



City of Florence, Oregon

Quarterly Report

Quarter Ended March 31, 2016



June 20, 2016

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

We are excited to report to you on the activities and progress we have made on Council's goals on behalf of the City of Florence for the quarter ended March 31, 2016. 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, performance measures, and narrative explaining results and highlights for the quarter. The financial information presented is unaudited and any significant adjustment will be noted.

Budgeted amounts presented generally have been allocated proportionately, i.e., twenty-five percent (25%) for the quarter. However, revenue such as property taxes and transient room taxes, transfers from other funds, debt proceeds and expenditures such as capital outlay, transfers to other funds for debt service or capital projects and debt service reflect allocations that are based on past experience or 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
- Economic Development
- Livability and Quality of Life
- Financial Sustainability
- Organizational and Capital Plant
- Communication and Trust, and
- Public Safety

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

- General Fund beginning fund balance for the quarter is slightly above the budgeted amount (\$96,758).
- Resources in the general fund exceeded expenditures for the third quarter by \$245,362.
- No debt was drawn on the \$7.8 million credit line during the third quarter.
- Capital expenditures for the quarter were limited to \$319,082, with several projects either just beginning or to be initiated in the fourth quarter.



- Fund balances in the various funds, excluding the airport fund and the 9-1-1 fund, meet or exceed the minimum financial requirements for sustainable operations.
- The negative fund balances in the airport fund and 9-1-1 fund will be corrected as of June 30, 2016
- Revenue during the quarter and projected for the balance of fiscal year 2015-16 is sufficient to meet approved spending authorized with the original adopted budget, with two minor exceptions – airport and transfers from 9-1-1 to the general fund. Please see each fund for additional explanation.

Operations

- Administration
 - Significant economic development related activity
 - Economic Development Committee meeting coordination
 - Progress on purpose, organization, direction
 - Worked with consultants on urban renewal studies
 - Strategies to achieve desired development
 - Streetscape
 - Oregon RAIN events – an entrepreneurial program via the Governor’s office
 - Public Arts Committee coordination
 - Public Arts program finalized for Council approval
- Human Resources
 - Vacancy in Human Resource Manager position
 - Timely recruitment of vacant positions in administration, police, public works and events center
- Emergency Management:
 - Continue distribution/review of updated Disaster Plan
 - Completed additional exercises to test disaster plan
- Communications:
 - Redesign of website continued
- Planning
 - Completed solid waste franchise fee and charge update
- Florence Events Center
 - Event planning for twenty year anniversary celebration
 - Sea Lion public art exhibit
 - Initiated implementation of operations assessment recommendations
- Public Works
 - Met record demand for water and wastewater consumption
 - Completed street overlay and chip seal maintenance projects
 - Completed solicitation for consultant to complete initial planning for Streetscaping alternatives Highways 101 and 126 for FURA
- Police
 - Peaceful summer holidays – Independence Day and Labor Day
 - Expanded active shooter training program (aka ALICE), including full-scale training of all of the Siuslaw School District personnel



- Seat belt and pedestrian safety programs – raised over \$3,300 to provide safety materials to hand out at schools and events
- Hosted Take Back event – received over 300 pounds of used prescription medications
- Hosted first Hug-a-Tree class – a child safety program in the event child gets lost
- Joined Lexipol to have policy manual automated and managed
- Other
 - Rhody Express delivered its first Ride Free Day – sponsored by Lane Community College
 - Promoted recycling opportunities – meeting DEQ program requirements

Citizen Volunteers and Hours for the First Quarter

Florence’s citizen volunteers served the community with more than 2,000 hours of community service in the first quarter.

Group/Function	Committee	Hours ¹
City Council		na
Economic Development Committee	☐	na
Budget Committee	☐	-
Audit Committee	☐	3
Environmental Management Advisory Committee	☐	37
Florence Urban Renewal Agency	☐	72
Airport Volunteer Group		728
FEC	☐	889
Parks volunteers		247
Police Auxiliary (11 members)		851
Police Reserve Officers (7 reserves)		627
Public Art Committee	☐	na
Senior Center Volunteers		na
Planning Commission	☐	na
Transit Advisory Committee	☐	na

Future reports will be enhanced incrementally to include comparisons with prior year, use of graphics, images and other tools to help communicate the City’s activities and its financial results. If you have any questions or have particular information you would like included in subsequent reports, please let Erin or I know.

Sincerely,

Erin Reynolds, CPA
City Manager

¹ na - information not available





Andy Parks, CPA
Finance Director

All Funds

Overall, the beginning fund balance January 1, 2016 of \$10.0 million is approximately \$1.9 million (23%) greater than budgeted. This is the result of budgeted capital investment lagging, which is positively impacting utility and system development charge funds. This is primarily a timing difference, although revenue in the utility funds is exceeding budget slightly.

Revenue and expenditures for the third quarter were generally as anticipated with revenue from transient room taxes greater than budgeted, continuing the strong trend established beginning in 2012. The City's general property tax levy is approximately 1.1% (\$25,000) below the amount budgeted. These issues are explained later in the report.

