

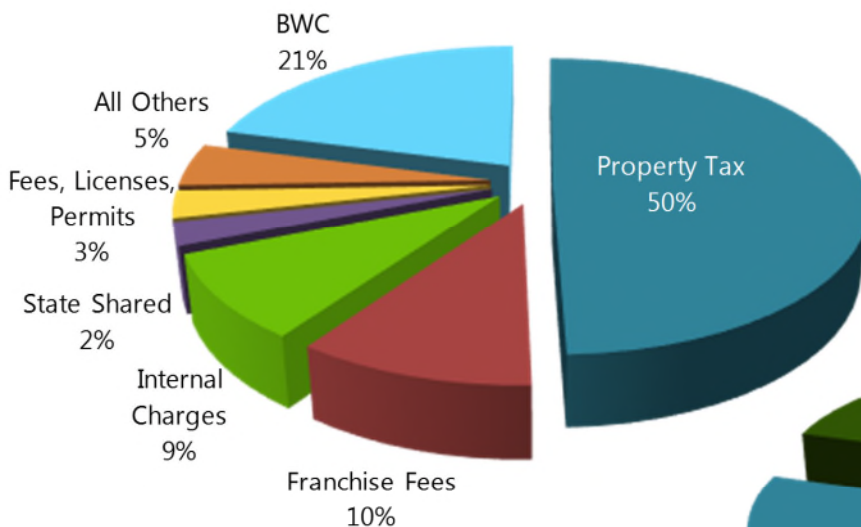
City of Salem Financial Summary

Through Q3 / FY 2017-18

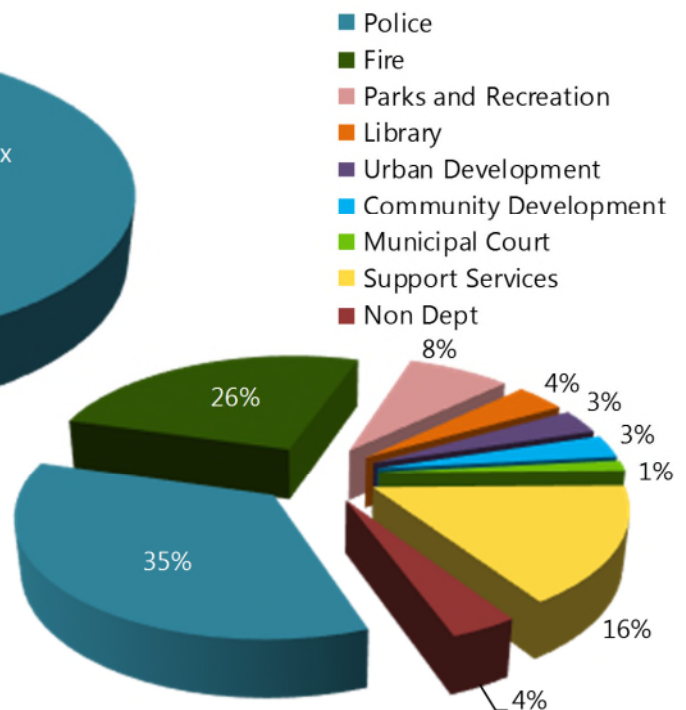
Budget management and monitoring during the third quarter informs the upcoming fiscal year budget preparation. Re-forecasting of current year revenues and expenditures with Q3 data for the General Fund is shared with the Budget Committee during annual review meetings for the future year budget. Comparisons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

General Fund Snapshot

Resources—\$128.3M



Expenditures—\$87.8M



Through March 2018, current year resources equal \$128.3 million. Beginning working capital (BWC) equals \$26.8 million.

Property tax represents 50 percent of all Q3 General Fund resources at \$63.9 million. Property tax receipts from the current FY 2018 levy equal about 96.7 percent of anticipated revenues from this source. Franchise fees provide \$13.1 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.

