

FOR CITY COUNCIL MEETING OF:
AGENDA ITEM NO.:

April 14, 2008
4.2 (c)

TO: MAYOR AND CITY COUNCIL

THROUGH: LINDA NORRIS, CITY MANAGER PRO TEM

FROM: DEBRA NEVILLE, BUDGET OFFICER

SUBJECT: HISTORIC FACILITY MAINTENANCE RESERVE TRANSFER

ISSUE:

Should the City Council approve Resolution 2008-32 transferring a \$40,000 appropriation within the Cultural and Tourism Fund from contingency to materials and services to augment the historic facility maintenance reserve at the recommendation of the City of Salem Budget Committee?

RECOMMENDATION:

City Council approve Resolution 2008-32 transferring \$40,000 within the Cultural and Tourism Fund from contingency to materials and services to augment the historic facility maintenance reserve at the recommendation of the City of Salem Budget Committee.

BACKGROUND:

The FY 2007-08 Cultural and Tourism Fund budget includes a \$10,000 appropriation for a historic facility maintenance reserve. During the FY 2007-08 Cultural and Tourism Fund budget review on April 25, 2007, the City of Salem Budget Committee voted to recommend designating an additional \$40,000 for the maintenance reserve. At the June 11, 2007 budget hearing, the City Council directed staff to return to City Council after evaluating six months of FY 2007-08 transient occupancy tax receipts to determine if revenue is sufficient to reserve the additional \$40,000 from fund contingency. During the February 4, 2008 City of Salem Budget Committee meeting, the committee voted unanimously to recommend transferring \$40,000 from fund contingency to the historic facility maintenance reserve.

FACTS AND FINDINGS:

The FY 2007-08 Cultural and Tourism Fund budget was balanced anticipating an approximate 11 percent increase in transient occupancy tax revenue over FY 2006-07 actual receipts. Eight months of tax receipts during the current fiscal year represent an approximate 6.5 percent increase over the same period in the prior year. Year end estimates for FY 2007-08, which are used to calculate the ending fund balance for the current year, and correspondingly the beginning balance for the upcoming fiscal year, include a seven percent increase over FY 2006-07 actual receipts.

Lower than budgeted tax revenues in FY 2007-08 and the impact of the lower revenues have been anticipated in the FY 2008-09 City Manager proposed budget for the Cultural and Tourism Fund. Additionally, the FY 2008-09 City Manager proposed budget for the fund includes an appropriation for a \$50,000 historic facility maintenance reserve, which is subject to the approval of the Budget Committee and City Council.

It is recommended the City Council approve Resolution 2008-32 transferring \$40,000 from contingency to materials and services within the FY 2007-08 Cultural and Tourism Fund budget to augment the current \$10,000 historic facility maintenance reserve to a total of \$50,000.



Kelley Jacobs
Budget Analyst

RESOLUTION NO. 2008-32

A RESOLUTION AUTHORIZING A TRANSFER OF APPROPRIATION TO BE EXPENDED FOR THE PURPOSE OF AUGMENTING THE HISTORIC FACILITY MAINTENANCE RESERVE

Whereas, ORS 294.450 allows the Council to authorize transfers of appropriations within a given fund;

NOW, THEREFORE, THE CITY OF SALEM RESOLVES AS FOLLOWS:

Section 1. A transfer of appropriation in the amount of \$40,000 from Cultural and Tourism Fund contingency, 175-60915000-61110, to Cultural and Tourism Fund materials and services, 175-60913000-54850, to be expended for the purpose of augmenting the historic facility maintenance reserve is hereby authorized.

Section 2. This resolution is effective upon adoption.

ADOPTED by the Council this 14th day of April, 2008.

ATTEST:

Checked by: K. Jacobs

City Recorder

Approved by City Attorney:  _____