

CITY OF SALEM FINANCIAL SUMMARY

Quarter 3 / FY 2014-15

22

Number of City of Salem funds included in this financial summary for the quarter ending March 31, 2015.

By the Numbers

170

Number of cost centers—such as Street Crimes Unit in the Police Department or Traffic Engineering in Public Works—used to manage the resources and expenditures needed to provide City programs and services.

4,322

Number of line items for working capital, revenues, and expenditures used in the 170 cost centers and 22 funds of the City's fiscal budget. More than 23,420 hours of analysis, evaluation, reconciliation, and data entry by 140 staff contribute to the development and management of the budget each year.

GENERAL FUND

Performance at a Glance



Working Capital
Expenditures vs Revenues
Expenditures vs Budget



Property Tax Revenues
Franchise Fee Revenues
State Shared Revenues
Fines and Penalties

What the **PERFORMANCE AT A GLANCE** Ratings Mean

POSITIVE (green) – Current revenues and City Council-adopted use of reserves sufficient to support the current level of service. Fund working capital is stable over a 3-year forecast. No significant negative issues are identified.

WATCH (yellow) – Various stressors that may cause current revenues to be flat or decline and impact the fund's capacity to support the current level of service. Factors exist that may contribute to the instability of the fund working capital over the next year.

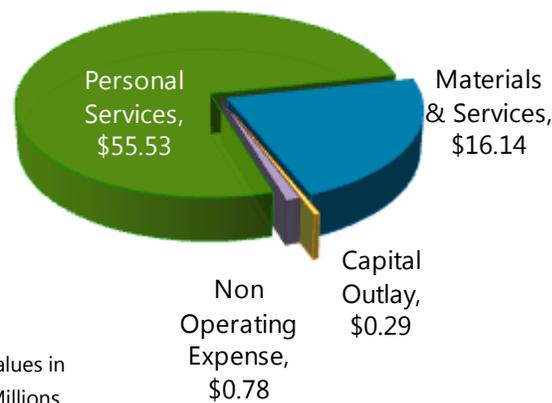
51

Percent that property tax represents of total General Fund revenues through the quarter.

RESOURCES—Q3, FY 2014-15



EXPENDITURES—Q3, FY 2014-15



Values in Millions

76

Percent that staffing costs—salaries, insurance, retirement, and other benefits—represent of total General Fund expenses through the quarter.

GENERAL FUND—RESOURCES Q3

By the Numbers

53,678

Number of active property tax records within the City of Salem in FY 2015.

Year-to-Year Comparison

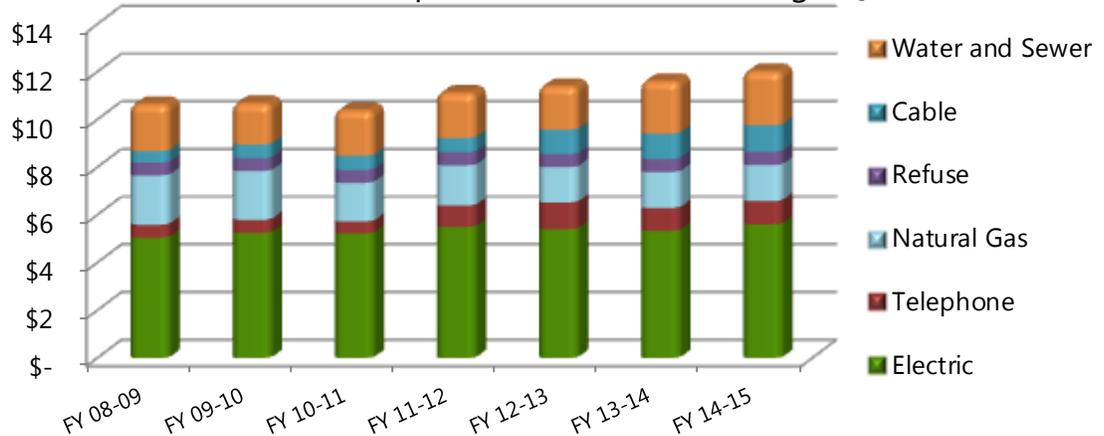
	Fiscal Year 2013-14			Fiscal Year 2014-15			Difference FY to FY
	Budget	3/31/14	% YTD	Budget	3/31/15	% YTD	
Beginning Working Capital	\$ 18,195,680	\$ 20,799,360	114%	\$ 19,564,780	\$ 20,997,247	107%	\$ 197,887
Property Taxes	56,427,780	53,351,938	95%	57,015,410	55,969,110	98%	2,617,171
Franchise Fees	15,921,880	11,596,242	73%	15,620,450	12,006,493	77%	410,251
Internal Charges	11,034,910	8,062,418	73%	11,241,730	8,209,147	73%	146,729
State Shared Revenues	4,588,060	2,940,812	64%	4,724,940	2,908,882	62%	(31,930)
Fees, Licenses, and Permits	3,469,700	2,762,181	80%	3,839,620	2,902,998	76%	140,818
Rents and Other Agencies	2,754,910	1,862,832	68%	2,522,740	1,996,559	79%	133,727
Fines, Penalties, and Forfeitures	2,730,970	2,053,549	75%	2,613,630	2,083,074	80%	29,524
Grants, Other Misc. Revenue *	7,174,410	5,745,715	80%	10,400,200	1,768,265	17%	(3,977,450)
Current Revenues	\$ 104,102,620	\$ 88,375,686	85%	\$ 107,978,720	\$ 87,844,527	81%	\$ (531,159)
* includes du jour loan proceeds							
Total Resources	\$ 122,298,300	\$ 109,175,046	89%	\$ 127,543,500	\$ 108,841,774	85%	\$ (333,272)

