



MILWAUKIE CITY COUNCIL  
**STAFF REPORT**

Agenda Item:  
Meeting Date:

To: Mayor and City Council  
Through: Bill Monahan, City Manager

Subject: **Budget Committee Quarterly Report & Five-year  
Financial Forecast Review**  
From: Casey Camors, Finance Director  
Date: September 15, 2015

### **ACTION REQUESTED**

#### Quarterly Report

Presentation and review of quarterly financial report for informational purposes only.

#### Five-Year Financial Forecast

Presentation and review of the updated five-year financial forecast for informational purposes only.

### **HISTORY OF PRIOR ACTIONS AND DISCUSSIONS**

June 2014 – The City Council adopted the Budget Committee approved 2015-2016 Biennium Budget.

The Budget Committee reviews the quarterly financial report every quarter and reviews the five-year financial forecast as updates are completed and reports are issued.

### **BACKGROUND**

#### Quarterly Report

The City of Milwaukie Finance Department prepares an annual financial report (Comprehensive Annual Financial Report), five-year financial forecast and four quarterly financial reports every fiscal year. The quarterly financial reports are prepared for the Budget Review Board and City Council, collectively referred to as the City's Budget Committee, to inform them as to the financial results year-to-date and for the quarter then ended. These reports are issued timely by the Finance Department and significant budget-to-actual variance are identified and explained.

The City of Milwaukie Quarterly Financial Report through the fourth quarter ended June 30, 2015 includes:

- Executive Summary with Quarterly Highlights
- Budget-to-Actual comparisons for all City Funds and Departments
- Project Status Report for all projects included in the City's fiscal year 2015-2020 Capital Improvement Plan (CIP)

City-wide resources at June 30, 2015 total \$41,835,000 (excluding fund balance carryover of \$15,241,000) as compared to total year-to-date City-wide requirements of \$38,731,000 resulting in an increase to Unappropriated Ending Fund Balance of \$3,104,000.

### Five-Year Financial Forecast

Five-year financial forecasts are prepared at least annually and serve as the guiding document for the biennial budget process. The five-year model takes into account projected increases and decreases in revenues and expenditures. These forecasts are key to strategizing, studying different financial outcomes, modeling demographic trends, anticipating changes in revenue streams, and forecasting utility rates. The following are the significant financial changes that have occurred or have been identified to occur, since the last five-year financial forecast was completed with the 2015-2016 Biennial Budget:

- Retrended and updated all revenues and expenditures.
- Updated all City rates to those adopted by Council.
- Adjusted revenue and expenditures for Riverfront Park changes.
- Added Bike/Pedi Bridge grant and expenditures.
- Added positions including two Administrative Specialist positions.
- Adjusted interfund transfers and internal utility franchise fees.
- Funds in FY17 for Library Expansion Taskforce (\$75,000).

### **FISCAL IMPACTS**

N/A

### **ALTERNATIVES**

N/A

### **ATTACHMENTS**

1. Quarterly Financial Report for the fourth quarter ended June 30, 2015
2. Five-year Financial Forecast – FY2015-2020