

Monthly Financial Report



Includes the Hermiston Urban Renewal Agency

Finance Department
June 2015
(Unaudited)

2014-2015 Monthly Financial Report

Hermiston Urban Renewal Agency (HURA)

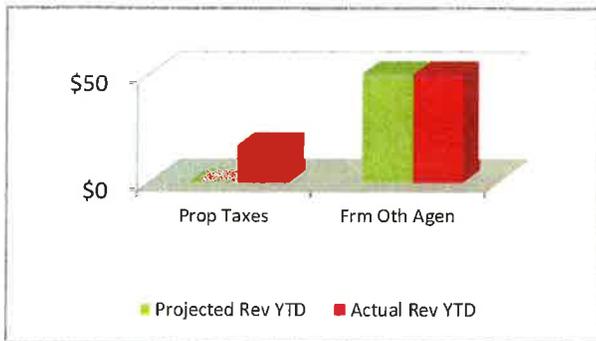
For the Month Ending June 30, 2015

Revenues

Through June 30, 2015

by Category

(in \$1,000)



	Annual Proj Rev	Projected Rev YTD	Actual Rev YTD	Var Fav/ (Unfav)	% Var
Prop Taxes	\$ -	\$ -	\$ 17	\$ 17	0%
Frm Oth Agen	50	50	50	-	0%
Total	\$ 50	\$ 50	\$ 67	\$ 17	34%

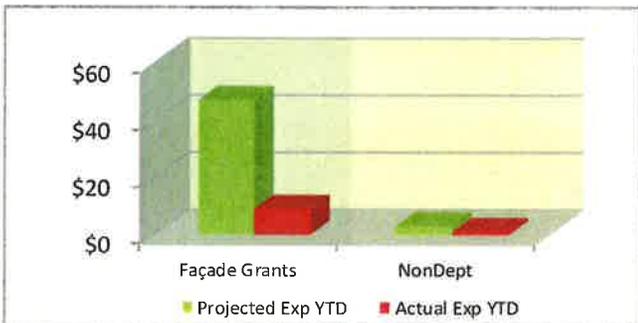
Note: variance is calculated as a percent of the projected revenue YTD.

Expenditures

Through June 30, 2015

by Character

(in \$1,000)



	Annual Proj Exp	Projected Exp YTD	Actual Exp YTD	Var Fav/ (Unfav)	% Var
Façade Grants	\$ 47	\$ 47	\$ 9	\$ 38	81%
NonDept	3	3	1	2	67%
Total	\$ 50	\$ 50	\$ 10	\$ 40	80%

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

The 2014-15 fiscal year ended in June with the Urban Renewal Agency collecting approximately \$17,000 in property taxes. The Agency expended \$5,000 on Façade grants, \$4,300 on the 2nd Street Gateway Project and \$1,000 on miscellaneous items such as attorney fees, advertising and office supplies.

2014-2015 Monthly Financial Report

City of Hermiston, Oregon

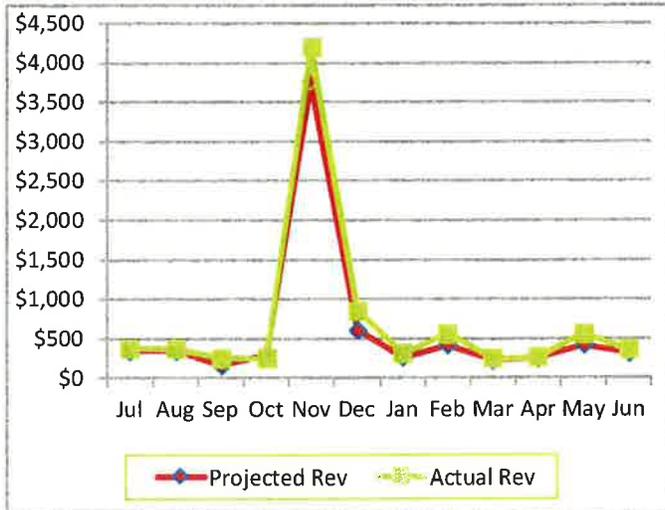
General Fund Revenue

For the Month Ending June 30, 2015

Through June 30, 2015

All Revenue Sources

(in \$1,000)



