



# City of Salem, Oregon

January 25, 2021 - Finance Committee Meeting  
(Zoom)

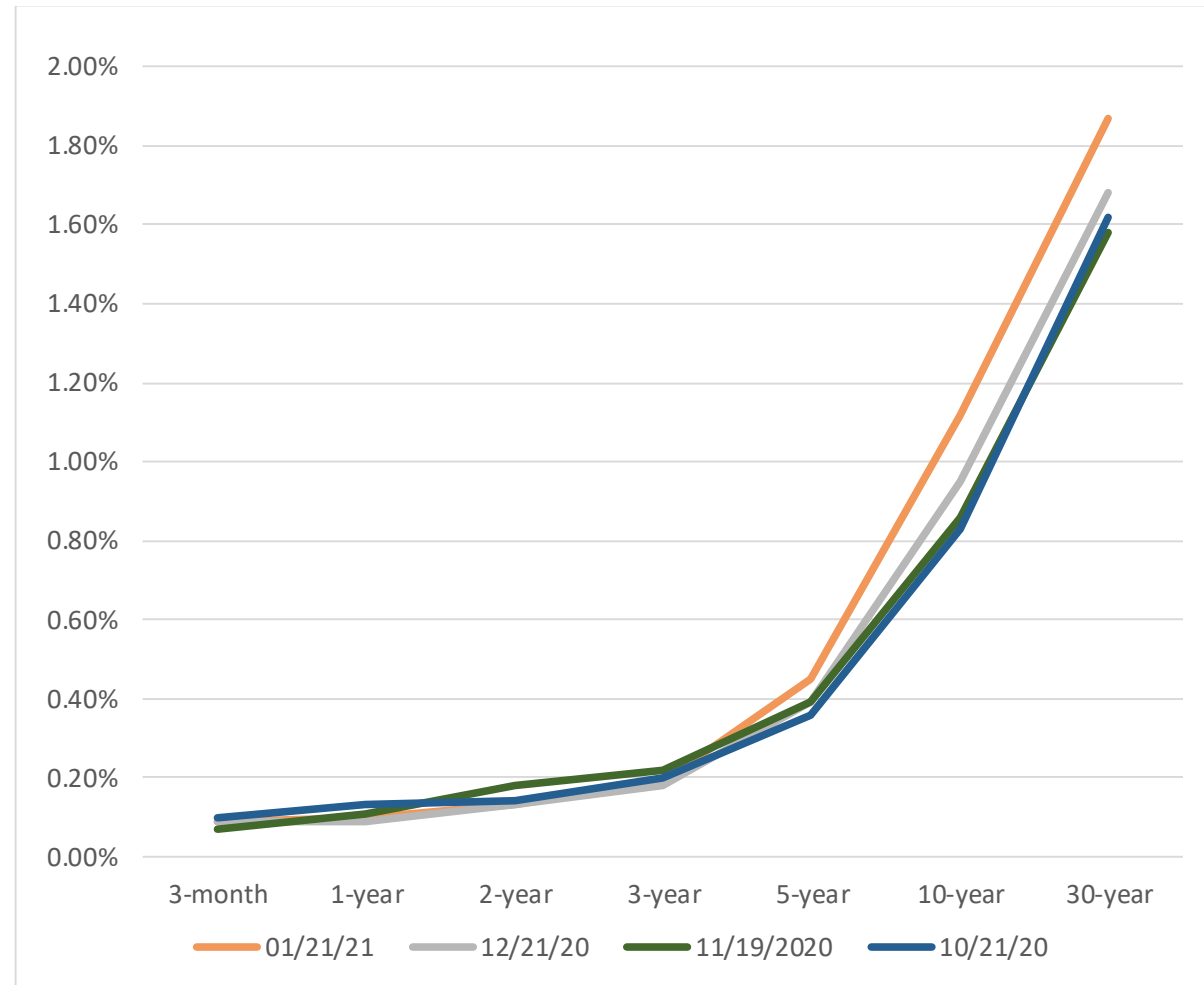
# General Fund FY 2020 Audited Results

- ENDING FUND BALANCE** is \$14.7M better than budgeted, comprised of two major components (yellow colored shading)
  - The Beginning Balance is \$1.0M better than budget, and
  - The Operating Performance \$13.7M better than budget
- OPERATING PERFORMANCE** is \$13.7M better than budgeted, comprised of two major components (peach colored shading)
  - The \$5.1M Revenue better than budget:
    - +\$3.6M greater than budget for the unbudgeted Operations Fee
    - +\$3.0M greater than budget for the unbudgeted CRF reimbursements
    - \$1.5M less than budget in various other revenue categories, driven by less Franchise, Internal, Library and Parking revenues
  - The \$8.6M Expenditures better than budget:
    - \$5.0M less Personal Services expenditures due to vacancies
    - \$1.8M less Contingency expenditures (unspent)
    - \$1.8M less Miscellaneous Other expenditures (\$1.5M of which were approved for carryover into FY 2021)
- REVENUES EXCEEDED EXPENDITURES** by \$2.8M and was used as justification for the \$1.4M supplemental budget approved 11/8/20

	Budget	Actuals	Variance to Budget B/(W)
<b>Beginning Fund Balance</b>	<b>21,192,270</b>	<b>22,198,336</b>	<b>1,006,066</b>
<i>Revenues</i>			
Fees for Services	2,864,310	6,282,151	3,417,841
Grants	502,840	3,875,901	3,373,061
State Shared Revenues	6,493,320	6,800,456	307,136
Other Agencies	2,027,770	2,238,489	210,719
Interest	494,000	699,802	205,802
Sales Tax	969,830	1,160,850	191,020
Other Revenues	192,000	350,139	158,139
Transfers	1,672,440	1,625,201	(47,239)
Licenses and Permits	1,564,410	1,404,942	(159,468)
Property Tax	71,358,520	71,146,768	(211,752)
Rent	1,885,910	1,582,858	(303,052)
