

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, April 26, 2023
TIME: 6:00 PM
CHAIRPERSON: Virginia Stapleton

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

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

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

1. OPENING EXERCISES – Chairperson Virginia Stapleton
2. PUBLIC TESTIMONY
3. MINUTES
 - a. Minutes from April 19, 2023 City of Salem and Urban Renewal Agency Budget Committee Meeting
4. ACTION ITEMS
 - a. Errata 1 - Scrivener Correction, Safe, Reliable & Efficient Infrastructure Utility Fund (Book 1, pgs. 131, 141-42)
 - b. Errata 2 – Scrivener Correction, Proposed CIP and the Safe, Reliable & Efficient Infrastructure Construction Section (CIP, pgs. 8-10, 73, 81, 82, 89, 93, & 96 and Book 1, pgs. 235, 237, 244 & 246)
5. INFORMATION ITEMS
 - a. Staff Report: Summary of Budget Committee Actions Through April 19, 2023
 - b. Staff Report: Responses to Committee Member Questions
 - c. FY 2023 Q3 Financial Report for the City of Salem
 - d. FY 2023 Q3 Financial Report for the Urban Renewal Agency
6. PUBLIC HEARINGS
 - a. Capital Improvements Plan
Staff Report: Public Hearing on the Proposed Capital Improvement Plan for FY 2024 through FY 2028, Management Analyst II James Wharton-Hess
7. SPECIAL ORDERS OF BUSINESS
 - a. Urban Renewal Agency Proposed FY 2024 Budget, Book 2
 - Overview by Budget Manager Kali Leinenbach

- b. Result Area Budget Review – Strong and Diverse Economy, pages 149 – 164
 - Overview by Budget Manager Kali Leinenbach
 - Questions of staff and committee discussion (for both the Proposed FY 2024 Urban Renewal Agency Budget and the Strong and Diverse Economy result area)

- c. Result Area Budget Review – Safe, Reliable and Efficient Infrastructure, pages 125 – 148
 - Overview by Chief Financial Officer Josh Eggleston
 - Questions of staff and committee discussion

- d. 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 3, 2023 at 6:00 pm. The following budgets are scheduled to be reviewed and actions to be taken:

- *Result Area: Good Governance, pages 43 – 76*
- *Result Area: Safe and Healthy Community, pages 97 - 124*
- *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 503-588-6049 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 Spanish interpreters are available at the meeting. Languages other than those provided are also available upon request. To request such an accommodation or interpretation, contact Kali Leinenbach, (503) 588-6049 or kblechschmidt@cityofsalem.net at least 2 business days before this meeting. TTD/TTY telephone (503) 588-6439 is also available 24/7.

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 19, 2023
TIME: 6:00 PM
CHAIRPERSON: Virginia Stapleton
PLACE: Hybrid
Council Chambers & Youtube

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

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

Members present: Chairperson Stapleton, Tigan, Shirack, Phillips, Cohen, Gonzalez, Vice-chair Brown, J. Hoy, Nordyke, C. Hoy, Varney, Milton, Vieyra-Braendle, Nishioka, Gwyn, Curtis, Dixon, Allen

Members absent: None

Pledge of Allegiance by: All

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

Motion: Move to approve the additions agenda of April 19, 2023 for the 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:

2. PUBLIC TESTIMONY

Council Chamber Appearance:

Matt Hale, Ward 4
Michael Slater, Ward 7

Topic:

Balancing the City Budget
City Planning Budget

3. MINUTES

- a. Minutes from January 11, 2023 City of Salem and Urban Renewal Agency Budget Committee Meeting

Motion: Move to approve the meeting minutes from the January 11, 2023 City of Salem Budget Committee and Urban Renewal Agency Budget Committee Meeting.

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

Action: Motion passes

Vote:

Aye: Chairperson Stapleton, Tigan, Shirack, Phillips, Cohen, Gonzalez, Vice-chair Brown, J. Hoy, Nordyke, C. Hoy, Varney, Milton, Vieyra-Braendle, Nishioka, Gwyn, Curtis, Dixon

Nay:

Abstentions: Member Allen

4. ACTION ITEMS

- a. None

5. INFORMATION ITEMS

- a. FY 2024 Proposed Budget – provided to members in advance of the meeting
i. Presentation of Proposed FY 2024 Budget Message, City Manager Keith Stahley

Questions or comments by: None

Answers and explanations by: None

- b. FY 2023 Q2 Financial Report for the City of Salem
c. FY 2023 Q2 Financial Report for the Urban Renewal Agency
d. Staff Report: Additional Responses to Committee Member Questions

Questions or comments by: None

6. PUBLIC HEARINGS

- a. None

7. SPECIAL ORDERS OF BUSINESS

- a. Result Area Budget Review – Welcoming and Livable Community, pages 165-194

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

Questions or comments by: Members Gonzalez, Nordyke, Cohen, Tigan, Phillips, C. Hoy and Chairperson Stapleton.

Answers and explanations by: Community and Urban Development Director Retherford, Chief Financial Officer Eggleston, City Manager Stahley.

b. Result Area Budget Review – Natural Environment Stewardship, pages 75-91

- Presentation and overview Budget Manager Leinenbach
- Discussion and review

Questions or comments by: Members Cohen, Phillips, Curtis, Milton, Tigan, Shirack, J. Hoy, Dixon, and Chairperson Stapleton

Answers and explanations by: Interim Public Works Director Brian Martin, P.E., Milan Davis, Urban Forester, Allen Dannen, P.E., Interim City Engineer, City Manager Stahley, Budget Manager Leinenbach, Chief Financial Officer Eggleston.

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.

None

9. COMMITTEE DISCUSSION ON FUTURE INFORMATION ITEMS

Questions or comments by: Members Nordyke, Phillips, Allen, Dixon, Cohen, Tigan, J. Hoy, Shirack, Gonzalez, Gwyn, C. Hoy

Answers and explanations by: Chief Financial Officer Eggleston, Deputy City Manager Namburi, Assistant Director of Public Works, Alicia Blalock, Police Chief Womack, Dan Atchison, City Attorney

10. ADJOURNMENT

The meeting was adjourned at 8:14 PM

Respectfully Submitted,

Kelli Blechschmidt
Minutes Recorder

The next Budget Committee meeting will be virtually held Wednesday, April 26, 2023 at 6:00 pm in for presentation of the City Manager’s proposed FY 2024 budget.

*Result Area: Safe, Reliable and Efficient Infrastructure, pages 125 – 148
Result Area: Strong and Diverse Economy, pages 149 – 164
Urban Renewal Agency, book 2
CIP Public Hearing*

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

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

NOTE: Disability-related accommodations, including auxiliary aids or services, in order to participate in this meeting, are available upon request. Sign language and Spanish interpreters are available. Languages other than English are also available upon request. To request such an accommodation or interpretation, contact Kelli Blechschmidt, (503) 588-6049 or kblechschmidt@cityofsalem.net at least 2 business days before this meeting. TTD/TTY telephone (503) 588-6439 is also available 24/7.

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.

TO: Budget Committee
THROUGH: Keith Stahley, City Manager
FROM: Josh Eggleston, Chief Financial Officer
SUBJECT: Errata Sheet 1 – Safe, Reliable & Efficient Infrastructure Utility Fund pages 131, 141 and 142

ISSUE:

To inform the Budget Committee about errors and corrections, or updated information regarding the Proposed FY 2024 City of Salem Budget

RECOMMENDATION:

1. Accept changes to the Safe, Reliable & Efficient Infrastructure pages 131, 141 and 142 pages to adjust the full time equivalent (FTE) positions in the Utility Fund Programs and FTE table. There is no budgetary impact to these changes.

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, this scrivener error was found by Public Works staff. Due to the creation of the new Community Services Department, two parks planners were moved from the Utility Fund to the General Fund. The two FTEs were still being reflected in the program pages of the Safe, Reliable & Efficient Infrastructure Utility Fund section as well as the Welcoming and Livable Community Services section. The dollars for these positions were also already correctly placed in the Welcoming and Livable Community Services section, so there is no budgetary impact. The approval of the errata will remove the duplicate FTE in the Safe, Reliable & Efficient Infrastructure Utility Fund section.

Kelli Blechschmidt
Management Analyst I

Attachments:

1. Errata 1 replacement pages

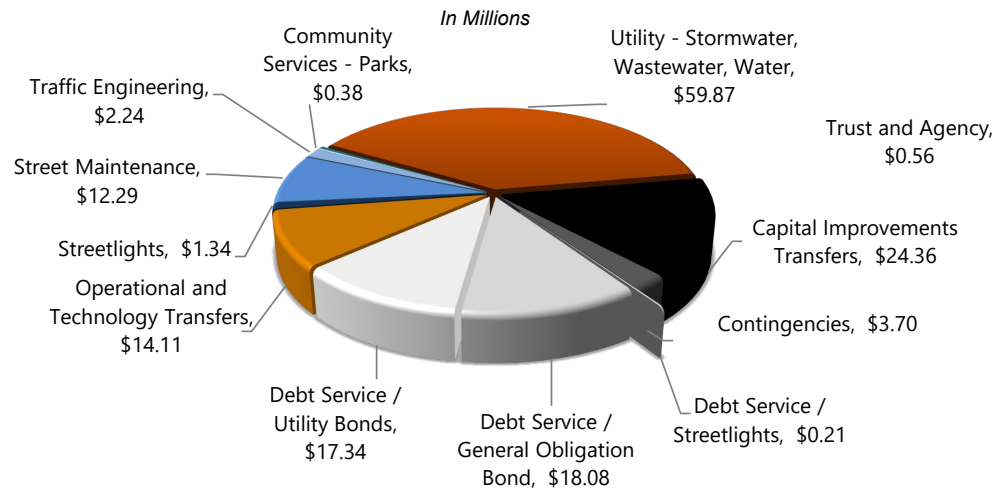
For Budget Committee Meeting of April 26, 2023
Errata Sheet 1

Safe, Reliable, and Efficient Infrastructure FY 2024 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 2024	BC Rec FY 2024	Adopted FY 2024	% of Total
Service Area - All Funds				
Personal Services	\$ 40,435,330			26.2%
Materials and Services	48,048,670			31.1%
Capital Outlay	1,489,490			1.0%
Debt Service	35,639,490			23.1%
Contingencies	3,700,000			2.4%
Interfund Transfers	25,180,550			16.3%
Total Expenditures - All Funds	\$ 154,493,530			
<i>Total Number of Positions</i>	285.02			

