

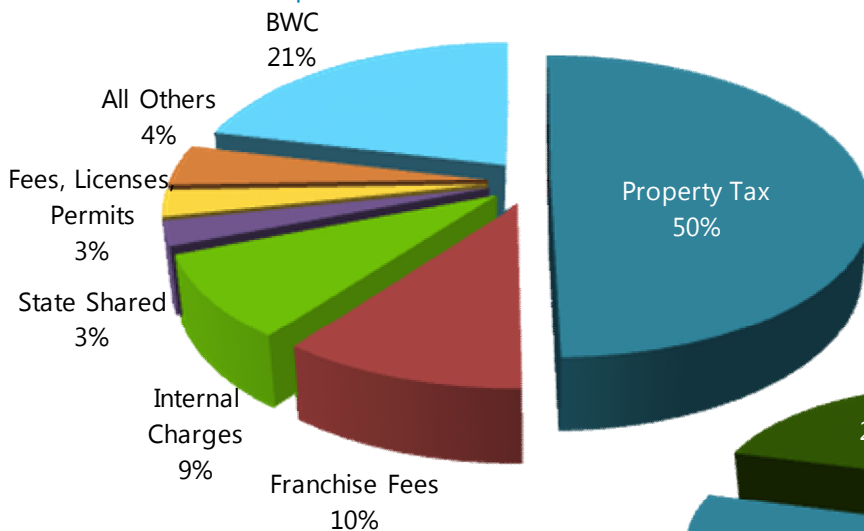
CITY OF SALEM FINANCIAL SUMMARY

Through Q3/ FY 2015-16

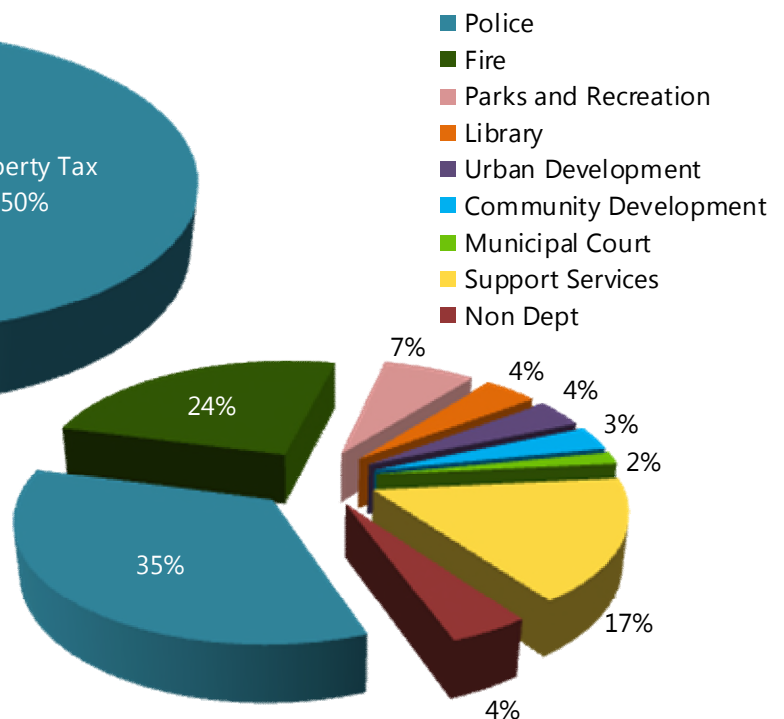
Third quarter financial summaries are compiled during the same period as public budget reviews for the upcoming fiscal year. The combination of recent revenue and expenditure data and future estimates for City funds provides a more complete view of fiscal health for the Budget Committee. Comparisons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

GENERAL FUND SNAPSHOT

RESOURCES—\$117.7M



EXPENDITURES—\$76.3M



Through March 2016, property tax represents 50 percent of all General Fund resources at \$58.5 million. Current property tax receipts equal about 96 percent of anticipated year-end revenues from this source.

Current year resources are \$117.7 million. Beginning working capital (BWC) equals \$24.9 million. Franchise fees provide \$12.3 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.

