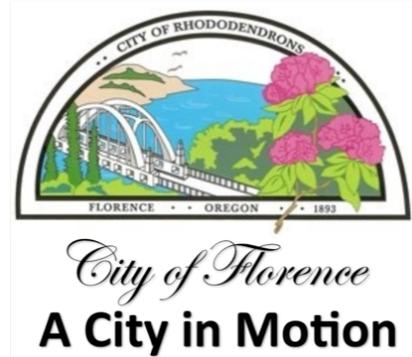




City Hall Remodel/Expansion - 2018



Public Works Administration and Maintenance Facility – 2017



REVISION FLORENCE

Florence Urban Renewal Agency



Highway 101 Streetscape Project - 2018

City of Florence, Oregon Quarterly Report

First Quarter Ended September 30, 2017

January 4, 2018

Dear Mayor Henry, City Councilors, Citizens of Florence and other interested individuals;

We are pleased to report on activities and progress we have made on Council goals on behalf of the City of Florence for the first quarter ended September 30, 2017. The report includes comparisons of actual to budgeted amounts, a City-wide summary of beginning fund balance, current period resources and expenditures, and the ending fund balance for all funds and narrative explaining results and highlights for the quarter. The financial information presented is unaudited and any significant adjustment are noted.

Please note that the budgeted amounts presented reflect the fiscal year 2017-18 estimates utilized in the preparation of the City's budget for the July 1, 2017 – June 30, 2019 biennium. We will update the report to include the biennial amounts no later than the third quarter report for fiscal year 2017-18.

Budgeted amounts presented generally have been allocated proportionately, i.e., twenty-five percent (25%) of the fiscal year amount for the quarter. However, revenue such as property taxes and transient room taxes, debt proceeds and expenditures such as capital outlay, transfers to and from other funds for capital projects and debt service reflect allocations that are based on the actual need or requirement. Explanations are provided as necessary with each fund. Additionally, the full fiscal year budget and the updated estimated amounts for the full fiscal year are provided. When full fiscal year estimated amounts vary considerably from the full-fiscal year budgeted amounts, an explanation is provided.

City Council adopted seven goals in early 2015, which were consolidated to five goals in 2016.

- City Service Delivery
- Livability and Quality of Life
- Economic Development
- Communication and Trust, and
- Financial and Organizational Sustainability

Following are highlights for the first quarter related to these goals:

- General Fund ended the quarter with a fund balance of \$1.16 million, \$229,587 greater than budgeted.
- Capital expenditures for the quarter were \$1.37 million.
- Fund balances in the various funds, excluding the wastewater and street funds, meet or exceed the minimum



financial requirements for sustainable operations.

- Revenue during the quarter was sufficient to meet authorized spending with the adopted budget.

Operations

- City Council
 - Florence named official U.S. Coast Guard City (3rd city in Oregon, 24th in U.S.)
 - Adoption of updated fees schedule
 - Approval of solid waste rate adjustment
 - Approval of Collective Bargaining Agreement with Florence Police Employee Association
 - Acceptance of grant for Miller Park Rehabilitation (\$216,000)
 - Approval of grant application to Oregon Department of Aviation for airport improvements
 - Amend contract for Judge's services
 - Attendance to League of Oregon Cities conference
- Florence Events Center
 - Friends of the FEC received \$30,800 grant from the Oregon Cultural Trust – 2nd highest grant amount in Lane County
 - Solicitation of bids for capital projects
- Administration
 - Sale of Pacific View Business Park lots
 - Support of FURA projects and activities
 - Economic development coordination
 - Coordination/evaluation of extension of City services – east and north
 - Attendance of LOC conference
 - Coordination with regional city managers group
 - Preparation/solicitation of funding for ReVision Florence from Lane County
- Human Resources
 - Three-year labor agreement with Florence Police Employee Association
 - Timely recruitment of vacant positions
 - Selection of Human Resources Analyst position – begins December 1
 - Appointment of IT Manager position
- Community Development
 - Public hearings for buildable lands, housing and economic opportunities analysis
 - Annexation and zone assignment – Munsel Lake Rd and North Fork Siuslaw Rd area
 - Acquisition of Transit Connect vehicle
- Finance
 - Implementation of changes to the City's utility services policies, rate and pay adjustments
 - Submittal of the 2017-19 biennial budget to Government Finance Officers Association
- Public Works
 - Land purchase for Siuslaw River Beach Access Park
 - Construction of the new public works complex near complete – move in October
 - Contract approval – Highway 101 water infrastructure project (\$941,651)

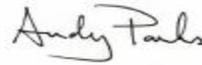
- Contract approval – Well #3 upgrade (\$44,770)
- Secure grant from Oregon Parks and Recreation (\$216,000) – Miller Park
- Oregon Public Works Emergency Response Cooperative Assistance Agreement with ODOT approved
- Radar speed signs installed on Rhododendron Drive
- Police
 - The School Resource Officer program introduced School District wide
 - Officer involved shooting in July
 - Police at near full staffing during the quarter
 - Construction of the round room at the Justice Center nearly complete
 - Acquisition of Ford Explorer and Transit Van
- FURA
 - Intergovernmental agreement (IGA) with City and State for ReVision Florence project
 - 60% DAP drawings completed – filed with ODOT July 7, 2017
 - Submitted funding request to Lane County Commission

If you have any questions, please let Erin or I know.