The City entered into a \$7.8 million financing in August, drawing down \$1.6 million at that time, with the majority of the proceeds going to the Florence Urban Renewal Agency to refinance existing debt. The balance of \$5.2 million is to be drawn prior to August 31, 2016 to fund urban renewal, water, and street projects and construction of the public works facility.

The Florence Events Center twenty-year debt obligation was paid off earlier in the year and a payment of transient room taxes was received during the year to offset the temporary negative fund balance. The fund will be closed this year. A minor adjustment in spending in the 9-1-1 fund will be needed to ensure the fund's negative fund balance is eliminated and a potential adjustment may be needed in the airport fund should a lease with the City for its public works facility not occur timely.

All other funds showing a negative fund balance at this time are projected to return to a zero fund balance or positive fund balance position by the end of the fiscal year.

Additional discussion and financial information is provided for the City's operating funds follow.

City-wide All Funds

Fund	Beginning Fund Balance	Revenue	Debt Proceeds	Total Resources	Expenses	Capital Outlay	Debt Service	Total Expenditures	Ending Fund Balance
General	2,864,520	827,166	-	3,691,686	1,124,486	49,806	-	1,174,292	2,517,394
Street	(56,176)	217,823	-	161,647	69,471	31,413	-	100,884	60,763
9-1-1	(22,342)	57,159	-	34,817	47,832	-	-	47,832	(13,015)
Transient Room Tax	107,026	78,539	-	185,565	81,800	-	-	81,800	103,765
Events Center	387,288	151,193	-	538,481	152,787	-	-	152,787	385,694
County TRT	(47,044)	48,000	-	956	-	-	-	-	956
Water	823,519	458,946	-	1,282,465	277,084	90,086	-	367,170	915,295
Wastewater	1,815,174	730,871	-	2,546,045	359,173	30,940	-	390,113	2,155,932
Stormwater	1,017,831	130,646	-	1,148,477	51,933	168,534	-	220,467	928,010
Airport	(53,031)	31,666	-	(21,365)	7,742	-	-	7,742	(29,107)
Public Works Admin	160,686	137,650	-	298,336	118,236	17,089	-	135,325	163,011
Street SDC	922,174	16,813	-	938,987	233	-	-	233	938,754
Water SDC	572,176	36,264	-	608,440	467	-	-	467	607,973
Wastewater SDC	536,062	43,384	-	579,446	467	-	-	467	578,979
Stormwater SDC	62,965	23,541	-	86,506	467	-	-	467	86,039
GO Debt	419,077	(78,431)	-	340,646	-	-	-	-	340,646
LID Debt	448,826	1,220	-	450,046	-	(68,786)	-	(68,786)	518,832
FFCO 2010B	2,829	-	-	2,829	-	-	-	-	2,829
City/FURA Debt	-	-	-	-	-	-	-	-	-
LOCAP 2011 Debt	524	-	-	524	-	-	-	-	524
Totals	9,962,084	2,912,450	-	12,874,534	2,292,178	319,082	-	2,611,260	10,263,274

General Fund

	3rd Quarter			Nine Months Ended March 31, 2016			Annual Budget	Full Year Estimate
	Budget	Actual	Variance Over(Under)	Budget	Actual	Variance Over(Under)		
Current year resources								
Property taxes	130,700	115,366	(15,334)	2,285,800	2,265,334	(20,466)	2,406,000	2,382,000
Intergovernmental	61,300	65,463	4,163	183,900	180,666	(3,234)	445,200	243,700
Franchise fees	189,250	202,922	13,672	567,750	583,188	15,438	757,000	779,800
Licenses and permits	68,250	88,522	20,272	204,750	259,283	54,533	273,000	317,600
Charges for services	64,250	78,957	14,707	192,750	191,546	(1,204)	257,000	253,200
Miscellaneous	81,750	72,785	(8,965)	245,250	202,368	(42,882)	327,000	276,700
Transfers	203,152	203,151	(1)	609,456	609,455	(1)	812,607	811,400
Total current year resources	798,652	827,166	28,514	4,289,656	4,291,840	2,184	5,277,807	5,064,400
Expenditures								
Police	645,575	548,970	(96,605)	1,936,725	1,834,669	(102,056)	2,582,300	2,547,200
Community Development	148,150	152,642	4,492	444,450	436,487	(7,963)	592,600	592,400
Parks	36,315	17,922	(18,393)	108,945	75,885	(33,060)	145,260	125,800
Municipal Court	79,850	85,539	5,689	239,550	230,682	(8,868)	319,400	329,100
Administration	275,100	226,754	(48,346)	825,300	756,749	(68,551)	1,100,400	1,046,900
City Hall	19,525	22,974	3,449	58,575	63,520	4,945	78,100	106,400
Non-departmental	45,375	39,685	(5,690)	136,125	85,425	(50,700)	181,500	129,500
Operating expenditures	1,249,890	1,094,486	(155,404)	3,749,670	3,483,417	(266,253)	4,999,560	4,877,300
Capital outlay	116,250	49,806	(66,444)	307,500	226,325	(81,175)	500,000	324,000
Debt service	-	-	-	17,563	17,561	(2)	27,478	27,478
Transfers	25,000	30,000	5,000	122,514	132,514	10,000	147,514	132,557
Total non-operating expenditures	141,250	79,806	(61,444)	447,577	376,400	(71,177)	674,992	484,035
Total expenditures	1,391,140	1,174,292	(216,848)	4,197,247	3,859,817	(337,430)	5,674,552	5,361,335
Resources over (under) expenditures	(592,488)	(347,126)	245,362	92,409	432,023	339,614	(396,745)	(296,935)
Beginning fund balance	2,767,762	2,864,520	96,758	2,082,865	2,085,371	2,506	2,082,865	2,085,371
Ending fund balance	2,175,274	2,517,394	342,120	2,175,274	2,517,394	342,120	1,686,120	1,788,436

