



Resolution 2018-72 adopts and establishes the FY 2019 total requirements budget of \$678,663,990 for the City of Salem, Oregon.

The Budget Committee's focus in its review of the FY 2019 budget was service area groupings of City programs. The six service areas - Good Governance; Natural Environment Stewardship; Safe, Efficient, and Reliable Infrastructure; Safe Community; Strong and Diverse Economy; and Welcoming and Livable Community - address broad community outcomes or results to achieve with budget allocations. The financial basis for the service area groupings is the fund and department level presentation in the financial summaries section of the budget publication and incorporated in the attachments to this report and the exhibit for Resolution 2018-72.

*City of Salem FY 2019 City Council Amendments Summary* (Attachment 1), provides a financial summary of budget changes since the Budget Committee's recommendation of May 9, 2018, including carryover expenses from the FY 2018 budget. Detailed listings of carryovers - rebudgeted purchase orders and reappropriations - are in Attachments 2 and 3.

## **FACTS AND FINDINGS:**

### Rebudgeted Purchase Orders

Each year the City reviews and rebudgets purchase orders with outstanding balances at the end of the fiscal year. Purchase orders that are rebudgeted are for equipment or services ordered during the current fiscal year but not delivered by June 30, the end of the fiscal year. City Council authorized appropriation authority for these outstanding purchase orders as part of the FY 2018 budget. The outstanding purchase orders are subject to normal purchasing policies and procedures.

### Reappropriated Funds

For a variety of reasons, the City does not always complete its projects within the time frame of a fiscal year. To complete the scheduled projects, it is necessary to reappropriate the funds in the new fiscal year as mandated by Oregon budget law.

### Additional Reappropriation Items

Staff is recommending inclusion of two reappropriation items, which were not budgeted in FY 2018.

- Community Development Department - \$87,000 of FY 2018 unanticipated savings to complete space reconfiguration and other tenant improvements to accommodate three new positions included in the FY 2019 recommended budget.
- Salem Public Library - \$113,400 of FY 2018 unanticipated savings to add to funds already set aside in the FY 2019 Capital Improvements Fund budget to support library relocation costs during the seismic upgrade project.

### Working Capital

For the FY 2019 budget, the additional working capital and reimbursement revenues for the reappropriated purchase orders, projects and items are considered restricted because of the equivalent additional expense.

With approval of the carryover requests, General Fund working capital will increase from the Budget Committee recommended amount of \$23,719,140 to \$25,879,730 with an equivalent increase to budgeted expenses. More than half of the change to working capital in the General Fund is related to four carryover projects:

- \$725,580, Homeless Rental Assistance Program.
- \$400,000, Comprehensive Plan Update, no direct expenses were incurred against the original, FY 2018 two-year allocation for this project. The entire amount is being carried over to FY 2019.
- \$113,400, Library Relocation, as noted above, unanticipated savings for relocation of library services.
- \$94,500, Parking Meter Technology, to ensure the balance of the \$1.5 million of original funding is available in FY 2019 to close out the final phase of the project.

Resolution 2018-72 demonstrates a City of Salem expenditure budget of \$602,680,900 plus an unappropriated ending fund balance of \$75,983,090 for total requirements of \$678,663,990.

Attachments:

1. FY 2019 City Council Amendments Summary
2. FY 2018 Carryovers for the FY 2019 Budget, General Fund
3. FY 2018 Carryovers for the FY 2019 Budget, Other Funds
4. Resolution 2018-72,
5. Resolution 2018-72, Exhibit A