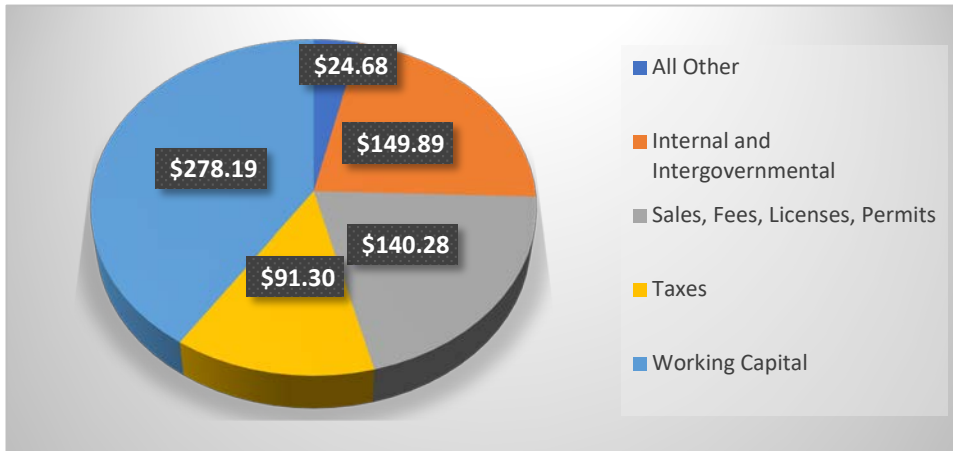


# CITY OF SALEM FINANCIAL SUMMARY YEAR END / FY 2019

This financial summary provides FY 2019 year-end results. Notable occurrences are identified, described, and graphically illustrated through budget-to-actual and actual-to-actual comparisons. In addition, many comparisons extend to multiple fiscal years to augment context for FY 2019 activity.

## Citywide Results - All Funds

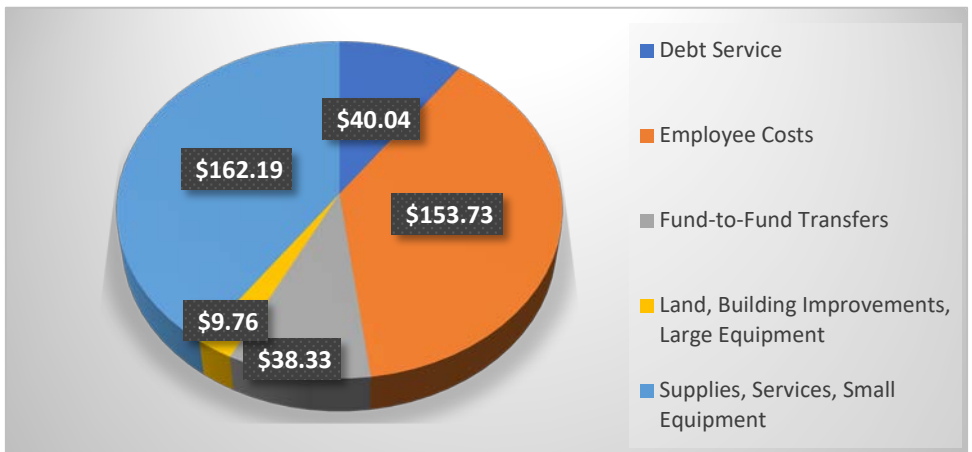
### Total Resources of \$684.34 Million



This view of Citywide resources reveals the prominence of *Working Capital*—or cash-on-hand—at 41 percent of all resources. *Taxes* include property tax for General Fund operations and levied to pay debt service on voter-approved general obligation bonds, transient occupancy tax, and local marijuana sales tax. The category with *Sales, Fees* includes consumer-paid fees for water / sewer, franchise fees, building permits, and system development charges. *Internal and Intergovernmental* includes employer-paid insurance premiums.

### Total Expenditures of \$404.05 Million

Everything associated with the cost of more than 1,200 full-time equivalent employees—wages, overtime, insurances, and retirement benefits—is included in *Employee Costs*. The category of *Supplies, Services, Small Equipment* includes \$98.69 million of the total in just three of the City's 23 funds—Capital Improvements, Self Insurance, and Utility.