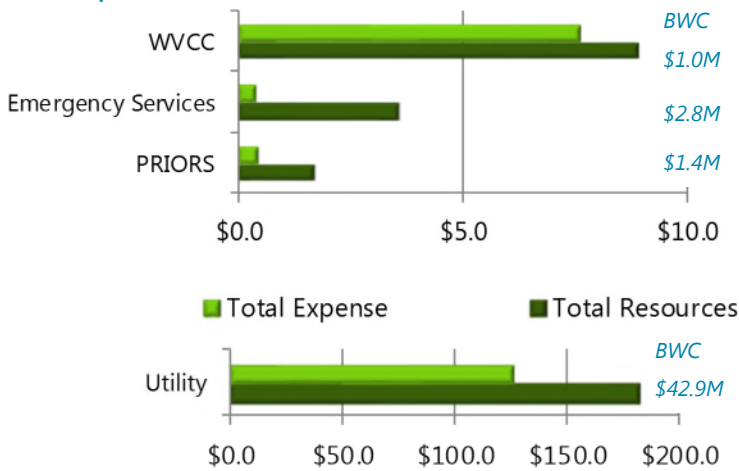
At the three-quarter mark in FY 2018 and with 7 payroll periods remaining, expenditures in the General Fund total \$87.8 million and represent 67.5 percent of the total amount budgeted. Savings are accruing largely as the result of employee attrition and retirements and the timing for re-filling vacancies.

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 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.

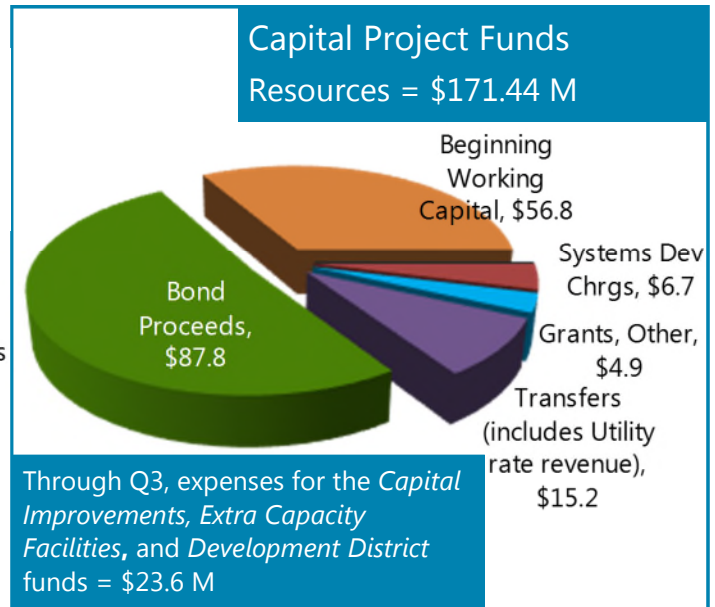
Financial Snapshot by Fund Type

Other City Funds

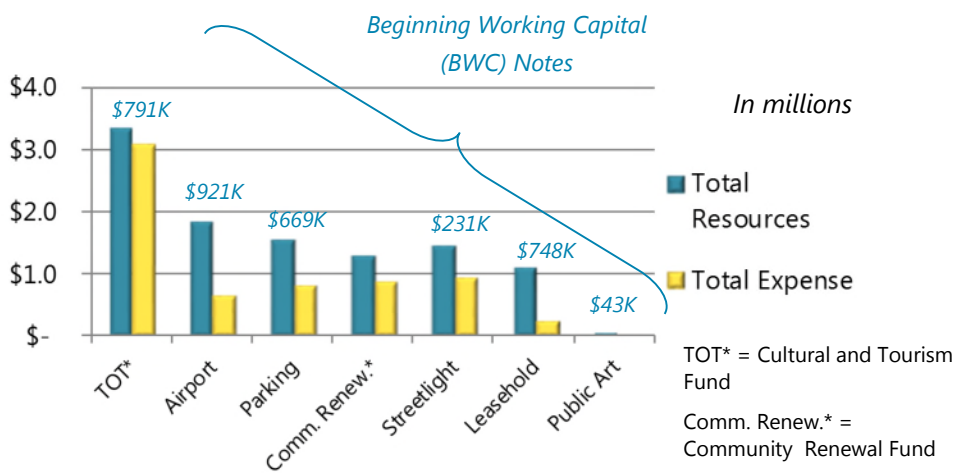
Enterprise Funds—Q3 FY 2018 (in millions)



