

MEMO TO: BOARD OF DIRECTORS
FROM: JARED ISAKSEN, FINANCE MANAGER
PAULA DIXON, DIRECTOR OF ADMINISTRATION
THRU: ALLAN POLLOCK, GENERAL MANAGER
SUBJECT: FY2016 THIRD QUARTER FINANCE REPORT

Issue

A Finance Report is prepared for each quarter of the fiscal year and is intended to provide the Board with timely information about the District's financial performance.

Background and Findings

The Board adopts a Budget for the District on an annual basis. The Budget is a plan that contains District resources and requirements.

The quarterly Finance Report provides information about how that plan is being implemented and includes statements for the General Fund, Transportation Programs Fund, and Capital Project Fund. The statements compare the budget amounts to actual amounts by the legal appropriations category.

Passenger Fares continue to underperform when compared to the budget after three quarters of the year. The District has received more than the projected Property Tax collections for the year. The District's miscellaneous revenue has exceeded the amount projected in the budget for the current year due to receiving an unbudgeted insurance dividend reimbursement. Also, interest on investments is 179 percent of projected as our LGIP balance is higher than prior years and interest rates are increasing.

The General Fund is under budget in all appropriation levels. The General Manager/Board of Directors Division has exceeded 75 percent of the annual appropriations. This overage is due to the higher than anticipated cost associated with the ballot measure. If needed, the District will propose a budget appropriation transfer in June to cover these costs. The Finance Department has exceeded 75 percent of its annual appropriations after the third quarter of the year. This excess is due to NTD certification costs and procurement consulting/temporary help costs. Any potential budget overage will be covered by other Administration appropriations that will not be spent.

At the end of the third quarter, the operation of the Connector has exceeded the budget's budgeted amount. The budget overage will be covered with other Operations appropriations that will not be spent; therefore a budget amendment is not needed for the Connector.

In the Transportation Programs Fund, all programs except one are in line with spending 75 percent of the annual budgeted amounts. Mobility Management has spent 82 percent of annual budget due to higher personnel expenses and Garten Services costs for Transit Ambassadors on the transit mall at Courthouse Square. Any potential budget overage will be covered by other appropriations that will not be spent.

Overall, the Capital Project Fund has spent 19 percent of the approved budget. Many of the capital projects are in the planning or procurement stages. Many of the projects in the current year budget have been carried forward into the proposed budget for next year.

Recommendation

Receive and file.

Proposed Motion

None

Salem Area Mass Transit District
 Fiscal Year 2015-16 Third Quarter Financial Report

General Fund Revenues/Resources and Expenses/Requirements Resolution Summary		Actual	75% of Adopted Budget	FY2015-16 Adopted Budget	% of Budget
1	Operating Revenues/Resources				
2	Passenger Fares	1,702,031	1,806,143	2,408,190	71%
3	Other Fixed Route Services	156,110	225,000	300,000	52% ①
4	Planning Grant	77,684	90,244	120,325	65%
7	Federal 5307	-	3,741,812	4,989,082	0%
10	DMAP Reimbursement	40,813	49,500	66,000	62%
12	Miscellaneous	168,802	79,875	106,500	158% ②
13	Property Taxes	10,955,078	7,918,229	10,557,639	104% ③
14	Oregon State In-Lieu	3,164,104	3,937,500	5,250,000	60%
15	Interest on Investments	71,589	30,000	40,000	179% ④
16	Energy Tax Credit	-	135,000	180,000	0%
18	Operating Revenues/Resources Total	16,336,211	18,013,303	24,017,736	68%
19	Operating Expenses/Requirements				
20	General Manager/Board of Directors	508,903	480,868	641,157	79% ⑤
21	Administration	1,665,004	1,896,911	2,529,214	66%
22	Transportation Development	1,204,122	1,312,292	1,749,722	69%
23	Operations	11,934,886	13,704,713	18,272,951	65%
24	Unallocated General Administration	707,708	797,790	1,063,720	67%
25	Operating Expenses/Requirements Total	16,020,623	18,192,574	24,256,764	66%

- ① District has only received the payments through January 2016.
- ② SAIF Dividend reimbursement (52,080); Sales of Assets (approximately 36,000); Reimbursement from Union for employees' time (approximately 26,000).
- ③ Property taxes received were higher than anticipated.
- ④ Due to large monthly balances and increasing interest rates.
- ⑤ Special election costs.

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General Fund Department Expenses/Requirements Summary	Actual	75% of Adopted Budget	FY2015-16	
			Adopted Budget	% of Budget
General Manager/Board of Directors				
General Manager	350,064	408,868	545,157	64%
Board of Directors	158,839	72,000	96,000	165% ^⑤
Total	508,903	480,868	641,157	79%
Administration				
Human Resources	524,042	595,078	793,437	66%
Human Resources Safety	94,290	153,815	205,087	46%
Marketing and Communications	452,629	577,842	770,456	59%
Finance	594,043	570,176	760,234	78% ^⑥
Total	1,665,004	1,896,911	2,529,214	66%
Transportation Development				
Transportation Development Administration	475,970	490,643	654,190	73%
Information Technology	564,935	634,150	845,532	67%
Vanpool Lease	163,217	187,500	250,000	65%
Total	1,204,122	1,312,293	1,749,722	69%
Operations				
Operations Administration	294,765	361,352	481,802	61%
Customer Service	382,288	386,356	515,140	74%
Vehicle Maintenance	2,909,914	3,462,318	4,616,424	63%
Facility Maintenance	525,030	563,311	751,080	70%
Security	346,065	370,780	494,373	70%
Cherriots Fixed Route Service	7,294,745	8,406,237	11,208,312	65%
State Fair Shuttle Service	-	25,164	33,550	0%
West Salem Connector Operations	155,666	119,964	159,950	97% ^⑦
West Salem Connector Vehicle Maintenance	26,413	9,240	12,320	214% ^⑦
Total	11,934,886	13,704,722	18,272,951	65%
Unallocated				
General Administration	707,708	797,791	1,063,720	67%

^⑥ 2014 NTD certification costs and procurement consulting/temporary help costs.

