

A G E N D A



Joint Meeting of the City of Salem Budget Committee and
the Salem Urban Renewal Agency Budget Committee

DATE: Wednesday, November 13, 2024
TIME: 6:00 PM
CHAIRPERSON: Dr. Irvin Brown

STAFF LIAISON:
Josh Eggleston, Chief Financial Officer
503-588-6130
jeggleston@cityofsalem.net
Kali Leinenbach, Budget Manager
503-588-6231
kleinenbach@cityofsalem.net

To sign up to provide virtual testimony to the Budget Committee, please visit the link below. Registration is open between 8:00 AM and 2:00 PM on the day of the meeting or email budgetoffice@cityofsalem.net.

<https://www.cityofsalem.net/government/city-council-mayor/about-city-council/comment-and-participate-in-a-city-council-meeting>

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1. OPENING EXERCISES – Chairperson Dr. Irvin Brown
 2. PUBLIC TESTIMONY
 - a. Correspondence from Sarah Harkey regarding Salem Public Library and parks
 - b. Correspondence from Mike Stirling regarding Salem Public Library
 - c. Correspondence from Haley Lehman regarding Salem Public Library
 - d. Correspondence from Nancy Pierce regarding Salem Public Library
 - e. Correspondence from Haley Drew regarding Police and Salem Public Library
 - f. Correspondence from Rainbow Olmstead regarding the Salem Public Library
 - g. Correspondence from Claire Roth regarding the Salem Public Library
 - h. Correspondence from Kathryn (Beth) Fox regarding the Salem Public Library
 - i. Correspondence from Marsa Terrell regarding the Salem Public Library
 - j. Correspondence from Matt Nolley regarding the Salem Public Library
 - k. Correspondence from Mary Anne Baclawski regarding the Salem Public Library
 - l. Correspondence from Reverend Carl Beilstein regarding the Salem Public Library
 - m. Additional Correspondence from Mary Anne Baclawski regarding the Salem Public Library
 - n. Correspondence from Laurel Goode regarding the Salem Public Library
 3. MINUTES
 - a. Minutes from October 30, 2024 City of Salem and Urban Renewal Agency Budget Committee Meeting
 4. ACTION ITEMS
 - a. None
 5. INFORMATION ITEMS
 - a. FY 2025 Q1 Preliminary Financial Report for the City of Salem

- b. FY 2025 Q1 Preliminary Financial Report for the Salem URA
6. PUBLIC HEARINGS
 - a. None
 7. SPECIAL ORDERS OF BUSINESS
 - a. Budget Priorities and Principles
 - Survey Results by Colleen Rozillis, Moss Adams
 - Questions of staff and committee discussion
 - b. Committee Discussion
 - Opportunity for the Budget Committee to discuss any issues or concerns regarding agenda items or items not on the agenda.
 8. PUBLIC TESTIMONY FOR FUTURE BUDGET ISSUES

The Budget Committee has set aside time for public comment to address items not on the agenda. Each individual testifying will be limited to no more than three (3) minutes.
 9. ADJOURNMENT

The next scheduled Budget Committee meeting will be Wednesday, January 15, 2025 at 6:00 pm

Budget staff is available for your convenience to discuss the budget document and process. Please call the staff listed above or 503-588-6040 if you have any questions.

The City of Salem budget information can be accessed on the internet at: www.cityofsalem.net/departments/budget

NOTE: Disability-related accommodations, including auxiliary aids or services, in order to participate in this meeting, are available upon request. Sign language and Spanish interpreters are available at this meeting. For other languages or accommodation or interpretation, contact Kelli Blechschmidt, (503) 588-6049 or kblechschmidt@cityofsalem.net at least 2 business days before this meeting. TTD/TTY telephone (503) 588-6439 is also available 24/7.

The City of Salem values all persons without regard to race, color, religion, national origin, sex, age, marital status, domestic partnership, disability, familial status, sexual orientation, gender identity and source of income.

From: [Sarah Harkey](#)
To: [citycouncil](#)
Subject: Please support our library and parks this summer
Date: Thursday, October 31, 2024 11:43:15 AM

Hello,

I recently read that Salem is facing a \$17.7 million shortfall for July 2025 - June 2026. I'm already familiar with last summer's budget shortfall and the committee proposals, as well as the ultimate decision to cut some service but to use the Cultural and Tourism Fund to prevent further cuts.

As a new mom trying to make ends meet my family relies on both the parks (splash pads, jungle gyms) and the library (books, toys, interactive storytimes and activities) to help provide new opportunities for learning and socializing to my daughter.

It's my understanding is that most of the \$197 million of the general fund goes to police (\$68 million) and fire (\$56 million) while parks uses about \$14 million and the Library \$8 million. While I am in favor of funding our police and fire departments, I was saddened and surprised by the disproportionate threat to park and library services last year. It seems that if we need to cut funding, we could consider cutting in ways that are proportionate to the piece of the pie taken by each service.

