



MILWAUKIE
Dogwood City of the West

Quarterly Financial Report

Reporting financial results
for the second quarter ended
December 31, 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 second quarter ended December 31, 2015 relating to the fiscal year ending June 30, 2016.

FINANCIAL STATEMENTS FOR QUARTER ENDED DECEMBER 31, 2015

Our auditors completed their annual audit fieldwork and issued their opinion for submission to the Secretary of State – Audits Division before the December 31, 2015 filing deadline. The Comprehensive Annual Financial Report (CAFR) is available for review at www.milwaukieoregon.gov.

The City's Popular Annual Financial Report (PAFR) was also completed and is available online at www.milwaukieoregon.gov/finance. 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.

QUARTERLY HIGHLIGHTS

This financial report summarizes the financial results for the second quarter of fiscal year ending June 30, 2016 (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, 2015 for all funds would total \$10,785,000. In our financial statements for June 30, 2015, audited ending fund balances for all funds came in higher at \$18,014,000. Much of this variance is due to projects that were delayed into the second year of the biennium.

Second Quarter Financial Results

The General Fund and Library Fund are dependent upon property taxes and distributions from the Library District of Clackamas County. At December 31, 2015, 92% of budgeted property taxes for the biennium were received by the end of quarter. Overall, General Fund revenues are on target and expenditures are below budget at 93%. Three departments in the General Fund are over budget at the end of this second quarter; two of which should be adjusted through a supplemental budget process.

The Debt Service Fund is strong and stable with revenues at 113% of budget (due again to property taxes) and expenditures at 94% of budget. At year end, we expect this fund to be right in line with budget.

The Building Inspection Fund is beginning to recover from the lull in revenue production, with total revenue at 120% of expectation at the end of the first quarter. Substantial fee increases

were implemented to ensure this fund's self-supporting nature. Expenditures are slightly low at 95% due to the Building Official position being vacant for two months during the prior year. The Building Inspection department recently brought some previously outsourced permitting in house. This change will create a change in how we account for the issuance of these permits and will therefore, necessitate a supplemental budget adjustment.

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 no distribution to date. The Library Fund did however receive a majority of its property taxes bringing overall revenue figures to 103% of budget. Library expenditures are right on target at 95%, without regard to District capital funds budgeted for use.

The Transportation Fund is broken out into two distinct departments, separating its two main functions. These two functions are the Street Surface Maintenance program and the State Gas Tax program.

State gas tax is 104% of budget and local gas tax is 98% of budget. Street Surface Maintenance revenues are low at 82% due to the timing of the PGE privilege payment. Expenditures are above budget (126% of budget) due to capital project timing. We expect these expenditures to even out during the remainder of the year.

State Gas Tax revenues and expenditures are at 57% and 55% respectively. State Gas Tax figures are low due to capital project timing. In this report, ending fund balance for State Gas Tax recovers from the prior quarter where it dipped below zero as franchise fees and intergovernmental revenues were received during the current quarter.

Water Fund revenues are at 121% of budget and expenditures at 84% of budget. In the first few quarters of the year we expect to see much higher revenues in the Water Fund due to seasonal impacts on water consumption. We do not anticipate that revenues will continue to trend at 121% though we do expect that the fund will remain healthy.

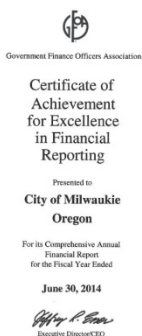
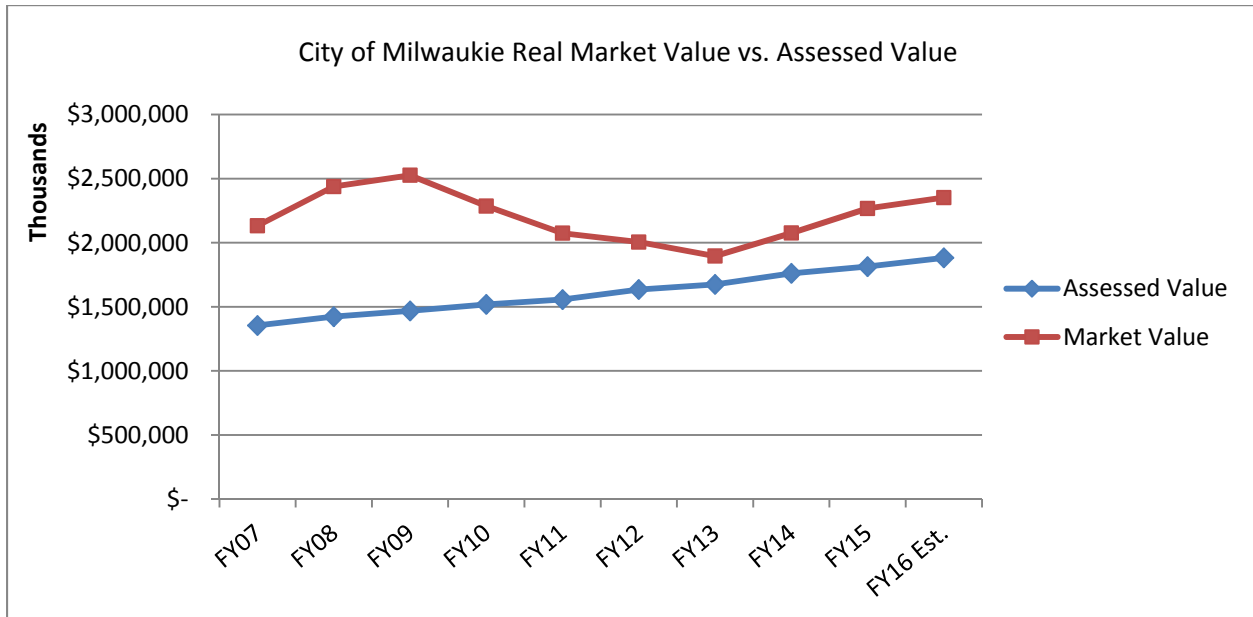
The Wastewater Fund is stable, with revenues at 104% of budget and expenditures at 93% of budget. A primary expenditure in the Wastewater Fund is the payment for wastewater treatment to Water Environmental Services, of which only five payments had been made by the date of this report, resulting in lower expenditures than anticipated. These expenditures will likely catch up by year-end.