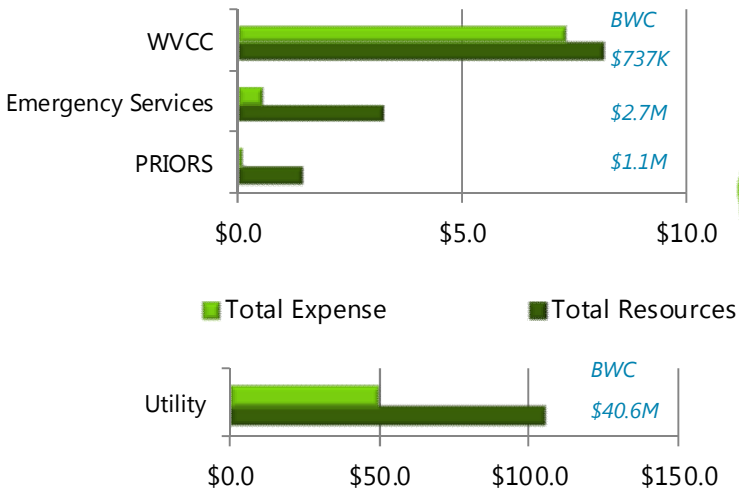
At the three-quarter mark in FY 2016 and with 7 payroll periods remaining, expenditures in the General Fund total \$76.3 million and represent 62.2 percent of the total budget. Savings are accruing as the result of position vacancies, a PERS charge rate less than the rate budgeted, and lower-than-anticipated health benefit cost increases.

The above chart demonstrates that the Police and Fire departments account for 59 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, Procurement, the City Manager's Office, and expenses associated with the activities of the City Council.

FINANCIAL SNAPSHOT by FUND TYPE

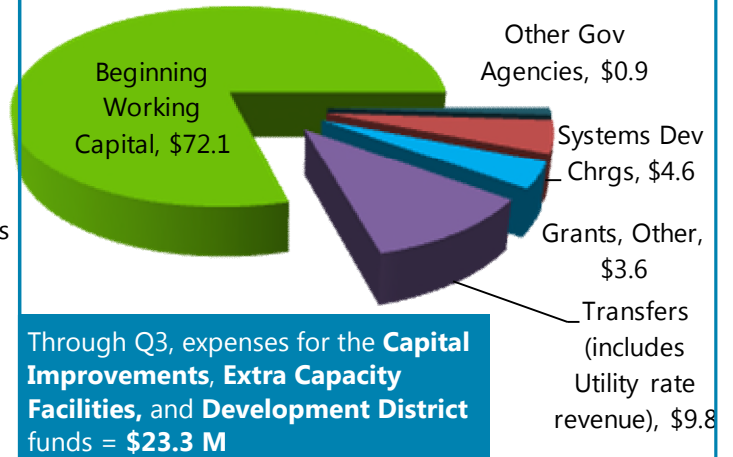
Other City Funds

ENTERPRISE FUNDS—Q3 FY 2016 (in millions)



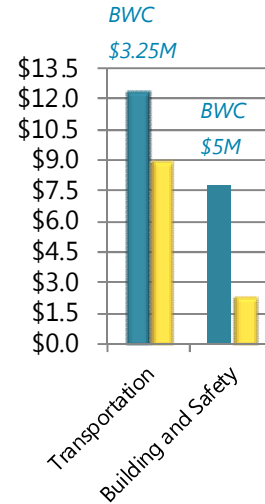
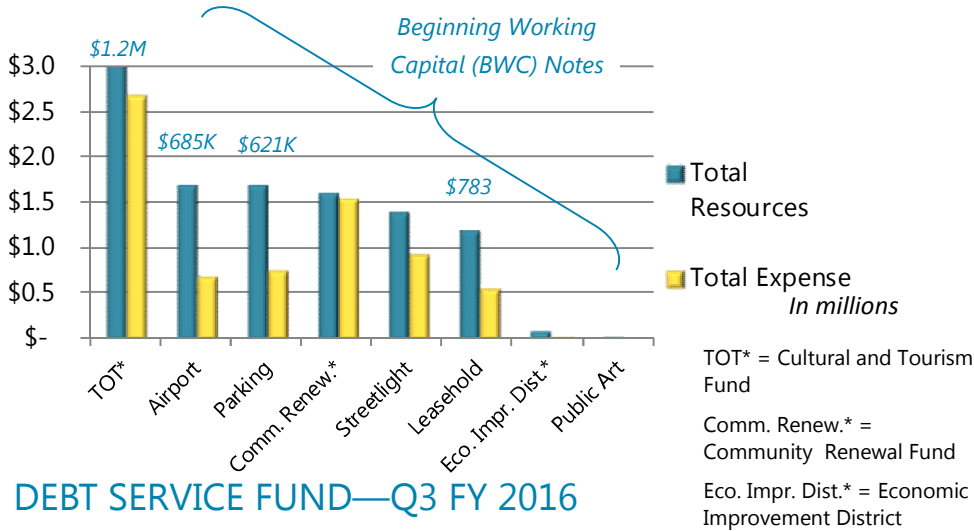
BWC = Beginning Working Capital Note