Safe, Reliable, and Efficient Infrastructure Result Area Expenditures by Program / Type








3. Public Works Department Utility Summary of Services and Programs

Utility Fund Programs and FTE

	FY 2023		FY 2024		Alignment					
	Program Budget	Staff	Program Budget	Staff						
Capital Improvements Transfer	28,608,800	0.00	23,110,610	0.00	Capital improvement transfers not scored					
Capital Planning	358,410	1.88	367,770	1.86	Most	✓	✓	✓	✓	✓
Code Compliance - PW	137,270	1.00	140,910	1.00	More	✓	✓	✓	✓	✓
Construction Project Delivery	8,279,670	42.02	9,111,450	45.97	Most	✓	✓	✓	✓	✓
Contingencies	3,000,000	0.00	3,000,000	0.00	Contingencies not scored					
Debt Service - Utility	19,077,400	0.00	17,342,720	0.00	Debt Service not scored					
Desktop Publishing - PW	202,610	2.00	215,360	2.00	Least	✓	✓		✓	✓
Fire Hydrant Installation	539,090	3.20	553,570	3.30	Most		✓	✓	✓	✓
Floodplain Management and Regulatory Compliance	418,870	1.10	363,920	1.15	Most	✓	✓	✓	✓	✓
Infrastructure Planning	4,566,460	6.90	2,728,110	4.90	Most	✓	✓	✓	✓	✓
Leak Detection Program	294,470	2.05	338,430	2.25	Less	✓	✓	✓	✓	
Operational and Technology Transfers	8,538,060	0.00	9,968,000	0.00	Operating / technology transfers not scored					
Private Infrastructure Plan Review and Permitting	1,369,380	9.20	1,455,690	9.15	Most	✓	✓	✓	✓	✓
Public Information Coordination and Outreach - PW	217,570	1.25	249,010	1.25	Less	✓	✓	✓	✓	✓
Public Works Dispatch	1,087,300	8.55	1,098,490	8.50	Most	✓	✓	✓	✓	✓
Public Works Emergency Operations Management	20,420	0.00	-	0.00	More	✓	✓	✓	✓	✓
Reservoir and Well Maintenance	746,710	1.87	722,280	1.86	Most	✓	✓	✓	✓	✓
Road Surface Maintenance	451,860	2.55	508,390	2.34	More	✓	✓	✓	✓	✓
Sanitary Sewer Pipe Cleaning and Maintenance	1,184,810	7.77	1,455,330	8.75	Most	✓	✓	✓	✓	✓
Sewer Collection System Maintenance	2,646,680	9.64	3,870,500	9.34	Most	✓	✓	✓	✓	✓
Sewer Construction Permit Services	310,720	2.92	364,020	3.02	More	✓	✓	✓	✓	
Sewer Pipe Grouting	423,170	3.14	320,200	2.14	Least	✓		✓	✓	
Sewer Pipe Inspection	601,700	4.27	670,940	4.27	More	✓	✓	✓	✓	✓
Storm Sewer Pipe Cleaning	642,200	4.78	608,440	4.18	Most	✓	✓	✓	✓	✓
Stormwater Open Channel System Maintenance	2,660,490	7.30	2,797,530	7.31	Most	✓	✓	✓	✓	✓
Stormwater Pipe Inspection	661,480	4.58	962,510	3.78	Most	✓	✓	✓	✓	✓

3. Public Works Department Utility Summary of Services and Programs

Utility Fund Programs and FTE

	FY 2023		FY 2024		Alignment					
	Program Budget	Staff	Program Budget	Staff						
Stormwater Pipe Maintenance	1,254,770	4.89	1,202,090	6.09	Most	✓	✓	✓	✓	✓
Street Sweeping	1,110	0.01	-	0.00	Most	✓	✓	✓	✓	✓
Survey Plat / Infrastructure Plan Review and Inspection	2,463,770	10.20	2,753,240	10.74	Most	✓	✓	✓	✓	✓
Traffic Engineering and Permitting	24,320	0.10	26,280	0.10	Most	✓	✓	✓	✓	✓
Utility Billing and Customer Service	2,858,240	7.35	3,246,730	8.00	Less			✓	✓	
Utility Billing Field Support	559,070	4.90	546,030	3.80	Less			✓	✓	
Utility Franchise Fee Payment	4,154,210	0.00	4,428,560	0.00	Operating / technology transfers not scored					
Utility Locate	626,680	4.95	657,170	4.95	More	✓	✓	✓	✓	
Waste Processing Facility Operation	392,680	1.09	454,420	1.09	More	✓	✓	✓	✓	✓
Wastewater Lift Station Maintenance	1,511,050	3.76	1,559,520	3.76	Most	✓	✓	✓	✓	✓
Water and Wastewater System Controls	437,590	1.62	423,200	1.62	Most	✓	✓	✓	✓	✓
Water Aquifer Storage and Recovery Operations	291,930	0.62	284,330	0.49	More	✓	✓	✓	✓	✓
Water Distribution System Maintenance and Improvements	3,982,660	19.40	5,069,970	19.49	More		✓	✓	✓	✓
Water Meter Reading	652,840	5.35	742,130	5.85	Less	✓		✓	✓	
Water Meter Replacement	1,140,180	4.90	1,245,170	5.10	Less			✓	✓	
Water Pump Station Maintenance	1,245,500	3.00	1,321,590	3.00	Most	✓	✓	✓	✓	✓
Water Quality Backflow Prevention	408,030	2.40	522,210	2.65	Less		✓	✓		
Water Quality Monitoring	364,870	1.41	1,548,040	1.96	More	✓	✓	✓	✓	✓
Water Reservoir Operations	451,760	2.29	321,690	2.12	More	✓	✓	✓	✓	✓
Water System New Service Installation	1,167,780	6.05	1,177,850	6.25	Most		✓	✓	✓	✓
Water Treatment Facility Maintenance	233,700	0.83	186,920	0.83	Most	✓	✓	✓	✓	✓
Water Treatment Operations	2,250,320	9.36	2,674,250	8.73	Most	✓	✓	✓	✓	✓
Watershed Monitoring	561,380	2.10	572,160	2.35	Most	✓	✓	✓	✓	✓
Total Public Works Utility	\$ 114,080,040	224.54	\$ 113,287,730	227.29						

For the Budget Committee Meeting of: April 26, 2023
Agenda Item No.: 4.b.

TO: Budget Committee

THROUGH: Keith Stahley, City Manager

FROM: Josh Eggleston, Chief Financial Officer

SUBJECT: Errata Sheet 2 – Capital Improvement pages 235, 237, 244 and 246 and various summary displays, Proposed Capital Improvement Plan pages 8-10, 73, 81, 82, 89, 93, and 96

ISSUE:

To inform the Budget Committee about errors and corrections, or updated information regarding the Proposed FY 2024 City of Salem Budget and Capital Improvement Plan

RECOMMENDATION:

1. Accept changes to the Capital Improvement pages of the City of Salem Budget Book, pages 235, 237, 244 and 246 to adjust for project expenditures in the Water and Wastewater projects.
2. Accept changes to the Proposed Capital Improvement Plan (CIP) pages 8-10, 73, 81, 89, 93 and 96 to adjust the corresponding changes from the City of Salem Budget listed above in the CIP.

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 and CIP, Public Works staff identified projects that would have expenditure in the current fiscal year. As a result, there was a shifting of expenses in the Proposed FY 2024 budget and Proposed CIP.

James Wharton-Hess
Management Analyst II

Attachments:

1. Errata 2 replacement pages

For Budget Committee Meeting of April 26, 2023
Errata Sheet 2

				Sources of Funding						
	Project No.	Fiscal / CIP Year	Neighborhood and Ward	Water Rates	SDC Fees	Revenue Bond	Other Agencies	Total Funding	Funding Notes	
6.	Boice Street S Waterline Replacement Design and construction for the replacement of a 1948 existing dead-end 2-inch steel waterline in Boice St S in front of the Candalaria Reservoir. The new main will be an 8-inch ductile iron main looping to Alvarado Ter S from the existing main in front of the Candalaria Reservoir. This project was created mid-year in FY 2023	722003	2023	SWAN Ward 2	290,000	-	-	-	290,000	
E2	Fabry Road SE 20-inch Water Main Improvements - Developer Reimbursements - Excess of Credits Anticipated reimbursement in excess of credits to the developer for the design and construction of a 20-inch water main in Fabry Rd SE.	TBD	2024	South Gateway Ward 4	-	820,000	-	-	820,000	
				\$ 2,638,000	\$ 1,200,000	\$ -	\$ -	\$ 3,838,000		
FY 2024 Carryover Projects										
Water Treatment										
7.	Geren Island Ozone Treatment Facility	718010	2019	Citywide / All Wards	\$ 362,170	\$ -	\$ -	\$ -	\$ 362,170	
8.	Geren Island Groundwater Wells	720006	2021	Citywide / All Wards	1,320,100	-	4,051,860	-	5,371,960	
9.	Geren Island Water Treatment Facility Filter No. 2 Reconstruction	720015 722001	2021	Citywide / All Wards	8,397,760	2,079,400	-	775,500	11,252,660	Legislature
				\$ 10,080,030	\$ 2,079,400	\$ 4,051,860	\$ 775,500	\$ 16,986,790		
Pipelines										
10.	Crestview Apartments - 18-inch Waterline Replacement	720000 720001	2021	SWAN Ward 7	\$ 768,000	\$ 1,029,000	\$ -	\$ -	\$ 1,797,000	
11.	Miscellaneous Water Repair and Rehabilitation Improvements	720003	2021	Citywide / All Wards	1,159,110	-	-	-	1,159,110	
12.	Miscellaneous Water Operations Projects	720010	2021	Citywide / All Wards	458,250	-	-	-	458,250	
13.	Hayesville Waterline Replacement	721005	2021	Northgate Ward 5	549,050	-	-	-	549,050	
14.	Center Street Bridge Waterline and Seismic Improvements	721005 721006	2023	CAN-DO Ward 1	1,298,420	-	-	-	1,298,420	
				\$ 4,232,830	\$ 1,029,000	\$ -	\$ -	\$ 5,261,830		

