

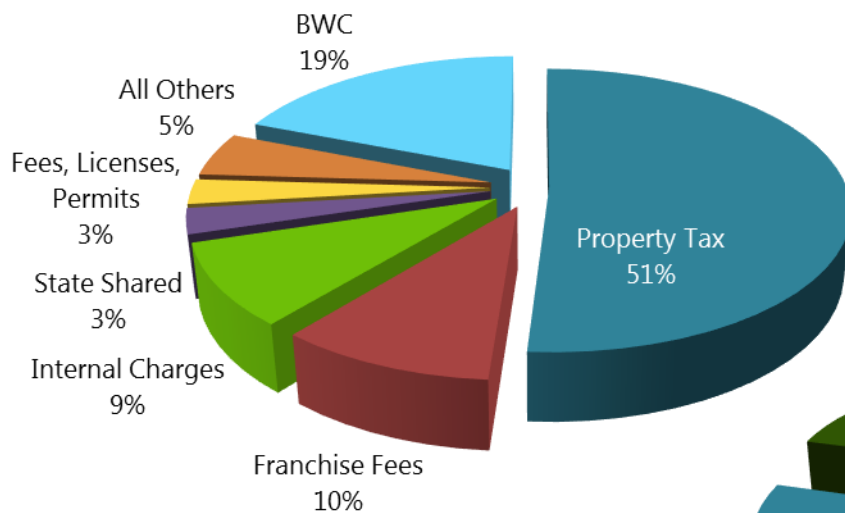
City of Salem Financial Summary

Through Q3 / FY 2018-19

Budget management and monitoring during the third quarter informs the upcoming fiscal year budget preparation. Re-forecasting of current year revenues and expenditures with Q3 data for the General Fund is shared with the Budget Committee during annual review meetings for the future year budget. Comparisons in this document are based on data through Q3 for all years.

General Fund Snapshot

Resources—\$131.5M



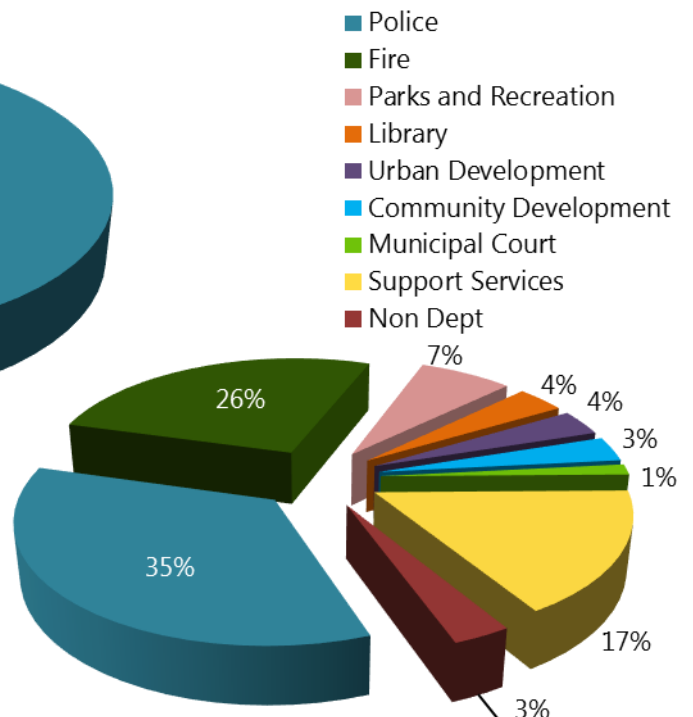
Through March 2019, current year resources equal \$131.5 million. Beginning working capital (BWC) equals \$25 million.

Property tax represents 51 percent of all Q3 General Fund resources at \$67.2 million. Property tax receipts equal about 97.7 percent of anticipated revenues from this source. Franchise fees provide \$12.9 million of total resources.

