



MILWAUKIE
Dogwood City of the West

Quarterly Financial Report

Reporting financial results
for the fourth quarter ended
June 30, 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 fourth quarter ended June 30, 2014 relating to the fiscal year ending June 30, 2014. When the Finance Department concludes the audit process and completes the Comprehensive Annual Financial Report in November of 2014, updates will likely be made to this report.

QUARTERLY HIGHLIGHTS

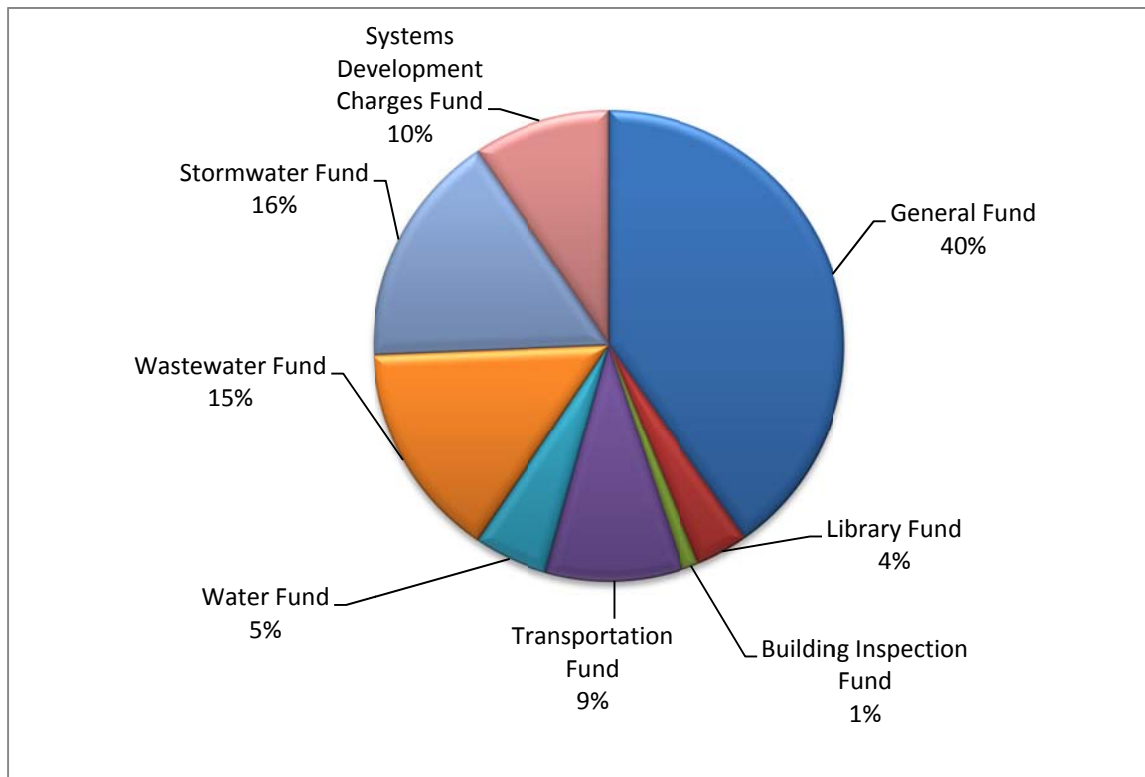
This fourth quarter financial report summarizes the financial results for the fiscal year ending June 30, 2014 (year-to-date) and highlights certain topics of interest.

Change in Quarterly Report Format – Move to Biennial Display

Beginning with the last quarter's financial report, we updated the quarterly report format. We have added columns in the quarterly statements to illustrate the City's financial picture in relation to the entire biennial budget.

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 financial statements for June 30, 2014, preliminary ending fund balances for all funds came in higher at \$15,677,304.



Fourth Quarter Financial Results

The General Fund and Library Fund are dependent upon property taxes and distributions from the Library District of Clackamas County. At June 30, 2014, 100% of budgeted property taxes were received by the end of the year. Overall, General Fund revenues are right on target and expenditures were 93% of budget.

The Library Fund receives distributions from the Library District of Clackamas County in the third and fourth quarters and therefore, the Library Fund is reflecting receipts of 98% of the budgeted distribution. Library expenditures are right on target at 99%, without regard to the District capital funds that have been budgeted for use in future years.

The Building Inspection Fund has experienced a lull in revenue production, with total revenue at 71% of expectation at the end of the fourth quarter, consistent with the previous quarter. It is important that we continue to monitor this Fund closely. Expenditures are right on target at 97%.

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.

Due to the identification of some previously omitted stations, these revenues have picked up dramatically. State gas tax is 97% of budget and local gas tax is 108% of budget. Both revenues and expenditures are significantly under budget, ranging from 60%-63%. The primary driving factor is that projects qualifying for intergovernmental grants during the year have not yet been completed to allow for reimbursement, resulting in low revenues and related project expenditures.

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 98% of budget and expenditures at 90% of budget. Some major projects planned for FY 2014 have been delayed and rebudgeted in FY 2015.

The Wastewater Fund is stable, with revenues at 98% of budget and expenditures at 95% of budget.

The Stormwater Fund has been accumulating fund balance to help fund 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. This analysis included the hiring of two employees, however; the two employees had not been hired by the end of the fiscal year. Additionally, the Kellogg Creek Dam Removal and Stanley Avenue Pipe Replacement projects were not completed during the fiscal year and have been delayed until FY 2015 and FY 2016 resulting in expenditures of only 53% of budget, but with revenues of 104% of budget.

SDC Fund projects have been progressing; however revenues have been only 12% of budget. This is not atypical in this type of fund.

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 bond, 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 means that all the TriMet payments scheduled to come out of the General Fund will be paid off, alleviating the pressure. 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!

The Finance Department has been gearing up to issue Full Faith and Credit Obligations (FFCO's) to serve as the City's grant match for the Riverfront Park project. 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. City Staff anticipates closing this debt issuance on September 18th.

PERS Reform Bills to be Reviewed by Oregon Supreme Court

Before any of the current round of PERS reforms were passed, public employers around the State were facing a \$900 million increase in pension contributions during the 2014-2015 biennium. After the changes enacted in the regular legislative session, costs were expected to go up by about \$110 million.

