

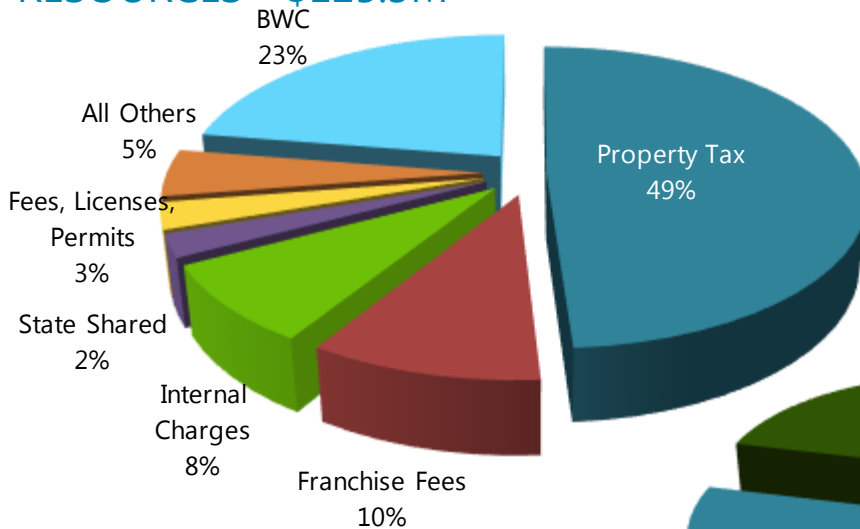
CITY OF SALEM FINANCIAL SUMMARY

Through Q3/ FY 2016-17

Third quarter financial summaries are compiled during the same period as public budget reviews for the upcoming fiscal year. The combination of recent revenue and expenditure data and future estimates for City funds provides a more complete view of fiscal health for the Budget Committee. Comparisons in this document are based on data through Q3 for all years.

GENERAL FUND SNAPSHOT

RESOURCES—\$125.3M



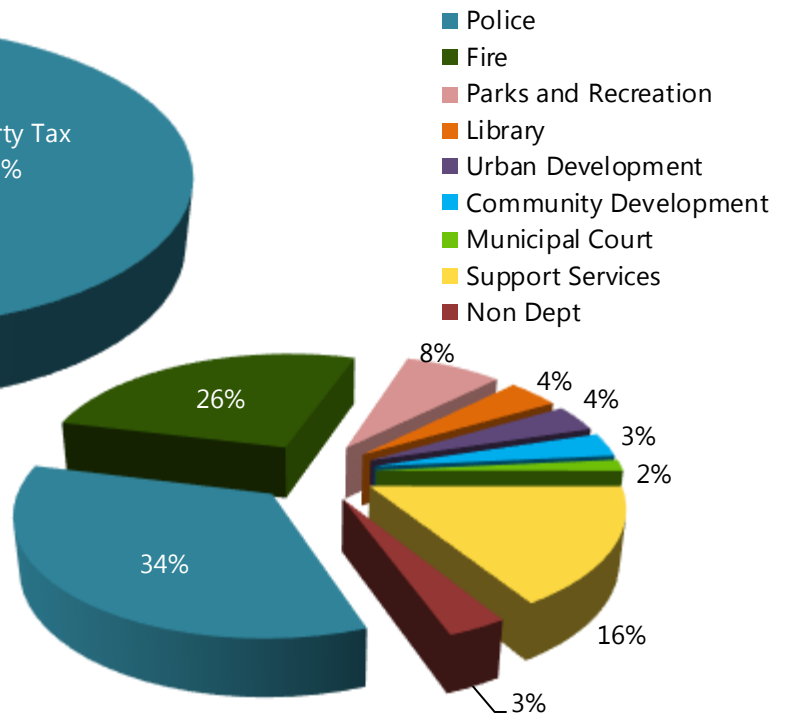
Through March 2017, property tax represents 49 percent of all General Fund resources at \$61.4 million. Current property tax receipts equal about 97 percent of anticipated year-end revenues from this source.

Current year resources are \$125.3 million. Beginning working capital (BWC) equals \$28.1 million. Franchise fees provide \$12.4 million of total resources.

