

Monthly Financial Report



Includes the Hermiston Urban Renewal Agency

Finance Department
September 2015

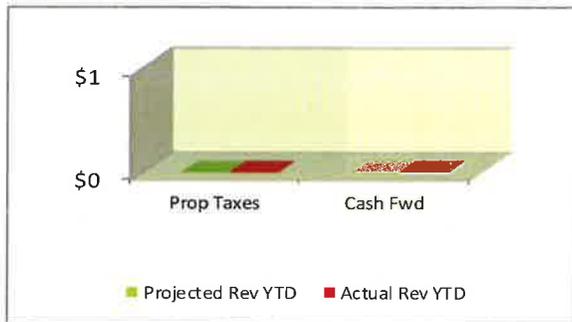
2015-2016 Monthly Financial Report

Hermiston Urban Renewal Agency (HURA)

For the Month Ending Sep 30, 2015

Resources by Category

Through Sep 30, 2015
(in \$1,000)

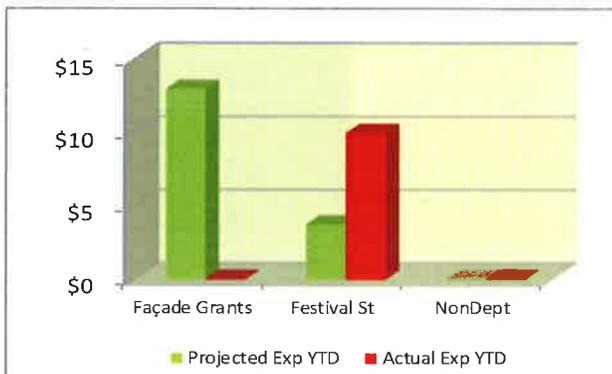


	Annual Proj Rev	Projected Rev YTD	Actual Rev YTD	Var Fav/ (Unfav)	% Var
Prop Taxes	\$ 15	\$ -	\$ -	\$ -	0%
Cash Fwd	60	-	-	-	0%
Total	\$ 75	\$ -	\$ -	\$ -	0%

Note: variance is calculated as a percent of the projected revenue YTD.

Expenditures by Character

Through Sep 30, 2015
(in \$1,000)



	Annual Proj Exp	Projected Exp YTD	Actual Exp YTD	Var Fav/ (Unfav)	% Var
Façade Grants	\$ 52	\$ 13	\$ -	\$ 13	100%
Festival St	15	4	10	(6)	(167%)
NonDept	3	-	-	-	0%
Res for Fut Exp	5	-	-	-	0%
Total	\$ 75	\$ 17	\$ 10	\$ 7	0%

Note: variance is calculated as a percent of the projected expenditures YTD.

The primary revenue source for the HURA are property taxes, which are due in November, so revenues are not expected to start coming in until then. Approximately \$6,500 was paid in September for preliminary design of the 2nd Street Gateway project bringing year-to-date expenditures to just about \$10,500.

2015-2016 Monthly Financial Report

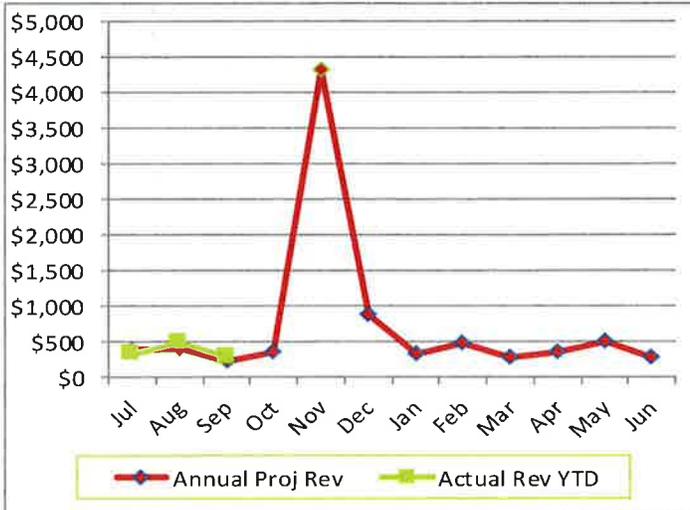
City of Hermiston, Oregon

General Fund Resources

For the Month Ending Sep 30, 2015

Through Sep 30, 2015
(in \$1,000)

