



MILWAUKIE
Dogwood City of the West

QUARTERLY FINANCIAL REPORT

Reporting financial results
for the fourth quarter ended
June 30, 2015

Executive Summary

We are pleased to offer this preliminary financial report of City operations for your review. This report covers financial operations through the fourth quarter ended June 30, 2015, closing out the fiscal year ending June 30, 2015. When the Finance Department concludes the audit process and completes the Comprehensive Annual Financial Report in November of 2015, updates may be made to this report based on final audited figures.

QUARTERLY HIGHLIGHTS

This fourth quarter financial report summarizes the financial results for the 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 the majority of property taxes are 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.

Fourth 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 June 30, 2015, 100% of budgeted property taxes for the biennium were received. Overall, General Fund revenues are slightly below budget at 97% and expenditures are below budget at 94%.

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, serving as the Fund's primary revenue source, are predominately received in November resulting in year-to-date revenues of 119%. First year property taxes provide sufficient funding to support debt service payments while also establishing reserves in the Debt Service Fund. Expenditures are incurred based on debt amortization schedules resulting in year-to-date expenditures of 100%.

The Library Fund receives distributions from the Library District of Clackamas County in the third and fourth quarters of each year. This year the Library Fund distribution was significantly more than anticipated. Library revenues are in excess of budget and currently sit at 103%. District capital funds have been budgeted but are dependent on Library Expansion Taskforce decisions and have therefore been omitted in this report. Expenditures for the Library Fund remain under budget at 96%.

The Building Inspection Fund has made up some ground in the fourth quarter based on the Fund's inherent seasonality, with total revenue at 101% of expectation. With the adoption of the FY 2016 Master Fee Schedule, the City Council approved significant modifications to the Building Inspection Fund fees which should result in a more sustainable Fund. It is important that we continue to monitor this Fund closely to determine how it is fairing. Expenditures are low at 93% due to the Building Official position being open for two months out of the first quarter.

The Transportation Fund is 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 100% while expenditures are below budget at 76%. The SSMP is a capital heavy department and low expenditures indicate that some of the slated projects for FY15 were not yet complete as of year-end.

The State Gas Tax Program revenues are below budget at 57% and expenditures are below budget at 46%. The Fund's revenue position and expenditure position are related as many projects slated are funded by intergovernmental and/or grant revenues that won't be received until applicable project completion.

Additionally, 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 116% of budget and expenditures at 93% of budget. Water consumption increased over prior year due to the abnormally dry year. We 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 94% of budget. A primary expenditure in the Wastewater Fund is for wastewater treatment paid to Water Environmental Services (WES). WES expects that these treatment fees will continue to increase, requiring higher payments in the future.

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 and right on target at 100% of budget and expenditures are much lower than budgeted (47%) at year-end due to timing on capital projects and personnel hires. We expect this Fund to remain solid.

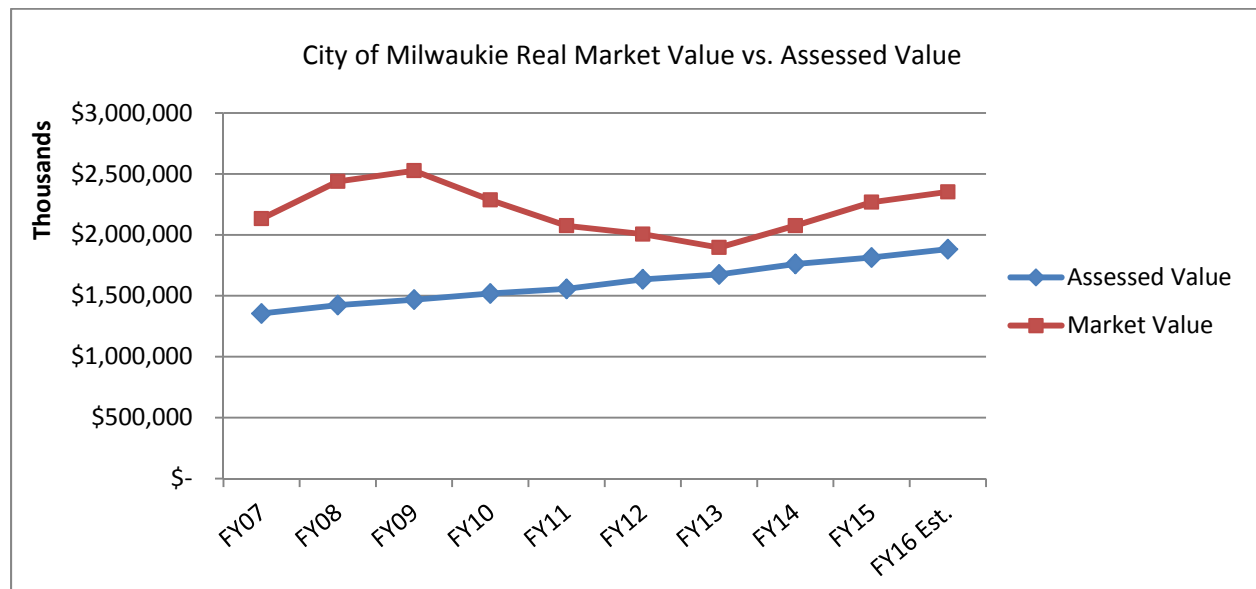
Many SDC Fund projects have not yet been started and revenues are higher than anticipated at 141%.

