



MILWAUKIE
Dogwood City of the West

Quarterly Financial Report

Reporting financial results
for the third quarter ended
March 31, 2016

Executive Summary

We are pleased to offer this preliminary financial report of City operations for your review. This report covers financial operations through the third quarter ended March 31, 2016 relating to the fiscal year ending June 30, 2016.

FINANCIAL STATEMENTS FOR QUARTER ENDED MARCH 31, 2016

The City of Milwaukie Comprehensive Annual Financial Report (CAFR) was issued on December 11, 2015 and 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 third 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 March 31, 2016, 109% of year-to-date budgeted property taxes for the biennium were received by the end of quarter. Overall, General Fund revenues are on target at 101% and expenditures are below budget at 91%. All departments in the General Fund are under budget at the end of the third quarter.

The Debt Service Fund is strong and stable with revenues at 119% of budget (due again to property taxes) and expenditures at 68% of budget. At year end, we expect this fund to be right in line with budget as debt service payments are due in the beginning of June 2016.

The Building Inspection Fund continues to recover from the lull in revenue production, with total revenue at 134% of expectation at the end of the third quarter. Substantial fee increases were implemented to ensure this fund's self-supporting nature. Expenditures are slightly low at 93% 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 will create a change in how we account for the issuance of these permits and was adjusted for in the last supplemental budget process.

The Library Fund receives distributions from the Library District of Clackamas County predominately in the third quarter with small receipts in the fourth quarter. The Library Fund received a majority of its property taxes in November bringing overall revenue figures to 105% 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.

Street Surface Maintenance revenues are on target at 104% and expenditures are above budget (121% of budget) due to capital project timing and capital projects that exceeded budget. We expect these expenditures to even out during the remainder of the year and to be offset against State Gas Tax expenditures. State gas tax is 101% of budget and local gas tax is 98% of budget.

State Gas Tax revenues and expenditures are at 78% and 66% respectively. State Gas Tax figures are low due to capital project timing. In this report, ending fund balance for State Gas Tax continues to recover from the prior quarters where it dipped below zero.

Water Fund revenues are at 116% of budget and expenditures at 87% 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 116% though we do expect that the fund will remain healthy.

The Wastewater Fund is stable, with revenues at 103% of budget and expenditures at 92% of budget. A primary expenditure in the Wastewater Fund is the payment for wastewater treatment to Water Environmental Services (WES), of which only eight payments had been made by the date of this report, resulting in lower expenditures than anticipated. These expenditures will 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 157%.

Authorized Bonds – Library Expansion

On May 17, 2016, Milwaukie citizens passed bond measure 3-477 allowing the City to issue \$9.2 million in General Obligation Bonds to finance capital construction and improvements for the City’s Ledding Library, and to pay the costs of issuance of the Bonds.

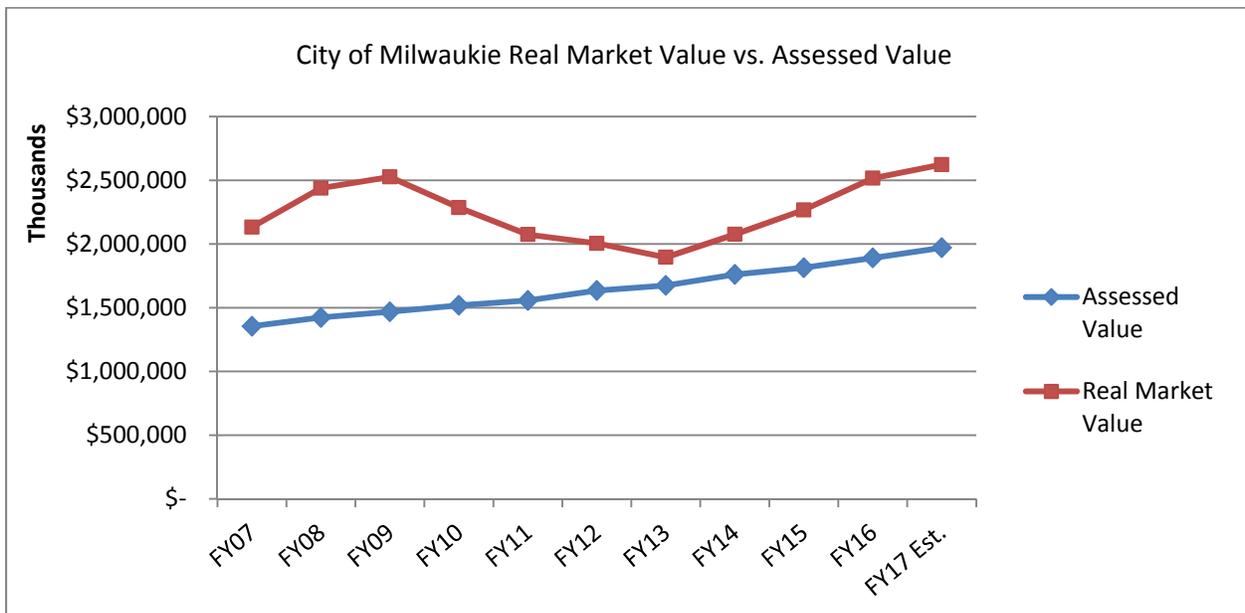
Library and Pond House improvements covered by the Bonds include:

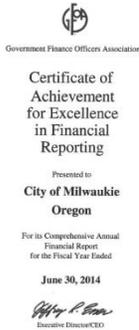
- Providing a larger designated area for children and teen programming and learning;
- Increasing library size from approximately 12,250 sq. ft. to 23,000 sq. ft.;
- Creating meeting space;
- Remodeling of entire space;
- Installing security cameras in the parking lot and building exterior;
- Installing modern toilets and restroom facilities;
- Installing modern wiring, technology, and additional printers and computers;
- Replacing heating and cooling systems, with energy efficient modern systems; and
- Installing structural components to meet City earthquake standards.

