

CITY OF SALEM FINANCIAL SUMMARY Through Q2 / FY 2025

The summary of FY 2025 second quarter (Q2) July 2024 through December 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 Dec 31	As a Percent of Budget	Difference FY 2024 to FY 2025 Actual
Property Taxes	87,826,740	80,400,767	91.5%	3.5%
Franchise Fees	22,926,940	4,851,548	21.2%	3.3%
Internal Charges	27,325,620	11,369,709	41.6%	11.8%
Marijuana Sales Tax	1,501,900	352,044	23.4%	-19.5%
State Shared	8,264,650	2,224,082	26.9%	-20.4%
Fees, Permits	20,591,260	9,601,399	46.6%	14.5%
All Other Revenues	8,509,830	3,654,689	42.9%	8.8%
Beginning Working Capital	32,721,140	35,031,832	107.1%	-4.2%
Total Resources	209,668,080	147,486,070	70.3%	2.3%

Expenditures by Department	Budget	Actual through Dec 31	As a Percent of Budget	Difference FY 2024 to FY 2025 Actual
Mayor & Council	442,100	194,989	44.1%	12.9%
Municipal Court	2,767,700	1,155,477	41.7%	16.5%
City Manager	1,680,930	648,478	38.6%	30.0%
Human Resources	3,120,580	1,261,645	40.4%	16.9%
Customer Service Center	946,890	379,682	40.1%	-0.1%
Legal	3,157,120	1,374,583	43.5%	-2.6%
Finance	4,425,700	1,833,101	41.4%	8.3%
Parks and Recreation	13,982,760	6,386,542	45.7%	1.5%
Facilities Services	5,672,350	2,613,091	46.1%	15.5%
Community Development	6,767,980	2,707,969	40.0%	5.4%
Library	5,738,030	2,292,333	39.9%	2.6%
Police	62,173,430	29,691,559	47.8%	8.4%
Fire	51,370,910	23,569,469	45.9%	3.1%
Information Technology	15,775,510	5,505,936	34.9%	3.1%
Non Departmental	9,143,870	2,194,107	24.0%	30.0%
Urban Development	4,048,290	1,288,767	31.8%	-21.4%
Total Expenditures	191,214,150	83,097,728	43.5%	5.8%

BY THE NUMBERS - Resources
The City received over 91.5 percent of total current-year budgeted Property Taxes during the second quarter. Property tax receipts in FY 2025 are 3.5 percent higher than the same time last year. Franchise Fees showed a modest increase and State Shared Revenue had a sharp decline from prior year.

Marijuana Sales Tax receipts are collected by the State and remitted to the City quarterly. Currently they are trending 19.5 percent lower than this time last year.

Beginning Working Capital—the funding available at the start of the fiscal year—equals almost 23.8 percent of total resources through Q2, and is 4.2 percent less than FY 2024 demonstrating a use of working capital to cover expenses. Year-to-date Franchise Fees 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 11.8 percent increase is mainly due to Service Charges and Transfers, which are received in regular intervals.

All Other Revenues increased by 8.8 percent, primarily due to donations and State reimbursement in FY 2025.

BY THE NUMBERS Expenditures	With 50 percent of the fiscal year complete, including 12 payroll periods, or 46.2 percent of payroll periods for the year, expenditures are largely trending as anticipated. The 5.8 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 and Municipal Court relate to being fully staffed large portions of reporting period compared to prior year.
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Other Funds

	Resources			Expenditures		
	Actual through Dec 31	As a Percent of Budget	Difference FY 2024 to FY 2025 Actual	Actual through Dec 31	As a Percent of Budget	Difference FY 2024 to FY 2025 Actual
* Transportation Services	17,457,150	63.4%	12.4%	9,181,579	42.9%	12.6%
Streetlight	2,221,917	69.4%	1.7%	959,913	38.6%	-0.6%
* Airport	2,072,121	61.5%	16.8%	1,481,714	48.0%	46.4%
Community Renewal	1,380,321	16.2%	-49.0%	1,229,563	14.7%	-52.7%
Downtown Parking	774,824	56.7%	-2.6%	643,702	47.1%	23.8%
Cultural and Tourism	6,853,538	71.9%	2.5%	3,369,713	47.1%	39.6%
Public Art	98,623	97.6%	38.5%	11,179	11.1%	20137.5%
Tourism Promotion Area	529,630	35.3%	11.4%	450,123	30.0%	10.6%
Parking Leasehold	638,368	76.3%	-2.0%	277,185	33.1%	-29.5%
* Building and Safety	19,109,363	73.0%	-4.6%	3,826,596	26.8%	17.8%
Traffic Safety	314	98.1%	0.0%	314	98.1%	0.0%
General Debt	25,175,968	81.6%	9.2%	4,081,133	15.8%	-27.9%
Capital Improvements	158,979,237	77.9%	-1.0%	17,343,463	12.7%	-38.3%
Extra Capacity Facilities	53,039,775	94.4%	-0.3%	10,970,662	31.7%	77.5%
Development Districts	10,942,421	75.4%	1.0%	4,440	0.1%	-99.4%
* Utility	124,232,123	66.0%	1.7%	60,149,327	40.0%	14.0%
* Emergency Services	5,903,515	50.5%	15.4%	2,208,303	18.9%	105.9%
* WVCC	10,858,905	63.1%	13.3%	6,964,301	42.0%	9.3%
Police Regional Records	2,255,938	89.4%	12.8%	370,377	57.0%	23.7%
* City Services	12,287,835	71.3%	13.6%	6,747,141	44.9%	9.1%
* Self Insurance Benefits	24,706,396	62.3%	8.1%	18,174,272	45.8%	26.1%
* Self Insurance Risk	5,624,281	46.4%	-30.6%	6,923,443	57.2%	34.9%
Equipment Replacement	26,055,124	95.9%	17.7%	2,750,621	10.1%	15.6%
Trust and Agency	23,381,180	96.4%	-16.4%	1,578,650	12.9%	-54.5%