All Resources

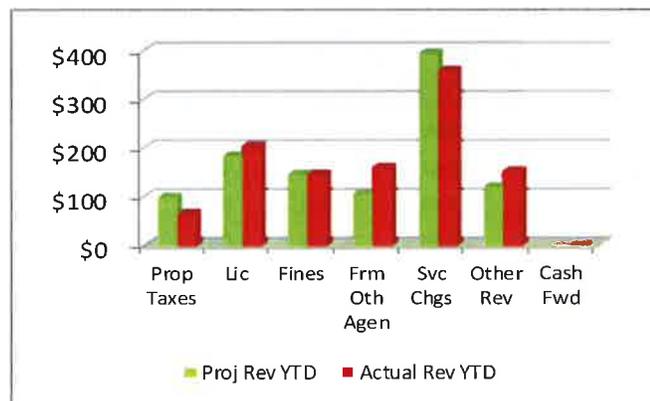


	Annual Proj Rev	Proj Rev YTD	Actual Rev YTD	Var Fav/ (Unfav)	% Var
Jul	\$ 393	\$ 393	\$ 332	\$ (61)	(15%)
Aug	418	418	478	60	14%
Sep	242	242	280	38	16%
Oct	355				
Nov	4,330				
Dec	885				
Jan	333				
Feb	490				
Mar	293				
Apr	360				
May	517				
Jun	285				
Total	8,902	1,053	1,090	37	4%
Cash Fw	3,813	-	-	-	0%
Total	\$ 12,715	\$ 1,053	\$ 1,090	\$ 37	4%

General Fund revenues for the 2015-16 fiscal year are estimated at \$8.9 million. Actual year-to-date revenues through September were \$1,090,000 compared to projected year-to-date revenues of \$1,053,000, a difference of \$37,000. The largest variances are in property taxes and service charges, a combined unfavorable variance of \$68,000. Beginning with the 2015-16 fiscal year the City began estimating revenues more closely to expected actuals than in previous years causing the variance to be unfavorable rather than favorable as has been seen in prior years.

General Fund Revenue by Category

Through Sep 30, 2015
(in \$1,000)



	Annual Proj Rev	Proj Rev YTD	Actual Rev YTD	Var Fav/ (Unfav)	% Var
Prop Taxes	\$ 5,265	\$ 100	\$ 67	\$ (33)	(33%)
Lic	774	184	205	20	11%
Fines	583	146	147	1	0%
Frm Oth Agen	445	107	160	53	50%
Svc Chgs	1,323	395	359	(35)	(9%)
Other Rev	513	121	152	31	26%
Cash Fwd	3,813	-	-	-	0%
Total	\$ 12,715	\$ 1,053	\$ 1,090	\$ 37	4%

Note: variance is calculated as a percent of the projected revenue YTD.

2015-2016 Monthly Financial Report

City of Hermiston, Oregon

General Fund Expenditures

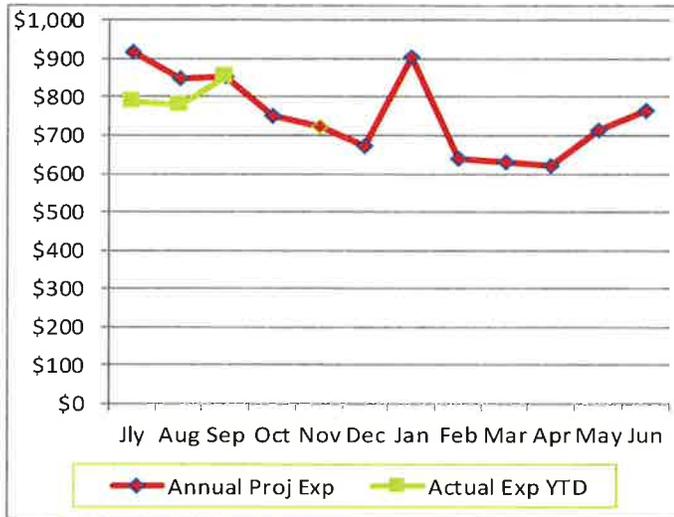
For the Month Ending Sep 30, 2015

General Fund Expenditure Summary

Through Sep 30, 2015

All Requirements

(in \$1,000)