The Finance Department is working diligently on issuing the Bonds and anticipates closing under extremely favorable market conditions on August 15, 2016.

Property Tax Bills Mailed out by County

Clackamas County mailed out property tax bills during the previous (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 4-4.5% for fiscal year 2017:





INTERNATIONAL AWARDS RECEIVED FOR FINANCE DOCUMENTS

Comprehensive Annual Financial Reporting Award. For the fifth 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 fifth 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. A budget's proficiency is rated 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

July 9, 2016

City of Milwaukie, Oregon
 Quarterly Financial Report
 Budget-to-Actual
 Through the third quarter ended March 31, 2016

All City Funds

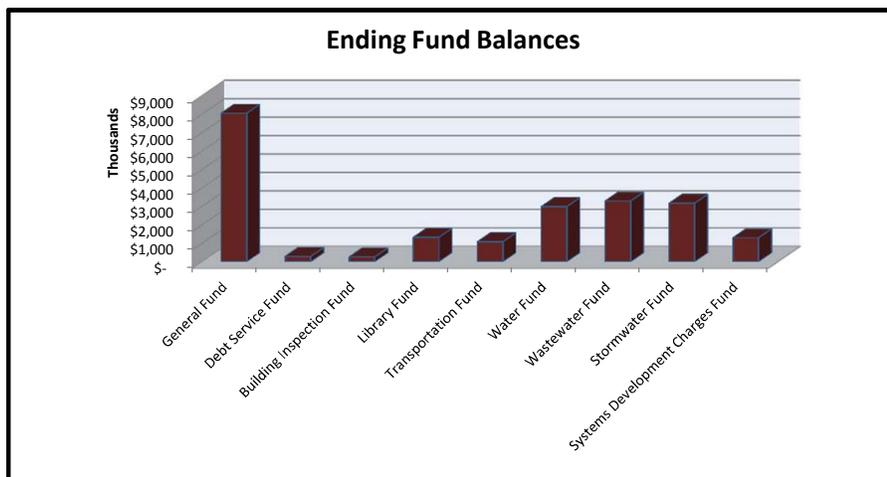
Fund	Beginning Fund Balance as of July 1, 2015	Year-to-Date through March 31, 2016		Ending Fund Balance as of March 31, 2016	Change in Fund Balance
		Revenues	Expenditures		
1 General Fund	\$ 5,779,705	\$ 13,541,690	\$ 11,271,041	\$ 8,050,354	\$ 2,270,649 ¹
2 Debt Service Fund	100,460	270,701	80,811	290,350	189,890
3 Building Inspection Fund	136,852	349,825	223,779	262,898	126,046
4 Library Fund	745,774	2,385,270	1,809,465	1,321,579	575,805 ¹
5 Transportation Fund	2,015,959	2,804,389	3,741,254	1,079,094	(936,865) ²
6 Water Fund	1,700,005	3,030,299	1,739,647	2,990,657	1,290,652 ³
7 Wastewater Fund	2,716,486	5,472,402	4,895,451	3,293,437	576,951 ³
8 Stormwater Fund	3,390,816	2,210,524	2,429,364	3,171,976	(218,840) ³
9 Systems Development Charges Fund					
Transportation SDC Department	278,795	16,122	48,572	246,345	(32,450) ⁴
Water SDC Department	174,517	4,266	-	178,783	4,266
Wastewater SDC Department	775,256	17,071	-	792,327	17,071
Stormwater SDC Department	199,572	2,531	116,571	85,532	(114,040)
Systems Development Charges Fund	1,428,140	39,990	165,143	1,302,987	(125,153)
Totals	\$ 18,014,197	\$ 30,105,090	\$ 26,355,955	\$ 21,763,332	\$ 3,749,135

¹ The majority of property tax revenues were received in November.

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 third quarter ended March 31, 2016

