



MILWAUKIE
Dogwood City of the West

QUARTERLY FINANCIAL REPORT

Reporting financial results
for the second quarter ended
December 31, 2014

Executive Summary

We are pleased to offer this preliminary financial report of City operations for your review. This report covers financial operations through the second quarter ended December 31, 2014 relating to the fiscal year ending June 30, 2015.

FINANCIAL STATEMENTS FOR QUARTER ENDED DECEMBER 31, 2014

Our auditors completed their annual audit fieldwork and issued their clean opinion on the City of Milwaukie Comprehensive Annual Financial Statements (CAFR) on December 22, 2014. The City CAFR was submitted to the Secretary of State – Audits Division before the December 31, 2014 filing deadline. The CAFR for the year ended June 30, 2014 is available for review at www.cityofmilwaukie.org/finance and has been submitted to the Government Finance Officers Association (GFOA) for the Certificate of Achievement for Excellence in Financial Reporting award.

The City's Popular Annual Financial Report (PAFR) has also been completed and is available online at www.cityofmilwaukie.org/finance. PAFRs are specifically designed to be readily accessible and easily understandable to the general public and other interested parties without a background in public finance. The PAFR has also been submitted to the GFOA for the Award for Outstanding Achievement in Popular Annual Financial Reporting.

QUARTERLY HIGHLIGHTS

This second quarter financial report summarizes the financial results for the second quarter of fiscal year ending June 30, 2015 (year-to-date) and highlights certain topics of interest.

Summary of Beginning Fund Balances

Beginning fund balances represent the amount of funds available to fund capital projects and operations until property taxes begin to be received in November. During the budget process we estimated that beginning fund balances on July 1, 2014 for all funds would total \$13,476,000. In our audited financial statements for the year ended June 30, 2014, ending fund balances for all funds came in higher at \$15,238,765.

Second Quarter Financial Results

The General Fund, Debt Service Fund and Library Fund are dependent upon property taxes and distributions from the Library District of Clackamas County. At December 31, 2014, 44% of budgeted property taxes for the biennium were received by the end of the quarter. Overall, General Fund revenues are right on target and expenditures are below budget at 95%.

The City added a Debt Service Fund in December of 2014 to account for the two new debt issuances. The first debt issuance refinanced the City's light rail obligation with TriMet and is paid for by property taxes. The second debt issuance serves as the City's match for local, state, and federal grants to fund the City's Riverfront Park Project, Phase II construction and is paid for by intergovernmental distributions from the County Good Neighbor Fund. Property taxes,

servicing as the Fund's primary revenue source, are predominately received in November resulting in year-to-date revenues of 119%. Expenditures are incurred based on debt amortization schedules which had low upfront payments resulting in year-to-date expenditures of 31%.

The Library Fund receives distributions from the Library District of Clackamas County in the third and fourth quarters and therefore, the Library Fund is not reflecting the budgeted distribution. Library expenditures are right on target at 95%, without regard to the District capital funds that have been budgeted but are dependent on the Library Expansion Taskforce decisions. Expenditures for the Library Fund remain under budget at 93%.

The Building Inspection Fund continues to experience a lull in revenue production, with total revenue at 89% of expectation at the end of the first quarter, consistent with the previous quarter. It is important that we continue to monitor this Fund closely. Expenditures are low at 74% due to the Building Official position being open for two months out of the quarter. This position is now filled and the Building Official, in conjunction with Finance, will be reviewing presenting proposed Building Permit rate increases to the City Council.

The Transportation Fund continues to be broken out into two distinct departments to separate its two main functions. These two functions are the Street Surface Maintenance Program and the State Gas Tax Program.

Street Surface Maintenance Program (SSMP) revenues are right on target at 101% while expenditures are below budget at 93%. The SSMP is a capital heavy department and low expenditures would be typical at this time of the year due to the seasonality of capital projects.

The State Gas Tax Program revenues are slightly below budget at 96% and expenditures are below budget at 89%. The State Gas Tax Program has been in a deficit fund balance position most recently and has been working to cut costs to ensure Fund recovery. These cuts are not sustainable and have impacts on the quality of the City's transportation system. Staff continues to work towards a long-term solution to the State Gas Tax Program funding issues.

The Water Fund's previous negative fund balance at the end of fiscal year 2012 continues to make up ground at year end with revenues at 122% of budget and expenditures at 97% of budget. In the prior quarter, revenues were trending at 140% but due to seasonal changes in consumption, the revenue trending has dipped. We do continue to see this Fund recover although full recovery has not yet been realized. This Fund will need to continue to make up ground while appropriate capital projects are budgeted to ensure water system health.

The Wastewater Fund is stable, with revenues at 103% of budget and expenditures at 83% of budget. A primary expenditure in the Wastewater Fund is the treatment payment to Water Environmental Services (WES), of which only five payments have been made by the date of this report, resulting in lower expenditures than anticipated. These expenditures will likely catch up by year-end. Additionally, WES expects that these treatment fees will continue to increase, requiring higher payments from the City.

The Stormwater Fund has been accumulating fund balance to provide for future projects. As you recall, the City had a rate analysis done and new rates were implemented to ensure the future health of the stormwater system. Revenues are steady at 94% of budget and expenditures are slightly less than budgeted (81%) at quarter-end due to timing on capital projects and personnel hires. We expect this fund to remain solid.

Many SDC Fund projects have not yet been started and revenues are higher than anticipated at 165%.

Supplemental Budget

On December 16, 2014, following approval by the Budget Committee, the City Council adopted a resolution adjusting the budget for the 2015-2016 Biennium by adopting a supplemental budget and revising appropriations. As previously mentioned, adoption of this resolution created a new Fund - the Debt Service Fund - to account for some of the City's debt payments and related revenue streams. This resolution also adjusted budgeted appropriations among the General Fund departments and reduced the General Fund contingency by \$275,000.