	Annual Proj Exp	Projected Exp YTD	Actual Exp YTD	Var Fav/ (Unfav)	% Var
Jly	\$ 918	\$ 918	\$ 786	\$ 132	14%
Aug	850	850	777	73	9%
Sep	855	855	853	3	0%
Oct	750	-	-	-	-
Nov	724	-	-	-	-
Dec	675	-	-	-	-
Jan	903	-	-	-	-
Feb	637	-	-	-	-
Mar	629	-	-	-	-
Apr	620	-	-	-	-
May	713	-	-	-	-
Jun	765	-	-	-	-
Total	9,039	2,624	2,416	208	8%
Unapp	3,676	-	-	-	0%
Total	\$ 12,715	\$ 2,624	\$ 2,416	\$ 208	8%

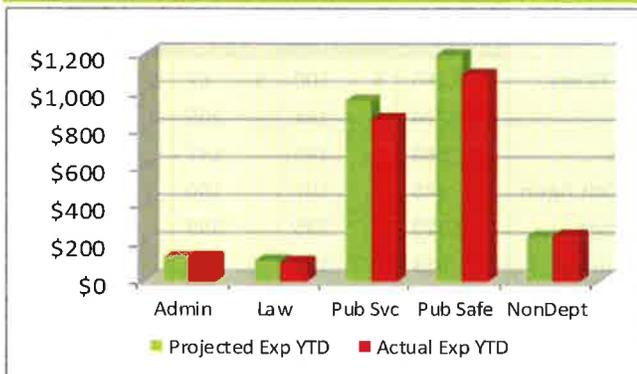
The General Fund expenditure variance is also positive as of the end of September. Actual expenditures are \$208,000 lower than projections, an 8% variance. The largest variances are in Public Safety, a positive \$104,000 variance, and Public Services, a positive \$97,000 variance.

General Fund Expenditures

by Consolidated Department

Through Sep 30, 2015

(in \$1,000)



	Annual Proj Exp	Projected Exp YTD	Actual Exp YTD	Var Fav/ (Unfav)	% Var
Admin	\$ 490	125	121	\$ 4	3%
Law	440	109	101	8	7%
Pub Svc	2,879	956	859	97	10%
Pub Safe	4,330	1,198	1,093	104	9%
NonDept	901	236	242	(6)	(2%)
Unapp	3,676	-	-	-	0%
Total	\$ 12,715	\$ 2,624	\$ 2,416	\$ 208	8%

Note: variance is calculated as a percent of the projected expenditures YTD.

2015-2016 Monthly Financial Report

General Fund Expenditure Detail For the Month Ending Sep 30, 2015

General Fund Expenditures by Department

	Annual Projected Exp	Projected Exp YTD	Actual Exp YTD	Var Fav/ (Unfav)	% Var Fav/ (Unfav)
City Council	32,150	8,965	8,404	561	6%
City Manager/Planning	402,398	102,235	100,347	1,888	2%
Finance	54,964	14,285	12,345	1,940	14%
Total Admin & Finance	489,512	125,484	121,096	4,387	3%
Legal	187,700	45,573	42,862	2,711	6%
Court	251,904	63,057	57,786	5,271	8%
Total Dept of Law	439,604	108,630	100,648	7,982	7%
Transportation	188,375	48,344	44,710	3,634	8%
Airport	241,640	112,371	62,435	49,936	44%
Bldg Inspection	343,262	85,564	83,558	2,006	2%
Parks	477,440	136,726	134,900	1,826	1%
Pool	389,229	243,905	218,027	25,878	11%
Municipal Buildings	12,900	4,188	2,166	2,022	48%
Library	689,266	170,288	162,509	7,779	5%
Recreation	537,300	154,887	150,764	4,123	0
Total Public Services	2,879,412	956,274	859,069	97,205	10%
Public Safety Center	92,000	21,787	27,214	(5,427)	(25%)
Police Operations	4,237,982	1,175,863	1,066,240	109,623	9%
Total Public Safety	4,329,982	1,197,651	1,093,454	104,197	9%
Non-Departmental	900,565	235,887	241,538	(5,651)	(2%)
Unappropriated	3,676,280	0	0	0	0%
Total Non-Dept	4,576,845	235,887	241,538	(5,651)	(2%)
Total	12,715,355	2,623,925	2,415,805	208,119	8%

Within the Public Services category, the Airport had the greatest amount of savings at almost \$50,000. This was mostly due to timing of fuel purchases. Within the General Fund as a whole, Police Operations had the highest variance, a positive \$109,623. Most of the department's savings are in overtime, travel and training and motor vehicle repairs.

