

Monthly Financial Report



Includes the Hermiston Urban Renewal Agency

Finance Department
March 2015

2014-2015 Monthly Financial Report

Hermiston Urban Renewal Agency (HURA)

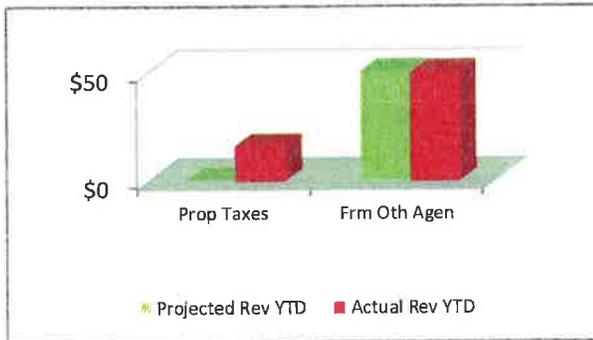
For the Month Ending March 31, 2015

Revenues

Through Mar 31, 2015

by Category

(in \$1,000)



	Annual Proj Rev	Projected Rev YTD	Actual Rev YTD	Var Fav/ (Unfav)	% Var
Prop Taxes	\$ -	\$ -	\$ 16	\$ 16	0%
Frm Oth Agen	50	50	50	-	0%
Total	\$ 50	\$ 50	\$ 66	\$ 16	32%

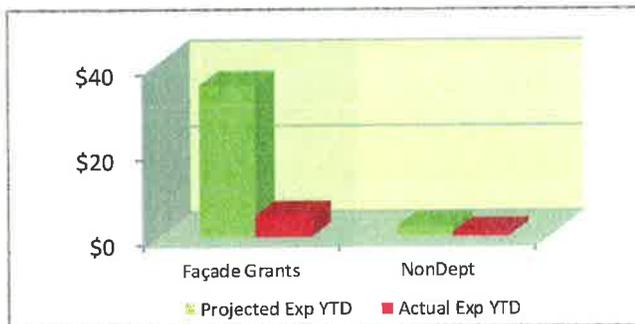
Note: variance is calculated as a percent of the projected revenue YTD.

Expenditures

Through Mar 31, 2015

by Character

(in \$1,000)



	Annual Proj Exp	Projected Exp YTD	Actual Exp YTD	Var Fav/ (Unfav)	% Var
Façade Grants	\$ 47	\$ 35	\$ 5	\$ 30	86%
NonDept	3	2	1	1	56%
Total	\$ 50	\$ 37	\$ 6	\$ 31	84%

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

Because this is the first fiscal year for the HURA no tax increment revenues were included in the budget. The revenue for the Agency was budgeted to come from a loan of \$50,000 from the City of Hermiston, which has been received. There was minimal activity in March. Revenues year-to-date remain at \$66,000 and expenditures at \$6,000.

2014-2015 Monthly Financial Report

City of Hermiston, Oregon

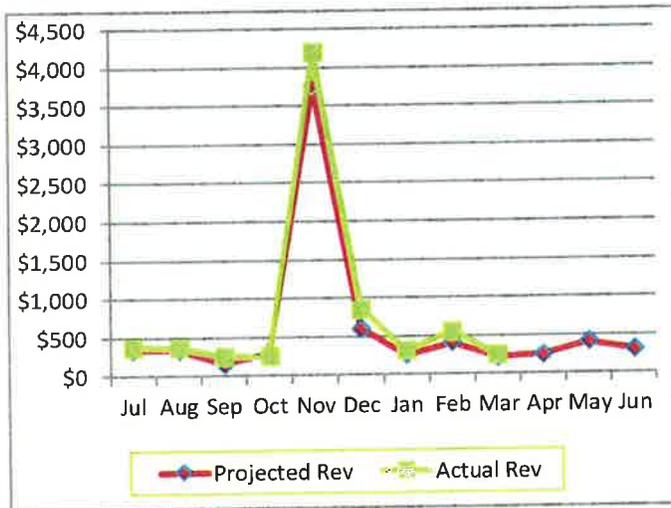
General Fund Revenue

For the Month Ending March 31, 2015

Through Mar 31, 2015

(in \$1,000)

