

5a. 1/15/20 Budget Committee

- 5-year forecast presentation

5b. 1/20/20 Policy Agenda Work Session

- Long-term bonding strategy presentation

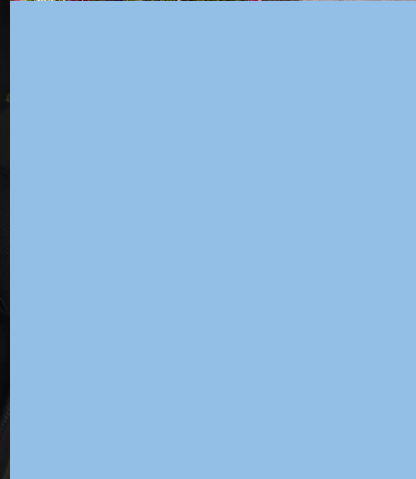
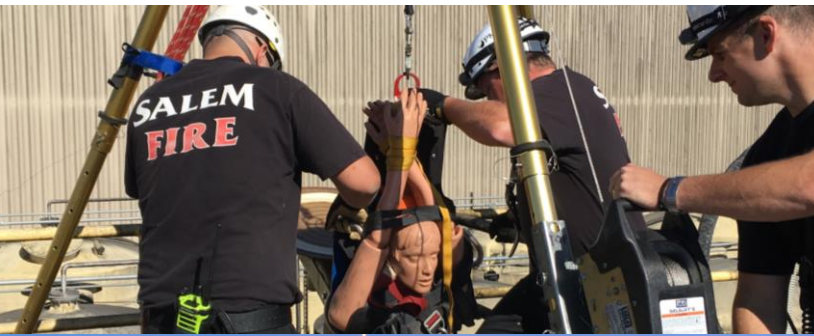
5c. Year-to-date General Fund Revenue (as of 11/22/19)

		REVENUES						TOTAL RESOURCES	
TRANSFERS & BEGINNING BALANCE		TAXES	SALES, FEES, LICENSES & PERMITS	RENTS	TRANSFERS	INTER GOVERNMENTAL	OTHER REVENUE	TOTAL REVENUE	TOTAL RESOURCES
101 General Fund Budget	21,192,270	72,328,350	24,276,750	1,885,910	1,672,440	25,379,100	3,314,770	128,857,320	150,049,590
Actual (ytd 11/22/19)		53,509,900	4,777,036	798,764	453,360	7,754,104	1,250,346	68,543,510	
Percent Received		74.0%	19.7%	42.4%	27.1%	30.6%	37.7%		
End of November Receipts (3-year average)		86.2%	23.1%	35.2%		35.6%	40.3%		
Variance		-12.2%	-3.4%	7.2%		-5.0%	-2.6%		

5d. PFM Monthly Investment Report (dated 10/31/19)

- Market Value declining as expected (\$314.1M vs. \$320.1M 9/30)
- Yield steady, but LGIP rate decreased 11/15 to 2.24% (2.45% 9/24)
- WAM steady, but making 3-5 year purchases now
- All investments within sector limits

Salem's essential services ensure our community remains safe and livable



Our community is growing, but our resources aren't growing enough to keep up

- Salem needs to raise \$16.2 million to keep pace with our community's needs
- This will support ongoing essential services like fire fighters, police officers, library hours, and parks maintenance



The cost of the City's current essential services are more than the current available revenues

GENERAL FUND BUDGET (July 1, 2019 - June 30, 2020)	FY 2020
General Fund Revenues	\$ 128,857,320
General Fund Expenditures	\$ 139,801,950
Fiscal Year Operating Deficit	\$ (10,944,630)

GENERAL FUND FORECAST (\$ millions)	FY 2020
General Fund Revenues	\$ 128.9
General Fund Expenditures	\$ 139.8
Fiscal Year Operating Deficit	\$ (10.9)
Unspent Contingency	\$ 2.5
Personnel Vacancies	\$ 2.6
Forecast Decrease in Working Capital/Fund Balance	\$ (5.8)

FY 2017-FY 2018 AUDITED FINANCIALS and FYE19-FYE20 FORECAST FINANCIALS				
<i>Audited Financial Report pg#</i>	<i>47</i>	<i>47</i>	<i>Forecast</i>	
GENERAL FUND (\$ millions)	FY 2017	FY 2018	FY 2019	FY 2020
Beginning Fund Bal. (budget basis)	\$ 28.1	\$ 26.8	\$ 25.0	\$ 22.2
Ending Fund Bal. (budget basis)	\$ 26.8	\$ 25.0	\$ 22.2	\$ 16.4
Increase/(Decrease)	\$ (1.3)	\$ (1.8)	\$ (2.8)	\$ (5.8)



To protect essential services, we need to better balance resources with cost of service

Current source:

- 1 Property taxes

Potential new sources:

- 2 Operations fee
- 3 Employee-paid payroll tax



Property Taxes

- Current revenue source to fund City services
- Amounts are set based on state laws

What this means for you:

- Without additional revenues, community services will need to be reduced

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Operations Fee

- Potential new revenue source to fund City services
- People with utility accounts pay a flat fee based on type of use

What this means for you:

- Single family home - pay \$8/month
- Multi-family home - pay \$6.40/month
- Public, commercial, institutional accounts - pay \$38.56/month
- Some customers may qualify for utility rate relief

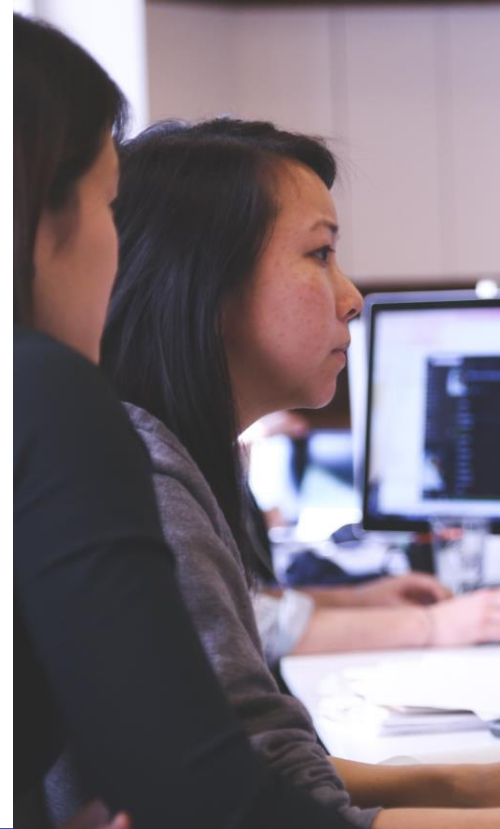


Employee-paid Payroll Tax

- Potential new revenue source to fund City services
- Everyone who works in Salem pays a tax, including 60,000 commuters who use our services

What this means for you:

- Minimum wage - pay nothing
- Earn up to \$15/hour - pay 0.266%
- Earn \$50,000/year - pay 0.39%
- Retirement is not taxed



By sharing the cost, we can keep Salem safe and livable

- Operations fee will help as soon as February 2020
- Employee-paid payroll tax offers a longer-term solution and will be on the May 2020 ballot for voter input



Have questions or want to learn more?

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www.cityofsalem.net

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