



BOARD MEETING MEMO

Agenda Item I.3

To: Board of Directors

From: Kathleen Smidt, Accountant
Paula Dixon, Director of Administration

Thru: Allan Pollock, General Manager

Date: February 22, 2018

Subject: FY2018 Quarter Two Financial Report - Unaudited

ISSUE

Shall the Board accept the FY2018 Quarter 2 Financial Report-Unaudited?

BACKGROUND AND FINDINGS

The finance report provides information about how the budget was implemented for FY2018 and includes statements for the General Fund, Transportation Programs Fund, and the Capital Project Fund. The statements compare the budget amounts to actual amounts by the legal appropriations category. Remaining transactions and adjustments, not in this unaudited report, include depreciation of assets, quarter-end accruals for vacation and sick leave, quarter-end revenue accruals, and various expense adjustments.

In reviewing General Fund revenues, the District received 97% of the projected current year Property Tax collections for the first half of the year. This is expected as most of the property taxes are collected in November. The District also received 54% of the projected Oregon State In-Lieu (prior years' taxes) in the last two quarters. Year-to-date Passenger Fares are at 42% of the annual budget. Interest on investments is 85% of the budget, as our LGIP balance is higher than prior years, and interest rates on this fund have increased.

The General Fund Division expenses are under budget at the total reporting level. The General Manager/Board of Directors Division expenses are at 51% (\$316,527) of the annual appropriation. The Administration Division spent 48% (\$862,418) of its appropriation. The Transportation Development Division spent 51% (\$1,039,477) of its budget. The Operations Division spent 50% (\$8,860,732) of its budget.

Additionally, the Unallocated General Administration expenses are at 26% (\$282,146) of its budgeted amount. This 14% decrease from total budget is a result of the October 2017 dividend "received" from SAIF. Without this dividend, the Unallocated General Administration expense would have been \$429,878 and 40% of the 2017-18 budget.

Looking closer at the department level of expenses, some department budgets have exceeded their budgets. For example, the Human Resources Safety Department exceeded its budget by 19% (approximately \$59,000) of its annual appropriation due to the higher than anticipated damage payouts. The self-payment of these damage payouts contributes to the lower insurance rates the agency obtained this year.

Overall, the Capital Project Fund spent only 4% of the approved budget. Some of the capital projects from FY2017 are multi-year budgets and are to be carried forward to remaining quarters/years. Below is an example of the multi-quarter/year project list:

Multi-year project list

1. Tyler Software
2. Stops & Shelters
3. Bus Procurement (20 plus 8)
4. ITS Strategic Plan
5. SSTC (South Salem Transit Center)

The Transportation Programs Fund total is below budget at 48%. Mobility Management/Travel Trainer expenses are over budget by 34%. Nearly 25% of this is due to unbudgeted costs for the Travel Trainer program which is being paid for by Mobility Management. Additionally, Special Transportation Coordination is over by 4% due to the 2016-2018 Biennium payment of \$22,884 or 8% of annual budget.

FINANCIAL IMPACT

None

RECOMMENDATION

Receive and File

PROPOSED MOTION

None

Salem Area Mass Transit District
Fiscal Year 2017-18 Second Quarter Financial Report
General Fund Revenues/Resources and
Expenses/Requirements Resolution

Summary	Actual	50% of Adopted Budget	FY2017-18 Adopted Budget	% of Budget
Operating Revenues/Resources				
Passenger Fares	1,268,282	1,507,998	3,015,996	42%
Other Fixed Route Services	118,988	130,002	260,004	46%
Planning Grant	31,319	57,018	114,036	27%
Federal 5307	2,046,676	2,289,246	4,578,492	45%
DMAP Reimbursement	21,561	31,002	62,004	35%
Advertising	21,000	-	-	
Miscellaneous	74,851	79,500	159,000	47%
Property Taxes	11,366,725	5,872,284	11,744,568	97%
Oregon State In-Lieu	3,044,995	2,805,000	5,610,000	54%
Interest on Investments	143,088	84,348	168,696	85%
Operating Revenues/Resources Total	18,137,485	12,856,398	25,712,796	71%
Operating Expenses/Requirements				
General Manager/Board of Directors	316,685	307,686	615,372	51%
Administration	862,418	900,522	1,801,044	48%
Communication	667,004	803,904	1,607,808	41%
Transportation Development	1,039,477	1,024,572	2,049,144	51%
Operations	8,860,732	8,904,162	17,808,324	50%
Unallocated General Administration	282,755	538,482	1,076,964	26%
Operating Expenses/Requirements Total	12,029,071	12,479,328	24,958,656	48%

Salem Area Mass Transit District
Fiscal Year 2017-18 Second Quarter Financial Report