The City's general fund includes all the City's governmental operations, excluding transportation. Following is a summary of key performance and activity measures for the various operations and capital outlay acquired during the quarter.

Performance and Activity Indicators

Community Development

Metric	3 rd Quarter	Year-to-Date
Valuation added (<i>thousands</i>)	\$ 2,835	\$8,899
New construction – residential	10	23
New construction – commercial	0	1
<i>Current planning</i>		
Applications received	13	22
<i>Building</i>		

Building permits – residential	22	68
Building permits – commercial	16	38
Electrical	80	198
Mechanical	63	126
Plumbing – residential	15	43
Plumbing – commercial	6	14
Sign permits	0	7
Gross permit revenue	\$ 56,885	\$ 155,978
<i>Code Enforcement</i>		
New cases/cases resolved	139/139	469/520

Police

Metric	3 rd Quarter	Year-to- Date
<i>Volunteer hours</i>		
Police reserve officers (7)	627	
Police auxiliary officers (11)	851	
Number of arrests	178	
Traffic citations issued	482	
Mutual aid calls received	13	
Mutual aid calls made	12	
Number of males booked in	66	
Number of females booked in	39	
Felony crimes	125	
Average daily jail population	4.81	
Average number of days	3.92	

During the quarter the police department:

- Evaluating its statistical crime reporting and information to successfully allocate resources specific to the City of Florence
- Efforts to secure funding for a School Resource Officer position to reduce the incidents of juvenile crime
- Carefully monitor the statistical information related to juvenile crime to measure the effectiveness of Florence Police Department efforts

Parks

Capital Outlay

- Pepperoaks Playground Rehabilitation Project completed
- Soccer goals installed at Miller Park

Municipal Court

Metric	3 rd Quarter	Year-to- Date
<i>Charges filed</i>		

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Misdemeanor	151
Violation	394
Charge Dispositions	578
Cases on Docket	48

Administration

Metric	March 31
Facebook "Likes"	1,855
Twitter followers	230
Vimeo video loads	571

Recorder

Metric	3rd Quarter	Year-to-Date
Business licenses	48	
Special events	23	
Liquor licenses	1	

Human Resources

Metric	3 rd Quarter	Year-to-Date
Number of employees hired	1	3
Number of employees leaving	3	-
Number of claims filed for work related accidents	1	4

City Hall

- Completed facility needs assessment, initiated alternative cost evaluation.

Street Fund

Beginning fund balance is approximately \$86,000 less than budgeted due to timing differences for the receipt of state gas tax and reimbursement of grant related expenditures for the Rhody multi-use path project. The original budget for fiscal year 2015-16 included funds from a County-wide registration fee to generate \$144,000 per year (\$72,000 in fiscal year 2015-16). This fee was defeated in a County-wide vote in May 2015. Full year estimated revenue reflects the elimination of vehicle registration fee revenue.

During the quarter, the Council received a presentation on street funding alternatives and considerations. Updated information, such as capital costs and system development charge update and street funding analysis, will help inform presentations and discussions planned during the balance of the current fiscal year leading to policy decisions related to funding and street operating standards. Other revenue and spending adjustments are pending decisions related to project timing, such as capital projects that are funded in part by system development charges.

Low oil prices have resulted in very favorable bids for street paving projects providing significant cost savings for preservation and improvement projects such as the recently completed paving on Rhododendron Drive. This information is being considered to inform updates to capital project costs anticipated during the next two-five years.

Debt funding of \$1.3 million was secured in August to fund major capital infrastructure projects. Debt terms were more favorable than what was anticipated. A full year debt payment was anticipated in fiscal year 2015-16, however, the borrowing allows for draw down of funds as needed, with funds to be drawn within one year, which will reduce debt service for the current year. Funds to pay issuance costs were drawn in the first quarter with future draws not anticipated until the fourth quarter of this fiscal year.