Sincerely,



Erin Reynolds, CPA
City Manager



Andy Parks, CPA
Finance Director

City-wide - All Funds

The City began the quarter with a combined \$10.8 million fund balance. During the quarter the City received \$3.6 million in revenue, had operating expenditures of \$3.5 (net of \$3.1 million with elimination of City/FURA fund advance to FURA) and invested \$1.37 million in capital. The ending fund balance totals \$9.6 million, with the ending balance in all funds meeting or exceeding the desired minimum amounts per the City's fiscal policies, with the exception of the street fund and wastewater fund. Additional information is presented in the individual fund narratives.

Quarter Ended September 30, 2017

Information for the July 1, 2017 – September 30, 2017 quarter only

Fund	Beginning Fund Balance	Revenue	Debt Proceeds	Total Resources	Expenses	Capital Outlay	Debt Service	Total Expenditures	Ending Fund Balance
General	1,909,359	809,361	-	2,718,720	1,397,798	164,448	-	1,562,246	1,156,474
Street	248,156	239,833	-	487,989	174,252	78,935	-	253,187	234,802
9-1-1	145,202	158,959	-	304,161	180,434	-	-	180,434	123,727
Transient Room Tax	84,678	172,327	-	257,005	96,876	-	-	96,876	160,129
Events Center	347,455	132,474	-	479,929	131,707	3,081	-	134,788	345,141
Water	2,158,824	672,935	-	2,831,759	383,285	75,113	-	458,398	2,373,361
Wastewater	627,975	905,068	-	1,533,043	433,888	66,015	-	499,903	1,033,140
Stormwater	673,266	133,931	-	807,197	74,008	10,317	-	84,325	722,872
Airport	43,929	31,540	-	75,469	59,437	-	-	59,437	16,032
Public Works Admin	2,047,073	259,902	-	2,306,975	155,008	976,846	-	1,131,854	1,175,121
Street SDC	593,081	10,703	-	603,784	154	-	-	154	603,630
Water SDC	138,285	23,498	-	161,783	386	-	-	386	161,397
Wastewater SDC	629,276	33,820	-	663,096	386	-	-	386	662,710
Stormwater SDC	185,712	16,795	-	202,507	154	-	-	154	202,353
GO Debt	139,317	1,534	-	140,851	-	-	-	-	140,851
LID Debt	443,874	34,606	-	478,480	400	-	-	400	478,080
City/FURA Debt	410,821	-	-	410,821	400,012	-	-	400,012	10,809
Totals	10,826,283	3,637,286	-	14,463,569	3,488,185	1,374,755	-	4,862,940	9,600,629

The Florence Urban Renewal Agency (FURA) funds are not included in the above schedule as FURA is a separate entity from the City. FURA's financial reports are included at the end of this report for additional information.

General Fund

The City’s general fund accounts for all the City’s governmental operations, excluding transportation and emergency dispatch. During the quarter revenue from franchise fees, charges for services and miscellaneous were consistent with budgeted amounts. Property taxes and miscellaneous revenue were slightly above budget for the quarter. The property tax levy for the fiscal year is consistent with the amount included in the budget, however, the year-end estimate is slightly greater due to accelerated payments anticipated due to the passage of the federal tax act. Revenue from intergovernmental, franchise fees, licenses and permits and charges for services were below budget, however, revenue from these sources is presently anticipated to meet budget for the year. Transfers were received as budgeted. Debt proceeds are anticipated to be increased by \$1.0 million given the cost increase for the city hall remodel/expansion project approved by City Council in December.

For the quarter, expenditures for all departments, excluding the police; were under budget. The police department is over budget as a result of labor costs exceeding budget due to the labor settlement which provided an increase in salaries of nearly three percent (2.8%), relative to the budgeted amount of one-half percent (0.5%). This additional cost, together with full staffing, is anticipated to result in a need to increase the budget for police and or reduce spending in other areas of the police budget. Another potential department requiring a budget adjustment is city hall. This is the result of a change in personnel and associated benefit costs.

Capital outlay expenditures during the quarter included vehicles for the police and community development departments, design, and near completion of the round room at the Justice Center and design costs for the city hall remodel/expansion. Updated costs for the city hall project are approximately \$1.0 million greater than budgeted. The year-end estimate for this project and the resulting borrowing is included in the report. At this time all capital projects, including city hall, are shown to be completed during the fiscal year. The second quarter report will update this information as construction schedules are finalized. Additionally, the amount for the approved land purchase from Lane County will be reflected when the IGA is completed.

