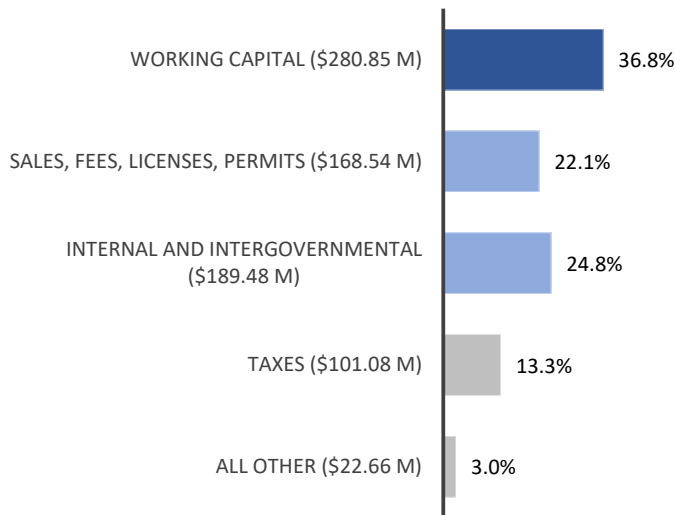


# CITY OF SALEM FINANCIAL SUMMARY YEAR END / FY 2022

This financial summary provides FY 2022 year-end results that include July 2021 through June 2022. 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 2022 activity.

## Citywide Results - All Funds

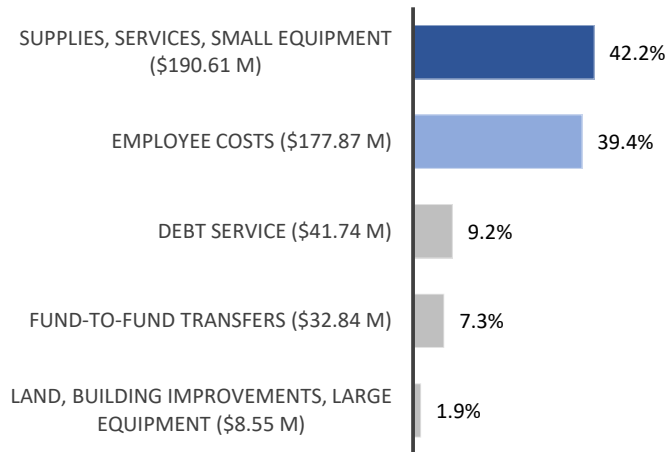
### Total Resources of \$762.6 Million



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 \$451.61 Million

Everything associated with the cost of more than 1,297 full-time equivalent employees—wages, overtime, insurances, and retirement benefits—is included in *Employee Costs*. The category of *Supplies, Services, Small Equipment* includes \$108.9 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

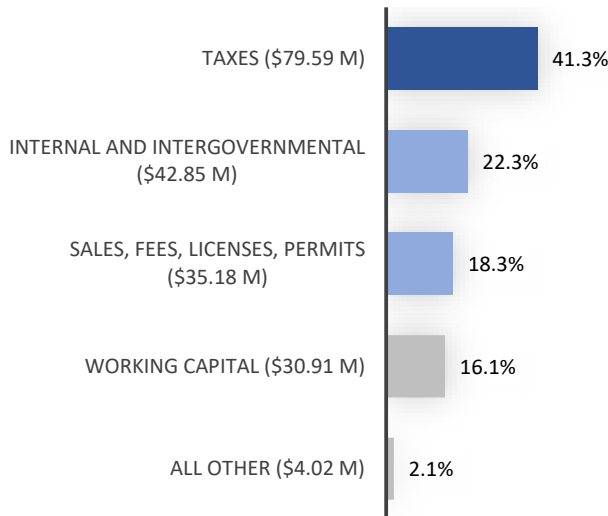
Total personnel expenditures increased by 5.52 percent year over year. The increase in total expenditures is influenced by both anticipated cost escalators and mid year adjustments, such as labor contract / market adjustments to salaries, the corresponding increase to PERS expense, and health benefits expense. Materials and services experienced an decrease in expenditures due to the completion of several large construction projects like the Police Facility and the Salem Public Library.