Other Fees	1,246,970	840,037	(406,933)
Franchise Fees	18,601,060	18,091,467	(509,593)
Internal Charges	16,355,170	15,817,225	(537,945)
Fines, Penalties	2,628,770	2,039,690	(603,440)
<b>Total</b>	<b>128,857,320</b>	<b>133,955,976</b>	<b>5,084,296</b>
<i>Expenditures</i>			
Non Departmental	7,126,600	3,789,402	3,337,198
Police	46,944,140	45,160,051	1,784,089
Library	5,063,480	4,492,947	570,533
Fire	36,044,050	35,557,511	486,539
Finance	4,086,580	3,603,843	482,737
Community Development	4,739,150	4,262,783	476,367
Urban Development	5,317,740	4,964,439	353,301
Municipal Court	2,155,500	1,882,556	272,944
Recreation	1,279,960	1,066,325	213,635
Human Resources	1,580,220	1,442,248	137,972
Center 50+	1,218,320	1,083,895	134,425
City Manager's Office	1,295,970	1,181,699	114,271
Facilities Services	4,297,960	4,186,170	111,790
Information Technology	8,948,340	8,879,406	68,934
Legal	2,447,240	2,404,320	42,920
Mayor & Council	211,810	180,165	31,645
Parks	7,044,890	7,049,393	(4,503)
<b>Total</b>	<b>139,801,950</b>	<b>131,187,153</b>	<b>8,614,797</b>
<b>Fiscal Year Impact (Rev-Exp)</b>	<b>(10,944,630)</b>	<b>2,768,823</b>	<b>13,699,093</b>
<b>Ending Fund Balance</b>	<b>10,247,640</b>	<b>24,967,159</b>	<b>14,705,159</b>

# U.S. Treasury Yield Curve - Normal Upward Sloping Curve (increases 3 to 10-year maturities in January)

	01/21/21	12/21/20	11/19/20	10/21/20
<b>3-month</b>	<b>0.09%</b>	<b>0.09%</b>	<b>0.07%</b>	<b>0.10%</b>
<b>1-year</b>	<b>0.10%</b>	<b>0.09%</b>	<b>0.11%</b>	<b>0.13%</b>
<b>2-year</b>	<b>0.13%</b>	<b>0.13%</b>	<b>0.18%</b>	<b>0.14%</b>
<b>3-year</b>	<b>0.19%</b>	<b>0.18%</b>	<b>0.22%</b>	<b>0.20%</b>
<b>5-year</b>	<b>0.45%</b>	<b>0.39%</b>	<b>0.39%</b>	<b>0.36%</b>
<b>10-year</b>	<b>1.12%</b>	<b>0.95%</b>	<b>0.86%</b>	<b>0.83%</b>
<b>30-year</b>	<b>1.87%</b>	<b>1.68%</b>	<b>1.58%</b>	<b>1.62%</b>