Street Fund	3rd Quarter			Nine Months Ended March 31, 2016			Annual Budget	Full Year Estimate
	Budget	Actual	Variance Over(Under)	Budget	Actual	Variance Over(Under)		
Current year resources								
Intergovernmental	391,025	127,257	(263,768)	643,225	381,522	(261,703)	1,564,100	600,000
Charges for services	79,550	80,259	709	238,650	241,755	3,105	318,200	322,000
Miscellaneous	1,250	10,307	9,057	3,750	10,888	7,138	5,000	12,100
Transfers	125,000	-	(125,000)	125,000	-	(125,000)	500,000	101,000
Debt proceeds	-	-	-	10,000	8,042	(1,958)	1,300,000	800,000
Total current year resources	596,825	217,823	(379,002)	1,020,625	642,207	(378,418)	3,687,300	1,835,100
Expenditures								
Personnel services	16,050	16,127	77	48,150	46,948	(1,202)	64,200	63,800
Materials and services	63,000	52,571	(10,429)	203,200	198,395	(4,805)	252,000	263,900
Capital outlay	525,000	31,413	(493,587)	970,000	411,863	(558,137)	2,100,000	990,800
Transfers	55,244	773	(54,471)	125,121	70,650	(54,471)	220,977	220,977
Debt service	-	-	-	74,237	74,237	-	189,286	113,286
Total expenditures	659,294	100,884	(558,410)	1,420,708	802,093	(618,615)	2,826,463	1,652,763
Resources over (under) expenditures								
	(62,469)	116,939	179,408	(400,083)	(159,886)	240,197	860,837	182,337
Beginning fund balance	(89,679)	(56,176)	33,503	247,935	220,649	(27,286)	247,935	220,649
Ending fund balance	(152,148)	60,763	212,911	(152,148)	60,763	212,911	1,108,772	402,986

Capital outlay

- Rhododendron multi-use path project plans submitted to ODOT, project bid released
- Highway 101 Streetscaping Request for Qualifications issued (Florence Urban Renewal Agency project)

9-1-1 Fund

This fund accounts for charges to non-city users of emergency dispatch services and dedicated tax revenue for 911. Funds are transferred to the City's general fund for 911 emergency communications related funding.

9-1-1 Fund	3rd Quarter			Nine Months Ended March 31, 2016			Annual Budget	Full Year Estimate
	Budget	Actual	Variance Over(Under)	Budget	Actual	Variance Over(Under)		
Current year resources								
Intergovernmental	14,532	10,724	(3,808)	43,595	22,874	(20,721)	58,127	58,300
Charges for services	37,983	46,400	8,418	113,948	119,334	5,387	151,930	151,930
Miscellaneous	-	35	35	-	63	63	-	-
Total current year resources	52,514	57,159	4,645	157,543	142,271	(15,272)	210,057	210,230
Expenditures								
Transfers	53,727	47,832	(5,895)	161,180	155,286	(5,894)	214,907	210,230
Total expenditures	53,727	47,832	(5,895)	161,180	155,286	(5,894)	214,907	210,230
Resources over (under) expenditures	(1,213)	9,327	10,540	(3,638)	(13,015)	(9,378)	(4,850)	-
Beginning fund balance	2,426	(22,342)	(24,768)	4,850	-	(4,850)	4,850	-
Ending fund balance	1,214	(13,015)	(14,229)	1,213	(13,015)	(14,228)	-	-

Performance and Activity Indicators

Metric	3 rd Quarter	Year-to-Date
9-1-1 Calls – City	2,940	
9-1-1 Calls – Other	1,829	

Transient Room Tax Fund

Tourism has rebounded strongly during the past eighteen months. Room taxes received in fiscal year 2014-15 exceeded the year-end estimate by approximately \$20,000. First quarter fiscal year 2015-16 TRT exceeds the prior year revenue by more than \$13,000 (9.0%). Additionally, per discussions with lodging establishments occupancy remained strong into the second quarter with good fishing and nice weather cited as contributing factors.

Transient room taxes are allocated 40% tourism promotion via contract with the Chamber of Commerce and 60% to the Florence Events Center. The current year transfer to the FEC is increased due to limitations on the prior year transfer resulting from constraints imposed by local budget law. The increase in fund balance and significant increase in revenue provides the Council an opportunity to consider retaining a portion of funds as a fund balance to provide sustainable funding during years when tourism activity declines or does not meet forecasts.

Transient Room Tax Fund	3rd Quarter			Nine Months Ended March 31, 2016			Annual Budget	Full Year Estimate
	Budget	Actual	Variance Over(Under)	Budget	Actual	Variance Over(Under)		
Current year resources								
Taxes	47,200	78,539	31,339	236,100	290,609	54,509	314,900	363,000
Total current year resources	47,200	78,539	31,339	236,100	290,609	54,509	314,900	363,000
Expenditures								
Materials and services	31,500	31,500	-	94,500	96,017	1,517	126,000	145,200
Transfers	50,300	50,300	-	150,900	150,900	-	201,200	207,200
Total expenditures	81,800	81,800	-	245,400	246,917	1,517	327,200	352,400
Resources over (under) expenditures	(34,600)	(3,261)	31,339	(9,300)	43,692	52,992	(12,300)	10,600
Beginning fund balance	71,186	107,026	35,840	45,886	60,073	14,187	45,886	60,073
Ending fund balance	36,586	103,765	67,179	36,586	103,765	67,179	33,586	70,673

Florence Events Center Fund

Activity for the third quarter is very much consistent with the budget. Revenue is slightly greater for the quarter (\$2,668, 1.8%). Operating expenditures for the quarter are slightly less than budgeted (\$963, 0.6%). Capital improvements are planned for the fourth quarter. Forecasted revenue for the full year has been increased based on performance year-to-date and booked events. As a result some expenditures are also increased, resulting in a budget increase. The year-end fund balance is projected to be \$60,000 greater than budgeted, nearly 20%.