Internal charges include the City's support services charge 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—\$92.3M



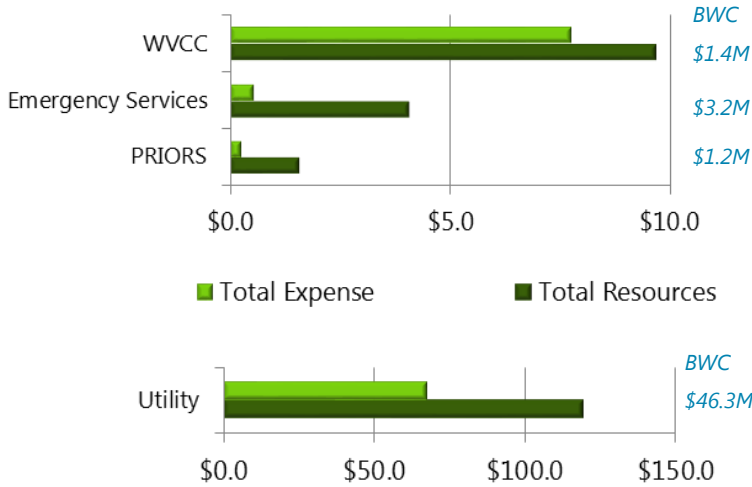
At the three-quarter mark in FY 2019 and with 7 payroll periods remaining, expenditures in the General Fund total \$92.3 million and represent 67.7 percent of the total amount budgeted. Savings are accruing largely as the result of employee attrition and retirements and the timing for re-filling vacancies.

The above chart demonstrates that the Police and Fire departments account for 61 percent of the total expense through Q3. The next largest allocation for Support Services, at 17 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.

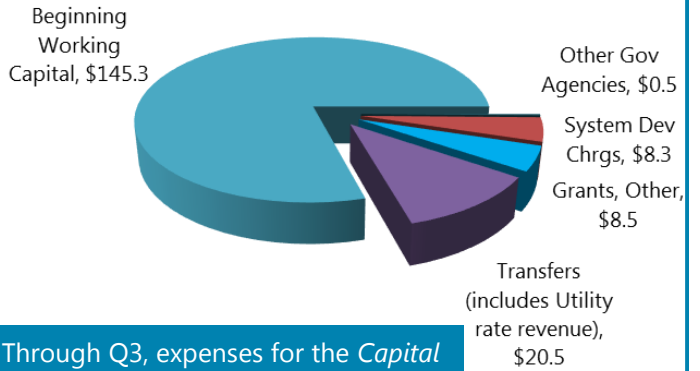
Financial Snapshot by Fund Type

Other City Funds

Enterprise Funds—Q3 FY 2019 (in millions)



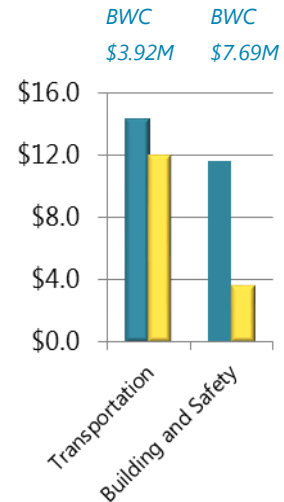
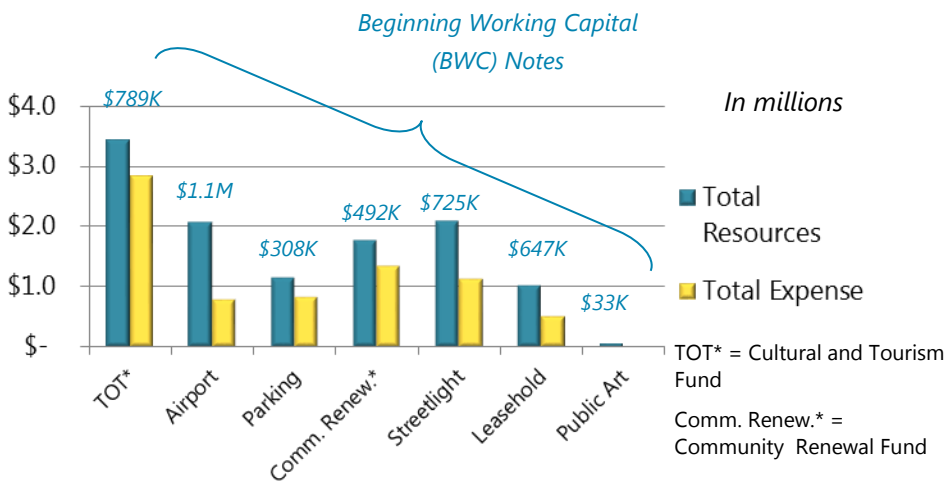
Capital Project Funds Resources = \$183.18 M