	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	253	264	12	5%
May	412	412	562	151	37%
Jun	316	316	355	39	12%
Total	7,371	7,371	8,589	1,218	17%
Cash Fwd	1,676	1,676	1,676	-	0%
Total	\$ 9,047	\$ 9,047	\$ 10,265	\$ 1,218	13%

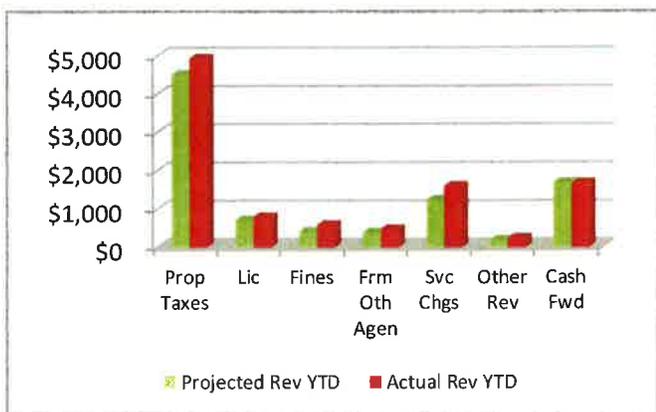
Note: variance is calculated as a percent of the projected revenue YTD.

General Fund revenues at the end of the fiscal year are \$1.2 million higher than projections. Property Taxes came in \$432,000 higher than estimates; Service Charges were \$369,000 higher and Fines were \$183,000 higher. Pool Income, Transient Room Tax and Sanitary Disposal Revenues were the main contributors to the variance in Service Charges.

General Fund Revenue by Category

Through June 30, 2015

(in \$1,000)



	Projected Rev	Projected Rev YTD	Actual Rev YTD	Var Fav/ (Unfav)	% Var
Prop Taxes	\$ 4,500	\$ 4,500	\$ 4,932	\$ 432	10%
Lic	695	695	784	89	13%
Fines	400	400	583	183	46%
Frm Oth Agen	376	376	465	89	24%
Svc Chgs	1,223	1,223	1,592	369	30%
Other Rev	177	177	232	56	31%
Cash Fwd	1,676	1,676	1,676	-	0%
Total	\$ 9,047	\$ 9,047	\$ 10,265	\$ 1,218	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

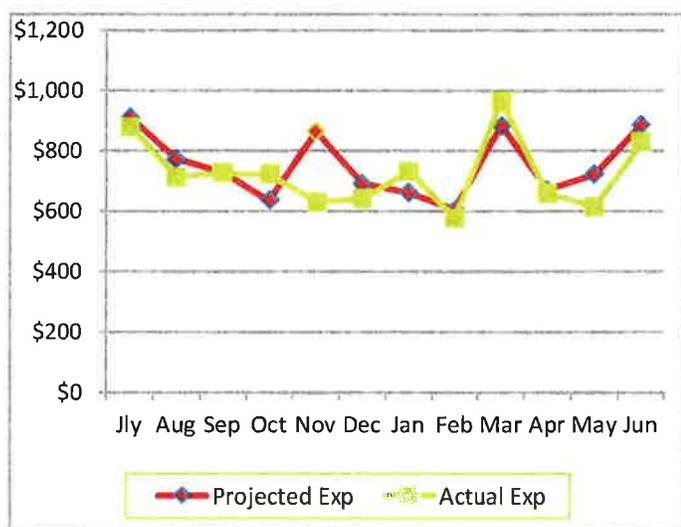
For the Month Ending June 30, 2015

General Fund Expenditure Summary

Through June 30, 2015

All Requirements

(in \$1,000)



