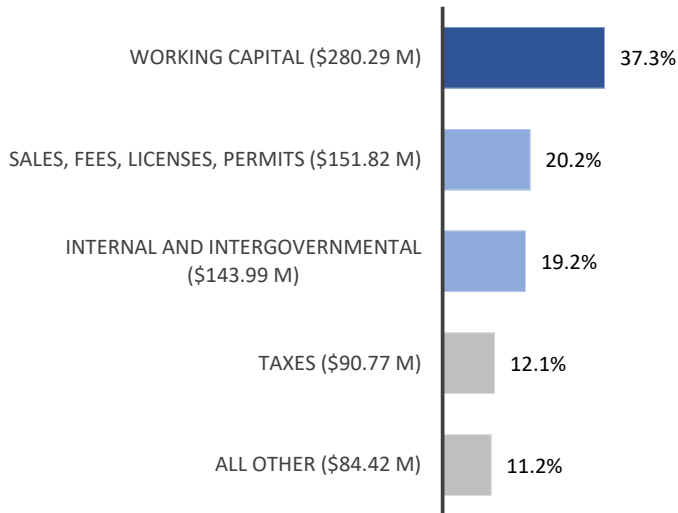


CITY OF SALEM FINANCIAL SUMMARY YEAR END / FY 2020

This financial summary provides FY 2020 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 2020 activity.

Citywide Results - All Funds

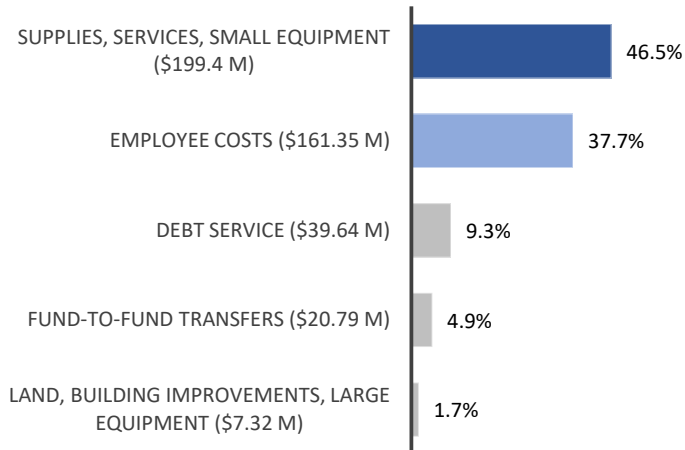
Total Resources of \$751.29 Million



This view of Citywide resources reveals the prominence of *Working Capital*—or cash-on-hand—at 37.3 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, state shared revenues, and grants.

Total Expenditures of \$428.5 Million

Everything associated with the cost of more than 1,230 full-time equivalent employees—wages, overtime, insurances, and retirement benefits—is included in *Employee Costs*. The category of *Supplies, Services, Small Equipment* includes \$134.82 million of the total in just three of the City’s 23 funds—Capital Improvements, Self Insurance, and Utility.



BY THE NUMBERS Expenditures

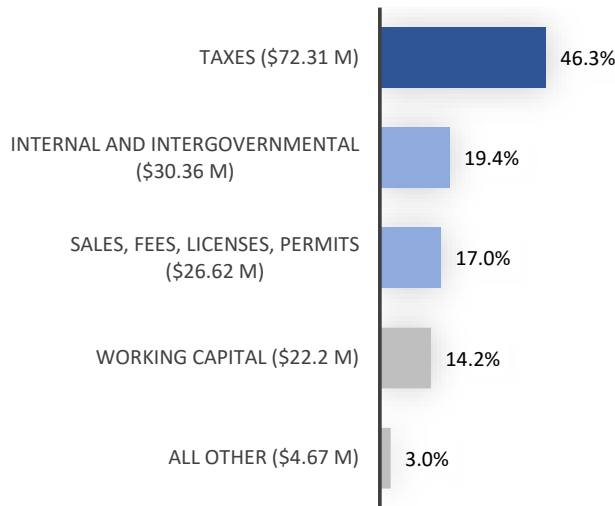
Total personnel expenditures increased by 4.97 percent year over year. The increase in total expenditures is influenced by anticipated cost escalators, such as labor contract / market adjustments to salaries, the corresponding increase to PERS expense, and health benefits expense. Differences are also influenced by changes in position vacancy rates and the slowing of hiring due to the COVID-19 pandemic. Materials and services experienced an increase from construction contracts from the various capital projects ongoing in 2020 including the start of utility water projects.