I am curious about what the plans are for the library and parks this upcoming season. What can we do to protect the family services? Thank you.

-Sarah Harkey

From: [Amy Johnson](#)
To: [budgetoffice](#)
Subject: FW: 2025 budget
Date: Thursday, October 31, 2024 3:52:34 PM

From: Mike Stirling <aquias2000@gmail.com>
Sent: Thursday, October 31, 2024 12:11 PM
To: CityRecorder <CityRecorder@cityofsalem.net>
Subject: 2025 budget

I am writing to inform the council that while there is a budget shortfall, as a voting member of the Salem community, I expect the library to be untouched as part of these cuts. We should not be removing or reducing access to such a vital community enrichment space.

I am uncertain what the answer is, but if the Salem library is closed or heavily impacted I will vote accordingly

From: [Amy Johnson](#)
To: [budgetoffice](#)
Subject: FW: Budget shortfall / library
Date: Thursday, October 31, 2024 3:52:55 PM

From: Haley Lehman <hnproctor@gmail.com>
Sent: Thursday, October 31, 2024 3:34 PM
To: CityRecorder <CityRecorder@cityofsalem.net>
Subject: Budget shortfall / library

Hello, I wanted to share my support for the library after hearing about the budget shortfall facing the city. I hope that the city council will keep it open and running. I'm actually fine with having it closed an extra day, because I know the city will be looking too cut somewhere, but in general the library so important and valuable to our community. My family so appreciates having it available.

Thank you,

Haley Lehman

From: [Amy Johnson](#)
To: [budgetoffice](#)
Subject: FW: Save the Salem Library
Date: Thursday, October 31, 2024 4:26:10 PM

From: Nancy Pierce <nancypiercemla@gmail.com>
Sent: Thursday, October 31, 2024 3:40 PM
To: CityRecorder <CityRecorder@cityofsalem.net>
Subject: Save the Salem Library

Hello,

I am writing today in support of saving the Salem Public Library. The library provides so many services for so many people. It's so much more than just checking out books. There are activities, community events, public access to computers and research aids, and many other resources. A library is a critical part of any city. Generations of local citizens have used the Salem Public Library and continue to utilize it. You should not ever consider closing it.

Nancy Pierce

From: [Amy Johnson](#)
To: [budgetoffice](#)
Subject: FW: GENERAL FUND SHORTFALL--KEEP OUR LIBRARY OPEN!
Date: Friday, November 1, 2024 10:08:56 AM

From: Haley Drew <haleyldrew@gmail.com>
Sent: Friday, November 1, 2024 9:28 AM
To: CityRecorder <CityRecorder@cityofsalem.net>; citycouncil <citycouncil@cityofsalem.net>
Subject: GENERAL FUND SHORTFALL--KEEP OUR LIBRARY OPEN!

Our library is our most important resource for our community. We need to keep it open and available for the public. Not everyone has access to computers, books, or a safe dry place to sit in. Not to mention how wonderful it is to borrow things like cake pans/etc. It is embarrassing as a CAPITAL CITY that we're even considering slashing the funds/shutting down. We need to lead by example and show everyone how important libraries are to cities and it's people.

If anything gets cut it should be the police. It has most of the funding and the least usefulness. I rarely see them perform their duties and when I do it is *only* related to harassing the homeless. Why do I see cops ignoring traffic violations? Committing violations themselves, no lights or sirens? Every day multiple people run blatant red lights because they know Salem PD doesn't do their job. I will fight and protest for our library, can't say the same for Salem PD.

From: [Rainbow Olmstead](#)
To: [budgetoffice](#); [citycouncil](#)
Subject: Public Comment for the 11/13 Budget Committee Meeting
Date: Thursday, November 7, 2024 8:36:45 AM

Hi! I just want to say that the library is very important to me. Please prioritize it.

Thank you!

Rainbow Olmstead
Salem, OR 97301

From: [Claire Roth](#)
To: [budgetoffice](#)
Cc: [citycouncil](#)
Subject: Prioritize the Library
Date: Thursday, November 7, 2024 11:14:10 AM

Dear Budget Committee members,

As the budget planning process moves forward, I urge you to consider prioritizing the library in the upcoming budget. Our library is not only a hub of information and learning but also plays a critical role in fostering community engagement, literacy, and equitable access to resources for all members of our community.

Among the many services Salem library provides it has continued to serve as a "third space" for people to gather and provide technology access and free WiFi for people that cannot afford access. The art exhibits and programs at Loucks Auditorium provide access to arts for everyone, not just those that can afford them. When my children were young we took them to the library at least once a week if not more, to meet friends and spend time with other people. It was a lifeline for us as young parents to have a free indoor space to take our children regularly. Now we go to the library at least twice a week to check out books and use the study rooms.