Sources of Funding

		Project No.	Fiscal / CIP Year	Neighborhood and Ward	Water Rates	SDC Fees	Revenue Bond	Other Agencies	Total Funding	Funding Notes
General										
26.	Water - Unspecified	998538		Citywide / All Wards	\$ 1,096,350	\$ 2,429,380	\$ -	\$ -	\$ 3,525,730	Includes Geren Island Contingency Various
		998552								
27.	Opportunity Grant	998634		Citywide / All Wards	-	-	-	3,500,000	3,500,000	
28.	Water - CIP Management	998659		Citywide / All Wards	450,000	-	-	-	450,000	
29.	Water - SDC Administration	998664		Citywide / All Wards	-	145,730	-	-	145,730	
30.	Water - Design and Analysis	998673		Citywide / All Wards	150,000	155,090	-	-	305,090	
31.	Water Master Plan Property Acquisition	940214		Citywide / All Wards	-	502,200	-	-	502,200	
					\$ 1,696,350	\$ 3,232,400	\$ -	\$ 3,500,000	\$ 8,428,750	
Total Funding by Source					\$ 22,335,870	\$ 9,440,800	\$ 5,595,680	\$ 4,275,500	\$ 41,647,850	
									Total Resources	\$ 41,647,850
									Total Project Expenditures	\$ 41,647,850
									Unappropriated Balance	\$ -

Wastewater

The City of Salem provides wastewater collection and treatment services to an area that comprises more than 60 square miles, including the City of Salem, City of Turner, and City of Keizer. Funds in this section are allocated to plan, design, acquire property, and construct projects that improve or expand Salem's wastewater collection and treatment systems including the Willow Lake Water Pollution Control Facility (WLWPCF) and the River Road Wet Weather Treatment Facility. Projects are funded with wastewater rate revenue, system development charges (SDC), grants from state or local agencies, or a combination of funding sources.



Wastewater improvement projects support the service area of Safe, Reliable, and Efficient Infrastructure.

Project No.	Fiscal / CIP Year	Neighborhood and Ward	Wastewater Rates	Sources of Funding			Total Funding	Funding Notes		
				SDC Fees	Revenue Bond	Other Agencies				
FY 2024 New Projects										
1.	Wastewater Utility Avoidance for 2022 Safety and Livability Bond Projects Design and construction of wastewater utility projects that have been identified for replacement due to age of infrastructure, failure, high maintenance costs, or capacity improvements that need to be completed prior to, or in combination with, Salem's 2022 Safety and Livability Bond projects.	723100	2024	Citywide / All Wards	500,000	-	-	-	500,000	
2.	Willow Lake - South Secondary Clarifiers Design and construction for rehabilitation of the existing south secondary clarifiers.	723102	2024	Citywide / All Wards	1,362,700	-	-	-	1,362,700	
3.	Willow Lake - North Digester No. 1 and 2 Interior and Exterior Coatings Preparation and recoating of the interior ceiling and upper walls of the north primary digester No. 1 and No. 2 and exterior roof coating.	723103	2024	Citywide / All Wards	1,000,000	-	-	-	1,000,000	
4.	Willow Lake - Biosolids Storage Building Design and construction of a second storage structure in Lagoon No. 1 for additional storage of biosolids during winter production. This project was created mid-year in FY 2023 and is included in the budget for the first time.	722103	2023	Citywide / All Wards	100,000	-	-	-	100,000	
					\$ 2,962,700	\$ -	\$ -	\$ -	\$ 2,962,700	

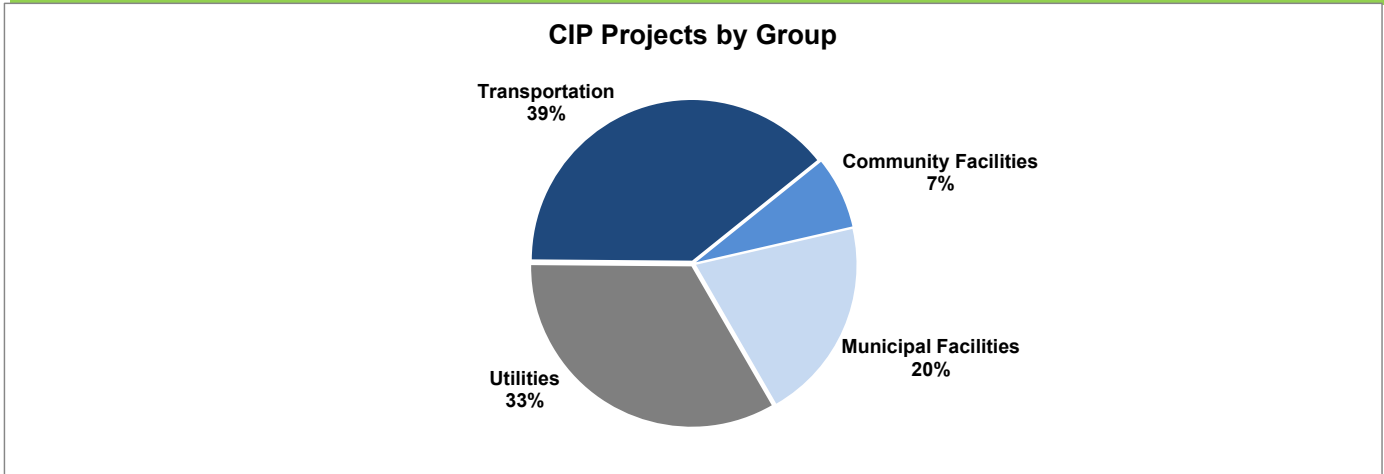
Sources of Funding

				Sources of Funding						
Project No.	Fiscal / CIP Year	Neighborhood and Ward	Wastewater Rates	SDC Fees	Revenue Bond	Other Agencies	Total Funding	Funding Notes		
Developer Reimbursements										
17.	Wastewater Capacity Improvements - Developer Reimbursements, Pass-Through and Excess of Credits	998665		Citywide / All Wards	\$ -	\$ 388,210	\$ -	\$ -	\$ 388,210	
18.	Doaks Ferry Road NW Wastewater System Improvements - Developer Reimbursement	719100	2020	West Salem Ward 8	-	1,486,000	-	-	1,486,000	
19.	Auburn Pump Station - Developer Reimbursement	720107	2021	ELNA Ward 6	-	1,500,000	-	-	1,500,000	
20.	Northstar Pump Station - Developer Reimbursement	721104	2021	Northgate Ward 5	-	936,210	-	-	936,210	
					\$ -	\$ 4,310,420	\$ -	\$ -	\$ 4,310,420	
General										
21.	Wastewater - Unspecified	998525		Citywide / All Wards	\$ 2,016,270	\$ 932,280	\$ -	\$ -	\$ 2,948,550	
22.	Opportunity Grant	998549 998641 998712		Citywide / All Wards	-	-	-	3,500,000	3,500,000	Various
23.	Wastewater - CIP Management	998660		Citywide / All Wards	190,060	-	-	-	190,060	
24.	Wastewater - SDC Administration	998663		Citywide / All Wards	-	200,000	-	-	200,000	
25.	Wastewater - Design and Analysis	998674 998677		Citywide / All Wards	85,350	186,780	-	-	272,130	
					\$ 2,291,680	\$ 1,319,060	\$ -	\$ 3,500,000	\$ 7,110,740	
Total Funding by Source					\$ 11,799,200	\$ 8,312,320	\$ 200,850	\$ 3,500,000	\$ 23,812,370	

Total Resources	\$ 23,812,370
Total Project Expenditures	\$ 23,812,370
Unappropriated Balance	\$ -

Financial Summary

The CIP consists of planned capital projects that are expected to cost \$444,202,870 over the next five-year period. The following chart summarizes these projects by group:

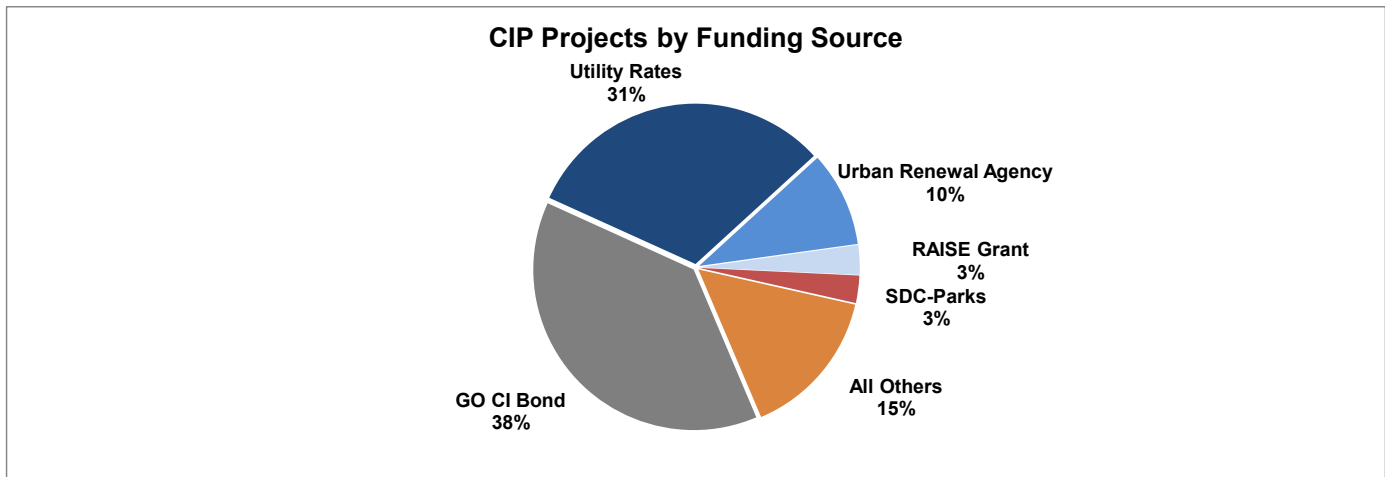


The table below summarizes project data by group and category:

Summary by Group and Category

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Historic Structures	65,000	186,500	295,000	250,000	-	796,500
Parks	6,830,000	11,950,900	5,390,000	3,190,000	3,755,000	31,115,900
Community Facilities	6,895,000	12,137,400	5,685,000	3,440,000	3,755,000	31,912,400
Airport	-	784,750	494,000	223,300	-	1,502,050
Buildings	19,085,420	5,120,220	5,700,000	10,000,000	17,000,000	56,905,640
Information Technology	2,068,430	4,756,040	5,500,000	11,815,060	620,000	24,759,530
Parking Structures	4,865,000	590,000	1,085,000	222,400	-	6,762,400
Municipal Facilities	26,018,850	11,251,010	12,779,000	22,260,760	17,620,000	89,929,620
Streetlights	700,000	700,000	700,000	700,000	700,000	3,500,000
Streets	40,381,200	48,637,880	33,023,990	23,235,000	24,969,030	170,247,100
Transportation	41,081,200	49,337,880	33,723,990	23,935,000	25,669,030	173,747,100
Stormwater	5,515,000	5,315,880	5,789,000	3,984,000	2,415,000	23,018,880
Wastewater	7,512,700	16,321,790	10,233,550	15,495,920	22,713,570	72,277,530
Water	12,445,210	8,764,330	8,793,170	13,214,630	10,100,000	53,317,340
Utilities	25,472,910	30,402,000	24,815,720	32,694,550	35,228,570	148,613,750
CIP Total:	\$ 99,467,960	\$ 103,128,290	\$ 77,003,710	\$ 82,330,310	\$ 82,272,600	\$ 444,202,870

The following chart summarizes project data by funding source:



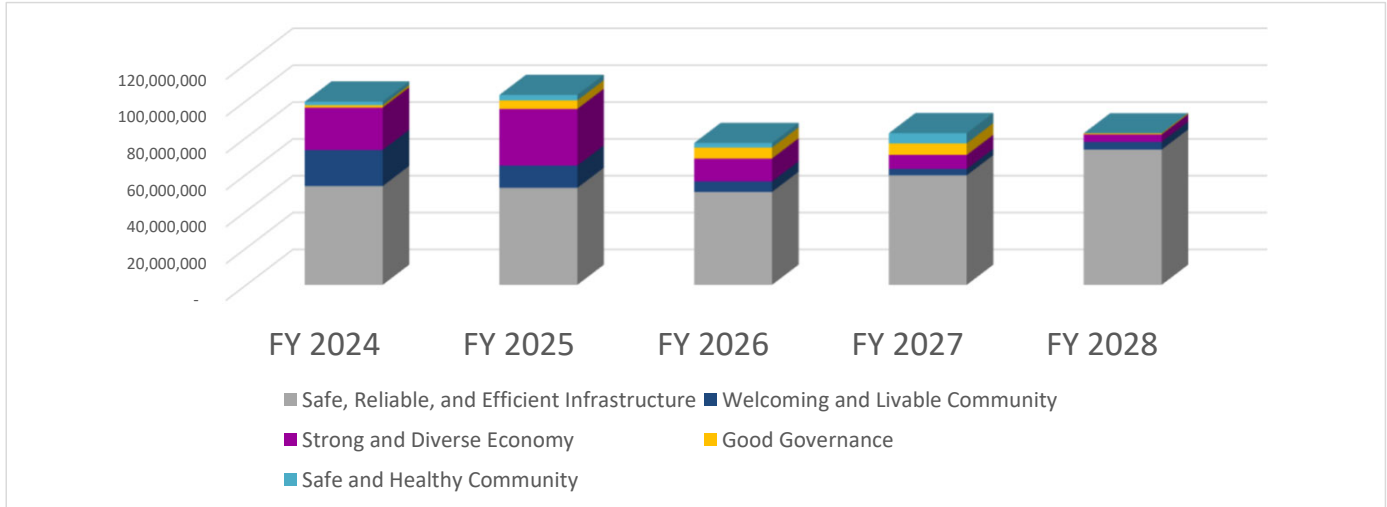
The table below summarizes project data by funding source:

Projects by Funding Source

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Airport Fund	-	454,750	494,000	223,300	-	1,172,050
City of Keizer	10,000	-	-	-	-	10,000
Development District	66,250	5,313,530	2,900,000	-	-	8,279,780
Donations	60,000	60,000	60,000	60,000	60,000	300,000
FAA	-	330,000	-	-	-	330,000
Federal Highway	3,789,610	4,448,350	2,421,340	-	-	10,659,300
General Fund	381,150	536,260	610,000	585,060	285,000	2,397,470
GO Bond	400,000	-	-	-	-	400,000
GO CI Bond	29,445,000	33,529,000	34,375,000	34,525,000	37,710,000	169,584,000
Lodging Tax	215,000	186,500	295,000	250,000	-	946,500
ODOE Grant	1,000,000	-	-	-	-	1,000,000
OPRD Grant	500,000	-	-	-	-	500,000
Parking / Leasehold	1,465,000	590,000	1,085,000	222,400	-	3,362,400
Radio Rates	-	-	-	5,500,000	-	5,500,000
RAISE Grant	1,429,640	11,799,680	-	-	-	13,229,320
SDC-Parks	2,390,000	2,331,900	2,600,000	2,350,000	2,550,000	12,221,900
SDC-Transportation	6,482,420	1,354,030	1,200,000	1,000,000	1,519,030	11,555,480
SDC-Wastewater	2,300,000	2,340,000	-	-	-	4,640,000
SDC-Water	3,180,000	1,892,000	725,000	1,700,000	1,500,000	8,997,000
State Grant	425,000	-	-	-	-	425,000
State Highway	572,410	613,140	1,447,650	220,000	220,000	3,073,200
Streetlight Rates	700,000	700,000	700,000	700,000	700,000	3,500,000
Urban Renewal Agency	20,355,870	10,149,150	4,000,000	4,000,000	4,000,000	42,505,020
Utility Rates	24,300,610	26,500,000	24,090,720	30,994,550	33,728,570	139,614,450
Total:	\$ 99,467,960	\$ 103,128,290	\$ 77,003,710	\$ 82,330,310	\$ 82,272,600	\$ 444,202,870

Result Area Summary

The City has framed its budget, including construction, within multiple result areas. The following display summarizes the Capital Improvement Plan over the next five-year period by result area:

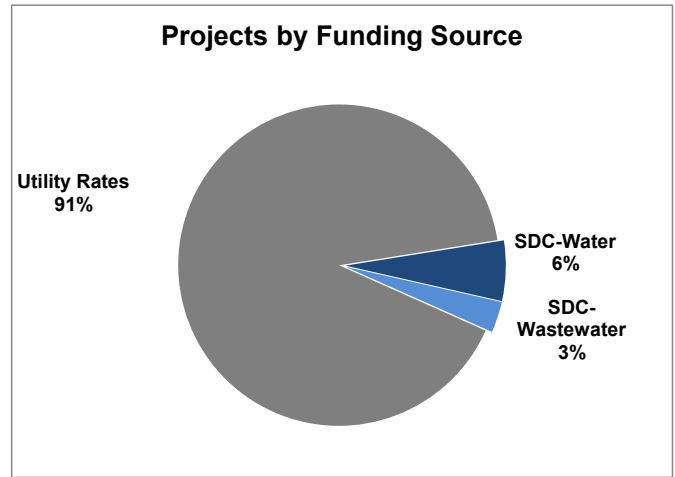
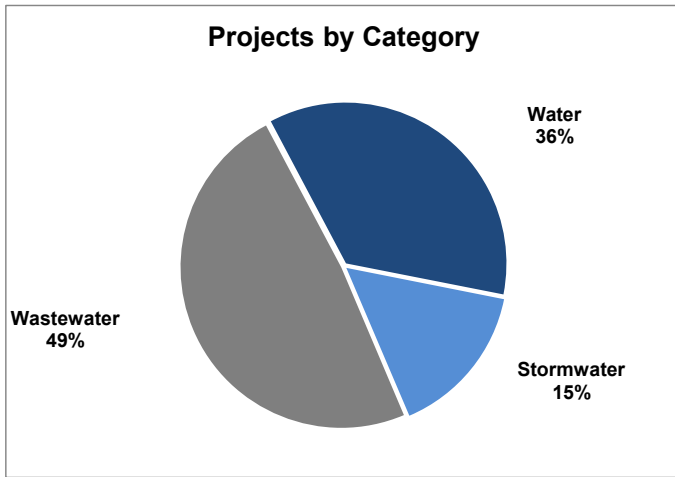


The table below summarizes project data by Result Area:

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Safe, Reliable, and Efficient Infrastructure	53,613,010	52,646,930	50,439,710	59,479,550	73,397,600	289,576,800
Welcoming and Livable Community	19,625,000	12,137,400	5,685,000	3,440,000	4,255,000	45,142,400
Strong and Diverse Economy	23,008,800	30,723,740	12,479,000	7,595,700	4,000,000	77,807,240
Good Governance	1,221,150	4,620,220	5,900,000	6,315,060	620,000	18,676,430
Safe and Healthy Community	2,000,000	3,000,000	2,500,000	5,500,000	-	13,000,000
CIP Total:	\$ 99,467,960	\$ 103,128,290	\$ 77,003,710	\$ 82,330,310	\$ 82,272,600	\$ 444,202,870

Utilities Group Summary

The Utilities Group includes projects related to the stormwater, wastewater, and water categories. Capital projects in this group reflect construction required to maintain and expand the stormwater collection system, wastewater collection and treatment systems, and the water source and delivery systems.



Utilities Projects by Category

Category	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Stormwater	5,515,000	5,315,880	5,789,000	3,984,000	2,415,000	23,018,880
Wastewater	7,512,700	16,321,790	10,233,550	15,495,920	22,713,570	72,277,530
Water	12,445,210	8,764,330	8,793,170	13,214,630	10,100,000	53,317,340
Total:	\$ 25,472,910	\$ 30,402,000	\$ 24,815,720	\$ 32,694,550	\$ 35,228,570	\$ 148,613,750

Utilities Projects by Funding Source

Funding Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
SDC-Wastewater	2,300,000	2,340,000	-	-	-	4,640,000
SDC-Water	3,180,000	1,892,000	725,000	1,700,000	1,500,000	8,997,000
Utility Rates	19,992,910	26,170,000	24,090,720	30,994,550	33,728,570	134,976,750
Total:	\$ 25,472,910	\$ 30,402,000	\$ 24,815,720	\$ 32,694,550	\$ 35,228,570	\$ 148,613,750

Wastewater

The City of Salem provides wastewater services to an area that comprises more than 60 square miles, including the City of Salem, the City of Turner, and the City of Keizer. The combined peak day demand is about 200 million gallons per day. The services include wastewater operation and maintenance of collections, treatment, and disposal systems. This also includes monitoring, public education and involvement programs, spill response, municipal regulations, wastewater quality compliance, facility inspections, and capital projects for growth, replacement, efficiency, and level of service compliance.