2015-2016 Monthly Financial Report

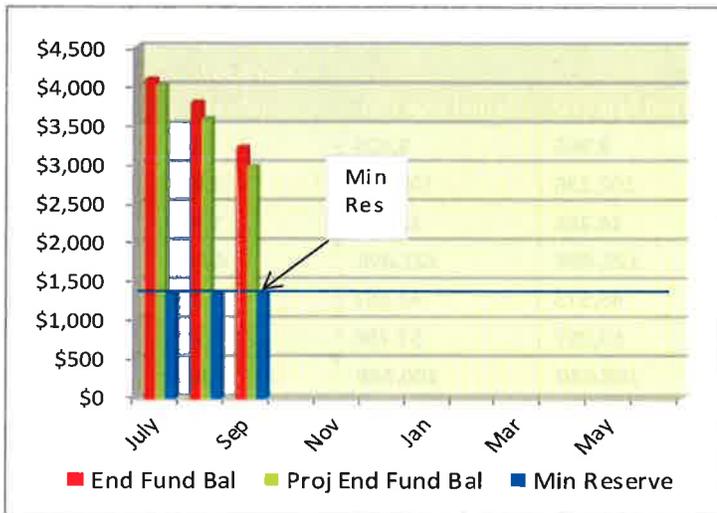
Fund Balance - General Fund
For the Month Ending Sep 30, 2015

General Fund

Through Sep 30, 2015

Ending Fund Balance

(in \$1,000)



	Begin Fund Bal	Rev	Exp	End Fund Bal	Proj End Fund Bal
July	\$ 4,547	\$ 332	\$ (786)	\$ 4,093	\$ 4,022
Aug	4,093	478	(777)	3,794	3,590
Sep	3,794	280	(853)	3,221	2,977
Oct					
Nov					
Dec					
Jan					
Feb					
Mar					
Apr					
May					
June					
Total	\$ 4,547	\$ 1,090	\$ (2,416)	\$ 3,221	\$ 2,977

Minimum Reserve = \$1,355,861

The City Council has established a minimum reserve for the General Fund of 15% of budgeted annual operating expenditures. The minimum reserve for 2015-16 is \$1,355,861. The fund balance at the end of September is approximately \$3.2 million, a decrease of \$1.3 million since the beginning of the fiscal year. Fund balance is expected to begin growing in November as the property taxes start to come in.

2015-2016 Monthly Financial Report

Special Revenue Funds Report

For the Month Ending Sep 30, 2015

Special Revenue Funds Resources & Requirements

	2015-16		Remaining Estimate
	Annual Estimate	Actual YTD	
Bonded Debt Fund			
Resources	3,767,354	684,501	3,082,853
Expenditures	3,527,354	1,230,884	2,296,470
Unappropriated Balance	240,000	N/A	N/A
Transient Room Tax (TRT)			
Resources	573,335	143,616	429,719
Expenditures	520,000	145,902	374,098
Unappropriated Balance	53,335	N/A	N/A
Recreation Special Revenue			
Resources	239,000	-	239,000
Expenditures	57,086	57,085	1
Unappropriated Balance	181,914	N/A	N/A
Reserve Fund			
Resources	7,090,060	461,297	6,628,763
Expenditures	4,882,912	1,072,365	3,810,547
Unappropriated Balance	2,207,148	N/A	N/A
Municipal Court Special Revenue			
Resources	281,900	70,664	211,236
Expenditures	246,900	66,819	180,081
Unappropriated Balance	35,000	N/A	N/A
Miscellaneous Special Revenue			
Resources	30,000	3,835	26,165
Expenditures	30,000	3,786	26,214
Unappropriated Balance	-	N/A	N/A
Conference Center			
Resources	249,975	55,239	194,736
Expenditures	192,475	44,405	148,070
Unappropriated Balance	57,500	N/A	N/A
EOTEC Grant Fund			
Resources	5,400,000	-	5,400,000
Expenditures	5,400,000	1,186,308	4,213,692
Unappropriated Balance	-	N/A	N/A
Law Enforcement Special Revenue			
Resources	71,500	12,476	59,024
Expenditures	43,500	524	42,976
Unappropriated Balance	28,000	N/A	N/A

Beginning with the 2015-16 fiscal year the City began estimating all of its resources in each fund and only appropriating what it projects it will need for that year. The remainder is carried in the fund as Unappropriated Balance.

The City uses multiple Special Revenue funds to account for revenues that are restricted to expenditure for particular purposes. They include funds for debt service, economic development, parks and recreation, capital projects, and grants. Since these funds are not operational and are used for specific purposes from year-to-year, their expenditures do not typically follow a predictable pattern so budget variances are not calculated for them.