General Fund Department Expenses/Requirements Summary	Actual	50% of Adopted Budget	FY2017-18 Adopted Budget	% of Budget	
General Manager/Board of Directors					
General Manager	284,654	285,444	570,888	50%	
Board of Directors	32,031	22,242	44,484	72%	(1)
Total	316,685	307,686	615,372	51%	
Administration					
Human Resources	321,070	350,172	700,344	46%	
Human Resources Safety	131,307	94,752	189,504	69%	(2)
Finance (includes Procurement Budget)	410,041	455,598	911,196	45%	
Total	862,418	900,522	1,801,044	48%	
Communication					
Marketing and Communications	371,403	507,780	1,015,560	37%	
Customer Service	295,601	296,124	592,248	50%	
Total	667,004	803,904	1,607,808	41%	
Transportation Development					
Transportation Development Administration	418,834	382,602	765,204	55%	(3)
Information Technology	519,357	516,972	1,033,944	50%	
Vanpool Lease	101,286	124,998	249,996	41%	
Total	1,039,477	1,024,572	2,049,144	51%	
Operations					
Operations Administration	305,779	287,412	574,824	53%	(4)
Vehicle Maintenance	2,134,973	2,102,556	4,205,112	51%	
Facility Maintenance	425,080	438,594	877,188	48%	
Security	279,374	308,424	616,848	45%	
Cherriots Fixed Route Service	5,599,191	5,704,146	11,408,292	49%	
West Salem Connector Operations	100,736	50,976	101,952	99%	(5 A.)
West Salem Connector Vehicle Maintenance	15,599	12,054	24,108	65%	(5 B.)
Total	8,860,732	8,904,162	17,808,324	50%	
Unallocated General Administration	282,755	538,482	1,076,964		

Notes:

- (1) Invoice dated 7/21/2017 from Marion County Treasurer for May 16, 2017 election for \$10,943 is 24.6% of budget.
- (2) Year-to-date payout damages are \$51,195.77 or 27% of the annual budget.
- (3) Lockwood Research invoices totaling \$44,865 is an overage of 5.9% from the budget.
- (4) Salaries are over by \$20,769 or 3.6% of the budget.
- (5) A. West Salem Connector Operations is completely done.
B. West Salem Connector Vehicle Maintenance is completely done.

Salem Area Mass Transit District

Fiscal Year 2017-18 Second Quarter Financial Report

Capital Project Fund Revenues/Resources and Expenses/Requirements Resolution Summary	Actual	50% of Adopted Budget	FY2017-18 Adopted Budget	% of Budget	
Capital Revenues/Resources					
Net Working Capital	-	1,191,534	2,383,068	0%	
Federal STP Funds	-	977,556	1,955,112	0%	
Federal 5310 Funds Through State	3,048	319,830	639,660	0%	
Federal Flex Funds	-	162,444	324,888	0%	
FTA 5339 Funds	-	971,766	1,943,532	0%	
Federal 5307	-	1,002,846	2,005,692	0%	
FEDERAL DMAP	-	104,760	209,520	0%	
Federal STP Funds	-	61,152	122,304	0%	
Federal 5309 Funds	-	693,720	1,387,440	0%	
Connect Oregon Funds	-	499,998	999,996	0%	
State STF Funds	-	138,816	277,632	0%	
Capital Revenues/Resources Total	3,048	6,124,422	12,248,844	0%	
Capital Expenses/Requirements					
Administration	183,502	118,392	236,784	77%	(7)
Transportation Development					
Capital Project Administration	-	25,404	50,808	0%	
Keizer Transit Center	41,838	600,000	1,200,000	3%	
South Salem Transit Center	55	694,542	1,389,084	0%	
Bus Stops & Shelters	57,301	249,894	499,788	11%	
BI Project	79,940	175,002	350,004	23%	
CH2 Lease Space Improvements	-	50,004	100,008	0%	
Operations					
Del Webb Improvements	964	111,114	222,228	0%	
Shop Equipment	16,351	67,998	135,996	12%	
Ops Technology Equipment	-	37,500	75,000	0%	
ADA Assessment Center	(1,560)	-	-		
Cherriots Revenue Vehicles	101,424	3,016,170	6,032,340	2%	
CherryLift Revenue Vehicles	-	558,102	1,116,204	0%	
CARTS Revenue Vehicles	-	375,630	751,260	0%	
Capital Expenses/Requirements Total	479,815	6,079,752	12,159,504	4%	
Capital Expenses/Requirements Total					
Administration	183,502	118,392	236,784		
Transportation Development	179,134	1,794,846	3,589,692		
Operations	117,179	4,166,514	8,333,028		
(7) Hard/Software over budget		5,434	2.3%		
Salary & related not budgeted for (Reedy)		10,313	4.4%		
		<u>15,747</u>	<u>6.7%</u>		

Salem Area Mass Transit District
Fiscal Year 2017-18 Second Quarter Financial Report

Transportation Programs Fund Revenues/Resources and Expenses/Requirements Resolution Summary	Actual	50% of Adopted Budget	FY2017-18 Adopted Budget	% of Budget
Transportation Fund Revenues/Resources				
Passenger Fares	196,166	193,446	386,892	51%
Federal Direct 5310 Funds	57,158	112,296	224,592	25%
Federal 5311 Funds	78,779	186,504	373,008	21%
Federal New Freedom	24,209	15,432	30,864	78%
Federal 5310 Funds Through State	216,148	428,136	856,272	25%
Rideshare Grant	-	105,600	211,200	0%
TDM Grant	-	83,670	167,340	0%
DD53 Revenues	588,150	1,195,998	2,391,996	25%
Federal 5307	626,109	425,328	850,656	74%
DMAP Revenues	5,074,264	4,751,196	9,502,392	53%
STF Pass Through Funds	122,000	121,998	243,996	50%
State STF Funds	369,426	372,480	744,960	50%
Transportation Fund Revenues/Resources Total	7,352,409	7,992,084	15,984,168	46%
Transportation Fund Expenses/Requirements				
Operations	8,469,578	8,931,942	17,863,884	47%
Mobility Management/Travel Trainer	97,879	57,972	115,944	84%
Transportation Development	330,309	323,574	647,148	51%
Transportation Fund Expenses/Requirements Total	8,897,766	9,313,488	18,626,976	48%