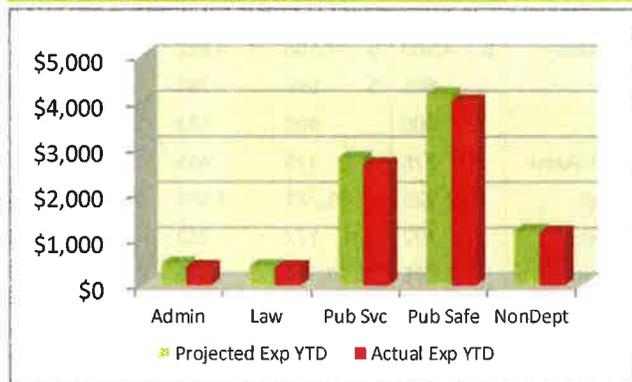
	Projected Exp	Projected Exp YTD	Actual Exp	Var Fav/ (Unfav)	% Var
Jly	\$ 910	\$ 910	\$ 878	\$ 32	4%
Aug	773	773	712	61	8%
Sep	727	727	725	2	0%
Oct	636	636	721	(85)	(13%)
Nov	861	861	630	231	27%
Dec	691	691	640	51	7%
Jan	659	659	732	(72)	(11%)
Feb	605	605	577	28	5%
Mar	881	881	964	(83)	(9%)
Apr	670	670	655	15	2%
May	721	721	612	108	15%
Jun	887	887	827	60	7%
Total	9,022	9,022	8,672	349	4%
Unapp	25	-	-	-	0%
Total	\$ 9,047	\$ 9,022	\$ 8,672	\$ 349	4%

General Fund departments ended the year \$349,000 under budget. As shown in the graph above actual expenditures followed monthly projections very closely except in November. This was primarily due to the change we made wherein transfers to other funds were spread out over the year rather than making them in a single month. Public Safety ended \$142,000 under budget and Public Services ended \$117,000 under.

General Fund Expenditures by Consolidated Department

Through June 30, 2015

(in \$1,000)



	Annual Proj Exp	Projected Exp YTD	Actual Exp YTD	Var Fav/ (Unfav)	% Var
Admin	\$ 469	469	405	\$ 64	14%
Law	411	411	404	7	2%
Pub Svc	2,775	2,775	2,659	117	4%
Pub Safe	4,183	4,183	4,041	142	3%
NonDept	1,184	1,183	1,164	20	2%
Unapp	25	-	-	-	0%
Total	\$ 9,047	\$ 9,022	\$ 8,672	\$ 349	4%

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 June 30, 2015

General Fund Expenditures by Department

	Annual Projected Exp	Projected Exp YTD	Actual Exp YTD	Var Fav/ (Unfav)	% Var Fav/ (Unfav)
City Council	\$ 32,400	\$ 32,400	\$ 21,894	\$ 10,506	32%
City Manager/Planning	370,355	370,355	331,666	38,689	10%
Finance	66,650	66,650	51,753	14,897	22%
Total Admin & Finance	469,405	469,405	405,313	64,092	14%
Legal	186,300	186,300	179,533	6,767	4%
Court	224,600	224,600	224,056	544	0%
Total Dept of Law	410,900	410,900	403,589	7,311	2%
Transportation	188,375	188,375	159,853	28,522	15%
Airport	273,300	273,300	241,925	31,375	11%
Bldg Inspection	334,300	334,300	323,762	10,538	3%
Parks	442,300	442,300	432,429	9,871	2%
Pool	375,350	375,350	387,451	(12,101)	(3%)
Municipal Buildings	11,400	11,400	10,740	660	6%
Library	642,800	642,800	594,813	47,987	7%
Recreation	416,500	416,500	415,957	543	0%
Conference Center	90,900	90,900	91,599	(699)	(1%)
Total Public Services	2,775,225	2,775,225	2,658,529	116,696	4%
Public Safety Center	87,500	87,500	80,331	7,169	8%
Police Operations	4,095,290	4,095,290	3,960,775	134,515	3%
Total Public Safety	4,182,790	4,182,790	4,041,106	141,684	3%
Non-Departmental	1,183,473	1,183,473	1,163,877	19,596	2%
Unappropriated	25,000	-	-	-	-
Total Non-Dept	1,208,473	1,183,473	1,163,877	19,596	2%
Total	\$ 9,046,793	\$ 9,021,793	\$ 8,672,414	\$ 349,379	4%