Debt Issuances

On July 29th the City issued General Obligation bonds of \$3,695,000 following voter approval in May. We received a bond rating of Aa2 on these bonds, which is a step up from our previous GO bond issuance in 1997 for the Police Station. Our interest savings on this bond issuance, net of bond issuance costs, was \$587,000 over the life of the bonds. The issuance of these bonds allowed the City to pay off the TriMet obligation. Our true interest cost (TIC) is 2.86%.

A big thank you to the Milwaukie Citizens, City Council, Budget Committee, and our bond financing team for making this happen!

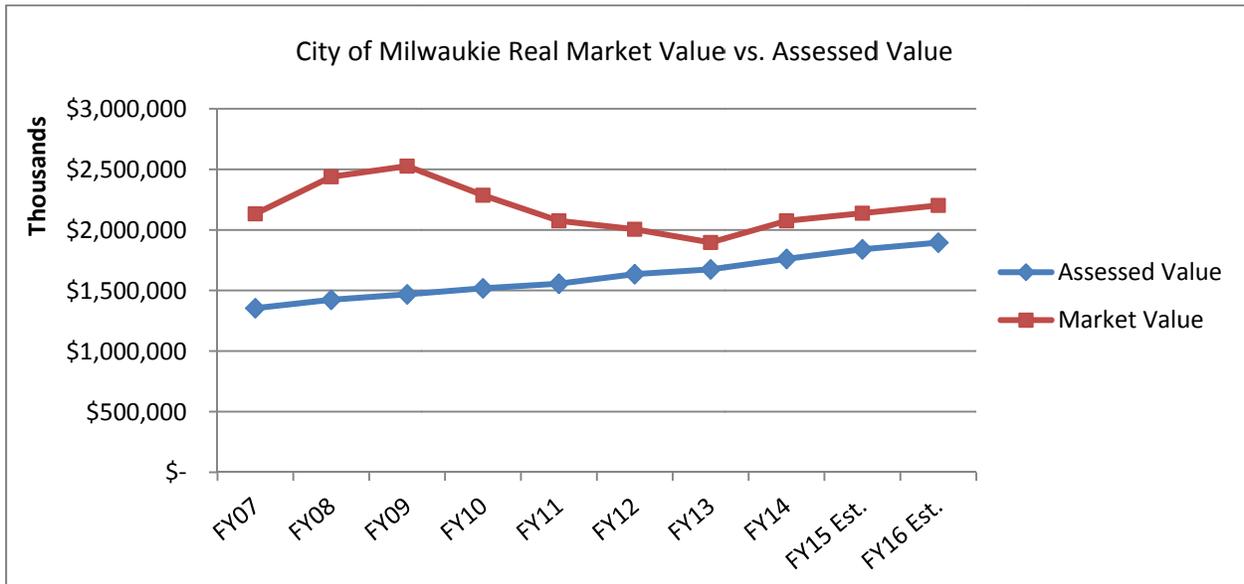
On September 17, 2014 the City issued \$965,000 in Full Faith and Credit Obligation to fund the City's Riverfront Park Project, Phase II and to serve as the City's match against local, state and federal grants. The true interest cost of the bonds is 2.71% with interest rates varying by year between 3 percent and 4 percent. The maturity date on these bonds is June 1, 2029.

The debt service on these obligations will be paid for by the Good Neighbor Fund held by the County. On August 15th the City attained a Aa3 rating for this debt issuance which is the rating that was anticipated. As you would suspect, issuing Full Faith and Credit Obligations generally yields a lower rating due to the less secure nature of the transaction in comparison to GO Bonds. Never the less, this is a good rating and is equal to the rating the City received long ago for the Police Station GO Bonds.

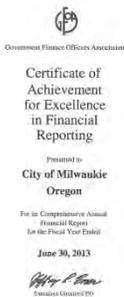
Property Tax Bills Mailed out by County

Clackamas County mailed out property tax bills during the second quarter. Although market values have dropped over the last couple of years, this five-year downward trend has turned around. Understanding that every individual property is different, at least in total, the City's real market and assessed values increased in FY 2015. In a letter received from Clackamas

County in March of 2014, the County anticipates that the City's Assessed Values will increase by 4.25-4.75% for fiscal year 2015:



INTERNATIONAL AWARDS RECEIVED FOR FINANCE DOCUMENTS



Comprehensive Annual Financial Reporting Award. For the third time since the early nineties, the City received the *Certificate of Achievement for Excellence in Financial Reporting* award from the Government Finance Officers Association (GFOA). In order to receive this award, a government unit must publish an easily readable and efficiently organized CAFR whose contents conform to program standards and satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

Popular Annual Financial Reporting Award. For the third time the City received an *Award for Outstanding Achievement in Popular Annual Financial Reporting* from the GFOA. In order to receive this award, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability, and reader appeal.

Distinguished Budget Presentation Award. The City also received the *Distinguished Budget Presentation Award* for its biennium 2015-2016 budget document from the GFOA. This award is the highest form of recognition in governmental budgeting. Its attainment represents a significant accomplishment by a governmental entity, its financial staff, and its management. This international award program was established in 1984 to encourage



exemplary budgetary practices and to provide peer recognition for government finance officers who prepare budget documents. They rate a budget's proficiency in four major categories: as a policy document, an operations guide, a financial plan, and a communications device.

These awards are prestigious national awards that recognizes conformance with the highest standards for preparation of state and local government financial reports.

We value your trust and promise to ensure fiscal integrity in all that we do. As you review this quarterly report, I welcome your questions, comments, and any suggestions you may have. As always, the best method of contact is by email at: camorsc@milwaukieoregon.org.

