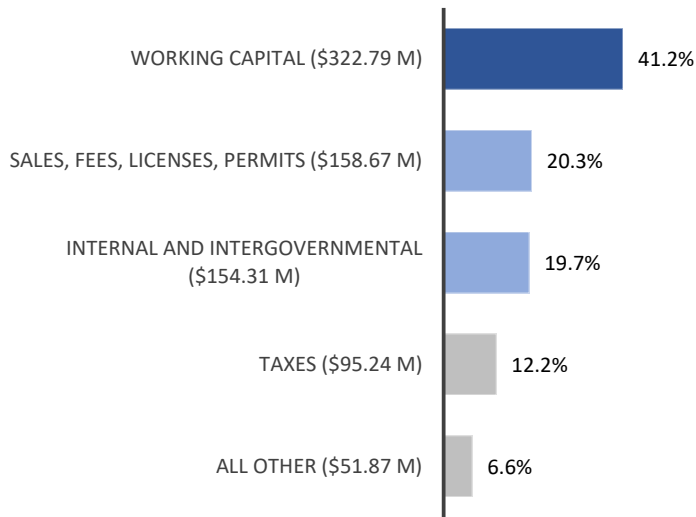


# CITY OF SALEM FINANCIAL SUMMARY YEAR END / FY 2021

This financial summary provides FY 2021 year-end results that include July 2020 through June 2021. 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 2021 activity.

## Citywide Results - All Funds

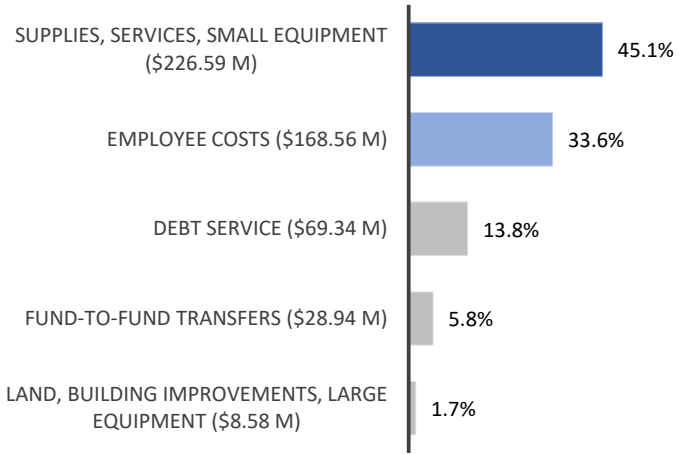
### Total Resources of \$782.88 Million



This view of Citywide resources reveals the prominence of *Working Capital*—or cash-on-hand—at 41.2 percent of all resources. *Taxes* include property tax for General Fund operations and levies 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 \$502.01 Million

Everything associated with the cost of more than 1,282 full-time equivalent employees—wages, overtime, insurances, and retirement benefits—is included in *Employee Costs*. The category of *Supplies, Services, Small Equipment* includes \$156.90 million of the total in just four of the City’s 25 funds—Capital Improvements, Self Insurance Risk, Self Insurance Benefits, and Utility.



### BY THE NUMBERS Expenditures

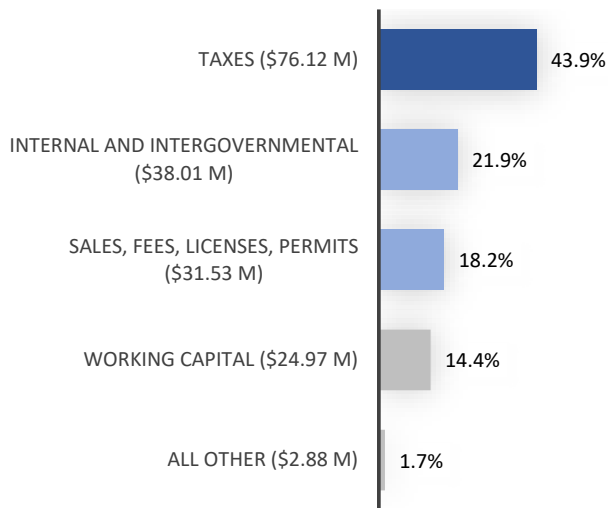
Total personnel expenditures increased by 4.47 percent year over year. The increase in total expenditures is influenced by anticipated cost escalators, such as labor contract / market adjustments to salaries, the corresponding increase to PERS expense, and health benefits expense. Differences are also 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 2021.

