



FOR COUNCIL MEETING OF:
AGENDA ITEM NO.:

May 5, 2008
7 (b)

TO: MAYOR AND CITY COUNCIL
THROUGH: 
LINDA NORRIS, CITY MANAGER PRO TEM
FROM: TONY MOUNTS, ADMINISTRATIVE SERVICES DIRECTOR 
SUBJECT: DOWNTOWN EID FUND – FY2007-08 SUPPLEMENTAL BUDGET #2

ISSUE:

Shall the City Council approve Resolution No. 2008-37, adopting a FY2007-08 supplemental budget for the City of Salem which establishes the Downtown Economic Improvement District (EID) Fund and sets appropriations?

RECOMMENDATION:

That the City Council approve Resolution No. 2008-37, adopting a FY2007-08 supplemental budget for the City of Salem which establishes the Downtown Economic Improvement District (EID) Fund and sets appropriations. The supplemental budget will set the Downtown EID Fund appropriations at \$200,000 with offsetting revenue to come from EID assessments.

BACKGROUND:

On April 7, 2008 the City Council adopted Resolution No. 2008-16 assessing benefited property owners within the Downtown Salem EID for the costs of certain economic improvement projects. The resolution was adopted in accordance with SRC Chapter 44, which established the EID, defined the improvement project and the assessment methodology. The EID will be in place for three years and is authorized to levy funds of \$200,000 per year. The assessment statements were mailed to property owners within the District on April 14, 2008. Payment is due within 30 days of the date of mailing.

FACTS AND FINDINGS

Under ORS 294.480 (1)(a), a supplemental budget may be adopted when a condition which had not been ascertained at the time of budget preparation requires a change in financial planning. When the FY2007-08 Budget was adopted it was not anticipated that an economic improvement district would be established and assessments levied. In order to properly plan for and legally expend monies for the Downtown Salem EID and to maintain budgetary compliance, a supplemental budget is needed for FY 2007-08.

In this case ORS 204.480 (4) applies, as establishing a new fund will result in an increase of more than 10 percent to that fund. As a result, a public hearing is required. The budget will increase appropriations by \$200,000. Offsetting revenue comes from the EID assessments.

The City is finalizing an agreement with Go Downtown Salem! to administer the EID funds. The agreement will be signed by May 6, 2008 as specified in SRC 44.035(a). Go Downtown Salem! has prepared a budget for the funds and will hold a public meeting prior to Board action on May 8, 2008. This budget will be brought to Council for approval by June 23, 2008.

RESOLUTION NO. 2008-16**A RESOLUTION ADOPTING 2007-08 SUPPLEMENTAL BUDGET #2 – ESTABLISHING THE DOWNTOWN ECONOMIC IMPROVEMENT DISTRICT FUND**

Whereas, ORS 294.480(1) authorizes the adoption of a supplemental budget upon the happening of an occurrence or condition which had not been ascertained at the time of the preparation of the budget for the current fiscal year requires a change in financial planning; and

Whereas, the City Council has provided for assessing benefited property owners within the Downtown Salem Economic Improvement District for certain economic improvement projects by approving Resolution No. 2008-16; and

Whereas, establishment of the Downtown Salem Economic Improvement District was not ascertained at the time of the preparation of fiscal year 2007-2008 budget, and such need requires a change in financial planning; and

Whereas, assessment revenue to the Economic Improvement District Fund should be increased to address income received from property assessments not budgeted on July 1, 2007; and

Whereas, ORS 294.480 (1) (a) authorizes adoption of a supplemental budget under these circumstances;

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


Section 1. The City Council hereby adopts a supplemental budget for the City of Salem, Oregon for the Economic Improvement District Fund, for the fiscal year 2007-08, as set forth in Exhibit A, which is attached hereto and incorporated by this reference.

Section 2. This resolution is effective upon adoption.

ADOPTED by the Council this 5th day of May, 2008.

ATTEST:

City Recorder

Approved by City Attorney: 

Checked by D. Neville

CITY OF SALEM BUDGET
FY 2007-08
FINAL BUDGET APPROPRIATIONS

FUND/DEPARTMENT	PERSONAL SERVICES	MATERIALS/ SERVICE	CAPITAL OUTLAY	DEBT SERVICE	TRANSFERS	CONTINGENCY	TOTAL
GENERAL FUND:							
Mayor and Council	0	179,380	0	0	0	0	179,380
City Manager's Office	1,214,380	176,240	0	0	0	0	1,390,620
Human Resources	812,790	225,460	87,000	0	0	0	1,125,250
Legal	1,476,710	127,690	0	0	0	0	1,604,400
Administrative Services	7,245,630	5,416,770	253,450	70,550			12,986,400
Community Development	2,818,170	1,370,100	137,500	0	0	0	4,325,770
Community Services	6,262,160	3,373,300	172,500	0	0	0	9,807,960
Library	3,609,870	911,950	11,560	0	0	0	4,533,380
Police	24,583,620	6,005,740	84,000	0	0	0	30,673,360
Fire	18,733,780	3,108,730	201,640	0	0	0	22,044,150
Information Technology	4,342,320	1,664,050	579,920	0	0	0	6,586,290
Non-Departmental	106,500	1,565,020	216,620	0	1,320,820	1,802,590	5,011,550
Urban Development	2,182,040	504,550	0	0	0	0	2,686,590
	73,387,970	24,628,980	1,744,190	70,550	1,320,820	1,802,590	102,955,100
OTHER FUNDS:							
PUBLIC WORKS	12,905,700	8,380,100	177,000	0	302,160	485,900	22,250,860
AIRPORT	390,750	881,020	1,488,710	0	0	122,800	2,883,280
COMMUNITY RENEWAL		5,104,030	0	749,830	0	0	5,853,860
DOWNTOWN PARKING		1,485,260	0	0	0	54,370	1,539,630
ECONOMIC IMPROVEMENT DIST	0	200,000					200,000
CULTURAL AND TOURISM		2,953,190	35,000	0	0	316,660	3,304,850
LEASEHOLD		616,770	0	75,240	0	52,050	744,060
BUILDING AND SAFETY	3,229,970	4,882,430	840,600	0	0	386,730	9,339,730
OTHER DEBT	0	0	0	200,000	0	0	200,000
DEBT SERVICE	0	0	0	10,905,050	0	0	10,905,050
CAPITAL IMPROVEMENTS	0	181,438,930	17,076,490	2,231,240	0	0	200,746,660
EXTRA CAPACITY FACILITIES	0	36,976,280	6,152,020	527,700	7,390,580	0	51,046,580
ASSESSED IMPROVEMENTS	0	200,000	0	0	0	0	200,000
DEVELOPMENT DISTRICT	0	1,094,350	0	0	0	0	1,094,350
WATER AND SEWER	17,891,330	24,129,560	3,045,290	15,840,060	7,490,190	412,260	68,808,690
EMERGENCY SERVICES	280,520	1,491,950	235,050	0	0	73,820	2,081,340
COMMUNICATIONS CENTER	4,911,960	1,014,170	154,000	0	0	151,400	6,231,530
OPEN.ORG	0	302,930	0	0	0	0	302,930
CITY SERVICES	2,664,110	8,293,830	2,129,120	169,700		292,060	13,548,820
SELF INSURANCE	574,920	26,401,180	40,000	0	0	0	27,016,100
TRUST	0	2,118,460	500,000	0	451,790	0	3,070,250
TOTAL	116,237,230	332,593,420	33,617,470	30,769,370	16,955,540	4,150,640	534,323,670