#### BY THE NUMBERS Expenditures

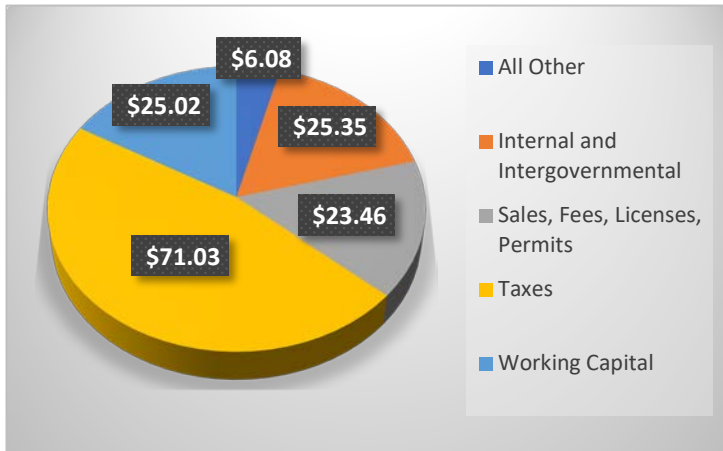
Actual employee costs came in at \$9.14 million less than the originally budgeted. The 5.0 percent year-over-year increase in total is influenced by anticipated cost escalators, such as labor contract / market adjustments to salaries, the corresponding increase to PERS expense, and health benefits expense. Differences are also influenced by changes in position vacancy rates and the timing of materials and services expenses.

# CITY OF SALEM FINANCIAL SUMMARY YEAR END / FY 2019

This financial summary provides FY 2019 year-end results. Notable occurrences are identified, described, and graphically illustrated through budget-to-actual and actual-to-actual comparisons. In addition, many comparisons extend to multiple fiscal years to augment context for FY 2019 activity.

## General Fund Results

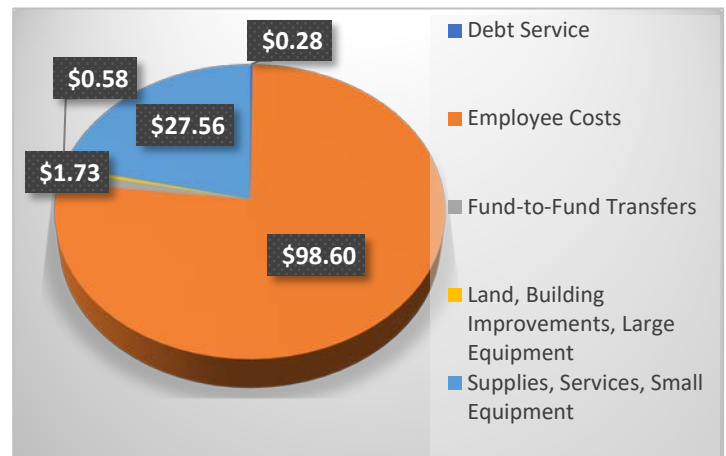
### Total Resources of \$150.94 Million



Total resources for FY 2019 in the General Fund equal \$150.94 million, representing a \$25.02 million working capital and \$125.92 million in new revenues. Property taxes provide \$70.03 million in the category, *Taxes*, with the remaining \$1 million from the City's sales tax on marijuana. *Sales, Fees, Licenses, Permits* includes over \$18 million in franchise fees, \$1.11 in planning-related revenues, and \$219,960 from the City's ambulance contractor. Internal charges, including the cost for support services assessed to other City funds for services housed in the General Fund—Legal, Human Resources, Finance, and Information Technology—provide \$15.1 million of the \$25.35 million for the *Internal and Intergovernmental* category. Revenues shared by the State of Oregon add another \$6.24 million. *All Other* revenue includes \$2.98 million in fines and penalties and \$2.08 million in parking rents.

### Total Expenditures of \$128.75 Million

The City's General Fund maintains the services of fire emergency response, municipal court, parks maintenance, police, multi-generational recreation programs, long range and current planning, code enforcement, social services program aid, Salem Public Library, and the support services that benefit all City departments and funds. At year end, expenditures for these services equaled \$128.75 million, representing a 5.83 percent increase over FY 2018. Because expenditures were higher than new revenues, approximately \$2.83 million of working capital was used to pay for expenses.



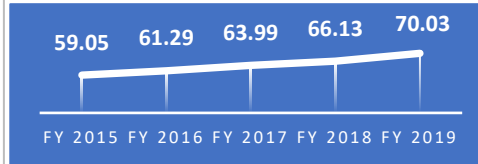
#### Future Outlook

FY 2019 was the third consecutive year to use working capital in the General Fund to balance ongoing expenditures. The City Council has moved forward with two revenue options that were recommended by the Sustainable Services Revenue Task Force to bolster General Fund revenue. The City Operations Fee was enacted by City Council and went into effect January of 2020. An Employee-Paid Payroll Tax will be on the ballot in May of 2020 for voter consideration.