# CITY OF SALEM FINANCIAL SUMMARY YEAR END / FY 2022

This financial summary provides FY 2022 year-end results that include July 2021 through June 2022. 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 2022 activity.

## General Fund Results

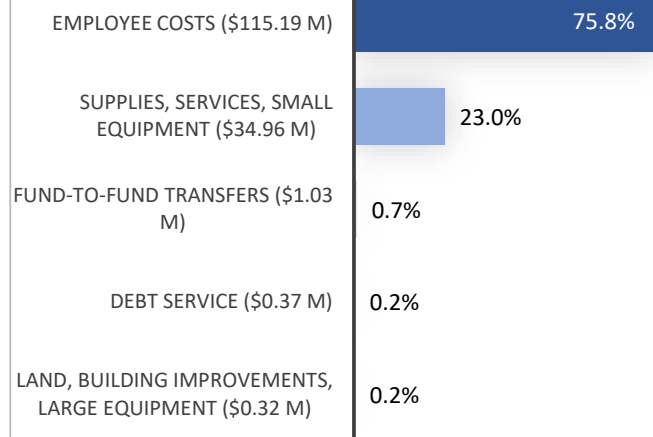
### Total Resources of \$192.55 Million



Total resources for FY 2022 in the General Fund equal \$192.55 million, representing \$30.91 million in working capital and \$161.64 million in new revenues. Property taxes account for \$77.82 million in the category, *Taxes*, with the remaining \$1.77 million from the City's sales tax on marijuana. *Sales, Fees, Licenses, Permits* includes over \$19.95 million in franchise fees, \$7.5 million from the City's operation fee, \$2 million 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 \$16.4 million of the \$42.85 million for the *Internal and Intergovernmental* category. Revenues shared by the State of Oregon add another \$7.48 million. *All Other* revenue includes over \$661 thousand in parking fines and over \$981 thousand in court fines.

### Total Expenditures of \$151.87 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 \$151.87 million, representing a 6.50 percent increase over FY 2021. Additionally, federal and state grant funding provided aid for costs associated with the COVID-19 pandemic and sheltering in the community. Once grant funding is completely expended, the City will need to look toward new revenue options or a reduction in other services to continue these programs.



#### Future Outlook

With the influx of federal and state funding for the COVID-19 pandemic, the General Fund was able to remain financially solvent by replacing lost revenues due to the pandemic such as parking revenues and paying for increased costs as a result of the pandemic like Fire Department overtime. Monies were also used to aid in the sheltering projects like safe park programs, micro shelters and community organization grants. In order to maintain a healthy General Fund balance, new funding will be needed to continue these new programs once federal and state grants are fully expended.