Respectfully,



Casey Camors, CPA CMA CPFO CGMA
Finance Director, City of Milwaukie

20 February 2015

City of Milwaukie, Oregon
 Quarterly Financial Report
 Budget-to-Actual
 Through the second quarter ended December 31, 2014

All City Funds

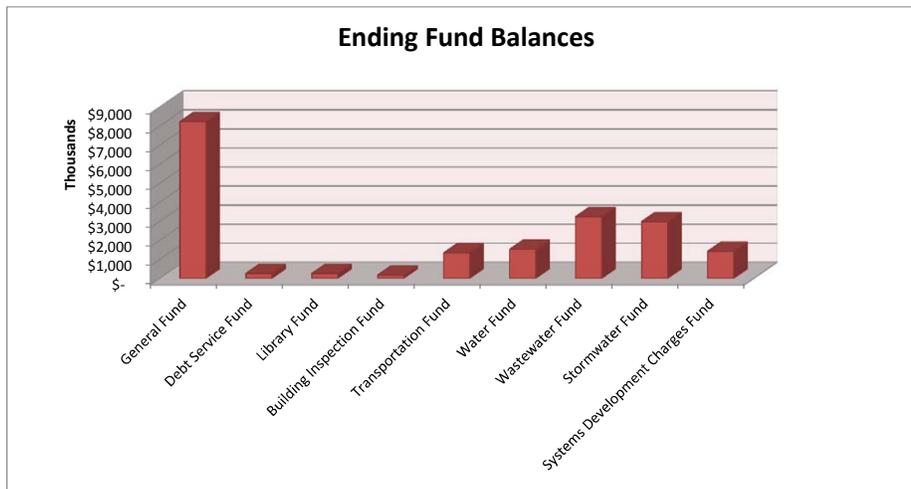
Fund	Beginning Fund Balance as of July 1, 2014	Year-to-Date through June 30, 2015		Ending Fund Balance as of December 31, 2014	Change in Fund Balance
		Revenues	Expenditures		
1 General Fund	\$ 6,039,475	\$ 15,077,900	\$ 12,904,166	\$ 8,213,209	\$ 2,173,734 ¹
2 Debt Service Fund	-	299,884	51,622	248,262	248,262
3 Library Fund	550,813	864,693	1,164,557	250,949	(299,864) ²
4 Building Inspection Fund	169,947	104,971	106,283	168,635	(1,312)
5 Transportation Fund	1,458,650	1,474,844	1,606,253	1,327,241	(131,409) ³
6 Water Fund	780,925	2,023,351	1,291,157	1,513,119	732,194 ⁴
7 Wastewater Fund	2,318,157	3,568,601	2,653,766	3,232,992	914,835 ⁴
8 Stormwater Fund	2,528,009	1,287,724	844,524	2,971,209	443,200 ⁴
9 Systems Development Charges Fund					
Transportation SDC Department	298,538	10,538	12,962	296,114	(2,424)
Water SDC Department	170,336	1,510	-	171,846	1,510
Wastewater SDC Department	727,693	19,318	-	747,011	19,318
Stormwater SDC Department	196,222	1,730	-	197,952	1,730
Systems Development Charges Fund	1,392,789	33,096	12,962	1,412,923	20,134
Totals	\$ 15,238,765	\$ 24,735,064	\$ 20,635,290	\$ 19,338,539	\$ 4,099,774

¹ The majority of property tax revenues are received in November, so as of the end of December is it typical to see revenues outpacing expenditures.

² A primary revenue source for the Library Fund is the County Library District Levy which is received once during the year in the Spring.

³ A primary revenue source for the Transportation Fund is franchise fees which aren't received until the latter part of the year.

⁴ Many of the budgeted capital project have not been scheduled to begin this early in the biennium.



City of Milwaukie, Oregon
Quarterly Financial Report
Budget-to-Actual
Through the first quarter ended September 30, 2014

General Fund

	Biennial Budget	Flexible Biennial Budget	FY 2015 YTD Actual	Total Biennium To-Date Actual	Variance	% of Budget
Revenue						
Property taxes	\$ 13,480,000	\$ 5,796,000	\$ 5,787,909	\$ 5,787,909	\$ (8,091)	100%
Licenses & permits	775,000	194,000	184,569	184,569	(9,431)	95%
Franchise fees	3,239,000	130,000	135,912	135,912	5,912	105%
Intergovernmental	3,755,000	638,000	1,100,787	1,100,787	462,787	173%
Fines & forfeitures	3,066,000	767,000	516,367	516,367	(250,633)	67%
Miscellaneous	333,000	83,000	129,462	129,462	46,462	156%
	24,648,000	7,608,000	7,855,006	7,855,006	247,006	103%
Other financing sources	5,000,000	5,000,000	5,012,894	5,012,894	12,894	100%
Transfers	8,890,000	2,223,000	2,210,000	2,210,000	(13,000)	99%
Total revenue	38,538,000	14,831,000	15,077,900	15,077,900	246,900	102%
Expenditures						
City Council	169,000	42,000	25,700	25,700	16,300	61%
City Manager	1,509,000	377,000	282,907	282,907	94,093	75%
Community Development	4,033,000	2,017,000	1,708,610	1,708,610	308,390	85%
Public Works Administration	1,198,000	300,000	232,543	232,543	67,457	78%
Engineering Services	1,190,000	298,000	237,581	237,581	60,419	80%
Facilities Management	2,493,000	623,000	410,836	410,836	212,164	66%
Finance	1,904,000	476,000	423,204	423,204	52,796	89%
Fleet Services	2,297,000	574,000	660,418	660,418	(86,418)	115%
Human Resources	640,000	160,000	143,405	143,405	16,595	90%
Information Technology	2,296,000	574,000	551,437	551,437	22,563	96%
Municipal Court	755,000	189,000	138,091	138,091	50,909	73%
Planning Services	1,295,000	324,000	236,795	236,795	87,205	73%
Code Enforcement	343,000	86,000	76,936	76,936	9,064	89%
Public Access Studio	186,000	47,000	32,597	32,597	14,403	69%
Records and Information Management	874,000	219,000	185,090	185,090	33,910	85%
Non-Departmental	5,758,000	4,031,000	4,413,851	4,413,851	(382,851)	109%
Police Administration	1,072,000	268,000	273,875	273,875	(5,875)	102%
Police Field Services	11,508,000	2,877,000	2,711,536	2,711,536	165,464	94%
Police Support Services	688,000	172,000	158,754	158,754	13,246	92%
Total expenditures	40,208,000	13,654,000	12,904,166	12,904,166	749,834	95%
Revenue over (under) expenditures	(1,670,000)	1,177,000	2,173,734	2,173,734	996,734	
Beginning fund balance	5,293,000	5,293,000	6,039,475	6,039,475	746,475	
Ending fund balance	\$ 3,623,000	\$ 6,470,000	\$ 8,213,209	\$ 8,213,209	\$ 1,743,209	

¹ Intergovernmental revenues are partially capital grants and partially ongoing revenues. The ongoing revenues generally have a time lag and the capital grants are not received until after the expenditures are made, and in this case such expenditures haven't been made yet.