In a time when resources are limited, our library provides information and resources for anyone to use for free to be well educated on any topic. I ask that you prioritize funding for the library in the budget, so we can continue to build on its strengths and expand its ability to meet the needs of our growing community.

Thank you for your time and consideration.

Sincerely,
Claire Roth
Salem, OR 97302

From: [Beth Fox](#)
To: [budgetoffice](#)
Cc: [citycouncil](#)
Subject: Please prioritize our library funding!
Date: Thursday, November 7, 2024 12:37:32 PM

I was absolutely appalled to learn that the city may consider closing our library! As a Salem native I've grown up using the library, and it is literally one of the reasons why I've chosen to buy a house and continue to live here. I urge you to find other ways of solving Salem's budget issues.

The library is an invaluable tool for families with young children who are learning to read and can take advantage (as I once did) of amazing reading programs. It's a place where teens can go to feel welcome, safe, and engaged in teen-specific activities. It's a resource for adults who couldn't afford to buy books, use the internet, or access computers, classes, lectures and cultural programs on their own.

Whether you are trying to learn English as a second language, research your genealogy, find a way to entertain your children during summer vacation, read a newly released book, access wi-fi, find materials in your non-English language, or just looking for a warm place to sit and relax from the trials of the world, the library has something for you.

Please, please don't close our library! It would be a tragic and embarrassing mistake that Salem would regret forever afterwards.

Kathryn (Beth) Fox
971-283-6989

From: [Marsa Terrell](#)
To: [budgetoffice](#)
Cc: [citycouncil](#)
Subject: Email Testimony: Prioritize the Salem Public Library
Date: Thursday, November 7, 2024 8:00:47 PM

Dear Committee Members,

I want to submit testimony prior to your November 13th budget meeting to share my desire that you prioritize the Salem Public Library. I am an avid reader, and grew up as the daughter of the director of a small town library in Montana. I have seen what a library means for a community, which is more than just loaning books. For the majority of any community, the loss of a library means the loss of access to a great many resources, connections to others, growth opportunities, plus many other things that we often are not aware of until they are gone.

Below are 20 examples of what I am talking about, as shared to me by others who are also invested in prioritizing the Library.

1. Libraries help create and strengthen reading habits in children from birth to adulthood.
2. Libraries provide information and educational opportunities free for all people, regardless of their socioeconomic status.
3. Library reading programs for children and teens, like the Summer Reading Club, help bridge the economic divide that impacts student's academic performance.
4. Libraries promote civil discourse through programs like Salem Reads, modeling and upholding the principles of free inquiry and expression for all.
5. Libraries champion, promote, and reflect important democratic values through activities like Banned Books Week and other ways libraries encourage engagement with issues like freedom, justice and democracy.
6. Libraries are "third places" that create community — friendly, safe, welcoming places that you share with your neighbors.
7. Libraries preserve and promote local history — like our library's Hugh Morrow Collection —and family history — like our library's partnership with the Willamette Valley Genealogical Society.
8. Libraries can make a city a highly desirable place to relocate or retire (and conversely an undesirable place where library services are lacking).
9. Libraries can provide information resources to local businesses, especially small local and start-up businesses.
10. Libraries can ensure that non-English speakers see themselves as represented in their communities with appropriate collections, programs and services.
11. Libraries provide needed information, resources, and support for LGBTIQ patrons, especially young people in need of support.
12. Libraries provide access to the arts for all, such as art exhibits and music programs and films and speakers at Loucks Auditorium, not just for those that can afford them.
13. Libraries serve as the "people's university" where anyone can use free library collections and information resources to become well-educated on any topic imaginable.

14. Libraries help to close the “digital divide” by providing internet access and free wi-fi to anyone who can’t afford access otherwise.
15. Libraries provide a safe and welcoming shelter for citizens experiencing homelessness.
16. Libraries are a gathering place for teens, such as at our Teen Scene, and provide leadership opportunities, such as with our Teen Advisory Board.
17. Libraries provide books and information in all formats to suit all reader preferences — paper books, ebooks, audiobooks, and online databases.
18. Libraries are welcoming to immigrants and their families and strive to provide them with information about, and opportunities to connect with, their new communities.
19. Libraries contribute to a circular economy by lending books, information – even a “library of things.”
20. Libraries provide a welcoming afterschool venue for students to do their homework and socialize with their peers.

I hope you take the time to consider this testimony seriously. The Library here in Salem is one of my favorite places in Salem, and is one of the best resources I think we have. It would be a huge disservice to the entire city to further cut services or close the Library entirely.

Thank you for taking on the work you are tasked to do.

