



MILWAUKIE
Dogwood City of the West

QUARTERLY FINANCIAL REPORT

Reporting financial results
for the third quarter ended
March 31, 2015

Executive Summary

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

FINANCIAL STATEMENTS FOR QUARTER ENDED MARCH 31, 2015

The City of Milwaukie Comprehensive Annual Financial Statements (CAFR) were issued on December 22, 2014 and are available for review at www.cityofmilwaukie.org/finance.

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.

Both reports have been submitted to the GFOA for acknowledgement and we are eagerly awaiting our award status.

QUARTERLY HIGHLIGHTS

This third quarter financial report summarizes the financial results for the third 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.

Third 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 March 31, 2015, 45% of budgeted property taxes for the biennium were received by the end of the quarter. Overall, General Fund revenues are right on target at 103% and expenditures are below budget at 98%.

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 147%. 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 which had low upfront payments resulting in year-to-date expenditures of 21%.

The Library Fund receives distributions from the Library District of Clackamas County in the third and fourth quarters. The Library Fund reflecting a significant portion of the budgeted distribution. Library revenues are in excess of budget and currently sit at 106%. District capital funds that have been budgeted but are dependent on the Library Expansion Taskforce decisions have been omitted in this report. 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 85% of expectation at the end of the third quarter, consistent with the previous quarter. It is important that we continue to monitor this Fund closely. Expenditures are low at 81% due to the Building Official position being open for two months out of the first quarter. This position is now filled and the Building Official, in conjunction with Finance, has reviewed and proposed updated fees and charges for building inspection services to the City Council. These fees and charges are currently with the State for approval and are slated to be eligible for adoption by Council in June.

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 100% while expenditures are below budget at 70%. 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 also right on target at 100% and expenditures are below budget at 90%. 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 112% of budget and expenditures at 97% of budget. In the previous quarter, revenues were trending at 122% 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 104% of budget and expenditures at 85% of budget. A primary expenditure in the Wastewater Fund is the treatment payment to Water Environmental Services (WES), of which only eight 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.

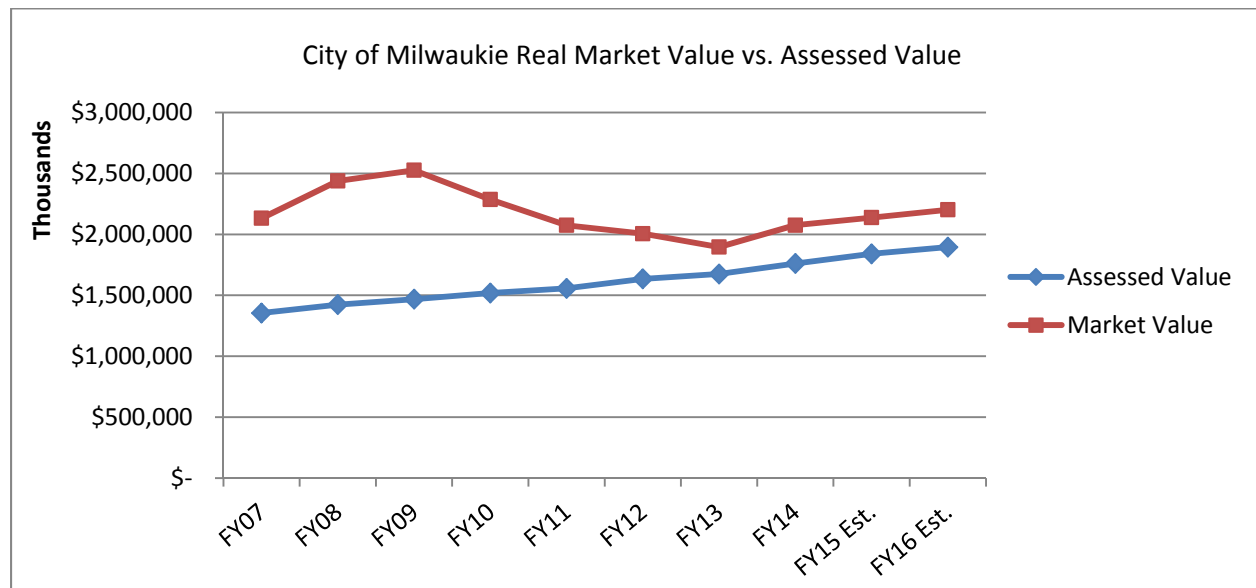
Many SDC Fund projects have not yet been started and revenues are higher than anticipated at 149%.

