

# CITY OF SALEM FINANCIAL SUMMARY Through Q3 / FY 2026

The summary of the second quarter (Q3) of FY 2026 represents July 2025 through March 2026 financial activity with displays for expenditures at the department level for the General Fund and resources 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 2026.

## General Fund

| Resources                 | Budget             | Actual through Mar 31 | As a Percent of Budget | Difference FY 2025 to FY 2026 Actual |
|---------------------------|--------------------|-----------------------|------------------------|--------------------------------------|
| Property Taxes            | 92,233,890         | 88,465,995            | 95.9%                  | 5.4%                                 |
| Franchise Fees            | 23,669,020         | 17,255,473            | 72.9%                  | -1.8%                                |
| Internal Charges          | 23,664,640         | 16,566,778            | 70.0%                  | -4.1%                                |
| Marijuana Sales Tax       | 1,451,360          | 1,005,359             | 69.3%                  | 40.7%                                |
| State Shared              | 7,707,640          | 4,248,134             | 55.1%                  | -2.5%                                |
| Fees, Permits             | 21,155,090         | 14,119,666            | 66.7%                  | -4.2%                                |
| All Other Revenues        | 7,348,150          | 7,130,674             | 97.0%                  | -14.0%                               |
| Beginning Working Capital | 31,516,370         | 31,632,618            | 100.4%                 | -9.7%                                |
| <b>Total Resources</b>    | <b>208,746,160</b> | <b>180,424,697</b>    | <b>86.4%</b>           | <b>-0.8%</b>                         |

**BY THE NUMBERS - Resources**  
The City received over 95 percent of total current-year budgeted Property Taxes during the third quarter. Property tax receipts in FY 2026 are 5.4 percent higher than the same time last year.

Marijuana Sales Tax receipts are collected by the State and remitted to the City quarterly. Currently sales tax revenue is trending higher than last year due to year-over-year payment posting timing.

| Expenditures by Department | Budget             | Actual through Mar 31 | As a Percent of Budget | Difference FY 2025 to FY 2026 Actual |
|----------------------------|--------------------|-----------------------|------------------------|--------------------------------------|
| Mayor & Council            | 455,550            | 276,976               | 60.8%                  | -18.0%                               |
| Municipal Court            | 2,933,650          | 2,022,629             | 68.9%                  | 10.9%                                |
| City Manager               | 2,644,240          | 1,600,625             | 60.5%                  | 62.7%                                |
| Human Resources            | 3,294,240          | 2,239,536             | 68.0%                  | 16.5%                                |
| Customer Service Center    | 1,011,270          | 614,794               | 60.8%                  | 10.2%                                |
| Legal                      | 3,357,550          | 2,384,967             | 71.0%                  | 10.3%                                |
| Finance                    | 4,974,840          | 3,143,245             | 63.2%                  | 5.6%                                 |
| SOS Team and Tree Interns* | 1,224,510          | 843,042               | 68.8%                  | -93.7%                               |
| Facilities Services        | 6,386,590          | 4,265,387             | 66.8%                  | 6.3%                                 |
| Community Development      | 7,256,290          | 4,507,166             | 62.1%                  | 5.1%                                 |
| Police                     | 68,883,040         | 49,944,878            | 72.5%                  | 8.4%                                 |
| Fire                       | 55,354,120         | 39,742,702            | 71.8%                  | 7.6%                                 |
| Information Technology     | 15,694,200         | 9,001,547             | 57.4%                  | 0.4%                                 |
| Non Departmental           | 8,433,480          | 2,695,097             | 32.0%                  | -10.6%                               |
| Urban Development          | 3,560,160          | 2,168,369             | 60.9%                  | 1.3%                                 |
| <b>Total Expenditures</b>  | <b>185,463,730</b> | <b>125,450,961</b>    | <b>67.6%</b>           | <b>-3.2%</b>                         |

Beginning Working Capital—the funding available at the start of each fiscal year—equals over 18 percent of total resources through Q3, and is 9.7 percent less than FY 2025 showing the use of working capital for expenses. Year-to-date Franchise Fees 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. This category is 4.1 percent less than FY 2025.

Other Revenues decreased by 14 percent, primarily due to a combination of one time State Street rent revenue and Community Services fees moving from the General Fund in FY 2025 to the Local Option Levy Fund in FY 2026.

### BY THE NUMBERS Expenditures

With 75 percent of the fiscal year complete, including 19 payroll periods, or 73 percent of payroll periods for the year, expenditures are largely trending as anticipated. The 3.2 percent decrease is due to most of Community Services moving from the General Fund to the Local Option Levy Fund. The large year-over-year increase in the City Manager's Office is from staff who moved to the Department this year while the increase in Human Resources relates to fewer vacancies compared to the prior year.

\*The year-over-year changes occurred in the expenditures category is a result of community services reallocated from the General Fund to the Local Operations Levy Fund in FY26.