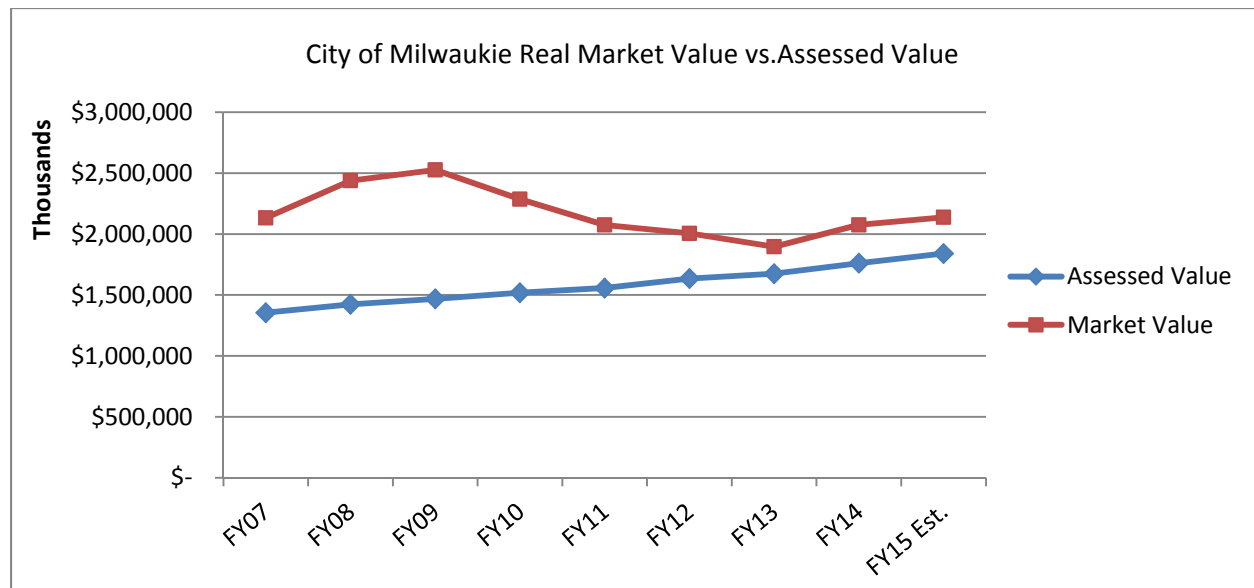
Now, the Oregon Supreme Court is reviewing these bills. Their decision on the changes might arrive by Spring of 2015, just before contribution rates are slated to change again. If the changes stand, PERS officials and the system actuary say the long-term savings will amount to \$4.5 billion to \$5 billion.

There are lots of moving parts in the PERS cost equation. Those include ongoing returns on the pension fund's investments, the PERS Board's decision to lower the system's assumed earnings rate, and a change the board recently made to the system's rate setting methodology to slow rate increases.

For the City of Milwaukie, we are projecting a sixteen percent increase in our annual PERS costs and this is assuming these PERS Reforms hold up (at this time, the actual rate of payroll is projected to increase 2.03% for a total PERS rate of 20.41% of payroll, which includes the 6% pickup).

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 2014. In a letter received from Clackamas County in March, the County anticipates that the City's Assessed Values will increase by 4.25-4.75% for fiscal year 2015:



ANNUAL REPORTS

The prior year Comprehensive Annual Financial Report (Financial Statements) was issued at the end of December and is available for review at www.milwaukieoregon.gov/finance. The audit was properly filed with the Secretary of State Audits Division by the December 31, 2013 deadline.

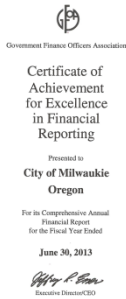
The City's third Popular Annual Financial Report (PAFR) was also issued in December and is available online at www.milwaukieoregon.gov/finance or in printed form at any one of the City's facilities. Popular Annual Financial Reports are specifically designed to be readily accessible and easily understandable to the general public and other interested parties without a background in public finance.

City Staff is currently drafting these documents for June 30, 2014 and both will be released by December 31, 2014.

Audit Committee "kicks off" Audit Season

In June, the City's Audit Committee held their annual audit "kick off" meeting with the auditors. This was the first meeting at the start of the audit process for the fiscal year ended June 30, 2014. The audit season, beginning in June, typically concludes in December with the issuance of the audited financial statements.

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 2013-2014 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. Upon completion, the City will be submitting the 2015-2016 biennium budget document to the GFOA for recognition.

Two Utility Assistant Programs Offered

As a reminder, the City of Milwaukie continues to offer its residential customers a *Low Income Utility Program*. This reduced rate program is a waiver of the established base charge for water service; one-half of the established base charge for wastewater (sewer) and storm water service; one-half of the established volume charge for wastewater service; and waiver of the street maintenance fee. At June 30, 2014, the City had 186 customers receiving low income utility assistance. For more information on the eligibility requirements for the *Low Income Utility Program*, please visit: <http://www.cityofmilwaukie.org/finance/low-income-program> or call (503) 786-7525.

With the 2013-2014 Budget, the pilot program called the *Emergency Utility Assistance Program* was extended. Modeled after a similar successful program in West Linn, the idea is to provide emergency seed money to reduce City utility obligations to help those who find themselves in poor economic situations. This program is generally geared towards utility accounts showing solid payment history, but due to some emergency or dramatic loss in income, the citizen is unable to catch up on their utility obligations. This program just gives a little bit of help to get back on track with regular monthly payments. During fiscal year 2014, 18 customers have received emergency utility assistance.

Receive Utility Bills Electronically and Pay Online

We offer paperless billing for utility customers. After registering for this service, customers receive an email notification that their utility billing statement is available for viewing. After viewing the statement, payments may be made online via credit card using the City's online payment program or by using a personal bank bill pay feature from the convenience and security of a home computer. Payments can also be made by calling 1-800-701-8560, 24 hours a day, 7 days a week (a "live" person is available if you call between 8am to 9pm EST). Of course, the regular "non-online" ways of making payments are still available. These new services are simply additional ways to make payments for customer convenience.

Business Registrations are Now Online

As a reminder, the Finance Department has converted business registration and renewal to an online service. Businesses may register, renew and pay online as well as print their own business registration certificate. This is being offered as a convenience to our business partners as well as to reduce the costs of administering the business registration program.