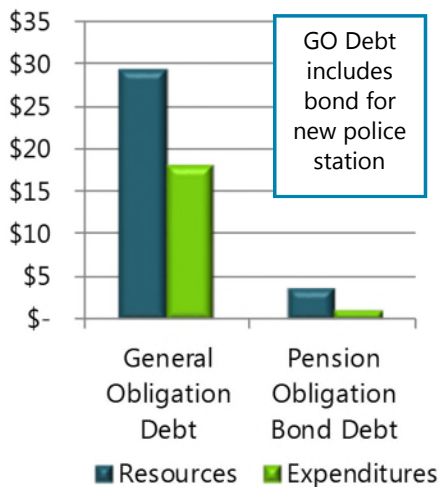
BWC = Beginning Working Capital Note



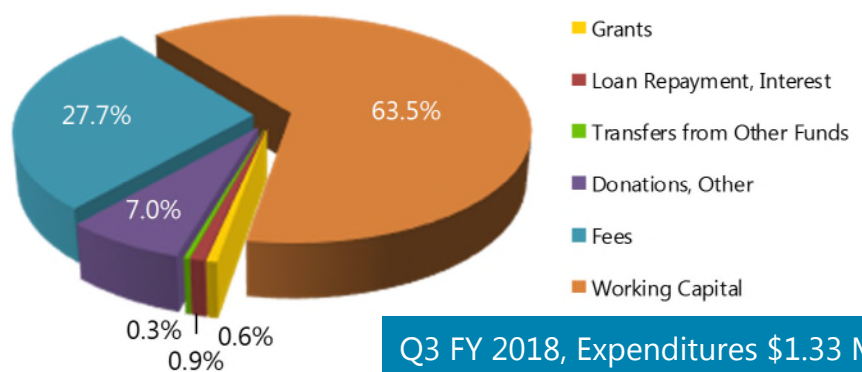
Special Revenue Funds—Q3 FY 2018



Debt Service Fund—Q3 FY 2018



Trust Funds—Q3 FY 2018, Resources \$9.36 M



Q3 FY 2018, Expenditures \$1.33 M

General Fund Detail—Through Q3 FY 2018



Resources @ 75% of the Fiscal Year

Resource Type

Total New Revenues—a break down of revenue types appears below. Over five years, the percent of budgeted revenues received through Q3 ranges from 84.4% to 87.7%.

Property Tax—continued increase from 3% legislated increase, lowered compression losses, and some new growth. About 86% of tax collected to date was in November.

Franchise Fees—Electric, natural gas, refuse, telecomm, and water / sewer fees increased year-over-year. Cable saw a decline, which is expected to be a continuing trend.

State Shared Revenues—FY 2018 marijuana shared revenues include a one-time payment of \$482,278 for January 2016 through June 2017.

Planning-Related Fees—despite fee increases (2.6%) for improved cost recovery Y-over-Y revenues decreased by 6.1%.

Other Fees—user charges for fire protection and safety, recreation, softball, Center 50+, and library provide increased receipts of \$266,761.