CAPITAL PROJECT FUNDS RESOURCES = \$91.03 M

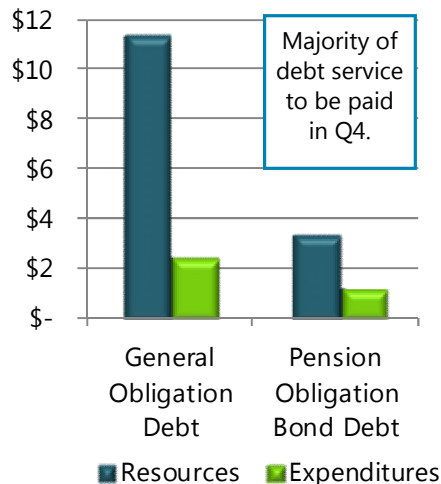


Through Q3, expenses for the **Capital Improvements, Extra Capacity Facilities, and Development District funds = \$23.3 M**

SPECIAL REVENUE FUNDS—Q3 FY 2016

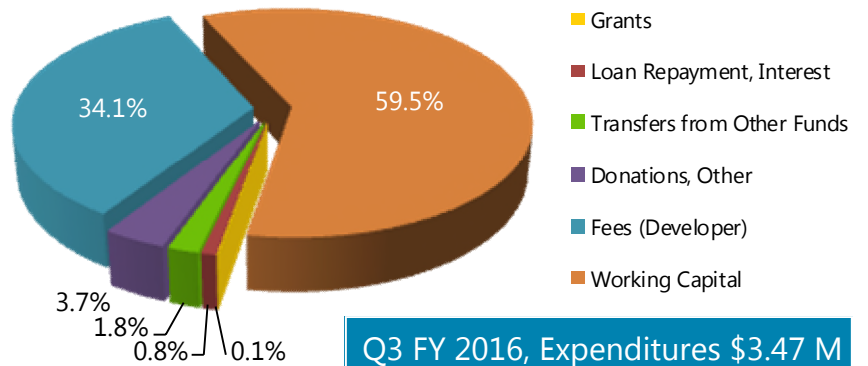


DEBT SERVICE FUND—Q3 FY 2016



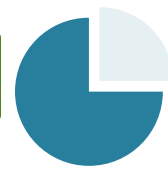
Majority of debt service to be paid in Q4.

TRUST FUNDS—Q3 FY 2016, Resources \$8.97M



Q3 FY 2016, Expenditures \$3.47 M

GENERAL FUND—Through Q3 FY 2016



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—77.5% to 87.7%.

Property Tax—a re-set of real market property values in 2014 increased receipts for FY 2015, FY 2016. About 92% of tax is collected in November and December.

Franchise Fees—increased refuse franchise rates compounded by increased hauler rates in 2015 account for most of the year-over-year increase.

State Shared Revenues— FY 2016 includes 20 payments as compared to 18 in FY 2015. Comparing the equivalent number of receipts results in a decrease.

Planning-Related Fees—fee increases (6.2%) for improved cost recovery and escalating demand provide for \$124,280 Y-over-Y revenue gains.

