

Fiscal Year 2022



Budget in Brief

Find out more at

www.cityofsalem.net/budget

The City of Salem adopts its budget each June for the following fiscal year, which runs from July 1 to June 30

The budget, while a financial document, is also an important policy document, outlining the City Council's priorities for the upcoming year and showing how financial resources will be committed toward those goals.

The City of Salem Community Result Areas

Good Governance



Natural Environment Stewardship



Safe Community



Safe, Reliable, and Efficient Infrastructure



Strong and Diverse Economy



Welcoming and Livable Community



Over the past several years, the City has framed its budget around Result Areas that have been defined by the community and City Council through development of the strategic plan. This presentation clearly demonstrates how the City plans to fund and realize these priorities.

Annual Budget Process



How it All Works Together

The budget is one component in an annual cycle of collaboration. The City Council looks to the community for advice and feedback through survey responses, board or commission service, and neighborhood association participation to inform its policy agenda. City Council's policy agenda reflects spending priorities that are included in the budget. Results achieved through funded programs and projects in the budget are featured in an annual community report.

City Budget

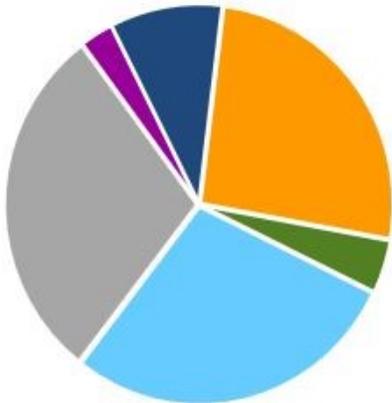
Operating Expenditures: \$469.9 Million

Supporting Community Outcomes

The City's FY 2022 total operating budget is summarized by service groupings provided in each result area. A majority of the budget is allocated to support infrastructure, governance and safety.

Strong and Diverse Economy	\$13.0M
Parking infrastructure and enforcement	3.8M
Business support and recruitment	4.3M
Cultural events and tourism	2.6M
Salem Municipal Airport	2.3M

Welcoming and Livable Community	\$44.2M
Parks and recreation	11.7M
Low-income programs and housing support	21.1M
Salem Public Library	5.8M
Planning and neighborhoods	5.1M
Community events and art	0.5M



Good Governance	\$121.8M
Health benefits and risk management	49.9M
Administration and support services	40.8M
Vehicles and equipment	10M
General shared costs	10.3M
Bond debt payments	5.7M
City building maintenance	5.1M

Safe Community	\$133.2M
Emergency and public safety services	122.5M
Building permits and inspections	8.4M
Salem Municipal Court	2.3M

Safe, Reliable, and Efficient Infrastructure	\$137.4M
Stormwater, wastewater, and water	81.3M
Bond debt payments	36.1M
Infrastructure projects	0.7M
Streets, sidewalks, and signals	17.5M
Streetlight	1.8M

Natural Environment Stewardship	\$20.3M
Wastewater treatment	12.5M
Environmental monitoring and compliance	7.8M

Capital Improvements Expenditures: \$201.9 Million

Construction is almost completed at the **Salem Public Library** to make the building safer in the event of an earthquake and improve accessibility inside and out. A picture from the inside is seen on the right. The Library plans to reopen in September 2021



Stormwater, 7.9M

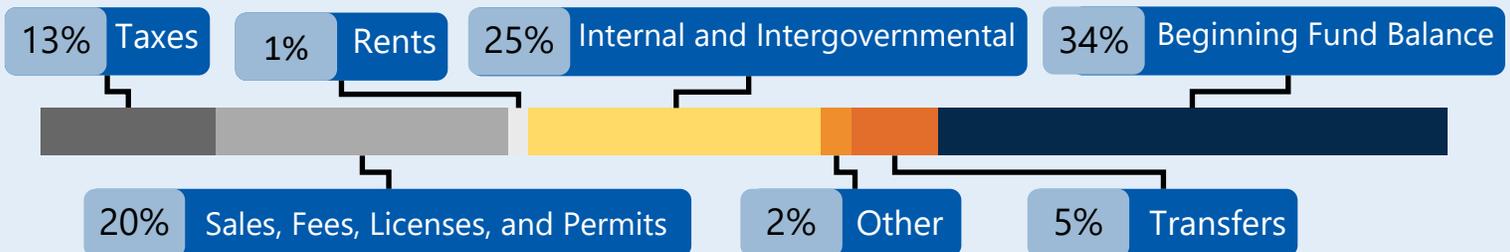


Construction of an **ozone treatment facility** to disinfect water at Geren Island and improvements to Woodmansee Park **Aquifer Storage and Recovery system** are two significant investments to enhance water quality and distribution in Salem. A picture of the construction of the ozone facility is on the right.