Year-to-year revenue changes include increased property tax and franchise fee receipts. The decrease in the revenue grouping of "Grants, Other Misc. Revenue" is related to the timing of short-term—or du jour—loan repayments from the Salem Urban Renewal Agency.

61

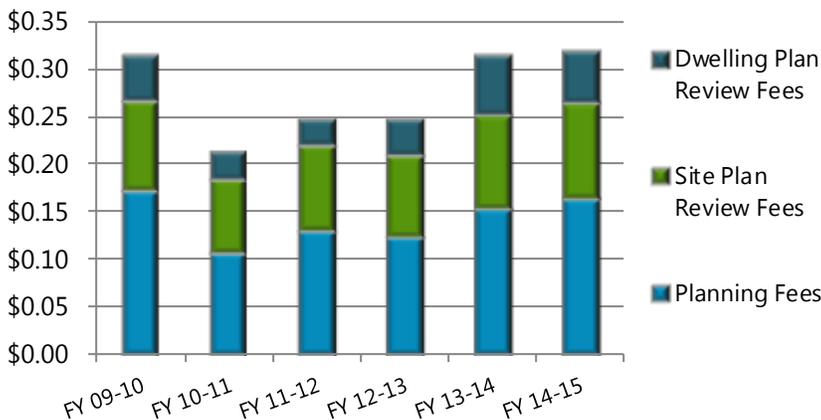
Number of franchisees from the six types, listed at right, charged for use of the right-of-way within the City of Salem.

Franchise Fee Comparison—Revenue Through Q3 (in Millions)



Development-Related Fees—Revenue Through Q3

(in Millions)