Marsa Terrell

From: [Matt Nolley](#)
To: [budgetoffice](#)
Cc: [citycouncil](#)
Subject: Library funding
Date: Friday, November 8, 2024 5:21:51 AM

I know our city has serious budget problems, but I'm asking you to prioritize funding for our library, which offers so much to our community. My family uses the library on an almost daily basis. We check out books, go to author talks and other events, take part in the summer reading programs and even learn about other local activities from the library's bulletin boards. I know that we're not alone in this. Please keep Salem a place of learning, culture and community.

Thank you.

Matt Nolley
matt.nolley@gmail.com

For the Budget Committee Meeting of: November 13, 2024
Agenda Item No.: 2.k.

From: [Mary Ann Baclawski](#)
To: [budgetoffice](#)
Subject: Public Comment for the 11/13 Budget Committee Meeting
Date: Friday, November 8, 2024 6:29:15 AM

I realize that Salem is having money problems. But if key services are cut too much the city will only be causing new, greater problems. Salem Public Library is one of those core services. Educational achievement is way below what is needed for developing a good 21st century work force. Good employers are not going to stay or come to Salem without such a work force. This goes not only for our young children but for adult continuing education. A good library was one of the first things our family looked at when deciding to settle in Salem. Its current anemic library is one of the reasons our grown son refuses to live in Salem rather than Portland.

In closing, please at least keep the Library at its current funding level while the city solves its current budget woes.

Mary Ann Baclawski

Every gardener is an expert in the garden...until they're not.

From: [Carl Beilstein](#)
To: [citycouncil](#); [budgetoffice](#)
Subject: Salem Library Funding
Date: Friday, November 8, 2024 8:08:17 AM

Salem's Public Library is part of the Chemeketa Regional Library. It is the Mothership of our local libraries. If it closes the smaller libraries in the area will wither and die.

Salem City Council needs to step up and keep it open. Our children's future depends on being fully educated. That means having access to educational, recreational and informational reading materials.

Here are 20 reasons to keep the Library open:

1. Libraries help create and strengthen reading habits in children from birth to adulthood.
2. Libraries provide information and educational opportunities free for all people, regardless of their socioeconomic status.
3. Library reading programs for children and teens, like the Summer Reading Club, help bridge the economic divide that impacts student's academic performance.
4. Libraries promote civil discourse through programs like Salem Reads, modeling and upholding the principles of free inquiry and expression for all.
5. Libraries champion, promote, and reflect important democratic values through activities like Banned Books Week and other ways libraries encourage engagement with issues like freedom, justice and democracy.
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7. Libraries preserve and promote local history — like our library's Hugh Morrow Collection —and family history — like our library's partnership with the Willamette Valley Genealogical Society.
8. Libraries can make a city a highly desirable place to relocate or retire (and conversely an undesirable place where library services are lacking).
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10. Libraries can ensure that non-English speakers see themselves as represented in their communities with appropriate collections, programs and services.
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19. Libraries contribute to a circular economy by lending books, information – even a “library of things.”
20. Libraries provide a welcoming afterschool venue for students to do their homework and socialize with their peers.

Please consider all of these when you debate the Salem Budget.

Rev. Carl G Beilstein

***May you have warm words on a cold evening, a full moon on a dark night
and the road downhill all the way to your door!***



Virus-free. www.avast.com

From: [Josh Eggleston](#)
To: [budgetoffice](#)
Subject: FW: Budget committee hearing
Date: Friday, November 8, 2024 8:36:39 AM

Josh Eggleston | office: 503-588-6130 | mobile: 971-453-2804
City of Salem | Finance Department

-----Original Message-----

From: Mary Ann Baclawski <mbackoh@yahoo.com>
Sent: Friday, November 8, 2024 6:33 AM
To: citycouncil <citycouncil@cityofsalem.net>
Subject: Budget committee hearing

I realize that Salem is having money problems. But if key services are cut too much the city will only be causing new, greater problems. Salem Public Library is one of those core services. Educational achievement is way below what is needed for developing a good 21st century work force. Good employers are not going to stay or come to Salem without such a work force. This goes not only for our young children but for adult continuing education. A good library was one of the first things our family looked at when deciding to settle in Salem. Its current anemic library is one of the reasons our grown son refuses to live in Salem rather than Portland.

In closing, please at least keep the Library at its current funding level while the city solves its current budget woes.

Mary Ann Baclawski

From: [Laurel Goode](#)
To: [budgetoffice](#)
Cc: [citycouncil](#)
Subject: Public Comment for the 11/13 Budget Committee Meeting
Date: Friday, November 8, 2024 10:06:20 AM

PRIORITIZE THE LIBRARY!

We need it.

Do you want the people to be even less educated than they are?
For goodness sake, how is it even a consideration to do away with the library?
Seems ludacris!

Thanks.