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
Finance Director, City of Milwaukie

4 September 2014

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

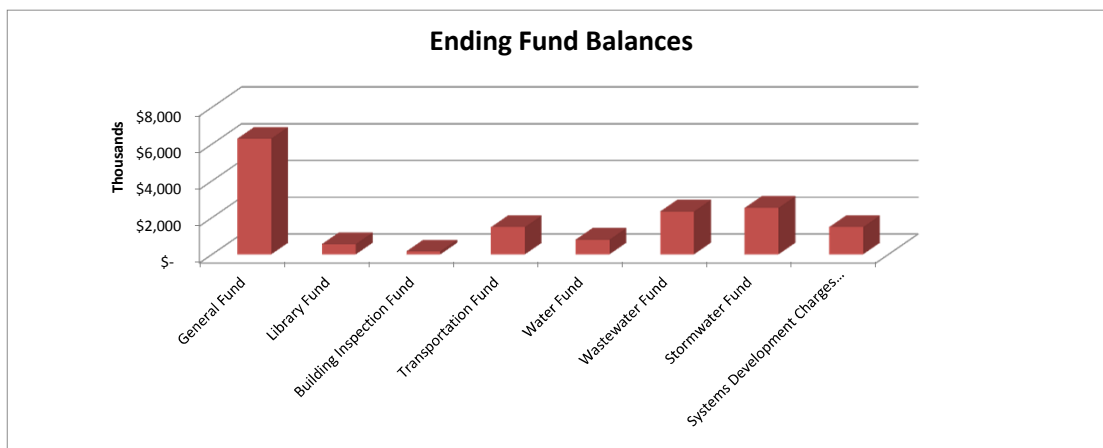
All City Funds

Fund	Beginning Fund Balance as of July 1, 2013	Year-to-Date through June 30, 2014		Ending Fund Balance as of June 30, 2014	Change in Fund Balance	Estimated Ending Fund Balance in Budget Document	Variance over (under) Estimated Fund Balance in Budget
		Revenues	Expenditures				
1 General Fund	\$ 5,444,327	\$ 15,798,535	\$ 14,942,922	\$ 6,299,940	\$ 855,613	\$ 5,242,000	\$ 1,057,940
2 Library Fund	381,124	2,536,895	2,356,604	561,415	180,291	422,000	139,415
3 Building Inspection Fund	243,561	213,673	286,247	170,987	(72,574) ¹	147,000	23,987
4 Transportation Fund	1,322,633	3,127,571	2,963,710	1,486,494	163,861 ²	1,364,000	122,494
5 Water Fund	210,615	3,157,832	2,566,044	802,403	591,788	395,000	407,403
6 Wastewater Fund	2,445,429	6,598,829	6,708,946	2,335,312	(110,117) ³	2,196,000	139,312
7 Stormwater Fund	1,895,752	2,212,653	1,575,631	2,532,774	637,022	2,392,000	140,774
8 Systems Development Charges Fund							
Transportation SDC Department	467,004	17,360	96,111	388,253	(78,751) ³	333,000	55,253
Water SDC Department	194,264	18,383	42,465	170,182	(24,082) ³	128,000	42,182
Wastewater SDC Department	779,420	15,125	61,071	733,474	(45,946) ³	727,000	6,474
Stormwater SDC Department	192,724	6,588	3,242	196,070	3,346	130,000	66,070
Systems Development Charges Fund	1,633,412	57,456	202,889	1,487,979	(145,433)	1,318,000	169,979
Totals	\$ 13,576,853	\$ 33,703,444	\$ 31,602,993	\$ 15,677,304	\$ 2,100,451	\$ 13,476,000	\$ 2,201,304

¹ Building activity continues to be low. Currently, the Building Official position is vacant but once filled, it is expected that an update rate structure will be submitted to the State for approval.

² Projects qualifying for intergovernmental grants during the year have not yet been completed to allow for reimbursement. Materials and services and personnel costs were lower than anticipated.

³ The decrease in fund balance is due to anticipated spending on capital projects.



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

General Fund

Revenue	Biennial	Flexible	FY 2013		FY 2014	Total Biennium		% of Budget
	Budget	Biennial Budget	Actual (Audited)	YTD Actual	YTD Actual	To-Date Actual	Variance	
Property taxes	\$ 11,647,000	\$ 11,647,000	\$ 5,627,755	\$ 6,009,618	\$ 6,009,618	\$ 11,637,373	\$ (9,627)	100%
Licenses & permits	1,439,000	1,439,000	863,663	413,188	413,188	1,276,851	(162,149)	89%
Franchise fees	3,442,000	3,442,000	1,547,731	1,536,564	1,536,564	3,084,295	(357,705)	90%
Intergovernmental	2,515,000	2,515,000	1,446,187	1,486,783	1,486,783	2,932,970	417,970	117%
Fines & forfeitures	3,234,000	3,234,000	1,692,557	1,586,162	1,586,162	3,278,719	44,719	101%
Miscellaneous	318,000	318,000	184,952	173,020	173,020	357,972	(39,972)	113%
	22,595,000	22,595,000	11,362,845	11,205,335	11,205,335	22,568,180	(26,820)	100%
Other financing sources	4,010,000	4,010,000	3,656,000	63,200	63,200	3,719,200	(290,800)	93%
Transfers	9,020,000	9,020,000	4,490,000	4,530,000	4,530,000	9,020,000	-	100%
Total revenue	35,625,000	35,625,000	19,508,845	15,798,535	15,798,535	35,307,380	(317,620)	99%
Expenditures								
City Council	137,000	137,000	42,656	76,745	76,745	119,401	17,599	87%
City Manager	1,365,000	1,365,000	596,536	744,853	744,853	1,341,389	(23,611)	98%
Community Development and Public Works	8,980,000	8,980,000	6,921,780	1,911,468	1,911,468	8,833,248	(146,752)	98%
Engineering Services	1,081,000	1,081,000	502,295	464,927	464,927	967,222	(113,778)	89%
Facilities Management	2,394,000	2,394,000	912,346	890,397	890,397	1,802,743	(591,257)	75%
Finance	1,540,000	1,540,000	677,153	772,086	772,086	1,449,239	(90,761)	94%
Fleet Services	1,750,000	1,750,000	678,690	773,081	773,081	1,451,771	(298,229)	83%
Human Resources	546,000	546,000	228,126	259,264	259,264	487,390	(58,610)	89%
Information Systems Technology	2,475,000	2,475,000	1,101,184	1,183,680	1,183,680	2,284,864	(190,136)	92%
Municipal Court	714,000	714,000	336,569	345,803	345,803	682,372	31,628	96%
Planning Services	1,045,000	1,045,000	516,562	448,415	448,415	964,977	(80,023)	92%
Code Enforcement	370,000	370,000	181,120	159,762	159,762	340,882	(29,118)	92%
Public Access Studio	163,000	163,000	57,153	20,146	20,146	77,299	(85,701)	47%
Records and Information Management	831,000	831,000	364,544	394,811	394,811	759,355	(71,645)	91%
Non-Departmental	1,719,000	1,719,000	634,060	857,904	857,904	1,491,964	(227,036)	87%
Police Administration	1,036,000	1,036,000	478,126	435,230	435,230	913,356	(122,644)	88%
Police Field Services	10,632,000	10,632,000	5,328,505	4,978,101	4,978,101	10,306,606	(325,394)	97%
Police Support Services	689,000	689,000	289,065	226,249	226,249	515,314	(173,686)	75%
	37,467,000	37,467,000	19,846,470	14,942,922	14,942,922	34,789,392	2,677,608	93%
Total expenditures	37,467,000	37,467,000	19,846,470	14,942,922	14,942,922	34,789,392	2,677,608	93%
Revenue over (under) expenditures	(1,842,000)	(1,842,000)	(337,625)	855,613	855,613	517,988	2,359,988	
Beginning fund balance	5,043,000	5,043,000	5,781,952	5,444,327	5,444,327	5,781,952	738,952	
Ending fund balance	\$ 3,201,000	\$ 3,201,000	\$ 5,444,327	\$ 6,299,940	\$ 6,299,940	\$ 6,299,940	\$ 3,098,940	