All Revenue Sources



	Projected Rev	Projected Rev YTD	Actual Rev	Var Fav/ (Unfav)	% Var
Jul	\$ 344	\$ 344	\$ 377	\$ 34	10%
Aug	347	347	369	22	6%
Sep	161	161	255	94	59%
Oct	281	281	248	(33)	-12%
Nov	3,751	3,751	4,191	439	12%
Dec	607	607	855	247	41%
Jan	265	265	305	40	15%
Feb	415	415	561	146	35%
Mar	219	219	247	28	13%
Apr	253	-	-	-	-
May	412	-	-	-	-
Jun	316	-	-	-	-
Total	7,370	6,390	7,407	1,017	16%
Cash Fwd	1,676	1,676	1,676	-	0%
Total	\$ 9,047	\$ 8,066	\$ 9,083	\$ 1,017	13%

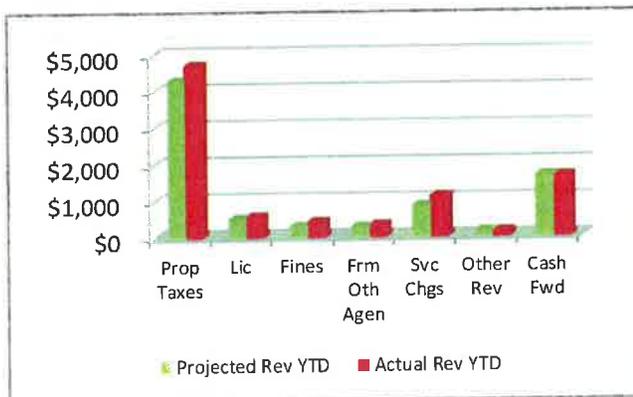
Note: variance is calculated as a percent of the projected revenue YTD.

General Fund revenues are a little over \$1 million higher than projections through the end of March. Consistent with what we have seen in previous months, Property Taxes and Service Charges make up the majority of the variance.

General Fund Revenue by Category

Through Mar 31, 2015

(in \$1,000)



	Projected Rev	Projected Rev YTD	Actual Rev YTD	Var Fav/ (Unfav)	% Var
Prop Taxes	\$ 4,500	\$ 4,288	\$ 4,732	\$ 444	10%
Lic	695	513	584	71	14%
Fines	400	299	437	138	46%
Frm Oth Agen	376	287	354	67	23%
Svc Chgs	1,223	852	1,134	281	33%
Other Rev	177	151	166	15	10%
Cash Fwd	1,676	1,676	1,676	-	0%
Total	\$ 9,047	\$ 8,066	\$ 9,083	\$ 1,017	13%

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

2014-2015 Monthly Financial Report

City of Hermiston, Oregon General Fund Expenditures

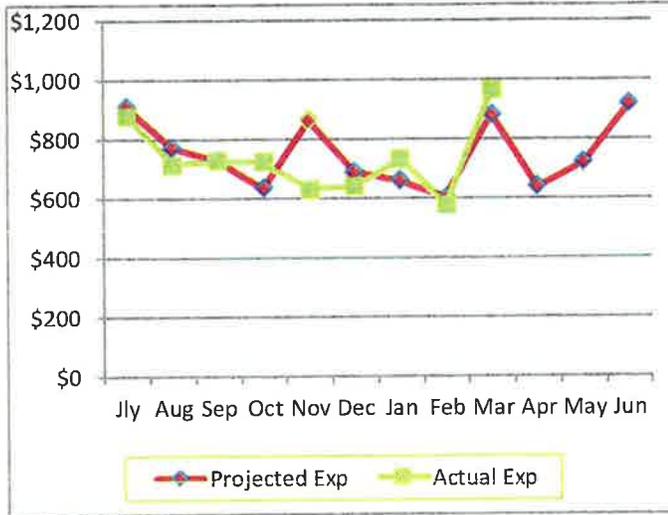
For the Month Ending March 31, 2015

General Fund Expenditure Summary

Through Mar 31, 2015

All Requirements

(in \$1,000)