^⑦ Pilot project expenses higher than anticipated.

Salem Area Mass Transit District
 Fiscal Year 2015-16 Third Quarter Financial Report

Transportation Programs Fund Revenues/Resources and Expenses/Requirements Resolution Summary	Actual	75% of Adopted Budget	FY2015-16 Adopted Budget	% of Budget
Operating Revenues/Resources				
Passenger Fares	280,270	287,194	382,925	73%
Federal Direct 5310 Funds	165,927	132,881	177,174	94%
Federal 5311 Funds	154,023	239,288	319,050	48%
Federal New Freedom	20,714	-	-	
Federal 5310 Funds Through State	434,871	533,626	711,501	61%
Federal 5310 Pass Through Funds	-	73,354	97,805	0%
Rideshare Grant	85,355	169,031	225,375	38%
TDM Grant	57,567	84,779	113,039	51%
DD53 Revenues	1,298,814	2,250,000	3,000,000	43%
Federal 5307	-	1,117,176	1,489,568	0%
DMAP Revenues	7,566,825	9,204,716	12,272,955	62%
STF Pass Through Funds	220,500	220,408	293,877	75%
State STF Funds	681,828	485,606	647,474	105%
Transfers from Other Funds	-	-	-	
Operating Revenues/Resources Total	10,966,694	14,798,059	19,730,743	56%
Operating Expenses/Requirements				
Operations	11,877,941	13,460,544	17,947,392	66%
Transportation Development	365,683	584,549	779,398	47%
Operating Expenses/Requirements Total	12,243,624	14,045,093	18,726,790	65%

Salem Area Mass Transit District
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Transportation Programs Fund Program Expenses/Requirements Summary	Actual	75% of Adopted Budget	FY2015-16 Adopted Budget	% of Budget
Operations				
CherryLift	3,402,805	3,923,001	5,230,667	65%
RED Line	192,805	211,273	281,695	68%
CARTS	1,027,645	1,086,468	1,448,624	71%
DMAP/WVCH	7,083,290	8,083,463	10,777,948	66%
Trip Link Call Center **	-	-	-	
Mobility Management/Travel Trainer	171,396	156,344	208,458	82% ⑧
Operations Total	11,877,941	13,460,549	17,947,392	66%
Transportation Development				
Special Transportation Coordination	163,367	330,739	440,984	37%
Rideshare	120,446	169,033	225,375	53%
TDM	81,870	84,780	113,039	72%
Transportation Development Total	365,683	584,552	779,398	47%
Transportation Programs Fund Total	12,243,624	14,045,101	18,726,790	65%

⑧ Underbudgeted for Garten contract expense.

**The Trip Link Call Center is allocated to those programs that utilize the call center services.

Salem Area Mass Transit District
 Fiscal Year 2015-16 Third Quarter Financial Report

Capital Project Fund Revenues/Resources and Expenses/Requirements Resolution Summary	Actual	FY2015-16 Adopted Budget	% of Budget
Capital Revenues/Resources			
Federal STP Funds	1,828	582,000	0%
Federal New Freedom	2,099	-	
Federal 5310 Funds Through State	-	224,325	0%
Federal Flex Funds	114,165	2,552,373	4%
Federal 5307	5,600	1,426,400	0%
Federal STP Funds	459,465	835,297	55%
Federal 5309 Funds	83,331	2,472,556	3%
Connect Oregon Funds	-	1,000,000	0%
State STF Funds	-	264,555	0%
Capital Revenues/Resources Total	696,430	9,357,506	7%
Capital Expenses/Requirements			
Administration	-	175,000	0%
Transportation Development			
Capital Project Administration	25,367	32,979	77%
Keizer Transit Center	1,921	2,300,282	0%
South Salem Transit Center	84,197	267,202	32%
Bus Stops & Shelters	954,383	2,350,000	41%
BI Project	1,171	100,000	1%
Call Center Phones	41,889	-	
Technology Equipment	48,097	85,000	57%
CH2 Improvements	-	75,000	0%
CH2 Lease Space Improvements	25,988	50,000	52%
Operations			
Del Webb Improvements	17,863	765,000	2%
Shop Equipment	2,650	250,000	1%
ADA Assessment Center	4,710	-	
Cherriots Revenue Vehicles	251,382	258,553	97% ⑨
CherryLift Revenue Vehicles	704	502,464	0%
CARTS Revenue Vehicles	576	488,880	0%
Technology Equipment	-	143,000	0%
Capital Expenses/Requirements Total	1,460,898	7,843,360	19%

⑨ CNG Replacement tanks project has incurred most of its costs in the first three quarters.