¹ Although budgeted in the 2013-2014 biennium, \$200,000 of the Portland-Milwaukie Light Rail (PMLR) fees for Engineering were waived/received early in FY 2012.

² PGE experienced a 3% decrease in customers and loads from 2013 to 2014 (mainly commercial, but large commercial too), reducing our revenue based franchise fee.

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

Library Fund

	Biennial		FY 2013		FY 2014		Total Biennium		% of Budget
	Budget	Flexible Biennial Budget	Actual (Audited)	YTD Actual	To-Date Actual	Variance			
Revenue									
Intergovernmental Revenue	\$ 2,836,000	\$ 2,836,000	\$ 1,343,679	\$ 1,429,435	\$ 2,773,114	\$ (62,886)	98%	¹	
Intergovernmental Revenue - Capital	1,000,000	1,000,000	-	-	-	(1,000,000)	-	²	
Fines	123,000	123,000	61,442	60,014	121,456	(1,544)	99%	³	
Miscellaneous	6,000	6,000	6,768	36,446	43,214	37,214	720%	³	
Allocation of general property taxes	1,947,000	1,947,000	936,000	1,011,000	1,947,000	(0)	100%		
Total revenue	5,912,000	5,912,000	2,347,889	2,536,895	4,884,784	(1,027,216)	83%		
Expenditures									
Personnel services	2,950,000	2,950,000	1,429,896	1,470,782	2,900,678	49,322	98%		
Materials & services	384,000	384,000	188,929	185,822	374,751	9,249	98%		
Debt service	195,000	195,000	195,000	-	195,000	-	100%		
Transfers	1,410,000	1,410,000	710,000	700,000	1,410,000	-	100%		
Capital outlay	1,000,000	1,000,000	-	-	-	1,000,000	-	¹	
Total expenditures	5,939,000	5,939,000	2,523,825	2,356,604	4,880,429	1,058,571	82%		
Revenue over (under) expenditures	(27,000)	(27,000)	(175,936)	180,291	4,355	31,355			
Beginning fund balance	548,000	548,000	557,060	381,124	557,060	9,060			
Ending fund balance	\$ 521,000	\$ 521,000	\$ 381,124	\$ 561,415	\$ 561,415	\$ 40,415			

¹ Library District Revenue has not been as high as anticipated during preparation of the BN 2013-2014 budget but has been steadily increasing.

² Capital improvements and related revenue from the County for the Library did not occur during the 2013-2014 biennium and are rebudgeted for the 2015-2016 biennium.

³ Donations in services, goods and programs from the Friends of the Library.

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

Building Inspection Fund

	Biennial Budget	Flexible Biennial Budget	FY 2013 Actual (Audited)	FY 2014 YTD Actual	Total Biennium To-Date Actual	Variance	% of Budget
Revenue							
Fees & charges	\$ 652,000	\$ 652,000	\$ 248,565	\$ 212,875	\$ 461,440	\$ (190,560)	71%
Miscellaneous	10,000	10,000	1,311	798	2,109	(7,891)	21%
Total revenue	662,000	662,000	249,876	213,673	463,549	(198,451)	70%
Expenditures							
Personnel services	434,000	434,000	209,565	206,741	416,306	17,694	96%
Materials and services	21,000	21,000	10,906	9,506	20,412	588	97%
Transfers	140,000	140,000	70,000	70,000	140,000	-	100%
Total expenditures	595,000	595,000	290,471	286,247	576,718	18,282	97%
Revenue over (under) expenditures	67,000	67,000	(40,595)	(72,574)	(113,169)	(180,169)	
Beginning fund balance	192,000	192,000	284,156	243,561	284,156	92,156	
Ending fund balance	\$ 259,000	\$ 259,000	\$ 243,561	\$ 170,987	\$ 170,987	\$ (88,013)	

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

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

Transportation Fund - in Total

	Biennial Budget	Flexible Biennial Budget	FY 2013 Actual (Audited)	FY 2014 YTD Actual	Total Biennium To-Date Actual	Variance	% of Budget
Revenue							
Dedicated to St/Surf Maintenance Program:							
Fees (from street maintenance fee)	\$ 1,212,000	\$ 1,212,000	\$ 612,159	\$ 624,803	\$ 1,236,962	\$ 24,962	102%
Franchise fees (from 1.5% privilege tax)	657,000	657,000	315,054	305,351	620,405	(36,595)	94%
Intergovernmental (from local gas tax)	374,000	374,000	219,519	183,398	402,917	28,917	108%
	2,243,000	2,243,000	1,146,732	1,113,552	2,260,284	17,284	101%
Intergovernmental (from state gas tax)	2,363,000	2,363,000	1,117,175	1,171,690	2,288,865	(74,135)	97%
Intergovernmental (other)	3,497,000	3,497,000	106,231	236,787	343,018	(3,153,982)	10%
Franchise fees (from utility funds)	1,213,000	1,213,000	616,000	597,000	1,213,000	-	100%
Miscellaneous	516,000	516,000	83,955	8,542	92,497	(423,503)	18%
Total revenue	9,832,000	9,832,000	3,070,093	3,127,571	6,197,664	(3,634,336)	63%
Expenditures							
Personnel services	928,000	928,000	417,870	363,964	781,834	146,166	84%
Materials and services	1,062,000	1,062,000	455,156	347,170	802,326	259,674	76%
Transfers	2,050,000	2,050,000	1,010,000	1,040,000	2,050,000	-	100%
Capital outlay	6,792,000	6,792,000	1,603,023	1,212,576	2,815,599	3,976,401	41%
Total expenditures	10,832,000	10,832,000	3,486,049	2,963,710	6,449,759	4,382,241	60%
Revenue over (under) expenditures	(1,000,000)	(1,000,000)	(415,956)	163,861	(252,095)	747,905	
Beginning fund balance	891,000	891,000	1,738,589	1,322,633	1,738,589	847,589	
Ending net available fund balance	\$ (109,000)	\$ (109,000)	\$ 1,322,633	\$ 1,486,494	\$ 1,486,494	\$ 1,595,494	