CITY OF SALEM FINANCIAL SUMMARY YEAR END / FY 2020

This financial summary provides FY 2020 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 2020 activity.

General Fund Results

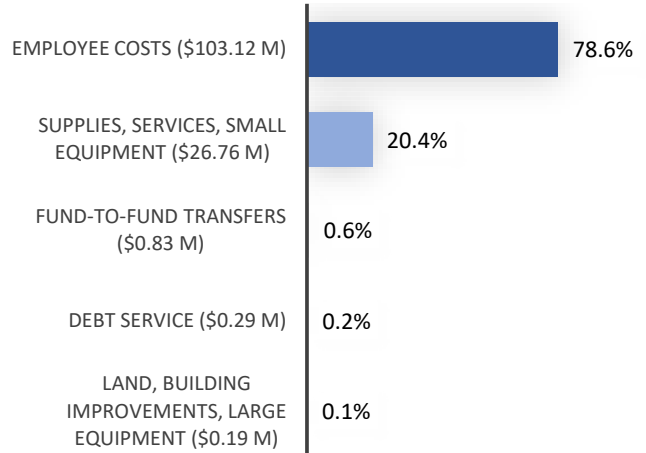
Total Resources of \$156.16 Million



Total resources for FY 2020 in the General Fund equal \$156.16 million, representing \$22.20 million in working capital and \$133.8 million in new revenues. Property taxes account for \$71.15 million in the category, *Taxes*, with the remaining \$1.16 million from the City's sales tax on marijuana. *Sales, Fees, Licenses, Permits* includes over \$18.09 million in franchise fees, \$1.07 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— such as Legal, Human Resources, Finance, and Information Technology—provide \$15.81 million of the \$30.36 million for the *Internal and Intergovernmental* category. Revenues shared by the State of Oregon add another \$6.80 million. *All Other* revenue includes \$692 K in parking fines and \$1.17 million in court fines.

Total Expenditures of \$131.19 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 \$131.19 million, representing a 1.89 percent increase over FY 2019. With the addition of the City Operations Fee in January, 2020, approximately \$3.56 million was added to the General Fund. Additionally CARES (Coronavirus Aid, Relief and Economic Security) Act provided \$3.14 million in aid for costs associated with the COVID-19 pandemic



Future Outlook

With the addition of the City Operations Fee, FY 2020 was the first year in many that the City was able to add to its working capital. Even with this boost, expenses of the General Fund are still outpacing revenues and the City still relied on working capital to cover these expenses. The COVID-19 pandemic has brought additional challenges to the community and the City. We know that there are many unknowns and challenges in the year ahead with competing needs, community goals and requirements. A renewal of the Salem Strategic Plan in the Winter of 2020/21 will help guide Council goals and budgeting implications for future years.

