

**FOR COMMITTEE MEETING OF: MAY 24, 2021
AGENDA ITEM NO.: 5a**

**TO: SALEM CITY COUNCIL AND SALEM URBAN RENEWAL
AGENCY FINANCE COMMITTEE**

FROM: ROBERT BARRON, CHIEF FINANCIAL OFFICER

SUBJECT: SALEM MAINTENANCE BOND

ISSUE:

Shall the Salem City Council and Salem Urban Renewal Agency Finance Committee recommend to the City Council to develop a ballot measure by August of 2022 for a General Obligation up to \$300 million to maintain the City's infrastructure to be considered in the November 2022 general election and to develop a plan to engage the community to participate in the determination of projects funded by this bond?

RECOMMENDATION:

Recommend the Salem City Council and Salem Urban Renewal Agency Finance Committee recommend to the City Council to develop a ballot measure by August of 2022 for a General Obligation up to \$300 million to maintain the City's infrastructure to be considered in the November 2022 general election and to develop a plan to engage the community to participate in the determination of projects funded by this bond?

BACKGROUND:

The City of Salem has approximately \$2 billion of infrastructure assets that need routine maintenance, improvements and expansion. Large investments have previously been reserved to single bond issues whose passage depended more on the economic environment than the need for fiscally responsible maintenance of the City's infrastructure. Due to several previous bond issues' debt service expiring over the next several years, the City is in a unique position to seek this large bond measure without increasing the estimated FY 2022 bonded tax levy rate of \$1.28 per \$1,000 of property assessed value.

PROJECTS

Preliminary project categories include Fire Protection (apparatus and stations), Information Technology, Public Facilities, Streets and Bridges, Parks and the Willamette

Valley Communications Center (911). This is not exhaustive list and will evolve after City leadership and community engagement.

COMMUNITY ENGAGEMENT

In 2018, the City and County of Denver, Colorado received the GFOA recognition for its efforts in engaging the public for its close to a billion-dollar general obligation bond authorization. The City followed the GFOA's best practice for community engagement and received voter approval for this historic bond issue in 2017. Denver's website dedicated to its Elevate Denver program can be reached at <https://www.denvergov.org/Neighborhood/Elevate-Denver> and a summary of the program has been included in this Finance Committee meeting package.