Other Fees—user charges for fire protection and safety, recreation, softball, Center 50+, and library Provide increased receipts of \$255,390.

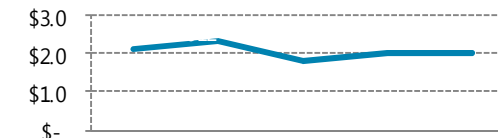
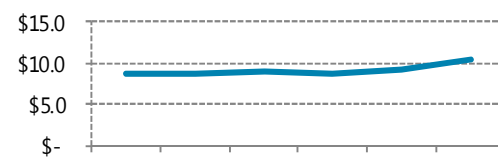
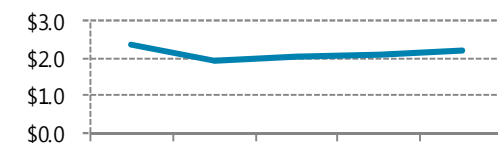
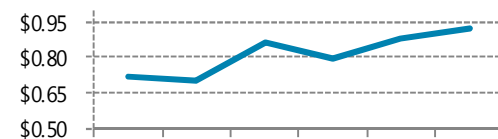
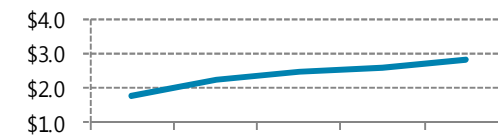
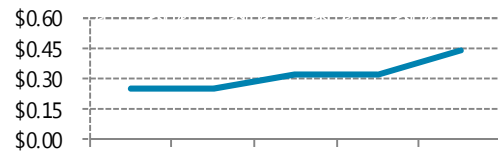
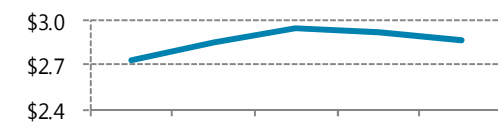
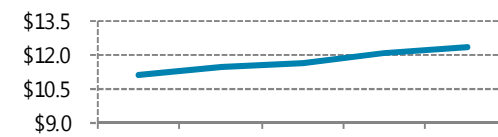
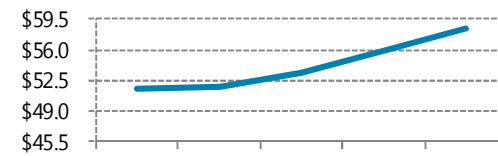
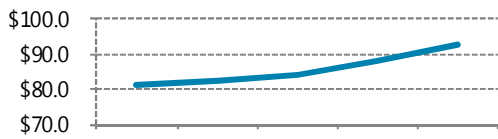
Rents—increased revenue, yet short of projections, due to installation of new parking meters in the Capitol Mall area. Lowered receipts for hanging tag parking permits.

Fines—a rate increase for parking fines coupled with improved enforcement activities are somewhat offset by lower court fine receipts—the net is a revenue gain of \$133,900.

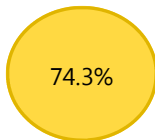
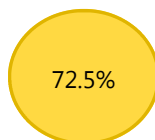
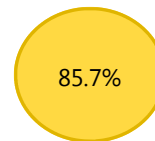
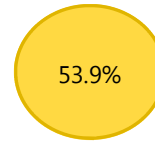
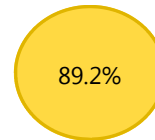
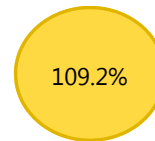
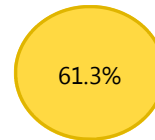
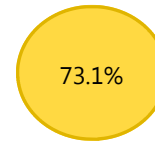
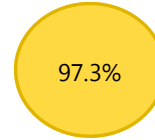
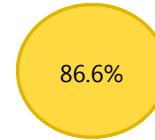
Internal Charges—Y-over-Y increase due to return of Parks Ops to the General Fund and transfer of gas tax revenues for street tree and right-of-way maintenance.

Other Agencies, Grants, All Other Revenue—small increase to miscellaneous revenues; no change to grants and other agencies.

