



Staff Report

File #: 16-060

Version: 1

Date: 6/6/2016

Item #:

TO: Mayor and City Council

THROUGH: Steve Powers, City Manager

FROM: Kelley Jacobs, Budget Officer

SUBJECT:

Public Hearing on the FY 2016-17 City of Salem Budget.

Ward(s): All Wards

Councilor(s): All Councilors

Neighborhood(s): All Neighborhoods

ISSUE:

Shall the City Council 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 City of Salem budget?

RECOMMENDATION:

1. That City Council hold a public hearing and deliberate on the Budget Committee recommended budget and direct staff to return on June 27, 2016, with a resolution to adopt the FY 2016-17 City of Salem budget.
2. That City Council increase appropriation authority in the Building and Safety Fund, Community Development Department budget by \$173,380 to provide for the addition of two full-time equivalent positions.

SUMMARY AND BACKGROUND:

Oregon local budget law requires the Budget Committee to recommend a budget to the City Council. The City Council is then required to hold a public hearing on the recommended budget and adopt a final budget prior to July 1, 2016. The City Council may amend the Budget Committee's recommended budget with the following restrictions:

Property tax levies cannot be increased in total beyond the amount approved by the Budget Committee.

The recommended expenditures for each fund (such as the General Fund or Transportation Services Fund) cannot be increased by more than ten percent (10%).

On May 11, 2016, the Budget Committee recommended a FY 2016-17 budget to the City Council. Attachment 1, entitled City of Salem Final Additions, Deletions and Changes Recommended by the Budget Committee for Fiscal Year 2016-17, summarizes the changes to the City Manager's proposed budget recommended by the Budget Committee. Attachment 2, entitled City of Salem Budget Committee Recommended FY 2016-17 Budget, is a fund-level recap of the recommended budget.

FACTS AND FINDINGS:

1. Public Hearing

Pursuant to Oregon Local Budget Law, the public hearing on the 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).

2. Building and Safety Fund, Community Development Department Budget - Additional Appropriation Amendment

Upon further evaluation and analysis, the Community Development Department has determined that continued and increasing commercial building activity necessitates the addition of staff in the Building and Safety Division. The department is requesting the addition of a plans examiner position and a permit specialist position. Appropriation authority in the Building and Safety Fund would be increased by \$173,380 and unappropriated ending working capital decreased by an equivalent amount. The Building and Safety Fund is fully supported by permit fees, and the current and projected fiscal health of the fund supports this additional appropriation.

Addition of the two positions would bring the Building and Safety Division's authorized position count to 23. This returns the division to a staffing level comparable to FY 2009-10. Prior to the recession, the division supported approximately 40 staff.

Budget Deliberation and Recommendation

The City Council can deliberate the changes recommended by staff as well as any changes the City Council may want to make. The City Council is asked to approve the recommended changes on June 6, 2016, in order to provide sufficient time to prepare the necessary budget resolution by the June 27, 2016 meeting. The resolution will include any changes approved on June 6, 2016. The resolution will also include some additional amendments (see below) that will be presented at the June 27 meeting.

Additional amendments will 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 will be provided to the City Council at the June 27, 2016 meeting.

Kelley Jacobs
Budget Officer

Attachments:

1. City of Salem Final Additions, Deletions and Changes Recommended by the Budget Committee for Fiscal Year 2016-17.
2. City of Salem Budget Committee Recommended FY 2016-17 Budget

05/24/2016