Sincerely, Laurel Goode
951-941-9383

MINUTES



Joint Meeting of the City of Salem Budget Committee and the Salem Urban Renewal Agency Budget Committee

DATE: Wednesday, October 30, 2024
TIME: 6:00 PM
CHAIRPERSON: Dr. Irvin Brown
PLACE: Hybrid
Council Chambers & Youtube

STAFF LIAISON:
Josh Eggleston, Chief Financial Officer
503•588•6130
jeggleston@cityofsalem.net
Kali Leinenbach, Budget Manager
503•588•6231
kleinenbach@cityofsalem.net

1. OPENING EXERCISES – Chair Brown called the meeting to order at 6:00pm

Members present: Beleiciks, Cohen, Allen, Manvel, Vieyra-Braendle, Stapleton, Phillips, Gwyn, Gonzalez, J. Hoy, Nordyke, Varney, C. Hoy, Dixon, Curtis, Gier, Vice-chair Nishioka, Chair Brown

Pledge of Allegiance by: All

Chair Brown informed the Committee about the additions agenda submitted to the Committee which included a staff report.

Motion: Move to approve the additions agenda of October 30, 2024 for the City of Salem Budget Committee and Urban Renewal Agency Budget Committee Meeting.

Motion by: Vice-chair Nishioka
Seconded by: Member Varney

Action: Motion passes
Vote:
Aye: Unanimous
Nay:
Abstentions:

2. PUBLIC TESTIMONY
a. None

3. MINUTES
a. Minutes from May 8, 2024 City of Salem and Urban Renewal Agency Budget Committee Meeting

Motion: Move to approve the meeting minutes from the May 8, 2024 City of Salem Budget Committee and Urban Renewal Agency Budget Committee Meeting.

Motion by: Member Nordyke
Seconded by: Member Stapleton

Action: Motion passes
Vote:
Aye: Unanimous
Nay:
Abstentions:

4. ACTION ITEMS

- a. None

5. INFORMATION ITEMS

- a. FY 2024 Q1 Financial Report for the City of Salem
b. FY 2024 Q1 Financial Report for the Urban Renewal Agency
c. FY 2024 Q2 Financial Report for the City of Salem
d. FY 2024 Q2 Financial Report for the Urban Renewal Agency
e. FY 2024 Q3 Financial Report for the City of Salem
f. FY 2024 Q3 Financial Report for the Urban Renewal Agency
g. Preliminary FY 2024 Q4 Financial Report for the City of Salem (simplified format)
h. Preliminary FY 2024 Q4 Financial Report for the Urban Renewal Agency (simplified format)

Explanation of information items provided to the Budget Committee by Chief Financial Officer Eggleston.

Questions or comments by: Members Nordyke and Cohen
Answers or explanations by: Josh Eggleston, Chief Financial Officer

6. PUBLIC HEARINGS

- a. None

7. SPECIAL ORDERS OF BUSINESS

City Manager Keith Stahley welcomed the group and provided opening comments.

- a. Preliminary General Fund Forecast
- Overview by Josh Eggleston, Chief Financial Officer

Questions or comments: Chair Brown, Members Cohen, Gier, Phillips, Dixon, Gwyn, Manvel, Stapleton, Vice-chair Nishioka

Answers: Josh Eggleston, Chief Financial Officer, Krishna Namburi, Deputy City Manager, Keith Stahley, City Manager

Member Gier out at 6:50PM, returned at 6:54PM
Member C. Hoy out at 6:58PM, returned at 7:00PM

b. Budget Priorities and Principles

- Overview by Colleen Rozillis, Moss Adams

Questions or comments: Member Varney, Chair Brown, Members Dixon, Beleiciks, Phillips, Allen, Stapleton, Curtis

c. Committee Discussion

- None

8. PUBLIC TESTIMONY FOR FUTURE BUDGET ISSUES

The Budget Committee has set aside time for public comment to address items not on the agenda. Each individual testifying will be limited to no more than three (3) minutes.

- a. None

9. ADJOURNMENT

Comments by: Chair Brown

The meeting was adjourned at 7:48 PM

Respectfully Submitted,

Kelli Blechschmidt
Minutes Recorder

The next meetings related to the FY 2026 – FY 2030 Forecast will occur with the Budget Committee as follows:

- *Wednesday, November 13, 2024 Preliminary General Forecast Continuation*
- *Wednesday, January 15, 2025, Presentation of the Final Five-Year Forecast*

Budget staff is available for your convenience to discuss the budget document and process. Please call the staff listed above or 503-588-6049 if you have any questions.

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CITY OF SALEM PRELIMINARY FINANCIAL SUMMARY Through Q1 / FY 2025

The summary of FY 2025 first quarter (Q1) July 2024 through September 2024 financial activity displays expenditure information at the department level for the General Fund and resource information by type. For all other funds, data is displayed with total resources and expenditures. For all funds, the display includes columns comparing budget to prior year actual activity. A positive number in the prior year comparison denotes an increase in FY 2025.