\$4.7 million is included for **pedestrian and bicycle safety improvements**. Funded projects consist of Union Street Family Friendly Bikeway, pedestrian island crossings, buffered bike lanes, and sidewalk improvements focused on public accommodation.

In June 2020, Council approved work for **improvements to the Civic Center campus** in light of the Police Department moving out and into their new facility. This work includes a reconfiguration of the first floor, security upgrades and a more customer friendly layout.

Total Resources: \$784.5 Million



The **Taxes** category includes property taxes that support general City operations, voter-approved bonds for infrastructure projects, taxes paid by overnight visitors, and marijuana sales taxes.

Sales, Fees, Licenses, and Permits are composed of over 70 different charges, the largest being utility rates, planning fees, franchise fees, and building permits.

Internal and Intergovernmental revenues consist of employee insurance premiums, specific sales tax revenues shared by the state of Oregon, grants, and reimbursements from other agencies.

Transfers move money from one City fund to another City fund for a specific expense, usually for personnel costs or projects.

Beginning Fund Balance is the available cash resources in each City fund before revenues in the new fiscal year are received.

General Fund

Total Expenditures: \$161.2 Million

The General Fund pays for a wide variety of City services and programs including police, fire, library, parking, Center 50+, planning, parks, recreation, code enforcement, economic development, and administration and support services (like the city manager's office, finance, information technology, and legal). Emergency and public safety services account for 57 percent of General Fund expenses.

Most revenue sources in the General Fund, including property taxes, are not restricted which means they are not designated for a certain purpose or legally limited to fund specific services.



*Other includes construction project transfers, contingency, and shared costs.

More About Property Taxes

In Oregon, municipal services are funded by a combination of property taxes, fees and charges. Income taxes paid in Oregon are used to fund State and Federal services. In Salem, over \$77 M in property tax receipts are estimated for FY 2022 to support General Fund services. Bonds are voter-approved ballot measures used to pay for large City construction projects and cannot be used for general operations. Property taxes also fund Salem's Urban Renewal Agency (URA) to invest in key locations in specified geographic areas of the city to spur redevelopment. The URA is a separate municipal corporation from the City but is supported by City staff.

Residents in Marion County pay property taxes to fund services provided by many different taxing districts, not just the City, as shown to the right.



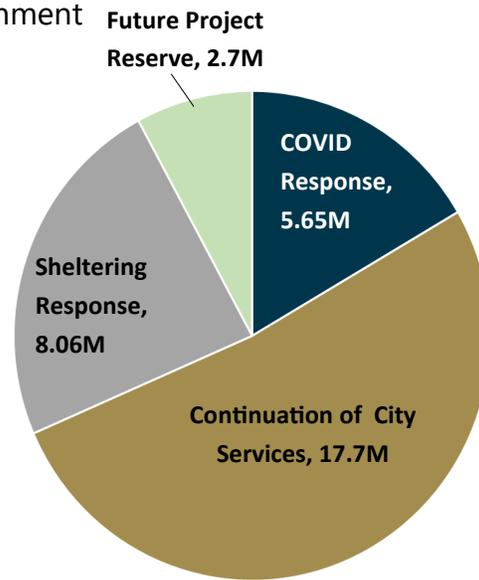
For more details about the City of Salem or Urban Renewal Agency budget, visit www.cityofsalem.net/budget.

American Rescue Plan Act (ARPA)

\$34.1M in Allocation

The COVID-19 pandemic impacted all levels of government and their ability to provide services to residents. The City of Salem through the American Rescue Plan Act was allocated \$34.1M in federal funding. This funding will be provided to the City in two installments, one which was received in FY 2021 and the other will be received in FY 2022.

The City is limited in the use of the ARPA fund by federal guidance. The graphic to the right demonstrates the current anticipated use of the ARPA funds. Further communication with the Council will take place on these uses. The majority of the City's distribution will be used toward the continuation of essential city services. Some, of these services include: water and sewer utility, parks operations, police and fire services, traffic engineering and central services.



Sheltering Initiatives

Like other communities in Oregon, Salem has seen an increased need for resources for those experiencing a lack of shelter, mental health and substance abuse issues. To address this need, the City Council has decided to use approximately 32% of the City's ARPA allocation toward various sheltering needs. A summary of these sheltering initiatives as adopted during the budget process are listed below. Since the budget adoption, changes to the uses of these sheltering initiatives have happened as a result of the need in the community, service providers and other operational changes.

Navigation Center Purchase:	\$3,000,000
Temporary Shelter (former Union Gospel Mission location):	1,921,460
New Shelter Sites Indoor/Outdoor Operations:	1,146,000
Portland Road Indoor/Outdoor Shelter Operations:	575,000
Civic Center adjacent Safe Parking and Shelter Operations:	540,000
Contribution to Hotel Purchase:	500,000
Extending Current Hotel Program:	<u>172,830</u>
Total:	\$8,055,390