Internal charges include the City's indirect cost allocation for support services housed in the General Fund, as well as fund-to-fund reimbursements for a variety of services. Also included in this category is the annual transfer from the Cultural and Tourism Fund for transient occupancy tax-eligible parks and landscape areas.

Fees, licenses, and permits include planning, library, fire protection, and recreation fees, while the category of rents includes parking meter and carpool receipts as well as room rental at the Library, Center 50+, and Pringle Hall.

EXPENDITURES—\$81.4M



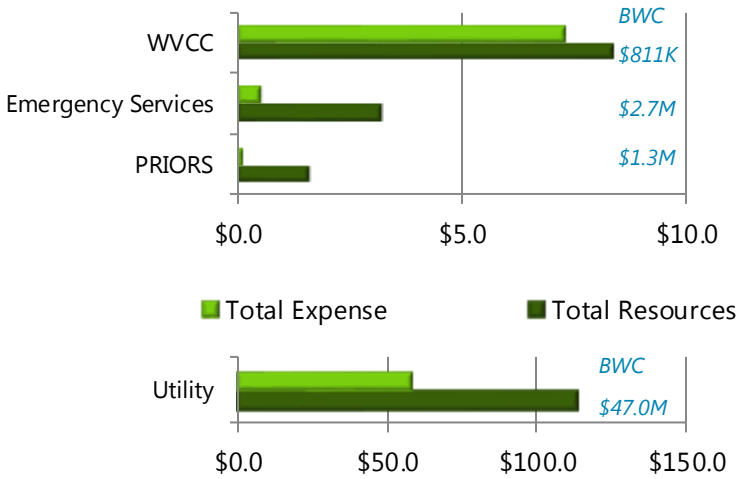
At the three-quarter mark in FY 2017 and with 7 payroll periods remaining, expenditures in the General Fund total \$81.4 million and represent 67.5 percent of the total budget. Savings are accruing largely as the result of employee attrition and retirements and challenges in re-filling vacancies.

The above chart demonstrates that the Police and Fire departments account for 60 percent of the total expense through Q3. The next largest allocation for Support Services, at 16 percent, includes Human Resources, Legal, Information Technology, Facilities Services, Finance, Purchasing, Budget, the City Manager's Office, and expenses associated with the activities of the City Council.