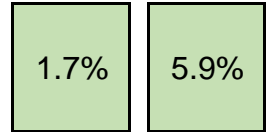
# CITY OF SALEM FINANCIAL SUMMARY YEAR END / FY 2019

## General Fund Revenues

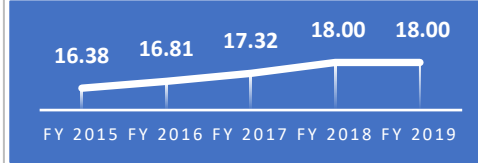
**Property Tax**—In FY 2019, this revenue source continued to achieve the 3% statutory increase. \$1.38M one-time settlement payment increased revenue above budget estimates. The total year-over-year increase was \$3.9 million or 5.9%.



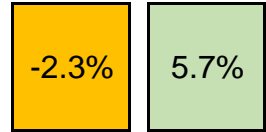
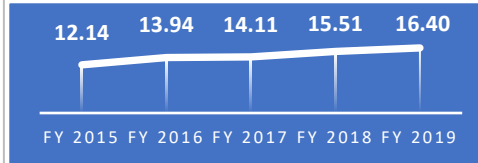
**Actual to Budget**  
1.7%  
**Year-over-Year**  
5.9%



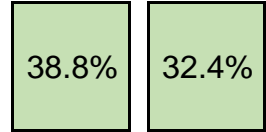
**Franchise Fees**—Increases for refuse hauler fees, gains in electric and water / wastewater / storm-water utility, offset by lower gas and cable revenue added no increase year-over-year for City franchise fees.



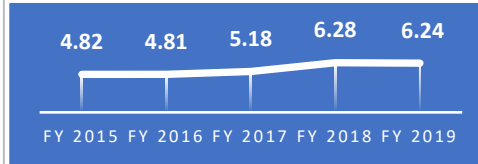
**Internal Charges**—Less-than-anticipated revenues are offset with savings from vacant positions. A lower vacancy rate would have generated additional internal reimbursement revenues. However, the year-over-year increase was almost 5.7%.



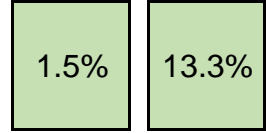
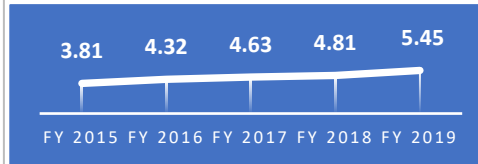
**Marijuana Sales Tax**—Continued growth experienced with year-over-year increases of over 32%, exceeding budget estimates by a similar margin.



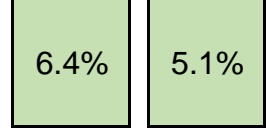
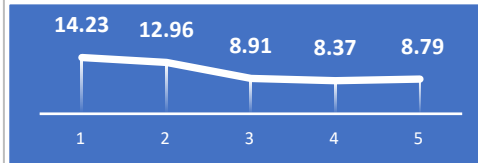
**State Shared Revenues**—With Marijuana shared revenues normalizing and tobacco and alcohol tax shared revenues following trends, this category remains relatively flat year-over-year, exceeding budget estimates by 5.2%.



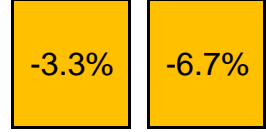
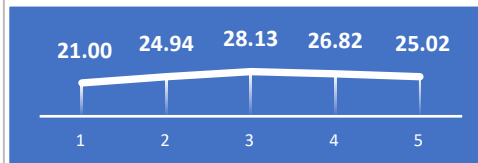
**Fees, Permits**—User charges for fire protection, planning fees, recreation, fire safety permits, and apartment licensing supported increased receipts of \$640,3562 or 13.3% more than FY 2018, despite decreases in lien search and library fees.



**Other Agencies, Grants, All Other Revenue**— Year-over-year gains resulting from increased parking meter rent and interest earnings resulted in a \$429,325 increase.



**Beginning Working Capital**—Use of working capital was needed for the second year in a row. Beginning fund balance decreased \$1.8 million or 6.7% year-over-year and is 3.3% below the budgeted projection.