There were no schedule debt payments during the quarter. Transfers were made consistent with the budgeted amounts.

Overall, the General Fund realized a small increase in fund balance of \$8,057 compared to budget during the quarter. The primary drivers to improve year-end results will be cost control management and revenue from franchise fees, community development activity and intergovernmental grants. The projected ending fund balance of \$1.7 million is approximately \$600,000 above the minimum fund balance per the City’s fiscal policies.



	1st Quarter			Annual Budget	Full Year Estimate
	Budget	Actual	Variance Over(Under)		
Current year resources					
Taxes	11,300	12,597	1,297	2,476,700	2,489,500
Intergovernmental	91,775	61,990	(29,785)	703,100	703,100
Franchise fees	200,950	192,342	(8,608)	803,800	807,400
Licenses and permits	102,300	73,272	(29,028)	409,200	396,300
Charges for services	91,650	88,269	(3,381)	366,800	366,300
Miscellaneous	67,375	78,115	10,740	269,500	291,500
Transfers	302,775	302,776	1	1,211,100	1,211,100
Debt proceeds	-	-	-	2,200,000	3,200,000
Total current year resources	868,125	809,361	(58,764)	8,440,200	9,465,200
Expenditures					
Police	582,400	605,902	26,077	2,175,100	2,237,700
Community Development	205,900	173,066	(32,834)	799,300	786,200
Parks	44,625	25,276	(19,349)	168,300	151,800
Municipal Court	69,875	57,022	(12,853)	279,500	274,600
Administration	342,925	316,092	(26,833)	1,371,700	1,350,200
City Hall	22,525	25,608	(217)	90,100	105,500
Non-departmental	32,750	32,232	(518)	131,000	131,000
Operating expenditures	1,301,000	1,235,198	(66,527)	5,015,000	5,037,000
Capital outlay	164,742	164,448	(294)	2,822,600	3,885,100
Debt service	-	-	-	95,900	70,600
Transfers	162,600	162,600	-	650,400	650,400
Total expenditures	1,628,342	1,562,246	(66,821)	8,583,900	9,643,100
Resources over (under) expenditures	(760,217)	(752,885)	8,057	(143,700)	(177,900)
Beginning fund balance	1,687,829	1,909,359	221,530	1,687,829	1,909,359
Ending fund balance	927,612	1,156,474	229,587	1,544,129	1,731,459

Street Fund

This fund accounts for the City's street related activities. During the quarter, the City received revenue from state gas tax consistent with budget, franchise fees slightly less than budgeted and street fees slightly less than budgeted pending a rate equity adjustment later in the fiscal year. Updates to the year-end estimates will be included in the second quarter report as additional information on the State transportation funding package is better understood, together with pending decisions on street fee rate equity adjustments.

With respect to expenditures, personnel costs, materials and services and capital outlay were below budget for the quarter. Capital expenditures are under budget due to scheduling of street preservation and maintenance projects. Transfers were made as budgeted and there were no debt payments scheduled during the quarter.

Overall, the ending fund balance of \$234,802 is approximately \$170,000 below the minimum desired per fiscal policy. This appears to be a timing issue as the projected ending fund balance of \$404,957 at June 30, 2018 will be above the minimum policy, as adjusted due to the repayment and maturity of a debt issue.

	1st Quarter			Annual Budget	Full Year Estimate
	Budget	Actual	Variance Over(Under)		
Current year resources					
Intergovernmental	125,025	133,736	8,711	665,100	666,100
Franchise fees	16,225	13,282	(2,943)	64,900	64,900
Charges for services	97,725	91,772	(5,953)	390,900	390,900
Miscellaneous	475	1,043	568	1,900	1,900
Transfers	-	-	-	228,000	228,000
Total current year resources	239,450	239,833	383	1,350,800	1,351,800
Expenditures					
Personnel services	17,550	17,262	(288)	70,200	70,200
Materials and services	92,850	78,714	(14,136)	279,900	275,000
Capital outlay	128,750	78,935	(49,815)	290,000	290,000
Transfers	78,275	78,276	1	313,100	313,100
Debt service	-	-	-	247,200	246,700
Total expenditures	317,425	253,187	(64,238)	1,200,400	1,195,000
Resources over (under) expenditures	(77,975)	(13,354)	64,621	150,400	156,800
Beginning fund balance	191,892	248,156	56,264	191,892	248,156
Ending fund balance	113,917	234,802	120,885	342,292	404,956

9-1-1 Fund

This fund accounts for the areas 9-1-1 emergency dispatch operations, managed by the City. The City charges users, including the City police department, of emergency dispatch services and receives dedicated tax revenue for 9-1-1 operations. The police department charge for services is included in transfers from the police department in the general fund.