General Fund

Resources	Budget	Actual through Sept 30	As a Percent of Budget	Difference FY 2024 to FY 2025 Actual
Property Taxes	87,826,740	164,507	0.2%	-23.3%
Franchise Fees	22,926,940	3,500,729	15.3%	154.5%
Internal Charges	27,325,620	5,733,364	21.0%	9.0%
Marijuana Sales Tax	1,501,900	352,044	23.4%	-
State Shared	8,264,650	760,336	9.2%	-8.9%
Fees, Permits	20,591,260	3,801,353	18.5%	29.2%
All Other Revenues	8,509,830	1,479,207	17.4%	-9.2%
Beginning Working Capital	32,721,140	35,031,832	107.1%	-4.2%
Total Resources	209,668,080	50,823,372	24.2%	4.1%

Expenditures by Department	Budget	Actual through Sept 30	As a Percent of Budget	Difference FY 2024 to FY 2025 Actual
Mayor & Council	442,100	78,208	17.7%	6.93%
Municipal Court	2,767,700	471,866	17.0%	-4.19%
City Manager	1,680,930	333,665	19.9%	36.25%
Human Resources	3,120,580	612,831	19.6%	13.23%
Customer Service Center	946,890	185,589	19.6%	-2.13%
Legal	3,157,120	683,052	21.6%	-7.74%
Finance	4,425,700	864,294	19.5%	3.17%
Parks and Recreation	13,982,760	3,188,657	22.8%	-3.08%
Facilities Services	5,672,350	1,172,137	20.7%	7.30%
Community Development	6,767,980	1,354,923	20.0%	9.57%
Library	5,738,030	1,080,376	18.8%	-3.30%
Police	62,173,430	14,218,940	22.9%	6.38%
Fire	51,370,910	12,079,197	23.5%	5.22%
Information Technology	15,775,510	2,659,933	16.9%	-5.91%
Non Departmental	9,143,870	741,351	8.1%	14.40%
Urban Development	4,048,290	585,544	14.5%	-25.79%
Total Expenditures	191,214,150	40,310,563	21.1%	3.5%

BY THE NUMBERS

Resources

First quarter receipts are typically low. Current year Property Tax has not been collected. State Shared Revenue collections increase later in the year. State Shared resources include state marijuana sales tax revenue collected by the State and distributed to cities.

The first distribution of Marijuana Sales Tax was received in Q2 for FY 2024. These are remitted by the State to the City quarterly.

Beginning Working Capital—the funding available at the start of the fiscal year—equals almost 68.9 percent of total resources through Q1, and is 4.2 percent less than FY 2024 demonstrating a use of working capital to cover expenses. Year-to-date Franchise Fees are overstated due to FY 2024 year-end accruals not being reversed; however, actual revenue receipts are coming in as expected.

Internal Charges include the support services charges, reimbursements for labor and overhead from other funds, and fund-to-fund transfers. The 9 percent increase is mainly due to Service Charges and Transfers, which are received in regular intervals.

All Other Revenues decreased by 9.2 percent, primarily due to less interest revenue in FY 2025

BY THE NUMBERS
Expenditures

With 25 percent of the fiscal year complete, including 6 payroll periods, or 23 percent of payroll periods for the year, expenditures are largely trending as anticipated. The 3.5 percent increase is modest due to vacancies. The large decrease of spending year-over-year in the Urban Development Division of Community Planning and Development is due to vacancies. Meanwhile, the large increase year-over-year in the City Manager's Office relate to being fully staffed for part of the quarter.