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 Tax Bills Mailed out by County

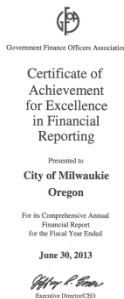
Clackamas County mailed out property tax bills during the second quarter. Although market values have dropped over the last couple of years, this five-year downward trend has turned around. Understanding that every individual property is different, at least in total, the City’s real market and assessed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



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 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

11 May 2015

City of Milwaukie, Oregon
 Quarterly Financial Report
 Budget-to-Actual
 Through the third quarter ended March 31, 2015

All City Funds

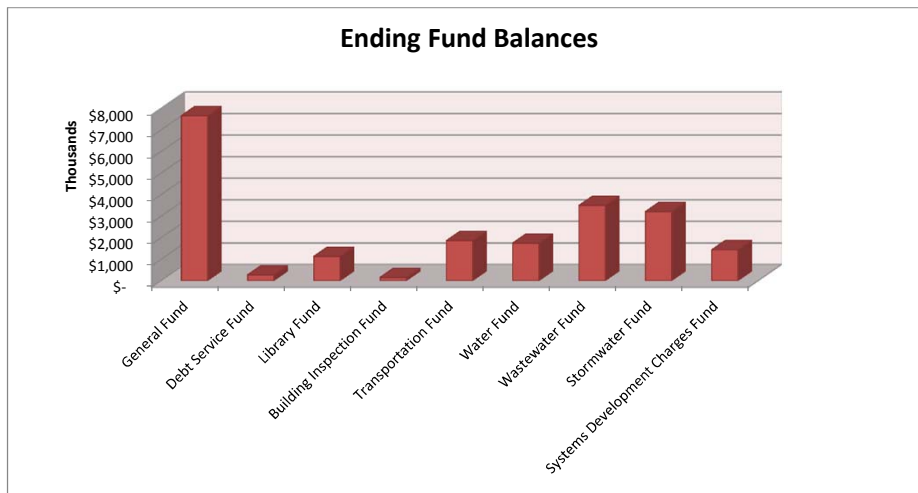
Fund	Beginning Fund Balance as of July 1, 2014	Year-to-Date through June 30, 2015		Ending Fund Balance as of March 31, 2015	Change in Fund Balance
		Revenues	Expenditures		
1 General Fund	\$ 6,039,475	\$ 18,715,905	\$ 17,111,062	\$ 7,644,318	\$ 1,604,843 ¹
2 Debt Service Fund	-	315,314	51,622	263,692	263,692
3 Library Fund	550,813	2,313,930	1,742,780	1,121,963	571,150 ²
4 Building Inspection Fund	169,947	152,004	174,537	147,414	(22,533)
5 Transportation Fund	1,458,650	2,446,512	2,057,779	1,847,383	388,733 ³
6 Water Fund	780,925	2,803,633	1,847,429	1,737,129	956,204 ⁴
7 Wastewater Fund	2,318,157	5,393,704	4,229,075	3,482,786	1,164,629 ⁴
8 Stormwater Fund	2,528,009	1,934,043	1,267,988	3,194,064	666,055 ⁴
9 Systems Development Charges Fund					
Transportation SDC Department	298,538	14,304	12,963	299,879	1,341
Water SDC Department	170,336	2,265	-	172,601	2,265
Wastewater SDC Department	727,693	23,101	-	750,794	23,101
Stormwater SDC Department	196,222	3,396	-	199,618	3,396
Systems Development Charges Fund	1,392,789	43,066	12,963	1,422,892	30,103
Totals	\$ 15,238,765	\$ 34,118,111	\$ 28,495,235	\$ 20,861,641	\$ 5,622,876

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 projects have not been scheduled to begin this early in the biennium.