Revenue from 9-1-1 user taxes (intergovernmental) were greater than anticipated for the quarter. Revenue from other public safety organizations is below budget, with invoices sent in the second quarter. Transfers from the general fund were as budgeted.

Expenditures for personnel for the quarter were below budget, however, due to timing of HSA payments in 2018, and the labor settlement (police labor agreement mentioned earlier 2.3% greater than budgeted), personnel costs are anticipated to exceed budget for the year. Materials and services costs are below budget for the quarter as certain expenditures, such as occupancy, will be recognized in subsequent quarters.

Overall, 9-1-1 Fund expenditures exceeded revenue by \$21,475. The ending fund balance is at the minimum amount established by fiscal policy (approximately \$125,000). Revenue from other agencies later this fiscal year will increase fund balance above the policy requirement.

	1st Quarter			Annual Budget	Full Year Estimate
	Budget	Actual	Variance Over(Under)		
Current year resources					
Intergovernmental	18,925	25,084	6,159	75,700	76,000
Charges for services	40,625	-	(40,625)	162,500	162,500
Miscellaneous	-	-	-	-	-
Transfers	133,875	133,875	-	535,500	535,500
Total current year resources	193,425	158,959	(34,466)	773,700	774,000
Expenditures					
Personnel services	139,625	133,494	(6,131)	558,500	567,700
Materials and services	27,150	14,264	(12,886)	79,500	74,100
Capital outlay	-	-	-	10,000	6,000
Transfers	32,675	32,676	1	130,700	130,700
Total expenditures	199,450	180,434	(19,016)	778,700	778,500
Resources over (under) expenditures	(6,025)	(21,475)	(15,450)	(5,000)	(4,500)
Beginning fund balance	157,052	145,202	(11,850)	157,052	145,202
Ending fund balance	151,027	123,727	(27,300)	152,052	140,702

Transient Room Tax Fund

This fund accounts for the City's share of the tourism promotion tax (4%). Tourism activity during the prior three years recovered to pre-recession levels. Growth has slowed as there are no additional motel rooms. Revenue for the quarter was slightly below the allocated budget.

Transient room taxes are allocated forty percent (40%) to tourism promotion via contract with the Chamber of Commerce and sixty percent (60%) to the Florence Events Center. Monthly payments to the Chamber and transfers to the FEC were made consistent with the budget.

The ending fund balance exceeds the minimum fund balance per the fiscal policies by nearly \$129,000.

	1st Quarter			Annual Budget	Full Year Estimate
	Budget	Actual	Variance Over(Under)		
Current year resources					
Taxes	174,400	172,327	(2,073)	387,500	387,500
Total current year resources	174,400	172,327	(2,073)	387,500	387,500
Expenditures					
Materials and services	38,750	38,751	1	155,000	155,000
Transfers	58,125	58,125	-	232,500	232,500
Total expenditures	96,875	96,876	1	387,500	387,500
Resources over (under) expenditures	77,525	75,451	(2,074)	-	-
Beginning fund balance	90,402	84,678	(5,724)	90,402	84,678
Ending fund balance	167,927	160,129	(7,798)	90,402	84,678

Florence Events Center Fund

This fund accounts for the activities of the City's events center.

Revenue is below budget during the first quarter, consistent with previous experience. The Lane County payment is typically received in the third quarter and borrowing will be aggregated with the city hall remodel/expansion project in the third or fourth quarter.

Personnel costs and materials and services costs are below budget for the quarter. The FEC's major capital projects are anticipated to occur in the third quarter. Transfers were made as budgeted.

Overall, the FEC Fund's expenditures exceed revenue for the quarter by 2,314, leaving an ending fund balance of \$345,141. The ending fund balance exceeds the minimum desired fund balance per fiscal policy by approximately \$114,000, or nearly 50%.

	1st Quarter			Annual Budget	Full Year Estimate
	Budget	Actual	Variance Over(Under)		
Current year resources					
Intergovernmental	-	-	-	100,000	100,000
Charges for services	55,500	32,188	(23,312)	222,000	220,400
Miscellaneous	44,325	25,910	(18,415)	180,800	180,800
Transfers	74,375	74,376	1	297,500	297,500
Debt proceeds	-	-	-	200,000	200,000
Current year resources	174,200	132,474	(41,726)	1,000,300	998,700
Expenditures					
Personnel services	83,000	75,687	(7,313)	332,000	327,800
Materials and services	91,725	41,971	(49,754)	366,900	363,100
Capital outlay	-	3,081	3,081	95,500	95,500
Transfers	14,050	14,049	(1)	237,300	237,300
Debt service	-	-	-	-	-
Total expenditures	188,775	134,788	(53,987)	1,031,700	1,023,700
Resources over (under) expenditures	(14,575)	(2,314)	12,261	(31,400)	(25,000)
Beginning balance	390,514	347,455	(43,059)	390,514	347,455
Ending balance	375,939	345,141	(30,798)	359,114	322,455

Water Fund

This fund accounts for the City's water utility activities. Revenue during the quarter was consistent with the quarterly budgeted amounts. Reimbursement from developers and transfers from the Water SDC Fund to reimburse qualified costs of expansion projects will be made upon completion of qualified projects.