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.

Property Taxes

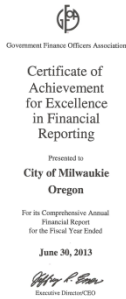
Clackamas County mailed out property tax bills during the second quarter. Although market values have dropped over the last couple of years, this five-year downward trend has turned around. Understanding that every individual property is different, in total the City’s real market and assessed values increased in FY 2015. In a letter received from Clackamas County in March of 2015, the County anticipates that the City’s Assessed Values will increase by 3.5-4.0% for fiscal year 2016:



Oregon Public Employees Retirement System

On April 30, 2015 the Oregon Supreme Court ruled on the PERS litigation coming out of the 2013 legislative changes. The 2013 legislative changes decreased the pending PERS rate increases, however the Supreme Court ruling found two of the legislative changes to be unconstitutional. Although it’s too early to see any actual figures, we should brace for rate increases effective July 1, 2017 as a result of the decision. Best guess scenarios are being considered by City Staff to be integrated into the five-year financial forecast, ensuring fiscal security.

INTERNATIONAL AWARDS RECEIVED FOR FINANCE DOCUMENTS



Comprehensive Annual Financial Reporting Award. For the fourth 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 fourth 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 2015-2016 biennium 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 to 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,

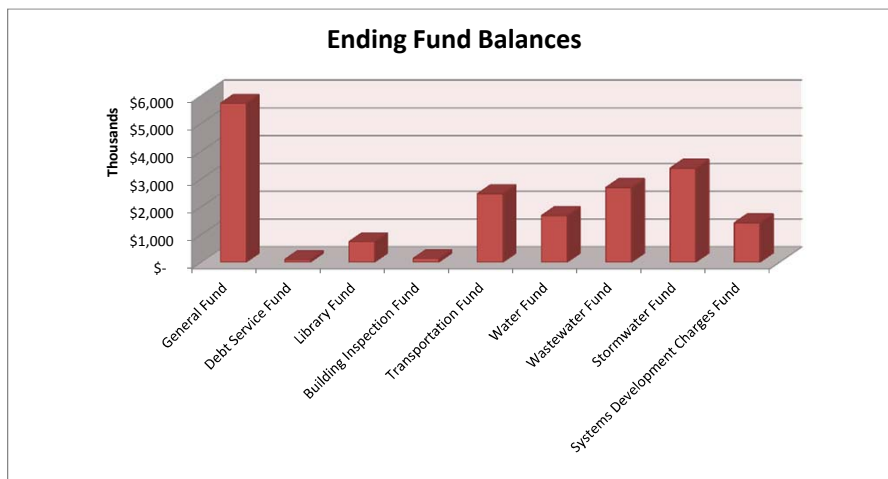
Casey Camors, CPA CMA CPFO CGMA
Finance Director, City of Milwaukie
September 1, 2015

City of Milwaukie, Oregon
 Quarterly Financial Report
 Budget-to-Actual
 Through the fourth quarter ended June 30, 2015

All City Funds

Fund	Beginning Fund Balance as of July 1, 2014	Year-to-Date through June 30, 2015		Ending Fund Balance as of June 30, 2015	Change in Fund Balance	Estimated Ending Fund Balance in Budget Document	Variance over (under) Estimated Fund Balance in Budget
		Revenues	Expenditures				
1 General Fund	\$ 6,039,475	\$ 21,225,633	\$ 21,543,702	\$ 5,721,406	\$ (318,069)	\$ 4,001,000	\$ 1,720,406
2 Debt Service Fund	-	405,445	304,984	100,461	100,461	-	100,461
3 Library Fund	553,265	2,545,122	2,359,990	738,397	185,132	421,000	317,397
4 Building Inspection Fund	169,947	227,637	260,819	136,765	(33,182)	94,000	42,765
5 Transportation Fund	1,458,650	4,103,750	3,099,553	2,462,847	1,004,197 ¹	1,574,000	888,847
6 Water Fund	780,923	3,692,007	2,790,645	1,682,285	901,362 ¹	579,000	1,103,285
7 Wastewater Fund	2,318,157	7,014,341	6,640,253	2,692,245	374,088 ¹	1,911,000	781,245
8 Stormwater Fund	2,528,009	2,578,160	1,718,432	3,387,737	859,728 ¹	1,268,000	2,119,737
9 Systems Development Charges Fund							
Transportation SDC Department	298,538	14,304	12,963	299,879	1,341	123,000	176,879
Water SDC Department	170,336	2,265	-	172,601	2,265	45,000	127,601
Wastewater SDC Department	727,693	23,101	-	750,794	23,101	737,000	13,794
Stormwater SDC Department	196,222	3,396	-	199,618	3,396	32,000	167,618
Systems Development Charges Fund	1,392,789	43,066	12,963	1,422,892	30,103	937,000	485,892
Totals	\$ 15,241,215	\$ 41,835,161	\$ 38,731,341	\$ 18,345,035	\$ 3,103,820	\$ 10,785,000	\$ 7,560,035

¹ Many of the budgeted capital projects will either begin in FY16 or be completed in FY16.