## CITY OF SALEM FINANCIAL SUMMARY Through Q3 / FY 2026

|                           | Resources             |                        |                                      | Expenditures          |                        |                                      |
|---------------------------|-----------------------|------------------------|--------------------------------------|-----------------------|------------------------|--------------------------------------|
|                           | Actual through Mar 31 | As a Percent of Budget | Difference FY 2025 to FY 2026 Actual | Actual through Mar 31 | As a Percent of Budget | Difference FY 2025 to FY 2026 Actual |
| <b>Other Funds</b>        |                       |                        |                                      |                       |                        |                                      |
| * Local Option Levy       | 18,106,165            | 90.6%                  | 0.0%                                 | 12,944,933            | 64.9%                  | 0.0%                                 |
| * Transportation Services | 23,121,109            | 80.1%                  | 3.4%                                 | 14,359,766            | 62.5%                  | 5.0%                                 |
| Streetlight               | 2,568,889             | 79.8%                  | -5.8%                                | 1,660,900             | 65.1%                  | 5.1%                                 |
| * Airport                 | 1,860,556             | 58.9%                  | -29.7%                               | 1,840,864             | 58.2%                  | -19.0%                               |
| Community Renewal         | 2,123,071             | 33.1%                  | -6.5%                                | 1,535,011             | 23.9%                  | -30.9%                               |
| Downtown Parking          | 2,129,517             | 91.6%                  | 121.1%                               | 1,281,872             | 64.9%                  | 20.5%                                |
| Cultural and Tourism      | 6,358,294             | 77.0%                  | -19.2%                               | 3,880,044             | 51.0%                  | -19.1%                               |
| Public Art                | 113,215               | 80.6%                  | 7.1%                                 | 1,907                 | 1.4%                   | -84.7%                               |
| Tourism Promotion Area    | 721,685               | 48.1%                  | -2.1%                                | 626,911               | 41.8%                  | -1.4%                                |
| Parking Leasehold         | 610,027               | 57.7%                  | -23.6%                               | 459,763               | 61.4%                  | 12.0%                                |
| * Building and Safety     | 14,835,196            | 103.5%                 | -27.9%                               | 5,699,036             | 62.8%                  | -26.9%                               |
| General Debt              | 28,840,869            | 88.7%                  | 3.8%                                 | 3,661,916             | 13.7%                  | -10.3%                               |
| Capital Improvements      | 165,081,380           | 66.9%                  | -2.5%                                | 37,886,065            | 28.8%                  | 50.9%                                |
| Extra Capacity Facilities | 61,025,799            | 98.3%                  | 6.4%                                 | 10,483,236            | 37.3%                  | -14.9%                               |
| Development Districts     | 11,733,544            | 81.8%                  | 5.5%                                 | 516,322               | 13.4%                  | 2117.9%                              |
| * Utility                 | 154,121,709           | 83.1%                  | -0.4%                                | 87,624,169            | 60.3%                  | -4.4%                                |
| * Emergency Services      | 40,272,687            | 63.4%                  | 557.4%                               | 27,903,643            | 47.4%                  | 659.9%                               |
| * WVCC                    | 15,566,514            | 82.0%                  | 5.9%                                 | 11,842,929            | 65.8%                  | 7.9%                                 |
| Police Regional Records   | 2,870,406             | 106.7%                 | 17.4%                                | 434,600               | 67.9%                  | 4.4%                                 |
| * City Services           | 16,212,703            | 79.5%                  | 2.7%                                 | 10,640,714            | 61.5%                  | 5.6%                                 |
| * Self Insurance Benefits | 33,576,965            | 77.8%                  | 0.9%                                 | 26,147,206            | 60.6%                  | -0.7%                                |
| * Self Insurance Risk     | 10,176,133            | 81.5%                  | 5.1%                                 | 8,339,872             | 66.8%                  | 0.5%                                 |
| Equipment Replacement     | 29,315,578            | 94.5%                  | -1.3%                                | 2,490,641             | 8.0%                   | -42.6%                               |
| Trust and Agency          | 21,578,136            | 102.9%                 | -9.5%                                | 888,545               | 11.8%                  | -52.5%                               |

### Resources

Through FY 2026 Q3, total resources equal 78.6 percent of budgeted resources for this grouping of funds. Many significant year-over-year changes occurred in the resources category. The large increase from last year in the Emergency Services fund is a result of starting City-provided ambulance transport services. Building and Safety issued an internal loan to Emergency Services for the start up, reducing the Building and Safety fund balance. Another increase in revenue is in the Downtown Parking Fund as paid parking downtown started on July 1. In the Leasehold Fund, vacant tenant spaces resulted in lower building rent collections. The Airport Fund started the year with a lower fund balance from higher expenses last year associated with commercial air service, accounting for most of the revenue decrease. Also lower than last year are Cultural and Tourism Fund resources as fund balance associated with ARPA revenue replacement was transferred to the General Fund for continuity of services.

### Expenditures

The ten funds marked with an \* have a total of 738.6 full-time equivalent (FTE) authorized positions, approximately 52 percent of the total FTE count for the City in the FY 2026 budget. Of the \$273.2 million in actual expenditures through March 31, \$79.6 million or 29 percent are personal services expenses related to providing services.

