

**MEMO TO: BOARD OF DIRECTORS**

**FROM: WENDY FETH, ACCOUNTANT**  
**PAULA DIXON, DIRECTOR OF ADMINISTRATION**

**THRU: ALLAN POLLOCK, GENERAL MANAGER**

**SUBJECT: FY2017 THIRD QUARTER FINANCE REPORT**

**Issue**

A Finance Report is prepared for each quarter of the fiscal year 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.

The District's primary sources of revenue are Federal and State Grant funds and property taxes. Grants are generally reimbursed on a quarterly basis. Most of the property taxes have been received by the end of the third quarter, and as a result, General Fund revenue is at seventy-one percent of the annual budget.

One particular note of interest is the DMAP Reimbursement received to date is a negative number. This is a result of reconciling FY2016 expenses against revenues received which created a balance due back to Oregon Health Authority (OHA).

General Fund expenses are under budget in most appropriation levels. Communication - Customer Service is at seventy-seven percent of the annual budget as a long-time employee retired which resulted in leave cash outs and a need for temporary help.

The Transportation Programs Fund revenue is at sixty-one percent of budget primarily due to the reimbursement nature of the federal grants. Of note, the Federal 5307 is at 6%

currently but after fiscal year-end accruals we will have requested the full amount budgeted as reimbursement.

In the Transportation Programs Fund, all three divisions are close or under budget.

The Transportation Development – Special Transportation Coordination program is at eighty-one percent of the annual budget. A grant to fund a new bus purchase for Legacy Health, formerly known as Silverton Health, (\$83,582) was obtained after the budget was adopted. A budget amendment will be brought to the Board at the next Board meeting to increase budget appropriations for this grant.

Overall, the Capital Project Fund has spent two percent of the approved budget at the end of the third quarter. The capital projects are broken out by division and further if there are multiple projects in that division. Many of the capital projects are in the planning or procurement stages. Many of these projects will be carried forward to next fiscal year and are expected to be completed in that year.

**Financial Impact**

None

**Recommendation**

Receive and file.

**Proposed Motion**

None

Salem Area Mass Transit District  
 Fiscal Year 2016-17 Third Quarter Financial Report

General Fund Revenues/Resources and Expenses/Requirements Resolution Summary	Actual	75% of Adopted Budget	FY2016-17 Adopted Budget	% of Budget
<b>Operating Revenues/Resources</b>				
Passenger Fares	2,185,021	2,294,250	3,059,000	71%
Other Fixed Route Services	178,747	217,500	290,000	62%
Planning Grant	60,546	91,125	121,500	50%
Federal 5307	597,018	2,981,400	3,975,200	15%
DMAP Reimbursement	(118,700)	51,000	68,000	-175% ①
Miscellaneous	252,051	87,450	116,600	216% ②
Property Taxes	11,259,479	8,484,525	11,312,700	100%
Oregon State In-Lieu	2,495,061	4,125,000	5,500,000	45% ③
Interest on Investments	167,102	60,000	80,000	209%
Energy Tax Credit	222,714	-	-	
<b>Operating Revenues/Resources Total</b>	<b>17,299,039</b>	<b>18,392,250</b>	<b>24,523,000</b>	<b>71%</b>
<b>Operating Expenses/Requirements</b>				
General Manager/Board of Directors	362,680	452,925	603,900	60%
Administration	1,269,239	1,360,050	1,813,400	70%
Communication	999,965	1,187,025	1,582,700	63%
Transportation Development	1,283,948	1,490,835	1,987,780	65%
Operations	12,560,682	12,897,600	17,196,800	73%
Unallocated General Administration	603,911	865,050	1,153,400	52%
<b>Operating Expenses/Requirements Total</b>	<b>17,080,425</b>	<b>18,253,485</b>	<b>24,337,980</b>	<b>70%</b>

① As a result of reconciling FY2016 expenses to revenues received a balance was due back to Oregon Health Authority (OHA). OHA was refunded these monies that created the negative number.

② Higher than expected miscellaneous revenue from reimbursement of salary for employee working for union and \$74,623 SAIF dividend.

③ Third quarter payment received in April 2017.

Salem Area Mass Transit District  
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General Fund Department Expenses/Requirements Summary	Actual	75% of Adopted Budget	FY2016-17 Adopted Budget	% of Budget
<b>General Manager/Board of Directors</b>				
General Manager	353,428	415,800	554,400	64%
Board of Directors	9,252	37,125	49,500	19%
<b>Total</b>	<b>362,680</b>	<b>452,925</b>	<b>603,900</b>	<b>60%</b>
<b>Administration</b>				
Human Resources	427,355	458,775	611,700	70%
Human Resources Safety	129,054	137,625	183,500	70%
Finance	712,830	763,650	1,018,200	70%
<b>Total</b>	<b>1,269,239</b>	<b>1,360,050</b>	<b>1,813,400</b>	<b>70%</b>
<b>Communication</b>				
Marketing and Communications	586,844	786,675	1,048,900	56%
Customer Service	413,121	400,350	533,800	77%
<b>Total</b>	<b>999,965</b>	<b>1,187,025</b>	<b>1,582,700</b>	<b>63%</b>
<b>Transportation Development</b>				
Transportation Development Administration	423,034	591,735	788,980	54%
Information Technology	700,251	711,600	948,800	74%
Vanpool Lease	160,663	187,500	250,000	64%
<b>Total</b>	<b>1,283,948</b>	<b>1,490,835</b>	<b>1,987,780</b>	<b>65%</b>
<b>Operations</b>				
Operations Administration	315,117	369,000	492,000	64%
Vehicle Maintenance	2,981,972	3,236,325	4,315,100	69%
Facility Maintenance	613,368	586,800	782,400	78%
Security	348,248	410,775	547,700	64%
Cherriots Fixed Route Service	8,140,236	8,108,100	10,810,800	75%
West Salem Connector Operations	139,642	150,075	200,100	70%
West Salem Connector Vehicle Maintenance	22,099	36,525	48,700	45%
<b>Total</b>	<b>12,560,682</b>	<b>12,897,600</b>	<b>17,196,800</b>	<b>73%</b>
<b>Unallocated</b>				
General Administration	603,911	865,050	1,153,400	52%