CITY OF SALEM FINANCIAL SUMMARY YEAR END / FY 2020

General Fund Revenues

		Actual to Budget	Year - over- Year												
<p>Property Tax—In FY 2020, the largest revenue source for the General Fund received a 1.6% revenue increase above last year's actuals. The total revenues year-over-year increase was \$1.12 million or 1.6%.</p>	<table border="1"> <tr><th>Fiscal Year</th><td>FY 2016</td><td>FY 2017</td><td>FY 2018</td><td>FY 2019</td><td>FY 2020</td></tr> <tr><th>Revenue</th><td>61.29</td><td>63.99</td><td>66.13</td><td>70.03</td><td>71.15</td></tr> </table>	Fiscal Year	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	Revenue	61.29	63.99	66.13	70.03	71.15	99.7%	1.6%
Fiscal Year	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020										
Revenue	61.29	63.99	66.13	70.03	71.15										
<p>Franchise Fees—Increases for refuse hauler fees, gains in electric and water / wastewater / storm-water utility, offset by lower gas and cable revenue added a slight increase year-over-year for City franchise fees of 0.5%.</p>	<table border="1"> <tr><th>Fiscal Year</th><td>FY 2016</td><td>FY 2017</td><td>FY 2018</td><td>FY 2019</td><td>FY 2020</td></tr> <tr><th>Revenue</th><td>16.81</td><td>17.32</td><td>18</td><td>18.00</td><td>18.09</td></tr> </table>	Fiscal Year	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	Revenue	16.81	17.32	18	18.00	18.09	97.3%	0.5%
Fiscal Year	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020										
Revenue	16.81	17.32	18	18.00	18.09										
<p>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 6.4%.</p>	<table border="1"> <tr><th>Fiscal Year</th><td>FY 2016</td><td>FY 2017</td><td>FY 2018</td><td>FY 2019</td><td>FY 2020</td></tr> <tr><th>Revenue</th><td>13.94</td><td>14.11</td><td>15.51</td><td>16.40</td><td>17.44</td></tr> </table>	Fiscal Year	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	Revenue	13.94	14.11	15.51	16.40	17.44	96.8%	6.4%
Fiscal Year	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020										
Revenue	13.94	14.11	15.51	16.40	17.44										
<p>Marijuana Sales Tax—Continued growth experienced with year-over-year increases of over 15.6%, and far exceeding budget estimates by 19.7%. Over 0.33M was realized in the final quarter of 2020.</p>	<table border="1"> <tr><th>Fiscal Year</th><td>FY 2016</td><td>FY 2017</td><td>FY 2018</td><td>FY 2019</td><td>FY 2020</td></tr> <tr><th>Revenue</th><td>-</td><td>0.120</td><td>0.76</td><td>1.00</td><td>1.16</td></tr> </table>	Fiscal Year	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	Revenue	-	0.120	0.76	1.00	1.16	119.7%	15.6%
Fiscal Year	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020										
Revenue	-	0.120	0.76	1.00	1.16										
<p>State Shared Revenues—With Marijuana shared revenues raising and tobacco and alcohol tax shared revenues following trends, this category increased year-over-year, exceeding budget estimates by 4.7%.</p>	<table border="1"> <tr><th>Fiscal Year</th><td>FY 2016</td><td>FY 2017</td><td>FY 2018</td><td>FY 2019</td><td>FY 2020</td></tr> <tr><th>Revenue</th><td>4.81</td><td>5.18</td><td>6.28</td><td>6.24</td><td>6.80</td></tr> </table>	Fiscal Year	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	Revenue	4.81	5.18	6.28	6.24	6.80	104.7%	9.0%
Fiscal Year	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020										
Revenue	4.81	5.18	6.28	6.24	6.80										
<p>Fees, Permits—User charges for fire protection, planning fees, recreation, fire safety permits, and apartment licensing supported increased receipts of \$3.08M or 56.3% more than FY 2019. This stark increase is due to the City Operations Fee which</p>	<table border="1"> <tr><th>Fiscal Year</th><td>FY 2016</td><td>FY 2017</td><td>FY 2018</td><td>FY 2019</td><td>FY 2020</td></tr> <tr><th>Revenue</th><td>4.32</td><td>4.63</td><td>4.81</td><td>5.45</td><td>8.53</td></tr> </table>	Fiscal Year	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	Revenue	4.32	4.63	4.81	5.45	8.53	150.2%	56.3%
Fiscal Year	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020										
Revenue	4.32	4.63	4.81	5.45	8.53										
<p>Other Agencies, Grants, All Other Revenue— There was a share increase in this category in the final quarter of 2020 due to the CARES (Coronavirius Aid, Relief and Economic Securities Act) grant in the value of \$3.14 M. Overall increase year-over-year is 22.6%</p>	<table border="1"> <tr><th>Fiscal Year</th><td>FY 2016</td><td>FY 2017</td><td>FY 2018</td><td>FY 2019</td><td>FY 2020</td></tr> <tr><th>Revenue</th><td>12.96</td><td>8.91</td><td>8.37</td><td>8.79</td><td>10.79</td></tr> </table>	Fiscal Year	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	Revenue	12.96	8.91	8.37	8.79	10.79	139.5%	22.6%
Fiscal Year	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020										
Revenue	12.96	8.91	8.37	8.79	10.79										
<p>Beginning Working Capital—Use of working capital was needed for the third year in a row. Beginning fund balance decreased \$2.8 million or 11.3% year-over-year. However, this is year's beginning working capital was about \$1 million higher than originally budgeted.</p>	<table border="1"> <tr><th>Fiscal Year</th><td>FY 2016</td><td>FY 2017</td><td>FY 2018</td><td>FY 2019</td><td>FY 2020</td></tr> <tr><th>Revenue</th><td>24.94</td><td>28.13</td><td>26.82</td><td>25.02</td><td>22.20</td></tr> </table>	Fiscal Year	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	Revenue	24.94	28.13	26.82	25.02	22.20	104.7%	-11.3%
Fiscal Year	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020										
Revenue	24.94	28.13	26.82	25.02	22.20										