Salem's wastewater system consists of:

- 2 wastewater treatment facilities with a combined treatment capacity of about 200 million gallons per day
- 30 wastewater pump stations
- 2 river outfalls
- 23 miles of wastewater interceptor mains
- 61 miles of wastewater trunk mains
- 800 miles of collector mains
- 62,000 connections
- 15,000 manholes
- 2,000 miscellaneous structures and siphons.

The wastewater system has an estimated replacement value of approximately \$1,950,000,000.

Wastewater Projects by Funding Source

Funding Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
SDC-Wastewater	2,300,000	2,340,000	-	-	-	4,640,000
Utility Rates	5,212,700	13,981,790	10,233,550	15,495,920	22,713,570	67,637,530
Total:	\$ 7,512,700	\$ 16,321,790	\$ 10,233,550	\$ 15,495,920	\$ 22,713,570	\$ 72,277,530

Wastewater Project Details

Project Number:	0000223				Score:	68.25
Category:	Wastewater				Ward:	2
Neighborhood:	South Central Association of Neighbors (SCAN)					
Title:	Waldo Avenue SE / Wildwind Drive SE - Pipe Replacement					
Funding Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Utility Rates	-	2,500,000	150,000	-	-	2,650,000
Current CIP Total:	\$ -	\$ 2,500,000	\$ 150,000	\$ -	\$ -	\$ 2,650,000
Amount Funded in Prior Years:						-
Total Estimated Project Cost:						<u>\$ 2,650,000</u>

Design and construction of new 8-inch sanitary sewer mains on High St SE, Waldo Ave SE, and Wildwind Dr SE. Construction will allow for the abandonment of failing and unmaintainable sewer mains located in backyard easements between Wildwind Dr SE and Waldo Dr SE.

City of Salem
Capital Improvement Plan - Fiscal Years 2024 through 2028

Project Number: 0000226 Score: 80.25
 Category: Wastewater Ward: ALL
 Neighborhood: Citywide

Title: Willow Lake Water Pollution Control Facility (WPCF) - South Secondary Clarifiers

Funding Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Utility Rates	1,362,700	1,577,800	4,457,020	4,609,050	4,201,170	16,207,740
Current CIP Total:	\$ 1,362,700	\$ 1,577,800	\$ 4,457,020	\$ 4,609,050	\$ 4,201,170	\$ 16,207,740

Amount Funded in Prior Years: -
 Total Estimated Project Cost: \$ 16,207,740

Design and construction for rehabilitation of the existing south secondary clarifiers.

Project Number: 0000296 Score: 66.75
 Category: Wastewater Ward: Other
 Neighborhood: Other

Title: Manzanita Way NE Sanitary Sewer Overflows Pipe Replacement

Funding Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Utility Rates	-	-	-	1,163,780	-	1,163,780
Current CIP Total:	\$ -	\$ -	\$ -	\$ 1,163,780	\$ -	\$ 1,163,780

Amount Funded in Prior Years: -
 Total Estimated Project Cost: \$ 1,163,780

Design and construction for the replacement of 1,350 linear feet of existing 8-inch backyard pipe in poor condition with 10-inch pipe to eliminate flow constraints during heavy rain events.

Project Number: 0000385 Score: 67.00
 Category: Wastewater Ward: 1
 Neighborhood: Northeast Neighbors (NEN)

Title: Stewart Street NE and Lamberson NE Street Lateral Relocation

Funding Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Utility Rates	-	776,230	-	-	-	776,230
Current CIP Total:	\$ -	\$ 776,230	\$ -	\$ -	\$ -	\$ 776,230

Amount Funded in Prior Years: -
 Total Estimated Project Cost: \$ 776,230

Design and construction for the relocation of a 4-inch backyard easement line serving several homes into the street and upgrading to 8-inch pipe that is currently maintained monthly by a private wastewater cleaning service.

Water

The City of Salem provides potable water services within an area that comprises more than 55 square miles, including the City of Salem and the City of Turner. The combined peak day demand is about 45 million gallons per day. The services include potable water operation and maintenance of the water supplies, intakes, treatment, storage, and distribution system. This also includes monitoring, public education and involvement, municipal regulations, potable water quality compliance, facility inspections, and capital projects for growth, replacement, efficiency, and level of service compliance.

Salem's potable water system consists of:

- a surface water intake and treatment facility with a safe yield treatment capacity of about 75 million gallons per day
- 22 water storage reservoirs
- 18 water pump stations
- 54 miles of transmission mains greater than 30 inches in diameter
- 45 miles of trunk water main between 18 inches and 30 inches in diameter
- 660 miles of distribution mains less than 18 inches in diameter
- more than 5,000 fire hydrants
- more than 19,000 line valves
- more than 51,000 service connections.

The potable water system has an estimated replacement value of approximately \$960,000,000.

Water Projects by Funding Source

Funding Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
SDC-Water	3,180,000	1,892,000	725,000	1,700,000	1,500,000	8,997,000
Utility Rates	9,265,210	6,872,330	8,068,170	11,514,630	8,600,000	44,320,340
Total:	\$ 12,445,210	\$ 8,764,330	\$ 8,793,170	\$ 13,214,630	\$ 10,100,000	\$ 53,317,340

Water Project Details

Project Number:	0000174	Score:	58.50			
Category:	Water	Ward:	ALL			
Neighborhood:	Citywide					
Title:	36-Inch to 54-Inch Water Transmission Line Interties					
Funding Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Utility Rates	-	-	1,463,170	3,399,000	-	4,862,170
Current CIP Total:	\$ -	\$ -	\$ 1,463,170	\$ 3,399,000	\$ -	\$ 4,862,170
Amount Funded in Prior Years:						1,056,680
Total Estimated Project Cost:						<u>\$ 5,918,850</u>

The existing 36-inch and 54-inch water transmission lines lack ways in which to isolate sections or divert / split flows between the two parallel lines. This project will install 36-inch intertie pipelines to connect the existing 36-inch water transmission line and 54-inch water transmission line west of Stayton in order to provide for additional capacity, interoperability, and safety. This project is the third of four improvement projects recommended as part of the 2016 36-Inch Water Transmission Line Alternatives Analysis.

City of Salem
Capital Improvement Plan - Fiscal Years 2024 through 2028

Project Number: 0001138
 Category: Water Ward: 3,4,7
 Neighborhood: Morningside Neighborhood Association, Southeast Mill Creek Association (SEMCA), Sunnyslope Neighborhood Association

Title: Reservoir Safety Improvements at College, Kurth, Mader, and Seeger Reservoirs

Funding Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Utility Rates	600,000	-	-	-	-	600,000
Current CIP Total:	\$ 600,000	\$ -	\$ -	\$ -	\$ -	\$ 600,000

Amount Funded in Prior Years: 700,000
 Total Estimated Project Cost: \$ 1,300,000

Design and construction of safety upgrades, including Occupational Safety and Health Administration (OSHA) compliant ladder, railings and tie-offs.

Project Number: 0001305 Score: 70.33
 Category: Water Ward: 1
 Neighborhood: Central Area Neighborhood Development Organization (CAN-DO)

Title: Center Street Bridge Waterline and Seismic Upgrades

Funding Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Utility Rates	669,450	1,661,000	250,000	-	-	2,580,450
Current CIP Total:	\$ 669,450	\$ 1,661,000	\$ 250,000	\$ -	\$ -	\$ 2,580,450

Amount Funded in Prior Years: 636,540
 Total Estimated Project Cost: \$ 3,216,990

Design and construction for the replacement or seismic retrofit of existing 22-inch waterline on the Center Street bridge over the Willamette River. The project will be completed in conjunction with the Oregon Department of Transportation's (ODOT) scheduled seismic retrofit of the bridge. The Center Street bridge waterline is one of three waterlines crossing the Willamette River which supply Salem's water distribution system in West Salem, all of which have been identified as vulnerable to a major seismic event. ODOT's project to seismically retrofit the Center Street bridge provides Salem a beneficial opportunity to replace or retrofit the waterline and provide increased seismic resiliency for water supply to West Salem.

Project Number: 0001337
 Category: Water Ward: ALL
 Neighborhood: Citywide

Title: Geren Island Roughing Filter No. 2 Reconstruction

Funding Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
SDC-Water	680,000	-	-	-	-	680,000
Utility Rates	3,647,760	-	-	-	-	3,647,760
Current CIP Total:	\$ 4,327,760	\$ -	\$ -	\$ -	\$ -	\$ 4,327,760

Amount Funded in Prior Years: 26,150,000
 Total Estimated Project Cost: \$ 30,477,760

Design and construction for the reconstruction of Roughing Filter No. 2 at Geren Island. The scope includes dividing the filter into two cells; lining the bottom of the filter; replacing the underdrain piping, drain rock and sand media; and installation of a new influent and effluent structure.

City of Salem
Capital Improvement Plan - Fiscal Years 2024 through 2028

Project Number: 0001479
 Category: Water Ward: 3
 Neighborhood: Morningside Neighborhood Association

Title: Marietta Street SE Water Main Improvements - Developer Reimbursement - Excess of Credits

Funding Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
SDC-Water	380,000	-	-	-	-	380,000
Current CIP Total:	\$ 380,000	\$ -	\$ -	\$ -	\$ -	\$ 380,000

Amount Funded in Prior Years: -
 Total Estimated Project Cost: \$ 380,000

Anticipated reimbursement in excess of credits to the developer for the design and construction to extend an 18-inch water main in Marietta St SE to 27th Ave SE and along 27th Ave SE from Marietta St SE to the northern property line.

Project Number: 0001480
 Category: Water Ward: 4
 Neighborhood: South Gateway Neighborhood Association

Title: Affinity II Water Pump Station Improvements - Developer Reimbursement - Excess of Credits

Funding Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
SDC-Water	-	475,000	-	-	-	475,000
Current CIP Total:	\$ -	\$ 475,000	\$ -	\$ -	\$ -	\$ 475,000

Amount Funded in Prior Years: -
 Total Estimated Project Cost: \$ 475,000

Anticipated reimbursement in excess of credits to the developer for the design and construction of a S4 pump station located in the Affinity II Subdivision.

