able to save enough funding for some street bumps to be installed. It could be called a compromise.

Kindly let us know your decision at your earliest convenience.

Thanking you,
Northgate Neighborhood Association

TO: Mayor Bennett, City Manager, City Council Members
CC: Irma Dowd
FROM: Northgate Neighborhood Association
DATE: 4/29/2022
SUBJECT: Street Bumps for Residential Areas in Salem



As you see, we have attached a photo taken 04/23/2022 of children in the front yard before they go out with their parent who already has her hands full. This is the kind of concern we have. A “what if moment” where a child is injured or worse, killed, by the speeding drivers who completely ignore the 25 mph signs. These things can happen so quickly. An actual accident happened when a speeding driver lost control and crashed into a parked truck recently.

The idea of changing from 25 mph to 20 is nice except the speeding drivers, knowing there is scarcity of police, ignore these signs and continue to speed down our residential roads. We believe street bumps will make it necessary for them to apply their brakes to slow down.

Now that we have funding from the infrastructure bond measure which will facilitate matters and make it feasible to purchase street bumps per our Councilor Jose Gonzalez who researched and found out recycled street bumps are more attainable and realistic, we request for your consideration to make this a reality for our residential roads.

Also attached for your reference are the signed petitions from residents at Stortz Avenue NE that one of our board members went ahead and received in the summer of 2021 which originally started this street bump matter, as well as history of street bumps. If you need more petitions, we have people complaining on 31st Avenue NE and Edgewood Avenue NE as examples, who would be willing to get them. But for now, we think we have attached enough to inform you the urgency of this request.

We would appreciate your prioritizing street bumps as one of the “must haves” so that we may be able to live peacefully without these speeding drivers causing any more havoc in our streets. Therefore, please allocate funding from the infrastructure bond measure we have from the state or federal government for speed bumps.

Northgate Neighborhood Association board members join together with our community to request for the above. Thank you.

Sincerely,

Board Members of Northgate Neighborhood Association

**Petition for Road Improvement on the 2000-2499 Block of Stortz Ave NE
(Speed Bumps)**

The undersigned residents of the 2000-2499 block of Stortz Avenue NE, Salem, Oregon ("Residents") hereby petition the Northgate Neighborhood Association and City Council of Salem, Oregon for improvements to the 2000-2499 block of Stortz Avenue NE ("Stortz") as set forth below.

RECITALS

WHEREAS, drivers on Stortz frequently exceed the posted speed limit, posing a danger to pedestrians, bicyclists, and to vehicles belonging to Residents and their guests parked on Stortz;

WHEREAS, the convenient location of Stortz causes higher than normal traffic for a residential street due to its use as a connection between Portland Road NE and Silverton Road NE by way of Williams Avenue NE and due to the presence of a gas station on the corner of Stortz and Portland Road NE;

WHEREAS, the presence of a restaurant open until midnight on the corner of Stortz and Portland Road NE causes higher than normal traffic on Stortz until late at night;

WHEREAS, reckless drivers exceeding the speed limit have in the past collided with unoccupied vehicles parked on Stortz;

PETITION

THEREFORE, Residents respectfully request the Northgate Neighborhood Association and City Council of Salem, Oregon to:

1. To direct the Public Works Department to construct at least one speed bump on Stortz Avenue NE between Portland Road NE and Williams Avenue NE;
2. Conduct a traffic impact analysis, draft a construction plan, obtain permits, and comply with any other applicable provisions of Salem Revised Code Chapter 77 and any other applicable laws; and
3. To allocate funds as necessary for the above said construction;

SIGNATURES

By: 

Print Name: Jesus Cruz

Address: 2142 STORTZ AVE NE

Date: 7-18-21

By: 

Print Name: Michael Hoselton

Address: 2163 Stortz Ave NE

Date: 7/18/21

Print Name: BARBARA HOKKANEN

Address: 2166 STORTZ J.E.