The Stormwater Fund has been accumulating fund balance to help pay for future projects. The City completed a rate analysis in fiscal year 2015 and new rates were implemented to ensure the future health of the stormwater system. Revenues appear low due to intergovernmental revenues for an uncompleted project; however revenues are steady and healthy. Expenditures are equally below budget due to various incomplete projects at the end of the quarter. We expect this fund to remain solid.

SDC Fund projects have been started and revenues are higher than anticipated at 151%.

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 2016. In a letter received from Clackamas County in March, the County anticipates that the City's Assessed Values will increase by 3.5-4% for fiscal year 2016:



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 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

April 8, 2016

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

All City Funds

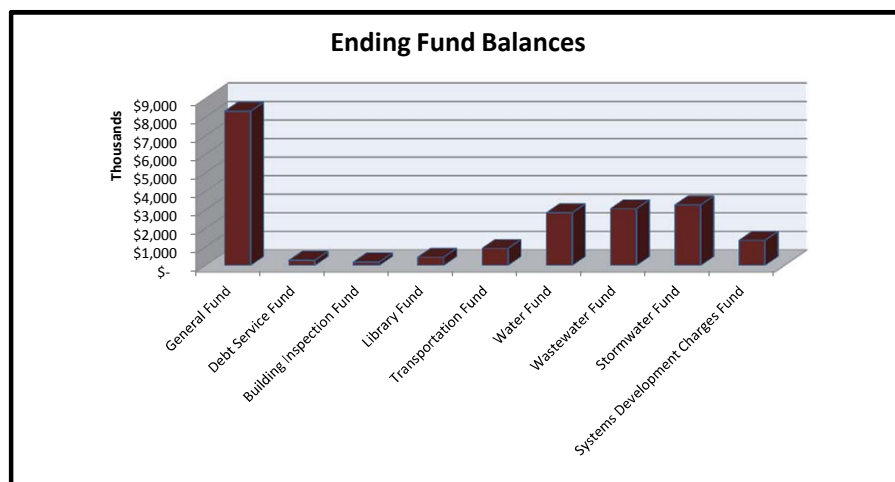
Fund	Beginning Fund Balance as of July 1, 2015	Year-to-Date through December 31, 2015		Ending Fund Balance as of December 31, 2015	Change in Fund Balance
		Revenues	Expenditures		
1 General Fund	\$ 5,779,705	\$ 10,338,314	\$ 7,808,035	\$ 8,309,984	\$ 2,530,279 ¹
2 Debt Service Fund	100,460	257,248	80,811	276,897	176,437
3 Building Inspection Fund	136,852	193,363	145,747	184,468	47,616
4 Library Fund	745,774	894,714	1,193,481	447,007	(298,767) ¹
5 Transportation Fund	2,015,959	1,307,076	2,402,687	920,348	(1,095,611) ²
6 Water Fund	1,700,005	2,232,259	1,095,672	2,836,592	1,136,587 ³
7 Wastewater Fund	2,716,486	3,684,587	3,339,878	3,061,195	344,709 ³
8 Stormwater Fund	3,390,816	1,476,165	1,604,675	3,262,306	(128,510) ³
9 Systems Development Charges Fund					
Transportation SDC Department	278,795	9,880	99,811	188,864	(89,931) ⁴
Water SDC Department	174,517	1,503	-	176,020	1,503
Wastewater SDC Department	775,256	11,478	-	786,734	11,478
Stormwater SDC Department	199,572	2,507	-	202,079	2,507
Systems Development Charges Fund	1,428,140	25,368	99,811	1,353,697	(74,443)
Totals	\$ 18,014,197	\$ 20,409,094	\$ 17,770,797	\$ 20,652,494	\$ 2,638,297

¹ The majority of property tax revenues are received in November, and as such, at the end of September it is typical to see expenditures out pacing revenues.

² Capital projects completed early in the year outpaced revenues however, this was to be expected.

³ Revenues were higher than anticipated and many of the budgeted capital projects will either begin in FY2016 or be completed in FY2016.

⁴ In SDC funds, it is typical to see large spend downs in any given year.