<https://emma.msrb.org/ToolsAndResources/TreasuryYieldCurve?daily=True>

# 12/31/2020 PFM Account Statement

## The City of Salem's Investment Program

Managed by City Staff	
U.S. Bank	LGIP
* High degree of liquidity	* High degree of liquidity
* Competitive yield	* Competitive yield
* Suitable for operational cash needs	* Suitable for operational cash needs
No Benchmark	No Benchmark
<b>Balances as of:</b>	(excludes accrued interest) <b>Total market value</b>
<b>December 31, 2020</b>	<b>\$422,617,066</b>
\$104,000,318 24.6%	\$95,118,385 22.5%
<b>November 30, 2020</b>	<b>\$423,045,351</b>
\$58,484,061 13.8%	\$158,589,744 37.5%
<b>October 31, 2020</b>	<b>\$349,596,204</b>
\$41,506,590 11.9%	\$91,470,107 26.2%
<b>September 30, 2020</b>	<b>\$359,805,808</b>
\$51,251,897 14.2%	\$90,266,995 25.1%

Managed by PFM				
GO Bond Portfolios	Short-Term Portfolio	Long-Term Portfolio		
* Bond Proceeds from: 2018 Library Project, 2017 Police Facility Salem Streets & Bridges, and 2020 Water-Sewer	* Complement to LGIP and U.S. Bank balances	* "Core" portfolio whose assets may be invested to take advantage of longer maturity securities at potentially higher yields		
* Invested to meet draw scheduled needs of CIP	* Targets cash needs up to 12 months			
* Reasonable level of liquidity	* Capitalizes on yields in money market sector			
Matched to Project Needs	Benchmark: Oregon LGIP	Benchmark: Bank of America/Merrill Lynch 1- 5 Year US Treasury Index		
\$17,264,993 4.1%	\$20,981,552 5.0%	\$185,251,818 43.8%		
\$20,538,358 4.9%	\$0 0.0%	\$185,433,189 43.8%		
\$26,003,134 7.4%	\$5,005,469 1.4%	\$185,610,905 53.1%		
\$22,232,228 6.2%	\$10,014,844 2.8%	\$186,039,844 51.7%		

# 12/31/2020 PFM Account Statement

## Market Value Trend and Investment Sector Compliance

### Summary Page #1

- Market Value relatively unchanged due to property tax receipts in November and December
- Weighted Average Maturity (WAM) small decline due to project spending requiring funds in the short-term
- Sector Distribution Within Policy Limits

MONTHLY SUMMARY				
	ME 12/31/20	ME 11/30/20	ME 10/31/20	ME 9/30/20
<b>Market Value (MV)</b>	<b>\$ 422,617,066</b>	<b>\$ 423,045,351</b>	<b>\$ 349,596,204</b>	<b>\$ 359,805,808</b>
Weighted Average Maturity (years)	0.93	0.95	1.13	1.15
Weighted Average Maturity (months)	11.18	11.41	13.56	13.80
Cash Basis Earnings for Period (PFM)	\$ 214,632	\$ 480,313	\$ 414,092	\$ 424,759
SECTOR DISTRIBUTION				
Sector	Market Value	% of Portfolio	Allowed by Policy	
U.S. Treasuries	\$ 156,561,397	37.0%	100%	
Federal Agencies	\$ 21,801,162	5.2%	100%	
Municipal Obligations	\$ 1,489,309	0.4%	10%	
Commercial Paper	\$ 21,731,189			
Corporate Notes	\$ 21,915,307			
	<u>\$ 43,646,496</u>	10.3%	35%	
LGIP	\$ 95,118,385	22.5%	ORS Limit	
Collateralized Deposit Accounts	\$ 104,000,318	24.6%	100%	
<b>Total</b>	<b>\$ 422,617,066</b>	100.0%		