Personnel costs are consistent with the budget for the quarter. However, they are expected to exceed budget for the full year due to internal staff promotions. Materials and services expenditures were slightly less than budgeted for the quarter. Capital outlay is well below the allocated budget as projects will be completed later in the fiscal year.

During the quarter revenue exceeded expenditures by \$214,537. The ending fund balance of \$2.37 million is \$1.76 million above the minimum desired balance. At year end the ending balance is projected to be approximately \$240,000 above the minimum desired due to investment in capital projects.

	1st Quarter			Annual Budget	Full Year Estimate
	Budget	Actual	Variance Over(Under)		
Current year resources					
Charges for services	665,570	666,487	917	2,222,700	2,245,000
Miscellaneous	4,675	6,448	1,773	268,700	269,500
Transfers	-	-	-	100,000	100,000
Total current year resources	670,245	672,935	2,690	2,591,400	2,614,500
Expenditures					
Personnel services	81,400	80,533	(867)	325,600	330,000
Materials and services	115,525	111,526	(6,188)	410,500	392,800
Capital outlay	408,750	75,113	(333,637)	2,260,000	2,260,000
Debt service	-	-	-	169,500	169,500
Transfers	191,225	191,226	1	764,900	766,000
Total expenditures	796,900	458,398	(340,691)	3,930,500	3,918,300
Resources over (under) expenditures	(126,655)	214,537	343,381	(1,339,100)	(1,303,800)
Beginning fund balance	2,214,044	2,158,824	(55,220)	2,214,044	2,158,824
Ending fund balance	2,087,389	2,373,361	288,161	874,944	855,024

Wastewater Fund

This fund accounts for the City's wastewater operations. Charges for services during the quarter were slightly below the budgeted amount, and are projected to remain below budget for the full year (less than one percent). Intergovernmental revenue, miscellaneous, (reimbursements) and transfers from SDCs are pending due to timing issues associated with the Harbor Vista project. Capital expenditures are also less than budgeted pending final agreement for the various projects.

On the expenditure side, personnel and materials and services costs for the quarter are below budget. Capital project expenditures are well under budget with reimbursement related projects deferred pending securing sufficient property owner interest and Council approval. The Harbor Vista project received approval including City acquisition of land from the County in the second quarter. There were no debt payments scheduled during the quarter and transfers were made consistent with the budget.

Overall, the \$1.03 million fund balance approximately \$0.7 million below the desired fund balance per policy. This deficiency has been reviewed with the City Council and Budget Committee with the decision to seek incremental improvement in the fund balance until annual debt service realizes a significant reduction in fiscal year 2021. At that time, revenue is anticipated to exceed expenditures allowing fund balance to increase.

	1st Quarter			Annual Budget	Full Year Estimate
	Budget	Actual	Variance Over(Under)		
Beginning fund balance	563,657	627,975	64,318	563,657	627,975
Current year resources					
Intergovernmental	-	-	-	200,000	200,000
Charges for services	899,710	886,979	(12,731)	3,214,600	3,191,000
Miscellaneous	8,525	18,089	9,564	691,600	700,500
Transfers	-	-	-	657,500	657,500
Total current year resources	908,235	905,068	(3,167)	4,763,700	4,749,000
Expenditures					
Personnel services	87,100	82,466	(4,634)	348,400	347,900
Materials and services	152,475	143,246	(9,229)	502,800	501,500
Capital outlay	519,375	66,015	(453,360)	2,077,500	2,077,500
Debt service	-	-	-	1,193,800	1,193,800
Transfers	208,175	208,176	1	832,700	832,700
Total expenditures	967,125	499,903	(467,222)	4,955,200	4,953,400
Resources over (under) expenditures	(58,890)	405,165	464,055	(191,500)	(204,400)
Beginning fund balance	563,657	627,975	64,318	563,657	627,975
Ending fund balance	504,767	1,033,140	528,373	372,157	423,575

Stormwater Fund

This fund accounts for the City's stormwater activities.

Revenue in the quarter is near the budgeted amounts. The transfer from the Stormwater SDC Fund will occur when qualified projects are completed.

Personnel costs are below budget due to a staffing vacancy during a portion of the quarter. The vacancy has been filled. Materials and services are above budget but are expected to be under budget for the full year. Capital expenditures are below budget for the quarter, and are anticipated to be at or near budget for the full year.