City of Milwaukie, Oregon
Quarterly Financial Report
Budget-to-Actual
Through the fourth quarter ended June 30, 2015

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	\$ 6,329,000	\$ 6,321,826	\$ 6,321,826	\$ (7,174)	100%
Licenses & permits	775,000	395,000	436,494	436,494	41,494	111%
Franchise fees	3,239,000	1,589,000	1,551,794	1,551,794	(37,206)	98%
Intergovernmental	3,755,000	2,543,000	2,113,315	2,113,315	(429,685)	83%
Fines & forfeitures	3,066,000	1,518,000	1,142,813	1,142,813	(375,187)	75%
Miscellaneous	333,000	184,000	226,497	226,497	42,497	123%
	24,648,000	12,558,000	11,792,739	11,792,739	(765,261)	94%
Other financing sources	5,000,000	5,000,000	5,012,894	5,012,894	12,894	100%
Transfers	8,890,000	4,420,000	4,420,000	4,420,000	-	100%
Total revenue	38,538,000	21,978,000	21,225,633	21,225,633	(752,367)	97%
Expenditures						
City Council	169,000	101,000	65,681	65,681	35,319	65%
City Manager	1,509,000	743,000	673,303	673,303	69,697	91%
Community Development	4,033,000	3,288,000	3,206,928	3,206,928	81,072	98%
Public Works Administration	1,198,000	583,000	466,029	466,029	116,971	80%
Engineering Services	1,190,000	571,000	490,566	490,566	80,434	86%
Facilities Management	2,493,000	1,478,000	1,250,184	1,250,184	227,816	85%
Finance	1,904,000	974,000	820,476	820,476	153,524	84%
Fleet Services	2,297,000	1,393,000	1,054,218	1,054,218	338,782	76%
Human Resources	640,000	317,000	279,102	279,102	37,898	88%
Information Technology	2,296,000	1,192,000	1,049,670	1,049,670	142,330	88%
Municipal Court	755,000	367,000	337,590	337,590	29,410	92%
Planning Services	1,295,000	611,000	498,630	498,630	112,370	82%
Code Enforcement	343,000	167,000	178,815	178,815	(11,815)	107%
Public Access Studio	186,000	89,000	78,174	78,174	10,826	88%
Records and Information Management	874,000	432,000	384,184	384,184	47,816	89%
Non-Departmental	5,758,000	4,250,000	4,663,579	4,663,579	(413,579)	110%
Police Administration	1,072,000	525,000	537,021	537,021	(12,021)	102%
Police Field Services	11,508,000	5,584,000	5,212,560	5,212,560	371,440	93%
Police Support Services	688,000	330,000	296,992	296,992	33,008	90%
Total expenditures	40,208,000	22,995,000	21,543,702	21,543,702	1,451,298	94%
Revenue over (under) expenditures	(1,670,000)	(1,017,000)	(318,069)	(318,069)	698,931	
Beginning fund balance	5,293,000	5,293,000	6,039,475	6,039,475	746,475	
Ending fund balance	\$ 3,623,000	\$ 4,276,000	\$ 5,721,406	\$ 5,721,406	\$ 1,445,406	

¹ Intergovernmental revenues and grants are often dependent on the projects completed in a given period and in this case, some of those projects were not completed in the time frame expected. Additionally, due to staffing issues in Police, we removed an officer from the TriMet Intergovernmental Agreement.

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

³ Fuel & Oil and Fleet Repair costs were lower than anticipated for FY15.

⁴ Code Enforcement has incurred significant costs related to pending litigation. Depending on next year's financial outlook, a supplemental budget should be considered to supply Code Enforcement with sufficient funding.

⁵ Costs associated with the issuance of debt have exceeded those budgeted. Debt related items are exempt from Oregon Budget Law.

⁶ Due to staffing changes, the Police Department utilized the background investigator more than anticipated and this department will require a supplemental budget adjustment.

⁷ The Police Department experienced several retirements during FY15 and the recruitment period is significant.