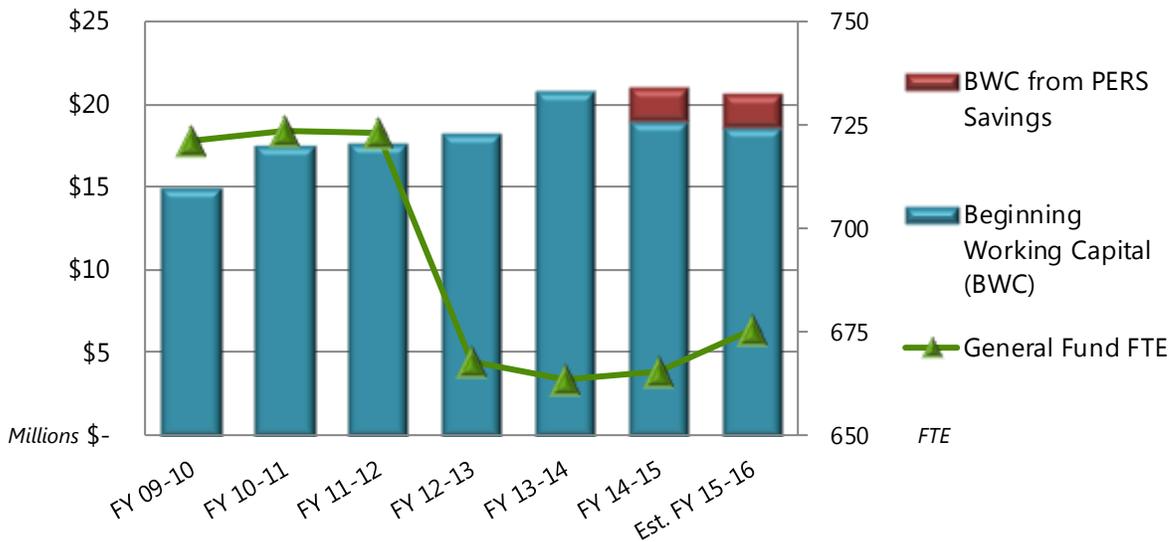
58

Percent increase Q2 to Q3 in FY 2014-15 for fees related to development.

This same bar chart was featured in the financial summary for the quarter ending December 31. At that time the current year receipts for all three fee types were lagging the prior year, but have since recovered. Revenues for the current fiscal year and FY 2014-15 mirror FY 2009-10 during the period of federal stimulus programs for first-time home buyers. During the six-year period, fee increases have been implemented to improve the cost recovery of planning services.

GENERAL FUND—RESOURCES Q3

Beginning Working Capital Comparison



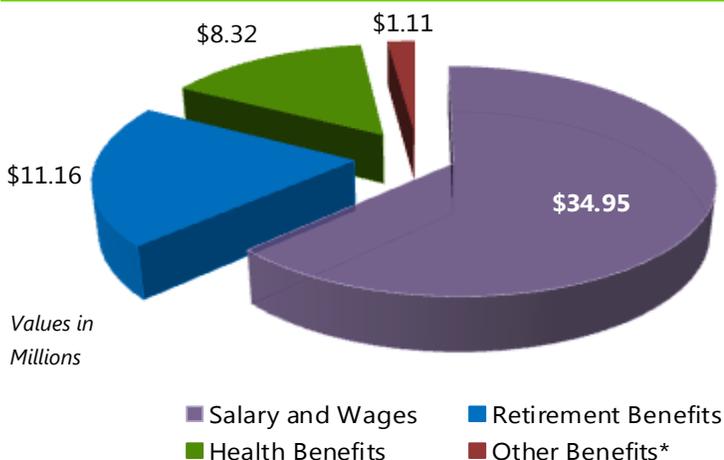
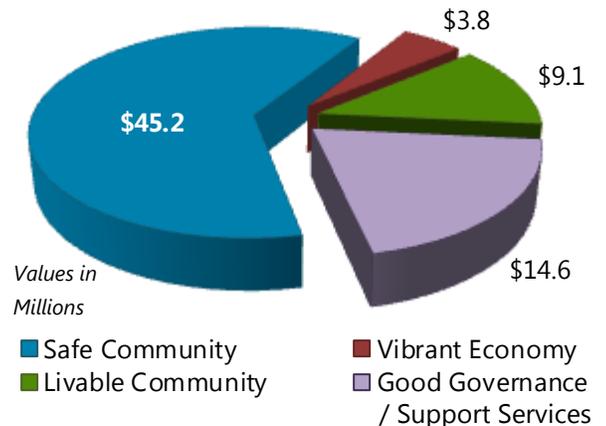
This view of General Fund beginning working capital includes six years of actual data and the proposed budget estimate for the upcoming fiscal year. Position reductions in FY 12-13 helped to stabilize working capital for the fund. Two years of PERS rate relief has recently contributed approximately \$2 million per year.