# CITY OF SALEM FINANCIAL SUMMARY YEAR END / FY 2019

## General Fund Expenditures by Department

Expenditures by Department (in millions)	Personal Services	Materials Services	Capital Outlay	Interfund Transfers	Debt	Actual to Budget	Year - over - Year
Mayor & Council	\$ -	\$ 0.19	\$ -	\$ -	\$ -	79.6%	1.4%
Municipal Court	1.32	0.55	-	-	-	91.3%	3.1%
City Manager	1.15	0.16	-	-	-	84.7%	-2.1%
Human Resources	1.21	0.24	-	-	-	96.5%	4.7%
Legal	2.07	0.11	-	-	-	93.4%	0.2%
Finance	3.31	0.30	-	-	-	94.5%	-0.7%
Parks and Recreation	4.99	4.02	0.05	0.21	-	98.8%	-0.6%
Facilities Services	2.56	1.58	-	0.13	-	99.1%	3.7%
Community Development	3.54	0.84	0.02	0.01	-	91.9%	17.6%
Library	3.75	0.76	-	0.41	-	98.0%	7.0%
Police	35.79	8.17	0.32	-	-	98.8%	4.0%
Fire	29.05	4.51	-	-	-	97.7%	9.9%
Information Technology	6.56	1.54	0.19	-	-	96.3%	15.8%
Non Departmental	0.10	3.24	-	0.83	0.28	53.6%	-6.2%
Urban Development	3.19	1.34	-	0.14	-	90.8%	8.9%
<b>Total Expenditures</b>	<b>\$ 98.60</b>	<b>\$ 27.56</b>	<b>\$ 0.58</b>	<b>\$ 1.73</b>	<b>\$ 0.28</b>		

### BY THE NUMBERS Expenditures

General Funded FY 2019 year-end expenditures totaled \$128.75 million, \$7.5 million and 5.5 percent lower than the adopted budget, which is made up between \$1.47 million of unused contingency and \$6.07 million of departmental savings. The 5.8 percent year-over-year increase in total is influenced by anticipated cost escalators, such as labor contract / market adjustments to salaries, the corresponding increase to PERS expense, and health benefits expense. Differences are also influenced by changes in position vacancy rates and the timing of materials and services expenses.



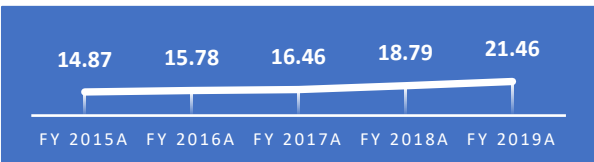
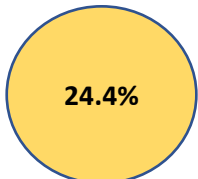
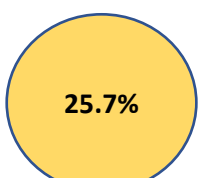

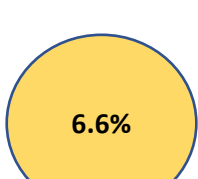

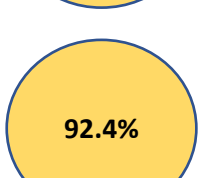
# CITY OF SALEM FINANCIAL SUMMARY YEAR END / FY 2019