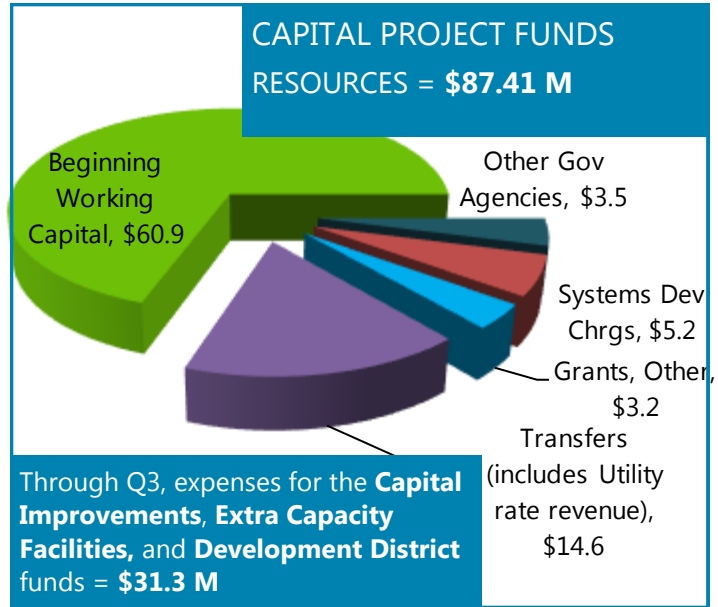
FINANCIAL SNAPSHOT by FUND TYPE

Other City Funds

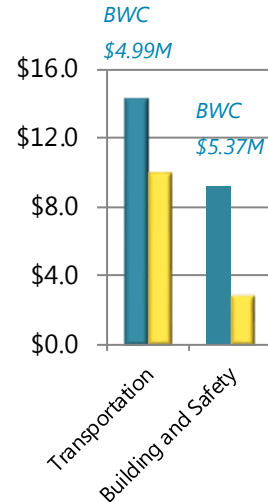
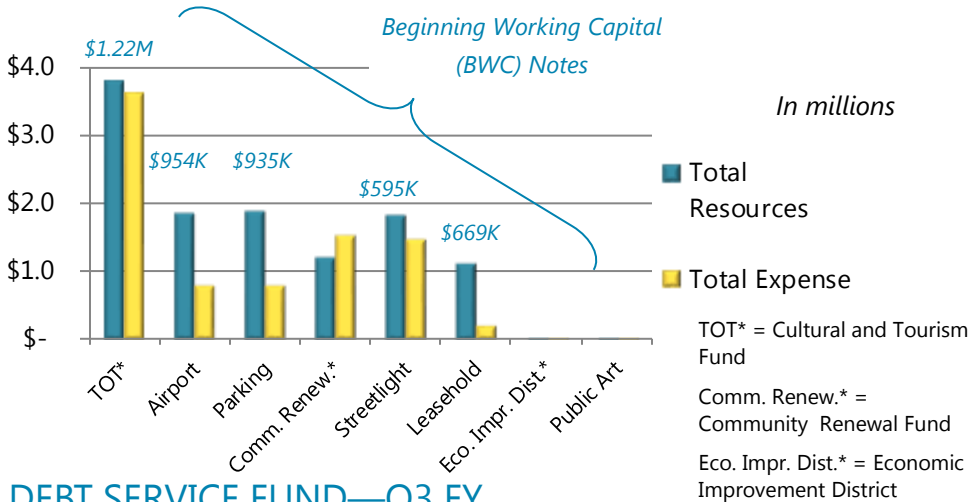
ENTERPRISE FUNDS—Q3 FY 2017 (in millions)



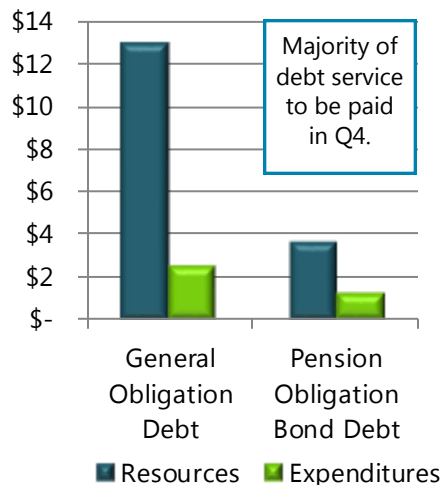
BWC = Beginning Working Capital Note



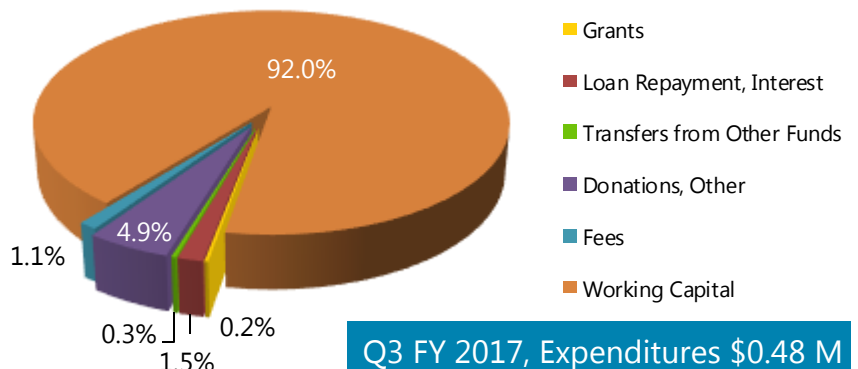
SPECIAL REVENUE FUNDS—Q3 FY 2017



DEBT SERVICE FUND—Q3 FY



TRUST FUNDS—Q3 FY 2017, Resources \$6.35M





Resources @ 75% of the Fiscal Year

Resource Type

Total New Revenues—a break down of revenue types appears below. Over the past five years, the percent of budgeted revenues received through Q3—81.4% to 86.8%.

Property Tax—continued increase from 3% legislated increase, lowered compression losses, and new growth. About 92% of tax is collected in November and December.

Franchise Fees—Electric, natural gas, refuse, telecomm, cable, and water / sewer fees with relatively flat year-over-year activity.

State Shared Revenues—FY 2017 includes 18 payments as compared to 20 in FY 2016. Comparing equal payments provides a year-over-year increase of 6.9% in FY 2017.