City of Milwaukie, Oregon
Quarterly Financial Report
Budget-to-Actual
Through the fourth quarter ended June 30, 2015

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	\$ 254,000	\$ 320,250	\$ 320,250	\$ 66,250	126%
Intergovernmental	169,000	86,000	85,195	85,195	(805)	99%
Total revenue	655,000	340,000	405,445	405,445	65,445	119%
Expenditures						
Debt Service	655,000	306,000	304,984	304,984	1,016	100%
Total expenditures	655,000	306,000	304,984	304,984	1,016	100%
Revenue over (under) expenditures	-	34,000	100,461	100,461	66,461	
Beginning fund balance	-	-	-	-	-	
Ending fund balance	\$ -	\$ 34,000	\$ 100,461	\$ 100,461	\$ 66,461	

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	\$ 1,456,000	\$ 1,533,275	\$ 1,533,275	\$ 77,275	105% ¹
Intergovernmental Revenue - Capital	1,000,000	-	-	-	-	- ²
Fines	126,000	63,000	59,910	59,910	(3,090)	95%
Miscellaneous	4,000	6,000	9,937	9,937	3,937	166%
Allocation of general property taxes	1,884,000	942,000	942,000	942,000	-	100%
Total revenue	6,036,000	2,467,000	2,545,122	2,545,122	78,122	103%
Expenditures						
Personnel services	3,266,000	1,581,000	1,471,717	1,471,717	109,283	93% ³
Materials & services	374,000	187,000	178,273	178,273	8,727	95%
Transfers	1,380,000	700,000	700,000	700,000	-	100%
Capital outlay	1,000,000	-	10,000	10,000	(10,000)	100% ²
Total expenditures	6,020,000	2,468,000	2,359,990	2,359,990	108,010	96%
Revenue over (under) expenditures	16,000	(1,000)	185,132	185,132	186,132	
Beginning fund balance	422,000	422,000	553,265	553,265	131,265	
Ending fund balance	\$ 438,000	\$ 421,000	\$ 738,397	\$ 738,397	\$ 317,397	

¹ Library District Revenue has been received was over budget by \$77,000.

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.

³ Medical benefits were much lower than anticipated due to enrollment changes.

City of Milwaukie, Oregon
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Budget-to-Actual
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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	\$ 222,000	\$ 225,776	\$ 225,776	\$ 3,776	102%
Intergovernmental	-	2,000	522	522	522	0%
Miscellaneous	5,000	2,000	1,339	1,339	(661)	67%
Total revenue	473,000	226,000	227,637	227,637	3,637	101%
Expenditures						
Personnel services	451,000	216,000	193,886	193,886	22,114	90%
Materials and services	25,000	13,000	16,933	16,933	(3,933)	130%
Transfers	100,000	50,000	50,000	50,000	-	100%
Total expenditures	576,000	279,000	260,819	260,819	18,181	93%
Revenue over (under) expenditures	(103,000)	(53,000)	(33,182)	(33,182)	21,818	
Beginning fund balance	147,000	147,000	169,947	169,947	22,947	
Ending fund balance	\$ 44,000	\$ 94,000	\$ 136,765	\$ 136,765	\$ 44,765	

¹ The Building Official position was vacant for the first two months of the year.

City of Milwaukie, Oregon
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Budget-to-Actual
Through the fourth quarter ended June 30, 2015

Transportation Fund - in Total

Revenue	Biennial Budget	Flexible Biennial Budget	FY 2015 YTD Actual	Total Biennium To-Date Actual	Variance	% of Budget
<i>Dedicated to St/Surf Maintenance Program:</i>						
Fees (from street maintenance fee)	\$ 1,232,000	\$ 616,000	\$ 621,826	\$ 621,826	\$ 5,826	101%
Franchise fees (from 1.5% privilege tax)	647,000	317,000	314,819	314,819	(2,181)	99%
Intergovernmental (from local gas tax)	352,000	175,000	167,638	167,638	(7,362)	96%
	<u>2,231,000</u>	<u>1,108,000</u>	<u>1,104,283</u>	<u>1,104,283</u>	<u>(3,717)</u>	<u>100%</u>
Intergovernmental (from state gas tax)	2,373,000	1,173,000	1,183,631	1,183,631	10,631	101%
Intergovernmental (other)	3,295,000	3,295,000	1,105,735	1,105,735	(2,189,265)	34%
Franchise fees (from utility funds)	1,368,000	652,000	700,000	700,000	48,000	107%
Miscellaneous	100,000	100,000	10,101	10,101	(89,899)	10%
Total revenue	<u>9,367,000</u>	<u>6,328,000</u>	<u>4,103,750</u>	<u>4,103,750</u>	<u>(2,224,250)</u>	<u>65%</u>
Expenditures						
Personnel services	981,000	474,000	388,772	388,772	85,228	82%
Materials and services	911,000	449,000	358,469	358,469	90,531	80%
Transfers	1,890,000	965,000	965,000	965,000	-	100%
Capital outlay	5,645,000	4,230,000	1,387,312	1,387,312	2,842,688	33%
Total expenditures	<u>9,427,000</u>	<u>6,118,000</u>	<u>3,099,553</u>	<u>3,099,553</u>	<u>3,018,447</u>	<u>51%</u>
Revenue over (under) expenditures	(60,000)	210,000	1,004,197	1,004,197	794,197	
Beginning fund balance	1,364,000	1,364,000	1,458,650	1,458,650	94,650	
Ending net available fund balance	<u>\$ 1,304,000</u>	<u>\$ 1,574,000</u>	<u>\$ 2,462,847</u>	<u>\$ 2,462,847</u>	<u>\$ 888,847</u>	

1 Most projects are slated for FY16 - See project status report for further information.

2 Intergovernmental revenues are comprised of reimbursement grants. These may not be received uniformly through out the year based on when the related capital project is completed.