	Projected Exp	Projected Exp YTD	Actual Exp	Var Fav/ (Unfav)	% Var
Jly	\$ 910	\$ 910	\$ 878	\$ 32	4%
Aug	773	773	712	61	8%
Sep	727	727	725	2	0%
Oct	636	636	721	(85)	(13%)
Nov	861	861	630	231	27%
Dec	691	691	640	51	7%
Jan	659	659	732	(72)	(11%)
Feb	605	605	577	28	5%
Mar	881	881	964	(82)	(9%)
Apr	640	-	-	-	-
May	721	-	-	-	-
Jun	917	-	-	-	-
Total	9,022	6,744	6,578	166	2%
Unapp	25	-	-	-	0%
Total	\$ 9,047	\$ 6,744	\$ 6,578	\$ 166	2%

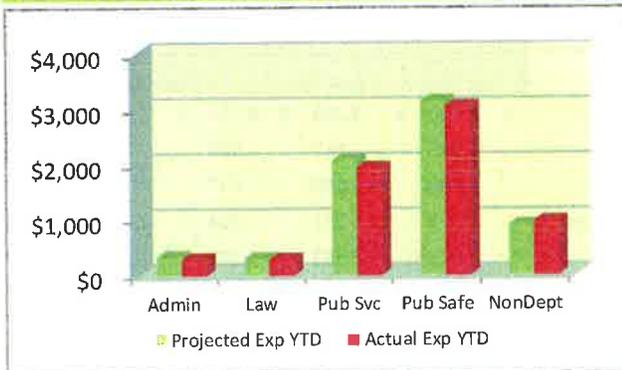
The positive variance in expenditures dropped from \$249,000 in February to \$166,000 in March. The largest savings continue to be in Public Safety and Public Services. Administrative Services also showed savings of \$38,000 while Non Departmental was over projections by \$77,000.

General Fund Expenditures

Through Mar 31, 2015

by Consolidated Department

(in \$1,000)



	Annual Proj Exp	Projected Exp YTD	Actual Exp YTD	Var Fav/ (Unfav)	% Var
Admin	\$ 469	337	299	\$ 38	11%
Law	411	304	299	5	2%
Pub Svc	2,775	2,065	1,946	119	6%
Pub Safe	4,183	3,138	3,056	82	3%
NonDept	1,184	901	978	(77)	(9%)
Unapp	25	-	-	-	0%
Total	\$ 9,047	\$ 6,744	\$ 6,578	\$ 166	2%

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

2014-2015 Monthly Financial Report

General Fund Expenditure Detail
For the Month Ending March 31, 2015

General Fund Expenditures by Department

	Annual Projected Exp	Projected Exp YTD	Actual Exp YTD	Var Fav/ (Unfav)	% Var Fav/ (Unfav)
City Council	\$ 32,400	\$ 25,335	\$ 17,784	\$ 7,552	30%
City Manager/Planning	370,355	261,466	242,382	19,084	7%
Finance	66,650	50,126	38,877	11,250	22%
Total Admin & Finance	469,405	336,927	299,043	37,885	11%
Legal	186,300	135,642	131,173	4,469	3%
Court	224,600	168,509	168,222	287	0%
Total Dept of Law	410,900	304,151	299,395	4,756	2%
Transportation	188,375	141,977	120,333	21,644	15%
Airport	273,300	203,358	199,109	4,249	2%
Bldg Inspection	334,300	248,165	243,081	5,084	2%
Parks	442,300	319,175	294,319	24,856	8%
Pool	375,350	280,134	272,003	8,131	3%
Municipal Buildings	11,400	8,250	9,107	(857)	(10%)
Library	642,800	481,922	445,224	36,698	8%
Recreation	416,500	311,438	298,273	13,165	4%
Conference Center	90,900	70,106	64,822	5,284	8%
Total Public Services	2,775,225	2,064,527	1,946,271	118,256	6%
Public Safety Center	87,500	71,086	61,530	9,556	13%
Police Operations	4,095,290	3,067,149	2,993,972	73,177	2%
Total Public Safety	4,182,790	3,138,235	3,055,502	82,733	3%
Non-Departmental	1,183,473	900,607	977,917	(77,310)	(9%)
Unappropriated	25,000	-	-	-	-
Total Non-Dept	1,208,473	900,607	977,917	(77,310)	(9%)
Total	\$ 9,046,793	\$ 6,744,447	\$ 6,578,128	\$ 166,320	2%

All departments show favorable variances with the exception of Municipal Buildings and Non-Departmental. As previously reported, these variances are related to one-time expenditures, transfers, or attorney costs and are expected to correct themselves by the end of the fiscal year.