¹ PGE experienced a 3% decrease in customers and loads from 2013 to 2014 (mainly commercial, but large commercial too), reducing our revenue based franchise fee.

² Gas taxes have increased across the board, partially due to additional stations paying taxes.

³ Projects qualifying for intergovernmental grants during the year have not yet been completed to allow for reimbursement.

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

Transportation Fund - by Program

Street Surface Maintenance Program

	Biennial Budget		Flexible Biennial Budget		FY 2013 Actual (Audited)	FY 2014 YTD Actual	Total Biennium To-Date Actual	Variance	% of Budget
	Revenue								
Dedicated to St/Surf Maintenance Program:									
Fees (from street maintenance fee)	\$ 1,212,000	\$ 1,212,000			\$ 612,159	\$ 624,803	\$ 1,236,962	\$ 24,962	102%
Franchise fees (from 1.5% privilege tax)	657,000	657,000			315,054	305,351	620,405	(36,595)	94%
Intergovernmental (from local gas tax)	374,000	374,000			219,519	183,398	402,917	28,917	108%
Miscellaneous	-	-			-	116,008	116,008	116,008	100%
Total revenue	2,243,000	2,243,000			1,146,732	1,229,560	2,376,292	133,292	106%
Expenditures									
Materials and services	120,000	120,000			14,199	12,421	26,620	93,380	22%
Transfers	412,000	412,000			202,000	210,000	412,000	-	100%
Capital outlay	2,340,000	2,340,000			1,382,963	909,170	2,292,133	47,867	98%
Total expenditures	2,872,000	2,872,000			1,599,162	1,131,591	2,730,753	141,247	95%
Revenue over (under) expenditures	(629,000)	(629,000)			(452,430)	97,969	(354,461)	274,539	
Beginning fund balance	875,000	875,000			1,903,732	1,451,302	1,903,732	1,028,732	
Ending net available fund balance	\$ 246,000	\$ 246,000			\$ 1,451,302	\$ 1,549,271	\$ 1,549,271	\$ 1,303,271	

State Gas Tax Program

	Biennial Budget		Flexible Biennial Budget		FY 2013 Actual (Audited)	FY 2014 YTD Actual	Total Biennium To-Date Actual	Variance	% of Budget
	Revenue								
Intergovernmental (from state gas tax)	2,363,000	2,363,000			1,117,175	1,171,690	2,288,865	(74,135)	97%
Intergovernmental (other)	3,497,000	3,497,000			106,231	236,787	343,018	(3,153,982)	10%
Franchise fees (from utility funds)	1,213,000	1,213,000			616,000	597,000	1,213,000	-	100%
Fee in Lieu of Construction	468,000	468,000			73,536	8,542	82,078	(385,922)	18%
Miscellaneous	48,000	48,000			10,419	-	10,419	(37,581)	22%
Total revenue	7,589,000	7,589,000			1,923,361	2,014,019	3,937,380	(3,651,620)	52%
Expenditures									
Personnel services	928,000	928,000			417,870	363,964	781,834	146,166	84%
Materials and services	942,000	942,000			440,957	334,749	775,706	166,294	82%
Transfers	1,638,000	1,638,000			808,000	830,000	1,638,000	-	100%
Capital outlay	4,452,000	4,452,000			220,060	303,406	523,466	3,928,534	12%
Total expenditures	7,960,000	7,960,000			1,886,887	1,832,119	3,719,006	4,240,994	47%
Revenue over (under) expenditures	(371,000)	(371,000)			36,474	181,900	218,374	589,374	
Beginning fund balance	16,000	16,000			(165,143)	(128,669)	(165,143)	(181,143)	
Ending net available fund balance	\$ (355,000)	\$ (355,000)			\$ (128,669)	\$ 53,231	\$ 53,231	\$ 408,231	

- 1 PGE experienced a 3% decrease in customers and loads from 2013 to 2014 (mainly commercial, but large commercial too), reducing our revenue based franchise fee.
- 2 Although state gas taxes are not as high as originally anticipated, overall gas taxes have increased across the board, partially due to additional stations paying taxes.
- 3 Unexpected ODOT refund on old capital improvement project.
- 4 Projects have not been completed to allow for reimbursement but have been rebudgeted in the 2015-2016 BN to be completed.

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

Water Fund

	Biennial Budget	Flexible Biennial Budget	FY 2013 Actual (Audited)	FY 2014 YTD Actual	Total Biennium To-Date Actual	Variance	% of Budget
Revenue							
Fees and charges	\$ 5,960,000	\$ 5,960,000	\$ 2,738,689	3,074,707	5,813,396	(146,604)	98%
Miscellaneous	144,000	144,000	82,900	83,125	166,025	22,025	115%
Total revenue	6,104,000	6,104,000	2,821,589	3,157,832	5,979,421	(124,579)	98%
Expenditures							
Personnel services	1,167,000	1,167,000	522,580	561,118	1,083,698	83,302	93%
Materials and services	1,381,000	1,381,000	601,558	706,919	1,308,477	72,523	95%
Transfers	1,970,000	1,970,000	980,000	990,000	1,970,000	-	100%
Capital outlay	965,000	965,000	281,967	308,007	589,974	375,026	61%
Total expenditures	5,483,000	5,483,000	2,386,105	2,566,044	4,952,149	530,851	90%
Revenue over (under) expenditures	621,000	621,000	435,484	591,788	1,027,272	406,272	
Beginning fund balance	2,000	2,000	(224,869)	210,615	(224,869)	(226,869)	
Ending fund balance	\$ 623,000	\$ 623,000	\$ 210,615	\$ 802,403	\$ 802,403	\$ 179,403	

¹ Large project originally budgeted for FY 2014 will not be completed until FY 2015.