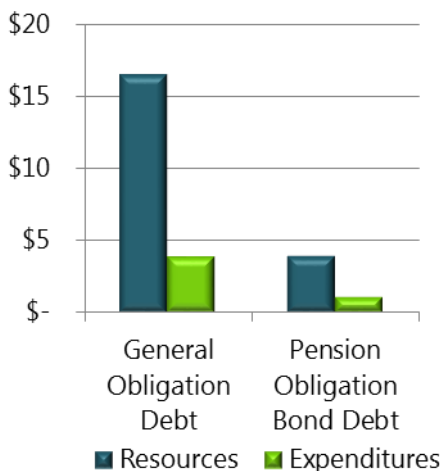
Through Q3, expenses for the *Capital Improvements, Extra Capacity Facilities, and Development District* funds = \$25.4 M

BWC = Beginning Working Capital Note

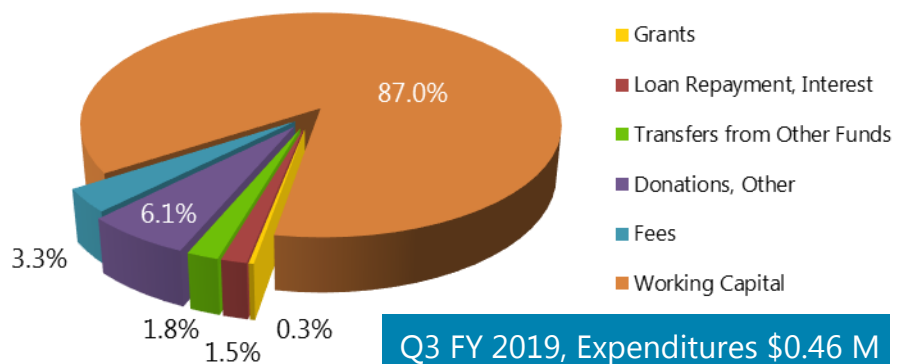
Special Revenue Funds—Q3 FY 2019



Debt Service Fund—Q3 FY 2019



Trust Funds—Q3 FY 2019, Resources \$8.24 M



Q3 FY 2019, Expenditures \$0.46 M

General Fund Detail—Through Q3 FY 2019



Resources @ 75% of the Fiscal Year

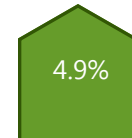
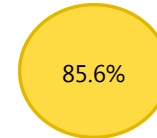
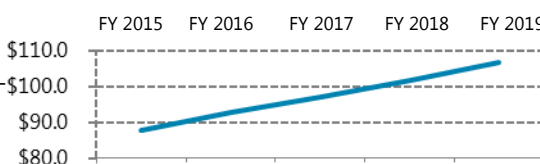
Resource Type

5 Year Trend, FY 2015-FY 2019 (in millions)

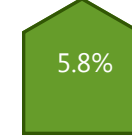
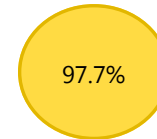
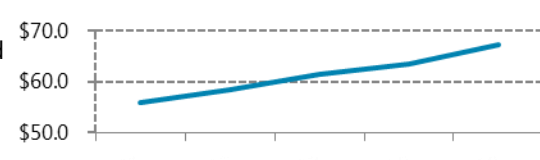
Actual to Budget

Year-over-Year

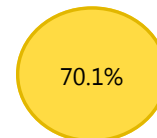
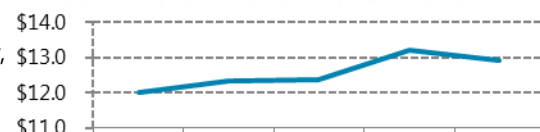
Total New Revenues—a break down of revenue types appears below. Over five years, the percent of budgeted revenues received through Q3 ranges from 60.3% to 97.7%.