Date: 7-20-21

By: Wendona McMahon

Print Name: WENDONA McMAHILL

Address: 2170 STORTZ AVENUE

Date: 7/20/21

By: Charles McMahon

Print Name: CHARLES McMAHILL

Address: 2170 STORTZ NW NE

Date: 7-20/21

By: Carl Willis

Print Name: Carl Willis

Address: 2470 STORTZ AVE NE

Date: 07/20/2021

By: Jose M. Ventura

Print Name: Jose M. Ventura

Address: 2475 Stortz Ave NE

Date: 7-20-2021

Print Name: BAYARD MENTRUM

Address: 2455 STORTZ AVE NE

Date: 7.20.2021

By: Marcie Lester

Print Name: Marcie Lester

Address: 2445 Stortz Ave NE

Date: 7/20/21

By: Maria Burke

Print Name: MARIA BURKE

Address: 2405 STORTZ AVE NE

Date: 7/20/21 Salem, Oregon 97301

By: Travis Wagner

Print Name: Travis Wagner

Address: 2195 STORTZ AVE. NE

Date: 07-20-2021

By: Jeff Eisenbawmen

Print Name: JEFF EISENBAMMEN

Address: 2230 STORTZ AVE

Date: 7-20-2021

By: Jim Smith

Print Name: Jim Smith

Address: 2165 Stortz Ave NE

Date: 7/20/21

By: [Signature]

Print Name: Luis Campos

Address: 2050 Stortz Ave

Date: 7/24/21

By: Mike Jordan

Print Name: Mike Jordan

Address: 2150 Stortz

Date: 7/24/21

By: Lacey A. Smith

Print Name: Lacey A. Smith

Address: 2440 Stortz Ave NE

Date: 7-24-21

By: Brixia Lao

Print Name: _____

Address: 2450 Stortz Ave NE

Date: 7-24-21

By: _____

By: Virginia McMichael

Print Name: Virginia McMichael

Address: 2495 Stortz Ave NE

Date: June 24, 21

By: _____

Print Name: _____

Address: _____

Date: _____

By: _____

Print Name: _____

Address: _____

Date: _____

By: _____

Print Name: _____

Address: _____

Date: _____

By: _____

Print Name: _____

Address: _____

Date: _____

By: _____

Got your e-mail Mr. Martin concerning the speed bumps and city criteria for the speed bumps . The issue here is not about the amount of traffic using the street but the speed of vehicles traveling through the street , I believe there are exceptions over city criteria . Secondly why do others streets have speed bumps and we don't , that's the reason why many vehicles are using stortz av having no speed bumps . third , i have witnesses who have lived here all their lives and willing to come forward concerning the city promising speed bumps when city removed the barricade . I understand it's costly installing street speeds bump but this is a safety concern . As a resident of this area i surely ain't going to wait until someone gets hurt , injured god forbids a death . Doesn't 99% signatures of all the residents of this street mean anything or have a right to be heard and have speed bumps over your criteria . As I said before there are exceptions and this is one of them and hopefully you well consider installing speed bumps for the resident of Stortz av .

Thank you Jesus Cruz

On Thursday, September 23, 2021, 12:10:39 PM PDT, Tony Martin <tmartin@cityofsalem.net> wrote:

Jess,

Thanks for all the work that you have done for your neighbors on Stortz Avenue NE. You have done a tremendous amount of work garnering support for speed humps on Stortz Avenue.

I did some research about the extension of Stortz Avenue to the east to connect with Williams Avenue NE, and here's what I discovered.

1985 – A request was made to remove the barricade on Stortz Avenue NE. The request was not supported by the residents or the Northgate Neighborhood Association, no action was taken.

May 2000 – A resident on Stortz Avenue requested the barricade be removed.

July 2000 – A survey of residents and property owners on Stortz Avenue indicated that 58% of the residents supported, 25% opposed, and 16% were undecided or did not answer. The Northgate Neighborhood Association also voted to support removal of the barricade.

November 2000 – City staff sent a letter to all property owners on Stortz Avenue outlining the request and notified everyone of the upcoming Citizens Advisory Traffic Commission (CATC) hearing to make a recommendation on the proposal.