## Other Funds (in millions)

Expenditures by Fund (in millions)	Actual to Budget	Year - over - Year	Fund Resources 5-Year Trend, FY 2015-FY 2019
<b>Transportation Services</b> \$ <b>16.12</b> Personal Services     5.74 Materials / Services     8.26 Capital Outlay     0.59 Interfund Transfers     1.53	 <b>90.6%</b>	 <b>8.6%</b>	 17.42   13.67   13.48   14.11   15.25 FY 2015A   FY 2016A   FY 2017A   FY 2018A   FY 2019A
<b>Streetlight</b> \$ <b>1.66</b> Materials / Services     1.07 Interfund Transfers     0.36 Debt     0.23	 <b>87.5%</b>	 <b>21.3%</b>	 0   2.01   1.85   1.86   2.02 FY 2015A   FY 2016A   FY 2017A   FY 2018A   FY 2019A
<b>Airport</b> \$ <b>1.22</b> Personal Services     0.48 Materials / Services     0.56 Interfund Transfers     0.14 Debt     0.04	 <b>53.6%</b>	 <b>23.7%</b>	 1.1   1.22   1.18   1.2   1.27 FY 2015A   FY 2016A   FY 2017A   FY 2018A   FY 2019A
<b>Community Renewal</b> \$ <b>3.04</b> Materials / Services     3.04	 <b>60.6%</b>	 <b>75.5%</b>	 4.45   4   2.71   1.94   3.08 FY 2015A   FY 2016A   FY 2017A   FY 2018A   FY 2019A
<b>Downtown Parking</b> \$ <b>1.18</b> Materials / Services     1.08 Interfund Transfers     0.10	 <b>81.0%</b>	 <b>-18.0%</b>	 1.99   1.42   1.43   1.08   1.06 FY 2015A   FY 2016A   FY 2017A   FY 2018A   FY 2019A
<b>Cultural and Tourism</b> \$ <b>4.25</b> Materials / Services     2.44 Interfund Transfers     1.81	 <b>91.0%</b>	 <b>14.5%</b>	 1.99   1.42   1.43   1.08   1.06 FY 2015A   FY 2016A   FY 2017A   FY 2018A   FY 2019A
<b>Public Art</b> \$ <b>0.03</b> Materials / Services     0.03	 <b>31.8%</b>	 <b>-9.8%</b>	 0   0.03   0.03   0.02   0.03 FY 2015A   FY 2016A   FY 2017A   FY 2018A   FY 2019A

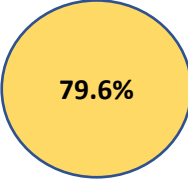


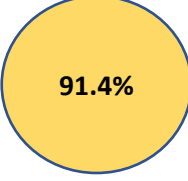

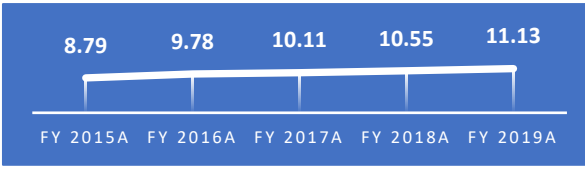
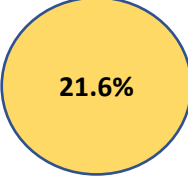
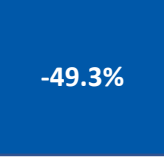

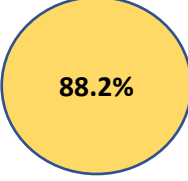
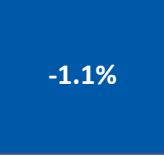

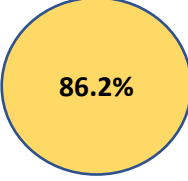

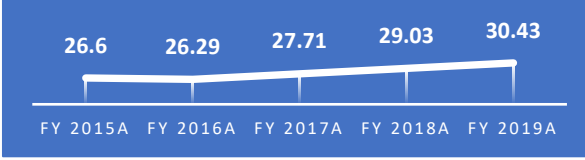
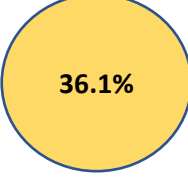
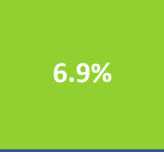
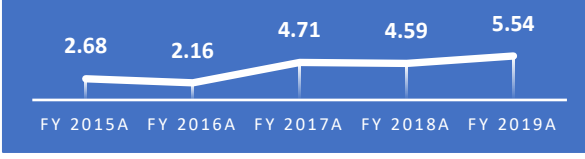
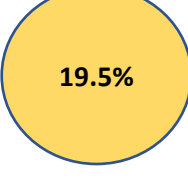
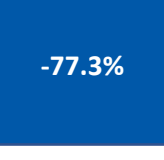