# CITY OF SALEM FINANCIAL SUMMARY YEAR END / FY 2022

## General Fund Revenues

		Actual to Budget	Year - over- Year												
<p><b>Property Tax</b>—In FY 2022, the largest revenue source for the General Fund received a 4.4% revenue increase above last year's actuals. The total revenues year-over-year increase was \$3.28 million.</p>	<table border="1"> <tr><th>Fiscal Year</th><td>FY 2018</td><td>FY 2019</td><td>FY 2020</td><td>FY 2021</td><td>FY 2022</td></tr> <tr><th>Revenue</th><td>66.13</td><td>70.03</td><td>71.15</td><td>74.54</td><td>77.82</td></tr> </table>	Fiscal Year	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Revenue	66.13	70.03	71.15	74.54	77.82	99.8%	4.4%
Fiscal Year	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022										
Revenue	66.13	70.03	71.15	74.54	77.82										
<p><b>Franchise Fees</b>—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 6.1%.</p>	<table border="1"> <tr><th>Fiscal Year</th><td>FY 2018</td><td>FY 2019</td><td>FY 2020</td><td>FY 2021</td><td>FY 2022</td></tr> <tr><th>Revenue</th><td>18.00</td><td>18</td><td>18.09</td><td>18.82</td><td>19.96</td></tr> </table>	Fiscal Year	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Revenue	18.00	18	18.09	18.82	19.96	109.2%	6.1%
Fiscal Year	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022										
Revenue	18.00	18	18.09	18.82	19.96										
<p><b>Internal Charges</b>—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 9.9%.</p>	<table border="1"> <tr><th>Fiscal Year</th><td>FY 2018</td><td>FY 2019</td><td>FY 2020</td><td>FY 2021</td><td>FY 2022</td></tr> <tr><th>Revenue</th><td>15.51</td><td>16.4</td><td>17.44</td><td>17.75</td><td>19.51</td></tr> </table>	Fiscal Year	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Revenue	15.51	16.4	17.44	17.75	19.51	76.0%	9.9%
Fiscal Year	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022										
Revenue	15.51	16.4	17.44	17.75	19.51										
<p><b>Marijuana Sales Tax</b>—Continued growth experienced with year-over-year increases of over 116.0%, and far exceeding budget estimates by 12.2%. Over \$0.42M was realized in the final quarter</p>	<table border="1"> <tr><th>Fiscal Year</th><td>FY 2018</td><td>FY 2019</td><td>FY 2020</td><td>FY 2021</td><td>FY 2022</td></tr> <tr><th>Revenue</th><td>0.760</td><td>1.000</td><td>1.160</td><td>1.58</td><td>1.78</td></tr> </table>	Fiscal Year	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Revenue	0.760	1.000	1.160	1.58	1.78	116.0%	12.2%
Fiscal Year	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022										
Revenue	0.760	1.000	1.160	1.58	1.78										
<p><b>State Shared Revenues</b>—Due to Measure 110, the portion of Marijuana shared revenues with the City has significantly decreased. The impact was so great that other revenues in the category were not enough to make up the loss resulting in a 1.8 decrease year-over-year.</p>	<table border="1"> <tr><th>Fiscal Year</th><td>FY 2018</td><td>FY 2019</td><td>FY 2020</td><td>FY 2021</td><td>FY 2022</td></tr> <tr><th>Revenue</th><td>6.28</td><td>6.24</td><td>6.8</td><td>7.58</td><td>7.44</td></tr> </table>	Fiscal Year	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Revenue	6.28	6.24	6.8	7.58	7.44	100.1%	-1.8%
Fiscal Year	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022										
Revenue	6.28	6.24	6.8	7.58	7.44										
<p><b>Fees, Permits</b>—User charges for fire protection, planning fees, recreation, fire safety permits, apartment licensing and the City Operations Fee supported increased receipts of \$2.49 million or 19.6% more than FY 2021.</p>	<table border="1"> <tr><th>Fiscal Year</th><td>FY 2018</td><td>FY 2019</td><td>FY 2020</td><td>FY 2021</td><td>FY 2022</td></tr> <tr><th>Revenue</th><td>4.81</td><td>5.45</td><td>8.53</td><td>12.71</td><td>15.20</td></tr> </table>	Fiscal Year	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Revenue	4.81	5.45	8.53	12.71	15.20	109.5%	19.6%
Fiscal Year	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022										
Revenue	4.81	5.45	8.53	12.71	15.20										
<p><b>Other Agencies, Grants, All Other Revenue</b>— There was a sharp increase in this category in the final quarter of 2022 due to \$12.89 million in ARPA grant funds in June. Overall increase year-over-year is 23.8%</p>	<table border="1"> <tr><th>Fiscal Year</th><td>FY 2018</td><td>FY 2019</td><td>FY 2020</td><td>FY 2021</td><td>FY 2022</td></tr> <tr><th>Revenue</th><td>8.37</td><td>8.79</td><td>10.79</td><td>15.56</td><td>19.93</td></tr> </table>	Fiscal Year	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Revenue	8.37	8.79	10.79	15.56	19.93	120.7%	28.0%
Fiscal Year	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022										
Revenue	8.37	8.79	10.79	15.56	19.93										
<p><b>Beginning Fund Balance</b>—Fund Balance grew in FY 22 largely due to one-time ARPA revenue. Beginning fund balance increased \$5.94 million or 23.8% 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 2018</td><td>FY 2019</td><td>FY 2020</td><td>FY 2021</td><td>FY 2022</td></tr> <tr><th>Balance</th><td>26.82</td><td>25.02</td><td>22.20</td><td>24.97</td><td>30.91</td></tr> </table>	Fiscal Year	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Balance	26.82	25.02	22.20	24.97	30.91	100.1%	23.8%
Fiscal Year	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022										
Balance	26.82	25.02	22.20	24.97	30.91										