November 30, 2000 – The Citizens Advisory Traffic Commission (CATC) held a hearing on the matter. There were a number of attendees in support and a number in opposition. CATC voted to support the removal of the barricade and recommended the matter to be referred to City Council.

January 22, 2001 – A staff report to City Council recommended:

1. Secure funding to construct curb and sidewalk in the area of the barricades.
2. Remove the barricades upon completion of the project.
3. In the even a problem develops, work with the neighbors to provide appropriate traffic calming devices on Stortz Avenue NE.

February 5, 2001 – City Council determined the barricade on Stortz Avenue shall be removed immediately and the City will pursue funding for full street improvements. (NOTE: City Council's decision did not address traffic calming devices on Stortz Avenue NE.)

In early 2020 we received a concern about speeding on Storts. At that time, we discussed there was no speed limit sign on Stortz Avenue near Portland Road. Our crews installed a new 25 MPH sign on February 10, 2020. We also had a discussion about speed humps and the criteria to qualify for them.

In order to qualify for speed humps there are three (3) traffic criteria that must all be met.

1. The street must be a residential street,
2. There must be more than 600 vehicles per day, and
3. Over one half of the vehicles must be traveling over 25 MPH.

In addition to the criteria above, the Neighborhood Association must support the request. You indicate you have the support the Northgate Neighborhood Association. We will contact the Northgate Neighborhood Association for a copy of the meeting minutes showing their vote of support for the speed humps.

The City will be collecting traffic speed and volume data on Stortz Avenue next week to see the Traffic Criteria #2 and #3 are met. Presuming the criteria are met; the difficult part of this project moving forward will be finding funding for their installation and currently there is no funding allocated for neighborhood traffic calming.

In early October we will have the traffic data available to see if the criteria is met and then we will figure out the next steps in the process.

If you have any questions, please contact me directly.

Best Regards,

Tony C. Martin, PE

Assistant City Traffic Engineer

City of Salem | Public Works Department

555 Liberty St SE, Suite 325, Salem OR 97301-3515

tmartin@cityofsalem.net

Office: 503-588-6211 | Cell: 503-910-4828

Facebook | Twitter | YouTube | CityofSalem.net

From: jess cruz <jessrcruz@yahoo.com>

Sent: Sunday, September 19, 2021 6:16 PM

To: SALEM Manager <MANAGER@cityofsalem.net>

Subject: Re: Stortz Ave

Hello Steve Powers

Please let me introduce myself. I am Jess Cruz who live on Stortz Avenue NE. Recently, I went around our neighborhood to get signatures for a petition for the City to provide street bumps on Stortz Ave NE. I was able to get all the neighbors who live along this street to sign except for one because vacane. Northgate Neighborhood Association has also voted to support this endeavor recently.

With the exception of Stortz Avenue NE, the other streets in the area all have street bumps as this is a residential district yet many vehicles cut through from Portland Road to get to Silverton Road. Many drivers, maybe commuters, use this road to get to I-5 via Portland Road NE. We have seen them go even about 50 MPH to or from Portland Road NE and

ignore the one 25 mph sign posted at the west end. So far about five homeowners on Stortz got their vehicles rear-ended, due to their speed. This is a real problem for us. It could get worse.

Here is history on this road. According to neighbors who lived on Stortz for years, about 15 years ago, Stortz was a deadend street. There was no access to Portland Road through Stortz. A woman who lived next to Portland Road who had some "muscle" with the City convinced the City to open up Stortz for easy access to Portland Road (she moved out about a month later). The rest of the residents who lived along Stortz objected, so the City promised to provide speed bumps. That promise has never been kept as we have no street bumps yet, even after a long wait of about 15 years. It is time for the City to be reminded of that promise and put at least two street bumps at each of the two blocks to slow down the traffic or to make this effective.

There are kids playing out there and an accident could easily occur if we continue this way. I have grandchildren and I am concerned for their safety. There are other children too.