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

General Fund

	Biennial Budget	Flexible Biennial Budget	FY 2015 Actual	FY 2016 YTD Actual	Total Biennium To-Date Actual	Variance	% of Budget	
Revenue								
Property taxes	\$ 13,480,000	\$ 9,904,500	\$ 6,324,360	\$ 6,103,512	\$ 12,427,872	\$ 2,523,372	125%	1
Franchise fees	3,239,000	2,414,000	1,553,084	133,944	1,687,028	(726,972)	70%	2
Intergovernmental	3,755,000	3,149,000	2,113,316	1,006,541	3,119,857	(29,143)	99%	
Licenses and permits	775,000	585,000	441,051	222,614	663,665	78,665	113%	
Fines and forfeitures	3,066,000	2,292,000	1,192,530	521,602	1,714,132	(577,868)	75%	3
Miscellaneous	333,000	258,500	229,150	115,101	344,251	85,751	133%	
	24,648,000	18,603,000	11,853,491	8,103,314	19,956,805	1,353,805	107%	
Other financing sources	5,000,000	5,000,000	5,012,894	-	5,012,894	12,894	100%	
Transfers	8,890,000	6,655,000	4,420,000	2,235,000	6,655,000	-	100%	
Total revenue	38,538,000	30,258,000	21,286,385	10,338,314	31,624,699	1,366,699	105%	
Expenditures								
City Council	169,000	135,000	65,682	48,934	114,616	20,384	85%	
City Manager	1,509,000	1,126,000	673,303	423,734	1,097,037	28,963	97%	
Community Development	4,033,000	3,660,500	3,206,925	296,523	3,503,448	157,052	96%	4
Public Works Administration	1,198,000	890,500	466,029	300,390	766,419	124,081	86%	5
Engineering Services	1,190,000	880,500	490,565	231,277	721,842	158,658	82%	6
Facilities Management	2,493,000	1,985,500	1,246,887	466,278	1,713,165	272,335	86%	7
Finance	1,904,000	1,439,000	826,224	446,219	1,272,443	166,557	88%	8
Fleet Services	2,297,000	1,845,000	1,054,219	326,744	1,380,963	464,037	75%	9
Human Resources	640,000	478,500	279,103	146,126	425,229	53,271	89%	
Information Technology	2,296,000	1,744,000	1,049,669	558,072	1,607,741	136,259	92%	10
Municipal Court	755,000	561,000	337,594	185,413	523,007	37,993	93%	
Planning Services	1,295,000	953,000	498,631	245,583	744,214	208,786	78%	11
Code Enforcement	343,000	255,000	178,814	121,938	300,752	(45,752)	118%	12
Public Access Studio	186,000	137,500	78,174	12,605	90,779	46,721	66%	
Records and Information Management	874,000	653,000	384,186	201,683	585,869	67,131	90%	
Non-Departmental	5,758,000	5,004,000	4,663,578	466,023	5,129,601	(125,601)	103%	13
Police Administration	1,072,000	798,500	537,020	279,324	816,344	(17,844)	102%	14
Police Field Services	11,508,000	8,546,000	5,212,560	2,907,857	8,120,417	425,583	95%	15
Police Support Services	688,000	509,000	296,992	143,312	440,304	68,696	87%	
Total expenditures	40,208,000	31,601,500	21,546,155	7,808,035	29,354,190	2,247,310	93%	
Revenue over (under) expenditures	(1,670,000)	(1,343,500)	(259,770)	2,530,279	2,270,509	3,614,009		
Beginning fund balance	5,293,000	5,293,000	6,039,475	5,779,705	5,779,705	486,705		
Ending fund balance	\$ 3,623,000	\$ 3,949,500	\$ 5,779,705	\$ 8,309,984	\$ 8,050,214	\$ 4,100,714		

- ¹ Property taxes are predominately received in November of each year and therefore, the majority was received this quarter.
- ² Franchise fees are typically received later in the year and prior year receipts were 2% lower than anticipated.
- ³ Photo radar and traffic fines are significantly less than expected due to staffing adaptations and modifications to photo radar van deployment.
- ⁴ Community Development experienced personnel vacancies in FY2015 and expenditures related to the Moving Forward Milwaukie project that were not made in FY2015 are anticipated to be made in FY2016.
- ⁵ Public Works Admin experienced personnel vacancies and delayed capital outlay expenditures in FY2015. The capital component is expected to catch up in FY2016.
- ⁶ Engineering experienced personnel vacancies in FY2015.
- ⁷ Capital outlay expenditures were delayed in FY2015 and have not yet caught up in FY2016.
- ⁸ Capital outlay expenditures slated for FY2015 were delayed but are expected to catch up in FY2016. Additionally, the department experienced changes in employee benefits reducing spending.
- ⁹ In FY2015, Fleet experienced personnel vacancies, fuel, oil, and fleet repair costs were lower than anticipated, and capital outlay expenditures were delayed until FY2016.
- ¹⁰ Information Technology experienced personnel vacancies in FY2015 and in FY2016.
- ¹¹ Planning experienced personnel vacancies in FY2015. Additionally, urban renewal and comprehensive plan projects have yet to begin. In FY2016 we anticipate the use of the remaining budgeted funds.
- ¹² Code Enforcement has incurred significant costs related to pending litigation. A supplemental budget will be done to supply Code Enforcement with sufficient funding.
- ¹³ General liability insurance premiums are paid up front during the year and are expected to smooth out over the course of FY 2017.
- ¹⁴ Due to staffing changes, the Police Department utilized the background investigator more than anticipated. As a result, this department will require a supplemental budget adjustment.
- ¹⁵ During 2015, the Police Department experienced several retirements and vacancies. Additionally, costs related to photo radar were much lower than anticipated due to a change in the unit's deployment. Locom payments have yet to be made in FY2016.

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

Debt Service Fund

	Biennial Budget	Flexible Biennial Budget	FY 2015 Actual	FY 2016 YTD Actual	Total Biennium To-Date Actual	Variance	% of Budget
Revenue							
Property taxes	\$ 486,000	484,000	\$ 320,250	\$ 240,224	\$ 560,474	\$ 76,474	116% ¹
Intergovernmental	169,000	103,000	85,195	17,024	102,219	(781)	99%
Total revenue	655,000	587,000	405,445	257,248	662,693	75,693	113%
Expenditures							
Debt service	655,000	410,700	304,985	80,811	385,796	24,904	94%
Total expenditures	655,000	410,700	304,985	80,811	385,796	24,904	94%
Revenue over (under) expenditures	-	176,300	100,460	176,437	276,897	100,597	
Beginning fund balance	-	-	-	100,460	-	-	
Ending fund balance	\$ -	\$ 176,300	\$ 100,460	\$ 276,897	\$ 276,897	\$ 100,597	

¹ First year property tax collections for debt service were required to create fund balance to ensure ongoing health of the Debt Service Fund.

