CITY OF SALEM

555 Liberty St SE
Salem, OR 97301

Staff Report

File #: 21-428
Version: 1

Date: 9/27/2021
Item #: 2.b.

TO: Mayor and City Council

THROUGH: Steve Powers, City Manager

FROM: Josh Eggleston, AIC Chief Financial Officer

SUBJECT:

Long-term bonding strategy update.

Ward(s): All Wards
Councilor(s): All Councilors
Neighborhood(s): All Neighborhoods
Result Area(s): Good Governance

SUMMARY:

The Finance Committee met in May 2021 to develop a recommendation to City Council for a comprehensive bonding strategy. The Finance Committee Staff Report for the strategy is included as Attachment 1. A community engagement plan was part of the recommendation and the City contracted with DHM Research to conduct initial focus groups on the potential bond measure and priority spending areas.

ISSUE:

Long-term bonding strategy update.

RECOMMENDATION:

Information only.

FACTS AND FINDINGS:

The long-term bonding strategy as recommended by the Finance Committee would address four basic premises:

- Maintain a consistent levy rate for taxpayers over a set period of time.

- Issue debt in a timely and strategic manner.
- Decrease ongoing expenses related to deferred maintenance.
- Provide new investment for community benefit.

The recommendation included developing a ballot measure to authorize up to $300 million for General Obligation (GO) bonds to be issued over the next 10 years and developing a community engagement plan on the proposal and potential projects. Due to the timing of the annual Customer Satisfaction Survey work conducted by DHM Research, there was an opportunity to conduct initial focus groups on a potential bond measure and priority spending areas.

BACKGROUND:

Two focus groups of likely Salem voters were conducted on September 1st and September 2nd. These groups were composed of 8 to 10 people with a moderator. Discussion lasted at least two hours. Preliminarily, there is general support for the concept of a bond measure and evidence that additional outreach and education to the community will be needed to make a bond measure successful. John Horvick of DHM will be available at a future City Council meeting in October or November to discuss the full results of the focus groups prior to any City Council action or decision regarding a possible future bond measure.

While awaiting the report from the focus group research, staff has been working with the City's financial advisor, bond counsel and the Leadership Team to prepare for general obligation bond parameters, project suggestions, and a communication plan.

Attachments:

1. Finance Committee Staff Report - May 24, 2021