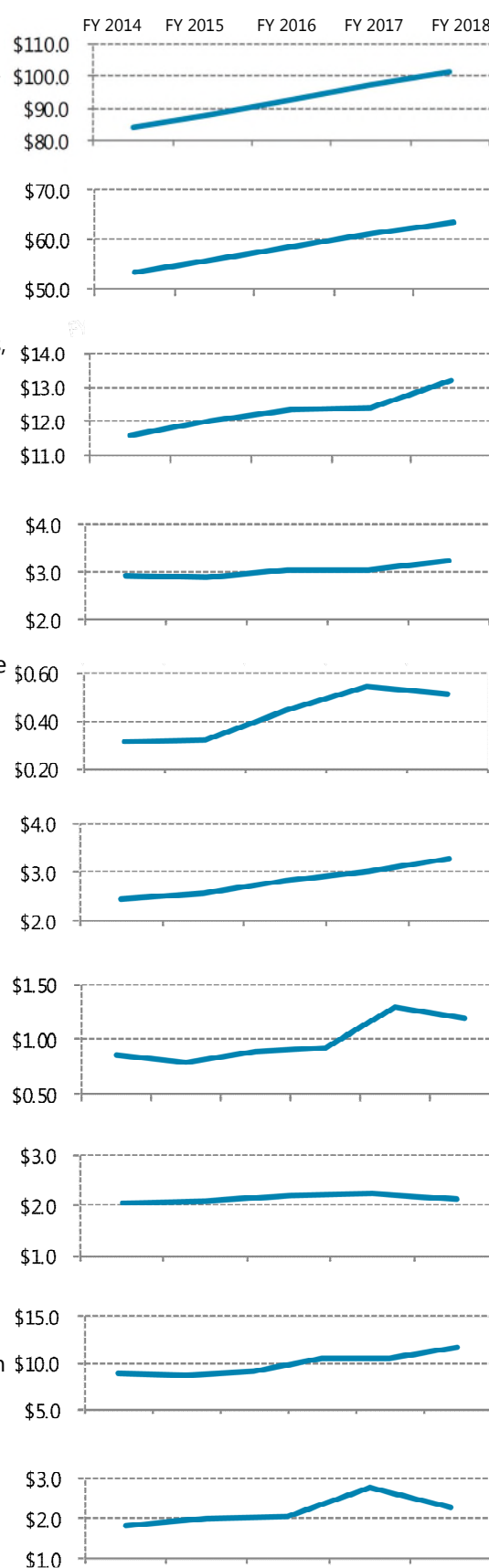
Rents—decreased revenue with short legislative session. Receipts in this category decreased by \$104,967 over prior year results.

Fines—a decrease of \$113,269 in this category results with lowered court fines offset by increased parking and photo red light fines.

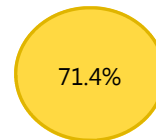
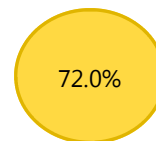
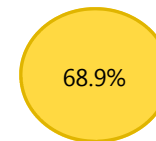
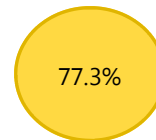
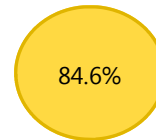
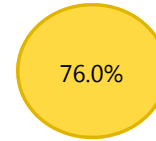
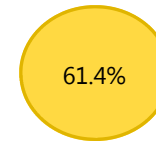
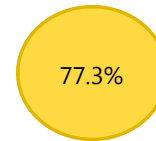
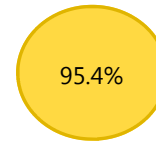
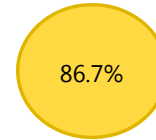
Internal Charges—Y-over-Y activity increased \$1.26M consistent with budget. Budget to actual comparison for both years through Q3 is 72%.