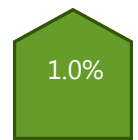
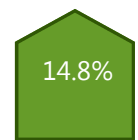
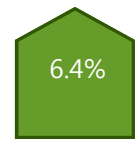
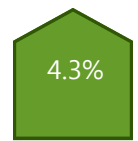
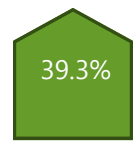
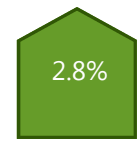
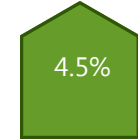
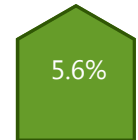
5 Year Trend, FY 2012-FY 2016 (in millions)



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

255 caregivers receiving support and education on how to care for someone with Alzheimer's disease

Operation of 9 fire stations, 9 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 48.45 square miles

Mowing of 719 acres of park land from March through October

Circulation of more than 1.27 million items to Salem Public Library users and access to more than 108,000 Wifi sessions.

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

Support to 21 advisory boards and commissions

Maintenance and repairs to 86 buildings, totaling 1.7 million square feet, plus custodial services for 24 locations at 333,000 square feet

Year-to-date review of 550 land use applications; a 28% increase over FY 2016

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 2016

Expenditures through Q3 FY 2016	Actual-to-Budget	Year-Over-Year	Expenditures through Q3 FY 2016	Actual-to-Budget	Year-Over-Year
Police Personal Services, \$21.8M Materials / Services, \$4.5M Capital Outlay, \$0.1M	68.1%	2.3%	Fire Personal Services, \$16.0M Materials / Services, \$2.6M Capital Outlay, \$14,200 Interfund Transfers, \$13,360	68.9%	3.3%
Library Personal Services, \$2.7M Materials / Services, \$0.4M	65.2%	1.2%	Community Development Personal Services, \$2.2M Materials / Services, \$0.2M	66.2%	2.9%
Parks and Recreation Personal Services, \$3.2M Materials / Services, \$2.2M Capital Outlay, \$4,678 Interfund Transfers, \$7,500	64.5%	3.7%	Urban Development Personal Services, \$2.1M Materials / Services, \$0.75M Interfund Transfers, \$35,890	55.8%	-1.6%
Support and Non-Dept Personal Services, \$10.6M Materials / Services, \$4.8M Debt Service, \$0.2M Interfund Transfers, \$0.5M	48.9%	-1.7%	Municipal Court Personal Services, \$0.9M Materials / Services, \$0.3M	67.7%	2.1%

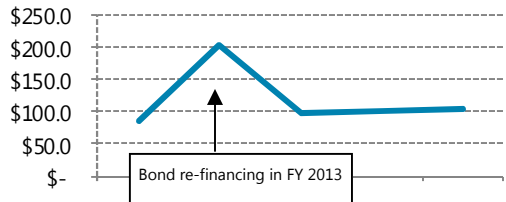
OTHER CITY FUNDS—Through Q3 FY 2016



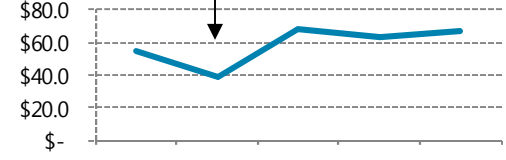
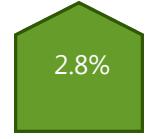
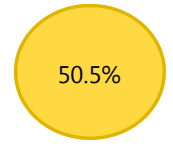
Resources and Expenditures @ 75% of the Fiscal Year

RESOURCES: 5 Year Trend, FY 2012-FY 2016 (in millions)

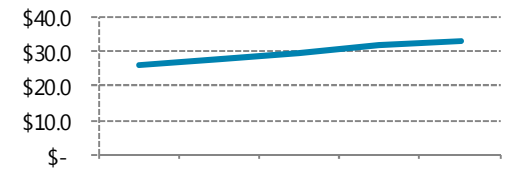
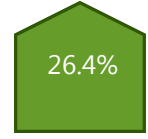
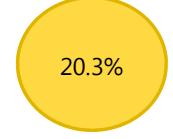
EXPENDITURES: Actual to Budget Year-over-Year