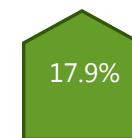
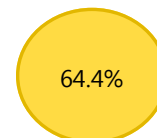
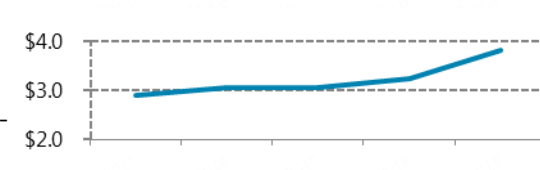
Property Tax—continued increase from 3% legislated increase, lowered compression losses, and some new growth. About 92% of tax collected to date was in November.



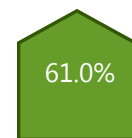
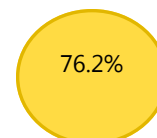
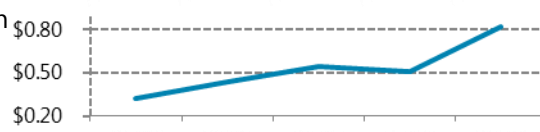
Franchise Fees—Natural gas and refuse fees increased year-over-year, while electric, telecomm, water / sewer, and cable saw a decline.



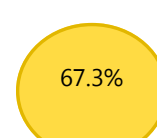
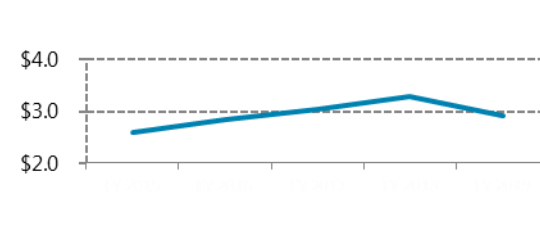
State Shared Revenues—most sources for this revenue type showed increases, but the significant increase year-over-year represents the timing of postings.



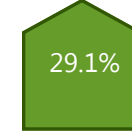
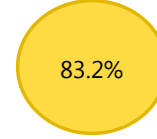
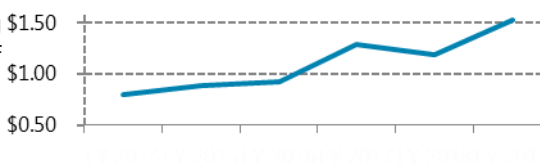
Planning-Related Fees—increase in activity and increase to many fees with the biggest change to plans review.



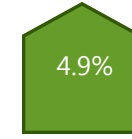
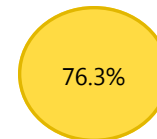
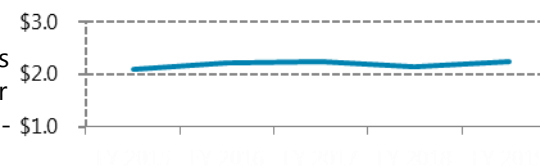
Other Fees—user charges for fire protection, recreation, softball, Center 50+, and library provide decreased receipts of \$379,067 due to the timing of revenue posting and transfer of code enforcement fee revenue to the penalties category.



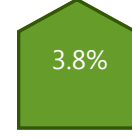
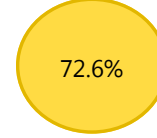
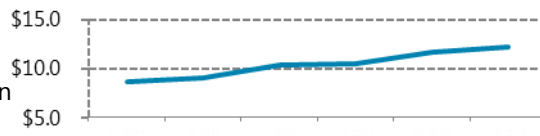
Rents—increased revenue with long legislative session and installation of additional pay machines. Receipts in this category increased by \$344,771 over prior year results.



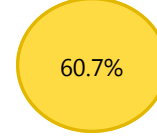
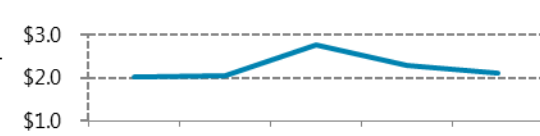
Fines—an increase of \$104,903 in this category results from increases in all fine types and the transfer for code enforcement fees to civil penalties.