CITY OF SALEM FINANCIAL SUMMARY YEAR END / FY 2020

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	\$ -	\$ 0.18	\$ -	\$ -	\$ -	85.1%	-3.4%
Municipal Court	1.41	0.47	-	-	-	87.3%	0.6%
City Manager	1.05	0.13	-	-	-	91.2%	-9.8%
Human Resources	1.28	0.16	-	-	-	91.3%	-0.7%
Legal	2.29	0.12	-	-	-	98.2%	10.1%
Finance	3.33	0.28	-	-	-	88.2%	-0.3%
Parks and Recreation	5.07	4.05	-	0.08	-	96.4%	-0.8%
Facilities Services	2.69	1.38	-	0.11	-	97.4%	-1.9%
Community Development	3.61	0.64	-	0.01	-	89.9%	-3.2%
Library	3.85	0.64	0.01	-	-	88.7%	-8.8%
Police	37.01	8.05	0.10	-	-	96.2%	2.0%
Fire	31.00	4.56	-	-	-	98.7%	6.0%
Information Technology	7.16	1.64	0.08	-	-	99.2%	7.1%
Non Departmental	0.06	2.95	-	0.49	0.29	53.2%	-15.0%
Urban Development	3.32	1.51	-	0.14	-	93.4%	6.1%
Total Expenditures	\$ 103.12	\$ 26.76	\$ 0.19	\$ 0.83	\$ 0.29		

BY THE NUMBERS Expenditures

General Funded FY 2020 year-end expenditures totaled \$131.19 million which is \$8.6 million or 6.2 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 1.89 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

CITY OF SALEM FINANCIAL SUMMARY YEAR END / FY 2020

Other Funds (in millions)

Expenditures by Fund (in millions)	Actual to Budget - FY 2020	Year - over - Year	Fund Resources 5-Year Trend, FY 2016-FY 2020
Transportation Services \$ 14.05	86.4%	-12.8%	
Personal Services 5.91			
Materials / Services 7.60			
Capital Outlay 0.09			
Interfund Transfers 0.45			
Streetlight \$ 1.96	77.2%	17.9%	
Materials / Services 1.02			
Interfund Transfers 0.70			
Debt 0.24			
Airport \$ 1.30	58.8%	6.2%	
Personal Services 0.49			
Materials / Services 0.76			
Interfund Transfers -			
Debt 0.05			
Community Renewal \$ 1.28	24.7%	-58.0%	
Materials / Services 1.08			
Interfund Transfers 0.20			
Downtown Parking \$ 1.17	91.0%	-1.2%	
Materials / Services 1.17			
Interfund Transfers -			
Cultural and Tourism \$ 3.68	88.9%	-13.4%	
Materials / Services 2.23			
Interfund Transfers 1.45			
Public Art \$ 0.01	10.9%	-74.9%	
Materials / Services 0.01			
Tourism Promotion Area \$ 0.24	34.8%	0.0%	
Materials / Services \$ 0.23			
Interfund Transfers \$ 0.01			

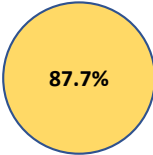

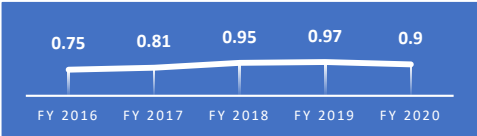
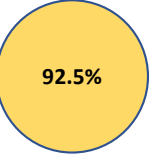
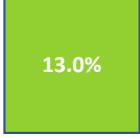

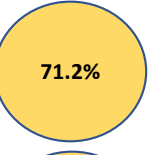
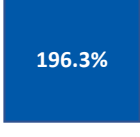
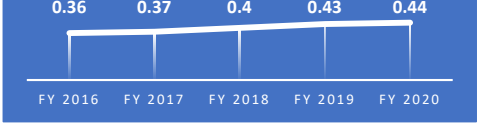
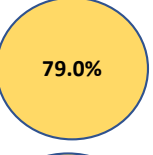

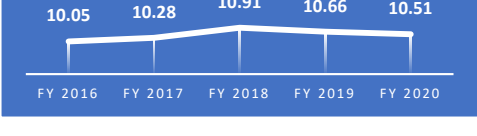
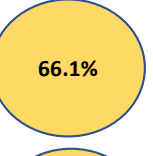
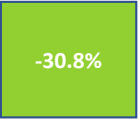
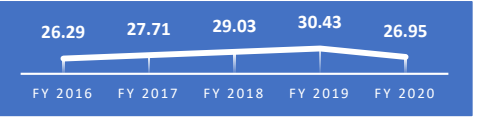
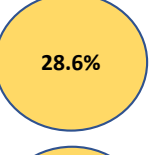