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

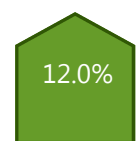
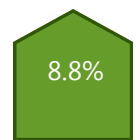
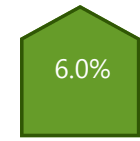
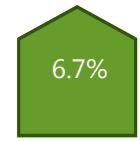
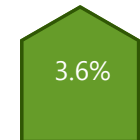
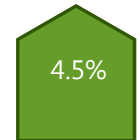
5 Year Trend, FY 2014-FY 2018 (in millions)



Actual to Budget



Year-over-Year



General Fund Expenditures—Through Q3 FY 2018

Expenditures through Q3 FY 2018	Actual-to- Budget	Year-Over- Year	Expenditures through Q3 FY 2018	Actual-to- Budget	Year-Over- Year
Police Personal Services, \$24.9M Materials / Services, \$5.6M Capital Outlay, \$0.2M	71.5%	9.9%	Fire Personal Services, \$19.5M Materials / Services, \$2.9M	71.7%	5.0%
Library Personal Services, \$2.8M Materials / Services, \$0.6M Interfund Transfers, \$17,930	68.6%	4.3%	Community Development Personal Services, \$2.4M Materials / Services, \$0.3M Interfund Transfers, \$5,000	61.4%	2.9%
Parks and Recreation Personal Services, \$3.8M Materials / Services, \$3.1M Capital Outlay, \$2,180 Interfund Transfers, \$5,630	75.5%	13.7%	Urban Development Personal Services, \$2.1M Materials / Services, \$0.8M Interfund Transfers, \$0.1M	56.4%	-1.0%
Support and Non-Dept Personal Services, \$11.9M Materials / Services, \$4.0M Debt Service, \$0.3M Interfund Transfers, \$1.1M	57.8%	9.2%	Municipal Court Personal Services, \$0.9M Materials / Services, \$0.4M	65.5%	3.0%

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 2018 Q3 activity with the prior year. For a number of smaller funds, like the [Development District](#) and [PRIORS](#) funds, big year-over-year percentage increases actually reflect relatively small amounts of money. A much smaller percentage increase of 4.1 percent in the [WVCC Fund](#) represents approximately the same amount of dollar variance.

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

- The City's [Utility Fund](#), the year-over-year increase of 115 percent equates to a dollar difference of \$67.5 million and represents bond re-financing in FY 2018.
- Working capital for FY 2018 in the [Cultural and Tourism Fund](#) is \$428,513 less than the prior year due to a push to invest in sports tourism infrastructure work during FY 2017. Expenses for the current FY are correspondingly less as well.
- Lowered year-over-year expenses in the [Streetlight Fund](#) reflect a decrease in transfer expense to the corresponding project cost center in the Capital Improvements Fund for luminaire replacements and new streetlight additions.
- 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 12 percent is in part due to the addition of 2 positions in the current fiscal year.
- Combined expenses for FY 2018 in the [Capital Improvements Fund](#) and [System Development Charge Fund](#) (also called Extra Capacity Facilities Fund) equate to 25.4 percent less than the prior year due in part to parks capital improvement expenses in FY 2017 for the Peter Courtney Minto Island Bicycle and Pedestrian Bridge project. Street improvement project costs in FY 2018 are \$8.5 million less than the prior year with the completion of Streets and Bridges bond-funded work.

Other City Funds Detail—Through Q3 FY 2018



Resources:

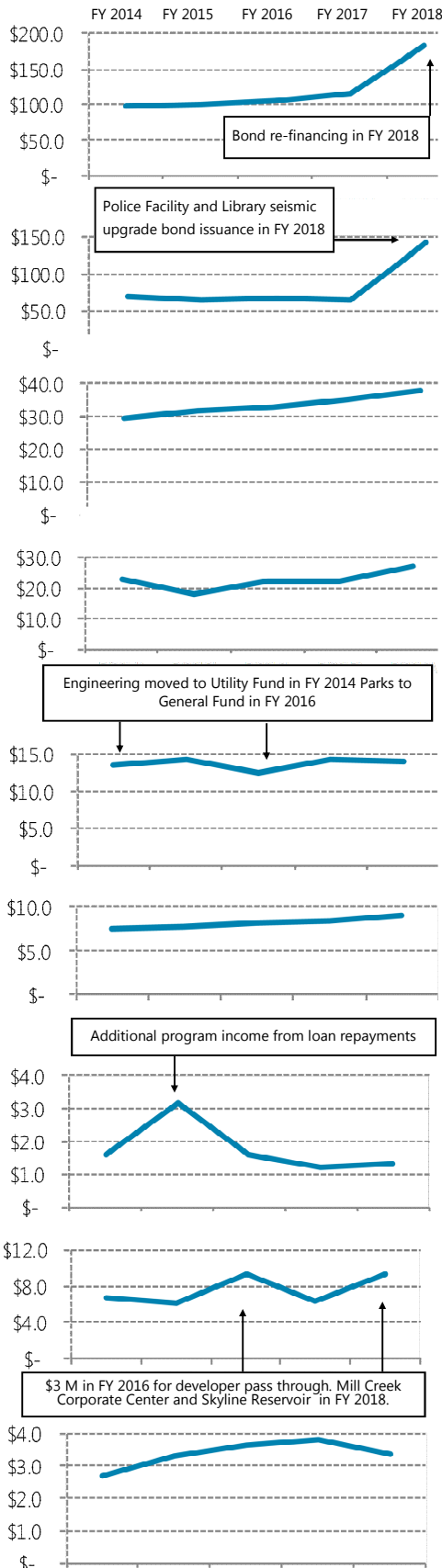
Expenditures:

5 Year Trend, FY 2014-FY 2018 (in millions)

Fund Information

Actual to Budget

Year-over-Year



Utility Fund—utility rate revenues support expenses of \$126 M for the water, wastewater, and stormwater utility. \$65 M for bond refinancing and transfer expense of \$10.8 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 \$20.1 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 M through Q3.

Extra Capacity Facilities Fund—system development charge revenues support enhancements to street, utility, and parks infrastructure. Current expenses are \$3.2 M.

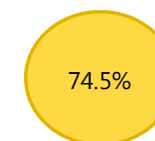
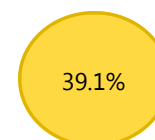
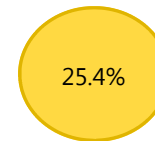
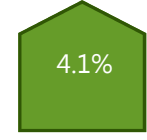
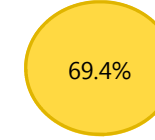
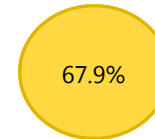
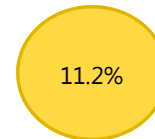
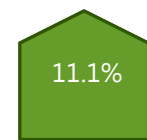
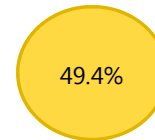
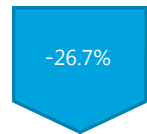
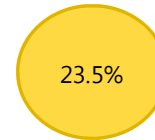
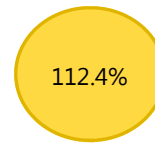
Transportation Services Fund—primarily funded by gas tax revenues and intra-city charges for street and sidewalk maintenance and repair; \$10.9 M to date.

WVCC Fund—for operation of a 29-agency member 911 center supported by user rates. Expenses through Q3 equal \$7.6 M.

Community Renewal Fund—federal Community Development Block Grant and HOME Investment Partnership funds with expenses through Q3 of \$910,497.

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 \$1.2 M.

Cultural and Tourism Fund—revenues derived from the City's transient occupancy tax. Year-to-date expenditures of \$3.1 M to support tourism and cultural enhancements.