2014-2015 Monthly Financial Report

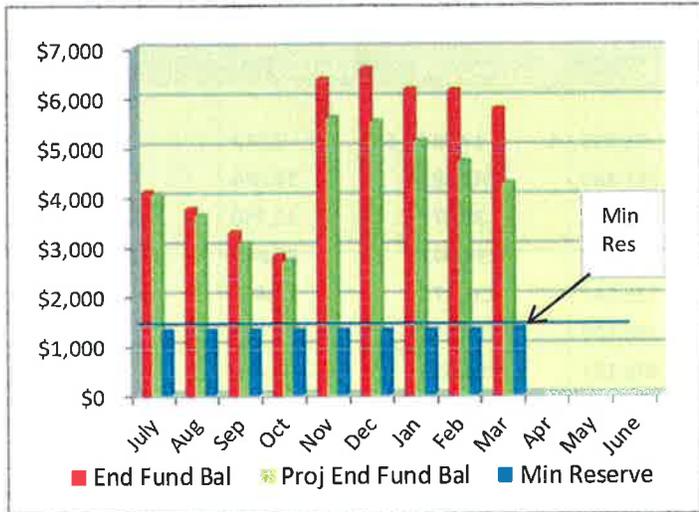
Fund Balance - General Fund
For the Month Ending March 31, 2015

General Fund

Through Mar 31, 2015

Ending Fund Balance

(in \$1,000)



	Begin Fund Bal	Rev	Exp	End Fund Bal	Proj End Fund Bal
July	\$ 4,630	\$ 377	\$ (878)	\$ 4,129	\$ 4,064
Aug	4,129	369	(712)	\$ 3,786	\$ 3,638
Sep	3,786	255	(725)	\$ 3,316	\$ 3,071
Oct	3,316	248	(721)	\$ 2,843	\$ 2,717
Nov	2,843	4,191	(630)	6,404	\$ 5,607
Dec	6,404	855	(640)	6,619	\$ 5,523
Jan	6,619	305	(732)	6,192	\$ 5,128
Feb	6,192	560	(577)	6,175	\$ 4,720
Mar	6,175	584	(964)	5,795	\$ 4,276
Apr					
May					
June					
Total	\$ 4,630	\$ 7,744	\$ (6,578)	\$ 5,795	\$ 4,276

Minimum Reserve = \$1,353,269

* Corrected

The City Council has established a minimum reserve for the General Fund of 15% of budgeted annual operating expenditures. Factoring in the expenditures added through the supplemental budget, the minimum reserve for 2014-15 is \$1,353,269. The fund balance is \$5.8 million at the end of March compared to the projected fund balance of \$4.3 million. Fund balance has increased \$1.2 million since the beginning of the fiscal year.