Florence Events Center Fund	3rd Quarter			Nine Months Ended March 31, 2016			Annual Budget	Full Year Estimate
	Budget	Actual	Variance Over(Under)	Budget	Actual	Variance Over(Under)		
Current year resources								
Intergovernmental	-	-	-	88,000	92,350	4,350	88,000	92,400
Charges for services	42,625	44,997	2,372	127,875	160,329	32,454	170,500	226,800
Miscellaneous	33,000	29,866	(3,134)	99,000	85,002	(13,998)	132,000	141,100
Transfers	72,900	76,330	3,430	218,500	221,930	3,430	291,600	350,600
Current year resources	148,525	151,193	2,668	533,375	559,611	26,236	682,100	810,900
Expenditures								
Personnel services	77,550	60,872	(16,678)	232,650	181,140	(51,510)	310,200	265,300
Materials and services	76,200	91,915	15,715	228,600	296,495	67,895	304,800	409,900
Capital outlay	-	-	-	-	-	-	75,000	57,500
Total expenditures	153,750	152,787	(963)	461,250	477,635	16,385	690,000	732,700
Resources over (under) expenditures	(5,225)	(1,594)	3,631	72,125	81,976	9,851	(7,900)	78,200
Beginning balance	405,427	387,288	(18,139)	328,077	303,718	(24,359)	328,077	303,718
Ending balance	400,202	385,694	(14,508)	400,202	385,694	(14,508)	320,177	381,918

Performance and Activity Indicators

Metric	3rd Quarter	Year-to-Date
<i>Attendance</i>		
Regular meetings	1,227	
Attendees for local client events	9,989	
Attendees for out of area client events	236	
Total	11,352	
<i>Facility utilization</i>		
Days utilized	66	
Number of groups	37	
Number of event activities	86	

Events

- Winter Music Festival – Raised more than \$12,000 net for Friends of the FEC
- Dancing with the Sea Lions – All 20 sea lions were distributed to artists to begin their work.

Capital outlay

None during the quarter

Water Fund

The dry summer resulted in a significant increase in water sales relative to the prior year as of the September billing. Revenue is up \$70,000 (11.4%) year over year, with a net of approximately 9.7% after factoring in a rate increase effective July 1 of 1.7%. Variable costs associated with delivery of water increased slightly, however, overall spending is projected to be consistent with the budget.

Debt funding of \$1.5 million was secured in August to fund major capital infrastructure projects. Debt terms were more favorable than what was anticipated. No debt payments were anticipated in fiscal year 2015-16, however, a minor budget amendment to fund interest payments on the obligation may be needed. The borrowing allows for draw down of funds as needed, with funds to be drawn within one year. Funds to pay issuance costs were drawn in the first quarter with future draws not anticipated until the fourth quarter of this fiscal year.

Water Fund	3rd Quarter			Nine Months Ended March 31, 2016			Annual Budget	Full Year Estimate
	Budget	Actual	Variance Over(Under)	Budget	Actual	Variance Over(Under)		
Current year resources								
Charges for services	524,500	455,751	(68,749)	1,624,150	1,641,993	17,843	2,098,000	2,162,300
Miscellaneous	4,250	3,195	(1,055)	12,750	15,653	2,903	17,000	18,100
Transfers	-	-	-	-	-	-	550,000	350,000
Debt proceeds	-	-	-	10,000	9,279	(721)	1,500,000	100,000
Total current year resources	528,750	458,946	(69,804)	1,646,900	1,666,925	20,025	4,165,000	2,630,400
Expenditures								
Personnel services	86,950	74,232	(12,718)	260,850	233,656	(27,194)	347,800	309,700
Materials and services	96,897	65,628	(31,269)	290,693	302,305	11,612	387,587	396,300
Capital outlay	295,000	90,086	(204,914)	576,250	306,041	(270,209)	1,210,000	748,000
Debt service	51	-	(51)	33,322	33,184	(138)	171,274	59,960
Transfers	141,275	137,224	(4,051)	470,138	470,869	731	611,413	613,513
Total expenditures	620,173	367,170	(253,003)	1,631,253	1,346,055	(285,198)	2,728,074	2,127,473
Resources over (under) expenditures	(91,423)	91,776	183,199	15,647	320,870	305,223	1,436,926	502,927
Beginning fund balance	572,836	823,519	250,683	465,766	594,425	128,659	465,766	594,425
Ending fund balance	481,413	915,295	433,882	481,413	915,295	433,882	1,902,692	1,097,352

Performance and Activity Indicators

Metric	3 rd Quarter	Year-to-Date
Water demand - max day (million gallons)		1.96
Water demand - average per day (million gallons)	.76	
Total demand - (million gallons)	68.79	
Meters replaced with radio read	15	
New services	5	
New meters installed	10	

Wastewater Fund

Wastewater charges for services in the first quarter increased approximately \$40,000 (4.7%) over the prior year. A portion of the increase is due to a rate increase of 1.7% implemented July 1, with the balance due to increased consumption charges.