Overall, revenue exceeded expenditures by \$49,606 during the quarter. The ending fund balance of \$722,872 is approximately \$486,000 greater than the desired balance per fiscal policy.

	1st Quarter			Annual Budget	Full Year Estimate
	Budget	Actual	Variance Over(Under)		
Current year resources					
Charges for services	135,850	132,991	(2,859)	543,400	540,000
Miscellaneous	1,750	940	(810)	7,000	7,000
Transfers	-	-	-	50,000	50,000
Total current resources	137,600	133,931	(3,669)	600,400	597,000
Expenditures					
Personnel services	25,025	16,530	(8,495)	100,100	94,100
Materials and services	20,150	21,853	1,703	57,050	57,000
Capital outlay	32,500	10,317	(22,183)	130,000	130,000
Debt service	-	-	-	16,800	16,000
Transfers	35,625	35,625	-	142,500	142,500
Total expenditures	113,300	84,325	(28,975)	446,450	439,600
Resources over (under) expenditures	24,300	49,606	25,306	153,950	157,400
Beginning fund balance	698,510	673,266	(25,244)	698,510	673,266
Ending fund balance	722,810	722,872	62	852,460	830,666

Airport Fund

This fund accounts for the activities of the City's municipal airport.

Revenue for the quarter was slightly greater than anticipated due to increased fuel sales. Intergovernmental revenue is tied to the runway capital project.

Operating expenditures were greater than budget for the quarter due to the timing of fuel purchases. The runway project is scheduled to begin later in the fiscal year. Transfers were made consistent with the budget.

The ending fund balance is greater than the minimum per the fiscal policies by approximately \$25,000.

	1st Quarter			Annual Budget	Full Year Estimate
	Budget	Actual	Variance Over(Under)		
Current year resources					
Intergovernmental	-	-	-	1,143,800	1,143,800
Charges for services	26,467	30,683	4,216	105,868	107,600
Miscellaneous	13,100	857	(12,243)	52,400	52,500
Total current year resources	39,567	31,540	(8,027)	1,302,068	1,303,900
Expenditures					
Materials and services	36,000	52,762	16,762	86,400	88,200
Capital outlay	-	-	-	1,205,800	1,205,800
Transfers	6,675	6,675	-	26,700	26,700
Total expenditures	42,675	59,437	16,762	1,318,900	1,320,700
Resources over (under) expenditures	(3,108)	(27,897)	(24,789)	(16,832)	(16,800)
Beginning fund balance	38,338	43,929	5,591	38,338	43,929
Ending fund balance	35,230	16,032	(19,198)	21,506	27,129

Public Works Administration and Support Services Fund

This fund accounts for the activities of public works administration and staffing that serves several public works functions. Revenue is received via internal charges for services from benefitting funds.

The City closed its \$9.8 million financing in November, 2016, with \$3.3 million targeted for the construction of a new Public Works Administration building and new Maintenance building. Work on this project commenced in earnest during the second quarter of fiscal year 2016-17. The project was nearly completed as of September 30, 2017, with the Public Works department moving into the facility in October.

Personnel and materials and services costs were less than budgeted for the quarter. Capital outlay expenditures were above the allocated budget amount for the quarter and due to project delays in fiscal year 2016-17, resulting in expenditures less than budget in the previous year, the estimated year end costs in fiscal year 2017-18 will be above budget. The actual beginning fund balance which was above budget will be sufficient to pay the additional cost.

The projected ending fund balance is consistent with the minimum desired amount per the City’s financial policies.

	1st Quarter			Annual Budget	Full Year Estimate
	Budget	Actual	Variance Over(Under)		
Beginning fund balance	1,781,562	2,047,073	265,511	1,781,562	2,047,073
Current year resources					
Charges for services	5,725	5,724	(1)	22,900	22,900
Transfers	254,175	254,178	3	1,016,700	1,016,700
Total current year resources	259,900	259,902	2	1,039,600	1,039,600
Expenditures					
Personnel services	139,700	135,236	(4,464)	558,800	565,700
Materials and services	27,930	19,772	(8,158)	111,718	111,000
Capital outlay	897,500	976,846	79,346	1,855,000	2,120,200
Debt service	-	-	-	219,100	219,600
Total expenditures	1,065,130	1,131,854	66,724	2,744,618	3,016,500
Resources over (under) expenditures	(805,230)	(871,952)	(66,722)	(1,705,018)	(1,976,900)
Beginning fund balance	1,781,562	2,047,073	265,511	1,781,562	2,047,073
Ending fund balance	976,332	1,175,121	198,789	76,544	70,173



System Development Funds

The City maintains four separate funds to account for system development charge revenue; street, water, wastewater and stormwater. Revenue is accumulated and transferred to the various operational funds to pay for qualified improvements costs.