GENERAL FUND—EXPENDITURES Q3

\$72.74 M

Year-to-date total expenditures in the General Fund

The chart at right provides an additional view of General Fund expenses through Q3 of FY 2014-15. The grouping of result areas includes Police, Fire, and Municipal Court combined as Safe Community. Livable Community joins the Salem Public Library, the cost for Parks maintenance charged to the General Fund, Neighborhood Enhancement Division, and Housing and Social Services. Vibrant Economy merges Community Development and Urban Development. Good Governance / Support Services includes executive management, legal, human resources, finance, procurement, information technology, and facilities services, plus the costs in Non Departmental that have a citywide benefit.



\$55.5 M

Personal Services costs through Q3 in the General Fund

The chart at left breaks down total personal services expenses through Q3 for the General Fund. The total of \$55,528,896 represents a 2.5 percent increase over the same period in the prior year. Higher expenses are attributable to wage adjustments and escalating costs for health benefits.

* Worker's compensation premium / assessment, unemployment insurance

OTHER CITY FUNDS

Performance at a Glance



Building and Safety Fund
Cultural and Tourism Fund
Water and Sewer Fund
Self Insurance Fund
Plus remaining 12 funds



Public Works Fund
Airport Fund
Parking Fund
Emergency Services Fund
WVCC Fund

OTHER CITY FUNDS RESOURCES Q3—Year-to-Year Comparison

Fund Number and Name	FY 13-14	Resources 3/31/2014	FY 14-15	Resources 3/31/2015	% of FY15	Variance 13-14 to 14-15
	Adopted Budget		Adopted Budget		Resources Budget	
155 <i>Public Works</i>	\$ 17,986,240	\$ 13,310,761	\$ 18,588,830	\$ 14,056,091	75.6%	\$ 745,330
160 <i>Airport</i>	1,754,510	1,649,768	1,618,050	1,493,593	92.3%	(156,175)
165 <i>Community Renewal</i>	5,925,490	1,592,916	5,418,710	3,153,307	58.2%	1,560,390
170 <i>Parking</i>	2,849,620	1,635,457	2,763,160	1,606,200	58.1%	(29,257)
172 <i>Economic Improvement Dist.</i>	313,000	405,577	176,800	173,716	98.3%	(231,861)
175 <i>Cultural and Tourism</i>	3,099,890	2,674,152	4,132,500	3,310,638	80.1%	636,487
176 <i>Public Art</i>	4,320	2,833	6,070	6,221	102.5%	3,388
180 <i>Leasehold</i>	1,127,320	960,448	1,212,820	1,005,232	82.9%	44,784
185 <i>Building and Safety</i>	6,405,420	6,599,432	7,564,930	6,981,880	92.3%	382,449
210 <i>General Debt Service</i>	13,716,490	12,482,253	15,032,300	13,568,143	90.3%	1,085,890
255 <i>Capital Improvements</i>	98,819,820	68,083,140	105,013,590	63,311,826	60.3%	(4,771,315)
260 <i>Extra Capacity Facilities</i>	21,950,720	23,010,803	24,304,670	21,561,346	88.7%	(1,449,457)
275 <i>Development Districts</i>	1,955,120	1,557,969	1,955,910	1,580,905	80.8%	22,936
310 <i>Water and Sewer</i>	120,372,350	98,219,386	120,826,870	99,757,216	82.6%	1,537,830
320 <i>Emergency Medical Services</i>	3,750,360	3,613,510	3,390,480	3,510,321	103.5%	(103,189)
330 <i>WVCC*</i>	9,439,880	7,597,972	9,621,300	7,636,055	79.4%	38,084
335 <i>PRIORS</i>	1,103,480	1,139,035	1,261,360	1,229,445	97.5%	90,410
355 <i>City Services</i>	23,793,900	22,153,256	21,819,310	19,221,584	88.1%	(2,931,672)
365 <i>Self Insurance</i>	33,688,170	29,157,094	36,159,560	31,533,767	87.2%	2,376,673
388 <i>Equipment Reserve</i>	5,743,070	4,778,825	4,888,770	5,659,719	115.8%	880,895
400 <i>Trust</i>	6,830,080	6,660,178	9,535,510	6,103,167	64.0%	(557,011)
TOTAL FOR REPORT	\$ 380,629,250	\$307,284,764	\$ 395,291,500	\$306,460,372	80.7%	\$ (824,392)

Increased working capital (17.6%) and internal charges (12%) offset lowered gas tax revenues (-1.2%) in FY 2014-15.