City of Milwaukie, Oregon
Quarterly Financial Report
Budget-to-Actual
Through the third quarter ended March 31, 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	\$ 5,796,000	\$ 6,109,990	\$ 6,109,990	\$ 313,990	105%
Licenses & permits	775,000	291,000	377,569	377,569	86,569	130%
Franchise fees	3,239,000	1,134,000	1,129,717	1,129,717	(4,283)	100%
Intergovernmental	3,755,000	1,408,000	1,731,118	1,731,118	323,118	123%
Fines & forfeitures	3,066,000	1,150,000	845,261	845,261	(304,739)	74%
Miscellaneous	333,000	125,000	194,356	194,356	69,356	155%
	24,648,000	9,904,000	10,388,011	10,388,011	484,011	105%
Other financing sources	5,000,000	5,000,000	5,012,894	5,012,894	12,894	100%
Transfers	8,890,000	3,315,000	3,315,000	3,315,000	-	100%
Total revenue	38,538,000	18,219,000	18,715,905	18,715,905	496,905	103%
Expenditures						
City Council	169,000	63,000	44,798	44,798	18,202	71%
City Manager	1,509,000	566,000	494,612	494,612	71,388	87%
Community Development	4,033,000	2,017,000	2,542,892	2,542,892	(525,892)	126%
Public Works Administration	1,198,000	449,000	350,447	350,447	98,553	78%
Engineering Services	1,190,000	446,000	362,030	362,030	83,970	81%
Facilities Management	2,493,000	935,000	642,785	642,785	292,215	69%
Finance	1,904,000	714,000	633,814	633,814	80,186	89%
Fleet Services	2,297,000	861,000	886,224	886,224	(25,224)	103%
Human Resources	640,000	240,000	207,781	207,781	32,219	87%
Information Technology	2,296,000	861,000	832,513	832,513	28,487	97%
Municipal Court	755,000	283,000	238,032	238,032	44,968	84%
Planning Services	1,295,000	486,000	364,355	364,355	121,645	75%
Code Enforcement	343,000	129,000	128,261	128,261	739	99%
Public Access Studio	186,000	70,000	55,266	55,266	14,734	79%
Records and Information Management	874,000	328,000	284,387	284,387	43,613	87%
Non-Departmental	5,758,000	4,031,000	4,444,992	4,444,992	(413,992)	110%
Police Administration	1,072,000	402,000	398,365	398,365	3,635	99%
Police Field Services	11,508,000	4,316,000	3,975,498	3,975,498	340,502	92%
Police Support Services	688,000	258,000	224,010	224,010	33,990	87%
Total expenditures	40,208,000	17,455,000	17,111,062	17,111,062	343,938	98%
Revenue over (under) expenditures	(1,670,000)	764,000	1,604,843	1,604,843	840,843	
Beginning fund balance	5,293,000	5,293,000	6,039,475	6,039,475	746,475	
Ending fund balance	\$ 3,623,000	\$ 6,057,000	\$ 7,644,318	\$ 7,644,318	\$ 1,587,318	

¹ Intergovernmental revenues are partially capital grants and partially ongoing revenues. Most related capital project expenditures have been made, therefore revenues have been recorded.

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 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 third quarter ended March 31, 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	\$ 209,000	\$ 308,044	\$ 308,044	\$ 99,044	147%
Intergovernmental	169,000	63,000	7,270	7,270	(55,730)	12%
Total revenue	655,000	272,000	315,314	315,314	43,314	116%
Expenditures						
Debt Service	655,000	246,000	51,622	51,622	194,378	21% ¹
Total expenditures	655,000	246,000	51,622	51,622	194,378	21%
Revenue over (under) expenditures	-	26,000	263,692	263,692	237,692	
Beginning fund balance	-	-	-	-	-	
Ending fund balance	\$ -	\$ 26,000	\$ 263,692	\$ 263,692	\$ 237,692	

¹ Debt service expenditures are made on a semi-annual 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 third quarter ended March 31, 2015