Internal Charges—Y-over-Y activity increased \$.44M consistent with budget. Budget to actual comparison for both years through Q3 is 72%.



Other Agencies, Grants, All Other Revenue—decrease in this category is the result of lower state reimbursement receipts this year.



General Fund Expenditures—Through Q3 FY 2019

Expenditures through Q3 FY 2019	Actual-to- Budget	Year-Over- Year	Expenditures through Q3 FY 2019	Actual-to- Budget	Year-Over- Year
Police Personal Services, \$26.3M Materials / Services, \$5.8M Capital Outlay, \$0.1M	71.9%	4.7%	Fire Personal Services, \$21.1M Materials / Services, \$3.2M	70.8%	8.4%
Library Personal Services, \$2.8M Materials / Services, \$0.5M Interfund Transfers, \$0.1M	67.2%	-0.8%	Community Development Personal Services, \$2.6M Materials / Services, \$0.5M Interfund Transfers, \$5,000	64.6%	13.9%
Parks and Recreation Personal Services, \$3.7M Materials / Services, \$2.6M Capital Outlay, \$48,720 Interfund Transfers, \$0.2M	70.6	-5.7%	Urban Development Personal Services, \$2.3M Materials / Services, \$0.8M Interfund Transfers, \$0.1M	62.5	9.3%
Support and Non-Dept Personal Services, \$12.4M Materials / Services, \$4.6M Debt Service, \$0.1M Interfund Transfers, \$1.0M	59.0%	5.2%	Municipal Court Personal Services, \$1.0M Materials / Services, \$0.4M	64.2%	1.6%

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 2019 Q3 activity with the prior year. For a number of smaller funds, like the [Community Renewal Fund](#), big year-over-year percentage increases actually reflect relatively small amounts of money. A much smaller percentage increase of 1.9 percent in the [Self Insurance Fund](#) represents approximately the same amount of dollar variance.

Some notable changes—representing upward and downward pointing arrows—include:

- In the City's [Utility Fund](#), the year-over-year decrease of 47 percent equates to a dollar difference of \$58.8 million and reflects a decrease from bond re-financing activity in FY 2018.
- Working capital for FY 2019 in the [Cultural and Tourism Fund](#) is \$243,880 more than the prior year due to a partial repayment of a transfer to support maintenance in large parks.
- Increased year-over-year expenses in the Streetlight Fund reflect an increase in transfer expense to the Capital Improvements Fund for streetlight pole rehabilitation or replacement and the installation of new streetlights. With the LED relamping of all streetlights, the fund showed \$69,000 year-over-year savings on electric costs.
- A year-over-year decrease in the [Parking Fund](#)'s working capital reflects an effort to set aside funding for future capital improvements at the City's garages.
- Increased cost in the [Building and Safety Fund](#) of more than 13 percent is due to the timing of filling vacancies and the impact of changes in the labor contract in the current fiscal year.
- Combined expenses for FY 2019 in the [Capital Improvements Fund](#) and [System Development Charge Fund](#) (also called Extra Capacity Facilities Fund) equate to 8.2 percent more than the prior year due in part to an increase in capital improvement expenses in FY 2019 for large utility projects, including stormwater improvements on 12th street, the wastewater cogeneration facility, and the chlorine reduction facility and resanding of the roughing filter for water treatment. Airport project costs in FY 2019 are \$3.1 million more than the prior year with the rehabilitation of the largest airport runway.