Other City Funds Detail—Through Q3 FY 2018



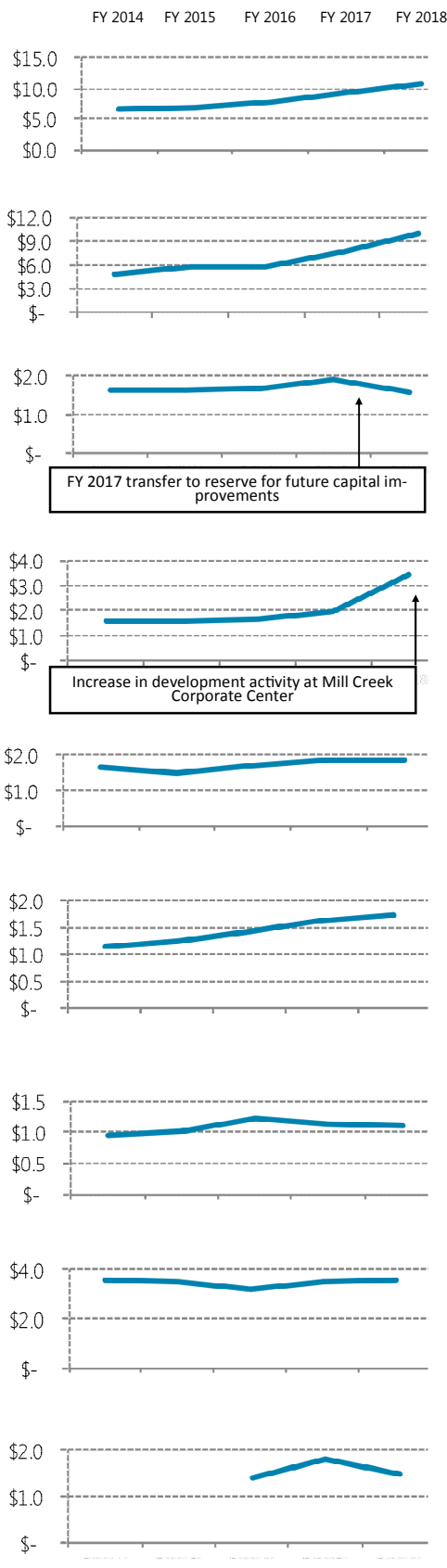
Resources:

Expenditures:

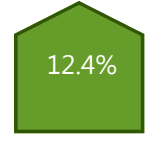
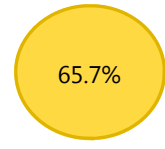
5 Year Trend, FY 2014-FY 2018 (in millions) Fund Information

Actual to Budget

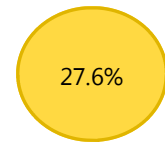
Year-over-Year



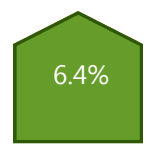
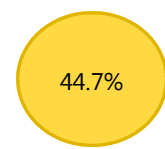
Building and Safety Fund—permit revenues for building, mechanical, electrical, and plumbing. At \$3.3 M, expenditures support inspections and the permit process.



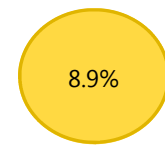
Equipment Replacement Reserve Fund—primarily used for fleet replacement. Year-to-date expenses of \$2.8 M; low budget to actual comparison relates to almost full appropriation of the reserve.



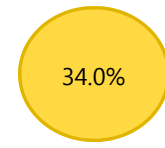
Downtown Parking Fund—provides for the collection of parking tax and permit revenues for the maintenance and operation three city-owned parking structures. Expenditures through Q3 of \$834,375.



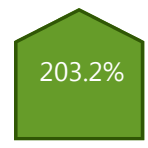
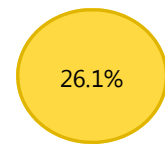
Development District Fund—one of three funds used for City capital construction. This fund accounts for infrastructure improvements in two districts. \$305,374 expense through Q3.



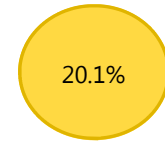
Airport Fund—maintenance and operation of McNary Field with revenues primarily from leased space at the airport. Expenses of \$663,282 to date.



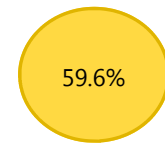
PRIORS Fund—operation of records management system for 12 law enforcement agencies. Accrued working capital being used to fund replacement of the currently de-supported system. Q3 expenses of \$477,386.



Leasehold Fund—Tenant leases and common area rent for Chemeketa and Liberty parkades. Expenses of \$245,253 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 = \$966,063.