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	\$ 1,330,000	\$ 1,385,380	\$ 1,385,380	\$ 55,380	104% ¹
Intergovernmental Revenue - Capital	1,000,000	-		-	-	- ²
Fines	126,000	47,000	45,818	45,818	(1,182)	97%
Miscellaneous	4,000	2,000	16,704	16,704	14,704	835%
Allocation of general property taxes	1,884,000	810,000	866,028	866,028	56,028	107%
Total revenue	6,036,000	2,189,000	2,313,930	2,313,930	124,930	106%
Expenditures						
Personnel services	3,266,000	1,225,000	1,100,723	1,100,723	124,277	90%
Materials & services	374,000	140,000	117,057	117,057	22,943	84%
Transfers	1,380,000	515,000	525,000	525,000	(10,000)	102%
Capital outlay	1,000,000	-	-	-	-	- ²
Total expenditures	6,020,000	1,880,000	1,742,780	1,742,780	137,220	93%
Revenue over (under) expenditures	16,000	309,000	571,150	571,150	262,150	
Beginning fund balance	422,000	422,000	550,813	550,813	128,813	
Ending fund balance	\$ 438,000	\$ 731,000	\$ 1,121,963	\$ 1,121,963	\$ 390,963	

¹ Library District Revenue has been received and we anticipate that this revenue will be over budget for FY15 by approximately \$50,000.

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.

City of Milwaukie, Oregon
Quarterly Financial Report
Budget-to-Actual
Through the third quarter ended March 31, 2015

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	\$ 176,000	\$ 150,285	\$ 150,285	\$ (25,715)	85%
Miscellaneous	5,000	2,000	1,719	1,719	(281)	86%
Total revenue	473,000	178,000	152,004	152,004	(25,996)	85%
Expenditures						
Personnel services	451,000	169,000	135,227	135,227	33,773	80%
Materials and services	25,000	9,000	1,810	1,810	7,190	20%
Transfers	100,000	37,000	37,500	37,500	(500)	101%
Total expenditures	576,000	215,000	174,537	174,537	40,463	81%
Revenue over (under) expenditures	(103,000)	(37,000)	(22,533)	(22,533)	14,467	
Beginning fund balance	147,000	147,000	169,947	169,947	22,947	
Ending fund balance	\$ 44,000	\$ 110,000	\$ 147,414	\$ 147,414	\$ 37,414	

¹ Building activity continues to be low. Rate structures for approval by the State have been formulated by the Building Official and reviewed with Council for a July 1, 2015 adoption.

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 third quarter ended March 31, 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	\$ 462,000	\$ 465,848	\$ 465,848	\$ 3,848	101%
Franchise fees (from 1.5% privilege tax)	647,000	324,000	314,819	314,819	(9,181)	97%
Intergovernmental (from local gas tax)	352,000	103,000	107,512	107,512	4,512	104%
	<u>2,231,000</u>	<u>889,000</u>	<u>888,179</u>	<u>888,179</u>	<u>(821)</u>	<u>100%</u>
Intergovernmental (from state gas tax)	2,373,000	791,000	783,580	783,580	(7,420)	99%
Intergovernmental (other)	3,295,000	297,000	277,698	277,698	(19,302)	94%
Franchise fees (from utility funds)	1,368,000	531,000	489,000	489,000	(42,000)	92%
Miscellaneous	100,000	13,000	8,055	8,055	(4,945)	62%
	<u>9,367,000</u>	<u>2,521,000</u>	<u>2,446,512</u>	<u>2,446,512</u>	<u>(74,488)</u>	<u>97%</u>
Expenditures						
Personnel services	981,000	368,000	290,223	290,223	77,777	79%
Materials and services	911,000	342,000	239,972	239,972	102,028	70%
Transfers	1,890,000	705,000	723,750	723,750	(18,750)	103%
Capital outlay	5,645,000	1,074,000	803,834	803,834	270,166	75%
	<u>9,427,000</u>	<u>2,489,000</u>	<u>2,057,779</u>	<u>2,057,779</u>	<u>431,221</u>	<u>83%</u>
Revenue over (under) expenditures	(60,000)	32,000	388,733	388,733	356,733	
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>\$ 1,396,000</u>	<u>\$ 1,847,383</u>	<u>\$ 1,847,383</u>	<u>\$ 451,383</u>	