² Photo Radar and Traffic Fines are significantly less than expected due to staffing adaptations.

³ A significant portion of these departmental budgets are capital in nature and costs are not incurred uniformly through out the year.

⁴ Two bond issuances (GO and FFCO) have already been issued this year, one of which extinguished the City's debt to TriMet.

⁵ Police Administration has a very tight budget and some costs booked in the first quarter are up front costs for the year. A supplemental budget adjustment may be required.

⁶ Police Field Services has had some staffing changes due to retirements and personnel in training.

City of Milwaukie, Oregon
 Quarterly Financial Report
 Budget-to-Actual
 Through the first quarter ended September 30, 2014

Debt Service Fund

	Biennial Budget	Flexible Biennial Budget	FY 2015 YTD Actual	Total Biennium To-Date Actual	Variance	% of Budget
Revenue						
Property taxes	\$ 486,000	\$ 209,000	\$ 292,615	\$ 292,615	\$ 83,615	140%
Intergovernmental	169,000	42,000	7,269	7,269	(34,731)	17%
Total revenue	655,000	251,000	299,884	299,884	48,884	119%
Expenditures						
Debt Service	655,000	164,000	51,622	51,622	112,378	31% ¹
Total expenditures	655,000	164,000	51,622	51,622	112,378	31%
Revenue over (under) expenditures	-	87,000	248,262	248,262	161,262	
Beginning fund balance	-	-	-	-	-	
Ending fund balance	\$ -	\$ 87,000	\$ 248,262	\$ 248,262	\$ 161,262	

¹ Debt service expenditures are made on a standard schedule. Because the two new debt issuances issued this year have low first payments, expenditures are not incurred uniformly.

City of Milwaukie, Oregon
Quarterly Financial Report
Budget-to-Actual
Through the first quarter ended September 30, 2014

Library Fund

	Biennial Budget	Flexible Biennial Budget	FY 2015 YTD Actual	Total Biennium To-Date Actual	Variance	% of Budget
Revenue						
Intergovernmental Revenue	\$ 3,022,000	\$ 30,000	\$ 5,837	\$ 5,837	\$ (24,163)	19% ¹
Intergovernmental Revenue - Capital	1,000,000	-	-	-	-	- ²
Fines	126,000	32,000	30,676	30,676	(1,324)	96%
Miscellaneous	4,000	1,000	8,176	8,176	7,176	818%
Allocation of general property taxes	1,884,000	848,000	820,004	820,004	(27,996)	97%
Total revenue	6,036,000	911,000	864,693	864,693	(46,307)	95%
Expenditures						
Personnel services	3,266,000	817,000	737,770	737,770	79,230	90%
Materials & services	374,000	94,000	76,787	76,787	17,213	82%
Transfers	1,380,000	345,000	350,000	350,000	(5,000)	101%
Capital outlay	1,000,000	-	-	-	-	- ²
Total expenditures	6,020,000	1,256,000	1,164,557	1,164,557	91,443	93%
Revenue over (under) expenditures	16,000	(345,000)	(299,864)	(299,864)	45,136	
Beginning fund balance	422,000	422,000	550,813	550,813	128,813	
Ending fund balance	\$ 438,000	\$ 77,000	\$ 250,949	\$ 250,949	\$ 173,949	

¹ Library District Revenue has not been received yet this year. This revenue is generally received in January and June of each year.

² Once the Library Expansion Task Force decides how these funds will be used, costs will be incurred and the County will remit these funds to the City.

City of Milwaukie, Oregon
Quarterly Financial Report
Budget-to-Actual
Through the first quarter ended September 30, 2014

Building Inspection Fund

	Biennial Budget	Flexible Biennial Budget	FY 2015 YTD Actual	Total Biennium To-Date Actual	Variance	% of Budget
Revenue						
Fees & charges	\$ 468,000	\$ 117,000	\$ 103,751	\$ 103,751	\$ (13,249)	89%
Miscellaneous	5,000	1,000	1,220	1,220	220	122%
Total revenue	473,000	118,000	104,971	104,971	(13,029)	89%
Expenditures						
Personnel services	451,000	113,000	80,401	80,401	32,599	71%
Materials and services	25,000	6,000	882	882	5,118	15%
Transfers	100,000	25,000	25,000	25,000	-	100%
Total expenditures	576,000	144,000	106,283	106,283	37,717	74%
Revenue over (under) expenditures	(103,000)	(26,000)	(1,312)	(1,312)	24,688	
Beginning fund balance	147,000	147,000	169,947	169,947	22,947	
Ending fund balance	\$ 44,000	\$ 121,000	\$ 168,635	\$ 168,635	\$ 47,635	

¹ Building activity continues to be low. Rate structures for approval by the State are being formulated by the Building Official.

² The Building Official position was vacant for the first two months of the year.