# CITY OF SALEM FINANCIAL SUMMARY YEAR END / FY 2022

## 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	\$ -	\$ 0.24	\$ -	\$ -	\$ -	95.1%	38.5%
Municipal Court	1.58	0.72	-	-	-	97.8%	23.4%
City Manager	1.35	0.15	-	-	-	84.7%	23.0%
Human Resources	1.60	0.40	-	-	-	94.2%	18.5%
Legal	2.48	0.11	-	-	-	91.1%	8.9%
Finance	3.60	0.29	-	-	-	90.7%	6.7%
Parks and Recreation	5.93	5.05	0.08	0.06	-	95.4%	-2.1%
Facilities Services	3.16	1.45	0.003	0.12	-	93.1%	7.1%
Community Development	3.98	0.67	-	0.01	-	94.9%	-0.6%
Library	3.99	0.96	-	-	-	86.8%	6.2%
Police	40.34	10.00	0.14	-	-	97.4%	6.6%
Fire	35.40	4.74	-	-	-	99.6%	6.0%
Information Technology	8.32	1.63	0.15	-	-	95.2%	6.8%
Non Departmental	0.04	7.30	-	0.71	0.37	63.7%	22.0%
Urban Development	3.42	1.26	(0.05)	0.14	-	82.8%	-2.9%
<b>Total Expenditures</b>	<b>\$ 115.19</b>	<b>\$ 34.96</b>	<b>\$ 0.32</b>	<b>\$ 1.03</b>	<b>\$ 0.37</b>		

### BY THE NUMBERS Expenditures

General Funded FY 2022 year-end expenditures totaled \$151.87 million which is \$10.8 million or 6.7 percent lower than the adopted budget. The 6.5 percent year-over-year increase in total is influenced by cost escalators, such as labor contract / mid-year 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 both one-time federal COVID funding and \$10.8 million of departmental savings.

# CITY OF SALEM FINANCIAL SUMMARY YEAR END / FY 2022

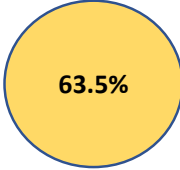

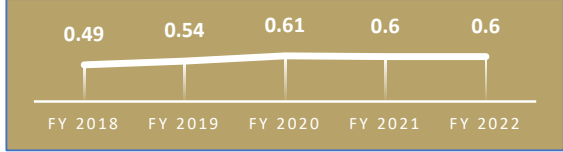
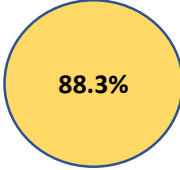
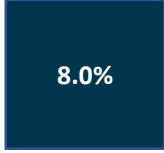
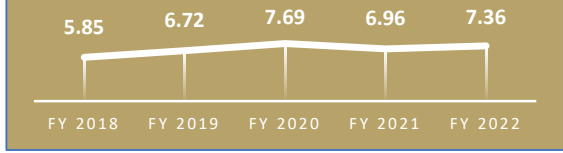
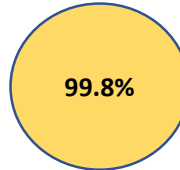