2014-2015 Monthly Financial Report

Special Revenue Funds Report For the Month Ending March 31, 2015

Special Revenue Funds Revenues and Expenditures

	2014-15		Remaining
	Annual Budget	Actual YTD	Budget
Bonded Debt Fund			
Revenues	2,590,560	1,772,898	817,662
Expenditures	2,590,560	1,690,656	899,904
Transient Room Tax (TRT)			
Revenues	70,000	71,288	(1,288)
Expenditures	70,000	45,565	24,435
Recreation Special Revenue			
Revenues	279,200	287,758	(8,558)
Expenditures	279,200	126,444	152,756
Reserve Fund			
Revenues	6,606,227	5,906,582	699,645
Expenditures	6,606,227	1,086,159	5,520,068
Municipal Court Special Revenue			
Revenues	200,000	156,148	43,852
Expenditures	200,000	151,579	48,421
Miscellaneous Special Revenue			
Revenues	35,000	20,581	14,419
Expenditures	35,000	10,867	24,133
Conference Center			
Revenues	158,350	112,380	45,970
Expenditures	158,350	113,093	45,257
WWTP Construction Fund			
Revenues	4,000,000	4,918,630	(918,630)
Expenditures	4,000,000	1,022,566	2,977,434
EOTEC Grant Fund			
Revenues	6,000,000	6,000,000	-
Expenditures	6,000,000	5,510	5,994,490
Law Enforcement Special Revenue			
Revenues	78,814	72,112	6,702
Expenditures	78,814	38,903	39,911
Library Special Revenue			
Revenues	48,500	43,965	4,535
Expenditures	48,500	20,618	27,882
2014 Water & Sewer Rev Bonds			
Revenues	5,300,000	16,322	5,283,678
Expenditures	5,300,000	2,722,380	2,577,620
Senior Center Const			
Revenues	2,073,360	73,360	2,000,000
Expenditures	2,073,360	-	2,073,360

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.

The WWTP Construction Fund has received \$918,630 more than was estimated to be received. This is because several reimbursements received this fiscal year from the State Revolving Loan Fund were for expenditures that were made last fiscal year.

The Senior Center Construction Fund was added as part of the Supplemental Budget. Resources include \$2M from a CDBG grant and \$73,360 in matching funds from the City.

2014-2015 Monthly Financial Report

Utility and Street Funds Report

For the Month Ending March 31, 2015

Utility and Street Funds Report

Revenues & Expenditures

	2014-15 Annual			Variance	
	Budget	Budget YTD	Actual YTD	Fav/(Unfav)	% Variance
<u>Street Fund</u>					
Revenues	1,238,000	865,031	890,530	25,499	2.9%
Expenditures	1,238,000	960,646	910,227	50,419	5.2%
	-	(95,615)	(19,697)	75,918	---
<u>Utility Fund</u>					
Revenues	4,965,460	3,859,928	4,050,696	190,768	4.9%
Expenditures	4,965,460	3,369,229	3,302,931	66,298	2.0%
	-	490,699	747,765	257,066	---
<u>HES Fund</u>					
Revenues	9,154,878	7,435,353	7,452,146	16,793	0.2%
Expenditures	9,154,878	7,268,052	6,784,364	483,688	6.7%
	-	167,301	667,782	500,481	---
<u>Regional Water Fund</u>					
Revenues	\$ 593,566	\$ 493,318	\$ 559,736	\$ 66,418	13.5%
Expenditures	593,566	502,425	518,739	(16,315)	(3.2%)
	-	(9,107)	40,997	50,104	---

These funds are used to account for the City's business-type activities. The **Street Fund** accounts for gas tax revenues, which continue to come in higher than projections. As of the end of March the variance is almost 3%. Expenditures also show a positive variance but they are expected to pick up as the spring weather allows for more maintenance work to occur.

In the **Utility Fund** revenues in **Wastewater** remain almost right on target while **Water** revenues continue to come in about 7% higher than projections. Expenditures in both utilities are below projections by about 2%.

Revenues in the **HES Fund** are coming in as planned, while expenditures are 6.7% below projections. As previously reported, remaining power purchases are expected to eliminate most of the variance as they are made.

The positive revenue variance in the **Regional Water Fund** is coming from non-potable receipts. Factoring in an adjustment of \$27,000 for insurance proceeds and \$30,000 for a contribution from Simplot for the water line extension, expenditures are 3.2% above projections.

2014-2015 Monthly Financial Report

Utility and HES Funds Report For the Month Ending March 31, 2015

Utility and HES Funds Report

Reserve Balances

	Beginning Reserve	Ending Reserve	% Ending Reserve	Minimum Reserve Requirement	Difference
Utility Fund	3,244,877	3,654,391	73.6%	612,180	3,042,211
HES Fund	4,329,711	3,414,892	37.3%	1,128,684	2,286,208
Total	7,574,588	7,069,283	-	1,740,864	5,328,419

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 approximately \$612,000 for the Utility Fund and \$1.1 million for the HES Fund. Both funds have balances well above their minimum reserve levels for a total reserve of \$7 million. The City has begun the process of reviewing the level of appropriate reserves in the utility and HES funds and expects to bring any recommended changes to Council as part of the 2015-16 budget development process.