On the expenditure side, a recent retirement has provided an opportunity to evaluate potential reorganization of various functions within the public works department. Findings from this evaluation will be presented to the Council in the near future.

Wastewater Fund	3rd Quarter			Nine Months Ended March 31, 2016			Annual Budget	Full Year Estimate
	Budget	Actual	Variance Over(Under)	Budget	Actual	Variance Over(Under)		
Current year resources								
Intergovernmental	-	-	-	-	-	-	200,000	50,000
Charges for services	759,275	717,012	(42,263)	2,368,725	2,335,215	(33,510)	3,037,100	3,075,400
Miscellaneous	6,850	13,859	7,009	20,550	29,974	9,424	27,400	32,200
Transfers	-	-	-	-	-	-	140,000	55,000
Total current year resources	766,125	730,871	(35,254)	2,389,275	2,365,189	(24,086)	3,404,500	3,212,600
Expenditures								
Personnel services	109,375	112,689	3,314	328,125	313,049	(15,076)	437,500	390,500
Materials and services	114,625	89,258	(25,367)	343,875	323,992	(19,883)	458,500	545,800
Capital outlay	295,000	30,940	(264,060)	426,250	157,975	(268,275)	1,180,000	895,000
Debt service	-	-	-	191,697	191,420	(277)	356,277	354,902
Transfers	373,620	157,226	(216,394)	906,540	480,609	(425,931)	1,494,478	1,498,178
Total expenditures	892,620	390,113	(502,507)	2,196,487	1,467,045	(729,442)	3,926,755	3,684,380
Resources over (under) expenditures	(126,495)	340,758	467,253	192,789	898,144	705,356	(522,255)	(471,780)
Beginning fund balance	1,536,518	1,815,174	278,656	1,217,235	1,257,788	40,553	1,217,235	1,257,788
Ending fund balance	1,410,024	2,155,932	745,909	1,410,024	2,155,932	745,909	694,980	786,008

Performance and Activity Indicators

Metric	3 rd Quarter	Year-to-Date
Wastewater demand - max day (million gallons)		
Wastewater demand - average (million gallons)	0.96	
Total demand - (million gallons)	87.37	
<i>Biosolids</i>		
Gallons produced		
Biosolids to farms (tons)	206.9	
Finished compost – tons		
Manholes cleaned	1	
Lineal feet of sewer line cleaned	16,876	

Capital outlay

Harbor Vista Campground preliminary design completed

Stormwater Fund

Stormwater revenue in the first quarter is approximately \$3,000 (2.7%) greater than last year. After accounting for a 1.7% rate increase effective July 1, net growth in revenue is 1.0%, consistent with budget.

Expenditures in the fund for the quarter are consistent with the budget. Staff is evaluating costs associated with a capital projects that is significantly greater than budgeted to identify alternatives that complete needed projects timely while minimizing impacts on other projects and any rate adjustments. We anticipate presenting the analysis and alternatives in early 2016.

Stormwater Fund	3rd Quarter			Nine Months Ended March 31, 2016			Annual Budget	Full Year Estimate
	Budget	Actual	Variance Over(Under)	Budget	Actual	Variance Over(Under)		
Current year resources								
Charges for services	130,500	130,646	146	391,500	391,432	(68)	522,000	522,100
Miscellaneous	375	-	(375)	1,125	-	(1,125)	1,500	2,200
Total current resources	130,875	130,646	(229)	392,625	391,432	(1,193)	523,500	524,300
Expenditures								
Personnel services	16,225	16,714	489	48,675	47,468	(1,207)	64,900	63,500
Materials and services	15,650	11,819	(3,831)	46,950	36,706	(10,244)	62,600	61,200
Capital outlay	130,000	168,534	38,534	187,500	219,656	32,156	520,000	312,000
Transfers	23,400	23,400	-	87,150	87,150	-	110,550	110,550
Total expenditures	185,275	220,467	35,192	370,275	390,980	20,705	758,050	547,250
Resources over (under) expenditures	(54,400)	(89,821)	(35,421)	22,350	452	(21,898)	(234,550)	(22,950)
Beginning fund balance	945,553	1,017,831	72,278	868,803	927,558	58,755	868,803	927,558
Ending fund balance	891,153	928,010	36,857	891,153	928,010	36,857	634,253	904,608

Performance and Activity Indicators

Metric	3 rd Quarter	Year-to-Date
Catch basins cleaned	43	
Lineal feet of stormwater culvert cleaned	300	

Capital outlay

Siano Loop project completed (35th Street from Rhododendron Drive to Siano Loop)

Airport Fund

Activity at the airport, as measured by fuel sales, is increased over the prior year's first quarter. Although prices for fuel are lower, fuel sales were approximately \$1,800 (10.5%) greater than the prior year first quarter. The City has yet to enter into a lease agreement for the site, which was budgeted to be effective July 1, 2015 and provide \$30,000 in rent income for the airport. Staff is preparing a lease for consideration by the Council within the next few months. Depending on the final terms of the lease agreement budget adjustments may be necessary.

