

# CITY OF SALEM FINANCIAL SUMMARY

Through Q1 / FY 2017

The summary of FY 2017 first quarter (Q1) financial activity displays expenditure information at the department level for the General Fund and resources displayed by type. For all other City funds, data is displayed with resources and expenditures. For all funds, the display includes columns noting comparison to budget and prior year actual activity. A positive number in the prior year comparison denotes an increase in FY 2017.

## GENERAL FUND

Resources	Budget	Actual through Sept 30	As a Percent of Budget	Difference FY 2017 to FY 2016 Actual
Property Tax	63,047,890	198,898	0.3%	-17.5%
Franchise Fees	16,812,740	1,224,926	7.3%	19.0%
Internal Charges	14,570,940	3,470,413	23.8%	15.0%
State Shared	5,047,660	608,482	12.1%	39.2%
Fees	4,152,260	958,056	23.1%	33.6%
All Others	8,391,440	2,131,122	25.4%	39.0%
Beginning Working Capital	26,047,730	28,125,932	108.0%	12.8%
<b>TOTAL RESOURCES</b>	<b>138,070,660</b>	<b>36,717,829</b>	<b>26.6%</b>	<b>15.0%</b>

Expenditures by Department	Budget	Actual through Sept 30	As a Percent of Budget	Difference FY 2017 to FY 2016 Actual
City Manager's Office	1,719,480	371,301	21.6%	38.9%
Community Development	3,773,150	869,584	23.0%	11.3%
Facilities Services	3,897,790	874,011	22.4%	7.6%
Finance / Procurement	3,317,410	717,011	21.6%	-10.9%
Fire	29,897,610	7,102,706	23.8%	15.6%
Human Resources	1,248,110	248,207	19.9%	1.0%
Information Technology	6,914,600	1,398,940	20.2%	12.2%
Legal	2,147,000	451,970	21.1%	4.5%
Library	4,828,910	997,607	20.7%	-7.4%
Mayor and Council	225,990	57,246	25.3%	63.8%
Municipal Court	1,898,050	412,461	21.7%	7.3%
Non Departmental	6,504,130	1,095,236	16.8%	-5.9%
Parks	6,893,720	1,481,941	21.5%	14.3%
Police	40,137,610	8,926,652	22.2%	7.8%
Recreation Services	2,107,620	511,566	24.3%	-45.1%
Urban Development	5,086,780	924,368	18.2%	-3.1%
<b>TOTAL EXPENDITURES</b>	<b>120,597,960</b>	<b>26,440,809</b>	<b>21.9%</b>	<b>6.4%</b>

### BY THE NUMBERS Revenues

First quarter receipts are typically low. Current year property tax has not been collected (the -17.5% change equals a difference of \$42,200 in collection of prior year taxes and is not indicative of lowered receipts at year end). Other sources, like franchise fees and state shared revenues lag until year end.

Working capital—the funds available at the start of the fiscal year—equal almost 77 percent of total resources through Q1.

Year-to-year increases of 19 percent to 39 percent in multiple revenue types are indicative of the timing of payments—more monthly payments have been received within Q1 than during the same period last year.

Internal charges include the indirect cost allocation plan, reimbursements for labor and overhead from other funds, and fund-to-fund transfers. The 15 percent increase is also a factor of timing.

The 39 percent increase in the category, "All Others," relates to the receipt of a \$651,160 grant from the federal government to support replacement of the Fire Department's inventory of self-contained breathing apparatus.

### BY THE NUMBERS Expenditures

With 9 payroll periods and 25 percent of the fiscal year complete expenditures are trending as anticipated. The 6.4 percent year-over year increase in total is influenced by anticipated cost escalators, reinstatement of operations at Fire Station 8, and the timing of expenditures for the purchase of supplies, equipment, and services to support the 113 programs identified in the General Fund.

# OTHER FUNDS—FY 2017, Q1

## BY THE NUMBERS

	RESOURCES			EXPENDITURES		
	Actual through Sept 30	As a Percent of Budget	Difference FY 2017 to FY 2016 Actual	Actual through Sept 30	As a Percent of Budget	Difference FY 2017 to FY 2016 Actual
Transportation Services	7,575,274	45.2%	32.8%	3,095,077	18.5%	1.3%
Streetlight	901,921	37.8%	0.0%	513,213	21.5%	0.0%
Airport	1,366,843	70.2%	15.8%	241,471	12.4%	25.5%
Community Renewal	360,133	8.6%	80.4%	300,378	7.2%	97.1%
Downtown Parking	1,440,413	66.0%	18.7%	176,056	8.1%	-27.2%
Economic Improv. District	33,276	90.6%	-66.4%	19,239	52.4%	-3.1%
Cultural and Tourism	2,107,467	40.2%	5.3%	1,126,377	22.5%	2.1%
Public Art	40,077	63.3%	316.9%	43	0.1%	0.0%
Parking Leasehold	819,513	61.7%	-11.9%	50,651	3.8%	-14.9%
Building and Safety	6,828,608	81.8%	17.3%	734,323	15.1%	-1.0%
General Debt	2,946,272	16.5%	54.7%	-	0.0%	0.0%
Capital Improvements	48,806,573	55.7%	-12.7%	12,621,574	14.4%	133.6%
Extra Capacity Facilities	18,731,331	79.2%	0.0%	594,029	2.5%	-49.4%
Development Districts	1,909,806	81.7%	21.5%	7,409	0.3%	0.0%
Utility	69,658,733	49.7%	12.5%	17,044,034	15.1%	18.8%
Emergency Services	2,905,114	84.6%	1.2%	145,576	18.6%	-14.7%
WVCC*	3,333,705	31.1%	5.0%	2,413,707	22.5%	-1.8%
PRIORS**	1,448,516	87.4%	17.2%	37,603	2.3%	3.5%
City Services	8,361,313	52.9%	24.0%	1,870,934	14.8%	-2.0%
Self Insurance	20,901,983	52.4%	5.5%	7,685,859	19.3%	21.7%
Equipment Replacement	5,843,504	69.6%	24.2%	991,969	20.1%	209.0%
Trust and Agency	5,654,165	83.8%	-0.5%	131,569	4.0%	9.9%

\*Willamette Valley Communication Center

\*\* Police Regional Records System

In the prior fiscal year, five funds carried a “watch” status in the Q1 financial summaries demonstrating ongoing attention on each fund’s fiscal health. Four of those funds—Transportation Services, Airport, Downtown Parking, and Emergency Services—have stabilized. Careful management of expenditures to align with revenues has been central to these efforts. Additionally, implementation of the streetlight fee and continuation of a \$400,000 transfer from General Fund solid waste franchise fees has relieved the revenue imbalance in the Transportation Services Fund.

The Willamette Valley Communication Center Fund was added to the watch list during FY 2015 resulting from a sharp decline in working capital over two years. The fund was placed under significant financial stress resulting from the operational impact of consolidating with the Lincoln County 9-1-1 Center service area, staff attrition, the escalating use of overtime to cover absences, and rate increases insufficient to meet the annual increase in operational costs. The FY 2016 budget marked the first step in a multi-year strategy to stabilize this fund. This strategy, including willingness of member agencies to significantly increase rates, appears to have been successful. The FY 2018 financial forecast for this fund, which will be available in late January, provides more context and detail regarding this assessment.

The City’s “other” funds have realized 53 percent of budgeted resources through the first quarter, which is indicative of the impact of beginning working capital. Expenditures are 14 percent of budget estimates and 30.8 percent greater than expenses in the prior year with over 61 percent of that increase from project costs in the Capital Improvements Fund.