Materials and services, equal \$164 million or 60 percent of total expenses. Four funds— Utility, Self Insurance Benefits, Emergency Services, and Capital Improvements —account for \$179.6 million or 65.7 percent of the total quarterly expenses of all the other funds.

# CITY OF SALEM FINANCIAL SUMMARY Through Q3 / FY 2026

The largest expense for the City are its employees who provide services to the community. All authorized positions are included in the budget each fiscal year. If a position is vacant during budget development, the City includes a lower cost for the position and budgets at the lowest step of the pay scale, with full-family benefits, and OPSRP (Tier 3) PERS.

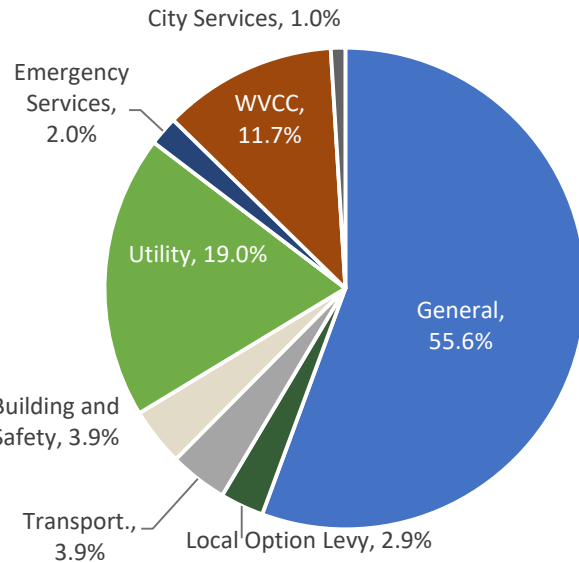
Below is vacancy data for the second quarter for the City of Salem. The Urban Renewal Agency does not have employees. This report compares the last pay period in December and the last pay period in March. Numbers are expressed in Full Time Equivalent (FTE) positions unless otherwise noted.

## Beginning of Quarter 3

|                            |          |
|----------------------------|----------|
| Total authorized positions | 1,420.50 |
| Total FTE vacancies        | 102.50   |
| Percent %                  | 7.22%    |

**Funds**

|  |       |
|--|-------|
| <i>General</i>                               | 57.00 |
| <i>Local Option Levy</i>                     | 3.00  |
| <i>Transportation Services</i>               | 4.00  |
| <i>Building and Safety</i>                   | 4.00  |
| <i>Utility</i>                               | 19.50 |
| <i>Emergency Medical Services</i>            | 2.00  |
| <i>Willamette Valley Comm. Center (WVCC)</i> | 12.00 |
| <i>City Services - Radio Communications</i>  | 1.00  |

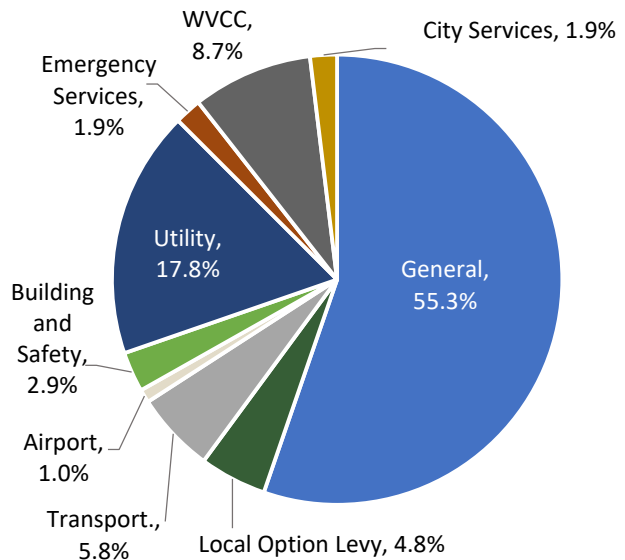


## End of Quarter 3

|                            |          |
|----------------------------|----------|
| Total authorized positions | 1,424.50 |
| Total FTE vacancies        | 104.00   |
| Percent %                  | 7.30%    |

**Funds**

|  |       |
|--|-------|
| <i>General</i>                               | 57.50 |
| <i>Local Option Levy</i>                     | 5.00  |
| <i>Transportation Services</i>               | 6.00  |
| <i>Airport</i>                               | 1.00  |
| <i>Building and Safety</i>                   | 3.00  |
| <i>Utility</i>                               | 18.50 |
| <i>Emergency Medical Services</i>            | 2.00  |
| <i>Willamette Valley Comm. Center (WVCC)</i> | 9.00  |
| <i>City Services - Radio Communications</i>  | 2.00  |



**ANALYSIS:** The citywide vacancy rate at the end of Q3 was 7.4%, up from 7.2% at the end of Q2. The majority of vacancies were in the General Fund in the Fire, Police, and Enterprise Services departments. During this quarter, four new EMS positions were authorized by City Council.

Of the 103 vacant positions (102.50 FTE) at the beginning of the quarter, 70 (69.5 FTE) remained vacant at the end of the quarter. Position vacancies include 57.50 FTE in the General Fund, 18.50 FTE in the Utility Fund, and 9.0 FTE in the WVCC Fund with the balance spread across other funds.