CITY OF SALEM FINANCIAL SUMMARY Through Q1 / FY 2025

Other Funds

	Resources			Expenditures		
	Actual through Sept 30	As a Percent of Budget	Difference FY 2024 to FY 2025 Actual	Actual through Sept 30	As a Percent of Budget	Difference FY 2024 to FY 2025 Actual
* Transportation Services	12,402,304	45.0%	14.3%	4,476,047	20.9%	12.5%
Streetlight	1,653,866	51.6%	0.5%	461,808	18.6%	51.2%
* Airport	1,487,779	44.2%	3.5%	594,164	19.2%	28.4%
Community Renewal	853,790	10.0%	7.3%	869,109	10.4%	-27.2%
Downtown Parking	567,886	41.6%	-8.6%	309,319	22.6%	20.6%
Cultural and Tourism	5,562,959	58.4%	0.7%	1,613,204	22.5%	30.3%
Public Art	91,395	90.4%	41.5%	10,055	9.9%	24359.0%
Tourism Promotion Area	260,166	17.3%	12.1%	128,345	8.6%	4.7%
Parking Leasehold	459,917	55.0%	-6.9%	108,355	13.0%	-40.4%
* Building and Safety	17,582,111	67.2%	-6.3%	1,796,686	12.6%	2.6%
Traffic Safety	314	98.1%	0.0%	314	98.1%	0.0%
General Debt	5,223,190	16.9%	14.8%	-	0.0%	0.0%
Capital Improvements	145,710,416	71.4%	-3.6%	9,526,719	7.0%	-20.6%
Extra Capacity Facilities	49,966,455	89.0%	5.4%	2,534,240	7.3%	221.0%
Development Districts	10,735,948	74.0%	-0.6%	840	0.0%	-97.9%
* Utility	92,431,157	49.1%	2.7%	28,595,560	19.0%	13.8%
* Emergency Services	4,739,521	40.5%	43.6%	1,002,400	8.6%	245.3%
* WVCC	6,879,022	40.0%	14.8%	3,506,459	21.2%	10.4%
Police Regional Records	2,060,017	81.6%	34.3%	41,551	6.4%	54.3%
* City Services	8,494,423	49.3%	8.0%	2,932,402	19.5%	2.5%
* Self Insurance Benefits	16,219,495	40.9%	3.8%	9,180,063	23.1%	46.9%
* Self Insurance Risk	3,536,025	29.2%	-45.9%	5,039,040	41.6%	28.9%
Equipment Replacement	24,393,291	89.8%	20.9%	320,318	1.2%	-74.9%
Trust and Agency	22,778,843	93.9%	-18.2%	769,666	6.3%	-52.9%

Resources

Beginning fund balance accounts for \$353.1 million or 81.4 percent of the \$434.1 million total resources reported in the above table for all other City funds. To begin FY 2025, actual fund balance exceeded budget by \$11.5 million or 3.4 percent. At the first quarter mark in the fiscal year, total resources equal 59.6 percent of the amount anticipated in the FY 2025 budget for this grouping of funds.

Expenditures

The nine funds marked with an * have a total of 574.5 full-time equivalent (FTE) authorized positions, approximately 42 percent of the total FTE count for the City in the FY 2025 budget. The General Fund supports the remaining 787.75 FTE positions. Of the \$73.8 million in total actual expense through September 30, \$17.4 million or 23.6 percent is personal services expense.

Materials and services, purchases for supplies, equipment, and services, equal \$41.5 million or 56.3 percent of total expenses. Four funds—the Utility Fund, Self Insurance Benefits Fund, Self Insurance Risk Fund, and Capital Improvements Fund—account for \$52.3 million or 70.9 percent of the total quarterly expenses of all the other funds.

CITY OF SALEM FINANCIAL SUMMARY Through Q1 / FY 2025

The largest expense for the City are its employees for provide services to the community. The City budgets for all authorized positions each fiscal year. If a position is vacant during budget development, then the City takes a conservative approach and budgets that position at a step one of the pay scale, with full-family benefits and OPSRP (Tier 3) PERS.

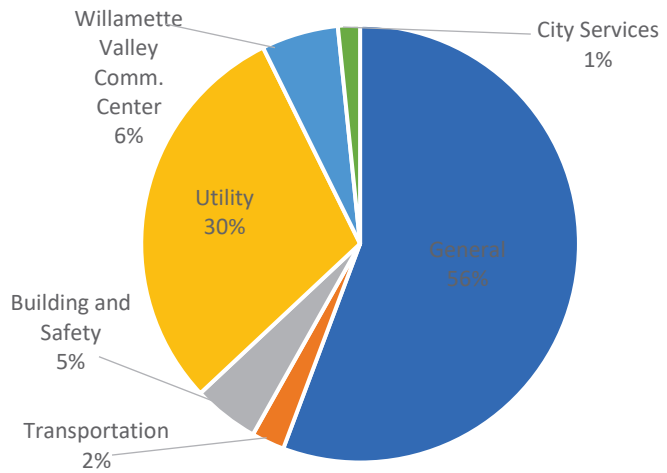
Below is data for the first quarter of vacancies for the City of Salem. The Urban Renewal Agency does not have employees. Data compare the first pay period in July and the last pay period in September. Numbers are expressed in Full Time Equivalent (FTE) positions unless otherwise noted.

Beginning of Quarter 1

Total authorized positions	1,356.25
Total vacancies	123.05
Percent %	9.07%

Funds

<i>General</i>	68.55
<i>Transportation Services</i>	3.00
<i>Building and Safety</i>	6.00
<i>Utility</i>	36.50
<i>Willamette Valley Comm. Center</i>	7.00
<i>City Services - Document Services</i>	1.00
<i>City Services - Radio Communications</i>	1.00