City of Milwaukie, Oregon
Quarterly Financial Report
Budget-to-Actual
Through the third quarter ended March 31, 2015

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	\$ 462,000	\$ 465,848	\$ 465,848	\$ 3,848	101%
Franchise fees (from 1.5% privilege tax)	647,000	324,000	314,819	314,819	(9,181)	97%
Intergovernmental (from local gas tax)	352,000	103,000	107,512	107,512	4,512	104%
Total revenue	2,231,000	889,000	888,179	888,179	(821)	100%
Expenditures						
Materials and services	141,000	53,000	9,971	9,971	43,029	19%
Transfers	378,000	141,000	144,750	144,750	(3,750)	103%
Capital outlay	2,000,000	746,000	506,218	506,218	239,782	68%
Total expenditures	2,519,000	940,000	660,939	660,939	279,061	70%
Revenue over (under) expenditures	(288,000)	(51,000)	227,240	227,240	278,240	
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	\$ 1,448,000	\$ 1,766,259	\$ 1,766,259	\$ 318,259	

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	791,000	783,580	783,580	(7,420)	99%
Intergovernmental (other)	3,295,000	297,000	277,698	277,698	(19,302)	94%
Franchise fees (from utility funds)	1,417,000	531,000	489,000	489,000	(42,000)	92%
Fee in Lieu of Construction	100,000	13,000	-	-	(13,000)	-
Miscellaneous	-	-	8,055	8,055	8,055	100%
Total revenue	7,185,000	1,632,000	1,558,333	1,558,333	(73,667)	95%
Expenditures						
Personnel services	981,000	368,000	290,223	290,223	77,777	79%
Materials and services	770,000	289,000	230,001	230,001	58,999	80%
Transfers	1,512,000	564,000	579,000	579,000	(15,000)	103%
Capital outlay	3,645,000	328,000	297,616	297,616	30,384	91%
Total expenditures	6,908,000	1,549,000	1,396,840	1,396,840	152,160	90%
Revenue over (under) expenditures	277,000	83,000	161,493	161,493	78,493	
Beginning fund balance	(135,000)	(135,000)	(80,369)	(80,369)	54,631	
Ending net available fund balance	\$ 142,000	\$ (52,000)	\$ 81,124	\$ 81,124	\$ 133,124	

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.

City of Milwaukie, Oregon
Quarterly Financial Report
Budget-to-Actual
Through the third quarter ended March 31, 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	\$ 2,420,000	2,760,257	2,760,257	340,257	114% ¹
Miscellaneous	196,000	74,000	43,376	43,376	(30,624)	59%
Total revenue	6,648,000	2,494,000	2,803,633	2,803,633	309,633	112%
Expenditures						
Personnel services	1,277,000	479,000	434,722	434,722	44,278	91%
Materials and services	1,584,000	594,000	519,501	519,501	74,499	87%
Transfers	1,830,000	682,000	686,250	686,250	(4,250)	101%
Capital outlay	1,522,000	152,000	206,956	206,956	(54,956)	136% ²
Total expenditures	6,213,000	1,907,000	1,847,429	1,847,429	59,571	97%
Revenue over (under) expenditures	435,000	587,000	956,204	956,204	369,204	
Beginning fund balance	395,000	395,000	780,925	780,925	385,925	
Ending fund balance	\$ 830,000	\$ 982,000	\$ 1,737,129	\$ 1,737,129	\$ 755,129	

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.

² See project status report for further information.