3 FILOC funds are slated to be used in the 17th Avenue project that had not concluded as of year-end.

City of Milwaukie, Oregon
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Budget-to-Actual
Through the fourth quarter ended June 30, 2015

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	\$ 616,000	\$ 621,826	\$ 621,826	\$ 5,826	101%
Franchise fees (from 1.5% privilege tax)	647,000	317,000	314,819	314,819	(2,181)	99%
Intergovernmental (from local gas tax)	352,000	175,000	167,638	167,638	(7,362)	96%
Total revenue	2,231,000	1,108,000	1,104,283	1,104,283	(3,717)	100%
Expenditures						
Materials and services	141,000	70,000	14,407	14,407	55,593	21%
Transfers	378,000	193,000	193,000	193,000	-	100%
Capital outlay	2,000,000	685,000	511,341	511,341	173,659	75%
Total expenditures	2,519,000	948,000	718,748	718,748	229,252	76%
Revenue over (under) expenditures	(288,000)	160,000	385,535	385,535	225,535	
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	\$ 1,659,000	\$ 1,924,554	\$ 1,924,554	\$ 265,554	

State Gas Tax Program

	Biennial Budget	Flexible Biennial Budget	FY 2015 YTD Actual	Total Biennium To-Date Actual	Variance	% of Budget
Revenue						
Dedicated to State Gas Tax Program:						
Intergovernmental (from state gas tax)	\$ 2,373,000	\$ 1,173,000	\$ 1,183,631	\$ 1,183,631	\$ 10,631	101%
Intergovernmental (other)	3,295,000	3,295,000	1,105,735	1,105,735	(2,189,265)	34%
Franchise fees (from utility funds)	1,417,000	652,000	700,000	700,000	48,000	107%
Fee in Lieu of Construction	100,000	100,000	-	-	(100,000)	-
Miscellaneous	-	-	10,101	10,101	10,101	100%
Total revenue	7,185,000	5,220,000	2,999,467	2,999,467	(2,220,533)	57%
Expenditures						
Personnel services	981,000	474,000	388,772	388,772	85,228	82%
Materials and services	770,000	379,000	344,062	344,062	34,938	91%
Transfers	1,512,000	772,000	772,000	772,000	-	100%
Capital outlay	3,645,000	3,545,000	875,971	875,971	2,669,029	25%
Total expenditures	6,908,000	5,170,000	2,380,805	2,380,805	2,789,195	46%
Revenue over (under) expenditures	277,000	50,000	618,662	618,662	568,662	
Beginning fund balance	(135,000)	(135,000)	(80,369)	(80,369)	54,631	
Ending net available fund balance	\$ 142,000	\$ (85,000)	\$ 538,293	\$ 538,293	\$ 623,293	

1 Most projects are slated for FY16 - See project status report for further information.

2 Intergovernmental revenues are comprised of reimbursement grants. These may not be received uniformly through out the year based on when the related capital project is completed.

3 FILOC funds are slated to be used in the 17th Avenue project which had not concluded as of year-end.

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Through the fourth quarter ended June 30, 2015

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	\$ 3,120,000	3,629,207	3,629,207	509,207	116% ¹
Miscellaneous	196,000	67,000	62,800	62,800	(4,200)	94%
Total revenue	6,648,000	3,187,000	3,692,007	3,692,007	505,007	116%
Expenditures						
Personnel services	1,277,000	617,000	575,412	575,412	41,588	93%
Materials and services	1,584,000	761,000	780,078	780,078	(19,078)	103%
Transfers	1,830,000	915,000	915,000	915,000	-	100%
Capital outlay	1,522,000	710,000	520,155	520,155	189,845	73% ²
Total expenditures	6,213,000	3,003,000	2,790,645	2,790,645	212,355	93%
Revenue over (under) expenditures	435,000	184,000	901,362	901,362	717,362	
Beginning fund balance	395,000	395,000	780,923	780,923	385,923	
Ending fund balance	\$ 830,000	\$ 579,000	\$ 1,682,285	\$ 1,682,285	\$ 1,103,285	

¹ We have experienced higher usage this year due to the dry winter and extraordinarily hot summer.

² See project status report for further information.