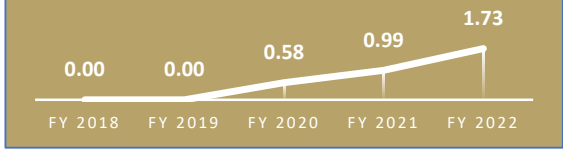
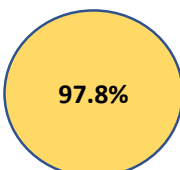
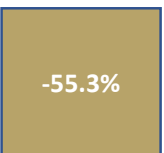
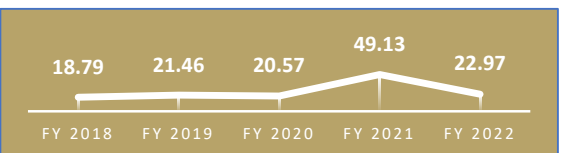
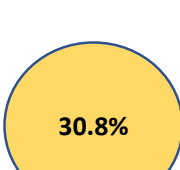
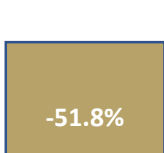
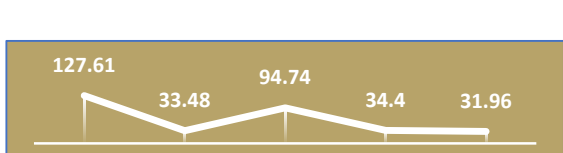
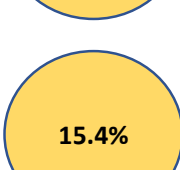
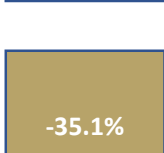
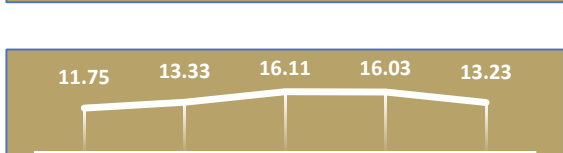
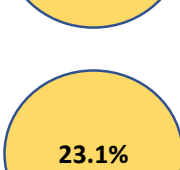
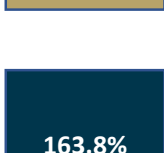
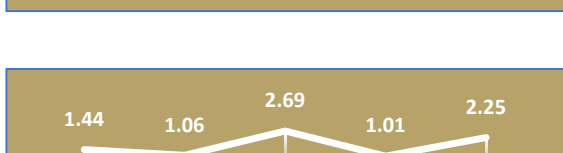
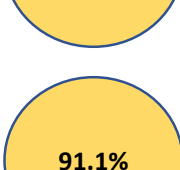
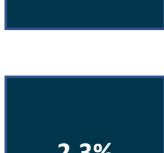
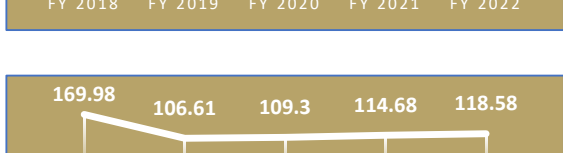
## Other Funds (in millions)

Expenditures by Fund (in millions)	Actual to Budget - FY 2022	Year - over - Year	Fund Resources 5-Year Trend, FY 2018-FY 2022
<b>Transportation Services</b> \$ <b>15.06</b>	<b>86.1%</b>	<b>5.2%</b>	
Personal Services 6.59			
Materials / Services 7.82			
Capital Outlay 0.05			
Interfund Transfers 0.61			
<b>Streetlight</b> \$ <b>1.86</b>	<b>89.2%</b>	<b>0.9%</b>	
Materials / Services 1.15			
Interfund Transfers 0.50			
Debt 0.21			
<b>Airport</b> \$ <b>1.25</b>	<b>62.0%</b>	<b>-15.2%</b>	
Personal Services 0.53			
Materials / Services 0.68			
Interfund Transfers -			
Debt 0.04			
<b>Community Renewal</b> \$ <b>2.83</b>	<b>25.5%</b>	<b>-5.6%</b>	
Materials / Services 2.83			
Interfund Transfers -			
<b>Downtown Parking</b> \$ <b>1.24</b>	<b>95.4%</b>	<b>29.0%</b>	
Materials / Services 1.24			
Interfund Transfers -			
<b>Cultural and Tourism</b> \$ <b>3.81</b>	<b>94.7%</b>	<b>18.6%</b>	
Materials / Services 2.39			
Interfund Transfers 1.42			
<b>Public Art</b> \$ <b>0.01</b>	<b>33.8%</b>	<b>-32.0%</b>	
Materials / Services 0.01			
<b>Tourism Promotion Area</b> \$ <b>0.93</b>	<b>104.1%</b>	<b>36.9%</b>	
Materials / Services \$ 0.93			
Interfund Transfers \$ -			