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

Wastewater Fund

	Biennial		FY 2013		FY 2014		Total Biennium		% of Budget
	Budget	Flexible Biennial Budget	Actual (Audited)	YTD Actual	To-Date Actual	Variance			
Revenue									
Fees and charges	\$ 12,773,000	\$ 12,773,000	\$ 6,323,714	\$ 6,507,896	\$ 12,831,610	\$ 58,610	100%		
Intergovernmental	168,000	168,000	-	-	-	(168,000)	-	100%	¹
Miscellaneous	10,000	10,000	25,296	9,537	34,833	24,833	348%		²
Proceeds from Reimbursement District	261,000	261,000	51,468	81,396	132,864	(128,136)	51%		³
Total revenue	13,212,000	13,212,000	6,400,478	6,598,829	12,999,307	(212,693)	98%		
Expenditures									
Personnel services	854,000	854,000	393,923	398,089	792,012	61,988	93%		
Materials and services	8,956,000	8,956,000	4,409,020	4,432,690	8,841,710	114,290	99%		
Debt service	220,000	220,000	109,977	100,678	210,655	9,345	96%		
Transfers	1,950,000	1,950,000	980,000	970,000	1,950,000	-	100%		
Capital outlay	2,523,000	2,523,000	1,147,335	807,489	1,954,824	568,176	77%		¹
Total expenditures	14,503,000	14,503,000	7,040,255	6,708,946	13,749,201	753,799	95%		
Revenue over (under) expenditures	(1,291,000)	(1,291,000)	(639,777)	(110,117)	(749,894)	541,106			
Beginning fund balance	2,321,000	2,321,000	3,085,206	2,445,429	3,085,206	764,206			
Ending fund balance	\$ 1,030,000	\$ 1,030,000	\$ 2,445,429	\$ 2,335,312	\$ 2,335,312	\$ 1,305,312			

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

² Accounting entry fair value adjustment for Local Government Investment Pool in FY 2013.

³ Revenue based on connection dates which are uncontrollable by the City.

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

Stormwater Fund

	Biennial	Flexible	FY 2013	FY 2014	Total Biennium		% of Budget
	Budget	Biennial Budget	Actual (Audited)	YTD Actual	To-Date Actual	Variance	
Revenue							
Fees and charges	\$ 4,049,000	\$ 4,049,000	\$ 1,971,315	\$ 2,205,541	\$ 4,176,856	\$ 127,856	103%
Intergovernmental	1,004,000	- ¹	3,250	-	3,250	3,250	0% ¹
Miscellaneous	2,000	2,000	17,931	7,112	25,043	23,043	1252% ²
Total revenue	5,055,000	4,051,000	1,992,496	2,212,653	4,205,149	154,149	104%
Expenditures							
Personnel services	950,000	950,000	422,978	422,110	845,088	104,912	89%
Materials and services	689,000	689,000	264,237	268,431	532,668	156,332	77%
Transfers	1,500,000	1,500,000	740,000	760,000	1,500,000	-	100%
Capital outlay	2,694,000	2,694,000	85,760	125,090	210,850	2,483,150	8% ^{1,3}
Total expenditures	5,833,000	5,833,000	1,512,975	1,575,631	3,088,606	2,744,394	53%
Revenue over (under) expenditures	(778,000)	(1,782,000)	479,521	637,022	1,116,543	2,898,543	
Beginning fund balance	983,000	983,000	1,416,231	1,895,752	1,416,231	433,231	
Ending fund balance	\$ 205,000	\$ (799,000)	\$ 1,895,752	\$ 2,532,774	\$ 2,532,774	\$ 3,331,774	

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

² Accounting entry fair value adjustment for Local Government Investment Pool in FY 2013.

³ Large project originally budgeted for FY 2014 will not be completed until FY 2015.

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

Systems Development Charges Fund

	Biennial Budget	Flexible Biennial Budget	FY 2013 Actual (Audited)	FY 2014 YTD Actual	Total Biennium To-Date Actual	Variance	% of Budget
Revenue							
System development charges	\$ 646,000	\$ 646,000	\$ 15,855	\$ 57,373	\$ 73,228	\$ (572,772)	11% ¹
Miscellaneous	13,000	13,000	4,990	1,282	6,272	(6,728)	48%
Total revenue	659,000	659,000	20,845	58,655	79,500	(579,500)	12%
Expenditures							
Materials and services	130,000	130,000	66,188	-	66,188	63,812	51%
Capital outlay	1,195,000	1,195,000	81,089	292,886	373,975	821,025	31% ²
Total expenditures	1,325,000	1,325,000	147,277	292,886	440,163	884,837	33%
Revenue over (under) expenditures	(666,000)	(666,000)	(126,432)	(234,231)	(360,663)	305,337	
Beginning fund balance	1,525,000	1,525,000	1,759,844	1,633,412	1,759,844	234,844	
Ending fund balance	\$ 859,000	\$ 859,000	\$ 1,633,412	\$ 1,399,181	\$ 1,399,181	\$ 540,181	

¹ Wastewater connections did not yet exceed limitation set in County agreement for the reimbursement budgeted. Amounts may be received in future years.

² Cancellation of one large project and accounting differences for PMLR.

City of Milwaukie, Oregon
 Quarterly Financial Report
 Project Status Report
 Through the fourth quarter ended June 30, 2014