2015-2016 Monthly Financial Report

Special Revenue Funds Report

For the Month Ending Sep 30, 2015

Special Revenue Funds Resources & Requirements

	2015-16		
	Annual Estimate	Actual YTD	Remaining Estimate
Library Special Revenue			
Resources	58,000	5,080	52,920
Expenditures	46,000	2,982	43,018
Unappropriated Balance	12,000	N/A	N/A
2014 Water & Sewer Rev Bonds			
Resources	1,300,000	652	1,299,348
Expenditures	1,300,000	612,097	687,903
Unappropriated Balance	-	N/A	N/A
Senior Center Const			
Resources	2,073,360	-	2,073,360
Expenditures	2,073,360	-	2,073,360
Unappropriated Balance	-	N/A	N/A

2015-2016 Monthly Financial Report

Utility and Street Funds Report

For the Month Ending Sep 30, 2015

Utility and Street Funds Report

Resources & Expenditures

	2015-16 Annual			Variance	
	Budget	Projected YTD	Actual YTD	Fav/(Unfav)	% Variance
<u>Street Fund</u>					
Resources	2,017,500	237,500	264,666	27,166	11%
Expenditures	1,348,785	337,196	319,841	17,355	5%
Unappropriated Balance	668,715	N/A	N/A	N/A	N/A
<u>Utility Fund</u>					
Resources	8,480,520	1,537,625	1,624,258	86,633	6%
Expenditures	5,821,305	1,002,287	1,029,390	(27,103)	(3%)
Unappropriated Balance	2,659,215	N/A	N/A	N/A	N/A
<u>HES Fund</u>					
Resources	11,435,765	2,789,135	2,854,171	65,036	2%
Expenditures	8,697,002	2,519,509	2,113,447	406,062	16%
Unappropriated Balance	2,738,763	N/A	N/A	N/A	N/A
<u>Regional Water Fund</u>					
Resources	1,437,800	146,753	222,595	75,842	52%
Expenditures	660,198	231,200	196,109	35,091	15%
Unappropriated Balance	777,602	N/A	N/A	N/A	N/A

The Street Fund had a favorable \$27,166 variance in revenues due to higher than projected gasoline tax collections. The fund also had a favorable expenditure variance of \$17,355 or 5%.

Water revenues have come in higher than projections causing the favorable variance in the Utility Fund. Expenditures are about 3% over projections.

The HES fund revenues are almost right on target while expenditures are 16% under projections. Expenditures are lower than projected due to the timing of power purchases. Only 17% of the budget has been expended so far compared to 25% of the fiscal year being elapsed.

2015-2016 Monthly Financial Report

Utility and HES Funds Report

For the Month Ending Sep 30, 2015

Utility and HES Funds Report

Reserve Balances

	Beginning Reserve	Ending Reserve	% Ending Reserve	Minimum Reserve Requirement	Difference
Utility Fund	3,056,640	3,819,370	45.0%	1,045,544	2,773,826
HES Fund	3,157,652	3,892,511	34.0%	1,409,889	2,482,622
Total	6,214,292	7,711,881	-	2,455,432	5,256,449

The City Council has established a minimum working capital (current assets less current liabilities) of forty-five (45) days of annual operating expenses for both the Utility Fund and HES Fund. This equates to \$1 million forty-five thousand for the Utility Fund and \$1.4 million for the HES Fund. Both funds have balances well above their minimum reserve levels for a total reserve of \$7.7 million.

2015-2016 Monthly Financial Report

City of Hermiston, Oregon

Capital Projects Report

For the Month Ending Sept 30, 2015

Capital Projects

	2015-16 Budget	YTD Expenditures	LTD Budget	LTD Expenditures	% Complete
Airport Improvements	\$ 615,000	\$ 13,652	\$ 650,000	\$ 243,425	---
Eastern OR Trade & Event Ctr (EOTEC) Pipeline	350,000	63,307	1,800,000	728,482	95%
EOTEC Construction	5,400,000	1,186,308	6,400,000	2,738,133	0%
RWTP Outfall	-	10,140	2,500,000	1,107,583	90%
Water Line Extension	1,026,200	410,247	1,250,000	634,040	70%
Total	\$ 7,391,200	\$ 1,683,654	\$ 12,600,000	\$ 5,451,663	---

Airport Improvements

The City was awarded \$2.9 million from the FAA for the construction phase of the Airport Improvements project and the City signed a contract with Columbia Pacific Construction (CPC) at the end of September to perform the work. Demolition of the taxiway will begin in October and the paving is expected to be finished in November. Winterization, which will include leaving the taxiway in a state that is usable throughout the winter, is scheduled to be complete by the end of November.