I understand that someone once asked you for street bumps prior to covid, but you only put a post for 25 mph but this is being ignored by the speeding drivers. Please remember, street bumps were promised. I hope you still have the record. If not, all the residences who live here at that time, still remember and can testify to that if you want.

I am scanning a copy of the signatures from the petition with this email. I also have the support of Northgate Neighborhood Association. Please respond to this letter at your earliest opportunity. I know there is money in the general funds. I and all those who signed the petition would like you to consider this seriously as keeping a promise and get the job done once and for all.

Mayor Bennett and Steve Powers, please back up Kevin Hottmann so that this task is done once and for all.

Thank you.

Jess Cruz

MINUTES



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

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

Members present: Chair Stapleton, T.Andersen, W.Andersen, Phillips, Leung (arrived at 6:33PM), Cohen, Vice-chair Brown, Gonzalez, Hoy (arrived at 7:16PM), Nordyke, Sorce, Milton, Varney, Bennett, Vieyra-Braendle

Members absent: Shirack, Tigan

Pledge of Allegiance by: Member Nordyke

Chair Stapleton informed the Committee about the additions agenda submitted which included two staff reports and several pieces of written testimony.

Motion: Move to approve the additions agenda of May 4, 2022 for the City of Salem Budget Committee and Urban Renewal Agency Budget Committee Meeting.

Motion by: Member T. Andersen
Seconded by: Member Phillips

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

2. PUBLIC TESTIMONY
 - a. Correspondence from Brian Ripp regarding homelessness services.
 - b. Correspondence from Doug Luth regarding streets and sidewalks.
 - c. Correspondence from Paul and Sharyn Viel regarding streets.
 - d. Correspondence from Craig Scharer regarding streets.
 - e. Correspondence from Patricia Erpelding regarding climate and infrastructure.
 - f. Correspondence from John Johnson regarding homeless services.

Virtual Appearance:

Topic:

Lynn Takata

Graffiti Abatement

Questions or comments by: Member Milton and Chair Stapleton

Michael Freitas

West Salem Library

Questions or comments by: Members Nordyke, Sorce, Milton, Phillips, T.Andersen, Vice-chair Brown and Chair Stapleton

Answers or explanations by: Norman Wright, Community Development Director

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: Vice-chair Brown
Seconded by: Member Phillips

Action: Motion passes
Vote:
Aye: Unanimous
Nay:
Abstentions: T. Andersen

4. ACTION ITEMS

- a. Errata Sheet 2 – Willamette Valley Communication Center (WVCC) (Budget Book 1, pages 98, 99, 100, 101, 110, 244, 245, 246, 247, 250, 403, 408).

Motion: Move to approve Errata Sheet 2 – Willamette Valley Communication Center (WVCC) (Budget Book 1, pages 98, 99, 100, 101, 110, 244, 245, 246, 247, 250, 403, 408).

Motion by: Member Phillips
Seconded by: Member W. Andersen

Action: Motion passes
Vote:
Aye: Unanimous
Nay:

- b. Errata Sheet 3 – Scrivener Correction, Fleet Reserve (Budget Book 1, pages 61, 307, 308, 309).

Motion: Move to approve Errata Sheet 3 – Scrivener Correction, Fleet Reserve (Budget Book 1, pages 61, 307, 308, 309).

Motion by: Member W. Andersen
Seconded by: Member Phillips

Action: Motion passes
Vote:
Aye: Unanimous
Nay:

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
- d. Staff Report: General Fund Deferred Needs Analysis
- e. Staff Report: Additional Responses to Committee Member Questions

Explanation of information items provided to the Budget Committee by Chief Financial Officer Eggleston.

Questions or comments by: Member Sorce
Answers or explanations by: Chief Financial Officer Josh Eggleston

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

Questions or comments by: Members Phillips, Sorce, W. Andersen
Answers and explanations by: Chief Financial Officer Josh Eggleston

Motion: Move to recommend the proposed uses of State Revenue Sharing funds for FY 2023 budget.