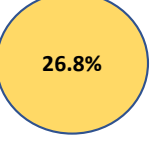
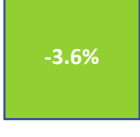

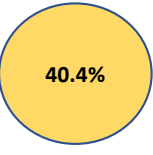
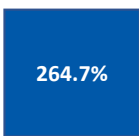
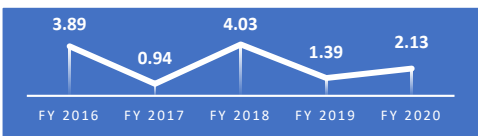
CITY OF SALEM FINANCIAL SUMMARY YEAR END / FY 2020

Other Funds (in millions)

Expenditures by Fund (in millions)	Actual to Budget - FY 2020	Year - over - Year	Fund Resources 5-Year Trend, 2.01-1.96
Parking Leasehold \$ 0.76 Materials / Services 0.36 Interfund Transfers 0.40	68.2%	16.0%	0.57 0.59 0.49 0.54 0.61 FY 2016 FY 2017 FY 2018 FY 2019 FY 2020
Building and Safety \$ 4.98 Personal Services 3.12 Materials / Services 1.37 Interfund Transfers 0.50	82.8%	3.3%	3.78 4.95 5.85 6.72 7.69 FY 2016 FY 2017 FY 2018 FY 2019 FY 2020
Traffic Safety \$ 0.58 Personal Services - Materials / Services 0.32 Interfund Transfers 0.25	30.3%	0.0%	0.58 FY 2016 FY 2017 FY 2018 FY 2019 FY 2020
General Debt \$ 21.06 Debt 21.06	100.0%	2.5%	15.78 16.46 18.79 21.46 20.57 FY 2016 FY 2017 FY 2018 FY 2019 FY 2020
Capital Improvements \$ 73.89 Materials / Services 72.97 Capital Outlay 0.92 Interfund Transfers -	41.8%	75.5%	18.74 28.09 127.61 33.48 94.74 FY 2016 FY 2017 FY 2018 FY 2019 FY 2020
Extra Capacity Facilities \$ 10.98 Materials / Services 10.91 Capital Outlay - Interfund Transfers 0.08	30.7%	29.9%	6.85 6.76 11.75 13.33 16.11 FY 2016 FY 2017 FY 2018 FY 2019 FY 2020
Development Districts \$ 0.29 Materials / Services 0.29	6.1%	-38.4%	0.22 0.72 1.44 1.06 2.69 FY 2016 FY 2017 FY 2018 FY 2019 FY 2020
Utility \$ 102.63 Personal Services 35.59 Materials / Services 33.19 Capital Outlay 1.18 Interfund Transfers 14.65 Debt 18.01	88.2%	-4.4%	91.53 98 169.98 106.61 109.3 FY 2016 FY 2017 FY 2018 FY 2019 FY 2020

CITY OF SALEM FINANCIAL SUMMARY YEAR END / FY 2020

Other Funds (in millions)

Expenditures by Fund (in millions)	Actual to Budget - FY 2020	Year - over - Year	Fund Resources 5-Year Trend, FY 2016-FY 2020
Emergency Services \$ 1.01			
Personal Services 0.40			
Materials / Services 0.28			
Interfund Transfers 0.08			
Capital 0.25			
WVCC \$ 11.83			
Personal Services 9.38			
Materials / Services 1.55			
Interfund Transfers 0.90			
Police Regional Records \$ 0.89			
Materials / Services 0.17			
Capital 0.72			
City Services \$ 9.39			
Personal Services 2.27			
Materials / Services 6.94			
Capital Outlay 0.00			
Interfund Transfers 0.19			
Self Insurance Benefits \$ 25.85			
Personal Services 0.50			
Materials / Services 25.35			
Interfund Transfers -			
Self Insurance Risk \$ 3.90			
Personal Services 0.59			
Materials / Services 3.31			
Equipment Replacement \$ 3.68			
Materials / Services 0.15			
Capital Outlay 3.53			
Interfund Transfers -			
Trust and Agency \$ 1.91			
Materials / Services 1.36			
Capital Outlay 0.43			
Interfund Transfers 0.11			