City of Milwaukie, Oregon
Quarterly Financial Report
Budget-to-Actual
Through the first quarter ended September 30, 2014

Transportation Fund - in Total

	Biennial Budget	Flexible Biennial Budget	FY 2015 YTD Actual	Total Biennium To-Date Actual	Variance	% of Budget
Revenue						
Dedicated to St/Surf Maintenance Program:						
Fees (from street maintenance fee)	\$ 1,232,000	\$ 308,000	\$ 311,059	\$ 311,059	\$ 3,059	101%
Franchise fees (from 1.5% privilege tax)	647,000	-	-	-	-	-
Intergovernmental (from local gas tax)	352,000	59,000	57,872	57,872	(1,128)	98%
	2,231,000	367,000	368,931	368,931	1,931	101%
Intergovernmental (from state gas tax)	2,373,000	494,000	498,733	498,733	4,733	101%
Intergovernmental (other)	3,295,000	297,000	277,698	277,698	(19,302)	94%
Franchise fees (from utility funds)	1,368,000	354,000	326,000	326,000	(28,000)	92%
Miscellaneous	100,000	13,000	3,482	3,482	(9,518)	27%
Total revenue	9,367,000	1,525,000	1,474,844	1,474,844	(50,156)	97%
Expenditures						
Personnel services	981,000	245,000	190,893	190,893	54,107	78%
Materials and services	911,000	228,000	158,167	158,167	69,833	69%
Transfers	1,890,000	473,000	482,500	482,500	(9,500)	102%
Capital outlay	5,645,000	828,000	774,693	774,693	53,307	94%
Total expenditures	9,427,000	1,774,000	1,606,253	1,606,253	167,747	91%
Revenue over (under) expenditures	(60,000)	(249,000)	(131,409)	(131,409)	117,591	
Beginning fund balance	1,364,000	1,364,000	1,458,650	1,458,650	94,650	
Ending net available fund balance	\$ 1,304,000	\$ 1,115,000	\$ 1,327,241	\$ 1,327,241	\$ 212,241	

1 PGE Privilege Taxes are received in the third quarter of the fiscal year.

City of Milwaukie, Oregon
Quarterly Financial Report
Budget-to-Actual
Through the first quarter ended September 30, 2014

Transportation Fund - by Program

Street Surface Maintenance Program

	Biennial Budget	Flexible Biennial Budget	FY 2015 YTD Actual	Total Biennium To-Date Actual	Variance	% of Budget
Revenue						
Dedicated to St/Surf Maintenance Program:						
Fees (from street maintenance fee)	\$ 1,232,000	\$ 308,000	\$ 311,059	\$ 311,059	\$ 3,059	101%
Franchise fees (from 1.5% privilege tax)	647,000	-	-	-	-	-
Intergovernmental (from local gas tax)	352,000	59,000	57,872	57,872	(1,128)	98%
Total revenue	2,231,000	367,000	368,931	368,931	1,931	101%
Expenditures						
Materials and services	141,000	35,000	6,521	6,521	28,479	19%
Transfers	378,000	95,000	96,500	96,500	(1,500)	102%
Capital outlay	2,000,000	500,000	482,092	482,092	17,908	96%
Total expenditures	2,519,000	630,000	585,113	585,113	44,887	93%
Revenue over (under) expenditures	(288,000)	(263,000)	(216,182)	(216,182)	46,818	
Beginning fund balance	1,499,000	1,499,000	1,539,019	1,539,019	40,019	
Ending net available fund balance	\$ 1,211,000	\$ 1,236,000	\$ 1,322,837	\$ 1,322,837	\$ 86,837	

State Gas Tax Program

	Biennial Budget	Flexible Biennial Budget	FY 2015 YTD Actual	Total Biennium To-Date Actual	Variance	% of Budget
Revenue						
Intergovernmental (from state gas tax)	2,373,000	494,000	498,733	498,733	4,733	101%
Intergovernmental (other)	3,295,000	297,000	277,698	277,698	(19,302)	94%
Franchise fees (from utility funds)	1,417,000	354,000	326,000	326,000	(28,000)	92%
Fee in Lieu of Construction	100,000	13,000	-	-	(13,000)	-
Miscellaneous	-	-	3,482	3,482	3,482	100%
Total revenue	7,185,000	1,158,000	1,105,913	1,105,913	(52,087)	96%
Expenditures						
Personnel services	981,000	245,000	190,893	190,893	54,107	78%
Materials and services	770,000	193,000	151,646	151,646	41,354	79%
Transfers	1,512,000	378,000	386,000	386,000	(8,000)	102%
Capital outlay	3,645,000	328,000	292,601	292,601	35,399	89%
Total expenditures	6,908,000	1,144,000	1,021,140	1,021,140	122,860	89%
Revenue over (under) expenditures	277,000	14,000	84,773	84,773	70,773	
Beginning fund balance	(135,000)	(135,000)	(80,369)	(80,369)	54,631	
Ending net available fund balance	\$ 142,000	\$ (121,000)	\$ 4,404	\$ 4,404	\$ 125,404	

¹ PGE Privilege Taxes are received in the third quarter of the fiscal year.

City of Milwaukie, Oregon
Quarterly Financial Report
Budget-to-Actual
Through the first quarter ended September 30, 2014

Water Fund

	Biennial Budget	Flexible Biennial Budget	FY 2015 YTD Actual	Total Biennium To-Date Actual	Variance	% of Budget
Revenue						
Fees and charges	\$ 6,452,000	\$ 1,613,000	1,995,960	1,995,960	382,960	124%
Miscellaneous	196,000	49,000	27,391	27,391	(21,609)	56%
Total revenue	6,648,000	1,662,000	2,023,351	2,023,351	361,351	122%
Expenditures						
Personnel services	1,277,000	319,000	294,908	294,908	24,092	92%
Materials and services	1,584,000	396,000	333,293	333,293	62,707	84%
Transfers	1,830,000	458,000	457,500	457,500	500	100%
Capital outlay	1,522,000	152,000	205,456	205,456	(53,456)	135%
Total expenditures	6,213,000	1,325,000	1,291,157	1,291,157	33,843	97%
Revenue over (under) expenditures	435,000	337,000	732,194	732,194	395,194	
Beginning fund balance	395,000	395,000	780,925	780,925	385,925	
Ending fund balance	\$ 830,000	\$ 732,000	\$ 1,513,119	\$ 1,513,119	\$ 781,119	

¹ Water usage is very seasonal and typically we would see much higher water revenues in the Spring and Summer. We anticipate higher usage this year due to the dry winter.