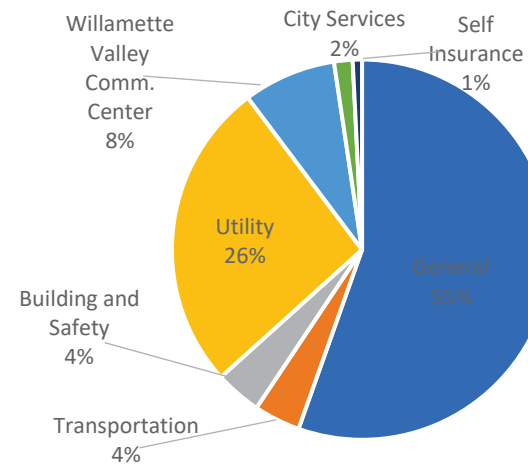


End of Quarter 1

Total authorized positions	1,360.25
Total vacancies	126.75
Percent %	9.32%

Funds

<i>General</i>	70.25
<i>Transportation Services</i>	5.00
<i>Building and Safety</i>	5.00
<i>Utility</i>	33.50
<i>Willamette Valley Comm. Center</i>	10.00
<i>City Services - Document Services</i>	1.00
<i>City Services - Radio Communications</i>	1.00
<i>Self Insurance Risk Fund</i>	1.00



ANALYSIS: Average vacancy rate for Q1 Citywide was 9.20%. A majority of vacancies were in the General Fund in the Enterprise Services, Community Planning and Development, Fire and Police departments. Between the beginning of the quarter and the end of the quarter, four new General Fund positions were authorized by City Council to add capacity for the Enterprise Resource Planning (ERP) software implementation, bringing the total citywide to 1,360.25. The cost of the ERP positions will be reimbursed by Salem Safety and Livability Bond during the project.

Of the 128 vacant positions (123.05 FTE) at the beginning of the quarter, 68 of them remained vacant remained vacant at the end of the quarter. 35 of those were in the General Fund and 20 were in the Utility Fund with others being spread across several other funds.

URBAN RENEWAL AGENCY PRELIMINARY FINANCIAL SUMMARY Through Q1 / FY 2025

This "By the Numbers" summary of FY 2025 activity for the period of July 2024 through September 2024 provides a brief update of the Urban Renewal Agency's eight active areas and the Agency-owned Salem Convention Center. For the comparisons to budget and prior year activity a positive percentage denotes FY 2025 results are greater.

Debt Service Fund	Resources			Expenditures		
	Actual through Sept 30	As a Percent of Budget	Difference FY 2024 to FY 2025 Actual	Actual through Sept 30	As a Percent of Budget	Difference FY 2024 to FY 2025 Actual
Riverfront Downtown	764,808	9.8%	-45.0%	335,255	4.5%	0.0%
Fairview	-	-	-	-	0.0%	0.0%
North Gateway	1,124,127	18.6%	-5.5%	-	0.0%	0.0%
West Salem	457,591	17.6%	-36.2%	-	0.0%	0.0%
Mill Creek	341,617	8.6%	-4.9%	-	0.0%	0.0%
McGilchrist	736,760	-	68.1%	-	0.0%	0.0%
South Waterfront	38,787	6.8%	80.3%	-	0.0%	0.0%
Jory Apartments	30,899	6.3%	107.1%	-	0.0%	0.0%
Total	3,494,590	16.3%	-15.5%	335,255	1.6%	0.00%

Capital Improvements Fund	Resources			Expenditures		
	Actual through Sept 30	As a Percent of Budget	Difference FY 2024 to FY 2025 Actual	Actual through Sept 30	As a Percent of Budget	Difference FY 2024 to FY 2025 Actual
Riverfront Downtown	23,908,552	81.4%	3.7%	1,084,316	4.2%	63.9%
Fairview	871,582	100.5%	-11.3%	8,188	2.3%	-91.2%
North Gateway	25,523,251	82.6%	21.7%	226,891	1.4%	10.5%
West Salem	4,707,970	93.9%	-47.4%	431,512	8.7%	-57.1%
Mill Creek	6,753,233	71.2%	63.4%	34,501	0.7%	-10.5%
McGilchrist	6,271,741	94.7%	-9.0%	1,152,078	17.4%	216.1%
South Waterfront	465,847	44.8%	35384.2%	15,422	2.8%	495.4%
Jory Apartments	38,660	7.5%	-628.6%	481	0.1%	848.1%
Total	68,540,836	81.8%	5.5%	2,953,388	4.9%	24.5%

Salem Convention Center Fund and Convention Center Gain / Loss Reserve

Resources for the Salem Convention Center Fund include beginning fund balance of \$1,061,513 and revenue from food sales and equipment and room rentals of \$660,083 for a total of \$1,721,596. Through the period, \$681,264 has been posted as the cost of providing convention services.

The Convention Center Gain / Loss Reserve* started the fiscal year with beginning fund balance of \$3,712,036. Interest postings through the quarter added \$22,652. Expenses through the period totaled \$223 as there has been minimal work completed year to date.

*A reserve established to cover any operational losses.

Most resources for both funds (above) are beginning fund balance as no current year taxes have been collected, and short-term borrowings, which provide additional resources for capital projects, have not occurred.