Building Inspection Fund

	Biennial Budget	Flexible Biennial Budget	FY 2015 Actual	FY 2016 YTD Actual	Total Biennium To-Date Actual	Variance	% of Budget
Revenue							
Fees and charges	\$ 468,000	343,000	\$ 225,775	\$ 192,866	\$ 418,641	\$ 75,641	122% ¹
Intergovernmental	-	3,000	522	497	1,019	497	0%
Miscellaneous	5,000	3,500	1,426	-	1,426	(2,074)	41%
Total revenue	473,000	349,500	227,723	193,363	421,086	74,064	120%
Expenditures							
Personnel services	451,000	333,500	193,886	118,715	312,601	20,899	94% ²
Materials and services	25,000	19,000	16,932	2,032	18,964	36	100% ³
Transfers	100,000	75,000	50,000	25,000	75,000	-	100%
Total expenditures	576,000	427,500	260,818	145,747	406,565	20,935	95%
Revenue over (under) expenditures	(103,000)	(78,000)	(33,095)	47,616	14,521	94,999	
Beginning fund balance	147,000	147,000	169,947	136,852	136,852	(10,148)	
Ending fund balance	\$ 44,000	\$ 69,000	\$ 136,852	\$ 184,468	\$ 151,373	\$ 84,851	

¹ Building permit volume increased more than anticipated in FY2016.

² The Building Official position was vacant for two months during FY2015.

³ Due to a change in the handling of permits (moved in-house) accounting will need to be modified creating a need for a supplemental budget.

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

Library Fund

	Biennial Budget	Flexible Biennial Budget	FY 2015 Actual	FY 2016 YTD Actual	Total Biennium To-Date Actual	Variance	% of Budget	
Revenue								
Intergovernmental revenue	\$ 3,022,000	1,845,500	\$ 1,530,775	\$ 5,568	\$ 1,536,343	\$ (309,157)	83%	1
Intergovernmental revenue - capital	1,000,000	-	-	-	-	-	-	2
Fines	126,000	94,500.00	59,910	28,209	88,119	(6,381)	93%	
Miscellaneous	4,000	9,000	22,266	5,478	27,744	18,744	308%	
Allocation of general property taxes	1,884,000	1,413,000	942,000	855,459	1,797,459	384,459	127%	3
Total revenue	6,036,000	3,362,000	2,554,951	894,714	3,449,665	87,665	103%	
Expenditures								
Personnel services	3,266,000	2,423,500	1,471,717	756,082	2,227,799	195,701	92%	4
Materials and services	374,000	280,500	178,273	97,399	275,672	4,828	98%	
Transfers	1,380,000	1,040,000	700,000	340,000	1,040,000	-	100%	
Capital outlay	1,000,000	10,000	10,000	-	10,000	-	100%	2
Total expenditures	6,020,000	3,754,000	2,359,990	1,193,481	3,553,471	200,529	95%	
Revenue over (under) expenditures	16,000	(392,000)	194,961	(298,767)	(103,806)	288,194		
Beginning fund balance	422,000	422,000	550,813	745,774	745,774	323,774		
Ending fund balance	\$ 438,000	\$ 30,000	\$ 745,774	\$ 447,007	\$ 641,968	\$ 611,968		

¹ Library District revenues are received in the third quarter of each fiscal year, and therefore have not yet been received for FY2016.

² Appropriate uses for these funds are not anticipated until the next biennium. The funds will be distributed to the City when an appropriate project is slated for construction.

³ Property taxes are predominately received in November of each year and therefore, the majority was received this quarter.

⁴ Medical benefits were much lower than anticipated due to enrollment changes in FY2015. Workers' compensation was lower than anticipated.

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

Transportation Fund - in Total

	Biennial Budget	Flexible Biennial Budget	FY 2015 Actual	FY 2016 YTD Actual	Total Biennium To-Date Actual	Variance	% of Budget
Revenue							
<i>Dedicated to St/Surf Maintenance Program:</i>							
Fees (from street maintenance fee)	\$ 1,232,000	\$ 924,000	\$ 621,826	\$ 312,034	\$ 933,860	\$ 9,860	101%
Franchise fees (from 1.5% privilege tax)	647,000	647,000	314,819	-	314,819	(332,181)	49%
Intergovernmental (from local gas tax)	352,000	248,750	167,638	75,244	242,882	(5,868)	98%
	2,231,000	1,819,750	1,104,283	387,278	1,491,561	(328,189)	82%
<i>Dedicated to State Gas Tax Program:</i>							
Intergovernmental (from state gas tax)	2,373,000	1,673,000	1,183,631	553,726	1,737,357	64,357	104%
Intergovernmental (other)	3,295,000	3,295,000	655,735	-	655,735	(2,639,265)	20%
Franchise fees (from utility funds)	1,368,000	1,010,000	700,000	358,000	1,058,000	48,000	105%
Miscellaneous	100,000	100,000	12,952	8,072	21,024	(78,976)	21%
Total revenue	9,367,000	7,897,750	3,656,601	1,307,076	4,963,677	(2,934,073)	63%
Expenditures							
Personnel services	981,000	727,500	388,772	205,634	594,406	133,094	82%
Materials and services	911,000	680,000	358,207	156,143	514,350	165,650	76%
Debt service	-	-	-	-	-	-	-
Transfers	1,890,000	1,427,500	965,000	462,500	1,427,500	-	100%
Capital outlay	5,645,000	4,987,500	1,387,312	1,578,410	2,965,722	2,021,778	59%
Total expenditures	9,427,000	7,822,500	3,099,291	2,402,687	5,501,978	2,320,522	70%
Revenue over (under) expenditures	(60,000)	75,250	557,310	(1,095,611)	(538,301)	(613,551)	
Beginning fund balance	1,364,000	1,364,000	1,458,649	2,015,959	2,015,959	651,959	
Ending net available fund balance	\$ 1,304,000	\$ 1,439,250	\$ 2,015,959	\$ 920,348	\$ 1,477,658	\$ 38,408	

- ¹ PGE privilege taxes are received in the third quarter of the fiscal year, and therefore have not yet been received for FY2016.
- ² Contractual services were less than anticipated in FY2015 but are expected to catch up in FY2016.
- ³ 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.
- ⁴ FILOC funds are slated to be used in the 17th Avenue project which had not concluded as of the end of the FY2016 first quarter.
- ⁵ Management continues to try to save in this department due to funding issues. Savings were realized in personnel services, and materials and services.