Planning-Related Fees—fee increases (2.6%) for improved cost recovery and escalating demand provide for \$100,809 Y-over-Y revenue gains.

Other Fees—user charges for fire protection and safety, recreation, softball, Center 50+, and library provide increased receipts of \$184,519.

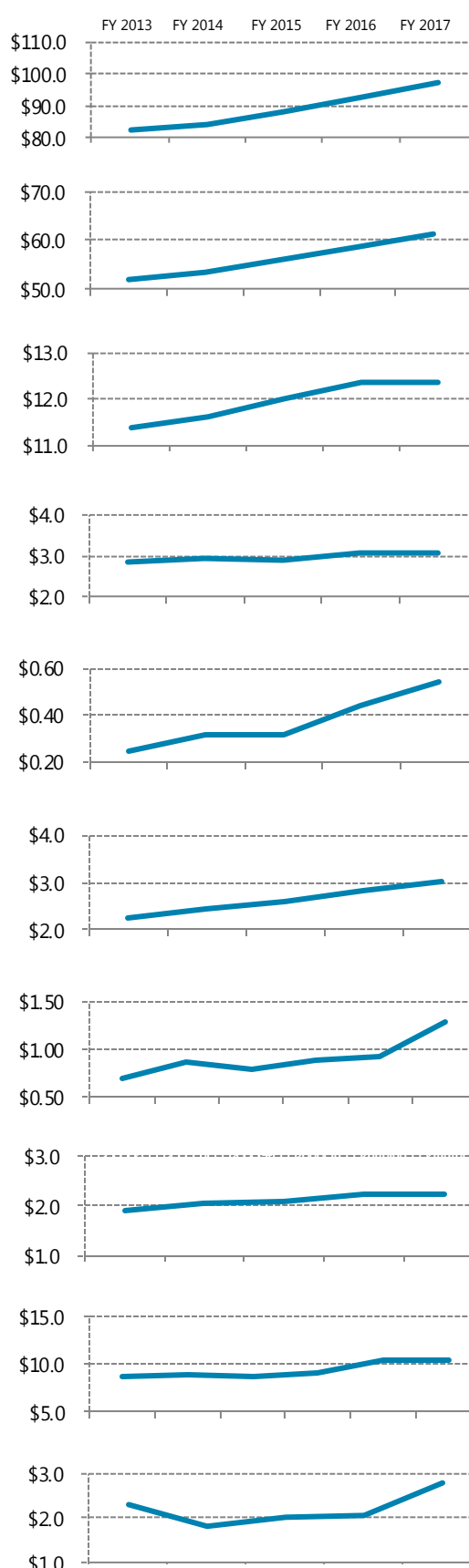
Rents—increased revenue with legislative session and full implementation of new parking technology. Receipts in this category increased by \$368,498 over prior year results.

Fines—an increase of \$29,696 in this category results with lowered parking fines offset by increased court and photo red light fines.

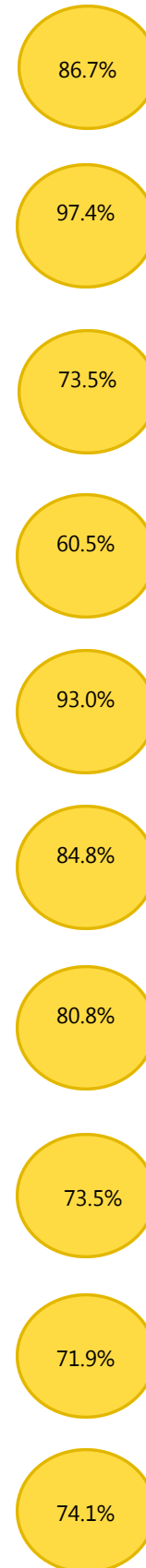
Internal Charges—Y-over-Y activity is relatively flat due in part to vacancies in positions that would generate internal charges. Lowered revenue is offset with expenditure savings.

Other Agencies, Grants, All Other Revenue—increase in this category is the result of a \$651,160 grant for replacement of fire equipment.