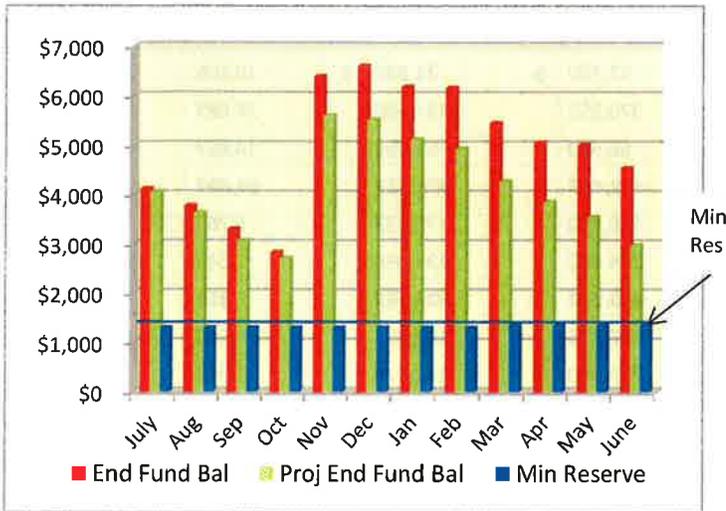
Public Services and Public Safety had the highest positive variances at the end of the year with a combined total of \$259,000. The Pool ended up \$12,000 over budget and the Conference Center ended \$699 over. Chemical purchases and heating costs were the main reasons for the variance at the pool; property and liability insurance caused the Conference Center's variance.

2014-2015 Monthly Financial Report

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

General Fund
Ending Fund Balance

Through June 30, 2015
(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	4,938
Mar	6,175	247	(964)	5,458	4,276
Apr	5,458	264	(655)	5,067	3,859
May	5,067	562	(612)	5,017	3,549
June	5,017	355	(825)	4,547	2,979
Total	\$ 4,630	\$ 8,588	\$ (8,671)	\$ 4,547	\$ 2,979

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 supplemental budget, the minimum reserve for 2014-15 is \$1,353,269. The fund balance at the end of June is approximately \$4.5 million, a minimal decrease of \$83,000 since the beginning of the fiscal year. The City had estimated it would need to use \$1.7 million in fund balance during the 2014-15 fiscal year, but instead it used less than \$100,000.

2014-2015 Monthly Financial Report

Special Revenue Funds Report For the Month Ending June 30, 2015

Special Revenue Funds Revenues and Expenditures

	2014-15 Annual Budget	Actual YTD	Remaining Budget
Bonded Debt Fund			
Revenues	2,590,560	2,585,167	5,393
Expenditures	2,590,560	2,587,057	3,503
Transient Room Tax (TRT)			
Revenues	70,000	89,726	(19,726)
Expenditures	70,000	66,874	3,126
Recreation Special Revenue			
Revenues	279,200	319,289	(40,089)
Expenditures	279,200	148,007	131,193
Reserve Fund			
Revenues	7,146,227	6,893,771	252,456
Expenditures	7,146,227	1,652,835	5,493,392
Municipal Court Special Revenue			
Revenues	200,000	204,789	(4,789)
Expenditures	200,000	197,195	2,805
Miscellaneous Special Revenue			
Revenues	35,000	26,633	8,367
Expenditures	35,000	16,773	18,227
Conference Center			
Revenues	158,350	177,166	(18,816)
Expenditures	158,350	155,542	2,808
RWTP 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	1,195,499	4,804,501
Law Enforcement Special Revenue			
Revenues	78,814	76,716	2,098
Expenditures	78,814	44,382	34,432
Library Special Revenue			
Revenues	48,500	49,154	(654)
Expenditures	48,500	27,033	21,467
2014 Water & Sewer Rev Bonds			
Revenues	5,300,000	18,142	5,281,858
Expenditures	5,300,000	3,534,126	1,765,874
Senior Center Const			
Revenues	2,073,360	73,360	2,000,000
Expenditures	2,073,360	528	2,072,832

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.