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	\$ 11,692,250	\$ 6,324,360	\$ 6,440,547	\$ 12,764,907	\$ 1,072,657	109%
Franchise fees	3,239,000	2,826,500	1,553,084	1,119,812	2,672,896	(153,604)	95%
Intergovernmental	3,855,000	3,527,000	2,113,316	1,226,122	3,339,438	(187,562)	95%
Licenses and permits	775,000	680,000	441,051	409,284	850,335	170,335	125%
Fines and forfeitures	3,066,000	2,679,000	1,192,530	834,542	2,027,072	(651,928)	76%
Miscellaneous	333,000	295,750	229,150	158,883	388,033	92,283	131%
	24,748,000	21,700,500	11,853,491	10,189,190	22,042,681	342,181	102%
Other financing sources	5,000,000	5,000,000	5,012,894	-	5,012,894	12,894	100%
Transfers	8,890,000	7,772,500	4,420,000	3,352,500	7,772,500	-	100%
Total revenue	38,638,000	34,473,000	21,286,385	13,541,690	34,828,075	355,075	101%
Expenditures							
City Council	169,000	152,000	65,682	71,426	137,108	14,892	90%
City Manager	1,559,000	1,355,000	673,303	591,552	1,264,855	90,145	93%
Community Development	4,203,000	3,974,250	3,206,925	444,134	3,651,059	323,191	92%
Public Works Administration	1,198,000	1,044,250	466,029	457,247	923,276	120,974	88%
Engineering Services	1,100,000	967,750	490,565	351,066	841,631	126,119	87%
Facilities Management	2,453,000	2,209,250	1,246,887	700,775	1,947,662	261,588	88%
Finance	1,864,000	1,641,500	826,224	653,079	1,479,303	162,197	90%
Fleet Services	2,237,000	2,026,000	1,054,219	483,447	1,537,666	488,334	76%
Human Resources	640,000	559,250	279,103	219,580	498,683	60,567	89%
Information Technology	2,296,000	2,020,000	1,049,669	812,796	1,862,465	157,535	92%
Municipal Court	755,000	658,000	337,594	284,455	622,049	35,951	95%
Planning Services	1,295,000	1,124,000	498,631	369,697	868,328	255,672	77%
Code Enforcement	490,000	409,250	178,814	189,129	367,943	41,307	90%
Public Access Studio	186,000	161,750	78,174	65,464	143,638	18,112	89%
Records and Information Management	837,000	735,750	384,186	301,759	685,945	49,805	93%
Non-Departmental	5,758,000	5,381,000	4,663,578	497,979	5,161,557	219,443	96%
Police Administration	1,112,000	965,250	537,020	423,339	960,359	4,891	99%
Police Field Services	11,468,000	9,997,000	5,212,560	4,145,312	9,357,872	639,128	94%
Police Support Services	688,000	598,500	296,992	208,805	505,797	92,703	85%
Total expenditures	40,308,000	35,979,750	21,546,155	11,271,041	32,817,196	3,162,554	91%
Revenue over (under) expenditures	(1,670,000)	(1,506,750)	(259,770)	2,270,649	2,010,879	3,517,629	
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	\$ 3,786,250	\$ 5,779,705	\$ 8,050,354	\$ 7,790,584	\$ 4,004,334	

- 1 Property taxes are predominately received in November of each year and therefore, the majority was received last quarter.
- 2 Franchise fees are typically received later in the year and prior year receipts were 2% lower than anticipated.
- 3 Intergovernmental revenues are low due to receipt timing from the State (two month lag).
- 4 Increases in parking permit fees and business registration fees implemented during the year increased revenues. Additionally, Community Development applications increased.
- 5 Photo radar and traffic fines are significantly less than expected due to staffing adaptations and modifications to photo radar van deployment.
- 6 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 by the end of FY2016.
- 7 Public Works Administration experienced personnel vacancies and delayed capital outlay expenditures in FY2015. The capital component is expected to catch up by the end of FY2016.
- 8 Engineering experienced personnel vacancies in FY2015.
- 9 Facilities capital outlay expenditures were delayed in FY2015 and have not yet caught up in FY2016.
- 10 Finance capital outlay expenditures slated for FY2015 were delayed but are expected to catch up by the end of FY2016. Additionally, the Department experienced changes in employee benefits reducing spending.
- 11 In FY2015, Fleet experienced personnel vacancies, fuel, oil, and fleet repair costs were lower than anticipated, and capital outlay expenditures were delayed until FY2016.
- 12 Information Technology experienced personnel vacancies in FY2015 and FY2016.
- 13 Planning experienced personnel vacancies in FY2015. Additionally, urban renewal and comprehensive plan projects have yet to begin. In FY2016 we anticipate the use of a significant portion of the remaining budgeted funds.
- 14 Large payments on debt are made at the end of the fiscal year and are expected to catch up to budget by the end of FY2016.
- 15 During FY2015, the Police Department experienced several retirements and vacancies. Additionally, costs related to photo radar were much lower than anticipated due to changes in the unit's deployment.

City of Milwaukie, Oregon
Quarterly Financial Report
Budget-to-Actual
Through the third quarter ended March 31, 2016

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	418,000	\$ 320,250	\$ 253,677	\$ 573,927	\$ 155,927	137% ¹
Intergovernmental	169,000	149,750	85,195	17,024	102,219	(47,531)	68% ²
Total revenue	655,000	567,750	405,445	270,701	676,146	108,396	119%
Expenditures							
Debt service	655,000	567,750	304,985	80,811	385,796	181,954	68% ²
Total expenditures	655,000	567,750	304,985	80,811	385,796	181,954	68%
Revenue over (under) expenditures	-	-	100,460	189,890	290,350	290,350	
Beginning fund balance	-	-	-	100,460	-	-	
Ending fund balance	\$ -	\$ -	\$ 100,460	\$ 290,350	\$ 290,350	\$ 290,350	

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

² Debt service payments are due at the end of each fiscal year and expected to catch up to budget at the end of FY2016. Related intergovernmental revenues will also be billed at that time.