City of Milwaukie, Oregon
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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	\$ 6,797,000	\$ 6,946,179	\$ 6,946,179	\$ 149,179	102%
Miscellaneous	8,000	1,000	2,378	2,378	1,378	238%
Proceeds from Reimbursement District	30,000	13,000	65,784	65,784	52,784	506%
Total revenue	13,874,000	6,811,000	7,014,341	7,014,341	203,341	103%
Expenditures						
Personnel services	937,000	453,000	413,932	413,932	39,068	91%
Materials and services	9,743,000	4,778,000	4,587,511	4,587,511	190,489	96%
Debt service	220,000	110,000	104,416	104,416	5,584	95%
Transfers	1,820,000	885,000	885,000	885,000	-	100%
Capital outlay	1,709,000	806,000	649,394	649,394	156,606	81%
Total expenditures	14,429,000	7,032,000	6,640,253	6,640,253	391,747	94%
Revenue over (under) expenditures	(555,000)	(221,000)	374,088	374,088	595,088	
Beginning fund balance	2,196,000	2,196,000	2,318,157	2,318,157	122,157	
Ending fund balance	\$ 1,641,000	\$ 1,975,000	\$ 2,692,245	\$ 2,692,245	\$ 717,245	

¹ Payments on Reimbursement District accounts continue to be stable and higher this year than anticipated.

² Capital projects have not been completed at the end of the fourth quarter - See project status report for further information.

City of Milwaukie, Oregon
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Stormwater Fund

Revenue	Biennial Budget	Flexible Biennial Budget	FY 2015 YTD Actual	Total Biennium To-Date Actual	Variance	% of Budget
Fees and charges	\$ 5,481,000	\$ 2,566,000	\$ 2,571,866	\$ 2,571,866	\$ 5,866	100%
Intergovernmental	1,004,000	-	-	-	-	0%
Miscellaneous	20,000	4,000	6,294	6,294	2,294	157%
Total revenue	6,505,000	2,570,000	2,578,160	2,578,160	8,160	100%
Expenditures						
Personnel services	1,375,000	660,000	483,479	483,479	176,521	73%
Materials and services	852,000	411,000	322,933	322,933	88,067	79%
Transfers	1,870,000	905,000	905,000	905,000	-	100%
Capital outlay	4,547,000	1,718,000	7,020	7,020	1,710,980	0%
Total expenditures	8,644,000	3,694,000	1,718,432	1,718,432	1,975,568	47%
Revenue over (under) expenditures	(2,139,000)	(1,124,000)	859,728	859,728	1,983,728	
Beginning fund balance	2,392,000	2,392,000	2,528,009	2,528,009	136,009	
Ending fund balance	\$ 253,000	\$ 1,268,000	\$ 3,387,737	\$ 3,387,737	\$ 2,119,737	

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

² One budgeted position was not filled during FY2015 and another was filled later than originally anticipated.

³ Contractual and professional services were less than anticipated during FY2015.

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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	\$ 49,000	\$ 69,085	\$ 69,085	\$ 20,085	141% ¹
Miscellaneous	-	-	240	240	240	100%
Total revenue	78,000	49,000	69,325	69,325	20,325	141%
Expenditures						
Capital outlay	430,000	430,000	35,383	35,383	394,617	8% ²
Total expenditures	430,000	430,000	35,383	35,383	394,617	8%
Revenue over (under) expenditures	(352,000)	(381,000)	33,942	33,942	414,942	
Beginning fund balance	1,318,000	1,318,000	1,392,789	1,392,789	74,789	
Ending fund balance	\$ 966,000	\$ 937,000	\$ 1,426,731	\$ 1,426,731	\$ 489,731	

¹ Wastewater and Transportation SDC's are higher than anticipated.

² Projects for the biennium have not yet been completed.