# CITY OF SALEM FINANCIAL SUMMARY YEAR END / FY 2021

This financial summary provides FY 2021 year-end results that include July 2020 through June 2021. 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 2021 activity.

## General Fund Results

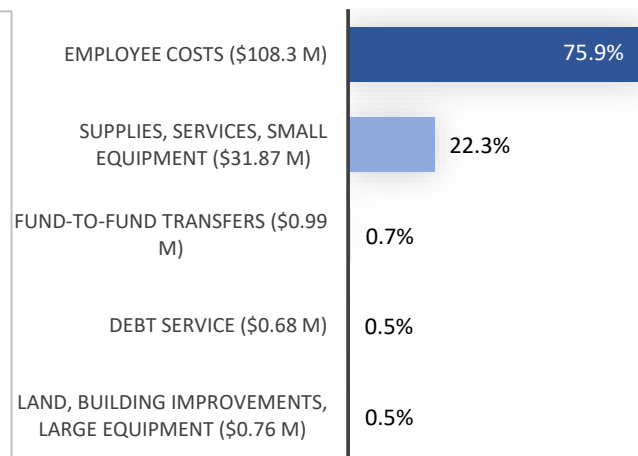
### Total Resources of \$173.51 Million



Total resources for FY 2021 in the General Fund equal \$173.51 million, representing \$24.97 million in working capital and \$148.54 million in new revenues. Property taxes account for \$74.54 million in the category, *Taxes*, with the remaining \$1.58 million from the City's sales tax on marijuana. *Sales, Fees, Licenses, Permits* includes over \$18.82 million in franchise fees, \$7.21 million from the City's operation fee, \$1.74 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 \$15.85 million of the \$38.01 million for the *Internal and Intergovernmental* category. Revenues shared by the State of Oregon add another \$7.58 million. *All Other* revenue includes \$502,390 in parking fines and \$1.05 million in court fines.

### Total Expenditures of \$142.6 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 \$142.60 million, representing an 8.70 percent increase over FY 2020. Additionally, federal funding provided \$10.3 million in aid for costs associated with the COVID-19 pandemic, including \$6.37 million from the American Rescue Plan Act (ARPA) and \$3.93 million from the Coronavirus Aid, Relief, and Economic Security Act (CARES).



### Future Outlook

With the addition of the American Rescue Plan Act (ARPA) funding, the City was able to add to its fund balance in FY 2021. Even with this boost, expenses in the General Fund are still outpacing revenues. With ARPA funding already set aside for spending on sheltering programs, the City is likely to return to using fund balance to cover operating expenses in the coming years. This trend is further exacerbated by the on-going COVID-19 pandemic which continues to bring additional challenges to the community and the City.