Motion by: Member W. Andersen
Seconded by: Member Phillips

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

7. SPECIAL ORDERS OF BUSINESS

- a. Result Area Budget Review – Good Governance, pages 41 – 73
 - Presentation and overview Chief Financial Officer Eggleston
 - Question of staff and committee discussion

Questions or comments by: Members T. Andersen, Phillips, Chair Stapleton

Answers and explanations by: City Attorney Dan Atchison, Interim City Manager Kristin Retherford and Chief Financial Officer Josh Eggleston

- b. Result Area Budget Review – Safe and Healthy Community, pages 93 - 119
- Presentation and overview Chief Financial Officer Eggleston
 - Discussion and review

Questions or comments by: Members Bennett, W. Andersen, Milton, Vieyra-Braendle, Sorce, Nordyke, Phillips, Vice-chair Brown and Chair Stapleton

Answers and explanations by: Fire Chief Niblock, Police Chief Womack, Community Director Norman Wright, Enterprise Services Director Krishna Namburi

- c. Committee Discussion
- Opportunity for the Budget Committee to discuss any issues or concerns regarding agenda items or items not on the agenda

Questions or comments by: Members Phillips, Cohen, Sorce, Nordyke and T. Andersen

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

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. ADJOURNMENT

The meeting was adjourned at 7:49 PM

Respectfully Submitted,

Kelli Blechschmidt
Minutes Recorder

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*

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

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TO: Budget Committee Members

THROUGH Kristin Retherford, Interim City Manager

FROM Josh Eggleston, Chief Financial Officer

SUBJECT: Summary of Budget Committee Actions Through May 4, 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.

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 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.

Additions, Deletions and Changes
Approved by the Budget Committee
Through May 4, 2022

1. Willamette Valley Communications Center Fund (330), Errata Sheet 2, City of Salem Budget	
A. Resources - Proposed	\$ 13,424,920
1. No Change	-
	<u>\$ 13,424,920</u>
B. Expenditures - Proposed	\$ 11,743,290
1. Increase - transfer to Capital Improvements Fund (255)	1,000,000
	<u>\$ 12,743,290</u>
C. Unappropriated Ending Balance - Proposed	\$ 1,681,630
1. Decrease - for transfer to Capital Improvements Fund (255)	(1,000,000)
	<u>\$ 681,630</u>

Information and Reports
Requested by the Budget Committee
As of May 4, 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 3, 2022	May 4, 2022	Finance
4. Capital Improvement Plan scoring details	April 27, 2022	May 3, 2022	May 4, 2022	Public Works
5. Parks system; total park land, developed park land by ward, master plan maps	April 27, 2022	May 3, 2022	May 4, 2022	Public Works
6. Diversity, Equity and Inclusion Update	April 27, 2022	May 3, 2022	May 4, 2022	Enterprise Services
7. Urban Renewal Agency general information	April 27, 2022	May 3, 2022	May 4, 2022	Urban Development / Finance
8. Parking meter revenue	April 27, 2022	May 3, 2022	May 4, 2022	Urban Development

Correspondence Received by the Budget Committee
As of May 4, 2022

Subject	From	Agenda
1. Urban Forestry Program	Laura Buhl, NEN	4/20/2022
2. Parking Fund Budget	Downtown Advisory Board	4/27/2022
3. Homelessness Services	Brian Ripp	5/4/2022
4. Streets and Sidewalks	Doug Luth	5/4/2022
5. Streets	Paul and Sharyn Viel	5/4/2022
6. Streets	Craig Scharer	5/4/2022
7. Climate and infrastructure	Patricia Erpelding	5/4/2022
8. Homelessness Services	John Johnson	5/4/2022

For the Budget Committee Meeting of: May 11, 2022
Agenda Item No.: 5.b.

TO: Budget Committee Members

THROUGH: Kristin Retherford, Interim City Manager

FROM: Josh Eggleston, Chief Financial Officer

SUBJECT: Responses to Committee Member Questions

SUMMARY:

Committee members have reached out to City departments with excellent questions. In the interest of sharing information and increasing understanding, the questions and responses are compiled in this document.

ISSUE:

Responses to member questions through May 5, 2022.