Project Number: 0001481
 Category: Water Ward: 4
 Neighborhood: South Gateway Neighborhood Association

Title: Fabry Road SE 20-inch Water Main Improvements - Developer Reimbursements - Excess of Credits

Funding Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
SDC-Water	820,000	292,000	-	-	-	1,112,000
Current CIP Total:	\$ 820,000	\$ 292,000	\$ -	\$ -	\$ -	\$ 1,112,000

Amount Funded in Prior Years: -
 Total Estimated Project Cost: \$ 1,112,000

Anticipated reimbursement in excess of credits to the developer for the design and construction of a 20-inch water main in Fabry Rd SE.

TO: Budget Committee Members

THROUGH: Keith Stahley, City Manager

FROM: Josh Eggleston, Chief Financial Officer

SUBJECT: Summary of Budget Committee Actions Through April 19, 2023

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 2024 proposed budget review process, which includes weekly meetings from April 19, 2023 through May 10, 2023. 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 2024 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 19, 2023**

		<u>Requested Agenda Date</u>	<u>Response Date</u>	<u>Estimated Agenda Date</u>	<u>Department Responsible</u>
1.	Questions from Member Dixon regarding payroll v. income tax and a forecasting scenario	April 19, 2023	April 21, 2023	April 26, 2023	Finance
2.	Questions from Member Cohen regarding the City Operations Fee and Utility Billing	April 19, 2023	April 21, 2023	April 26, 2023	Finance / Public Works
3.	Questions from Member Allen regarding baseline General Fund budget	April 19, 2023	April 21, 2023	April 26, 2023	Finance
4.	Questions from Member Nordyke regarding a payroll tax and remote work tracking	April 19, 2023	April 21, 2023	April 26, 2023	Finance
5.	Questions from Member Shirack regarding the City's Tree Canopy	April 19, 2023	April 21, 2023	April 26, 2023	Public Works
6.	Questions from Member Cohen regarding Police vacancies	April 19, 2023		May 3, 2023	Police

**Correspondence Received by the Budget Committee
As of April 19, 2023**

Subject	From	Agenda
1. Salem Public Library Staffing and Expenditures	Jim Scheppke	4/19/2023
2. City Staffing and the Salem Public Library	Jim Scheppke	4/19/2023
3. City Operations Fee	Mary Nikas, Marion Co. Democrats	4/19/2023
4. Proposed FY 2024 City Budget	Julie Hall	4/19/2023
5. Revenue	Lora Meisner & Glenn Baly	4/19/2023
6. Payroll Tax	Bill Smaldone	4/19/2023

TO: Budget Committee Members
THROUGH: Keith Stahley, 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 April 26, 2023.

RECOMMENDATION:

Information only.

BACKGROUND:

1. There has been plenty of discussion around revenue generation for the General Fund. A potential source being explored is an employee-paid payroll tax. What are the differences between an income tax and a payroll tax? Would it be possible to tax wages from passive income?

A payroll tax would function as a tax on the wages earned by an employee while an income tax would function as a tax on income (which would include wages as well as passive income such as retirements, investment earnings, dividends, etc). While potentially there would be additional revenue that would result from an income tax in Salem over a payroll tax, the administration would be increased.

The current methodology of a payroll tax would function where the employer would withhold the appropriate amount from an employee's wages and then remit them to the City on a quarterly basis. This is a very similar administrative process employers currently go through for other required federal and state withholdings. Meanwhile, an income tax would rely on individuals who earn income (including the aforementioned passive income) to file with the City a quarterly or annual return in addition to employers withholding wages. This would function similarly to filing State or Federal taxes in that an individual would enter their income from earned wages (payroll) and any passive income.

It would be difficult for the City to administer a tax that was structured as an income tax rather than a payroll tax. Working alongside only businesses who are familiar

Page 2

with the withholding process generally, compared to tens of thousands of individuals would increase the compliance effort, administration, tracking and cost.

2. If a payroll tax is decided on to be pursued for revenue generation in the General Fund, how will the City track remote workers? Or those who have a hybrid schedule? There are plenty of State employees who are either fully remote or hybrid.

Since the COVID-19 pandemic, there has been a major shift for those with positions that are able to be completed remotely. Plenty of employers, including the State, are offering qualifying employees with hybrid or remote options. With this context, the revenue estimates from a payroll tax that have been provided by City staff have been discounted 20%. This amount is reflective of both delinquencies and those who would potentially either have a hybrid schedule where some work is done within City of Salem limits and some outside of City limits.

Jurisdictions in Oregon including Trimet, Wilsonville, and Canby assess a payroll tax that is applied to wages earned within their limits to support their transit programs. Businesses in and around the area are responsible for apportioning wages for each of the taxing districts. The City would need to create administrative rules to govern the process to track and / or apportion wages that the payroll tax would apply.

There has also been discussion about limiting the tax to all employees that work for employers within the City limits. This is currently being researched by the City's Legal Department.

3. There were several questions regarding the various tree planting program that are managed by the City:

Public Works has four tree planting programs:

1. Public Works Urban Forestry Section..... ≈ Over 1200 stumps grounded and over 2000 trees planted on City-owned property
2. Treecology contract..... ≈100 trees in public rights-of-way and City parks
\$115,000 annual budget
3. Stormwater Quality Section ≈200 trees and 1500-2000 shrubs in riparian areas
4. Friends of Trees ≈200 trees in parks, residential front yards, and street ROWs
\$100,000 annual budget

Background on the Tree Canopy Goal.

The City's goal is to have an overall tree canopy coverage of 28 percent by the year 2030. This value is based on the tree canopy assessment conducted in 2019. This goal, which is part of Salem's *Community Forestry Strategic Plan*, was determined by ranking the tree canopy coverage for each of Salem's 18 neighborhood association areas and selecting the 75th percentile value. That is, 25% of our neighborhood association areas have a tree canopy of 28% or higher. Our goal, therefore, is to increase the citywide canopy by focusing our tree planting programs in the 75% lower-canopy neighborhood association areas. Some neighborhood association areas can exceed 28 percent and others will be limited to a value less than 28 percent because of a geographic lack of areas suitable for planting trees. More information is available at:

<https://www.cityofsalem.net/community/natural-environment-climate/trees-and-plants/community-forestry-strategic-plan>

The Ice Storm, Insurance Proceeds, and the Trust Fund.

The City received \$750,000 in insurance proceeds related to damages related to street trees as a result of the 2021 Ice Storm. Approximately \$721,000 of this value was placed in a trust account to fund replacement of the lost trees. This funding has been used to fund three Limited Duration Parks Maintenance Operators and associated equipment. Approximately 1,000 trees were lost, and most have now been replanted. This summer the team will continue replanting and maintaining them through the establishment period.

4. What is the overlap, if any, between the City Operations Fee and the Utility bill with regards to shut off and collections?

Utility Rates and Fees

Many Oregon cities provide utility services and use the utility bill as a means of collecting other fees for parks, streets, or other general fund operations. The City of Salem also uses the Salem utility bill as a vehicle for collecting the City Operations Fee along with streetlight, stormwater, wastewater and water services. Payments on accounts are applied to the oldest balance first, not by line item.

Utility rates and other fees for services are set based on various methodologies. Water, wastewater, and stormwater fees are set based on customer classification and service area and reflect the cost of the system components benefitting the customer class or area. Rates for some customer classes and service areas are exempt from the cost of certain system components if they do not provide direct benefit to that class or service area.

Customers inside the city limits with a standard full-service utility account receive charges for water, wastewater, stormwater, streetlight, and City Operations Fee. These inside city retail customers and retail sewer customers outside the city limits in unincorporated areas of Marion County are billed directly by the City of Salem.

Salem also provides wholesale water to Turner, East Salem Suburban Water, and Orchard Heights Water District and wholesale wastewater services to Turner and Keizer. City of Salem does not have a billing relationship with individual customers in these other jurisdictions with wholesale accounts.

Aging Accounts to Shut-off (Disconnection)

Under current code, utility bills are due 25 days after the bill date. If payment is not received by the 25th day, on the 26th day, or next business day, a past due letter is mailed by USPS and email, if the customer has signed up for paperless billing, providing an additional seven days to pay. If payment is not received by the 7th day, on the 8th day or next business day, a past due/pending service shut off letter is mailed by USPS and email, if the customer has signed up for paperless billing, providing an additional seven days to pay. If payment is not received by the 7th day, on the 8th day or future business day, water services may be disconnected for nonpayment. A minimum of 40 days elapse from the bill date to shutoff. The City does not shutoff water services for less than \$25.00. In 2022, the \$25 reinstatement fee for accounts that had been disconnected was removed from the fee resolution.

Aging Accounts to Collection

Under current code, utility bills are due 25 days after the bill date. If payment is not received by the 25th day, on the 26th day, or next business day, a past due letter is mailed by USPS and email, if the customer has signed up for paperless billing, providing an additional seven days to pay. If payment is not received by the 7th day, on the 8th day, or next business day, a past due/pending referral to collections letter is mailed by USPS and email, if the customer has signed up for paperless billing, providing an additional 15 days to pay. If payment is not received by the 15th day, on the 16th day or future business day, the past due balance may be referred for collection. A minimum, of 48 days elapse from the bill date to collection referral. The City does not refer balances of less than \$25.00 for collection.

Utility Rate Relief Program

The Utility Rate Relief Program provides a monthly discount to approximately 636 customers inside Salem city limits and 157 customers outside Salem city limits who qualify as low-income elderly or disabled heads of household. These customers are qualified by Mid-Willamette Valley Community Action Agency. Eligible customers receive a 60% discount off the wastewater base fee. Customers inside Salem city limits receive an additional 100% discount of the City Operations Fee and the Streetlight fee. The current monthly discount is \$22.96 for customers inside Salem city limits and \$11.23 for customers outside Salem city limits.

Emergency Utility Assistance Program

The Emergency Utility Assistance Program provides up to \$500 per calendar year to customers experiencing a short-term financial need. Customers are qualified and referred by St. Vincent DePaul, The Salvation Army, and Mid-Willamette Valley Community Action Agency. Council approved up to \$300,000 of continued assistance for this program in July 2022. In calendar year 2022, \$270,264 of assistance was provided to 1,705 customers. Since January 2023, \$131,330 of assistance has been provided to 762 customers.