2014-2015 Monthly Financial Report

City of Hermiston, Oregon

Capital Projects Report

For the Month Ending March 31, 2015

Capital Projects

	2014-15 Budget	YTD Expenditures	LTD Budget	LTD Expenditures	% Complete
Airport Improvements	\$ 650,000	\$ 73,876	\$ 650,000	\$ 73,876	4%
Eastern OR Trade & Event Ctr (EOTEC) Pipeline	1,800,000	519,795	1,800,000	519,795	30%
EOTEC Construction	6,000,000	5,510	6,400,000	361,836	0%
Recycled Water Treatment Plant (RWTP)	5,100,000	2,695,847	28,200,000	7,188,732	100%
RWTP Outfall	2,500,000	1,021,570	2,500,000	1,021,570	87%
Water Line Extension	1,250,000	27,529	1,250,000	82,029	0%
Total	\$ 17,300,000	\$ 4,344,127	\$ 40,800,000	\$ 9,247,838	---

Major capital projects for the 2014-15 fiscal year include the taxiway realignment at the Airport, extending the water distribution system and sanitary sewer collection system to the new EOTEC facility, continued development and construction of the EOTEC facility, finalization of the upgrades at the Recycled Water Treatment Plant (RWTP), and a major water line extension from the Regional Water Plant to South 1st Street.

Airport Improvements

The lion's share of the design for the Taxiway Relocation has been completed; however, the FAA still needs to respond to requests for clarification and modifications to standards. One request in particular will impact paving costs for the project if not approved.

For FAA funding purposes, this project was broken into two pieces – Design and Construction. The Design portion uses the City's normal Non-Primary Entitlement grant funds. The Construction portion will use FAA discretionary grant funding. Unfortunately, this project has been deemed to be a "Tier 3" project, which means that funding may now be delayed until August. Therefore, the bidding date has been pushed to the end of May, with the construction contract award scheduled for the end of June. The core project is still anticipated to be within budget.

Funding Source	Budgeted Amount	Expended to Date	Percent Complete
FAA NPE Design Grant	\$300,000	\$129,027	43%
Connect Oregon Grant	\$300,000	\$14,336	5%
FAA Discretionary Grant	Contingent upon bids	\$0	0%
City of Hermiston	\$0	\$0	0%

2014-2015 Monthly Financial Report

City of Hermiston, Oregon
Capital Projects Report
For the Month Ending March 31, 2015

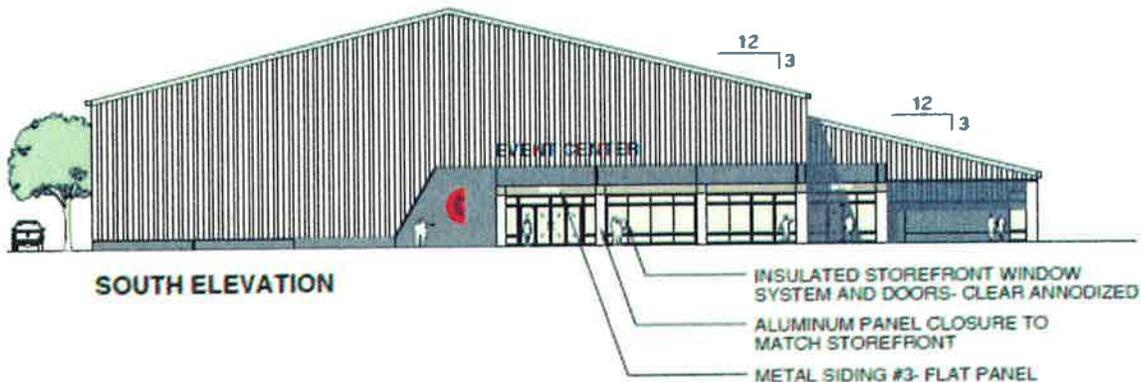
EOTEC Pipeline

This project will extend the water distribution system and sanitary sewer collection system to the new EOTEC facility. It also includes construction of a sanitary sewer pump station and force main on the EOTEC site that will be owned and operated by the City of Hermiston. Construction began in early December, and the new water and sewer lines south of the airport have been constructed and tested. The project was put on hold last month pending finalization of an archaeological pre-clearance. That is now complete and construction is proceeding again. Construction is approximately 50% complete.