Project Status Report

Biennium-to-Date through June 30, 2014

	Number	FY13 Annual Budget	FY14 Annual Budget	Total BN Budget	FY13 Audited Actual	FY14 YTD Actual	Total BN Actual	Variance	% of Budget	Project Status
General Fund										
Portland-Milwaukie Light Rail (PMLR)	D06	4,946,000	-	4,946,000	5,073,202	30,294	5,103,496	(157,496)	103%	Accounting treatment of City obligation for PMLR.
Riverfront Construction	Q07	\$ -	\$ -	\$ -	\$ -	\$ 419,290	419,290	(419,290)	0%	Construction is underway with an expected completion date of late December.
Riverfront Design	Q04	100,000	80,000	180,000	84,027	131,283	215,310	(35,310)	120%	Initial design is complete. However, Council has been informed of a situation where ODOT is requesting additional design. Additional funding required will be taken out of the construction line item above.
Klein Point Construction	Q01	333,000	100,000	433,000	326,502	381	326,883	106,117	75%	Project completed and Metro reimbursements completed FY 2013.
Capital Campaign	Q03	30,000	30,000	60,000	34,121	-	34,121	25,879	57%	C3 Strategies work halted February 2013. Community Development will be working with Council to revitalize this project.
PSB - Replace Emergency Generator	F08	100,000	-	100,000	-	-	-	100,000	-	Clackamas County Fire District No. 1 did not receive grant funds this year for this project but believe they will in the future.
JCB - Property Retaining Wall	F09	80,000	-	80,000	-	-	-	80,000	-	This project's expenditure will be reduced to around \$5K. Public Works will shrink the scope and complete with in house labor.
Library - Seismic Bookshelf	F10	-	150,000	150,000	-	-	-	150,000	-	Project will not be completed now and the City is holding for the library expansion.
Granted Equipment	G02	-	-	-	-	15,245	15,245	(15,245)	0%	Granted equipment
PSB Bullet Proof Glass	F11	-	80,000	80,000	-	-	-	80,000	-	Project will not be completed this year though the City has enlisted an architect to do the design and specifications. When the City has funding available for the project it will be ready.
Total General Fund Capital Projects		5,589,000	440,000	6,029,000	5,517,852	596,493	6,114,345	(85,345)	101%	

City of Milwaukie, Oregon
 Quarterly Financial Report
 Project Status Report
 Through the fourth quarter ended June 30, 2014

Project Status Report

Biennium-to-Date through June 30, 2014

	Number	FY13 Annual Budget	FY14 Annual Budget	Total BN Budget	FY13 Audited Actual	FY14 YTD Actual	Total BN Actual	Variance	% of Budget	Project Status
Transportation Fund										
State Gas Tax										
Harrison Street Reconstruction - Phase 1 (Campbell to 42nd) & Monroe	S01	-	-	-	500	-	500	(500)	0%	Project completed.
Walk Safety Milwaukie Program	T01	160,000	100,000	260,000	55,311	-	55,311	204,689	21%	Because of the Fund's financial status no additional money is expected to be spent for this project until the status improves.
Lake Road Multimodal Improvements Phase 1	T02	350,000	-	350,000	-	-	-	350,000	-	This portion of the project has been eliminated. The remaining ODOT funding (approximately \$170,000) has been transferred to the 17th Avenue Multiuse Trail Project.
Union Pacific Mainline Railroad Quiet Zone	T03	195,000	-	195,000	58,638	91,287	149,925	45,075	77%	Project completed.
School Zone Implementation	T04	25,000	-	25,000	11,327	1,661	12,988	12,012	52%	All zones have been updated with the exception of downtown. Completion of the downtown school zones was held off to prevent duplication of work with TriMet improvements. Staff expects to spend the remaining \$12k.
17th Avenue Pedestrian Improvements	T05	963,000	2,000,000	2,963,000	-	176,538	176,538	2,786,462	6%	The total Metro grant for this project is \$2,963,000 split over two years with the first \$1M intended for design and the remaining \$2M for construction. The City's share of this work is split across multiple funds, but totals \$62,401 (within this budget cycle) from the State Gas Tax Fund. As of May 1, 2014 Staff began working with HHPR to advance construction drawings. Staff expects to have 20% drawings submitted to ODOT by late October.
Lake Road Safe Routes to School	T06	234,000	-	234,000	-	-	-	234,000	-	Project was cancelled via Council direction.
Adams Street Improvements	T07	60,000	365,000	425,000	91,034	33,920	124,954	300,046	29%	Project is being re-designed at the request of Metro Staff. Construction is expected to begin early spring of 2015. \$375,000 is rebudgeted for FY 2015.
Total State Gas Tax Projects		1,987,000	2,465,000	4,452,000	216,810	303,406	520,216	3,931,784	12%	

City of Milwaukie, Oregon
 Quarterly Financial Report
 Project Status Report
 Through the fourth quarter ended June 30, 2014

Project Status Report

Biennium-to-Date through June 30, 2014

	Number	FY13 Annual Budget	FY14 Annual Budget	Total BN Budget	FY13 Audited Actual	FY14 YTD Actual	Total BN Actual	Variance	% of Budget	Project Status
Street Surface Maintenance Program										
Harrison Street Reconstruction - Phase 1 & 2	S01, S06	1,355,000	855,000	2,210,000	1,354,763	678,667	2,033,430	176,570	92%	Project completed.
SSMP Preventative Maintenance	S04	65,000	65,000	130,000	2,875	198,140	201,015	(71,015)	155%	Project completed. It was coupled with FY14's SSMP Preventative Maintenance for a combined total of \$130,000.
McBrod Avenue	S07	-	-	-	12,375	-	12,375	(12,375)	0%	Survey was performed ahead of schedule so that the McBrod water project could also take advantage of the survey data.
Granted Equipment	G02	-	-	-	3,250	-	3,250	(3,250)	0%	Granted equipment
Lake Road	T02	-	-	-	12,950	-	12,950	(12,950)	0%	Match payment for Lake Road.
ADA Pedestrian Push Buttons	S09	-	-	-	-	23,534	23,534	(23,534)	0%	Project is completed. This project upgraded intersections impacted by the SSMP as required by ADA.
ADA Ramp Enhancement	S08	-	-	-	-	8,829	8,829	(8,829)	0%	Project is complete. This amount was the City's match to a larger Clackamas County project that upgraded ADA ramps throughout the City.
Total Street Surface Maintenance Program Projects		1,420,000	920,000	2,340,000	1,386,213	909,170	2,295,383	44,617	98%	
Total Transportation Fund Capital Projects		3,407,000	3,385,000	6,792,000	1,603,023	1,212,576	2,815,599	3,976,401	41%	
Water Fund										
Granted Equipment	G02	-	-	-	3,250	-	3,250	(3,250)	0%	Granted equipment
Portland-Milwaukie Light Rail (PMLR)	D06	-	-	-	-	30,500	30,500	(30,500)	0%	Accounting treatment of City obligation for PMLR.
Maintenance Improvements	W03	40,000	40,000	80,000	18,935	40,627	59,562	20,438	74%	Miscellaneous improvements.
Harrison St Water System Improvement Ph II (21st to UPRR Crossing)	W04	404,000	-	404,000	259,782	122,333	382,115	21,885	95%	Project completed.
McBrod Ave Water System Improvements	W27	-	481,000	481,000	-	-	-	481,000	-	Project funding moved to Monroe Street due to failed waterline. McBrod slated and budgeted in FY 2015.
Monroe Street Water System Improvement	W34	-	400,000	400,000	-	114,547	114,547	285,453	29%	This project is in the final stages of being complete. Final payment to the contractor is being negotiated and should be resolved shortly.
Total Water Fund Capital Projects		444,000	921,000	965,000	281,967	308,007	475,427	489,573	49%	