City of Milwaukie, Oregon
Quarterly Financial Report
Budget-to-Actual
Through the third quarter ended March 31, 2015

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	\$ 5,189,000	\$ 5,209,539	\$ 5,209,539	\$ 20,539	100%
Miscellaneous	8,000	3,000	2,378	2,378	(622)	79%
Proceeds from Reimbursement District	30,000	11,000	181,787	181,787	170,787	1653%
Total revenue	13,874,000	5,203,000	5,393,704	5,393,704	190,704	104%
Expenditures						
Personnel services	937,000	351,000	308,419	308,419	42,581	88%
Materials and services	9,743,000	3,248,000	3,094,722	3,094,722	153,278	95%
Debt service	220,000	83,000	104,416	104,416	(21,416)	126%
Transfers	1,820,000	679,000	663,750	663,750	15,250	98%
Capital outlay	1,709,000	641,000	57,768	57,768	583,232	9%
Total expenditures	14,429,000	5,002,000	4,229,075	4,229,075	772,925	85%
Revenue over (under) expenditures	(555,000)	201,000	1,164,629	1,164,629	963,629	
Beginning fund balance	2,196,000	2,196,000	2,318,157	2,318,157	122,157	
Ending fund balance	\$ 1,641,000	\$ 2,397,000	\$ 3,482,786	\$ 3,482,786	\$ 1,085,786	

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

City of Milwaukie, Oregon
Quarterly Financial Report
Budget-to-Actual
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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	\$ 2,055,000	\$ 1,928,471	\$ 1,928,471	\$ (126,529)	94%
Intergovernmental	1,004,000	- ¹	-	-	-	0%
Miscellaneous	20,000	7,500	5,572	5,572	(1,928)	74%
Total revenue	6,505,000	2,062,500	1,934,043	1,934,043	(128,457)	94%
Expenditures						
Personnel services	1,375,000	516,000	356,407	356,407	159,593	69%
Materials and services	852,000	320,000	226,080	226,080	93,920	71%
Transfers	1,870,000	697,000	678,750	678,750	18,250	97%
Capital outlay	4,547,000	23,000	6,751	6,751	16,249	29%
Total expenditures	8,644,000	1,556,000	1,267,988	1,267,988	288,012	81%
Revenue over (under) expenditures	(2,139,000)	506,500	666,055	666,055	159,555	
Beginning fund balance	2,392,000	2,392,000	2,528,009	2,528,009	136,009	
Ending fund balance	\$ 253,000	\$ 2,898,500	\$ 3,194,064	\$ 3,194,064	\$ 295,564	

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	\$ 29,000	\$ 42,826	\$ 42,826	\$ 13,826	148% ¹
Miscellaneous	-	-	240	240	240	100%
Total revenue	78,000	29,000	43,066	43,066	14,066	149%
Expenditures						
Capital outlay	430,000	161,000	12,963	12,963	148,037	8% ²
Total expenditures	430,000	161,000	12,963	12,963	148,037	8%
Revenue over (under) expenditures	(352,000)	(132,000)	30,103	30,103	162,103	
Beginning fund balance	1,318,000	1,318,000	1,392,789	1,392,789	74,789	
Ending fund balance	\$ 966,000	\$ 1,186,000	\$ 1,422,892	\$ 1,422,892	\$ 236,892	

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
Through the third quarter ended March 31, 2015

Project Status Report

Biennium-to-Date through March 31, 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.
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 - lump sum bid amount shown.
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 - Fac	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.
HVAC Intake Relocation - Johnson Creek Building - Facilities	F	-	15,000	15,000	-	15,000	-	Work slated for Fall-Winter 2015.
EOC Configuration - Public Safety Building - Facilities	F	-	10,000	10,000	-	10,000	-	Work to complete by June 30, 2015.
CMMS Upgrade - Public Works	G01	80,000	-	80,000	24,098	55,902	30%	Implementation underway, contract for purchase and implementation is complete.
Computer Refresh - IT	I02	45,000	-	45,000	50,567	45,000	-	In progress, materials have been received; imaging is in process; deployment to begin in June 2015.
Server Virtualization Capacity Expansion - IT	I03	-	37,000	37,000	-	37,000	-	Virtualization migration is in progress; migrations will continue in Q4 and into the following 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	24,162	13,838	64%	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	28,800	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	61,620	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	7,170	17,000	-	In various stages of purchasing.
Fuel Pumps and Software - Fleet	K05	35,000	-	35,000	-	35,000	-	Contract request for \$37k will go to CC on 6/1/15.
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	2,051,466	2,292,000	-	The on-site work is in a Punchlist Phase, with work yet to be completed for ODOT. Staff will work to close all issues by the end of June 2015.
Public Access Studio Equipment Replacement	V01	44,000	52,000	96,000	38,858	57,142	40%	Completed in October 2014.
Incode Version X Upgrade	F15	-	90,000	90,000	-	90,000	-	To be completed in FY2016.
Police Vehicle Replacement	Z09	100,000	100,000	200,000	55,628	144,372	28%	Two vehicles purchased.
Total General Fund Capital Projects		\$ 3,841,000	\$ 594,000	\$ 4,435,000	\$ 2,785,465	\$ 3,823,171	14%	

