



## Staff Report

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**File #:** 21-178

**Version:** 1

**Date:** 5/10/2021

**Item #:** 3.2 d.

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**TO:** Mayor and City Council

**THROUGH:** Steve Powers, City Manager

**FROM:** Robert Barron, Chief Financial Officer

### **SUBJECT:**

General Fund Supplemental Budget for unanticipated City expenses caused by the ice storm.

Ward(s): All Wards

Councilor(s): All Councilors

Neighborhood(s): All Neighborhoods

Result Area(s): Good Governance; Natural Environment Stewardship; Safe Community; Safe, Reliable and Efficient Infrastructure; Strong and Diverse Economy; Welcoming and Livable Community.

### **ISSUE:**

Shall the City Council adopt Fiscal Year 2021 Supplemental Budget Four (4), increasing General Fund expenditure appropriation authority in the amount of \$1,400,000 for unanticipated expenses caused by the ice storm?

### **RECOMMENDATION:**

Adopt Resolution No. 2021-16, Fiscal Year 2021 Supplemental Budget Four (4), increasing General Fund expenditure appropriation authority in the amount of \$1,400,000.

### **SUMMARY:**

The City of Salem experienced a severe ice storm from February 11 to February 13, 2021, resulting in significant damage and adverse impact to the community. Unanticipated City expenses of approximately \$1.4 million have been or will be incurred through June 30, 2021. Supplemental Budget Four (4) includes the recommended appropriation authority for the unanticipated City expenses resulting from the ice storm. The source of the funds is the City's General Fund unappropriated ending fund balance.

### **FACTS AND FINDINGS:**

The ice storm caused fallen trees, limbs, and debris that blocked roadways, sidewalks, park paths, and waterways; caused downed power lines creating outages throughout the City affecting 86 traffic signals and City pump stations; damaged City facilities / parks and private property; and created hazards such as hanging branches and slippery streets. Public Works Dispatch received 1,192 calls for service. In parks, on streets, and in high priority locations, City crews and contractors cut, chipped and removed downed trees, limbs and debris. Work continues in parks and along rights-of-way.

The State of Oregon requested a federal disaster declaration on April 7, 2021, from the Federal Emergency Management Agency (FEMA) for the ice storm. The City of Salem coordinated with Marion County on a disaster declaration through the State of Oregon and FEMA. The City Manager signed a Declaration of a State of Emergency related to the storm, the first step in potentially securing federal disaster assistance from FEMA. FEMA's decision is pending. If FEMA determines the ice storm was a disaster, City expenditures will be eligible for federal reimbursement.

The City has insurance of up to \$1,750,000 with a \$500,000 deductible for trees in the rights-of-way, landscaping, and damages to property. City expenses may be eligible for reimbursement under the provisions of the insurance policy. The City has hired a consultant, as provided by the insurance policy, to assist with the collection and coordination of documentation supporting the insurance claim and potential FEMA claim for eligible expenses.

If the supplemental budget is not approved, there will be an impact to the Public Works budget and the City's ability to maintain parks and infrastructure.

## **BACKGROUND:**

ORS 294.481(1) authorizes the adoption of a supplemental budget as necessary to respond to an emergency.

Josh Eggleston  
Budget Officer

## **Attachments:**

1. Resolution No. 2021-16
2. Resolution No. 2021-16, Exhibit A
3. Resolution No. 2021-16, Exhibit B