5. There have been several questions about different scenarios for the General Fund. Below are several scenarios with the assumptions listed. Please reach out the budget staff if you have questions or need clarification on the scenarios.
 - a. Updated General Fund Five-Year Forecast – No new positions and no increase to operations fee

FY 2024 - FY 2028 Summary <i>(in millions)</i>					
	FY 2024 P	FY 2025 F	FY 2026 F	FY 2027 F	FY 2028 F
Beginning Fund Balance	\$ 37.50	\$ 25.09	\$ 9.58	\$ (6.32)	\$ (23.15)
Current Revenues	162.31	165.78	172.17	178.07	184.34
Total Revenues	\$ 162.31	\$ 165.78	\$ 172.17	\$ 178.07	\$ 184.34
Current Expenditures - No New FTE	181.46	188.19	195.15	202.16	209.36
Unspent Contingency	(2.50)	(2.50)	(2.50)	(2.50)	(2.50)
2.5% Savings	(4.25)	(4.40)	(4.58)	(4.76)	(4.95)
Net Expenditures	\$ 174.71	\$ 181.29	\$ 188.07	\$ 194.90	\$ 201.91
Fiscal Year Impact	\$ (12.41)	\$ (15.51)	\$ (15.90)	\$ (16.83)	\$ (17.57)
Ending Fund Balance	\$ 25.09	\$ 9.58	\$ (6.32)	\$ (23.15)	\$ (40.72)
Fund Balance Policy	\$ 24.35	\$ 24.87	\$ 25.83	\$ 26.71	\$ 27.65
<i>Council Policy Compliance</i>	\$0.75	\$(15.29)	\$(32.14)	\$(49.86)	\$(68.37)

- b. Updated General Fund Five-Year Forecast – Includes new positions not funded by the operations fee, no increase to operations fee or positions added with operations fee

FY 2024 - FY 2028 Summary <i>(in millions)</i>					
	FY 2024 P	FY 2025 F	FY 2026 F	FY 2027 F	FY 2028 F
Beginning Fund Balance	\$ 37.50	\$ 22.95	\$ 5.15	\$ (13.19)	\$ (32.61)
Current Revenues	162.31	165.78	172.17	178.07	184.34
Total Revenues	\$ 162.31	\$ 165.78	\$ 172.17	\$ 178.07	\$ 184.34
Current Expenditures - No New FTE	181.46	188.19	195.15	202.16	209.36
<i>New General Fund FTE - Non Ops Fee</i>	<i>2.15</i>	<i>2.28</i>	<i>2.44</i>	<i>2.59</i>	<i>2.76</i>
Unspent Contingency	(2.50)	(2.50)	(2.50)	(2.50)	(2.50)
2.5% Savings	(4.25)	(4.40)	(4.58)	(4.76)	(4.95)
Net Expenditures	\$ 176.86	\$ 183.57	\$ 190.51	\$ 197.49	\$ 204.68
Fiscal Year Impact	\$ (14.55)	\$ (17.80)	\$ (18.34)	\$ (19.42)	\$ (20.34)
Ending Fund Balance	\$ 22.95	\$ 5.15	\$ (13.19)	\$ (32.61)	\$ (52.94)
Fund Balance Policy	\$ 24.35	\$ 24.87	\$ 25.83	\$ 26.71	\$ 27.65
<i>Council Policy Compliance</i>	\$ (1.40)	\$ (19.72)	\$ (39.01)	\$ (59.32)	\$ (80.59)

c. Updated General Fund Five-Year Forecast – Includes new positions not funded by the operations fee, increase to operations fee revenue, and positions funded by increase to operations fee revenue – **PROPOSED BUDGET SCENARIO**

FY 2024 - FY 2028 Summary <i>(in millions)</i>					
	FY 2024 P	FY 2025 F	FY 2026 F	FY 2027 F	FY 2028 F
Beginning Fund Balance	\$ 37.50	\$ 26.47	\$ 12.21	\$ (2.57)	\$ (18.43)
Current Revenues	162.31	165.78	172.17	178.07	184.34
<i>Increased Operations Fee</i>	<i>5.13</i>	<i>5.26</i>	<i>5.39</i>	<i>5.53</i>	<i>5.66</i>
Total Revenues	\$ 167.44	\$ 171.04	\$ 177.56	\$ 183.59	\$ 190.00
Current Expenditures - No New FTE	181.46	188.19	195.15	202.16	209.36
<i>New General Fund FTE - Non Ops Fee</i>	<i>2.15</i>	<i>2.28</i>	<i>2.44</i>	<i>2.59</i>	<i>2.76</i>
<i>New General Fund FTE - Ops Fee</i>	<i>1.61</i>	<i>1.72</i>	<i>1.84</i>	<i>1.96</i>	<i>2.10</i>
Unspent Contingency	(2.50)	(2.50)	(2.50)	(2.50)	(2.50)
2.5% Savings	(4.25)	(4.40)	(4.58)	(4.76)	(4.95)
Net Expenditures	\$ 178.47	\$ 185.30	\$ 192.34	\$ 199.45	\$ 206.78
Fiscal Year Impact	\$ (11.03)	\$ (14.26)	\$ (14.78)	\$ (15.85)	\$ (16.77)
Ending Fund Balance	\$ 26.47	\$ 12.21	\$ (2.57)	\$ (18.43)	\$ (35.20)
Fund Balance Policy	\$ 25.12	\$ 25.66	\$ 26.63	\$ 27.54	\$ 28.50
<i>Council Policy Compliance</i>					

- d. Updated General Fund Five-Year Forecast – Includes new positions not funded by the operations fee, increase to operations fee revenue, positions funded by increase to operations fee revenue, .661% payroll tax, and proposed additional programs and services funded by the payroll tax.

FY 2024 - FY 2028 Summary <i>(in millions)</i>					
	FY 2024 P	FY 2025 F	FY 2026 F	FY 2027 F	FY 2028 F
Beginning Fund Balance	\$ 37.50	\$ 26.47	\$ 17.65	\$ 16.90	\$ 18.35
Current Revenues	162.31	165.78	172.17	178.07	184.34
<i>Increased Operations Fee</i>	<i>5.13</i>	<i>5.26</i>	<i>5.39</i>	<i>5.53</i>	<i>5.66</i>
<i>Payroll Tax Net Revenue</i>		<i>11.14</i>	<i>27.86</i>	<i>31.48</i>	<i>35.57</i>
Total Revenues	\$ 167.44	\$ 182.18	\$ 205.42	\$ 215.08	\$ 225.58
Current Expenditures - No New FTE	181.46	188.19	195.15	202.16	209.36
<i>New General Fund FTE - Non Ops Fee</i>	<i>2.15</i>	<i>2.28</i>	<i>2.44</i>	<i>2.59</i>	<i>2.76</i>
<i>Unsheltered Programs</i>	<i>-</i>	<i>5.70</i>	<i>8.10</i>	<i>8.34</i>	<i>8.59</i>
<i>New General Fund FTE - Ops Fee</i>	<i>1.61</i>	<i>1.72</i>	<i>1.84</i>	<i>1.96</i>	<i>2.10</i>
<i>Additional Staffing / Programs - Payroll Tax</i>	<i>-</i>	<i>-</i>	<i>5.73</i>	<i>5.84</i>	<i>5.99</i>
Unspent Contingency	(2.50)	(2.50)	(2.50)	(2.50)	(2.50)
2.5% Savings	(4.25)	(4.40)	(4.58)	(4.76)	(4.95)
Net Expenditures	\$ 178.47	\$ 191.00	\$ 206.17	\$ 213.63	\$ 221.36
Fiscal Year Impact	\$ (11.03)	\$ (8.82)	\$ (0.75)	\$ 1.44	\$ 4.22
Ending Fund Balance	\$ 26.47	\$ 17.65	\$ 16.90	\$ 18.35	\$ 22.57
Fund Balance Policy	\$ 25.12	\$ 27.33	\$ 30.81	\$ 32.26	\$ 33.84

Council Policy Compliance



- e. Updated General Fund Five-Year Forecast – Includes no new revenue, continued unsheltered programs, and deferred needs staffing (307.5 positions)

FY 2024 - FY 2028 Summary <i>(in millions)</i>					
	FY 2024 P	FY 2025 F	FY 2026 F	FY 2027 F	FY 2028 F
Beginning Fund Balance	\$ 37.50	\$ (24.31)	\$ (97.82)	\$ (177.22)	\$ (261.09)
Current Revenues	162.31	165.78	172.17	178.07	184.34
<i>Increased Operations Fee</i>	-	-	-	-	-
<i>Payroll Tax Net Revenue</i>	-	-	-	-	-
Total Revenues	\$ 162.31	\$ 165.78	\$ 172.17	\$ 178.07	\$ 184.34
Current Expenditures - No New FTE	181.46	188.19	195.15	202.16	209.36
<i>Unsheltered Programs</i>	-	5.70	8.70	8.34	8.59
<i>Additional Staffing - Deferred Needs</i>	49.40	52.30	55.40	58.70	62.20
Unspent Contingency	(2.50)	(2.50)	(2.50)	(2.50)	(2.50)
2.5% Savings	(4.25)	(4.40)	(4.58)	(4.76)	(4.95)
Net Expenditures	\$ 224.11	\$ 239.29	\$ 251.57	\$ 261.94	\$ 272.71
Fiscal Year Impact	\$ (61.81)	\$ (73.51)	\$ (79.40)	\$ (83.87)	\$ (88.37)
Ending Fund Balance	\$ (24.31)	\$ (97.82)	\$ (177.22)	\$ (261.09)	\$ (349.46)
Fund Balance Policy	\$ 24.35	\$ 24.87	\$ 25.83	\$ 26.71	\$ 27.65

Council Policy Compliance



CITY OF SALEM FINANCIAL SUMMARY Through Q3 / FY 2023

The summary of FY 2023 third quarter (Q3) July 2022 through March 2023 financial activity displays expenditure information at the department level for the General Fund and resources displayed by type. For all other City funds, data is displayed with resources and expenditures. For all funds, the display includes columns noting comparison to budget and prior year actual activity. A positive number in the prior year comparison denotes an increase in FY 2023.