# CITY OF SALEM FINANCIAL SUMMARY YEAR END / FY 2021

## General Fund Revenues

		Actual to Budget	Year - over- Year												
<p>Property Tax—In FY 2021, the largest revenue source for the General Fund received a 4.8% revenue increase above last year's actuals. The total revenues year-over-year increase was \$3.39 million.</p>	<table border="1"> <tr><th>Fiscal Year</th><td>FY 2017</td><td>FY 2018</td><td>FY 2019</td><td>FY 2020</td><td>FY 2021</td></tr> <tr><th>Revenue</th><td>63.99</td><td>66.13</td><td>70.03</td><td>71.15</td><td>74.54</td></tr> </table>	Fiscal Year	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	Revenue	63.99	66.13	70.03	71.15	74.54	100.5%	4.8%
Fiscal Year	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021										
Revenue	63.99	66.13	70.03	71.15	74.54										
<p>Franchise Fees—Increases for refuse hauler fees, gains in electric and water / wastewater / storm-water utility, as well as higher gas and cable revenue added an increase year-over-year for City franchise fees of 4.0%.</p>	<table border="1"> <tr><th>Fiscal Year</th><td>FY 2017</td><td>FY 2018</td><td>FY 2019</td><td>FY 2020</td><td>FY 2021</td></tr> <tr><th>Revenue</th><td>17.32</td><td>18</td><td>18</td><td>18.09</td><td>18.82</td></tr> </table>	Fiscal Year	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	Revenue	17.32	18	18	18.09	18.82	105.5%	4.0%
Fiscal Year	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021										
Revenue	17.32	18	18	18.09	18.82										
<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 1.8%.</p>	<table border="1"> <tr><th>Fiscal Year</th><td>FY 2017</td><td>FY 2018</td><td>FY 2019</td><td>FY 2020</td><td>FY 2021</td></tr> <tr><th>Revenue</th><td>14.11</td><td>15.51</td><td>16.4</td><td>17.44</td><td>17.75</td></tr> </table>	Fiscal Year	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	Revenue	14.11	15.51	16.4	17.44	17.75	93.9%	1.8%
Fiscal Year	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021										
Revenue	14.11	15.51	16.4	17.44	17.75										
<p>Marijuana Sales Tax—Continued growth experienced with year-over-year increases of over 36.5%, and far exceeding budget estimates by 37.2%. Over 0.38M was realized in the final quarter of 2021.</p>	<table border="1"> <tr><th>Fiscal Year</th><td>FY 2017</td><td>FY 2018</td><td>FY 2019</td><td>FY 2020</td><td>FY 2021</td></tr> <tr><th>Revenue</th><td>0.120</td><td>0.760</td><td>1</td><td>1.16</td><td>1.58</td></tr> </table>	Fiscal Year	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	Revenue	0.120	0.760	1	1.16	1.58	137.2%	36.5%
Fiscal Year	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021										
Revenue	0.120	0.760	1	1.16	1.58										
<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 6.8%.</p>	<table border="1"> <tr><th>Fiscal Year</th><td>FY 2017</td><td>FY 2018</td><td>FY 2019</td><td>FY 2020</td><td>FY 2021</td></tr> <tr><th>Revenue</th><td>5.18</td><td>6.28</td><td>6.24</td><td>6.8</td><td>7.58</td></tr> </table>	Fiscal Year	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	Revenue	5.18	6.28	6.24	6.8	7.58	106.8%	11.4%
Fiscal Year	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021										
Revenue	5.18	6.28	6.24	6.8	7.58										
<p>Fees, Permits—User charges for fire protection, planning fees, recreation, fire safety permits, and apartment licensing supported increased receipts of \$4.18 million or 49.1% more than FY 2020. This stark increase is due to the City Operations Fee which began in January, 2020.</p>	<table border="1"> <tr><th>Fiscal Year</th><td>FY 2017</td><td>FY 2018</td><td>FY 2019</td><td>FY 2020</td><td>FY 2021</td></tr> <tr><th>Revenue</th><td>4.63</td><td>4.81</td><td>5.45</td><td>8.53</td><td>12.71</td></tr> </table>	Fiscal Year	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	Revenue	4.63	4.81	5.45	8.53	12.71	88.7%	49.1%
Fiscal Year	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021										
Revenue	4.63	4.81	5.45	8.53	12.71										
<p>Other Agencies, Grants, All Other Revenue— There was a sharp increase in this category in the final quarter of 2021 due to \$6.37 million in ARPA grant funds and \$3.93 million CARES grant funds. Overall increase year-over-year is 44.3%</p>	<table border="1"> <tr><th>Fiscal Year</th><td>FY 2017</td><td>FY 2018</td><td>FY 2019</td><td>FY 2020</td><td>FY 2021</td></tr> <tr><th>Revenue</th><td>8.91</td><td>8.37</td><td>8.79</td><td>10.79</td><td>15.56</td></tr> </table>	Fiscal Year	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	Revenue	8.91	8.37	8.79	10.79	15.56	184.6%	44.3%
Fiscal Year	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021										
Revenue	8.91	8.37	8.79	10.79	15.56										
<p>Beginning Fund Balance—Fund Balance grew in FY 21 largely due to one-time ARPA revenue. Beginning fund balance increased \$2.8 million or 12.5% year-over-year. However, without federal COVID-19 relief funding, the City would have had to use Fund Balance to cover expenses.</p>	<table border="1"> <tr><th>Fiscal Year</th><td>FY 2017</td><td>FY 2018</td><td>FY 2019</td><td>FY 2020</td><td>FY 2021</td></tr> <tr><th>Balance</th><td>28.13</td><td>26.82</td><td>25.02</td><td>22.20</td><td>24.97</td></tr> </table>	Fiscal Year	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	Balance	28.13	26.82	25.02	22.20	24.97	106.7%	12.5%
Fiscal Year	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021										
Balance	28.13	26.82	25.02	22.20	24.97										