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

Street Surface Maintenance Program

	Biennial Budget	Flexible Biennial Budget	FY 2015 Actual	FY 2016 YTD Actual	Total Biennium To-Date Actual	Variance	% of Budget
Revenue							
Fees (from street maintenance fee)	\$ 1,232,000	924,000	\$ 621,826	\$ 312,034	\$ 933,860	\$ 9,860	101%
Franchise fees (from 1.5% privilege tax)	647,000	647,000	314,819	-	314,819	(332,181)	49%
Intergovernmental (from local gas tax)	352,000	248,750	167,638	75,244	242,882	(5,868)	98%
Total revenue	2,231,000	1,819,750	1,104,283	387,278	1,491,561	(328,189)	82%
Expenditures							
Materials and services	141,000	105,500	13,345	7,094	20,439	85,061	19%
Transfers	378,000	285,500	193,000	93,000	286,000	(500)	100%
Capital outlay	2,000,000	1,342,500	511,341	1,365,347	1,876,688	(534,188)	140%
Total expenditures	2,519,000	1,733,500	717,686	1,465,441	2,183,127	(449,627)	126%
Revenue over (under) expenditures	(288,000)	86,250	386,597	(1,078,163)	(691,566)	(777,816)	
Beginning fund balance	1,499,000	1,499,000	1,539,018	1,925,615	1,925,615	426,615	
Ending net available fund balance	\$ 1,211,000	\$ 1,585,250	\$ 1,925,615	\$ 847,452	\$ 1,234,049	\$ (351,201)	

State Gas Tax Program

	Biennial Budget	Flexible Biennial Budget	FY 2015 Actual	FY 2016 YTD Actual	Total Biennium To-Date Actual	Variance	% of Budget
Revenue							
Intergovernmental (from state gas tax)	\$ 2,373,000	1,673,000	\$ 1,183,631	\$ 553,726	\$ 1,737,357	\$ 64,357	104%
Intergovernmental (other)	3,295,000	3,295,000	655,735	-	655,735	(2,639,265)	20%
Franchise fees (from utility funds)	1,368,000	1,010,000	700,000	358,000	1,058,000	48,000	105%
Fee in Lieu of Construction	100,000	100,000	-	-	-	(100,000)	-
Miscellaneous	-	-	12,952	8,072	21,024	21,024	100%
Total revenue	7,136,000	6,078,000	2,552,318	919,798	3,472,116	(2,605,884)	57%
Expenditures							
Personnel services	981,000	727,500	388,772	205,634	594,406	133,094	82%
Materials and services	770,000	574,500	344,862	149,049	493,911	80,589	86%
Transfers	1,512,000	1,142,000	772,000	369,500	1,141,500	500	100%
Capital outlay	3,645,000	3,645,000	875,971	213,063	1,089,034	2,555,966	30%
Total expenditures	6,908,000	6,089,000	2,381,605	937,246	3,318,851	2,770,149	55%
Revenue over (under) expenditures	228,000	(11,000)	170,713	(17,448)	153,265	164,265	
Beginning fund balance	(135,000)	(135,000)	(80,369)	90,344	90,344	225,344	
Ending net available fund balance	\$ 93,000	\$ (146,000)	\$ 90,344	\$ 72,896	\$ 243,609	\$ 389,609	

¹ PGE privilege taxes are received in the third quarter of the fiscal year, and therefore have not yet been received for FY2016.

² Contractual services were less than anticipated in FY2015 but are expected to catch up in FY2016.

³ 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.

⁴ FILOC funds are slated to be used in the 17th Avenue project which had not concluded as of the end of the FY2016 first quarter.

⁵ Management continues to try to save in this department due to funding issues. Savings were realized in personnel services, and materials and services.

City of Milwaukie, Oregon
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Water Fund

	Biennial Budget	Flexible Biennial Budget	FY 2015 Actual	FY 2016 YTD Actual	Total Biennium To-Date Actual	Variance	% of Budget
Revenue							
Fees and charges	\$ 6,452,000	4,771,000	\$ 3,629,208	2,179,840	5,809,048	1,038,048	122% ¹
Miscellaneous	196,000	146,500	69,029	52,419	121,448	(25,052)	83%
Total revenue	6,648,000	4,917,500	3,698,237	2,232,259	5,930,496	1,012,996	121%
Expenditures							
Personnel services	1,277,000	947,000	575,415	299,282	874,697	72,303	92%
Materials and services	1,584,000	1,172,500	774,589	338,890	1,113,479	59,021	95%
Transfers	1,830,000	1,372,500	915,000	457,500	1,372,500	-	100%
Capital outlay	1,522,000	1,116,000	514,151	-	514,151	601,849	46% ²
Total expenditures	6,213,000	4,608,000	2,779,155	1,095,672	3,874,827	733,173	84%
Revenue over (under) expenditures	435,000	309,500	919,082	1,136,587	2,055,669	1,746,169	
Beginning fund balance	395,000	395,000	780,923	1,700,005	1,700,005	1,305,005	
Ending fund balance	\$ 830,000	\$ 704,500	\$ 1,700,005	\$ 2,836,592	\$ 3,755,674	\$ 3,051,174	

¹ The Water Fund experienced higher usage in FY2015 due to the dry winter and hot summer, accompanied with higher rates. This trend continues in FY2016.