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	\$ 493,000	422,250	\$ 225,775	\$ 348,768	\$ 574,543	\$ 152,293	136% ¹
Intergovernmental	-	3,500	522	877	1,399	877	0%
Miscellaneous	5,000	4,250	1,426	180	1,606	(2,644)	38%
Total revenue	498,000	430,000	227,723	349,825	577,548	150,526	134%
Expenditures							
Personnel services	451,000	392,250	193,886	178,926	372,812	19,438	95%
Materials and services	50,000	40,750	16,932	7,353	24,285	16,465	60%
Transfers	100,000	87,500	50,000	37,500	87,500	-	100%
Total expenditures	601,000	520,500	260,818	223,779	484,597	35,903	93%
Revenue over (under) expenditures	(103,000)	(90,500)	(33,095)	126,046	92,951	186,429	
Beginning fund balance	147,000	147,000	169,947	136,852	136,852	(10,148)	
Ending fund balance	\$ 44,000	\$ 56,500	\$ 136,852	\$ 262,898	\$ 229,803	\$ 176,281	

¹ Building permit volume increased more than anticipated in FY2016, in addition to fee increases.

City of Milwaukie, Oregon
Quarterly Financial Report
Budget-to-Actual
Through the third quarter ended March 31, 2016

Library Fund

	Biennial	Flexible	FY 2015		FY 2016		Total Biennium		% of Budget
	Budget	Biennial Budget	Actual	YTD Actual	To-Date Actual	Variance			
Revenue									
Intergovernmental revenue	\$ 3,022,000	2,936,100	\$ 1,530,775	\$ 1,436,689	\$ 2,967,464	\$ 31,364	101%	1	
Intergovernmental revenue - capital	1,000,000	-	-	-	-	-	-	1	
Fines	126,000	110,250	59,910	38,574	98,484	(11,766)	89%		
Miscellaneous	4,000	10,500	22,266	6,754	29,020	18,520	276%		
Allocation of general property taxes	1,884,000	1,648,500	942,000	903,253	1,845,253	196,753	112%	2	
Total revenue	6,036,000	4,705,350	2,554,951	2,385,270	4,940,221	234,871	105%		
Expenditures									
Personnel services	3,266,000	2,844,750	1,471,717	1,138,256	2,609,973	234,777	92%	3	
Materials and services	374,000	327,250	178,273	161,209	339,482	(12,232)	104%		
Transfers	1,380,000	1,210,000	700,000	510,000	1,210,000	-	100%		
Capital outlay	1,000,000	10,000	10,000	-	10,000	-	100%	1	
Total expenditures	6,020,000	4,392,000	2,359,990	1,809,465	4,169,455	222,545	95%		
Revenue over (under) expenditures	16,000	313,350	194,961	575,805	770,766	457,416			
Beginning fund balance	422,000	422,000	550,813	745,774	745,774	323,774			
Ending fund balance	\$ 438,000	\$ 735,350	\$ 745,774	\$ 1,321,579	\$ 1,516,540	\$ 781,190			

¹ 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.

² Property taxes are predominately received in November of each year and therefore, the majority was received in the second quarter.

³ Medical benefits were much lower than anticipated due to enrollment changes in FY2015. Workers' compensation was also lower than anticipated.

City of Milwaukie, Oregon
Quarterly Financial Report
Budget-to-Actual
Through the third quarter ended March 31, 2016

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	\$ 1,078,000	\$ 621,826	\$ 489,708	\$ 1,111,534	\$ 33,534	103%
Franchise fees (from 1.5% privilege tax)	647,000	564,500	314,819	308,711	623,530	59,030	110%
Intergovernmental (from local gas tax)	352,000	293,000	167,638	119,860	287,498	(5,502)	98%
	2,231,000	1,935,500	1,104,283	918,279	2,022,562	87,062	104%
<i>Dedicated to State Gas Tax Program:</i>							
Intergovernmental (from state gas tax)	2,373,000	1,973,000	1,183,631	800,979	1,984,610	11,610	101%
Intergovernmental (other)	3,295,000	2,471,250	655,735	497,813	1,153,548	(1,317,702)	47% ¹
Franchise fees (from utility funds)	1,368,000	1,189,000	700,000	537,000	1,237,000	48,000	104%
Miscellaneous	100,000	75,000	12,952	50,318	63,270	(11,730)	84%
Total revenue	9,367,000	7,643,750	3,656,601	2,804,389	6,460,990	(1,182,760)	85%
Expenditures							
Personnel services	981,000	854,250	388,772	306,791	695,563	158,687	81% ²
Materials and services	911,000	795,500	358,207	240,009	598,216	197,284	75% ²
Debt service	-	-	-	-	-	-	-
Transfers	1,890,000	1,658,750	965,000	693,750	1,658,750	-	100%
Capital outlay	5,645,000	5,291,250	1,387,312	2,500,704	3,888,016	1,403,234	73% ¹
Total expenditures	9,427,000	8,599,750	3,099,291	3,741,254	6,840,545	1,759,205	80%
Revenue over (under) expenditures	(60,000)	(956,000)	557,310	(936,865)	(379,555)	576,445	
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	\$ 408,000	\$ 2,015,959	\$ 1,079,094	\$ 1,636,404	\$ 1,228,404	

¹ 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. See project status report for further information.