Salem Area Mass Transit District  
 Fiscal Year 2016-17 Third Quarter Financial Report

Transportation Programs Fund Revenues/Resources and Expenses/Requirements Resolution Summary	Actual	75% of Adopted Budget	FY2016-17 Adopted Budget	% of Budget
<b>Operating Revenues/Resources</b>				
Passenger Fares	270,847	282,225	376,300	72%
Federal Direct 5310 Funds	32,328	168,000	224,000	14%
Federal 5311 Funds	145,746	242,175	322,900	45%
Federal New Freedom	39,817	64,275	85,700	46%
Federal 5310 Funds Through State	412,646	547,425	729,900	57%
Rideshare Grant	85,346	149,475	199,300	43%
TDM Grant	71,408	115,875	154,500	46%
DD53 Revenues	1,232,067	1,950,000	2,600,000	47%
Federal 5307	48,318	617,400	823,200	6%
DMAP Revenues	7,220,999	7,627,575	10,170,100	71%
STF Pass Through Funds	267,122	208,050	277,400	96%
State STF Funds	719,328	914,475	1,219,300	59%
<b>Operating Revenues/Resources Total</b>	<b>10,545,972</b>	<b>12,886,950</b>	<b>17,182,600</b>	<b>61%</b>
<b>Operating Expenses/Requirements</b>				
Operations	11,989,714	12,610,665	16,814,220	71%
Communication	162,228	174,975	233,300	70%
Transportation Development	463,997	477,433	636,577	73%
<b>Operating Expenses/Requirements Total</b>	<b>12,615,939</b>	<b>13,263,073</b>	<b>17,684,097</b>	<b>71%</b>

Salem Area Mass Transit District  
 Fiscal Year 2016-17 Third Quarter Financial Report

Transportation Programs Fund Program Expenses/Requirements Summary	Actual	75% of Adopted Budget	FY2016-17 Adopted Budget	% of Budget
<b>Operations</b>				
CherryLift	3,184,699	3,622,815	4,830,420	66%
RED Line	220,374	227,550	303,400	73%
CARTS	994,432	1,132,725	1,510,300	66%
DMAP/WVCH	7,590,209	7,627,575	10,170,100	75%
<b>Operations Total</b>	<b>11,989,714</b>	<b>12,610,665</b>	<b>16,814,220</b>	<b>71%</b>
<b>Communication</b>				
Mobility Management/Travel Trainer	162,228	174,975	233,300	70%
<b>Transportation Development</b>				
Special Transportation Coordination	228,150	212,083	282,777	81% ④
Trip Choice	235,847	265,350	353,800	67%
<b>Transportation Development Total</b>	<b>463,997</b>	<b>477,433</b>	<b>636,577</b>	<b>73%</b>
<b>Transportation Programs Fund Total</b>	<b>12,615,939</b>	<b>13,263,073</b>	<b>17,684,097</b>	<b>71%</b>

④ A grant to fund a new bus purchase for Legacy Health formerly known as Silverton Health (\$83,582) was obtained after the budget was adopted. A budget amendment will be brought to increase this budget at the June Board Meeting.

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 Fiscal Year 2016-17 Third Quarter Financial Report

Capital Project Fund Revenues/Resources and Expenses/Requirements Resolution Summary	Actual	FY2016-17 Adopted Budget	% of Budget
<b>Capital Revenues/Resources</b>			
Federal STP Funds	4,014	2,248,500	0%
Federal 5310 Funds Through State	363	224,300	0%
Federal Flex Funds	23,863	1,927,600	1%
FTA 5339 Funds	-	1,943,500	0%
Federal 5307	-	2,503,000	0%
Federal STP Funds	3,290	107,800	3%
Federal 5309 Funds	481	2,385,000	0%
Connect Oregon Funds	-	1,000,000	0%
State STF Funds	-	264,600	0%
<b>Capital Revenues/Resources Total</b>	<b>32,011</b>	<b>12,604,300</b>	<b>0%</b>
<b>Capital Expenses/Requirements</b>			
Administration	1,485	349,000	0%
<b>Transportation Development</b>			
Capital Project Administration	21,134	57,800	37%
Keizer Transit Center	80,573	1,679,800	5%
South Salem Transit Center	418	1,520,700	0%
Bus Stops & Shelters	47,343	1,720,999	3%
BI Project	-	125,000	0%
Technology Equipment	69,575	232,000	30%
<b>Operations</b>			
Del Webb Improvements	56,830	330,500	17%
Shop Equipment	-	158,000	0%
Ops Technology Equipment	-	125,000	0%
Cherriots Revenue Vehicles	10,166	5,950,000	0%
CherryLift Revenue Vehicles	405	635,400	0%
CARTS Revenue Vehicles	405	488,900	0%
CH2 Tenant Improvements	14,287	-	0%
CH2 Lease Space Improvements	5,000	50,000	10%
<b>Capital Expenses/Requirements Total</b>	<b>307,621</b>	<b>13,423,099</b>	<b>2%</b>