² Projects slated for FY2016 have not yet been completed. See project status report for further information.

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Wastewater Fund

	Biennial Budget	Flexible Biennial Budget	FY 2015 Actual	FY 2016 YTD Actual	Total Biennium To-Date Actual	Variance	% of Budget	
Revenue								
Fees and charges	\$ 13,836,000	10,284,500	\$ 6,939,074	\$ 3,643,336	\$ 10,582,410	\$ 297,910	103%	1
Miscellaneous	8,000	6,000	4,757	1,145	5,902	(98)	98%	
Proceeds from reimbursement district	30,000	20,000	75,508	40,106	115,614	95,614	578%	2
Total revenue	13,874,000	10,310,500	7,019,339	3,684,587	10,703,926	393,426	104%	
Expenditures								
Personnel services	937,000	695,000	413,934	220,417	634,351	60,649	91%	
Materials and services	9,743,000	7,260,500	4,568,268	1,965,149	6,533,417	727,083	90%	3
Debt service	220,000	165,000	104,416	48,229	152,645	12,355	93%	
Transfers	1,820,000	1,352,500	885,000	467,500	1,352,500	-	100%	
Capital outlay	1,709,000	1,257,500	649,394	638,583	1,287,977	(30,477)	102%	
Total expenditures	14,429,000	10,730,500	6,621,012	3,339,878	9,960,890	769,610	93%	
Revenue over (under) expenditures	(555,000)	(420,000)	398,327	344,709	743,036	1,163,036		
Beginning fund balance	2,196,000	2,196,000	2,318,159	2,716,486	2,716,486	520,486		
Ending fund balance	\$ 1,641,000	\$ 1,776,000	\$ 2,716,486	\$ 3,061,195	\$ 3,459,522	\$ 1,683,522		

¹ Wastewater Fund revenues were higher than anticipated due to usage.

² Payments on reimbursement district accounts were higher than anticipated in FY2015 due to the housing market sales.

³ Treatment payments to WES are a month behind. Rents and leases and facilities repairs were less than anticipated.

City of Milwaukie, Oregon
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Stormwater Fund

	Biennial Budget	Flexible Biennial Budget	FY 2015 Actual	FY 2016 YTD Actual	Total Biennium To-Date Actual	Variance	% of Budget	
Revenue								
Fees and charges	\$ 5,481,000	4,029,500	\$ 2,571,866	\$ 1,473,740	\$ 4,045,606	\$ 16,106	100%	1
Intergovernmental	1,004,000	-	-	-	-	-	0%	
Miscellaneous	20,000	6,000	9,016	2,425	11,441	5,441	191%	
Total revenue	6,505,000	4,035,500	2,580,882	1,476,165	4,057,047	21,547	101%	
Expenditures								
Personnel services	1,375,000	1,017,500	483,480	235,425	718,905	298,595	71%	2
Materials and services	852,000	631,500	322,575	173,594	496,169	135,331	79%	3
Transfers	1,870,000	1,387,500	905,000	482,500	1,387,500	-	100%	
Capital outlay	4,547,000	4,547,000	7,020	713,156	720,176	3,826,824	16%	1,4
Total expenditures	8,644,000	7,583,500	1,718,075	1,604,675	3,322,750	4,260,750	44%	
Revenue over (under) expenditures	(2,139,000)	(3,548,000)	862,807	(128,510)	734,297	4,282,297		
Beginning fund balance	2,392,000	2,392,000	2,528,009	3,390,816	3,390,816	998,816		
Ending fund balance	\$ 253,000	\$ (1,156,000)	\$ 3,390,816	\$ 3,262,306	\$ 4,125,113	\$ 5,281,113		

¹ The project applicable to this grant has been delayed.

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.

⁴ Capital projects have not been completed at the end of the first quarter. See project status report for further information.

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Systems Development Charges Fund

	Biennial Budget	Flexible Biennial Budget	FY 2015 Actual	FY 2016 YTD Actual	Total Biennium To-Date Actual	Variance	% of Budget	
Revenue								
System development charges	\$ 78,000	63,500	\$ 70,493	\$ 25,248	\$ 95,741	\$ 32,241	151%	1
Miscellaneous	-	-	241	120	361	361	100%	
Total revenue	78,000	63,500	70,734	25,368	96,102	32,602	151%	
Expenditures								
Capital outlay	430,000	430,000	35,383	99,811	135,194	294,806	31%	2
Total expenditures	430,000	430,000	35,383	99,811	135,194	294,806	31%	
Revenue over (under) expenditures	(352,000)	(366,500)	35,351	(74,443)	(39,092)	327,408		
Beginning fund balance	1,318,000	1,318,000	1,392,789	1,428,140	1,428,140	110,140		
Ending fund balance	\$ 966,000	\$ 951,500	\$ 1,428,140	\$ 1,353,697	\$ 1,389,048	\$ 437,548		