Resources

Beginning fund balance accounts for \$351.8 million or 65.8 percent of the \$534.6 million total resources reported in the above table for all other City funds. To begin FY 2025, actual fund balance exceeded budget by \$10.2 million or 3.0 percent. At the second quarter mark in the fiscal year, total resources equal 73.4 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 634.5 full-time equivalent (FTE) authorized positions, approximately 45 percent of the total FTE count for the City in the FY 2025 budget. The General Fund supports the remaining 789 FTE positions. Of the \$159.7 million in total actual expenditures through December 31, \$36.3 million or 22.8 percent is personal services expense.

Materials and services, purchases for supplies, equipment, and services, equal \$89.5 million or 56.0 percent of total expenses. Four funds—the Utility Fund, Self Insurance Benefits Fund, Self Insurance Risk Fund, and Capital Improvements Fund—account for \$102.6 million or 64.2 percent of the total quarterly expenses of all the other funds.

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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.

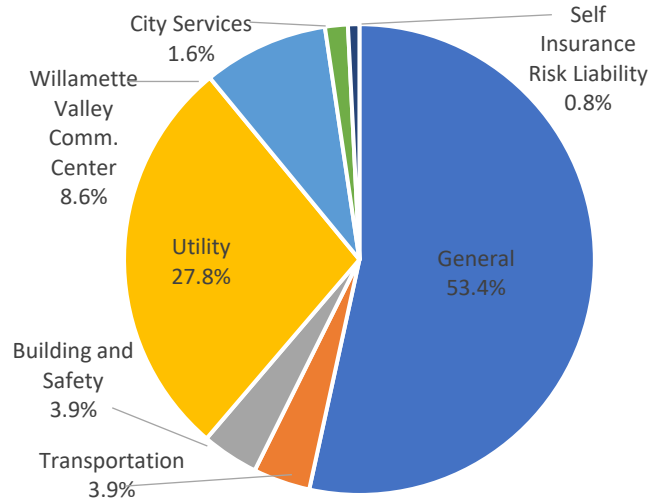
Below is data for the second quarter of vacancies for the City of Salem. The Urban Renewal Agency does not have employees. Data compare the first pay period in October and the last pay period in December. Numbers are expressed in Full Time Equivalent (FTE) positions unless otherwise noted.

Beginning of Quarter 2

Total authorized positions	1,360.25
Total vacancies	127.75
Percent %	9.39%

Funds

<i>General</i>	68.25
<i>Transportation Services</i>	5.00
<i>Building and Safety</i>	5.00
<i>Utility</i>	35.50
<i>Willamette Valley Comm. Center</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

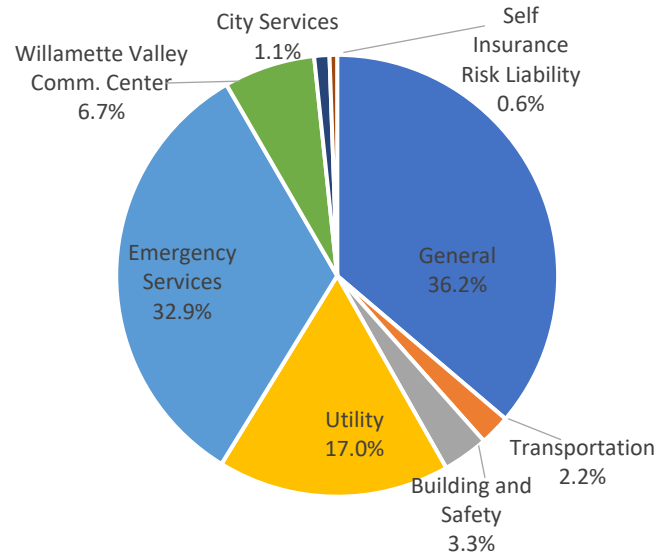


End of Quarter 2

Total authorized positions	1,423.50
Total vacancies	179.50
Percent %	12.61%

Funds

<i>General</i>	65.00
<i>Transportation Services</i>	4.00
<i>Building and Safety</i>	6.00
<i>Utility</i>	30.50
<i>Emergency Services</i>	59.00
<i>Willamette Valley Comm. Center</i>	12.00
<i>City Services - Document Services</i>	1.00
<i>City Services - Radio Communications</i>	1.00
<i>Self Insurance Risk Liability</i>	1.00



ANALYSIS: Average vacancy rate for Q2 Citywide was 11%. A majority of vacancies were in the General Fund in the Fire and Police. Between the beginning of the quarter and the end of the quarter, 60 new positions were authorized by City Council to staff the Emergency Medical Services (EMS) Fund along with one administrative position in Human Resources to support the program. 2.25 full time equivalent positions were authorized to add capacity for the Enterprise Resource Planning (ERP) software implementation, bringing the total citywide to 1,423.50. The cost of the ERP positions will be reimbursed by Salem Safety and Livability Bond during the project.

Of the 130 vacant positions (127.75 FTE) at the beginning of the quarter, 76 (75.5 FTE) of them remained vacant at the end of the quarter. 41 FTE of those were in the General Fund and 17.5 FTE were in the Utility Fund, with others being spread across the other funds. Of the 60 new EMS Fund positions, 1 positions have been filled.