# CITY OF SALEM FINANCIAL SUMMARY YEAR END / FY 2021

## General Fund Expenditures by Department

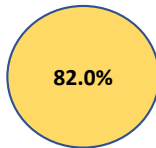
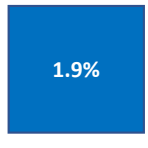
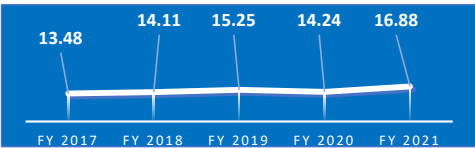
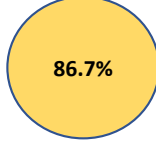
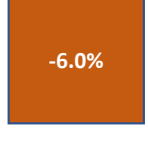
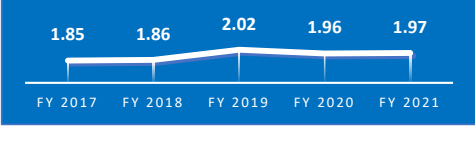
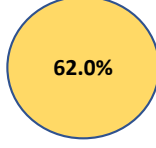
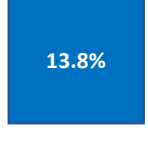
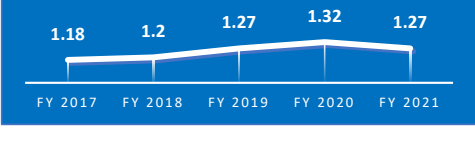
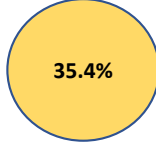
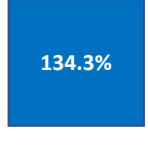
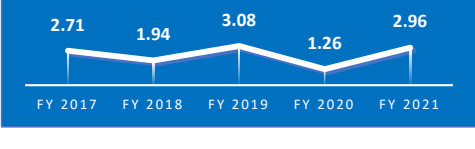
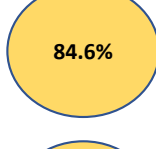
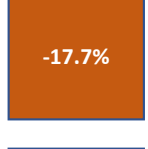
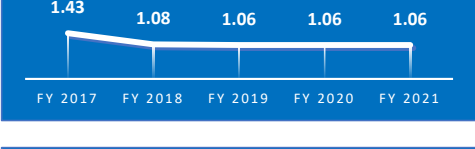
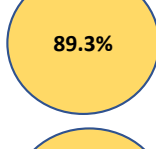
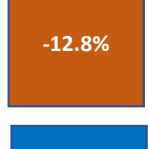
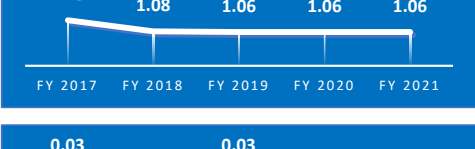