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

Biennium-to-Date through June 30, 2015

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	\$ -	\$ -	\$ -	\$ 3,975	\$ -	0% Project soon to be completed.
HVAC Intake Relocation - Johnson Creek Building - Facilities	F	-	15,000	15,000	-	15,000	- Project deferred.
Replace Emergency Generator at Public Safety Building - Facilities	F08	45,000	-	45,000	-	45,000	- Waiting for CFD1 to purchase genset.
Bertman House Exterior Structural Repairs - Facilities	F12	10,000	-	10,000	-	10,000	- Combined with F13 for Q1/Q2 completion.
Bertman House Exterior Paint - Facilities	F13	10,000	-	10,000	-	10,000	- Looking for Q1/Q2 completion.
Brick Mortar Repair at City Hall - Facilities	F14	30,000	-	30,000	-	30,000	- Need to spec/bid Q3.
Re-roof Public Safety Building - Facilities	F15	350,000	-	350,000	346,463	3,537	99% Project complete.
Seal Brick on Public Safety Building - Facilities	F16	30,000	-	30,000	-	30,000	- To be done with F14, Q3.
Replace Caulking Windows and Doors at Public Safety Building - Fac	F17	17,000	-	17,000	-	17,000	- Work slated for Q3/Q4.
Removal of Oil Tank Bertman House - Facilities	F18	-	10,000	10,000	-	10,000	- More complex than initially thought, Q3 completion.
Replacement of Main Air Handler at the Library - Facilities	F19	-	20,000	20,000	-	20,000	- Looking to complete with ESCO work.
EOC Configuration - Public Safety Building - Facilities	F20	-	10,000	10,000	2,553	10,000	- Work to complete Q3/Q4.
Incode Version X Upgrade	F15	-	90,000	90,000	-	90,000	- To be completed in FY2016.
CMMS Upgrade - Public Works	G01	80,000	-	80,000	30,908	49,092	39% Implementation underway, project scheduled to complete Q3.
Computer Refresh - IT	I02	45,000	-	45,000	50,567	45,000	- In progress, materials have been received; imaging is in-process; deployment began June 2015.
Server Virtualization Capacity Expansion - IT	I03	-	37,000	37,000	-	37,000	- All systems targeted for the virtual environment completed as of September 1, 2015. System hardware scheduled for upgrade by July 2016.
Enterprise Backup Solution - IT	I04	51,000	-	51,000	31,658	51,000	- Project completed.
Enterprise WiFi Installation - IT	I05	38,000	-	38,000	32,163	5,837	85% Project completed and expansion in Pond House also completed.
Network File Storage Capacity Expansion - IT	I06	-	15,000	15,000	-	15,000	- Project completed.
VOIP Upgrade	I08	32,000	-	32,000	52,800	32,000	- Project completed.
Fleet Vehicle Purchases from Reserve - Streets	K01	100,000	14,000	114,000	97,290	16,710	85% 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	61,621	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	15,965	17,000	- Project completed.
Fuel Pumps and Software - Fleet	K05	35,000	-	35,000	-	35,000	- Underway, Q2 completion.
Brake Lathe - Fleet	K05	-	16,000	16,000	-	16,000	- Scheduled for FY16 - Q2.
General Fund Department Vehicles - Fleet	K05	-	45,000	45,000	-	45,000	- Deferred, funding to be used by G01.
Library Video Security	L06	-	-	-	6,269	-	0% Complete in FY15.
Riverfront Construction	Q07	2,271,000	21,000	2,292,000	2,592,560	2,292,000	- The on-site work is in a punchlist phase, with the main item being repairs to the water quality facilities and permanent plantings. Staff is continuing to press the contractor to get the project completed.
Public Access Studio Equipment Replacement	V01	44,000	52,000	96,000	41,819	54,181	44% The first portion of the project was completed October 2014. The camera replacement is out for quotes with Willamette Falls Media.

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Project Status Report

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Project Number	FY15 Annual Budget	FY16 Annual Budget	Total BN Budget	FY15 YTD Actual	Variance	% of Budget	Project Status
Police Vehicle Replacement	100,000	100,000	200,000	91,084	108,916	46%	Two vehicles purchased.
Total General Fund Capital Projects	\$ 3,841,000	\$ 594,000	\$ 4,435,000	\$ 3,767,866	\$ 3,423,481	23%	
Library Fund							
Library Expansion	\$ -	\$ 1,000,000	\$ 1,000,000	\$ -	\$ 1,000,000	-	The Library Expansion Task Force (LETF) resumed monthly meetings on February 4, 2015.
Library Video Security	-	-	-	10,000	-	0%	Complete in FY15.
Total Library Fund Capital Projects	\$ -	\$ 1,000,000	\$ 1,000,000	\$ 10,000	\$ 1,000,000	-	
Transportation Fund							
State Gas Tax							
Lake Road Multimodal Improvements	\$ -	\$ -	\$ -	\$ 3,291	\$ (3,291)	0%	
School Zone Implementation	-	-	-	13,403	(13,403)	0%	Project completed with lightrail project.
17th Avenue Multi-Use Trail	3,170,000	-	3,170,000	593,334	2,576,666	19%	Currently under design and review with ODOT. Right-of-Way actions have begun to take place. All is planned to be wrapped up by December 2015, so that the project may be bid for construction February 2016.
Adams Street Connector	375,000	-	375,000	265,943	109,057	71%	The on-site work is in the punch list phase. Staff expects completion in September 2015.
Transportation Vehicle Purchases	-	50,000	50,000	-	50,000	-	In various stages of purchasing.
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	\$ 875,970.74	\$ 2,769,029	24%	