Other City Funds Detail—Through Q3 FY 2019



Resources:

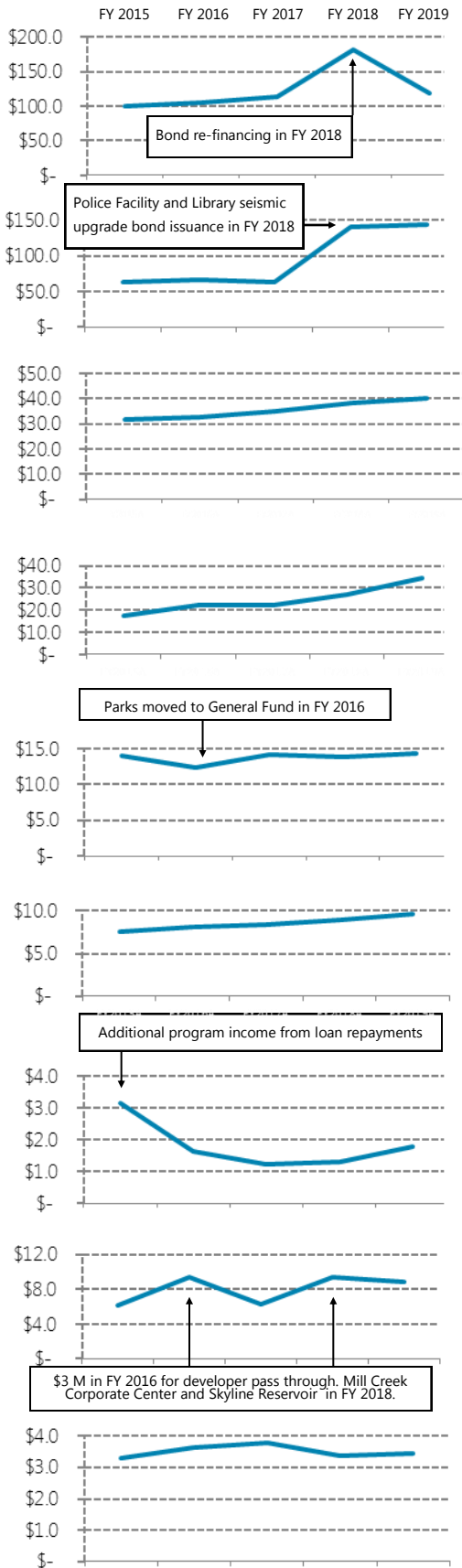
Expenditures:

5 Year Trend, FY 2015-FY 2019 (in millions)

Fund Information

Actual to Budget

Year-over-Year



Utility Fund—utility rate revenues support expenses of \$67 M for the water, wastewater, and stormwater utility with a transfer expense of \$17.1 M, primarily for capital construction.

Capital Improvements Fund—public infrastructure projects for primarily streets, utilities, parks and significant building projects. Year-to-date expenses of \$21.4 M.

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 \$21.4 M through Q3.

Extra Capacity Facilities Fund—system development charge revenues support enhancements to street, utility, and parks infrastructure. Current expenses are \$3.9 M.

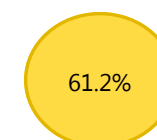
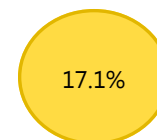
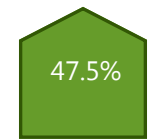
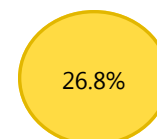
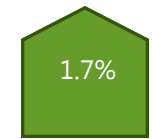
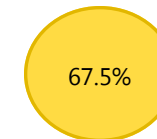
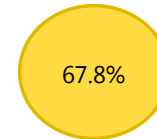
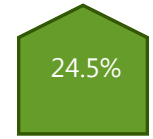
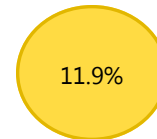
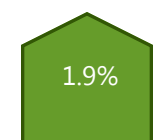
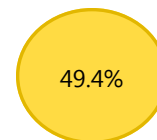
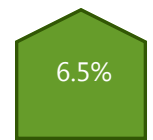
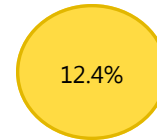
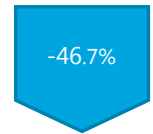
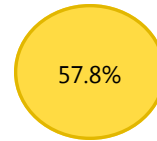
Transportation Services Fund—primarily funded by gas tax revenues and intra-city charges for street and sidewalk maintenance and repair; \$12 M to date.

WVCC Fund—for operation of a 29-agency member 911 center supported by user rates. Expenses through Q3 equal \$7.7 M.