Multiple funds ended the year with more revenues coming in than was estimated. These are the TRT fund, the Recreation Special Revenue fund, the Municipal Court fund, the Conference Center fund, the Recycled Water Treatment Plant Construction fund and the Library Special Revenue fund. No funds finished the year over budget in expenditures.

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 June 30, 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	1,238,000	1,164,089	(73,911)	(6.0%)
Expenditures	1,238,000	1,238,000	1,179,969	58,031	4.7%
	-	-	(15,880)	(15,880)	---
<u>Utility Fund</u>					
Revenues	5,518,960	5,518,960	5,799,309	280,349	5.1%
Expenditures	5,518,960	5,518,960	5,400,656	118,304	2.1%
	-	-	398,653	398,653	---
<u>HES Fund</u>					
Revenues	9,154,878	9,154,878	9,234,021	79,143	0.9%
Expenditures	9,154,878	9,154,878	8,823,667	331,211	3.6%
	-	-	410,354	410,354	---
<u>Regional Water Fund</u>					
Revenues	\$ 761,096	\$ 761,096	\$ 777,694	\$ 16,598	2.2%
Expenditures	761,096	761,096	773,194	(12,098)	(1.6%)
	-	-	4,500	4,500	---

The Street fund ended the fiscal year 6% under estimated revenues and 4.7% under budgeted expenditures. \$35,000 of the budget savings were in personnel services and the remaining \$23,000 were in various materials and services.

The Utility and HES funds ended the year with positive variances in both revenues and expenditures. The Regional Water fund finished \$12,000 over but this will not count against the fund under the Local Budget Law because it reflects insurance proceeds that were received and spent to repair damages done to computer hardware from a power surge.

Power purchases were less than estimated as were conservation services causing expenditures in the HES fund to come in \$331,000 under budget.

2014-2015 Monthly Financial Report

Utility and HES Funds Report
For the Month Ending June 30, 2015

Utility and HES Funds Report

Reserve Balances

	Beginning Reserve	Ending Reserve	% Ending Reserve	Minimum Reserve Requirement	Difference
Utility Fund	3,244,877	3,056,640	55.4%	680,420	2,376,220
HES Fund	4,329,711	3,157,652	34.5%	1,128,684	2,028,968
Total	7,574,588	6,214,292	-	1,809,103	4,405,189

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 \$680,420 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 \$6.2 million.

2014-2015 Monthly Financial Report

City of Hermiston, Oregon
Capital Projects Report
For the Month Ending June 30, 2015

Capital Projects

	2014-15 Budget	YTD Expenditures	LTD Budget	LTD Expenditures	% Complete
Airport Improvements	\$ 650,000	\$ 229,773	\$ 650,000	\$ 229,773	*See Below
Eastern OR Trade & Event Ctr (EOTEC) Pipeline	1,800,000	669,247	1,800,000	669,247	80%
EOTEC Construction	6,000,000	1,195,499	6,400,000	1,551,825	0%
Recycled Water Treatment Plant (RWTP)	5,100,000	3,253,074	28,200,000	7,745,959	100%
RWTP Outfall	2,500,000	1,097,443	2,500,000	1,097,443	90%
Water Line Extension	1,250,000	206,175	1,250,000	260,675	0%
Total	\$ 17,300,000	\$ 6,651,211	\$ 40,800,000	\$ 11,554,922	---

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, and a major water line extension from the Regional Water Plant to South 1st Street.

In addition, upgrades at the Recycled Water Treatment Plant (RWTP) were completed with only minor items to correct. The plant has been fully operational since March of this year. Engineering by Kennedy Jenks to complete drawings and the O&M manual to DEQ standard is ongoing and a DEQ performance certification will be completed in March of 2016.

Airport Improvements

June brought much good news for the taxiway project as we got on track to put the project out to bid in early July. (The project was advertised July 8th and bids are due July 30th). Additionally, the project engineers were able to prove that the existing fuel tank at the airport doesn't currently meet FAA standards; therefore, FAA agreed that it would pay for the entire cost of a new fuel tank of like kind and size. This means that the only portion the Connect Oregon grant (and the City potentially) will need to pay for is the marginal difference in cost to upgrade the capacity of the tank from its current 10,000 gallons to 16,000 gallons. This allowance will save a lot of project costs.