# CITY OF SALEM FINANCIAL SUMMARY YEAR END / FY 2022

## Other Funds (in millions)

Expenditures by Fund  
(in millions)

Expenditures by Fund (in millions)	Actual to Budget - FY 2022	Year - over - Year	Fund Resources 5-Year Trend, FY 2018-FY 2022
<b>Parking Leasehold</b> \$ <b>0.68</b> Materials / Services 0.48 Interfund Transfers 0.20	 <b>63.5%</b>	 <b>6.0%</b>	
<b>Building and Safety</b> \$ <b>5.67</b> Personal Services 3.80 Materials / Services 1.37 Interfund Transfers 0.50	 <b>88.3%</b>	 <b>8.0%</b>	
<b>Traffic Safety</b> \$ <b>1.73</b> Personal Services - Materials / Services 0.78 Interfund Transfers 0.95	 <b>99.8%</b>	 <b>73.6%</b>	
<b>General Debt</b> \$ <b>22.05</b> Debt 22.05	 <b>97.8%</b>	 <b>-55.3%</b>	
<b>Capital Improvements</b> \$ <b>46.20</b> Materials / Services 43.22 Capital Outlay 2.97 Interfund Transfers -	 <b>30.8%</b>	 <b>-51.8%</b>	
<b>Extra Capacity Facilities</b> \$ <b>8.15</b> Materials / Services 7.19 Capital Outlay 0.23 Interfund Transfers 0.73	 <b>15.4%</b>	 <b>-35.1%</b>	
<b>Development Districts</b> \$ <b>1.91</b> Materials / Services 1.55 Interfund Transfers 0.36	 <b>23.1%</b>	 <b>163.8%</b>	
<b>Utility</b> \$ <b>112.67</b> Personal Services 38.42 Materials / Services 33.46 Capital Outlay 1.61 Interfund Transfers 20.13 Debt 19.06	 <b>91.1%</b>	 <b>2.3%</b>	

# CITY OF SALEM FINANCIAL SUMMARY YEAR END / FY 2022

## Other Funds (in millions)

Expenditures by Fund (in millions)	Actual to Budget - FY 2022	Year - over - Year	Fund Resources 5-Year Trend, FY 2018-FY 2022
<b>Emergency Services</b>	<b>\$ 3.36</b>		
Personal Services	0.41	<b>97.0%</b>	<b>355.8%</b>
Materials / Services	1.42		
Interfund Transfers	0.67		
Capital	0.87		
<b>WVCC</b>	<b>\$ 13.15</b>		
Personal Services	9.69	<b>90.5%</b>	<b>7.0%</b>
Materials / Services	2.03		
Interfund Transfers	1.40		
Capital	0.04		
<b>Police Regional Records</b>	<b>\$ 0.16</b>		
Materials / Services	0.16	<b>45.2%</b>	<b>-56.4%</b>
Capital	-		
<b>City Services</b>	<b>\$ 14.25</b>		
Personal Services	2.19	<b>90.0%</b>	<b>56.3%</b>
Materials / Services	8.08		
Capital Outlay	0.01		
Interfund Transfers	3.97		
<b>Self Insurance Benefits</b>	<b>\$ 28.39</b>		
Personal Services	0.37	<b>74.8%</b>	<b>4.3%</b>
Materials / Services	28.02		
Interfund Transfers	-		
<b>Self Insurance Risk</b>	<b>\$ 4.97</b>		
Personal Services	0.69	<b>41.6%</b>	<b>28.6%</b>
Materials / Services	4.28		
<b>Equipment Replacement</b>	<b>\$ 2.61</b>		
Materials / Services	0.21	<b>13.8%</b>	<b>-28.4%</b>
Capital Outlay	2.40		
Interfund Transfers	-		
<b>Trust and Agency</b>	<b>\$ 6.79</b>		
Materials / Services	6.37	<b>26.6%</b>	<b>491.3%</b>
Capital Outlay	0.05		
Interfund Transfers	0.37		