# CITY OF SALEM FINANCIAL SUMMARY YEAR END / FY 2019

## Other Funds (in millions)

Expenditures by Fund (in millions)	Actual to Budget	Year - over - Year	Fund Resources 5-Year Trend, FY 2015-FY 2019
<b>Parking Leasehold</b> \$ <b>0.65</b> Materials / Services      0.45 Interfund Transfers      0.20	 <b>48.6%</b>	 <b>11.0%</b>	 0.58    0.57    0.59    0.49    0.54 FY 2015A    FY 2016A    FY 2017A    FY 2018A    FY 2019A
<b>Building and Safety</b> \$ <b>4.82</b> Personal Services          2.97 Materials / Services      1.35 Interfund Transfers      0.50	 <b>89.0%</b>	 <b>11.8%</b>	 3.12    3.78    4.95    5.85    6.72 FY 2015A    FY 2016A    FY 2017A    FY 2018A    FY 2019A
<b>General Debt</b> \$ <b>20.54</b> Debt                            20.54	 <b>100.0%</b>	 <b>11.3%</b>	 14.87    15.78    16.46    18.79    21.46 FY 2015A    FY 2016A    FY 2017A    FY 2018A    FY 2019A
<b>Capital Improvements</b> \$ <b>42.10</b> Materials / Services      40.34 Capital Outlay            1.71 Interfund Transfers      0.05	 <b>24.4%</b>	 <b>-6.0%</b>	 30.53    18.74    28.09    127.61    33.48 FY 2015A    FY 2016A    FY 2017A    FY 2018A    FY 2019A
<b>Extra Capacity Facilities</b> \$ <b>8.45</b> Materials / Services      6.78 Capital Outlay            1.60 Interfund Transfers      0.08	 <b>25.7%</b>	 <b>17.7%</b>	 5.04    6.85    6.76    11.75    13.33 FY 2015A    FY 2016A    FY 2017A    FY 2018A    FY 2019A
<b>Development Districts</b> \$ <b>0.47</b> Materials / Services      0.47	 <b>6.6%</b>	 <b>42.1%</b>	 0.02    0.22    0.72    1.44    1.06 FY 2015A    FY 2016A    FY 2017A    FY 2018A    FY 2019A
<b>Utility</b> \$ <b>107.32</b> Personal Services          33.58 Materials / Services      31.78 Capital Outlay            1.44 Interfund Transfers      21.57 Debt                            18.94	 <b>92.4%</b>	 <b>-35.6%</b>	 89.39    91.53    98    169.98    106.61 FY 2015A    FY 2016A    FY 2017A    FY 2018A    FY 2019A

# CITY OF SALEM FINANCIAL SUMMARY YEAR END / FY 2019

## Other Funds (in millions)

Expenditures by Fund (in millions)	Actual to Budget	Year - over - Year	Fund Resources 5-Year Trend, FY 2015-FY 2019
<b>Emergency Services</b> \$ <b>0.70</b> Personal Services      0.38 Materials / Services    0.24 Interfund Transfers    0.08	 <b>79.6%</b>	 <b>15.8%</b>	 0.88    0.75    0.81    0.95    0.97 FY 2015A   FY 2016A   FY 2017A   FY 2018A   FY 2019A
<b>WVCC</b> \$ <b>10.47</b> Personal Services        8.69 Materials / Services    1.75 Capital Outlay            0.03	 <b>91.4%</b>	 <b>2.5%</b>	 8.79    9.78    10.11    10.55    11.13 FY 2015A   FY 2016A   FY 2017A   FY 2018A   FY 2019A
<b>Police Regional Records</b> \$ <b>0.30</b> Materials / Services      0.30	 <b>21.6%</b>	 <b>-49.3%</b>	 0.33    0.36    0.37    0.4    0.43 FY 2015A   FY 2016A   FY 2017A   FY 2018A   FY 2019A
<b>City Services</b> \$ <b>10.26</b> Personal Services        2.26 Materials / Services    7.59 Capital Outlay            0.06 Interfund Transfers    0.35	 <b>88.2%</b>	 <b>-1.1%</b>	 9.63    10.05    10.28    10.91    10.66 FY 2015A   FY 2016A   FY 2017A   FY 2018A   FY 2019A
<b>Self Insurance Benefits</b> \$ <b>37.36</b> Personal Services        1.02 Materials / Services    26.57 Interfund Transfers    9.77	 <b>86.2%</b>	 <b>35.3%</b>	 26.6    26.29    27.71    29.03    30.43 FY 2015A   FY 2016A   FY 2017A   FY 2018A   FY 2019A
<b>Equipment Replacement</b> \$ <b>3.82</b> Materials / Services      0.01 Capital Outlay            3.74 Interfund Transfers      0.07	 <b>36.1%</b>	 <b>6.9%</b>	 2.68    2.16    4.71    4.59    5.54 FY 2015A   FY 2016A   FY 2017A   FY 2018A   FY 2019A
<b>Trust and Agency</b> \$ <b>0.52</b> Materials / Services      0.51 Capital Outlay            0.01 Interfund Transfers      0.01	 <b>19.5%</b>	 <b>-77.3%</b>	 0.77    3.89    0.94    4.03    1.39 FY 2015A   FY 2016A   FY 2017A   FY 2018A   FY 2019A