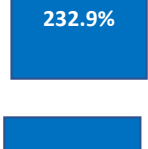
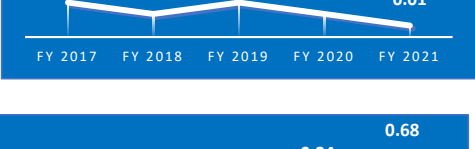
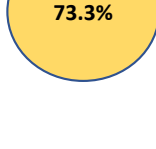
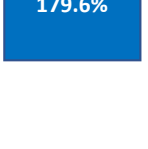
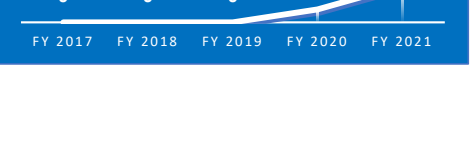
Expenditures by Department (in millions)	Personal Services	Materials Services	Capital Outlay	Interfund Transfers	Debt	Actual to Budget	Year - over - Year
Mayor & Council	\$ -	\$ 0.17	\$ -	\$ -	\$ -	81.1%	-3.4%
Municipal Court	1.47	0.39	-	-	-	85.2%	-1.3%
City Manager	1.13	0.08	-	-	-	95.1%	2.5%
Human Resources	1.42	0.26	-	-	-	100.0%	17.1%
Legal	2.26	0.11	-	-	-	93.3%	-1.3%
Finance	3.34	0.30	-	-	-	88.0%	1.1%
Parks and Recreation	5.29	5.78	0.23	0.06	-	97.0%	23.4%
Facilities Services	2.77	1.48	0.05	0.11	-	87.4%	5.5%
Community Development	3.94	0.69	0.05	0.01	-	87.5%	10.1%
Library	3.83	0.83	0.00	-	-	88.6%	3.9%
Police	38.74	8.52	0.11	-	-	96.9%	4.9%
Fire	33.19	4.67	0.03	-	-	97.8%	6.5%
Information Technology	7.49	1.72	0.24	-	-	95.4%	6.4%
Non Departmental	0.09	5.48	-	0.67	0.68	82.0%	82.3%
Urban Development	3.34	1.38	0.05	0.14	-	88.7%	-1.2%
<b>Total Expenditures</b>	<b>\$ 108.30</b>	<b>\$ 31.87</b>	<b>\$ 0.76</b>	<b>\$ 0.99</b>	<b>\$ 0.68</b>		

### BY THE NUMBERS Expenditures

General Funded FY 2021 year-end expenditures totaled \$142.6 million which is \$8.3 million or 5.5 percent lower than the adopted budget. The 8.70 percent year-over-year increase in total is influenced by 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. Increase in Fund Balance is a result of one-time federal COVID funding and \$8.4 million of departmental savings.

# CITY OF SALEM FINANCIAL SUMMARY YEAR END / FY 2021

## Other Funds (in millions)

Expenditures by Fund (in millions)	Actual to Budget - FY 2021	Year - over - Year	Fund Resources 5-Year Trend, FY 2017-FY 2021
<b>Transportation Services</b> \$ <b>14.32</b>			
Personal Services 6.20			
Materials / Services 7.28			
Capital Outlay 0.03			
Interfund Transfers 0.81			
<b>Streetlight</b> \$ <b>1.84</b>			
Materials / Services 1.10			
Interfund Transfers 0.50			
Debt 0.24			
<b>Airport</b> \$ <b>1.47</b>			
Personal Services 0.50			
Materials / Services 0.63			
Interfund Transfers 0.30			
Debt 0.04			
<b>Community Renewal</b> \$ <b>2.99</b>			
Materials / Services 2.73			
Interfund Transfers 0.27			
<b>Downtown Parking</b> \$ <b>0.96</b>			
Materials / Services 0.96			
Interfund Transfers -			
<b>Cultural and Tourism</b> \$ <b>3.21</b>			
Materials / Services 1.84			
Interfund Transfers 1.37			
<b>Public Art</b> \$ <b>0.02</b>			
Materials / Services 0.02			
<b>Tourism Promotion Area</b> \$ <b>0.68</b>			
Materials / Services \$ 0.68			
Interfund Transfers \$ -			