Library Fund

City of Milwaukie, Oregon
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 Project Status Report
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Project Status Report

Biennium-to-Date through March 31, 2015

	Project Number	FY15 Annual Budget	FY16 Annual Budget	Total BN Budget	FY15 YTD Actual	Variance	% of Budget	Project Status
Library Expansion	L03	\$ -	\$ 1,000,000	\$ 1,000,000		\$ 1,000,000	-	The Library Expansion Task Force (LETf) resumed monthly meetings on February 4, 2015. Waiting to see if the project is on Council's goals for the coming year.
Total Library Fund Capital Projects		\$ -	\$ 1,000,000	\$ 1,000,000	\$ -	\$ 1,000,000	-	

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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	\$ 6,514	\$ 368,486	2%	Construction began the week of May 4th and is expected to be finished around the 1st of July.
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 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.
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	\$ 297,615	\$ 3,347,385	8%	

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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
Street Surface Maintenance Program							
SSMP Paving	\$ 550,000	\$ 1,250,000	\$ 1,800,000	\$ 506,219	\$ 1,293,781	28%	This years paving consists of reconstructing Railroad Avenue with an additional 4 feet (as directed by Council). The project will go out to bid May 29th, 2015 so that construction can begin near the 1st of August. This project will likely need a supplemental budget adjustment to cover the additional expenditures for widening.
SSMP Preventative Maintenance	65,000	65,000	130,000	-	130,000	-	Project is out to bid and will take place August of 2015. Left over funding will be needed for project S10.
Crack Seal Machine	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	\$ 506,219	\$ 1,493,781	25%	
Total Transportation Fund Capital Projects	\$ 4,230,000	\$ 1,415,000	\$ 5,645,000	\$ 803,834	\$ 4,841,166	14%	
Water Fund							
McBrod Ave Water System Improvements	\$ 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 conence May 13th and be wrapped up near July 1st, 2015.
Water Production Preventative Maintenance	40,000	52,000	92,000	1,500	90,500	2%	Ongoing maintenance.
Water Well No. 6 & Well No. 2 Storage Tank Maintenance	150,000	400,000	550,000	-	550,000	-	Completion scheduled for Summer of 2015.
Wood Avenue Service Line Transfer	10,000	-	10,000	-	10,000	-	Completion scheduled for Summer of 2015.
Water System Improvements	-	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	\$ 206,956	\$ 1,315,044	14%	

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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.
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%	Construction began May 4th and will run into July.
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	-	100%	Gathering quotes for purchase.
Total Wastewater Fund Capital Projects		\$ 806,000	\$ 903,000	\$ 1,709,000	\$ 57,768	\$ 1,651,232	3%	
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%	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 so that construction will happen this summer.
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%	

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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							
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.
Portland-Milwaukie Light Rail	20,000	-	20,000	-	20,000	-	Project soon to be completed.
17th Avenue Multi-Use Trail - Stormwater	100,000	-	100,000	-	100,000	-	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.
Kellogg Multi-Use Bridge - Streets	200,000	-	200,000	12,963	187,037	6%	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	\$ 12,963	\$ 417,037	3%	
Total	\$ 10,929,000	\$ 5,650,000	\$ 16,579,000	\$ 3,815,969	\$ 14,936,667		