Timing of federal reimbursement

No bond proceeds for Streets & Bridges projects in FY 2014-15

System Development Charges down 37 percent in FY 2014-15

Lowered working capital due to creation of Equipment Reserve in FY 2013-14; also change in internal charging

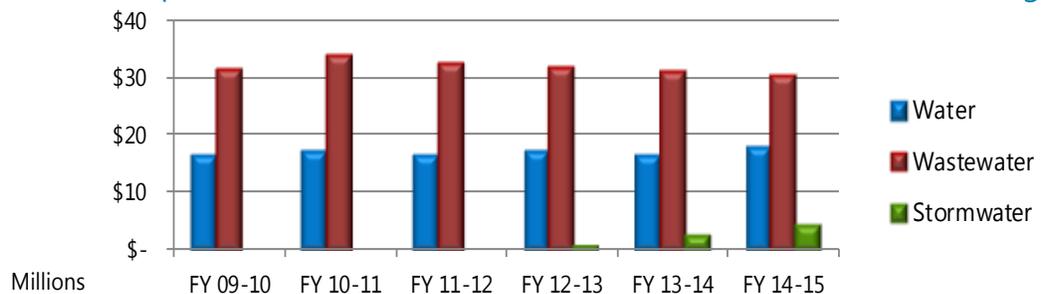
Premium revenue up 6.5 percent in FY 2014-15

Italicized text denotes funds with direct costs for staff.

*Willamette Valley Communication Center

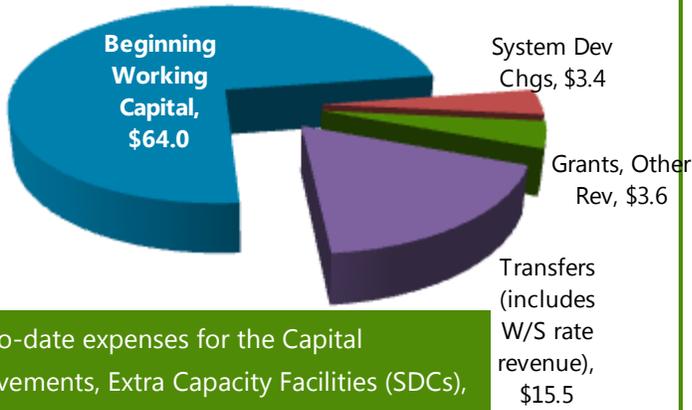
9.5
Percent increase for water and sewer rate revenues from FY 2009-10 to FY 2014-15.