City of Milwaukie, Oregon
Quarterly Financial Report
Budget-to-Actual
Through the first quarter ended September 30, 2014

Wastewater Fund

	Biennial Budget	Flexible Biennial Budget	FY 2015 YTD Actual	Total Biennium To-Date Actual	Variance	% of Budget
Revenue						
Fees and charges	\$ 13,836,000	\$ 3,459,000	\$ 3,524,104	\$ 3,524,104	\$ 65,104	102%
Miscellaneous	8,000	2,000	1,860	1,860	(140)	93%
Proceeds from Reimbursement District	30,000	8,000	42,637	42,637	34,637	533%
Total revenue	13,874,000	3,469,000	3,568,601	3,568,601	99,601	103%
Expenditures						
Personnel services	937,000	234,000	206,457	206,457	27,543	88%
Materials and services	9,743,000	2,030,000	1,927,812	1,927,812	102,188	95%
Debt service	220,000	55,000	48,229	48,229	6,771	88%
Transfers	1,820,000	455,000	442,500	442,500	12,500	97%
Capital outlay	1,709,000	427,000	28,768	28,768	398,232	7%
Total expenditures	14,429,000	3,201,000	2,653,766	2,653,766	547,234	83%
Revenue over (under) expenditures	(555,000)	268,000	914,835	914,835	646,835	
Beginning fund balance	2,196,000	2,196,000	2,318,157	2,318,157	122,157	
Ending fund balance	\$ 1,641,000	\$ 2,464,000	\$ 3,232,992	\$ 3,232,992	\$ 768,992	

- 1 Payments on Reimbursement District accounts continue to be stable. Year-end adjustments are typically made to move revenues into the appropriate year which may lower annual revenue.
- 2 Due to payment timing, only five months of WES treatment charges were made by quarter end, although six are budgeted.
- 3 Capital projects have not yet been started at the end of the first quarter.

City of Milwaukie, Oregon
Quarterly Financial Report
Budget-to-Actual
Through the first quarter ended September 30, 2014

Stormwater Fund

	Biennial Budget	Flexible Biennial Budget	FY 2015 YTD Actual	Total Biennium To-Date Actual	Variance	% of Budget
Revenue						
Fees and charges	\$ 5,481,000	\$ 1,370,000	\$ 1,285,712	\$ 1,285,712	\$ (84,288)	94%
Intergovernmental	1,004,000	- ¹	-	-	-	0%
Miscellaneous	20,000	5,000	2,012	2,012	(2,988)	40%
Total revenue	6,505,000	1,375,000	1,287,724	1,287,724	(87,276)	94%
Expenditures						
Personnel services	1,375,000	344,000	234,569	234,569	109,431	68%
Materials and services	852,000	213,000	150,704	150,704	62,296	71%
Transfers	1,870,000	468,000	452,500	452,500	15,500	97%
Capital outlay	4,547,000	23,000	6,751	6,751	16,249	29%
Total expenditures	8,644,000	1,048,000	844,524	844,524	203,476	81%
Revenue over (under) expenditures	(2,139,000)	327,000	443,200	443,200	116,200	
Beginning fund balance	2,392,000	2,392,000	2,528,009	2,528,009	136,009	
Ending fund balance	\$ 253,000	\$ 2,719,000	\$ 2,971,209	\$ 2,971,209	\$ 252,209	

¹ Projects qualifying for intergovernmental grants during the year have not yet been completed to allow for reimbursement.

City of Milwaukie, Oregon
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Systems Development Charges Fund

	Biennial Budget	Flexible Biennial Budget	FY 2015 YTD Actual	Total Biennium To-Date Actual	Variance	% of Budget
Revenue						
System development charges	\$ 78,000	\$ 20,000	\$ 32,936	\$ 32,936	\$ 12,936	165%
Miscellaneous	-	-	161	161	161	100%
Total revenue	78,000	20,000	33,097	33,097	13,097	165%
Expenditures						
Capital outlay	430,000	108,000	12,963	12,963	95,037	12% ¹
Total expenditures	430,000	108,000	12,963	12,963	95,037	12%
Revenue over (under) expenditures	(352,000)	(88,000)	20,134	20,134	108,134	
Beginning fund balance	1,318,000	1,318,000	1,392,789	1,392,789	74,789	
Ending fund balance	\$ 966,000	\$ 1,230,000	\$ 1,412,923	\$ 1,412,923	\$ 182,923	

¹ Projects for the biennium have not yet been completed.

City of Milwaukie, Oregon
Quarterly Financial Report
Project Status Report
Through the second quarter ended December 31, 2014