² Management continues to try to save in the State Gas Tax 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 third quarter ended March 31, 2016

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	1,078,000	\$ 621,826	\$ 489,708	\$ 1,111,534	\$ 33,534	103%
Franchise fees (from 1.5% privilege tax)	647,000	564,500	314,819	308,711	623,530	59,030	110%
Intergovernmental (from local gas tax)	352,000	293,000	167,638	119,860	287,498	(5,502)	98%
Total revenue	2,231,000	1,935,500	1,104,283	918,279	2,022,562	87,062	104%
Expenditures							
Materials and services	141,000	123,250	13,345	9,889	23,234	100,016	19% ¹
Transfers	378,000	331,750	193,000	139,500	332,500	(750)	100%
Capital outlay	2,000,000	1,671,250	511,341	1,708,229	2,219,570	(548,320)	133% ²
Total expenditures	2,519,000	2,126,250	717,686	1,857,618	2,575,304	(449,054)	121%
Revenue over (under) expenditures	(288,000)	(190,750)	386,597	(939,339)	(552,742)	(361,992)	
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	\$ 1,308,250	\$ 1,925,615	\$ 986,276	\$ 1,372,873	\$ 64,623	

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	1,973,000	\$ 1,183,631	\$ 800,979	\$ 1,984,610	\$ 11,610	101%
Intergovernmental (other)	3,295,000	2,471,250	655,735	497,813	1,153,548	(1,317,702)	47% ³
Franchise fees (from utility funds)	1,368,000	1,189,000	700,000	537,000	1,237,000	48,000	104%
Fee in Lieu of Construction	100,000	75,000	-	-	-	(75,000)	- ⁴
Miscellaneous	-	-	12,952	50,318	63,270	63,270	100%
Total revenue	7,136,000	5,708,250	2,552,318	1,886,110	4,438,428	(1,269,822)	78%
Expenditures							
Personnel services	981,000	854,250	388,772	306,791	695,563	158,687	81% ⁵
Materials and services	770,000	672,250	344,862	230,120	574,982	97,268	86% ⁵
Transfers	1,512,000	1,327,000	772,000	554,250	1,326,250	750	100%
Capital outlay	3,645,000	3,620,000	875,971	792,475	1,668,446	1,951,554	46% ³
Total expenditures	6,908,000	6,473,500	2,381,605	1,883,636	4,265,241	2,208,259	66%
Revenue over (under) expenditures	228,000	(765,250)	170,713	2,474	173,187	938,437	
Beginning fund balance	(135,000)	(135,000)	(80,369)	90,344	90,344	225,344	
Ending net available fund balance	\$ 93,000	\$ (900,250)	\$ 90,344	\$ 92,818	\$ 263,531	\$ 1,163,781	

- ¹ Contractual services were less than anticipated in FY2015 but are expected to catch up by the end of FY2016.
- ² The Railroad Avenue paving project was completed and exceeded budget.
- 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. See project status report for further information.
- ⁴ FILOC funds are slated to be used in the 17th Avenue project which had not concluded as of the end of the FY2016 third 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
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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	5,611,500	\$ 3,629,208	2,947,088	6,576,296	964,796	117% ¹
Miscellaneous	196,000	171,250	69,029	83,211	152,240	(19,010)	89%
Total revenue	6,648,000	5,782,750	3,698,237	3,030,299	6,728,536	945,786	116%
Expenditures							
Personnel services	1,277,000	1,112,000	575,415	443,803	1,019,218	92,782	92%
Materials and services	1,584,000	1,378,250	774,589	503,152	1,277,741	100,509	93% ²
Transfers	1,830,000	1,601,250	915,000	686,250	1,601,250	-	100%
Capital outlay	1,522,000	1,116,000	514,151	106,442	620,593	495,407	56% ³
Total expenditures	6,213,000	5,207,500	2,779,155	1,739,647	4,518,802	688,698	87%
Revenue over (under) expenditures	435,000	575,250	919,082	1,290,652	2,209,734	1,634,484	
Beginning fund balance	395,000	395,000	780,923	1,700,005	1,700,005	1,305,005	
Ending fund balance	\$ 830,000	\$ 970,250	\$ 1,700,005	\$ 2,990,657	\$ 3,909,739	\$ 2,939,489	

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 Electricity costs and facility repairs were less than anticipated in FY2016.

³ 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	12,060,250	\$ 6,939,074	\$ 5,414,595	\$ 12,353,669	\$ 293,419	102%	1
Miscellaneous	8,000	7,000	4,757	1,146	5,903	(1,097)	84%	
Proceeds from reimbursement district	30,000	25,000	75,508	56,661	132,169	107,169	529%	2
Total revenue	13,874,000	12,092,250	7,019,339	5,472,402	12,491,741	399,491	103%	
Expenditures								
Personnel services	937,000	816,000	413,934	321,774	735,708	80,292	90%	
Materials and services	9,743,000	8,501,750	4,568,268	3,129,911	7,698,179	803,571	91%	3
Debt service	220,000	192,500	104,416	103,933	208,349	(15,849)	108%	
Transfers	1,820,000	1,586,250	885,000	701,250	1,586,250	-	100%	
Capital outlay	1,709,000	1,483,250	649,394	638,583	1,287,977	195,273	87%	4
Total expenditures	14,429,000	12,579,750	6,621,012	4,895,451	11,516,463	1,063,287	92%	
Revenue over (under) expenditures	(555,000)	(487,500)	398,327	576,951	975,278	1,462,778		
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	\$ 1,708,500	\$ 2,716,486	\$ 3,293,437	\$ 3,691,764	\$ 1,983,264		

- 1 Wastewater Fund revenues were higher than anticipated due to usage, accompanied with higher rates. This trend continues in FY2016.
- 2 Payments on reimbursement district accounts were higher than anticipated in FY2015, and continued in FY2016 due to the housing market sales.
- 3 Treatment payments to WES are a month behind with actual year-to-date amounts reflecting only eight payments.
- 4 Projects slated for FY2016 have not yet been completed. See project status report for further information.

