



Staff Report

File #: 16-059

Version: 1

Date: 6/6/2016

Item #: a.

TO: Urban Renewal Agency Board
THROUGH: Steve Powers, Executive Director
FROM: Kelley Jacobs, Budget Officer

SUBJECT:

Public Hearing on the FY 2016-17 Salem Urban Renewal Agency Budget.

Ward(s): All

Board Member(s): All Board Members

Neighborhood(s): All Neighborhoods

ISSUE:

Shall the Urban Renewal Agency Board hold a public hearing and afterward deliberate on the Budget Committee recommended FY 2016-17 budget and direct staff to return on June 27, 2016, with a resolution to adopt the FY 2016-17 Urban Renewal Agency budget?

RECOMMENDATION:

Hold a public hearing and afterward deliberate on the Budget Committee recommended FY 2016-17 budget and direct staff to return on June 27, 2016, with a resolution to adopt the FY 2016-17 Urban Renewal Agency budget.

SUMMARY AND BACKGROUND:

The Urban Renewal Agency Budget Committee recommended a budget to the Urban Renewal Agency Board (Board) on May 11, 2016. The Board is required to hold a public hearing on the recommended budget and adopt a final budget prior to July 1, 2016. The Board may amend the Urban Renewal Agency Budget Committee's recommended budget with the following restrictions:

1. Property tax levies cannot be increased in total beyond the amount approved by the Urban Renewal Agency Budget Committee.
2. The recommended expenditures for each fund cannot be increased by more than ten percent (10%).

FACTS AND FINDINGS:

Public Hearing

Pursuant to Oregon Local Budget Law, the public hearing on the Urban Renewal Agency Budget Committee recommended budget was noticed in the *Statesman Journal* on May 26, 2016. At the meeting any person may appear for or against any item in the recommended budget document (ORS 294.453).

There are four funds which have been established for the purpose of managing Salem's urban renewal program. The first fund is the Tax Allocation Bond Debt Fund which accounts for the principal and interest payments on indebtedness within the urban renewal areas. The second fund is the Tax Allocation Improvement Fund which accounts for the staff costs and materials supporting urban renewal activities. The Tax Allocation Improvement Fund is also where construction projects and loan and grant monies for urban renewal areas are budgeted.

The Urban Renewal Agency uses two of the four funds to manage the operations of the Salem Convention Center. The Salem Convention Center Fund accounts for activities such as convention room sales and food and beverage services. The Convention Center Fund includes the gain / loss reserve and supports capital improvement expenditures for the Salem Convention Center.

On May 11, 2016, the Urban Renewal Agency Budget Committee recommended a FY 2016-17 budget to the Board.

A summary of the Salem Urban Renewal Agency Budget Committee's recommended budget appears as Attachment 1 of this report. Specific details are available in the budget document and supporting materials.

Budget Deliberation and Recommendation

The Urban Renewal Agency Board can deliberate on the recommended budget as well as on any changes that the Board may want to make. The Board is asked to approve any changes made during the June 6, 2016 meeting so the necessary budget resolution can be prepared for the June 27, 2016 meeting. The budget resolution may also include some additional amendments that will be presented at the June 27 meeting.

Additional amendments may include rebudgeted purchase orders and carryover projects. Accounting regulations require the City to rebudget outstanding purchase orders and carryover projects prior to June 30, 2016. A detailed list of such items will be provided to the Board at the June 27, 2016 meeting.

Kelley Jacobs
Budget Officer

Attachments:

1. Urban Renewal Agency Budget Committee Recommended FY 2016-17 Budget

05/24/2016