EOTEC Facility Design and Construction

The project remains on schedule to be completed by May 2016. As noted with the EOTEC Pipeline project, construction had been put on hold while an environmental assessment was done. That process has been finished and construction is back under way.



2014-2015 Monthly Financial Report

City of Hermiston, Oregon
Capital Projects Report
For the Month Ending March 31, 2015



Recycled Water Treatment Plant

This project includes upgrades, additions and modifications to the City's recycled-water treatment plant, including a new Membrane Biologic Reactor (MBR) Building. The project is now complete with just a few minor items to correct. The ribbon-cutting ceremony for the plant was held April 23rd.

The City's new secondary treatment process MBR went on-line October 2014.

RWTP Outfall

The Outfall, the final piece of the RWTP project, is about 87% complete. Construction began in mid-January 2015. Installation of a majority of the pipeline is complete and has been tested. The West Extension canal outlet structure is also complete. The "in-water" portion of the work will be done in the summer of 2015 and the project is anticipated to be complete in the early fall of 2015.



Future winter outfall location at Three Mile Dam.

Water Line Extension

This project is for construction of a water main from the Regional Water System's treatment plant which will enhance the city's water-delivery capabilities. The project has been put out to bid and construction is expected to begin by June 1, 2015.



2014-15 Monthly Financial Report
City of Hermiston, Oregon
Investments
For the Month Ending March 31, 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	\$ 1,995,896	FNMA	Aaa/AA+	860	Y	1.37	1.37
3134G35P1	\$ 1,000,000	\$ 979,970	\$ 998,974	FHLMC	Aaa/AA+	1,078	Y	1.71	1.71
3135G0QK2	\$ 2,000,000	\$ 1,985,750	\$ 1,987,596	FFCB	Aaa/AA+	1,648	Y	1.71	1.71
313381UZ6	\$ 1,000,000	\$ 985,720	\$ 993,118	FHLB	---	1,031	Y	1.31	1.31
3137EADN6	\$ 1,000,000	\$ 978,757	\$ 994,110	FHLMC	Aaa/AA+	1,018	N	1.29	1.29
31771CCJ2	\$ 1,065,000	\$ 1,042,845	\$ 1,052,972	FICO	---	591	N	0.70	0.70
3135G0GY3	\$ 1,000,000	\$ 1,013,901	\$ 1,010,761	FNMA	Aaa/AA+	671	N	0.78	0.78
US Agencies	\$ 9,065,000	\$ 8,947,443	\$ 9,033,427	---	---	---	---	---	---
LGIP ^{(1) (2)}	\$ 12,373,651	\$ 12,373,651	\$ 12,373,651	Varies	---/AA	1	N	0.50	0.50
LGIP	\$ 12,373,651	\$ 12,373,651	\$ 12,373,651	---	---	---	---	---	---
TOTAL	\$ 21,438,651	\$ 21,321,094	\$ 21,407,078	---	---	---	---	---	---

⁽¹⁾ \$5,046,830 of the balance in the LGIP is held by the City for the Eastern Oregon Trade and Event Center (EOTEC).

⁽²⁾ \$2,016,322 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	Type of Inv	Par Value	% of Total Portfolio	Various Investment Parameters	With LGIP	Without LGIP
< 90 Days	\$12,373,651	57.7%	US Agency	\$ 9,065,000	42.3%	WTD Avg Maturity	441 Days	441 Days
90 Days - 3 Yrs	\$ 6,065,000	28.3%	Corporate	\$ -	0.0%	Wtd Avg Yield to Maturity	0.85%	1.32%
3 - 5 Yrs	\$ 3,000,000	14.0%	LGIP	\$12,373,651	57.7%	Percent Callable	28.0%	36.7%
	\$21,438,651	100.0%		\$21,438,651	100.0%	Wtd Avg Credit Rating	Aaa/AA+	Aaa/AA+