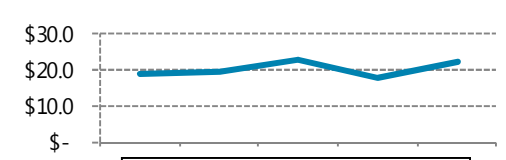
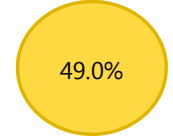
Utility Fund—utility rate revenues support current expenses of \$48.9 M for operation of the water, wastewater, and stormwater utilities. Transfer expense of \$5.6 M, primarily for capital construction.



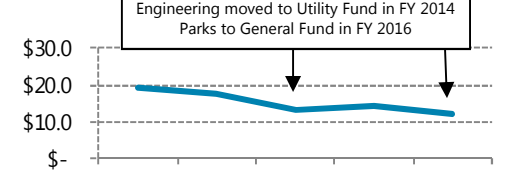
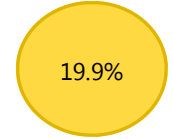
Capital Improvements Fund—public infrastructure projects for primarily streets, utilities, and parks. Year-to-date expenses of \$18.3 M.



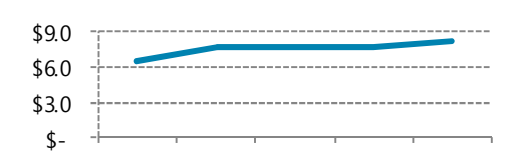
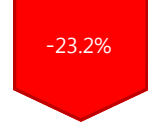
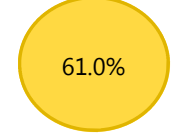
Self Insurance Fund—includes the City's health benefit and risk management programs. Revenues derived from user departments with expenditures, for the cost of claims activity, total \$18.9 M through Q3.



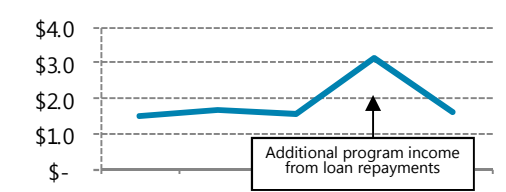
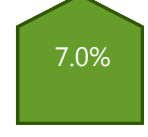
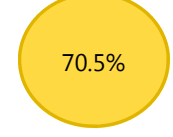
Extra Capacity Facilities Fund—system development charge revenues support enhancements to street, utility, and parks infrastructure. Current expenses are \$5 M.



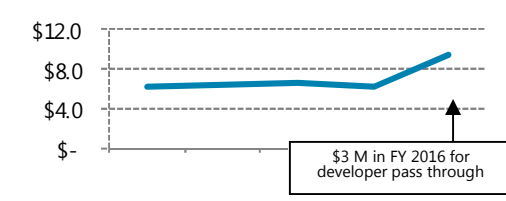
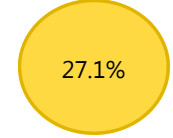
Transportation Services Fund—primarily funded by gas tax revenues and intra-city charges for street and sidewalk maintenance and repair; \$9 M to date.



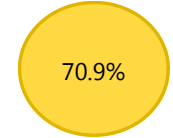
WVCC Fund—for operation of a 29-agency member 911 center supported by user rates. Expenses through Q3 equal \$7.3 M.



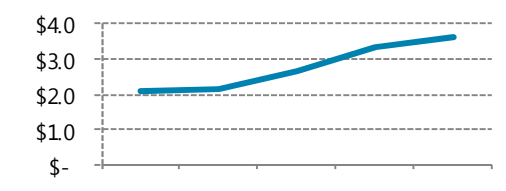
Community Renewal Fund—federal Community Development Block Grant and HOME Investment Partnership funds with expenses through Q3 of \$1.6 M.



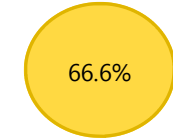
Trust Funds—more than 50 cost centers for a variety of purposes to hold revenues in trust plus account for the associated expenditures. Year-to-date expenses are \$2.7 M.