General Fund

Resources	Budget	Actual through March 31	As a Percent of Budget	Difference FY 2023 to FY 2022 Actual
Property Taxes	80,750,050	78,510,120	97.2%	4.8%
Franchise Fees	19,983,430	14,969,566	74.9%	4.0%
Internal Charges	21,403,050	13,725,708	64.1%	5.8%
Other Taxes	1,862,340	972,659	52.2%	-2.2%
State Shared	7,711,460	4,940,692	64.1%	7.5%
Fees, Permits	14,916,120	10,175,107	68.2%	-3.9%
All Other Revenues	9,350,690	5,370,341	57.4%	11.9%
Beginning Fund Balance	42,528,530	40,678,032	95.6%	31.6%
Total Resources	198,505,670	169,342,224	85.3%	9.9%

Expenditures by Department	Budget	Actual through March 31	As a Percent of Budget	Difference FY 2023 to FY 2022 Actual
Mayor & Council	259,780	204,017	78.5%	6.5%
Municipal Court	2,438,290	1,564,362	64.2%	1.3%
City Manager	1,926,220	1,305,764	67.8%	26.7%
Customer Service Center*	909,150	586,674	64.5%	-
Human Resources	2,675,910	2,162,488	80.8%	67.5%
Legal	2,931,290	1,938,110	66.1%	3.7%
Finance	3,698,610	2,414,711	65.3%	-14.9%
Parks and Recreation	12,045,970	9,109,605	75.6%	13.9%
Facilities Services	5,263,280	3,841,510	73.0%	10.0%
Community Development	6,753,160	4,737,279	70.1%	39.1%
Library	5,873,040	3,964,937	67.5%	11.0%
Police	54,779,640	39,711,614	72.5%	6.9%
Fire	45,111,140	33,694,286	74.7%	16.4%
Information Technology	11,584,050	7,691,164	66.4%	11.6%
Non Departmental	9,005,640	4,663,130	51.8%	-13.1%
Urban Development	4,053,770	2,480,913	61.2%	-27.9%
Total Expenditures	169,308,940	120,070,563	70.9%	10.1%

BY THE NUMBERS

Resources

The City received over 97 percent of total current-year Property Taxes as of the third quarter. Property tax receipts in FY 2023 are 4.8 percent higher than the same time last year.

Franchise Fees (4 percent) and State Shared Revenue (7.5 percent) collections are also trending higher.

The category, Other Taxes, are local marijuana sales tax receipts. These are collected by the State and remitted to the City quarterly. This category is trending downward year-over-year.

Beginning Fund Balance—the funding available at the start of the fiscal year—equals 24 percent of total resources through Q3, and is 31.6 percent more than FY 2022. This is due to an influx of one-time grants from the State and Federal governments.

Year-to-year decline of 3.9 percent for Fees, Permits reflect lower planning fee revenue and steady franchise fee revenue.

Internal Charges include the support services charges, reimbursements for labor and overhead from other funds, and fund-to-fund transfers. The 5.8 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 10.1 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 continued impacts of high inflation for goods and services.

**The Customer Service Center is a new organization for FY 2023. Hence no prior year values.*

CITY OF SALEM FINANCIAL SUMMARY Through Q3 / FY 2023

Other Funds

	Resources			Expenditures		
	Actual through March 31	As a Percent of Budget	Difference FY 2023 to FY 2022 Actual	Actual through March 31	As a Percent of Budget	Difference FY 2023 to FY 2022 Actual
* Transportation Services	20,288,976	80.8%	15.6%	13,468,400	64.5%	34.2%
Streetlight	2,697,685	81.2%	6.4%	1,349,040	59.5%	11.2%
* Airport	2,149,158	86.9%	8.0%	1,067,638	43.2%	18.8%
Community Renewal	2,873,045	21.8%	24.4%	2,901,179	22.0%	56.4%
Downtown Parking	963,218	82.1%	-1.6%	743,677	63.4%	-20.2%
Cultural and Tourism	7,074,568	112.9%	51.9%	3,087,724	66.2%	23.9%
Public Art	45,491	98.9%	12.3%	727	1.6%	-93.9%
Tourism Promotion Area	651,119	55.9%	6.2%	580,748	49.9%	7.4%
Parking Leasehold	739,314	95.2%	6.4%	421,017	54.9%	-20.7%
* Building and Safety	21,825,337	104.3%	17.5%	4,295,347	57.3%	10.7%
Traffic Safety**	314	-	-100.0%	-	-	-100.0%
General Debt	23,422,158	95.2%	6.0%	2,626,034	11.5%	-13.2%
Capital Improvements	207,681,580	135.5%	128.8%	61,602,521	40.4%	101.0%
Extra Capacity Facilities	50,325,170	81.8%	4.7%	5,221,316	8.5%	-10.1%
Development Districts	10,972,150	54.8%	28.5%	111,945	0.6%	-92.2%
* Utility	148,159,776	81.3%	6.7%	78,421,186	56.5%	10.3%
* Emergency Services	6,704,849	93.3%	45.0%	2,787,964	58.3%	84.1%
* WVCC	12,376,288	80.1%	5.6%	10,244,169	67.1%	5.4%
Police Regional Records	1,645,664	105.5%	21.5%	278,144	99.6%	140.2%
* City Services	13,513,142	81.9%	-16.4%	8,855,872	67.9%	-20.0%
* Self Insurance Benefits	32,052,403	83.5%	-0.4%	22,664,446	59.1%	12.5%
* Self Insurance Risk	10,367,890	69.6%	-8.0%	5,436,887	36.5%	37.8%
Equipment Replacement	19,070,146	95.6%	10.0%	1,704,162	8.5%	20.3%
Trust and Agency	31,786,080	96.6%	11.8%	5,692,758	23.6%	22.3%

Resources

Beginning fund balance accounts for \$270.3 million or 43.1 percent of the \$627.4 million total resources reported in the above table for all other City funds. To begin FY 2023, actual fund balance was less than the budget by \$19.3 million or 6.7 percent.

Expenditures

The nine funds marked with an * have a total of 551.1 full-time equivalent (FTE) authorized positions, approximately 41.8 percent of the total FTE count for the City in the FY 2023 budget. The General Fund supports the remaining 771.47 FTE positions. Of the \$233.6 million in total actual expense through March 31 documented in the above table, \$50.2 million or 21.5 percent is personal services expense.

Materials and services, purchases for supplies, equipment, and services, equal \$148.5 million or 63.6 percent of total expenses. Four funds—the Utility Fund, Self Insurance Benefits Fund, Self Insurance Risk Fund, and Capital Improvements Fund—account for \$168.1 million—or 72 percent—of the total expenses of these funds.

***Traffic Safety Fund closed during 2022 fiscal year, slight residual interest revenue in current year to be corrected and the fiscal year end.*

URBAN RENEWAL AGENCY FINANCIAL SUMMARY Through Q3 / FY 2023

This "By the Numbers" summary of FY 2023 activity for the period of July 2022 through March 2023 (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 2023 results are greater.

	Resources			Expenditures		
	Actual through March 31	As a Percent of Budget	Difference FY 2023 to FY 2022 Actual	Actual through March 31	As a Percent of Budget	Difference FY 2023 to FY 2022 Actual
Debt Service Fund						
Riverfront Downtown	9,822,928	103.7%	-0.6%	7,488,767	84.2%	12.2%
Fairview	-	0.0%	0.0%	-	0.0%	0.0%
North Gateway	4,991,894	104.1%	0.1%	4,000,639	100.0%	-11.1%
West Salem	2,846,290	109.3%	9.4%	2,225,355	100.0%	23.6%
Mill Creek	2,872,598	83.7%	0.5%	2,593,399	76.4%	53.2%
McGilchrist	1,780,872	97.3%	16.6%	1,400,224	100.0%	40.0%
South Waterfront	643,377	97.9%	2.7%	500,080	100.0%	0.0%
Jory Apartments	182,007	64.3%	0.0%	173,818	61.7%	0.0%
Total	23,139,967	100.3%	2.9%	18,382,281	88.8%	13.7%

	Resources			Expenditures		
	Actual through March 31	As a Percent of Budget	Difference FY 2023 to FY 2022 Actual	Actual through March 31	As a Percent of Budget	Difference FY 2023 to FY 2022 Actual
Capital Improvements Fund						
Riverfront Downtown	29,938,601	97.9%	15.1%	4,204,642	13.7%	52.9%
Fairview	2,429,883	88.0%	0.3%	208,122	7.5%	651.1%
North Gateway	21,375,860	105.3%	16.1%	315,978	1.6%	-42.7%
West Salem	10,095,503	108.2%	18.9%	1,011,083	10.8%	86.5%
Mill Creek	3,966,256	74.7%	50.8%	149,130	2.8%	-69.4%
McGilchrist	8,303,592	52.9%	18.0%	1,529,947	9.8%	23.5%
South Waterfront	1,864,109	101.6%	37.0%	7,127	0.4%	-49.0%
Jory Apartments	173,235	61.6%	-33286.7%	7,742	2.8%	27384.1%
Total	78,147,038	90.8%	17.8%	7,433,771	8.6%	32.5%

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 \$3,367,737 for a total of \$3,345,856. Through the period, \$2,646,978 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 \$4.08 million. Interest postings added \$55,247. Through the quarter, \$13,602 of expenses have been posted for facilities maintenance, professional services, and banking and investment fees.

TO: Budget Committee Members

THROUGH: Keith Stahley, City Manager

FROM: Josh Eggleston, Chief Financial Officer

SUBJECT: Public Hearing on the Proposed Capital Improvement Plan for FY 2024 through FY 2028

ISSUE:

A public hearing before the Budget Committee on the Proposed Capital Improvement Plan for FY 2024 through FY 2028.

RECOMMENDATION:

1. Conduct a public hearing.
2. Recommend the Proposed Capital Improvement Plan for FY 2024 through FY 2028 to the City Council.

SUMMARY AND BACKGROUND:

The Capital Improvement Program (CIP) is governed by Council Policy C-9 (Resolution 2008-142), which includes the following goals: create a transparent CIP process; establish a risk-based priority list; match the priority list to limited resources in a thoughtful and responsible manner; and establish an internal CIP review committee to oversee the process.

The City of Salem Budget Committee is holding a public hearing to consider recommendation of the proposed CIP. Staff provides notice to the community and at the public hearing, provides a presentation about capital planning and the anticipated projects. At the conclusion of the public hearing, the Budget Committee will either recommend the CIP as presented, or make changes deemed appropriate. On June 26, 2023, the CIP as recommended will be brought to the City Council to consider its adoption. Staff completes the annual cycle by publishing the adopted CIP.

FACTS AND FINDINGS:

The CIP consists of planned capital projects that are expected to cost \$444,202,870 over the next five-year period. The CIP includes four groups of projects that are funded at the following levels:

Community Facilities - \$31,912,400
Municipal Facilities - \$89,929,620
Transportation - \$173,747,100
Utilities - \$148,613,750

James Wharton-Hess
Management Analyst II