Project Status Report

Biennium-to-Date through December 31, 2014									
Project Number	FY15 Annual Budget	FY16 Annual Budget	Total BN Budget	FY15 YTD Actual	Variance	% of Budget	Project Status		
General Fund									
Portland-Milwaukie Light Rail (PMLR)	D06	\$ -	\$ -	\$ -	\$ 2,267	\$ -	0%	Project soon to be completed.	
Replace Emergency Generator at Public Safety Building - Facilities	F08	45,000	-	45,000	-	45,000	-	Project deferred.	
Bertman House Exterior Structural Repairs - Facilities	F12	10,000	-	10,000	-	10,000	-	Work slated for Summer 2015.	
Bertman House Exterior Paint - Facilities	F13	10,000	-	10,000	-	10,000	-	Work slated for Summer 2015.	
Brick Mortar Repair at City Hall - Facilities	F14	30,000	-	30,000	-	30,000	-	Work slated for Summer 2015.	
Re-roof Public Safety Building - Facilities	F15	350,000	-	350,000	-	350,000	-	Bid awarded 2/17 and construction slated for Summer 2015.	
Seal Brick on Public Safety Building - Facilities	F16	30,000	-	30,000	-	30,000	-	Work slated for Summer 2015.	
Replace Caulking Windows and Doors at Public Safety Building - Facilities	F17	17,000	-	17,000	-	17,000	-	Work slated for Summer 2015.	
Removal of Oil Tank Bertman House - Facilities	F18	-	10,000	10,000	-	10,000	-	Work slated for Summer 2015.	
Replacement of Main Air Handler at the Library - Facilities	F19	-	20,000	20,000	-	20,000	-	Work slated for Fall-Winter 2015.	
CMMS Upgrade - Public Works	G01	80,000	-	80,000	-	80,000	-	Implementation underway, contract for purchase and implementation is complete.	
Computer Refresh - IT	I02	45,000	-	45,000	-	45,000	-	In progress, materials have been ordered and 3/4 received, not yet deployed.	
Server Virtualization Capacity Expansion - IT	I03	-	37,000	37,000	-	37,000	-	Not yet started, slated for later this year or next year.	
Enterprise Backup Solution - IT	I04	51,000	-	51,000	31,658	51,000	-	Project completed.	
Enterprise WiFi Installation - IT	I05	38,000	-	38,000	-	38,000	-	Project completed 2/2/15 (small expansion in Pond House in progress).	
Network File Storage Capacity Expansion - IT	I06	-	15,000	15,000	-	15,000	-	Project completed.	
Fleet Vehicle Purchases from Reserve - Streets	K01	100,000	14,000	114,000	17,552	96,448	15%	In various stages of purchasing.	
Fleet Vehicle Purchases from Reserve - Water	K02	166,000	149,000	315,000	78,188	236,812	25%	In various stages of purchasing.	
Fleet Vehicle Purchases from Reserve - Wastewater	K03	143,000	-	143,000	81,380	61,620	57%	In various stages of purchasing.	
Fleet Vehicle Purchases from Reserve - Stormwater	K04	227,000	-	227,000	212,225	14,775	93%	In various stages of purchasing.	
Tool Boxes and Tire Machine - Fleet	K05	17,000	-	17,000	-	17,000	-	In various stages of purchasing.	
Fuel Pumps and Software - Fleet	K05	35,000	-	35,000	-	35,000	-	Project not yet started.	
Brake Lathe - Fleet	K05	-	16,000	16,000	-	16,000	-	Scheduled for FY16.	
General Fund Department Vehicles - Fleet	K05	-	45,000	45,000	-	45,000	-	In various stages of purchasing.	
Riverfront Construction	Q07	2,271,000	21,000	2,292,000	1,371,597	2,292,000	-	Construction is underway with an expected completion date of mid-to-late March.	
Public Access Studio Equipment Replacement	V01	44,000	52,000	96,000	23,384	72,616	24%	Completed in October 2014.	
Police Vehicle Replacement	Z09	100,000	100,000	200,000	-	200,000	-	Two vehicles purchased.	
Total General Fund Capital Projects		\$ 3,809,000	\$ 479,000	\$ 4,288,000	\$ 1,818,251	\$ 3,875,271	10%		
Library Fund									
Library Expansion	L03	\$ -	\$ 1,000,000	\$ 1,000,000	\$ -	\$ 1,000,000	-	The Library Expansion Task Force (LETf) to resume meeting.	
Total Library Fund Capital Projects		\$ -	\$ 1,000,000	\$ 1,000,000	\$ -	\$ 1,000,000	-		

City of Milwaukie, Oregon
 Quarterly Financial Report
 Project Status Report
 Through the second quarter ended December 31, 2014

Project Status Report

Biennium-to-Date through December 31, 2014

Project Number	FY15 Annual Budget	FY16 Annual Budget	Total BN Budget	FY15 YTD Actual	Variance	% of Budget	Project Status
Transportation Fund							
State Gas Tax							
Adams Street Connector	\$ 375,000	\$ -	\$ 375,000	\$ 1,500	\$ 373,500	0%	This project is in the final stages of design and is scheduled to be bid for construction in early March. Construction will then take place in April and May.
17th Avenue Multi-Use Trail	3,170,000	-	3,170,000	277,698	2,892,302	9%	Currently under design and review with ODOT. Right-of-Way actions will begin to take place by February and be wrapped up by late 2015.
Transportation Vehicle Purchases	-	50,000	50,000	-	50,000	-	In various stages of purchasing.
School Zone Implementation	-	-	-	13,403	(13,403)	0%	Project completed with lightrail project.
Asphalt Grinder & Trench Paver Machines	-	50,000	50,000	-	50,000	-	Not yet purchased.
Total State Gas Tax Projects	\$ 3,545,000	\$ 100,000	\$ 3,645,000	\$ 292,601	\$ 3,352,399	8%	

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 Quarterly Financial Report
 Project Status Report
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Project Status Report