During the quarter the Council held a work session with aviation professionals from the State Aviation Department and the Airport Planners that prepared the City's Airport Master Plan. The Council has determined it beneficial to form an airport committee and solicited members with appointments planned in the second quarter.

Airport Fund	3rd Quarter			Nine Months Ended March 31, 2016			Annual Budget	Full Year Estimate
	Budget	Actual	Variance Over(Under)	Budget	Actual	Variance Over(Under)		
Current year resources								
Charges for services	27,800	16,596	(11,204)	83,400	54,222	(29,178)	111,200	100,500
Miscellaneous	300	70	(230)	900	1,891	991	1,200	2,000
Transfers	2,500	15,000	12,500	7,500	25,000	17,500	10,000	25,000
Total current year resources	30,600	31,666	1,066	91,800	81,113	(10,687)	122,400	127,500
Expenditures								
Materials and services	19,650	9,842	(9,808)	58,950	68,609	9,659	78,600	80,600
Debt service	-	-	-	53,338	53,338	-	53,338	53,338
Transfers	1,050	(2,100)	(3,150)	3,150	-	(3,150)	4,200	-
Total expenditures	20,700	7,742	(12,958)	115,438	121,947	6,509	136,138	133,938
Resources over (under) expenditures	9,900	23,924	14,024	(23,638)	(40,834)	(17,196)	(13,738)	(6,438)
Beginning fund balance	(17,215)	(53,031)	(35,816)	16,323	11,727	(4,596)	16,323	11,727
Ending fund balance	(7,315)	(29,107)	(21,792)	(7,315)	(29,107)	(21,792)	2,585	5,289

Public Works Administration and Support Services Fund

Public works staffing during the quarter realized some turnover, which lead to expenditures less than budgeted. Vacancies have been filled for key maintenance positions and staff is evaluating potential reorganizations to balance workloads and streamline decision-making.

The Council approved a professional services contract to move forward with the design of the public works facility. Additionally, the City secured debt proceeds of \$1.3 million to fund construction of the facility. The loan will be drawn as needed, with funds fully drawn by June 30, 2016. Funds to pay for issuance related costs were drawn in the first quarter.

Public Works Administration and Support Service Fund	3rd Quarter			Nine Months Ended March 31, 2016			Annual Budget	Full Year Estimate
	Budget	Actual	Variance Over(Under)	Budget	Actual	Variance Over(Under)		
Current year resources								
Charges for services	3,000	3,000	-	9,000	9,000	-	12,000	12,000
Miscellaneous	-	-	-	-	1,127	1,127	-	1,100
Transfers	134,650	134,650	-	403,950	403,950	-	538,600	538,600
Debt proceeds	-	-	-	9,000	8,042	(958)	1,300,000	1,300,000
Total current year resources	137,650	137,650	-	421,950	422,119	169	1,850,600	1,851,700
Expenditures								
Personnel services	103,850	103,324	(526)	311,550	310,077	(1,473)	415,400	425,300
Materials and services	15,600	14,912	(688)	46,800	60,721	13,921	62,400	104,900
Capital outlay	350,000	17,089	(332,911)	700,000	25,197	(674,803)	1,400,000	175,200
Total expenditures	469,450	135,325	(334,125)	1,058,350	395,995	(662,355)	1,877,800	705,400
Resources over (under) expenditures	(331,800)	2,325	334,125	(636,400)	26,124	662,524	(27,200)	1,146,300
Beginning fund balance	(163,102)	160,686	323,788	141,498	136,887	(4,611)	141,498	136,887
Ending fund balance	(494,902)	163,011	657,913	(494,902)	163,011	657,913	114,298	1,283,187

Other

- Public Works facility – soil samples for site to assist with site requirements
- Dancing with Sea Lion base construction and deployment
-

Performance and Activity Indicators

Metric	3 rd Quarter	Year-to- Date
Yard debris drop off – number of customers	90	

Debt Service Funds

FEC Debt Service Fund	3rd Quarter			Nine Months Ended March 31, 2016			Annual Budget	Full Year Estimate
	Budget	Actual	Variance Over(Under)	Budget	Actual	Variance Over(Under)		
Beginning fund balance	(47,530)	(47,044)	486	58,871	58,871	-	58,871	58,871
Current year resources								
Intergovernmental	47,530	48,000	470	95,060	96,000	940	95,060	96,000
Total current year resources	47,530	48,000	470	95,060	96,000	940	95,060	96,000
Expenditures								
Debt service	-	-	-	153,931	153,915	(16)	153,931	153,915
Total expenditures	-	-	-	153,931	153,915	(16)	153,931	154,871
Resources over (under) expenditures	47,530	48,000	470	(58,871)	(57,915)	956	(58,871)	(58,871)
Beginning fund balance	(47,530)	(47,044)	486	58,871	58,871	-	58,871	58,871
Ending fund balance	-	956	956	-	956	956	-	-