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

2 Projects for the biennium have not yet been completed.

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Project Status Report

Biennium-to-Date through December 31, 2015

	Project Number	FY15 Annual Budget	FY16 Annual Budget	Total BN Budget	FY15 YTD Actual	FY16 YTD Actual	Total BN Actual	Variance	% of Budget	Project Status
General Fund										
Portland-Milwaukie Light Rail (PMLR)	D06	\$ -	\$ -	\$ -	\$ 3,975	\$ -	\$ 3,975	\$ (3,975)	0%	Project soon to be completed.
Park Bridge (Emergency)	D22	-	-	-	-	722	722	(722)	0%	Project has just started and was not budgeted.
HVAC Intake Relocation - Johnson Creek Building - Facilities	F	-	15,000	15,000	-	-	-	15,000	-	Canceled per Gary and Willie
Replace Emergency Generator at Public Safety Building - Facilities	F08	45,000	-	45,000	-	-	-	45,000	-	Planned completion by June 30, 2016.
Bertman House Exterior Structural Repairs - Facilities	F12	10,000	-	10,000	-	-	-	10,000	-	Preparing to bid for project start in late May or early June.
Bertman House Exterior Paint - Facilities	F13	10,000	-	10,000	-	-	-	10,000	-	Preparing to bid for project start in late May or early June.
Brick Mortar Repair at City Hall - Facilities	F14	30,000	-	30,000	-	-	-	30,000	-	Going to bid 4/25/16 with an estimated May project start.
Re-roof Public Safety Building - Facilities	F15	350,000	-	350,000	346,462	1,490	347,952	2,048	99%	Project substantially complete.
Seal Brick on Public Safety Building - Facilities	F16	30,000	-	30,000	-	-	-	30,000	-	Going to bid 4/25/16 with an estimated May project start.
Replace Caulking Windows and Doors at Public Safety Building - F	F17	17,000	-	17,000	-	-	-	17,000	-	Going to bid 4/25/16 with an estimated May project start.
Removal of Oil Tank Bertman House - Facilities	F18	-	10,000	10,000	-	-	-	10,000	-	Estimated May 1st project 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	-	2,553	7,447	26%	Estimated project completion of June 30th.
Incode Version X Upgrade	F15	-	90,000	90,000	-	12,283	12,283	77,717	14%	Implementation underway, project scheduled for completion Q3.
CMMS Upgrade - Public Works	G01	80,000	-	80,000	30,908	25,714	56,622	23,378	71%	Implementation underway, training started, project scheduled to complete Q4.
Computer Refresh - IT	I02	45,000	-	45,000	50,567	-	50,567	(5,567)	112%	Completed in FY2015.
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	-	31,658	19,342	62%	Project completed.
Enterprise WiFi Installation - IT	I05	38,000	-	38,000	32,163	-	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	-	52,800	(20,800)	165%	Project completed.
Fleet Vehicle Purchases from Reserve - Streets	K01	100,000	14,000	114,000	97,290	-	97,290	16,710	85%	Vehicles have been purchased, left over funds will be distributed back to utility funds in FY16.
Fleet Vehicle Purchases from Reserve - Water	K02	166,000	149,000	315,000	78,188	-	78,188	236,812	25%	Vehicles have been purchased, left over funds will be distributed back to utility funds in FY16.
Fleet Vehicle Purchases from Reserve - Wastewater	K03	143,000	-	143,000	81,380	-	81,380	61,620	57%	Vehicles have been purchased, left over funds will be distributed back to utility funds in FY16.
Fleet Vehicle Purchases from Reserve - Stormwater	K04	227,000	-	227,000	212,225	-	212,225	14,775	93%	This amount was for the Vactor only and it was purchased in FY15. Project Completed
Tool Boxes and Tire Machine - Fleet	K05	17,000	-	17,000	15,965	-	15,965	1,035	94%	Project completed.
Fuel Pumps and Software - Fleet	K05	35,000	-	35,000	-	38,362	38,362	(3,362)	110%	Project completed.
Brake Lathe - Fleet	K05	-	16,000	16,000	-	-	-	16,000	-	Project completed
General Fund Department Vehicles - Fleet	K05	-	45,000	45,000	-	-	-	45,000	-	TV Van is on order.
Library Video Security	L06	-	-	-	6,269	-	6,269	(6,269)	0%	Complete in FY2015.
Riverfront Construction	Q07	2,271,000	21,000	2,292,000	2,592,560	2,496	2,595,056	(303,056)	113%	Project complete.
Public Access Studio Equipment Replacement	VO1	44,000	52,000	96,000	41,819	-	41,819	54,181	44%	Project completed and paid in Q3.
Police Vehicle Replacement	Z09	100,000	100,000	200,000	91,084	55,520	146,604	53,396	73%	Two vehicles purchased.
Total General Fund Capital Projects		\$ 3,841,000	\$ 594,000	\$ 4,435,000	\$ 3,767,866	\$ 136,587	\$ 3,904,453	\$ 530,547	88%	

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	Project Number	FY15 Annual Budget	FY16 Annual Budget	Total BN Budget	FY15 YTD Actual	FY16 YTD Actual	Total BN Actual	Variance	% of Budget	Project Status
Library Fund										
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.
Library Video Security	L06	-	-	-	10,000	-	10,000	(10,000)	0%	Project completed.
Total Library Fund Capital Projects		\$ -	\$ 1,000,000	\$ 1,000,000	\$ 10,000	\$ -	\$ 10,000	\$ 990,000	1%	
Transportation Fund										
State Gas Tax										
Lake Road Multimodal Improvements	T02	\$ -	\$ -	\$ -	\$ 3,291	\$ 837	\$ 4,128	\$ (4,128)	0%	Project completed
School Zone Implementation	T04	-	-	-	13,403	-	13,403	(13,403)	0%	Project completed with lightrail project.
17th Avenue Multi-Use Trail	T05	3,170,000	-	3,170,000	593,334	46,112	639,446	2,530,554	20%	Project is administered by ODOT. Project has been awarded with construction anticipated to begin in April 2016.
Adams Street Connector	T07/D13	375,000	-	375,000	265,943	166,114	432,057	(57,057)	115%	Project substantially complete with minor corrective work in progress.
Transportation Vehicle Purchases	T31	-	50,000	50,000	-	-	-	50,000	-	Will not purchase (duplicate of T32,T33)
Asphalt Grinder & Trench Paver Machines	T32, T33	-	50,000	50,000	-	-	-	50,000	-	PO issued March 2016 for purchase.
Total State Gas Tax Projects		\$ 3,545,000	\$ 100,000	\$ 3,645,000	\$ 875,971	\$ 213,063	\$ 1,089,034	\$ 2,555,966	30%	