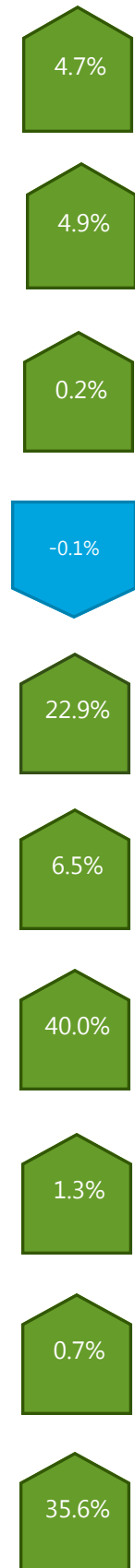
5 Year Trend, FY 2013-FY 2017 (in millions)



Actual to Budget



Year-over-Year



BY THE NUMBERS

WHAT THE GENERAL FUND BUDGET SUPPORTS

\$400,000 to local social service agencies supporting over 200,000 individual service needs of low income residents in Salem

Mowing of 722 acres of park land from March through October

Support to 17 advisory boards and commissions

Operation of 10 fire stations, 10 advanced life support fire engines, and 2 aerial ladder units, plus safety and specialized operations including aircraft, urban, and water rescue

Police patrol services for 11 patrol districts comprising 49.16 square miles. Responded to 26,416 calls for service during Q3.

200 softball / kickball league teams, 515 tournament teams, and approximately 80,000 spectators annually at Wallace Marine Park Softball Complex

Circulation of more than 1.39 million items to Salem Public Library users and access to more than 110,000 Wifi sessions.

Year-to-date review of 689 land use applications; a 25.3% increase over FY 2016

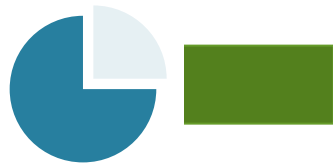
Maintenance and repairs to 86 buildings, totaling 1.7 million square feet, plus custodial services for 24 locations at 325,000 square feet

Maintenance and operation by the Information Technology Department of 280 servers and 200 software applications supporting City services and access to information for the community

GENERAL FUND EXPENDITURES through Q3 FY 2017

Expenditures through Q3 FY 2017	Actual-to-Budget	Year-Over-Year	Expenditures through Q3 FY 2017	Actual-to-Budget	Year-Over-Year
Police Personal Services, \$22.6M Materials / Services, \$5.2M Capital Outlay, \$20,460 Interfund Transfers, \$200,000	69.7%	5.8%	Fire Personal Services, \$17.4M Materials / Services, \$3.9M Capital Outlay, \$70,310	71.4%	14.4%
Library Personal Services, \$2.8M Materials / Services, \$0.4M Capital Outlay, \$25,610	66.2%	4.0%	Community Development Personal Services, \$2.4M Materials / Services, \$0.2M Capital Outlay, \$19,500 Interfund Transfers, \$5,000	70.0%	6.9%
Parks and Recreation Personal Services, \$3.4M Materials / Services, \$2.3M Interfund Transfers, \$422K	67.9%	13.3%	Urban Development Personal Services, \$2.1M Materials / Services, \$0.88M	58.5%	2.9%
Support and Non-Dept Personal Services, \$11.1M Materials / Services, \$4.1M Debt Service, \$0.3M Interfund Transfers, \$0.4M	61.1%	-1.4%	Municipal Court Personal Services, \$0.94M Materials / Services, \$0.32M	66.2%	1.4%

OTHER CITY FUNDS DETAIL—Through Q3 FY 2017



Resources:

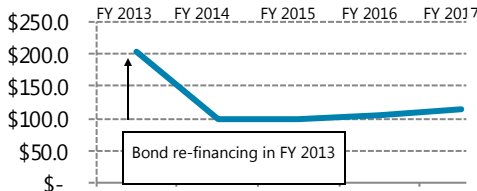
Expenditures:

5 Year Trend, FY 2013-FY 2017 (in millions)

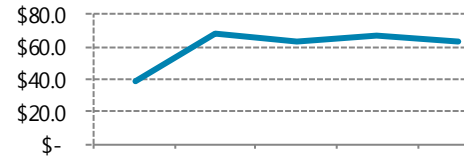
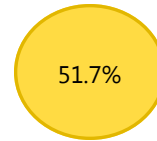
Fund Information

