

CITY OF SALEM FINANCIAL SUMMARY Through Q1 / FY 2026

The summary of FY 2026 first quarter (Q1) July 2025 through September 2025 financial activity displays expenditure information at the department level for the General Fund with resources displayed by type. For all other City funds, data is displayed with resources and expenditures. For all funds, the display includes columns noting comparison to budget and prior year actual activity. A positive number in the prior year comparison denotes an increase in FY 2026.

General Fund

Resources	Budget	Actual through Sept 30	As a Percent of Budget	Difference FY 2025 to FY 2026 Actual
Property Taxes	92,233,890	616,562	0.7%	274.8%
Franchise Fees	23,669,020	946,270	4.0%	-73.0%
Internal Charges	23,664,640	5,918,735	25.0%	3.2%
Marijuana Sales Tax	1,451,360	324,229	22.3%	-7.9%
State Shared	7,707,640	758,765	9.8%	-0.2%
Fees, Permits	21,155,090	3,417,893	16.2%	-10.1%
All Other Revenues	7,242,970	1,961,789	27.1%	32.6%
Beginning Working Capital	30,721,980	31,574,297	102.8%	-9.9%
Total Resources	207,846,590	45,518,542	21.9%	-10.4%

Expenditures by Department	Budget	Actual through Sept 30	As a Percent of Budget	Difference FY 2025 to FY 2026 Actual
Mayor & Council	455,550	52,744	11.6%	-32.56%
Municipal Court	2,933,650	542,194	18.5%	14.90%
City Manager	2,644,240	565,679	21.4%	69.53%
Human Resources	3,294,240	674,714	20.5%	10.10%
Customer Service Center	1,011,270	203,374	20.1%	9.58%
Legal	3,332,550	779,472	23.4%	14.12%
Finance	4,974,840	992,422	19.9%	14.82%
SOS Team and Tree Interns	998,510	308,658	30.9%	-90.32%
Facilities Services	6,386,590	1,269,016	19.9%	8.27%
Community Development	7,256,290	1,357,778	18.7%	0.21%
Police	68,502,660	15,771,589	23.0%	10.92%
Fire	55,154,120	12,627,218	22.9%	4.54%
Information Technology	15,694,200	2,861,234	18.2%	7.57%
Non Departmental	8,365,290	650,811	7.8%	-12.21%
Urban Development	3,560,160	672,312	18.9%	14.82%
Total Expenditures	184,564,160	39,329,214	21.3%	-2.4%

BY THE NUMBERS

Resources

First quarter receipts are typically low. Current year Property Tax has not been collected, but prior year property tax collections show an increase as the remaining McGilchrist tax increment was returned to the counties and redistributed to all taxing jurisdictions.

State Shared Revenue collections increase later in the year which include state marijuana sales tax revenue collected by the State and distributed to cities quarterly.

Beginning Working Capital—the funding available at the start of the fiscal year—equals almost 69.4 percent of total resources through Q1, and is 9.9 percent less than FY 2025 as approximately \$3.5 million was spent down in FY 2025 to pay for General Fund services. Year-to-date Franchise Fees variance is due to overstated prior year revenue for Q1 because year-end accruals were not reversed. Actual revenue receipts are as expected.

Internal Charges include reimbursements for labor and overhead from other funds, and fund-to-fund transfers.

All Other Revenues increased by 32.6 percent, primarily from higher fines and reimbursement revenue.

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 2.4 percent decrease is attributable to Parks, Recreation, Center 50+, and the Library moving from the General Fund to the Local Option Levy Fund in FY 2026. The large increase year-over-year in the City Manager's Office relates to four staff moving from Community Services Administration with passage of the local option levy. The large decrease in Mayor and Council is from timing of receipt and payment of hearings officer invoices.