Revenue from all SDC sources, except wastewater SDC's, were less than the allocated budget. Planned development is expected to generate budgeted revenue. Transfers from SDC funds to the operating fund will be made consistent with qualified project expenditures.

Wastewater SDC Fund

	1st Quarter			Annual Budget	Full Year Estimate
	Budget	Actual	Variance Over(Under)		
Current year resources					
Charges for services	26,000	33,755	7,755	104,000	104,000
Miscellaneous	1,500	65	(1,435)	6,000	6,000
Total current year resources	27,500	33,820	6,320	110,000	110,000
Expenditures					
Materials and services	4,275	386	(3,889)	17,100	17,100
Transfers	164,375	-	(164,375)	657,500	657,500
Total expenditures	168,650	386	(168,264)	674,600	674,600
Resources over (under) expenditures	(141,150)	33,434	174,584	(564,600)	(564,600)
Beginning fund balance	601,020	629,276	28,256	601,020	629,276
Ending fund balance	459,870	662,710	202,840	36,420	64,676

Street SDC's

	1st Quarter			Budget	Estimate
	Budget	Actual	Variance Over(Under)		
Current year resources					
Charges for services	15,000	10,225	(4,775)	60,000	60,000
Miscellaneous	1,425	478	(947)	5,700	5,700
Tota current year resources	16,425	10,703	(5,722)	65,700	65,700
Expenditures					
Materials and services	15,300	154	(15,146)	61,200	61,200
Transfers	57,000	-	(57,000)	228,000	228,000
Total expenditures	72,300	154	(72,146)	289,200	289,200
Resources over (under) expenditures	(55,875)	10,549	66,424	(223,500)	(223,500)
Beginning fund balance	571,596	593,081	21,485	571,596	593,081
Ending fund balance	515,721	603,630	87,909	348,096	369,581

Water SDC Fund

	1st Quarter			Annual Budget	Full Year Estimate
	Budget	Actual	Variance Over(Under)		
Beginning fund balance	126,410	138,285	11,875	126,410	138,285
Current year resources					
Charges for services	26,750	23,382	(3,368)	107,000	107,000
Miscellaneous	325	116	(209)	1,300	1,300
Total current year resources	27,075	23,498	(3,577)	108,300	108,300
Expenditures					
Materials and services	4,375	386	(3,989)	17,500	17,500
Transfers	25,000	-	(25,000)	100,000	100,000
Total expenditures	29,375	386	(28,989)	117,500	117,500
Resources over (under) expenditures	(2,300)	23,112	25,412	(9,200)	(9,200)
Beginning fund balance	126,410	138,285	11,875	126,410	138,285
Ending fund balance	124,110	161,397	37,287	117,210	129,085

Stormwater SDC Fund

	1st Quarter			Annual Budget	Full Year Estimate
	Budget	Actual	Variance Over(Under)		
Current year resources					
Charges for services	20,125	16,535	(3,590)	80,500	80,500
Miscellaneous	175	260	85	700	700
Total current year resources	20,300	16,795	(3,505)	81,200	81,200
Expenditures					
Materials and services	16,750	154	(16,596)	67,000	67,000
Transfers	-	-	-	50,000	-
Total expenditures	16,750	154	(16,596)	117,000	67,000
Resources over (under) expenditures	3,550	16,641	13,091	(35,800)	14,200
Beginning fund balance	131,916	185,712	53,796	131,916	185,712
Ending fund balance	135,466	202,353	66,887	96,116	199,912



Debt Service Funds

GO Debt Service Fund

This fund accounts for the repayment of voter approved debt obligations to complete water improvements. The property tax levy is less than the annual debt service to gradually reduce the fund balance so that when the bonds are paid off the fund balance will be near zero.

	1st Quarter			Annual Budget	Full Year Estimate
	Budget	Actual	Variance Over(Under)		
Current year resources					
Property taxes	1,360	1,396	36	149,500	148,500
Miscellaneous	250	138	(112)	1,000	1,000
Total current year resources	1,610	1,534	(76)	150,500	149,500
Expenditures					
Debt service	-	-	-	181,400	181,400
Total expenditures	-	-	-	181,400	181,400
Resources over (under) expenditures	1,610	1,534	(76)	(30,900)	(31,900)
Beginning fund balance	137,311	139,317	2,006	137,311	139,317
Ending fund balance	138,921	140,851	1,930	106,411	107,417

LID Debt Service Fund

This fund accounts for debt service obligations incurred to complete local improvements which are paid for by property owners via assessments against their properties. The City has accumulated funds due to early retirement of assessment obligations, sufficient to pay approximately four years of debt service payments without receiving any additional payments.