GO Debt Service Fund	3rd Quarter			Nine Months Ended March 31, 2016			Annual Budget	Full Year Estimate
	Budget	Actual	Variance Over(Under)	Budget	Actual	Variance Over(Under)		
Current year resources								
Property taxes	37,000	(78,883)	(115,883)	111,000	138,955	27,955	148,000	148,000
Miscellaneous	125	452	327	375	1,386	1,011	500	500
Total current year resources	37,125	(78,431)	(115,556)	111,375	140,341	28,966	148,500	148,500
Expenditures								
Debt service	47,083	-	(47,083)	141,248	12,080	(129,168)	188,331	188,331
Total expenditures	47,083	-	(47,083)	141,248	12,080	(129,168)	188,331	188,331
Resources over (under) expenditures	(9,958)	(78,431)	(68,473)	(29,873)	128,261	158,134	(39,831)	(39,831)
Beginning fund balance	192,058	419,077	227,020	211,973	212,385	412	211,973	212,385
Ending fund balance	182,100	340,646	158,546	182,100	340,646	158,546	172,142	172,554

LID Debt Service Fund	3rd Quarter			Nine Months Ended March 31, 2016			Annual Budget	Full Year Estimate
	Budget	Actual	Variance Over(Under)	Budget	Actual	Variance Over(Under)		
Current year resources								
Miscellaneous	8,750	1,220	(7,530)	26,250	3,390	(22,860)	35,000	4,600
Total current year resources	8,750	1,220	(7,530)	26,250	3,390	(22,860)	35,000	4,600
Expenditures								
Materials and services	100	-	(100)	300	400	100	400	400
Debt service	23,036	(68,786)	(91,822)	69,109	-	(69,109)	92,145	92,145
Total expenditures	23,136	(68,786)	(91,922)	69,409	400	(69,009)	92,545	92,545
Resources over (under) expenditures	(14,386)	70,006	84,392	(43,159)	2,990	46,149	(57,545)	(87,945)
Beginning fund balance	453,075	448,826	(4,249)	481,847	515,842	33,995	481,847	515,842
Ending fund balance	438,688	518,832	80,144	438,688	518,832	80,144	424,302	427,897

FFCO 2010B Debt Service Fund	3rd Quarter			Nine Months Ended March 31, 2016			Annual Budget	Full Year Estimate
	Budget	Actual	Variance Over(Under)	Budget	Actual	Variance Over(Under)		
Current year resources								
Transfers	-	-	-	822,187	822,187	-	898,350	895,519
Total current year resources	-	-	-	822,187	822,187	-	898,350	895,519
Expenditures								
Debt service	-	-	-	822,187	822,187	-	898,351	898,348
Total expenditures	-	-	-	822,187	822,187	-	898,351	898,348
Resources over (under) expenditures	-	-	-	-	-	-	(1)	(2,829)
Beginning fund balance	2,824	2,829	5	2,824	2,829	5	2,824	2,829
Ending fund balance	2,824	2,829	5	2,824	2,829	5	2,823	-

City/FURA Debt Service Fund	3rd Quarter			Nine Months Ended March 31, 2016			Annual Budget	Full Year Estimate
	Budget	Actual	Variance Over(Under)	Budget	Actual	Variance Over(Under)		
Current year resources								
Intergovernmental	-	-	-	-	-	-	136,150	136,150
Debt proceeds	-	-	-	1,600,000	1,574,637	(25,363)	3,700,000	3,700,000
Total current year resources	-	-	-	1,600,000	1,574,637	(25,363)	3,836,150	3,836,150
Expenditures								
Materials and services	-	-	-	1,600,000	1,574,637	(25,363)	3,700,000	3,700,000
Debt service	-	-	-	-	-	-	136,150	136,150
Total expenditures	-	-	-	1,600,000	1,574,637	(25,363)	3,836,150	3,836,150
Resources over (under) expenditures	-	-	-	-	-	-	-	-
Beginning fund balance	-	-	-	-	-	-	-	-
Ending fund balance	-	-	-	-	-	-	-	-

LOCAP 2011 Debt Service Fund	3rd Quarter			Nine Months Ended March 31, 2016			Annual Budget	Full Year Estimate
	Budget	Actual	Variance Over(Under)	Budget	Actual	Variance Over(Under)		
Current year resources								
Transfers	-	-	-	21,503	21,503	-	92,482	92,482
Total current year resources	-	-	-	21,503	21,503	-	92,482	92,482
Expenditures								
Materials and services	-	-	-	450	450	-	450	450
Debt service	-	-	-	21,503	21,503	-	93,006	93,006
Total expenditures	-	-	-	21,953	21,953	-	93,456	93,456
Resources over (under) expenditures	-	-	-	(450)	(450)	-	(974)	(974)
Beginning fund balance	524	524	-	974	974	-	974	974
Ending fund balance	524	524	-	524	524	-	-	-