City of Milwaukie, Oregon
Quarterly Financial Report
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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	4,761,250	\$ 2,571,866	\$ 2,200,029	\$ 4,771,895	\$ 10,645	100%
Intergovernmental	1,004,000	-	-	-	-	-	0%
Miscellaneous	20,000	7,000	9,016	10,495	19,511	12,511	279%
Total revenue	6,505,000	4,768,250	2,580,882	2,210,524	4,791,406	23,156	100%
Expenditures							
Personnel services	1,375,000	1,196,250	483,480	360,930	844,410	351,840	71%
Materials and services	852,000	741,750	322,575	277,276	599,851	141,899	81%
Transfers	1,870,000	1,628,750	905,000	723,750	1,628,750	-	100%
Capital outlay	4,547,000	4,547,000	7,020	1,067,408	1,074,428	3,472,572	24%
Total expenditures	8,644,000	8,113,750	1,718,075	2,429,364	4,147,439	3,966,311	51%
Revenue over (under) expenditures	(2,139,000)	(3,345,500)	862,807	(218,840)	643,967	3,989,467	
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	\$ (953,500)	\$ 3,390,816	\$ 3,171,976	\$ 4,034,783	\$ 4,988,283	

- ¹ One budgeted position was not filled during FY2015 and another was filled later than originally anticipated.
- ² Contractual and professional services were less than anticipated during FY2015.
- ³ Capital projects have not been completed at the end of the third quarter. See project status report for further information. Additionally, the Kellog Creek Dam Removal project that is accompanied by an intergovernmental grant has been delayed.

City of Milwaukie, Oregon
 Quarterly Financial Report
 Budget-to-Actual
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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	70,750	\$ 70,493	\$ 39,868	\$ 110,361	\$ 39,611	156%
Miscellaneous	-	-	241	122	363	363	100%
Total revenue	78,000	70,750	70,734	39,990	110,724	39,974	157%
Expenditures							
Capital outlay	430,000	430,000	35,383	165,143	200,526	229,474	47% ¹
Total expenditures	430,000	430,000	35,383	165,143	200,526	229,474	47%
Revenue over (under) expenditures	(352,000)	(359,250)	35,351	(125,153)	(89,802)	269,448	
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	\$ 958,750	\$ 1,428,140	\$ 1,302,987	\$ 1,338,338	\$ 379,588	

¹ Projects for the biennium have not yet been completed.

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Project Status Report
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Project Status Report