	1st Quarter			Annual Budget	Full Year Estimate
	Budget	Actual	Variance Over(Under)		
Current year resources					
Miscellaneous	13,250	34,606	21,356	53,000	125,000
Total current year resources	13,250	34,606	21,356	53,000	125,000
Expenditures					
Materials and services	100	400	300	400	400
Debt service	-	-	-	94,955	94,955
Total expenditures	100	400	300	95,355	95,355
Resources over (under) expenditures	13,150	34,206	21,056	(42,355)	29,645
Beginning fund balance	350,742	443,874	93,132	350,742	443,874
Ending fund balance	363,892	478,080	114,188	308,387	473,519

City/FURA Debt Service Fund

This fund accounts for the City’s borrowing and lending to the Florence Urban Renewal Agency (FURA) for urban renewal activities. In November 2016 the City completed a \$9.8 million borrowing, including the last draw of \$2.1 million (total of \$3.7 million) for FURA. An adjustment was made for a prior distribution to limit the distribution to the amount approved in the budget in fiscal year 2016-17. The balance of the distribution to FURA was made July 1, 2017.

Outside advancing the remaining debt proceeds there was no activity within the fund.

	1st Quarter			Annual Budget	Full Year Estimate
	Budget	Actual	Variance Over(Under)		
Current year resources					
Intergovernmental	-	-	-	281,600	281,600
Debt proceeds	-	-	-	3,100,000	-
Total current year resources	-	-	-	3,381,600	281,600
Expenditures					
Materials and services	-	400,012	400,012	3,100,000	400,000
Debt service	-	-	-	281,600	281,600
Total expenditures	-	400,012	400,012	3,381,600	681,600
Resources over (under) expenditures	-	(400,012)	(400,012)	-	(400,000)
Beginning fund balance	-	410,821	410,821	-	410,821
Ending fund balance	-	10,809	10,809	-	10,821



Florence Urban Renewal Agency

FURA General Fund

Project and program activity for the Florence Urban Renewal Agency (FURA) is accounted for in the general fund. Design work on and fund raising for the ReVision Florence project continued to be the primary focus of the Agency for the quarter, supplemented by right-of-way acquisition and administration work.

Work on the 60% DAP design was completed and submitted to the Oregon Department of Transportation (ODOT) during the quarter. The updated estimated cost of the project is \$7.4 million. As of September 30, \$5.8 million of funding for the \$7.4 project was secured. A request of \$2.0 million was made to Lane County during the first quarter. Lane County Commissioners approved funding of \$1.2 million, paid in six annual installments of \$200,000 beginning in fiscal year 2017-18.

With the structure and amount of Lane County's payments, together with an increased tax levy amount (see Debt Services Fund below), and the delay in construction, FURA has the capacity to fully fund the ReVision Florence project at \$7.4 million, assuming market conditions do not change materially during the next few months.

	1st Quarter			Budget	Full Year Estimate
	Budget	Actual	Various Over(Under)		
Current year resources					
Intergovernmental	-	-	-	2,900,000	3,000,000
Miscellaneous	250	3,025	2,775	1,000	8,000
Debt proceeds	-	400,012	400,012	3,300,000	500,000
Total current year resources	250	403,037	402,787	6,201,000	3,508,000
Expenditures					
Materials and services	64,975	51,230	(13,745)	259,900	259,900
Capital outlay	1,503,438	141,183	(1,362,255)	6,725,000	1,198,000
Total expenditures	1,568,413	192,413	(1,376,000)	6,984,900	1,457,900
Resources over (under) expenditures	(1,568,163)	210,624	1,778,787	(783,900)	2,050,100
Beginning fund balance	915,484	960,380	44,896	915,484	960,380
Ending fund balance	(652,679)	1,171,004	1,823,683	131,584	3,010,480

FURA Debt Fund

FURA debt service is paid with property taxes. The actual tax levy amount is significantly greater than budgeted. The actual levy in fiscal year 2017-18 is \$454,798, reflecting a nearly six percent (5.8%) increase in taxable assessed value (TAV), more than double the five-year historical average of 2.6%.

The estimated debt service for the full year is reduced due to deferring the ReVision Florence project and its associated borrowing as well as reducing the du jour borrowing by \$100,000 as a result of Lane County's contribution to the ReVision Florence project exceeding the budget for the current year by \$100,000.

	1st Quarter			Budget	Full Year Estimate
	Budget	Actual	Various Over(Under)		
Current year resources					
Property taxes	-	2,632	2,632	392,500	438,600
Miscellaneous	1,000	208	(792)	4,000	4,000
Total current year resources	1,000	2,840	1,840	396,500	442,600
Expenditures					
Debt service	-	-	-	481,600	358,400
Total expenditures	-	-	-	481,600	358,400
Resources over (under) expenditures	1,000	2,840	1,840	(85,100)	84,200
Beginning fund balance	780,190	280,909	(499,281)	780,190	280,909
Ending fund balance	781,190	283,749	(497,441)	695,090	365,109