Project Number	Biennium-to-Date through December 31, 2014							Project Status
	FY15 Annual Budget	FY16 Annual Budget	Total BN Budget	FY15 YTD Actual	Variance	% of Budget		
Street Surface Maintenance Program								
SSMP Paving	S10	\$ 550,000	\$ 1,250,000	\$ 1,800,000	\$ 482,092	\$ 1,317,908	27%	Expenditures here were Monroe which is completed. Additional budget will afford the City a reconstruction of Railroad Avenue. Staff has surveyed the project and is currently designing the roadway. This project is scheduled to be bid for construction in early June 2015, with a construction window of mid-July through August.
SSMP Preventative Maintenance	S04	65,000	65,000	130,000	-	130,000	-	Crack sealing has already taken place and slurry sealing will take place in the Historic Milwaukie and Ardenwald neighborhoods during the Summer of 2015.
Crack Seal Machine	S12	70,000	-	70,000	-	70,000	-	Purchased in FY14.
Total Street Surface Maintenance Program Projects		\$ 685,000	\$ 1,315,000	\$ 2,000,000	\$ 482,092	\$ 1,517,908	24%	
Total Transportation Fund Capital Projects		\$ 4,230,000	\$ 1,415,000	\$ 5,645,000	\$ 774,693	\$ 4,870,307	13%	
Water Fund								
McBrod Ave Water System Improvements	W27	\$ 510,000	\$ -	\$ 510,000	\$ -	\$ 510,000	-	McBrod Avenue has been delayed until 2016 due to pending litigation with an adjacent property owner. Staff will likely perform the next project on the priority list which is 17th Avenue between McBrod and Ochoco.
Water Production Preventative Maintenance	W35, W36	40,000	52,000	92,000	-	92,000	-	Ongoing maintenance
Water Well No. 6 & Well No. 2 Storage Tank Maintenance	W10, W15	150,000	400,000	550,000	-	550,000	-	Completion scheduled for Summer of 2015.
Wood Avenue Service Line Transfer	W32	10,000	-	10,000	-	10,000	-	Completion scheduled for Summer of 2015.
Water System Improvements	W34	-	360,000	360,000	205,456	154,544	57%	This is the project code associated with the Monroe Street Waterline. This project is complete.
Total Water Fund Capital Projects		\$ 710,000	\$ 812,000	\$ 1,522,000	\$ 205,456	\$ 1,316,544	13%	

City of Milwaukie, Oregon
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Project Status Report

Project Number	Biennium-to-Date through December 31, 2014							Project Status
	FY15 Annual Budget	FY16 Annual Budget	Total BN Budget	FY15 YTD Actual	Variance	% of Budget		
Wastewater Fund								
Wastewater Main Repair Program	X07	\$ 100,000	\$ 100,000	\$ 200,000	\$ -	\$ 200,000	-	Funding for both years will be combined into a single construction contract for the late Spring of 2016. The project will be surveyed and design by in-house staff.
Manhole Replacement/Rehabilitation Program	X11	50,000	50,000	100,000	-	100,000	-	Funding for this program will be combined with Project X07.
Clay Pipe Replacement	X10	640,000	540,000	1,180,000	950	1,179,050	0%	Staff has surveyed and are currently designing the project. Construction scheduled for April through June of 2015.
Wastewater Vehicle Purchases	X15	1,000	169,000	170,000	-	170,000	-	In various stages of purchasing.
Lift Station Wet Well Lining	X09/X13	15,000	15,000	30,000	27,818	2,182	93%	Project completed October 2014.
Transporter and Camera Replacement	X14	-	29,000	29,000	-	29,000	-	Gathering quotes for purchase.
Total Wastewater Fund Capital Projects		\$ 806,000	\$ 903,000	\$ 1,709,000	\$ 28,768	\$ 1,680,232	2%	
Stormwater Fund								
36th Avenue Stormwater Improvements	Y08	\$ 105,000	\$ -	\$ 105,000	\$ -	\$ 105,000	-	Work on this project is scheduled for Fall 2015 through June 2016.
47th Avenue and Llewellyn Street	Y09	160,000		160,000	-	160,000	-	Work on this project is scheduled for Fall 2015 through June 2016.
Stanley Avenue Pipe Replacement	Y05	1,200,000		1,200,000	6,751	1,193,249	1%	The project has been designed and is now in the permitting stage with Union Pacific Railroad. Staff expects this project to be bid out in Spring of 2015.
55th Avenue and Monroe Street Stormwater Improvements	Y10	25,000		25,000	-	25,000	-	Work on this project is scheduled for Fall 2015 through June 2016.
Stormwater Vehicle Replacements	Y12	228,000	209,000	437,000	-	437,000	-	In various stages of purchasing.
Kellogg Creek Dam Removal and HWY 99E Underpass	Y04		1,004,000	1,004,000	-	1,004,000	-	This project has been postponed. Conversations with ODOT need to take place in order to determine when or/if this money will be spent.
Meek Street Pipe Installation	Y11		1,550,000	1,550,000	-	1,550,000	-	Work on this project is scheduled for Fall 2015 through June 2016.
Upgrade TV Van Computer			23,000	23,000	-	23,000	-	Gathering quotes for purchase.
Stormwater Transporter and Camera Replacement	Y07		43,000	43,000	-	43,000	-	Gathering quotes for purchase.
Total Stormwater Fund Capital Projects		\$ 1,718,000	\$ 2,829,000	\$ 4,547,000	\$ 6,751	\$ 4,540,249	1%	

City of Milwaukie, Oregon
 Quarterly Financial Report
 Project Status Report
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Project Status Report

	Biennium-to-Date through December 31, 2014							Project Status
	Project Number	FY15 Annual Budget	FY16 Annual Budget	Total BN Budget	FY15 YTD Actual	Variance	% of Budget	
SDC Fund								
17th Avenue Multi-Use Trail - Streets	T05	\$ 20,000	\$ -	\$ 20,000	\$ -	\$ 20,000	-	Currently under design and review with ODOT. Right-of-Way actions will begin February and be wrapped up by late 2015.
Portland-Milwaukie Light Rail	D06	20,000	-	20,000	-	20,000	-	Project soon to be completed.
17th Avenue Multi-Use Trail - Stormwater	T05	100,000	-	100,000	-	100,000	-	Currently under design and review with ODOT. Right-of-Way actions will begin February and be wrapped up by late 2015.
Kellogg Multi-Use Bridge - Streets	T08	200,000	-	200,000	12,963	187,037	6%	The bridge is installed; however, the remaining money doesn't afford the "touchdowns" to land. Additional resources have been indentified for proposal to the Budget Committee.
McBrod Ave Water System Improvements - Water	W27	90,000		90,000	-	90,000	-	Project funding moved to Monroe Street due to failed waterline.
Total SDC Fund Capital Projects		\$ 430,000	\$ -	\$ 430,000	\$ 12,963	\$ 417,037	3%	
Total		\$ 10,897,000	\$ 5,535,000	\$ 16,432,000	\$ 2,818,114	\$ 15,019,408		