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Other Funds

	Resources			Expenditures		
	Actual through Sept 30	As a Percent of Budget	Difference FY 2025 to FY 2026 Actual	Actual through Sept 30	As a Percent of Budget	Difference FY 2025 to FY 2026 Actual
* Local Option Levy	1,280,644	6.4%	0.0%	4,057,208	20.3%	0.0%
* Transportation Services	13,249,464	45.9%	6.8%	5,185,028	22.6%	15.8%
Streetlight	1,530,722	47.6%	-7.4%	476,978	18.7%	3.3%
* Airport	1,047,089	33.1%	-29.6%	713,209	22.6%	20.0%
Community Renewal	1,373,083	21.4%	61.8%	622,457	9.7%	-28.4%
Downtown Parking	840,854	36.2%	48.1%	341,673	17.3%	10.5%
Cultural and Tourism	4,171,623	50.5%	-25.0%	1,451,493	19.1%	-10.0%
Public Art	98,853	70.3%	8.2%	1,028	0.7%	-89.8%
Tourism Promotion Area	261,955	17.5%	0.7%	120,210	8.0%	-6.3%
Parking Leasehold	366,347	34.7%	-20.3%	140,542	18.8%	29.7%
* Building and Safety	11,456,187	79.9%	-34.8%	1,796,083	19.8%	0.0%
General Debt	6,287,144	19.3%	20.4%	-	0.0%	0.0%
Capital Improvements	150,561,626	61.0%	4.1%	8,988,645	6.8%	-5.6%
Extra Capacity Facilities	47,496,552	76.5%	-4.3%	3,706,535	13.2%	46.3%
Development Districts	11,376,196	79.3%	6.0%	501,344	13.0%	59588.0%
* Utility	89,113,258	48.1%	-3.7%	26,566,880	18.3%	-7.1%
* Emergency Services	17,821,844	28.0%	275.0%	3,775,256	6.4%	276.6%
* WVCC	7,315,169	38.5%	4.3%	3,764,042	20.9%	7.3%
Police Regional Records	2,467,659	91.7%	19.8%	40,708	6.4%	-2.0%
* City Services	9,400,893	46.1%	10.6%	3,119,660	18.0%	6.4%
* Self Insurance Benefits	14,095,370	32.6%	-13.2%	7,511,324	17.4%	-18.2%
* Self Insurance Risk	4,262,236	34.1%	20.2%	4,954,670	39.7%	-1.7%
Equipment Replacement	26,189,470	84.4%	7.4%	372,436	1.2%	16.3%
Trust and Agency	20,531,098	97.9%	-9.9%	404,194	5.4%	-47.5%

Resources

Beginning fund balance accounts for \$349.1 million or 78.9 percent of the \$442.6 million total resources reported in the above table for all other City funds. To begin FY 2026, actual fund balance was lower than budget by \$26.7 million or 7.1 percent less. At the first quarter mark in the fiscal year, total resources equal 53.7 percent of the amount anticipated in the FY 2026 budget for this grouping of funds.

Expenditures

The ten funds marked with an * have a total of 574.5 full-time equivalent (FTE) authorized positions, approximately 52 percent of the total FTE count for the City in the FY 2026 budget. The General Fund supports the remaining 683.9 FTE positions. Of the \$78.6 million in total actual expense through September 30 documented in the above table, \$21.4 million or 27.2 percent is personal services expense.

Materials and services, purchases for supplies, equipment, and services, equal \$45.1 million or 57.4 percent of total expenses. Four funds—the Utility Fund, Self Insurance Benefits Fund, Self Insurance Risk Fund, and Capital Improvements Fund—account for \$48 million or 61.1 percent of the total quarterly expenses of all the other funds.