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	Project Number	FY15 Annual Budget	FY16 Annual Budget	Total BN Budget	FY15 YTD Actual	FY16 YTD Actual	Total BN Actual	Variance	% of Budget	Project Status
Street Surface Maintenance Program										
SSMP Preventative Maintenance	S04	\$ 65,000	\$ 65,000	\$ 130,000	\$ 147	\$ 101,267	\$ 101,414	\$ 28,586	78%	Project complete.
SSMP Paving	S10/S11	550,000	1,250,000	1,800,000	511,195	1,264,080	1,775,275	24,725	99%	Project complete.
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	\$ 511,342	\$ 1,365,347	\$ 1,876,689	\$ 123,311	94%	
Total Transportation Fund Capital Projects		\$ 4,230,000	\$ 1,415,000	\$ 5,645,000	\$ 1,387,313	\$ 1,578,410	\$ 2,965,723	\$ 2,679,277	53%	
Water Fund										
Water Well No. 2 Storage Tank Maintenance	W10	\$ 150,000	\$ -	\$ 150,000	\$ -	\$ -	\$ -	\$ 150,000	-	Scope change- this project will complete with ESCO in Q1 FY17.
Water Well No. 6 Storage Tank Maintenance	W14		400,000	400,000	-	-	-	400,000	-	Project moved to FY 2018.
McBrod Ave Water System Improvements	W27	-	-	-	-	-	-	-	0%	Project is scheduled for early FY 2017.
Wood Avenue Service Line Transfer	W32	10,000		10,000	-	-	-	10,000	-	Project moved to FY 2017.
Monroe Street Water System Improvements	W34	195,000	-	195,000	199,452	-	199,452	(4,452)	102%	Project complete.
Water Production Preventative Maintenance	W35	40,000	52,000	92,000	-	-	-	92,000	-	Ongoing maintenance - expenditure shown is for W27 (McBrod project spent on 17th).
17th Avenue Water System Improvements	W37	315,000	-	315,000	314,699	-	314,699	301	100%	Project complete.
Main Street Water System Improvements	W38	-	160,000	160,000	-	-	-	160,000	-	Project moved to FY 2017.
Riverway Water System Improvements	W39	-	75,000	75,000	-	-	-	75,000	-	Project moved to FY 2017.
Wood Court Water System Improvements	W40	-	75,000	75,000	-	-	-	75,000	-	Project moved to FY 2017.
Monroe Water System Improvements (Abandon)	W41	-	50,000	50,000	-	-	-	50,000	-	Project moved to FY 2017.
Total Water Fund Capital Projects		\$ 710,000	\$ 812,000	\$ 1,522,000	\$ 514,151	\$ -	\$ 514,151	\$ 1,007,849	34%	

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	Project Number	FY15 Annual Budget	FY16 Annual Budget	Total BN Budget	FY15 YTD Actual	FY16 YTD Actual	Total BN 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	-	27,818	2,182	93%	Project complete.
Clay Pipe Replacement	X10	640,000	540,000	1,180,000	592,576	638,583	1,231,159	(51,159)	104%	Project currently under construction. Staff expects completion in October 2016.
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	-	29,000	-	100%	Project 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	\$ 638,583	\$ 1,287,977	\$ 421,023	75%	
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. The City and ODOT need to determine when or if this money will be spent.
Stanley Avenue Pipe Replacement	Y05	1,200,000		1,200,000	7,020	713,156	720,176	479,824	60%	Project complete.
Stormwater Transporter and Camera Replacement	Y07	-	43,000	43,000	-	-	-	43,000	-	PO's issued. Purchase complete by June 30, 2016.
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	-	PO's issued. Purchase complete by June 30, 2016.
Upgrade TV Van Computer		-	23,000	23,000	-	-	-	23,000	-	PO's issued. Purchase complete by June 30, 2016.
Total Stormwater Fund Capital Projects		\$ 1,718,000	\$ 2,829,000	\$ 4,547,000	\$ 7,020	\$ 713,156	\$ 720,176	\$ 3,826,824	60%	

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	Project Number	FY15 Annual Budget	FY16 Annual Budget	Total BN Budget	FY15 YTD Actual	FY16 YTD Actual	Total BN Actual	Variance	% of Budget	Project Status
SDC Fund										
Portland-Milwaukie Light Rail	D06	\$ 20,000	\$ -	\$ 20,000	\$ -	\$ -	\$ -	\$ 20,000	-	Project complete.
17th Avenue Multi-Use Trail - Streets	T05	20,000	-	20,000	-	-	-	20,000	-	Project has been advertised and awarded. Construction set to begin early Summer 2016 and scheduled for completion late 2016.
17th Avenue Multi-Use Trail - Stormwater	T05	100,000	-	100,000	16,432	30,139	46,571	53,429	47%	Project has been advertised and awarded. Construction scheduled to begin early summer 2016.
Kellogg Multi-Use Bridge - Streets	T08	200,000	-	200,000	18,951	40,377	59,328	140,672	30%	Project complete.
McBrod Ave Water System Improvements - Water	W27	90,000	-	90,000	-	-	-	90,000	-	Project scheduled for early 2017.
Realignment 22nd & McLoughlin Blvd	T34	-	-	-	-	29,295	29,295	(29,295)	0%	Project complete.
Total SDC Fund Capital Projects		\$ 430,000	\$ -	\$ 430,000	\$ 35,383	\$ 99,811	\$ 135,194	\$ 294,806	31%	
Total		\$ 11,735,000	\$ 7,553,000	\$ 19,288,000	\$ 6,371,127	\$ 3,166,547	\$ 9,537,674	\$ 9,750,326		