# 12/31/2020 PFM Account Statement

## Market Value Trend by Investment Category

	12/31/2020			11/30/2020			10/31/2020			9/30/2020		
	Security MV	Accrued Int	Total MV	Security MV	Accrued Int	Total MV	Security MV	Accrued Int	Total MV	Security MV	Accrued Int	Total MV
Long-Term	\$ 185,251,818	\$ 829,174	\$ 186,080,992	\$ 185,433,189	\$ 733,295	\$ 186,166,484	\$ 185,610,905	\$ 780,574	\$ 186,391,478	\$ 186,039,844	\$ 830,037	\$ 186,869,882
Short-Term	\$ 20,981,552	\$ -	\$ 20,981,552	\$ -	\$ -	\$ -	\$ 5,005,469	\$ 34,187	\$ 5,039,656	\$ 10,014,844	\$ 64,822	\$ 10,079,666
Streets & Bridges	\$ 1,614,451	\$ -	\$ 1,614,451	\$ 1,614,314	\$ -	\$ 1,614,314	\$ 1,614,107	\$ -	\$ 1,614,107	\$ 1,613,964	\$ -	\$ 1,613,964
Police	\$ -	\$ -	\$ -	\$ 2,062,575	\$ 15,086	\$ 2,077,661	\$ 2,065,472	\$ 12,147	\$ 2,077,619	\$ 2,068,369	\$ 9,110	\$ 2,077,479
Library	\$ 1,059,928	\$ 1,784	\$ 1,061,712	\$ 2,257,211	\$ 13,302	\$ 2,270,513	\$ 7,710,824	\$ 18,845	\$ 7,729,669	\$ 3,916,798	\$ 24,677	\$ 3,941,475
Water-Sewer	\$ 14,590,614	\$ 93,824	\$ 14,684,438	\$ 14,604,258	\$ 83,041	\$ 14,687,298	\$ 14,612,731	\$ 63,788	\$ 14,676,519	\$ 14,633,098	\$ 44,535	\$ 14,677,632
<b>Bonds Total</b>	<b>\$ 17,264,993</b>	<b>\$ 95,608</b>	<b>\$ 17,360,601</b>	<b>\$ 20,538,358</b>	<b>\$ 111,429</b>	<b>\$ 20,649,786</b>	<b>\$ 26,003,134</b>	<b>\$ 94,780</b>	<b>\$ 26,097,914</b>	<b>\$ 22,232,228</b>	<b>\$ 78,322</b>	<b>\$ 22,310,550</b>
<b>PFM MANAGED</b>	<b>\$ 223,498,363</b>	<b>\$ 924,782</b>	<b>\$ 224,423,145</b>	<b>\$ 205,971,547</b>	<b>\$ 844,723</b>	<b>\$ 206,816,270</b>	<b>\$ 216,619,508</b>	<b>\$ 909,541</b>	<b>\$ 217,529,049</b>	<b>\$ 218,286,916</b>	<b>\$ 973,182</b>	<b>\$ 219,260,098</b>
LGIP-City	\$ 51,260,278		\$ 51,260,278	\$ 112,836,415		\$ 112,836,415	\$ 54,357,098		\$ 54,357,098	\$ 52,573,404		\$ 52,573,404
LGIP-URA	\$ 43,858,107		\$ 43,858,107	\$ 45,753,329		\$ 45,753,329	\$ 37,113,009		\$ 37,113,009	\$ 37,693,591		\$ 37,693,591
<b>Total LGIP</b>	<b>\$ 95,118,385</b>	<b>\$ -</b>	<b>\$ 95,118,385</b>	<b>\$ 158,589,744</b>	<b>\$ -</b>	<b>\$ 158,589,744</b>	<b>\$ 91,470,107</b>	<b>\$ -</b>	<b>\$ 91,470,107</b>	<b>\$ 90,266,995</b>	<b>\$ -</b>	<b>\$ 90,266,995</b>
US Bank	\$ 104,000,318		\$ 104,000,318	\$ 58,484,061		\$ 58,484,061	\$ 41,506,590		\$ 41,506,590	\$ 51,251,897		\$ 51,251,897
<b>CITY MANAGED</b>	<b>\$ 199,118,703</b>	<b>\$ -</b>	<b>\$ 199,118,703</b>	<b>\$ 217,073,805</b>	<b>\$ -</b>	<b>\$ 217,073,805</b>	<b>\$ 132,976,696</b>	<b>\$ -</b>	<b>\$ 132,976,696</b>	<b>\$ 141,518,892</b>	<b>\$ -</b>	<b>\$ 141,518,892</b>
<b>PORTFOLIO TOTAL</b>	<b>\$ 422,617,066</b>	<b>\$ 924,782</b>	<b>\$ 423,541,848</b>	<b>\$ 423,045,351</b>	<b>\$ 844,723</b>	<b>\$ 423,890,075</b>	<b>\$ 349,596,204</b>	<b>\$ 909,541</b>	<b>\$ 350,505,745</b>	<b>\$ 359,805,808</b>	<b>\$ 973,182</b>	<b>\$ 360,778,990</b>