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

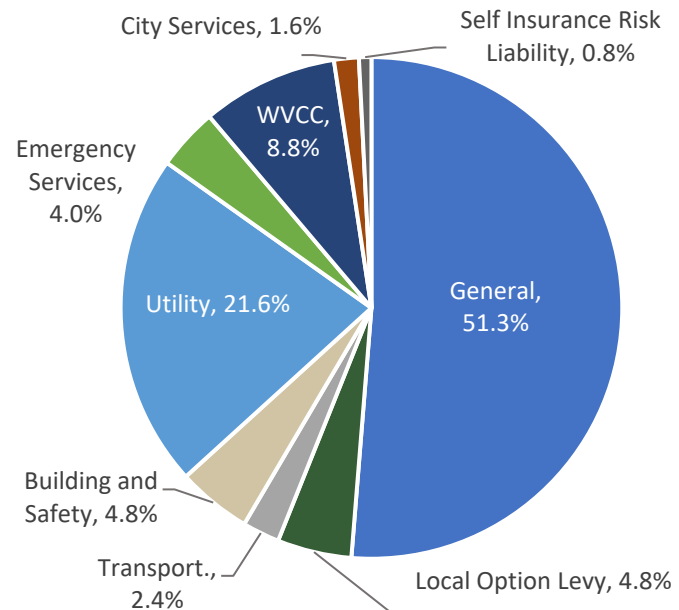
Below is vacancy data for the first quarter for the City of Salem. The Urban Renewal Agency does not have employees. This report compares the first pay period in July and the last pay period in September. Numbers are expressed in Full Time Equivalent (FTE) positions unless otherwise noted.

Beginning of Quarter 1

Total authorized positions	1,418.50
Total FTE vacancies	125.20
Percent %	8.83%

Funds

<i>General</i>	64.20
<i>Local Option Levy</i>	6.00
<i>Transportation Services</i>	3.00
<i>Building and Safety</i>	6.00
<i>Utility</i>	27.00
<i>Emergency Medical Services</i>	5.00
<i>Willamette Valley Comm. Center (WVCC)</i>	11.00
<i>City Services - Document Services</i>	1.00
<i>City Services - Radio Communications</i>	1.00
<i>Self Insurance Risk Liability</i>	1.00

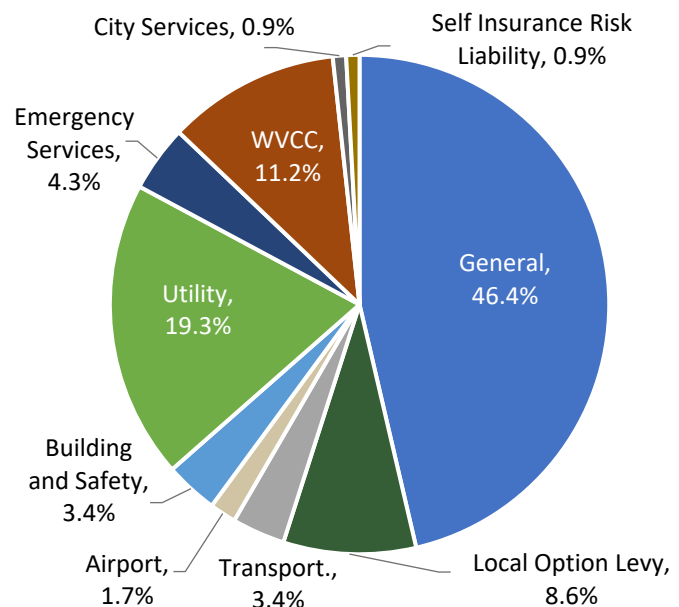


End of Quarter 1

Total authorized positions	1,418.50
Total FTE vacancies	115.50
Percent %	8.14%

Funds

<i>General</i>	54.00
<i>Local Option Levy</i>	10.00
<i>Transportation Services</i>	4.00
<i>Airport</i>	2.00
<i>Building and Safety</i>	4.00
<i>Utility</i>	22.50
<i>Emergency Medical Services</i>	5.00
<i>Willamette Valley Comm. Center (WVCC)</i>	13.00
<i>City Services - Radio Communications</i>	1.00
<i>Self Insurance Risk Liability</i>	0.00



ANALYSIS: The average citywide vacancy rate for Q1 was 8.5% down from 12.3% in Q4 of FY 2025. The majority of vacancies were in the General Fund in the Fire, Police, and Enterprise Services departments. During this quarter, no new positions were authorized by City Council. The authorized FTE decreased from Q4 of FY 2025 to Q1 of FY 2026 as a net five FTE were eliminated through the budget process.

Of the 126 vacant positions (125.20 FTE) at the beginning of the quarter, 117 (116.50 FTE) remained vacant at the end of the quarter. Position vacancies included 54 FTE in the General Fund, 22.50 FTE in the Utility Fund, and 13 FTE in the WVCC Fund with the balance spread across the other funds.