RECOMMENDATION:

Information only.

FACTS AND FINDINGS:

1. Geographically, where do the SDC revenues come from for the different SDC infrastructure categories? Geographically, where do the SDC revenues go when expended?

System development charges (SDCs) are charged to all development projects within the city limits at the time a building permit is issued. Geographically, the majority of the SDCs come from areas that are experiencing growth—in the case of current residential development in Salem these areas are in the northeast, south and west—or an area that has a major non-residential development—such as the hospital expansion. All development projects are assessed SDCs for water, wastewater, stormwater, transportation, and parks. The amount of the SDC for each infrastructure category varies by the development's estimated impact on each infrastructure category.

SDCs are governed by Oregon Revised Statutes (ORS) 223.297 – 223.314. The purpose of SDCs is to provide equitable funding for orderly growth and development through a state law framework that limits use of SDCs only for capital improvements that create additional capacity to address the impacts of growth now and into the future. Many SDC-funded projects are located near where development is impacting the infrastructure. This is because SDCs may only be spent on capacity-increasing capital improvements that increase the level of performance or service provided by existing facilities or that provide new facilities and are related to the need for increased capacity for future users.

As part of the City Council-adopted methodology an SDC-eligible project list (“the 309 list”) is created. Projects on the 309 list are prioritized and identified for the City’s Capital Improvement Plan as they are needed and SDC funding becomes available. It is important to note that a substantial amount of SDC funding is dedicated to reimbursing developers for constructing eligible improvements as a part of their projects.

2. What were the hours of the West Salem Library Branch prior to the COVID-19 pandemic and the Main Branch relocation?

In 2019, the West Salem Library Branch operated 31 hours a week. The hours were as follows:

Monday: 10AM-5PM

Tuesday, Wednesday, Friday and Saturday: 12PM – 6PM

Thursday and Sunday: Closed

For the Budget Committee Meeting of: May 11, 2022
Agenda Item No.: 7.a.

TO: Budget Committee Members

THROUGH: Kristin Retherford, Interim 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 2023?

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	\$284,520
2. McGilchrist	100%	0	1,257,410
3. Mill Creek	100%	0	2,408,340
4. North Gateway	100%	0	4,366,140
5. Riverfront Downtown	100%	Remainder	7,878,600
6. South Waterfront	100%	0	518,200
7. West Salem	100%	0	1,890,860
			\$18,604,070

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 2023 for the Salem Urban Renewal Agency funds. These recommended levies are consistent with the urban renewal budgets presented at the April 27, 2022 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, McGilchrist, Mill Creek, North Gateway, South Waterfront, and West Salem areas are eligible for only the Division of Taxes Levy.

	Division of Taxes	Special Levy	Estimated Total
1. Jory Apartments	100%	\$0	\$284,520
2. McGilchrist	100%	\$0	1,257,410
3. Mill Creek	100%	\$0	2,408,340
4. North Gateway	100%	\$0	4,366,140
5. Riverfront Downtown	100%	Remainder	7,878,600
6. South Waterfront	100%	\$0	518,200
7. West Salem	100%	\$0	1,890,860
			\$18,604,070

For the Budget Committee Meeting of: May 11, 2022
Agenda Item No.: 7.b.

TO: Budget Committee Members

THROUGH: Kristin Retherford, Interim City Manager

FROM: Josh Eggleston, Chief Financial Officer

SUBJECT: Recommend FY 2023 Salem Urban Renewal Agency Budget

ISSUE:

Should the Budget Committee recommend the FY 2023 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 2023 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 2023 budget presented to the Budget Committee for its consideration on April 27, 2022. The FY 2023 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 2023 review meeting on May 11, 2022.