Biennium-to-Date through March 31, 2016

Project Number	FY15 Annual			FY16 Annual			Total BN			Variance	% of Budget	Project Status
	Budget	Budget	Budget	Budget	Budget	Budget	FY15 YTD Actual	FY16 YTD Actual	Total BN Actual			
General Fund												
Portland-Milwaukie Light Rail (PMLR)	D06	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,975	\$ -	\$ 3,975	\$ (3,975)	0%	Final close out anticipated in fourth quarter.
Park Bridge (Emergency)	D22	-	-	-	-	-	-	23,615	23,615	(23,615)	0%	Emergency repairs in process.
HVAC Intake Relocation - Johnson Creek Building - Facilities	F	-	15,000	15,000	-	-	-	-	-	15,000	-	Project deferred.
Replace Emergency Generator at Public Safety Building - Facilities	F08	45,000	-	45,000	-	-	-	-	-	45,000	-	CFD1 in process of purchasing genset. Construction work bidding process has not started.
Bertman House Exterior Structural Repairs - Facilities	F12	10,000	-	10,000	-	-	-	-	-	10,000	-	Combined with project F13 for Q4 completion.
Bertman House Exterior Paint - Facilities	F13	10,000	-	10,000	-	-	-	-	-	10,000	-	Expected FY2017 Q1/Q2 completion.
Brick Mortar Repair at City Hall - Facilities	F14	30,000	-	30,000	-	300	300	300	300	29,700	1%	Specifications complete.
Re-roof Public Safety Building - Facilities	F15	350,000	-	350,000	346,462	1,490	347,952	347,952	2,048	99%	Project complete.	
Seal Brick on Public Safety Building - Facilities	F16	30,000	-	30,000	-	275	275	275	29,725	1%	To be done with project F14 in FY2016 Q4. Specifications complete.	
Replace Caulking Windows and Doors at Public Safety Building - Facilities	F17	17,000	-	17,000	-	275	275	275	16,725	2%	Work slated for Q4. Specifications complete.	
Removal of Oil Tank Bertman House - Facilities	F18	-	10,000	10,000	-	-	-	-	10,000	-	Work has started and will be completed in FY2017.	
Replacement of Main Air Handler at the Library - Facilities	F19	-	20,000	20,000	-	-	-	-	20,000	-	Project deferred and work to be completed with Library Expansion.	
EOC Configuration - Public Safety Building - Facilities	F20	-	10,000	10,000	2,553	-	2,553	2,553	7,447	26%	Project complete.	
Incode Version X Upgrade	F15	-	90,000	90,000	-	21,434	21,434	21,434	68,566	24%	Implementation underway, project scheduled to be completed in FY2017.	
CMMS Upgrade - Public Works	G01	80,000	-	80,000	30,908	30,844	61,752	61,752	18,248	77%	Implementation underway, project scheduled to be completed Q4.	
Computer Refresh - IT	I02	45,000	-	45,000	50,567	-	50,567	50,567	(5,567)	112%	Project complete.	
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	31,658	19,342	62%	Project complete.	
Enterprise WiFi Installation - IT	I05	38,000	-	38,000	32,163	-	32,163	32,163	5,837	85%	Project complete including expansion in Pond House.	
Network File Storage Capacity Expansion - IT	I06	-	15,000	15,000	-	33,917	33,917	33,917	(18,917)	226%	Project complete.	
VOIP Upgrade	I08	32,000	-	32,000	52,800	-	52,800	52,800	(20,800)	165%	Project complete.	
Fleet Vehicle Purchases from Reserve - Streets	K01	100,000	14,000	114,000	97,290	-	97,290	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	-	78,188	78,188	236,812	25%	In various stages of purchasing.	
Fleet Vehicle Purchases from Reserve - Wastewater	K03	143,000	-	143,000	81,380	-	81,380	81,380	61,620	57%	In various stages of purchasing.	
Fleet Vehicle Purchases from Reserve - Stormwater	K04	227,000	-	227,000	212,225	-	212,225	212,225	14,775	93%	In various stages of purchasing.	
Tool Boxes and Tire Machine - Fleet	K05	17,000	-	17,000	15,965	-	15,965	15,965	1,035	94%	Project complete.	
Fuel Pumps and Software - Fleet	K05	35,000	-	35,000	-	38,362	38,362	38,362	(3,362)	110%	Project complete.	
Brake Lathe - Fleet	K05	-	16,000	16,000	-	15,625	15,625	15,625	375	98%	Project complete.	
General Fund Department Vehicles - Fleet	K05	-	45,000	45,000	-	-	-	-	45,000	-	In various stages of purchasing.	
Library Video Security	L06	-	-	-	6,269	-	6,269	6,269	(6,269)	0%	Project complete.	
Riverfront Construction	Q07	2,271,000	21,000	2,292,000	2,592,560	2,496	2,595,056	2,595,056	(303,056)	113%	Project complete.	
Public Access Studio Equipment Replacement	V01	44,000	52,000	96,000	41,819	45,703	87,522	87,522	8,478	91%	Project complete.	
Police Vehicle Replacement	Z09	100,000	100,000	200,000	91,084	87,241	178,325	178,325	21,675	89%	Project complete.	
Police Motorola Radio	Z10	-	-	-	-	18,842	18,842	18,842	(18,842)	0%	Project complete.	
Total General Fund Capital Projects		\$ 3,841,000	\$ 594,000	\$ 4,435,000	\$ 3,767,866	\$ 320,419	\$ 4,088,285	\$ 4,088,285	\$ 346,715	92%		

City of Milwaukie, Oregon
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 Project Status Report
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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	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	-	With passage of Library Expansion bond measure, project is slated for FY2017 & FY2018.
Library Video Security	L06	-	-	-	10,000	-	10,000	(10,000)	0%	Project complete.
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 complete.
School Zone Implementation	T04	-	-	-	13,403	-	13,403	(13,403)	0%	Project complete with lightrail project.
17th Avenue Multi-Use Trail	T05/T08	3,170,000	-	3,170,000	593,334	593,871	1,187,205	1,982,795	37%	Project bid and awarded; anticipated completion date is October 31, 2016.
Adams Street Connector	T07/D13	375,000	-	375,000	265,943	168,472	434,415	(59,415)	116%	Project complete; staff working on two additional improvements to the project under separate contracts.
Transportation Vehicle Purchases	T31	-	50,000	50,000	-	-	-	50,000	-	In various stages of purchasing.
Asphalt Grinder & Trench Paver Machines	T32, T33	-	50,000	50,000	-	-	-	50,000	-	Project complete; paver purchase in Q4 and the trencher will not be purchased at this time.
Realignment of 22nd Avenue & McLoughlin Blvd	T34	-	-	-	-	29,295	-	-	-	Project complete.
Total State Gas Tax Projects		\$ 3,545,000	\$ 100,000	\$ 3,645,000	\$ 875,971	\$ 792,475	\$ 1,639,151	\$ 2,005,849	45%	
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	511,194	1,606,962	2,118,156	(318,156)	118%	Project complete.
Crack Seal Machine	S12	70,000	-	70,000	-	-	-	70,000	-	Purchased in FY2014. Funding allocated to project S10.
Total Street Surface Maintenance Program Projects		\$ 685,000	\$ 1,315,000	\$ 2,000,000	\$ 511,341	\$ 1,708,229	\$ 2,219,570	\$ (219,570)	111%	
Total Transportation Fund Capital Projects		\$ 4,230,000	\$ 1,415,000	\$ 5,645,000	\$ 1,387,312	\$ 2,500,704	\$ 3,858,721	\$ 1,786,279	68%	