City of Milwaukie, Oregon
Quarterly Financial Report
Project Status Report
Through the fourth quarter ended June 30, 2014

Project Status Report

Biennium-to-Date through June 30, 2014

	Number	FY13 Annual Budget	FY14 Annual Budget	Total BN Budget	FY13 Audited Actual	FY14 YTD Actual	Total BN Actual	Variance	% of Budget	Project Status
Wastewater Fund										
Granted Equipment	G02	-	-	-	3,250	-	3,250	(3,250)	0%	Granted equipment
Harrison Street LRT Crossing Replacement	X01	120,000	-	120,000	-	-	-	120,000	-	This total includes \$58,000 from TriMet and \$62,000 from the City. Project work was completed as a part of the Pipe Replacement for PMLR and SSMP (without transfer of any funds). Project completed.
Monroe Street LRT Crossing Replacement	X02	220,000	-	220,000	-	-	-	220,000	-	This total includes \$110,000 from TriMet and \$110,000 from the City. Work was completed as a part of the Pipe Replacement for PMLR and SSMP (without transfer of any funds). Project completed.
Wastewater Main Repair Program	X07	110,000	100,000	210,000	67,154	97,207	164,361	45,639	78%	Project completed.
Pipe Replacement for Light Rail and SSMP	X08	1,393,000	-	1,393,000	1,076,681	561,885	1,638,566	(245,566)	118%	Project completed. Combined over multiple projects.
Clay Pipe Replacement	X10	-	530,000	530,000	-	148,397	148,397	381,603	28%	Project completed. Combined over multiple projects.
Manhole Replacement	X11	-	50,000	50,000	250	-	250	49,750	1%	Project is expected to be completed by Oct. 31st. Staff anticipates a total cost \$1,222,000 combined over all the projects involved.
Total Wastewater Fund Capital Projects		1,843,000	680,000	2,523,000	1,147,335	807,489	1,954,824	568,176	77%	
Stormwater Fund										
Granted Equipment	G02	-	-	-	3,250	-	3,250	(3,250)	0%	Granted equipment
Portland-Milwaukie Light Rail (PMLR)	D06	-	-	-	-	14,450	14,450	(14,450)	0%	Accounting treatment of City obligation for PMLR.
Stormwater Master Plan	Y01	60,000	-	60,000	79,113	47,338	126,451	(66,451)	211%	Project completed. Overages will be absorbed into Stormwater Capital Outlay in lieu of supplemental budget as proposed by Finance.
Upsizing Storm Pipe at Rail Crossing	Y02	75,000	-	75,000	-	-	-	75,000	-	Project Completed.
UIC Decommission/Pretreat Program	Y03	90,000	90,000	180,000	-	-	-	180,000	-	Staff is currently waiting on a permit from DEQ to determine which UIC's will need decommissioning and how they will be decommissioned. \$100,000 is included in the FY 2019 CIP.
Kellogg Creek Dam Removal and HWY 99E Underpass	Y04	350,000	754,000	1,104,000	-	-	-	1,104,000	-	Tied to Wildlands Contract. Undetermined when (or if) this money will be spent.
Stanley Avenue Pipe Replacement	Y05	600,000	675,000	1,275,000	3,397	63,302	66,699	1,208,301	5%	The project has been designed and is now in a permitting stage with Union Pacific Railroad. Staff expects this project to be bid out early 2015 and has rebudgeted \$1,200,000 in FY 2015.
Total Stormwater Fund Capital Projects		1,175,000	1,519,000	2,694,000	85,760	125,090	210,850	2,483,150	8%	

City of Milwaukie, Oregon
 Quarterly Financial Report
 Project Status Report
 Through the fourth quarter ended June 30, 2014

Project Status Report

Biennium-to-Date through June 30, 2014

	Number	FY13 Annual Budget	FY14 Annual Budget	Total BN Budget	FY13 Audited Actual	FY14 YTD Actual	Total BN Actual	Variance	% of Budget	Project Status
SDC Fund										
Portland-Milwaukie Light Rail (Wastewater)	D06	1,000	-	1,000	-	566	566	434	57%	Accounting treatment of City obligation for PMLR.
Portland-Milwaukie Light Rail (Water)	D06	74,000	-	74,000	25,021	13,535	38,556	35,444	52%	Accounting treatment of City obligation for PMLR.
Portland-Milwaukie Light Rail (Storm)	D06	60,000	-	60,000	-	3,242	3,242	56,758	5%	Accounting treatment of City obligation for PMLR.
Union Pacific Mainline Railroad Quiet Zone (Transportation)	T03	50,000	-	50,000	-	50,000	50,000	-	100%	Project is complete.
17th Avenue Pedestrian Improvements (Transportation)	T05	50,000	-	50,000	-	-	-	50,000	-	Portion of City's match for the improvements on 17th Ave. This money has been transferred and is in holding with ODOT. Will be expended and has been rebudgeted in FY 2015.
Kellogg Lake Multi Use Bridge (Transportation)	T08	200,000	-	200,000	-	136,108	136,108	63,892	68%	Matching funds for a Metro Grant. The bridge has been finished, but a solution for the landings is still being analyzed.
Harrison St Water System Improvement Ph II (21st to UPRR Crossing) (Water)	W04	81,000	-	81,000	44,741	28,930	73,671	7,329	91%	Work under this project title was combined with the Clay Pipe Replacement project.
McBrod Ave Water System Improvements (Water)	W27		79,000	79,000	-	-	-	79,000	-	Planning and design work on this project has begun. Construction is currently expected to begin early summer 2015 and funds have been rebudgeted in FY 2015.
Pipe Replacement for Light Rail and SSMP (Wastewater)	X08	150,000	-	150,000	-	60,505	60,505	89,495	40%	Work is complete.
Brookside Forcemain (Wastewater)	X09	-	450,000	450,000	11,327	-	11,327	438,673	3%	This project was cancelled after a memorandum was sent to Council.
Total SDC Fund Capital Projects		666,000	529,000	1,195,000	81,089	292,886	373,975	821,025	31%	
Total		\$ 11,281,000	\$ 6,794,000	\$ 17,675,000	\$ 7,569,691	\$ 2,535,052	\$ 9,990,196	\$ 7,684,804		