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. Further information is provided in the table below.

Funding Source	Budgeted Amount	Expended to Date	Percent Complete
FAA NPE Design Grant	\$300,000	\$229,773	76%
Connect Oregon Grant	\$300,000	\$22,900	8%
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 June 30, 2015

Capital Projects

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 2014 and is approximately 80% complete. The water and sewer lines south of the airport have been constructed and tested and the pump-station wet-well has been installed. The wet-well will be epoxy lined before the pumps are installed and the station is commissioned (anticipated to be August 2015).

EOTEC Facility Design and Construction

Site work on the facility is well under way; however there are budget and schedule impacts that need to be resolved in order to ensure the project is completed on time. Some of these items include bid packages for Site Electrical, Paving, Irrigation, Landscaping and Signage. Event Center design meetings are being held weekly, and completion of the design is expected to occur in late July. Substantial completion is expected in March 2016.

RWTP Outfall

The Outfall, the final piece of the Recycled Water Treatment Plant project, began in January 2015 and is about 90% complete. Installation of a majority of the pipeline is complete and has been tested. Valve vaults and air release valve stations are complete. The piping has been backfilled and the ground surface has been restored. The West Extension canal outlet structure is complete with the canal and relocation of a customer service connection completed at the request of WEID. The "in-water" portion of the work has started and may be complete by the end of July. It is anticipated that the project will be complete in the early fall of 2015.

Water Line Extension

This project is for construction of a water main from the Regional Water System's treatment plant on Hwy 207 eastward along Feedville Road, a distance of about 1.5 miles, which will enhance the city's water-delivery capabilities. The project is going well and pipe installation is underway. The City is still waiting on a final permit from the Union Pacific Railroad to make the connection to the water pump station.

2014-15 Monthly Financial Report
City of Hermiston, Oregon
Investments
For the Month Ending June 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	\$ 1,997,958	FNMA	Aaa/AA+	769	Y	1.37	1.37
3134G35P1	\$ 1,000,000	\$ 979,970	\$ 999,790	FHLMC	Aaa/AA+	987	Y	1.71	1.71
3135G0QK2	\$ 2,000,000	\$ 1,985,750	\$ 1,985,784	FFCB	Aaa/AA+	1,557	Y	1.71	1.71
313381UZ6	\$ 1,000,000	\$ 985,720	\$ 995,432	FHLB	---	940	Y	1.31	1.31
3137EADN6	\$ 1,000,000	\$ 978,757	\$ 994,009	FHLMC	Aaa/AA+	927	N	1.29	1.29
3135G0GY3	\$ 1,000,000	\$ 1,013,901	\$ 1,010,574	FNMA	Aaa/AA+	580	N	0.78	0.78
US Agencies	\$ 8,000,000	\$ 7,904,598	\$ 7,983,547	---	---	---	---	---	---
LGIP ^{(1) (2)}	\$ 6,386,529	\$ 6,386,529	\$ 6,386,529	Varies	---/AA	1	N	0.50	0.50
LGIP	\$ 6,386,529	\$ 6,386,529	\$ 6,386,529	---	---	---	---	---	---
TOTAL	\$ 14,386,529	\$ 14,291,127	\$ 14,370,076	---	---	---	---	---	---

⁽¹⁾ \$3,052,782 of the balance in the LGIP is held by the City for the Eastern Oregon Trade and Event Center (EOTEC).

⁽²⁾ \$517,357 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	\$ 6,386,529	44.4%	US Agency	\$ 8,000,000	55.6%	WTD Avg Mat	563 Days	563 Days
90 Days - 3 Yrs	\$ 6,000,000	41.7%	Corporate	\$ -	0.0%	Wtd Avg Yield to Mat	1.00%	1.41%
3 - 5 Yrs	\$ 2,000,000	13.9%	LGIP	\$ 6,386,529	44.4%	Percent Callable	41.7%	64.3%
	\$ 14,386,529	100.0%		\$ 14,386,529	100.0%	Wtd Avg Credit Rating	Aaa/AA+	Aaa/AA+