Actual to Budget

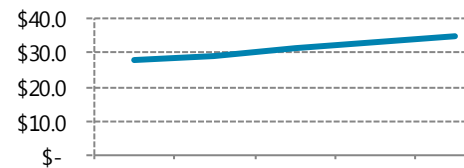
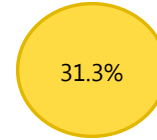
Year-over-Year



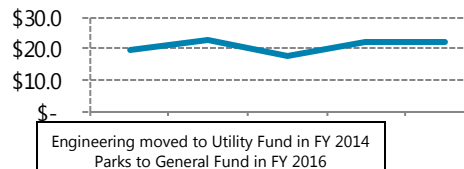
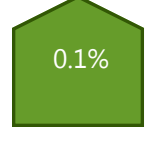
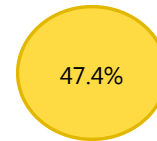
Utility Fund—utility rate revenues support current expenses of \$58.4 M for operation of the water, wastewater, and stormwater utilities. Transfer expense of \$10.2 M, primarily for capital construction.



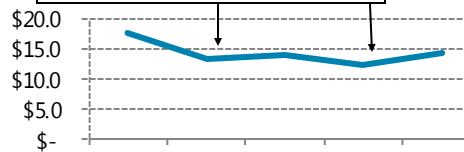
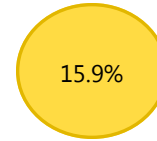
Capital Improvements Fund—public infrastructure projects for primarily streets, utilities, and parks. Year-to-date expenses of \$27.5M.



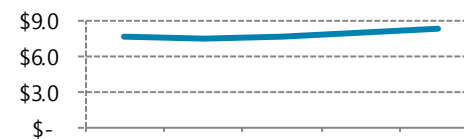
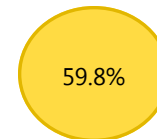
Self Insurance Fund—includes the City's health benefit and risk management programs. Revenues derived from user departments. Expenditures, including cost of claims activity, total \$18.9 M through Q3.



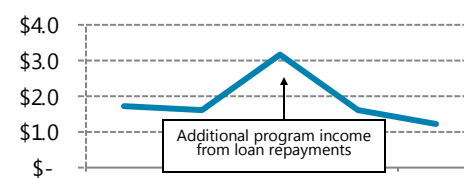
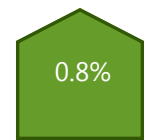
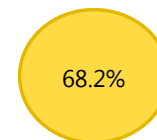
Extra Capacity Facilities Fund—system development charge revenues support enhancements to street, utility, and parks infrastructure. Current expenses are \$3.8 M.



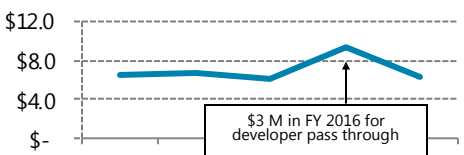
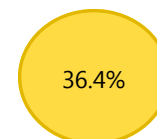
Transportation Services Fund—primarily funded by gas tax revenues and intra-city charges for street and sidewalk maintenance and repair; \$10 M to date.



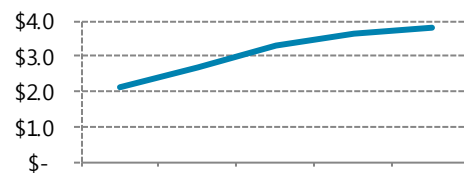
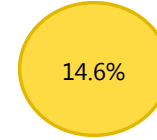
WVCC Fund—for operation of a 29-agency member 911 center supported by user rates. Expenses through Q3 equal \$7.3 M.



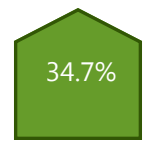
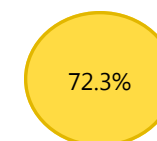
Community Renewal Fund—federal Community Development Block Grant and HOME Investment Partnership funds with expenses through Q3 of \$1.5 M.



Trust Funds—more than 50 cost centers for a variety of purposes to hold revenues in trust plus account for the associated expenditures. Year-to-date expenses are \$477,088.



Cultural and Tourism Fund—revenues derived from the City's transient occupancy tax. Year-to-date expenditures of \$3.6 M to support tourism and cultural enhancements.