Six-Year Comparison of Rate Revenues in the Water and Sewer Fund Through Q3



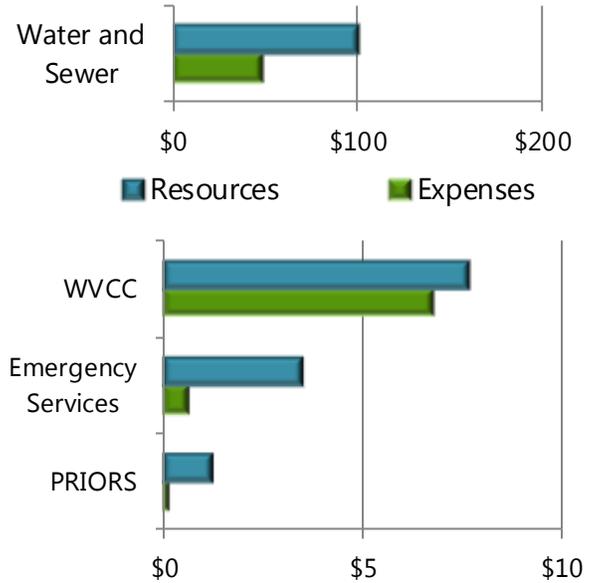
OTHER CITY FUNDS—FINANCIAL SNAPSHOT Q3

CAPITAL PROJECT FUNDS RESOURCES—\$86.5 M

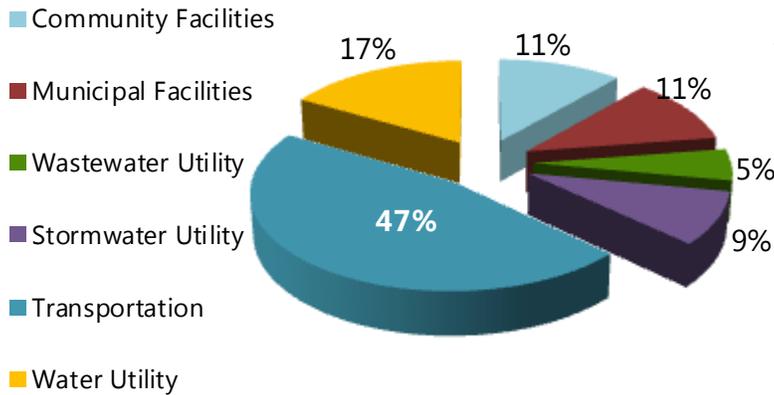


Year-to-date expenses for the Capital Improvements, Extra Capacity Facilities (SDCs), and Development District funds = \$18.4 M

ENTERPRISE FUNDS—Q3 (In Millions)



Capital Construction Expenditures—Q3, By CIP Category

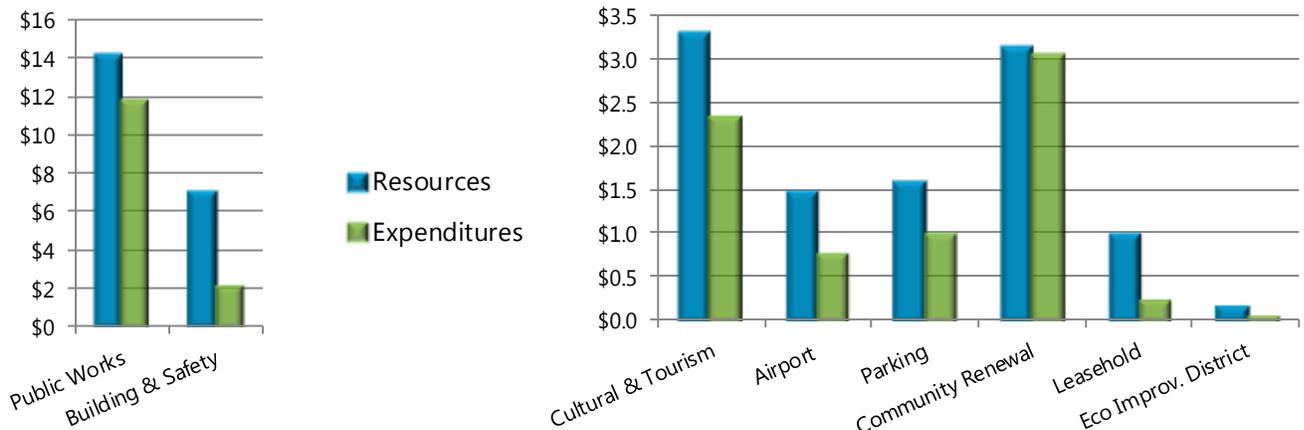


Capital Improvement Plan projects are grouped in multiple categories as displayed at left. Expenditures through Q3 are 29 percent less than last fiscal year.

11.6

Percent increase year-over-year for transient occupancy tax (TOT) revenues. Current year receipts of \$1,963,667 represent 8 of 12 annual payments from Salem lodging establishments. In the six-year period from FY 2009-10 to the current fiscal year, TOT has increased by 41.6 percent or \$577,050. Expenditures for the fund have increased, too, during that time — by more than 31 percent.