# CITY OF SALEM FINANCIAL SUMMARY YEAR END / FY 2021

## Other Funds (in millions)

Expenditures by Fund (in millions)		Actual to Budget - FY 2021	Year - over - Year	Fund Resources 5-Year Trend, FY 2017-FY 2021
<b>Parking Leasehold</b>	\$ <b>0.65</b>	71.2%	-14.9%	
Materials / Services	0.43			
Interfund Transfers	0.22			
<b>Building and Safety</b>	\$ <b>5.25</b>	82.1%	5.4%	
Personal Services	3.28			
Materials / Services	1.47			
Interfund Transfers	0.50			
<b>Traffic Safety</b>	\$ <b>0.99</b>	85.0%	71.9%	
Personal Services	-			
Materials / Services	0.68			
Interfund Transfers	0.32			
<b>General Debt</b>	\$ <b>49.30</b>	225.8%	134.1%	
Debt	49.30			
<b>Capital Improvements</b>	\$ <b>95.92</b>	51.7%	29.8%	
Materials / Services	93.33			
Capital Outlay	2.59			
Interfund Transfers	-			
<b>Extra Capacity Facilities</b>	\$ <b>12.54</b>	27.6%	14.2%	
Materials / Services	10.18			
Capital Outlay	-			
Interfund Transfers	2.36			
<b>Development Districts</b>	\$ <b>0.73</b>	12.6%	151.2%	
Materials / Services	0.23			
Interfund Transfers	0.50			
<b>Utility</b>	\$ <b>110.13</b>	87.5%	7.3%	
Personal Services	36.84			
Materials / Services	33.60			
Capital Outlay	1.14			
Interfund Transfers	19.49			
Debt	19.08			

# CITY OF SALEM FINANCIAL SUMMARY YEAR END / FY 2021

## Other Funds (in millions)

Expenditures by Fund (in millions)	Actual to Budget - FY 2021	Year - over - Year	Fund Resources 5-Year Trend, FY 2017-FY 2021
<b>Emergency Services</b>	<b>\$ 0.74</b>		
Personal Services	0.43	<b>69.5%</b>	<b>-26.7%</b>
Materials / Services	0.27		
Interfund Transfers	-		
Capital	0.03		
			0.81 0.95 0.97 0.9 0.89 FY 2017 FY 2018 FY 2019 FY 2020 FY 2021
<b>WVCC</b>	<b>\$ 12.29</b>		
Personal Services	9.51	<b>91.8%</b>	<b>3.9%</b>
Materials / Services	1.66		
Interfund Transfers	1.00		
Capital	0.13		
			10.11 10.55 11.13 11.5 12.42 FY 2017 FY 2018 FY 2019 FY 2020 FY 2021
<b>Police Regional Records</b>	<b>\$ 0.36</b>		
Materials / Services	0.15	<b>65.3%</b>	<b>-59.8%</b>
Capital	0.21		
			0.37 0.4 0.43 0.44 0.45 FY 2017 FY 2018 FY 2019 FY 2020 FY 2021
<b>City Services</b>	<b>\$ 9.12</b>		
Personal Services	2.39	<b>77.6%</b>	<b>-2.9%</b>
Materials / Services	6.68		
Capital Outlay	-		
Interfund Transfers	0.05		
			10.28 10.91 10.66 10.51 10.07 FY 2017 FY 2018 FY 2019 FY 2020 FY 2021
<b>Self Insurance Benefits</b>	<b>\$ 27.22</b>		
Personal Services	0.43	<b>70.9%</b>	<b>5.3%</b>
Materials / Services	26.79		
Interfund Transfers	-		
			27.71 29.03 30.43 26.95 27.21 FY 2017 FY 2018 FY 2019 FY 2020 FY 2021
<b>Self Insurance Risk</b>	<b>\$ 3.87</b>		
Personal Services	0.69	<b>33.6%</b>	<b>-0.7%</b>
Materials / Services	3.18		
			4.26 2.35 FY 2017 FY 2018 FY 2019 FY 2020 FY 2021
<b>Equipment Replacement</b>	<b>\$ 3.64</b>		
Materials / Services	0.08	<b>23.5%</b>	<b>-1.1%</b>
Capital Outlay	3.57		
Interfund Transfers	-		
			4.71 4.59 5.54 4.57 3.45 FY 2017 FY 2018 FY 2019 FY 2020 FY 2021
<b>Trust and Agency</b>	<b>\$ 1.15</b>		
Materials / Services	0.76	<b>33.3%</b>	<b>-39.7%</b>
Capital Outlay	0.12		
Interfund Transfers	0.27		