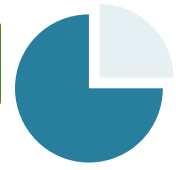
Developer pass through \$3 M



Cultural and Tourism Fund—revenues derived from the City's transient occupancy tax and year-to-date expenditures of \$2.7 M to support tourism and cultural enhancements.



OTHER CITY FUNDS—Through Q3 FY 2016

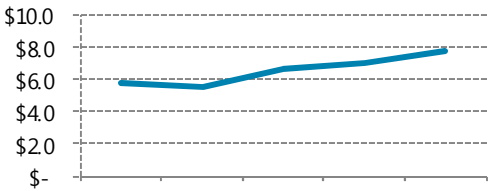


Resources and Expenditures @ 75% of the Fiscal Year

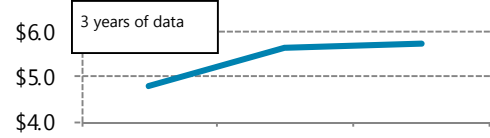
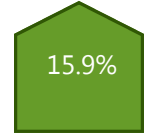
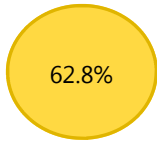
RESOURCES: 5 Year Trend, FY 2012-FY 2016 (in millions)

EXPENDITURES: Actual to Budget

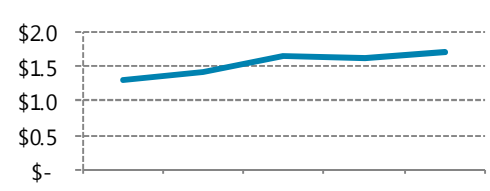
Year-over-Year



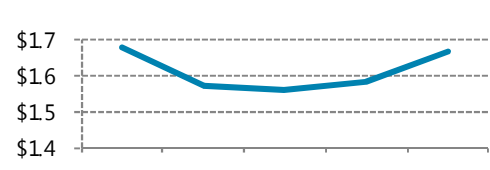
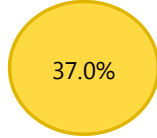
Building and Safety Fund—permit revenues for building, mechanical, electrical, and plumbing. At \$2.5 M, expenditures support inspections and the permit process.



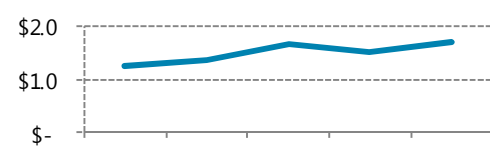
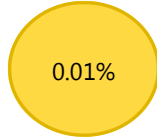
Equipment Replacement Reserve Fund—established in FY 2014, primarily used for fleet replacement. Year-to-date expenses of \$1.01 M.



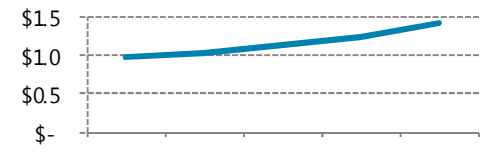
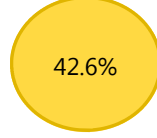
Downtown Parking Fund—provides for the collection of parking tax and permit revenues for the maintenance and operation four city-owned parking structures. Expenditures through Q3 of \$779,223.



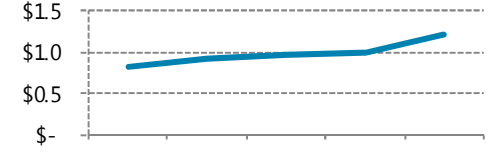
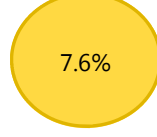
Development District Fund—one of three funds used for City capital construction. This fund accounts for infrastructure improvements in two districts. Minor expense through Q3.



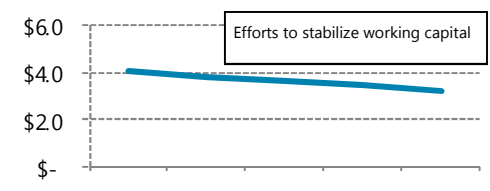
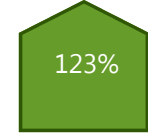
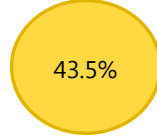
Airport Fund—maintenance and operation of McNary Field with revenues primarily from leased space at the airport. Expenses of \$705,686 to date.