OTHER CITY FUNDS DETAIL—Through Q3 FY 2017



Resources:

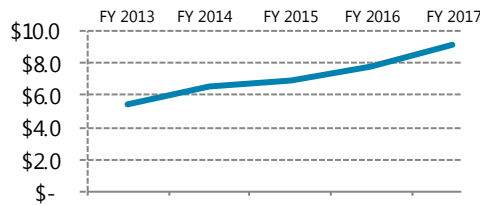
Expenditures:

5 Year Trend, FY 2013-FY 2017 (in millions)

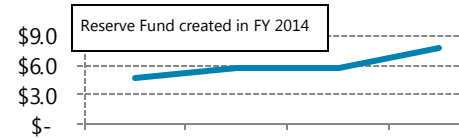
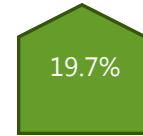
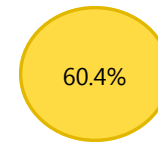
Fund Information

Actual to Budget

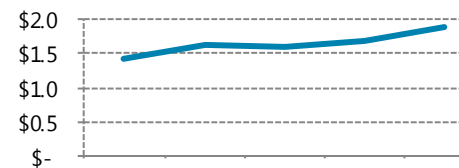
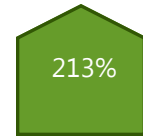
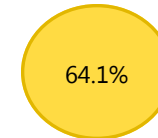
Year-over-Year



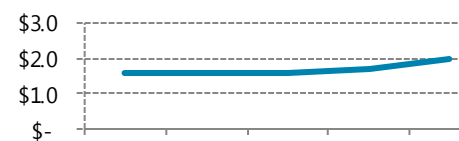
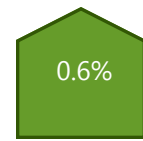
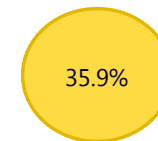
Building and Safety Fund—permit revenues for building, mechanical, electrical, and plumbing. At \$2.9 M, expenditures support inspections and the permit process.



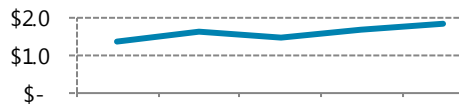
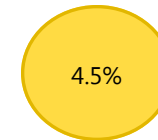
Equipment Replacement Reserve Fund—primarily used for fleet replacement. Year-to-date expenses of \$3.2 M; increased expense due to purchases carried over from prior year.



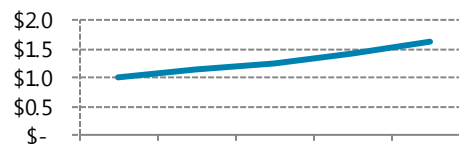
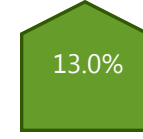
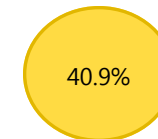
Downtown Parking Fund—provides for the collection of parking tax and permit revenues for the maintenance and operation three city-owned parking structures. Expenditures through Q3 of \$783,869.



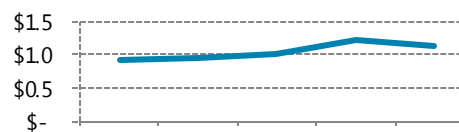
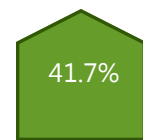
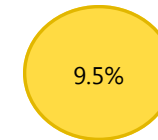
Development District Fund—one of three funds used for City capital construction. This fund accounts for infrastructure improvements in two districts. \$105,340 expense through Q3.



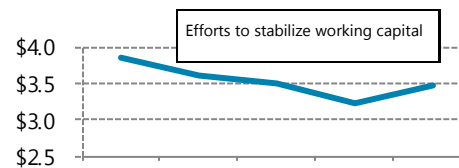
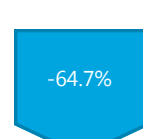
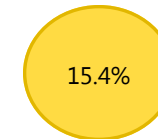
Airport Fund—maintenance and operation of McNary Field with revenues primarily from leased space at the airport. Expenses of \$797,126 to date.