SPECIAL REVENUE FUNDS—Q3 (In Millions)



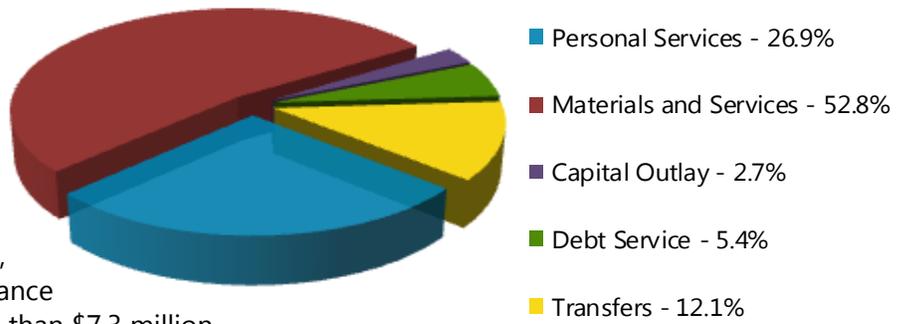
OTHER FUNDS—EXPENDITURES Q3

This breakdown of expenses through March 31, 2015 for 21 City funds weighs heavily to materials

and services expenses and debt service as compared to the General Fund. Only 8 of the "other" City funds include personal services expenses.

Materials and services expenses include all capital construction, costs associated with operating the water and wastewater utilities, City fleet maintenance, and claims expense for the City's self insurance programs. Debt service payments of more than \$7.3 million

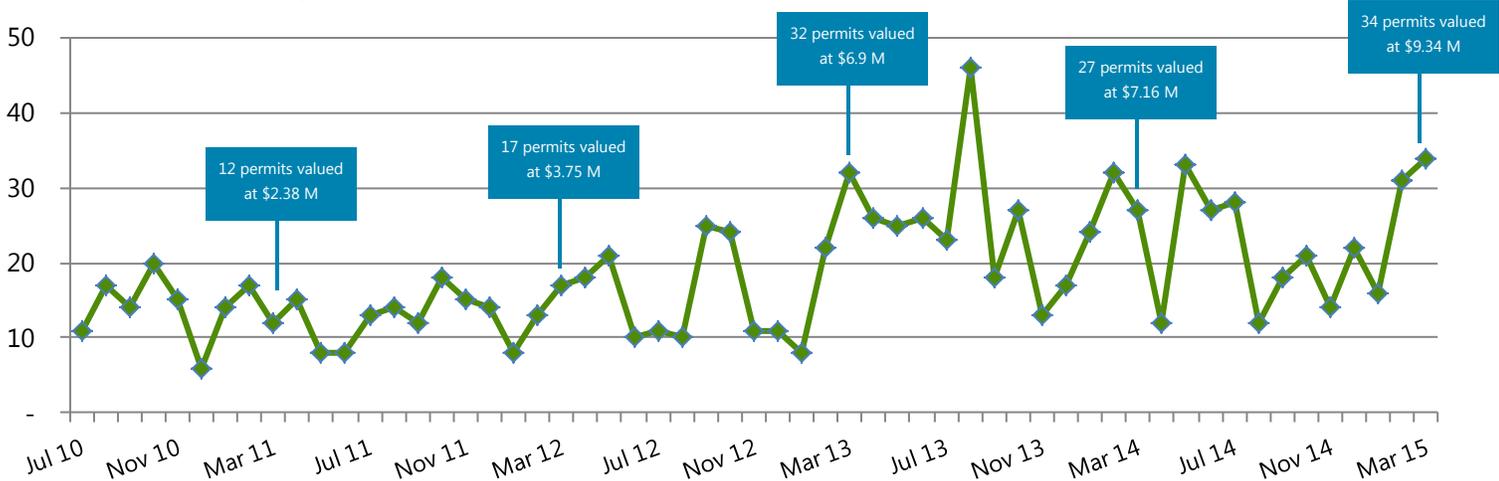
have been paid for General Obligation and Pension Obligation bonds, Water and Sewer revenue bonds, the City's Section 108 loan, and a small borrowing to support capital projects at the Airport through Q3.



ECONOMIC INDICATORS

Issued New Single Family / Duplex Dwelling Permits, July 2010—March 2015

Permit activity for new single family or duplex dwelling permits provides a view of the City's economic recovery through the impact of increased activity for the local construction industry as well as the prospect of additional property tax revenues resulting from growth.



Permit Valuation—All Types—Through Q3 All Years

The chart below is a comparison of total valuation for all permit types through the third quarter for each fiscal year.