Table 1 - Urban Renewal Agency Budget
FY 2023

Fund No.	Fund Name	Beginning Balance	Revenues	Expenditures	Ending Balance
220	Debt Service (Tax Allocation Bond Debt)	\$ 4,945,710	\$18,131,240	\$ 20,700,230	\$ 2,376,720
265	Capital Improvements (Tax Allocation Improvement)	58,269,550	27,789,380	86,058,930	-
345	Salem Convention Center	-	2,495,000	2,448,380	46,620
428	Convention Center Gain / Loss Reserve	4,035,810	28,000	840,000	3,223,810
TOTAL		\$67,251,070	\$48,443,620	\$ 110,047,540	\$ 5,647,150

For the Budget Committee Meeting of: May 11, 2022
Agenda Item No.: 7.c.

TO: Budget Committee Members

THROUGH: Kristin Retherford, Interim 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 2023?

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 \$17,686,890

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 2023 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 \$17,686,890

For the Budget Committee Meeting of: May 11, 2022
Agenda Item No.: 7.d.

TO: Budget Committee Members
THROUGH: Kristin Retherford, Interim City Manager
FROM: Josh Eggleston, Chief Financial Officer
SUBJECT: Recommend FY 2023 City of Salem Budget

ISSUE:

Should the Budget Committee recommend the FY 2023 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 2023 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 2023 budget presented to the Budget Committee for its consideration on May 11, 2022. 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 2023 budget by result area, which is the manner in which it was reviewed and discussed by the committee.

The FY 2023 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 service areas defined in the Proposed FY 2023 City of Salem Budget and represented in Table 2 are included within the fund appropriations.

The budget does not include any potential changes to the budget that may be approved by the Budget Committee during its final FY 2023 review meeting on May 11, 2022.

**Table 1 -
 Table 1 - City of Salem Budget
 All Funds
 FY 2023**

Fund		Beginning			Unappropriated
No.	Fund Name	Balance	Revenues	Expenditures	Ending Balance
101	General	\$ 40,712,680	\$ 154,577,140	\$ 165,409,460	\$ 29,880,360
155	Transportation Services	7,392,040	17,406,230	20,594,720	4,203,550
156	Streetlight	1,352,930	1,968,650	2,269,020	1,052,560
160	Airport	715,990	1,287,720	2,003,710	-
165	Community Renewal		13,173,700	13,173,700	-
170	Downtown Parking	228,020	945,830	1,173,850	-
175	Cultural and Tourism	2,041,620	4,216,130	4,658,240	1,599,510
176	Public Art	20,570	25,430	46,000	-
177	Tourism Promotion Area		1,164,590	1,164,590	-
180	Leasehold	142,880	633,680	767,250	9,310
185	Building and Safety	14,316,670	6,608,880	7,491,900	13,433,650
210	General Debt Service	1,453,390	23,160,480	22,752,070	1,861,800
255	Capital Improvements	68,716,230	81,289,440	150,005,670	-
260	Extra Capacity Facilities	41,071,520	20,476,080	61,547,600	-
275	Development District	10,142,800	9,879,860	20,022,660	-
310	Utility	62,693,270	117,788,500	137,064,730	43,417,040
320	Emergency Services	2,438,120	1,086,810	1,117,390	2,407,540
330	Willamette Valley Comm. Center	1,584,550	13,860,540	15,276,460	168,630
335	Police Regional Records System	1,066,640	492,590	279,200	1,280,030
355	City Services	4,206,390	11,364,920	12,998,670	2,572,640
365	Self Insurance Benefits	10,937,010	27,438,800	38,375,810	-
366	Self Insurance Risk	8,161,930	6,728,890	14,890,820	-
388	Equipment Replacement Reserve	16,529,160	3,426,500	19,955,660	-
400	Trust	30,479,450	2,167,390	23,917,640	8,729,200
Total		\$ 326,403,860	\$ 521,168,780	\$ 736,956,820	\$ 110,615,820

Table 2 - City of Salem Budget
All Funds
FY 2023

Result Area	Expenditures
Good Governance	\$ 123,547,830
Natural Environment Stewardship	21,247,610
Safe and Healthy Community	135,228,660
Safe, Reliable, and Efficient Infrastructure and Capital Improvement Projects	153,861,040 231,575,930
Strong and Diverse Economy	13,004,570
Welcoming and Livable Community	58,491,180
	<u>\$ 736,956,820</u>