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Project Number	FY15 Annual Budget	FY16 Annual Budget	Total BN Budget	FY15 YTD Actual	Variance	% of Budget	Project Status	
Street Surface Maintenance Program								
SSMP Preventative Maintenance	S04	\$ 65,000	\$ 65,000	\$ 130,000	\$ 147	\$ 129,853	0%	Project was substantially completed in August 2015 with punch list items to be completed in September 2015.
SSMP Paving	S10	550,000	1,250,000	1,800,000	511,194	1,288,806	28%	This years paving consists of reconstructing Railroad Avenue with an additional 4 feet (as directed by Council). Phase 1 is substantially completed. Phase 2 will start September 14th. Staff expects the project to be completed in October 2015. This project will likely need a supplemental budget adjustment to cover the additional expenditures for widening.
Crack Seal Machine	S12	70,000	-	70,000	-	70,000	-	Purchased in FY14. Funding will be needed for project S10.
Total Street Surface Maintenance Program Projects		\$ 685,000	\$ 1,315,000	\$ 2,000,000	\$ 511,341.25	\$ 1,488,659	26%	
Total Transportation Fund Capital Projects		\$ 4,230,000	\$ 1,415,000	\$ 5,645,000	\$ 1,387,311.99	\$ 4,257,688	24%	
Water Fund								
Water Well No. 6 & Well No. 2 Storage Tank Maintenance	W10, W15	\$ 150,000	\$ 400,000	\$ 550,000	\$ -	\$ 550,000	-	Completion planned for Q3.
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. In its place, Staff has moved up a project on 17th Avenue between Ochoco and McBrod. This project will commence May 13th and be wrapped up near July 1st, 2015.
Wood Avenue Service Line Transfer	W32	10,000	-	10,000	-	10,000	-	Completion scheduled for Q2/Q3.
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.
Water Production Preventative Maintenance	W35, W36	40,000	52,000	92,000	314,699	(222,699)	342%	Ongoing maintenance - expenditure shown is for W27 (McBrod project spent on 17th).
Total Water Fund Capital Projects		\$ 710,000	\$ 812,000	\$ 1,522,000	\$ 520,155.48	\$ 1,001,845	34%	

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	Project Number	FY15 Annual Budget	FY16 Annual Budget	Total BN Budget	FY15 YTD Actual	Variance	% of Budget	Project Status
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 late Spring of 2016. The project will be surveyed and design by in-house staff.
Lift Station Wet Well Lining	X09/X13	15,000	15,000	30,000	27,818	2,182	93%	Project completed October 2014 (Island Sta lift Sta).
Clay Pipe Replacement	X10	640,000	540,000	1,180,000	592,576	587,424	50%	Project currently under construction. Staff expects completion in October 2015.
Manhole Replacement/Rehabilitation Program	X11	50,000	50,000	100,000	-	100,000	-	Funding for this program will be combined with Project X07.
Transporter and Camera Replacement	X14	-	29,000	29,000	29,000	-	100%	Complete.
Wastewater Vehicle Purchases	X15	1,000	169,000	170,000	-	170,000	-	In various stages of purchasing.
Total Wastewater Fund Capital Projects		\$ 806,000	\$ 903,000	\$ 1,709,000	\$ 649,394	\$ 1,059,606	38%	
Stormwater Fund								
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.
Stanley Avenue Pipe Replacement	Y05	1,200,000		1,200,000	7,020	1,192,980	1%	This project relies on a permit from UPRR. The permit has been received and is in the process of going through Council for authorization. Once this is done, the project will be bid for construction this summer.
Stormwater Transporter and Camera Replacement	Y07		43,000	43,000	-	43,000	-	Gathering quotes for purchase.
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.
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.
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.
Stormwater Vehicle Replacements	Y12	228,000	209,000	437,000	-	437,000	-	In various stages of purchasing.
Upgrade TV Van Computer			23,000	23,000	-	23,000	-	Gathering quotes for purchase.
Total Stormwater Fund Capital Projects		\$ 1,718,000	\$ 2,829,000	\$ 4,547,000	\$ 7,020.35	\$ 4,539,980	1%	

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Project Number	FY15 Annual Budget	FY16 Annual Budget	Total BN Budget	FY15 YTD Actual	Variance	% of Budget	Project Status
SDC Fund							
Portland-Milwaukie Light Rail	\$ 20,000	\$ -	\$ 20,000	-	\$ 20,000	-	Project soon to be completed.
17th Avenue Multi-Use Trail - Streets	20,000	-	20,000	-	20,000	-	Currently under design and review with ODOT. Right-of-Way actions have begun to take place. All is planned to be wrapped up by December 2015, so that the project may be bid for construction February 2016.
17th Avenue Multi-Use Trail - Stormwater	100,000	-	100,000	16,432	83,568	16%	Currently under design and review with ODOT. Right-of-Way actions have begun to take place. All is planned to be wrapped up by December 2015, so that the project may be bid for construction February 2016.
Kellogg Multi-Use Bridge - Streets	200,000	-	200,000	18,951	181,049	9%	Bridge is in place. 100% plans for the landings are complete pending review through City's Planning Type I process. The goal is to have the landings constructed by September 12th, however, it is more likely that construction could take until the end of 2015.
McBrod Ave Water System Improvements - Water	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	\$ 35,383.39	\$ 394,617	8%	
Total	\$ 10,929,000	\$ 5,650,000	\$ 16,579,000	\$ 5,717,737	\$ 13,617,610		