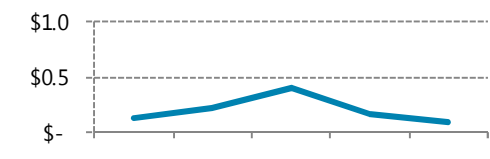
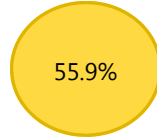
PRIORS Fund—operation of records management system used by 12 law enforcement agencies. Accruing working capital to fund replacement of the currently de-supported system. Q3 expenses of \$111,122.



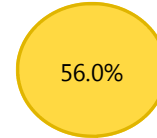
Leasehold Fund—Tenant leases and common area rent for Chemeketa and Liberty parkades. Expenses of \$580,066 for capital projects, utilities, and maintenance.



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 \$517,766.



Economic Improvement District Fund—EID assessment is no longer imposed. Expenses for minor maintenance and improvements with remaining funds. Q3 = \$45,176.



ABOUT . . . OTHER CITY FUNDS

In the Other City Funds data on pages 5 and 6, red downward pointing arrows and negative percentages dominate the *Year-over-Year* change column for expenditures. In some cases—the Emergency Medical Services Fund is an example—a decrease in expenses reflects the plan for that fund and coincides with a lower budget. For other funds, like the Equipment Replacement Reserve, a year-over-year decrease is all about the timing of expenses. For a number of the smaller funds a year-over-year decrease is not a lot of money, but due to the size of the fund it is a big percentage. As an example, the Economic Improvement District had expenses of \$63,272 in FY 2015 versus \$45,176 in FY 2016, creating a change of –28.6 percent.

There is good news in this view of City funds. In previous quarterly summaries, five funds have been on our “watch list” with concerns about an imbalance between revenues and expenditures and declining working capital. Action by the City Council and the executive management team has helped to relieve many of the watch list cause factors for the Transportation Services Fund, Airport Fund, and Emergency Medical Services Fund. Concerns have eased with the Parking Fund as well, with the anticipation that working capital will be restored to a level to allow for establishing a reserve for future capital projects in the city-owned parking structures. Only one fund remains with a “watch list” status. The Willamette Valley Communications Center Fund, which supports the provision of 911 services, will continue to be closely monitored to determine the effectiveness of corrective actions that have been implemented or are planned.

FY 2016 Q3 Construction Highlights and Year-to-Date Expenditures by Type

Construction was completed on the following projects:

Willow Lake WPCF Gravity Thickener Rehabilitation

Construction began on this rehabilitation project that will install new equipment to improve efficiency in the wastewater treatment process. The 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.

Construction Waste Processing and Transfer Center

Construction continued on the new facility which will dewater street sweepings, excavation debris, and other leafy and soil debris associated with operating public stormwater facilities. The facility will also provide features for receiving septic tank waste from private companies, as well as provide a location for the City to store and recycle construction materials.

25th Street SE and Madrona Avenue SE Intersection Improvements

Construction began on this Streets and Bridges Bond Savings project that will realign Madrona Avenue SE to connect directly to 25th Street SE forming a direct route to Mission Street SE. Madrona Avenue will also be widened to accommodate two travel lanes in each direction, in addition to a center-turn lane, bike lanes, and sidewalks on both sides of the street. A new traffic signal will also be installed to connect the south leg of 25th Street SE to the intersection. In addition, 22nd Street SE will be extended to connect with Madrona Avenue SE. Due to the economic development potential made available by this project, the City was awarded \$1,000,000 of Immediate Opportunity Funding from Oregon Department of Transportation to fund a portion of the project cost.

Kuebler Boulevard SE Eastbound Widening

Construction began on this Streets and Bridges Bond Savings project that will add an eastbound travel lane, bike lane, and sidewalk from Commercial Street SE to Interstate-5. The City widened the westbound direction of Kuebler Boulevard SE several years ago and this project will provide similar improvements in the eastbound direction.

