



## Staff Report

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**File #:** 22-574

**Version:** 1

**Date:** 12/12/2022

**Item #:** 3.2c.

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**TO:** Mayor and City Council  
**THROUGH:** Keith Stahley, City Manager  
**FROM:** Josh Eggleston, Chief Finance Officer

### **SUBJECT:**

Authorizing the Sale of General Obligation Bonds.

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

### **SUMMARY:**

On November 8, 2022, City of Salem voters approved Measure 24-474, allowing the City to pursue the sale of general obligation (GO) bonds not to exceed \$300,000,000 for capital infrastructure improvements across the City. The bonds will be sold over a period of 10 years for projects including but not limited to Fire Equipment replacement, streets and sidewalk development and improvement, parks infrastructure and land purchase for a future fire station and branch library. Approval of this resolution will allow staff to begin processes of preparing for and performing the bond sale(s).

### **ISSUE:**

Shall City Council adopt Resolution 2022-58 authorizing the sale of General Obligation Bonds for community improvements and the cost of issuance, in one or more series, up to and including \$300,000,000?

### **RECOMMENDATION:**

Adopt Resolution 2022-58 authorizing the sale of General Obligation Bonds for community improvements and the cost of issuance, in one or more series, up to and including \$300,000,000?

### **FACTS AND FINDINGS:**

On November 8, 2022, Salem voters approved Measure 24-474 which would fund community capital projects for various purposes including, but not limited to:

- Streets and Sidewalks
- Fire Equipment
- Parks
- Affordable Housing
- Branch Library
- Technology
- Civic Center Seismic Improvements
- Future land purchases
- Cost of issuance.

The bonds will be sold in a strategic manner over a period of 10 years, so it is not expected for the tax levy to pay for the bonds on properties in Salem to not exceed \$1.20 / \$1000 of assessed value.

Approval of Resolution 2022-58 will allow staff to move forward with preparing for and performing processes for the sale of the bonds. Although the City is currently going through an additional validation of the legality of the bonds, the City's Bond Counsel Hawkins, Delafield & Wood, LLP has advised that approval of this resolution is allowable as to not delay necessary pre-issuance work by staff and advisors. As stated in the resolution, the authorization for sale of the bonds is conditional on the Marion County Circuit Court approving the City's validation action.

## **BACKGROUND:**

For the past several years, the City Council has included a long-term bonding strategy as part of its annual Policy Agenda. The strategy would aim to propose, issue bonds and deliver bonds in a methodological way relative to all other issuances. After staff and Salem Finance Committee work in years 2019 - 2021, the City Council approved the formation of the Infrastructure Bond Engagement Steering Committee which began meeting in December 2021. Through a series of public meetings of the committee, presentations and outreach to community groups and written correspondence, a proposed project package was submitted to the City Council for approval in April 2022. Additional changes were made by the full City Council before submitted to the voters of Salem for the November 8, 2022 election.

Kelli Blechschmidt  
Management Analyst I

## **Attachments:**

1. Resolution No. 2022-58