EOTEC Pipeline

This project is now 99% complete and the contractor has submitted their final invoice, less retainage, for payment.

EOTEC Construction

This project is moving along well. The steel frame for the Exhibition Hall has been erected, and the exterior of the building is expected to be completed in November. Substantial Completion is expected to occur in March of 2016.

RWTP Outfall

The City has given the contractor notice of substantial completion. They have finished the revegetation of the land near the Umatilla River disturbed by construction and have only a few other punch list items to complete.

Water Line Extension

This project is moving along nicely and the contractor is expected to finish the final pieces of pipe installation in October.

2015-2016 Monthly Financial Report
City of Hermiston, Oregon
Investments
For the Month Ending Sep 30, 2015

Investment Report
by Type

Cusip No.	Par Value	Principal Cost	Market Value	Issuer	Rating Moody's/S&P	Days to Maturity	Callable Y/N	Yield to Worst Call	Yield to Maturity (YTM)
3136G1BT5	\$ 2,000,000	\$ 1,960,500	\$ 2,000,966	FNMA	Aaa/AA+	677	Y	1.37	1.37
3134G33E8	\$ 1,000,000	\$ 997,073	\$ 999,437	FHLMC	Aaa/AA+	1,563	Y	1.57	1.57
3135G0QK2	\$ 2,000,000	\$ 1,985,750	\$ 2,005,762	FFCB	Aaa/AA+	1,465	Y	1.71	1.71
313381UZ6	\$ 1,000,000	\$ 985,720	\$ 997,943	FHLB	---	848	Y	1.31	1.31
3137EADN6	\$ 1,000,000	\$ 978,757	\$ 999,137	FHLMC	Aaa/AA+	835	N	1.29	1.29
3135G0GY3	\$ 1,000,000	\$ 1,013,901	\$ 1,009,489	FNMA	Aaa/AA+	488	N	0.78	0.78
US Agencies	\$ 8,000,000	\$ 7,921,701	\$ 8,012,734	---	---	---	---	---	---
LGIP ⁽¹⁾⁽²⁾	\$ 2,682,166	\$ 2,682,166	\$ 2,682,166	Varies	---/AA	1	N	0.54	0.54
LGIP	\$ 2,682,166	\$ 2,682,166	\$ 2,682,166	---	---	---	---	---	---
TOTAL	\$ 10,682,166	\$ 10,603,867	\$ 10,694,900	---	---	---	---	---	---

⁽¹⁾ \$1,774 of the balance in the LGIP is held by the City for the Eastern Oregon Trade and Event Center (EOTEC).

⁽²⁾ \$294 of the balance in the LGIP is invested for the 2014 Sewer & Water Revenue Bonds.

The City of Hermiston has established certain policies for its investments. In order to limit credit and interest rate risk, investments are diversified by security type, maturity, issuer, and call provisions. At least 25% of funds available for investing will be invested in the Local Government Investment Pool (LGIP), with a qualified depository institution, or investments maturing in less than 90 days. 50% or more of the portfolio will be invested in securities maturing in less than three years. The maximum average maturity for the portfolio shall be 3 years and the maximum maturity of individual securities in the portfolio shall be 5 years. No more than 75% of the portfolio may be callable. The minimum weighted average credit rating of the portfolio's investments shall be Aa/AA by Moody's and Standard & Poor's respectively. The breakdown of the City's portfolio is shown below.

Maturity	Par Value	% of Total Portfolio
< 90 Days	\$ 2,682,166	25.1%
90 Days - 3 Yr	\$ 5,000,000	46.8%
3 - 5 Yrs	\$ 3,000,000	28.1%
	\$ 10,682,166	100.0%

Type of Inv	Par Value	% of Total Portfolio
US Agency	\$ 8,000,000	74.9%
Corporate	\$ -	0.0%
LGIP	\$ 2,682,166	25.1%
	\$ 10,682,166	100.0%

Various Investment Parameters	With LGIP	Without LGIP
WTD Avg Mat	751	751
Wtd Avg Yield to Ma	1.18%	1.39%
Percent Callable	56.2%	75.0%
Wtd Avg Credit Ratin	Aaa/AA+	Aaa/AA+