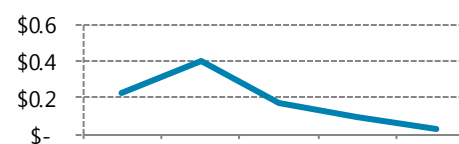
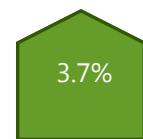
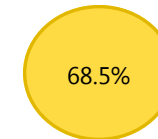
PRIORS Fund—operation of records management system used by 12 law enforcement agencies. Accruing working capital to fund replacement of the currently de-supported system. Q3 expenses of \$157,457.



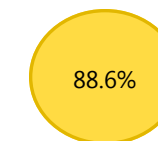
Leasehold Fund—Tenant leases and common area rent for Chemeketa and Liberty parkades. Expenses of \$204,701 for capital projects, utilities, and maintenance.



Emergency Medical Services Fund—Primarily for management of City's contract with ambulance service provider and backup ALS and transport services as needed. Year-to-date expenses are \$537,152.



Economic Improvement District Fund—EID assessment is no longer imposed. Expenses for minor maintenance and improvements with remaining funds. Q3 = \$32,534.



ABOUT . . . OTHER CITY FUNDS

In the Other City Funds data on pages 5 and 6, upward pointing arrows and positive percentages in the *Year-over-Year* change column for expenditures demonstrate a wide range of increases comparing FY 2017 Q3 activity with the prior year. For a number of smaller funds, like the Development District and PRIORS funds, a big year-over-year percentage increase actually reflects a rather small amount of money. However, in the City's Equipment Replacement Reserve Fund, the year-over-year increase of 213% equates to a dollar difference of \$2.15 million and represents the effect of multiple, expensive equipment purchases carried over to FY 2017 from FY 2016.

The results displayed in the view on pages 5 and 6 reflect steady fiscal health for most of these funds. Action by the City Council and the executive management team has helped to relieve immediate concerns with the Transportation Services Fund, with the implementation of the streetlight fee and fund. Revenue projections for the new Streetlight Fund have proved to be accurate (total resources of \$1.82 million through Q3 2017). Fund expenditures focus on payment of electricity costs for the streetlight system and transfers to the Capital Improvements Fund for luminaire replacements.

The Airport Fund, Parking Fund, Emergency Medical Services Fund, and WVCC Fund are all experiencing stabilized working capital. Nonetheless, forecasts for several funds reflect possible future challenges in maintaining fiscal health.

FY 2017 Q3 Construction Highlights and Year-to-Date Expenditures by Type

Construction was completed on the following projects:

Railroad Crossing Safety Improvements – Phase II

Final safety improvements were completed at Woodrow Street NE and Silverton Road NE to allow the Railroad Quiet Zone to extend north through the Silverton Road NE crossing from its present terminus at Market Street NE. The new crossings, along with Madison Street NE and Sunnyview Road NE, officially became quiet on May 1. The Quiet Zone now includes 12 crossings from Mill Street SE through Silverton Road NE.

Construction Waste Processing and Transfer Facility

After over a year of construction, this project is nearing completion and expected to be fully operational by the end of May. The new facility will dewater street sweepings, excavation debris, and other leafy and soil debris associated with operating public stormwater facilities. It will also provide features for receiving septic tank waste from private companies, and a location for the City to store and recycle construction materials.

Willow Lake WPCF Gravity Thickener and Grit Rehabilitation

Construction continued on this rehabilitation project that includes new equipment to improve efficiency in the wastewater treatment process. The second of three grit classifiers was completed and the project is ahead of schedule. Willow Lake Wastewater Pollution Control Facility is located on approximately 45 acres in northwest Keizer. The facility treats all wastewater from Salem, Keizer, and the Turner areas. During normal weather conditions, the facility treats approximately 40 million gallons of wastewater per day; however, flows can exceed 100 million gallons per day during wet weather events.

Kuebler Boulevard SE and Mill Creek Drive SE Traffic Signal Improvements

Construction began on a new traffic signal to serve new businesses and increased traffic at the Mill Creek Corporate Center. The new signal will be operational this summer.

Campbell / Cranston Stormwater Improvements

Construction was completed on over 2,400 feet of new stormwater pipe to replace the existing system which was failing. The work also included the installation of new manholes, catch basins, and pavement restoration.

