



## Staff Report

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**File #:** 23-325

**Version:** 1

**Date:** 8/28/2023

**Item #:** 4.a.

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**TO:** Mayor and City Council

**THROUGH:** Keith Stahley, City Manager

**FROM:** Josh Eggleston, Chief Financial Officer

### **SUBJECT:**

Supplemental Budget 1 for unanticipated City expenses related to the Airport and Cultural & Tourism funds.

Ward(s): All Wards

Councilor(s): All Councilors

Neighborhood(s): All Neighborhoods

Result Area(s): Safe and Healthy Community; Strong and Diverse Economy

### **SUMMARY:**

Since the adoption of the FY 2024 budget, there have been unanticipated expenses for the Airport and Cultural & Tourism funds. Also on the August 28, 2023, City Council agenda for approval is a report to consider an internal loan between the Utility Fund and the Airport Fund for the purchase of a property next to the Airport that would create additional parking, and provide needed administrative space. If approved, the Airport Fund needs to add budget authority in the debt service category to begin repaying the Utility Fund this fiscal year. Additionally, the Cultural & Tourism fund is experiencing more activity than anticipated during budget development for overnight stays in Salem. With this increase in revenue, additional expenses not known at the time of budget development will be incurred resulting in the need for a budget adjustment.

### **ISSUE:**

Shall City Council adopt Resolution No. 2023-26, Fiscal Year 2024 Supplemental Budget (1), increasing Airport Fund and Cultural & Tourism Fund resource and expenditure appropriation authority for unanticipated revenue and expenses?

### **RECOMMENDATION:**

Adopt Resolution No. 2023-26, Fiscal Year 2024 Supplemental Budget (1), increasing Airport Fund and Cultural & Tourism Fund resource and expenditure appropriation authority for unanticipated

revenue and expenses.

## **FACTS AND FINDINGS:**

Airport Fund

Resources

Add: Parking rent - meters, 160-64131500-34148, \$210,620

Expenditures

Add: Principal, 160-64131500-60120, \$177,130

Add: Interest, 160-64131500-60130, \$33,490

This action would create budget authority in the debt service category of the Airport Fund to begin repaying the internal loan from the Utility Fund in FY 2024. This internal loan would be used to purchase a building near the Airport, expanding parking capacity and options and adding additional office space.

Cultural & Tourism Fund

Resources

Add: Hotel/Motel taxes, 175-60915000-31310, \$700,000

Expenditures

Add: Other Special Payments, 175-60912000-52670, \$700,000

This action would create additional budget authority to cover contractual expenses based on the increased amount of hotel / motel tax expected to be received in the Cultural & Tourism Fund.

## **BACKGROUND:**

ORS 294.471(1)(a) authorizes a supplemental budget when an occurrence or condition that is not ascertained when preparing the original budget or a previous supplemental budget for the current year or current budget period and that requires a change in financial planning.

Kelli Blechschmidt  
Management Analyst II

Attachments:

1. Resolution No. 2023-26
2. Resolution No. 2023-26, Exhibit A
3. Resolution No. 2023-26, Exhibit B