Community Renewal Fund—federal Community Development Block Grant and HOME Investment Partnership funds with expenses through Q3 of \$1.3 M.

Trust Funds—more than 50 cost centers for a variety of purposes to hold revenues in trust plus accounting for the associated expenditures. Year-to-date expenses are \$0.5 M.

Cultural and Tourism Fund—revenues derived from the City’s transient occupancy tax. Year-to-date expenditures of \$2.9 M to support tourism and cultural enhancements.



Other City Funds Detail—Through Q3 FY 2019



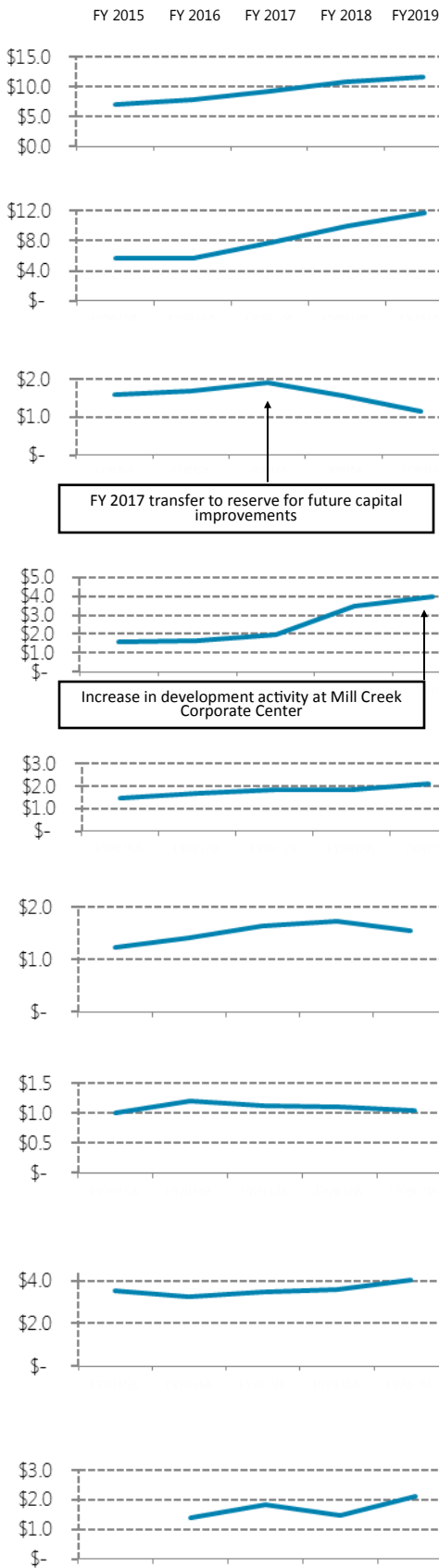
Resources:

5 Year Trend, FY 2015-FY 2019 (in millions) Fund Information

Expenditures:

Actual to Budget

Year-over-Year



Building and Safety Fund—permit revenues for building, mechanical, electrical, and plumbing. At \$3.7 M, expenditures support inspections and the permit process.

Equipment Replacement Reserve Fund—primarily used for fleet replacement. Year-to-date expenses of \$2.9 M; low budget to actual comparison relates to almost full appropriation of the reserve.

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 \$838,605.

Development District Fund—one of three funds used for City capital construction. This fund accounts for infrastructure improvements in two districts. \$15,217 expense through Q3.

Airport Fund—maintenance and operation of McNary Field with revenues primarily from leased space at the airport. Expenses of \$787,018 to date.

PRIORS Fund—operation of records management system for 12 law enforcement agencies. Accrued working capital being used to fund replacement of the currently de-supported system. Q3 expenses of \$237,801.

Leasehold Fund—Tenant leases and common area rent for Chemeketa and Liberty parkades. Expenses of \$519,944 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 \$430,732.

Streetlight Fund—established in FY 2016, the streetlight fee pays for electricity for streetlights, conversion to more energy efficient LED lights, and installation of new light poles. Q3 = \$1,130,498.