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Project Status Report

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Project Number	FY15 Annual		Total BN Budget	FY15 YTD Actual		FY16 YTD Actual	Total BN Actual	Variance	% of Budget	Project Status
	Budget	Budget								
Water Fund										
Water Well No. 2 Storage Tank Maintenance	W10	\$ 150,000	\$ -	\$ 150,000	\$ -	\$ -	\$ -	\$ 150,000	-	Project deferred - budgeted in FY2017.
Water Well No. 6 Storage Tank Maintenance	W14		400,000	400,000	-	-	-	400,000	-	Project deferred - budgeted in FY2017.
McBrod Ave Water System Improvements	W27	-	-	-	-	-	-	-	0%	Delayed due to pending litigation with an adacent property owner. In its place, Staff has moved up a project on 17th Avenue between Ochoco and McBrod.
Wood Avenue Service Line Transfer	W32	10,000		10,000	-	-	-	10,000	-	Work has started; project to be completed in FY2017 (not budgeted).
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 - expediture shown is for W27 (McBrod project spent on 17th).
17th Avenue Water System Improvements	W37	315,000	-	315,000	314,699	106,442	421,141	(106,141)	134%	Project complete.
Main Street Water System Improvements	W38	-	160,000	160,000	-	-	-	160,000	-	Completion planned for FY2017.
Riverway Water System Improvements	W39	-	75,000	75,000	-	-	-	75,000	-	Completion planned for FY2017.
Wood Court Water System Improvements	W40	-	75,000	75,000	-	-	-	75,000	-	Completion planned for FY2017.
Monroe Water System Improvements (Abandon)	W41	-	50,000	50,000	-	-	-	50,000	-	Completion planned for FY2017.
Total Water Fund Capital Projects		\$ 710,000	\$ 812,000	\$ 1,522,000	\$ 514,151	\$ 106,442	\$ 620,593	\$ 901,407	41%	
Wastewater Fund										
Wastewater Main Repair Program	X07	\$ 100,000	\$ 100,000	\$ 200,000	\$ -	\$ -	\$ -	\$ 200,000	-	Project design stared; construction anticipated in FY2017 Q2.
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%	Current phase complete.
Manhole Replacement/Rehabilitation Program	X11	50,000	50,000	100,000	-	-	-	100,000	-	Project revised to provide funding for repairs to the manhole in Kellogg Creek damaged during the December storm event in conjunction with FEMA work.
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	-	Deferred to FY2017.
Total Wastewater Fund Capital Projects		\$ 806,000	\$ 903,000	\$ 1,709,000	\$ 649,394	\$ 638,583	\$ 1,287,977	\$ 421,023	75%	

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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	FY16 YTD Actual	Total BN Actual	Variance	% of Budget	Project Status	
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 funds have been transferred to the 17th Ave. Multi-Use Trail project (T05/T08).
Stanley Avenue Pipe Replacement	Y05	1,200,000		1,200,000	7,020	1,067,261	1,074,281	125,719	90%	Project substantially complete. Working on punch list and closeout items.
Stormwater Transporter and Camera Replacement	Y07	-	43,000	43,000	-	-	-	43,000	-	Gathering quotes for purchase.
36th Avenue Stormwater Improvements	Y08	105,000	-	105,000	-	-	-	105,000	-	Completion planned for FY2017.
47th Avenue and Llewellyn Street	Y09	160,000	-	160,000	-	-	-	160,000	-	Completion planned for FY2017.
55th Avenue and Monroe Street Stormwater Improvements	Y10	25,000	-	25,000	-	-	-	25,000	-	Completion planned for FY2017.
Meek Street Pipe Installation	Y11	-	1,550,000	1,550,000	-	147	147	1,549,853	0%	Consultant selection process started. Project set for design in FY2017 with construction in FY2018.
Stormwater Vehicle Replacements	Y12	228,000	209,000	437,000	-	-	-	437,000	-	Project complete.
Upgrade TV Van Computer		-	23,000	23,000	-	-	-	23,000	-	Project complete.
Total Stormwater Fund Capital Projects		\$ 1,718,000	\$ 2,829,000	\$ 4,547,000	\$ 7,020	\$ 1,067,408	\$ 1,074,428	\$ 3,472,572	90%	
SDC Fund										
Portland-Milwaukie Light Rail	D06	\$ 20,000	\$ -	\$ 20,000	\$ -	\$ -	\$ -	\$ 20,000	-	Project complete for SDC's.
17th Avenue Multi-Use Trail - Streets	T05	20,000	-	20,000	-	-	-	20,000	-	Project bid and awarded; anticipated completion date is October 31, 2016.
17th Avenue Multi-Use Trail - Stormwater	T05	100,000	-	100,000	16,432	120,139	136,571	(36,571)	137%	Project bid and awarded; anticipated completion date is October 31, 2016.
Kellogg Multi-Use Bridge - Streets	T08	200,000	-	200,000	18,951	45,004	63,955	136,045	32%	Bridge is in place. 100% plans for the landings are complete pending review through City's Planning Type I process.
McBrod Ave Water System Improvements - Water	W27	90,000	-	90,000	-	-	-	90,000	-	Project funding moved to Monroe Street due to failed waterline.
Total SDC Fund Capital Projects		\$ 430,000	\$ -	\$ 430,000	\$ 35,383	\$ 165,143	\$ 200,526	\$ 229,474	47%	
Total		\$ 11,735,000	\$ 7,553,000	\$ 19,288,000	\$ 6,371,126	\$ 4,798,699	\$ 11,140,530	\$ 8,147,470		

