

Monthly Financial Report



Where Life is Sweet

2016-2017 Monthly Financial Report

Hermiston Urban Renewal Agency (HURA)

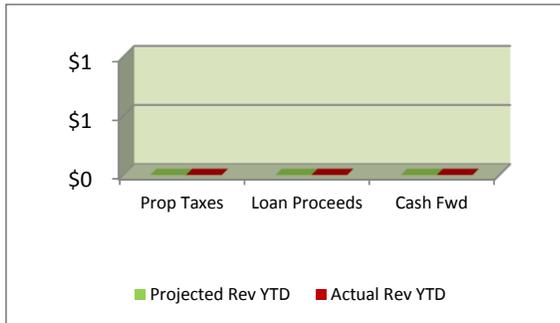
For the Month Ending July 31, 2016

Resources

Through July 31, 2016

by Category

(in \$1,000)



	Annual Proj Rev	Projected Rev YTD	Actual Rev YTD	Var Fav/ (Unfav)	% Var
Prop Taxes	\$ 29	\$ -	\$ -	\$ -	0%
Loan Proceeds	100	-	-	-	0%
Cash Fwd	74	-	-	-	0%
Total	\$ 203	\$ -	\$ -	\$ -	0%

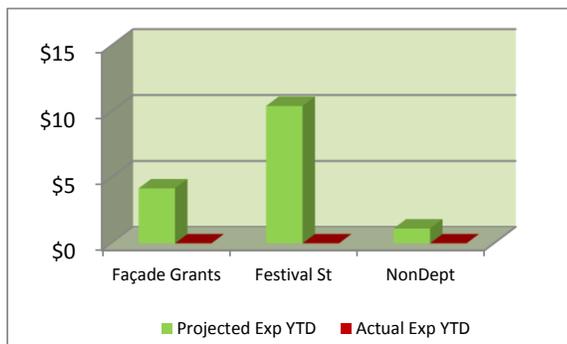
Note: variance is calculated as a percent of the projected revenue YTD.

Expenditures

Through July 31, 2016

by Character

(in \$1,000)



	Annual Proj Exp	Projected Exp YTD	Actual Exp YTD	Var Fav/ (Unfav)	% Var
Façade Grants	\$ 50	\$ 4	\$ -	\$ 4	100.0%
Festival St	125	10	-	10	98%
NonDept	14	1	-	1	94%
Res for Fut Exp	14	-	-	-	0%
Total	\$ 203	\$ 15	\$ -	\$ 15	100%

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

The 2016-17 budget for the Urban Renewal Agency is \$203,000. This includes \$50,000 for façade grants, \$125,000 for the Festival Street project, \$14,000 in administrative costs and \$14,000 which is reserved for future expenditure. Resources for the 2016-17 fiscal year include \$29,000 in property tax, a \$100,000 loan from the City and \$74,000 in beginning cash. No revenues were received nor expenditures made in July.

2016-2017 Monthly Financial Report

City of Hermiston, Oregon

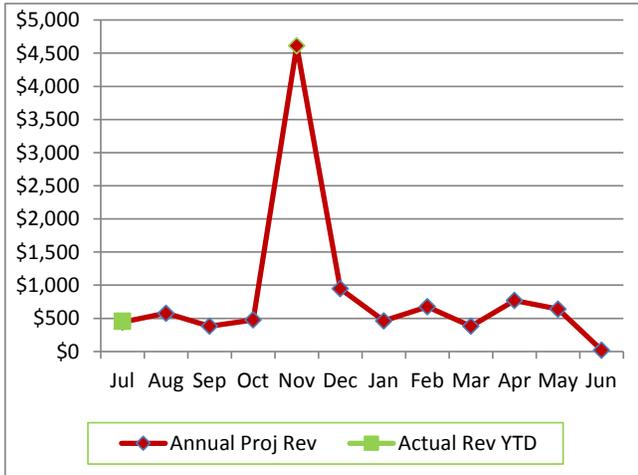
General Fund Resources

For the Month Ending July 31, 2016

Through July 31, 2016

All Resources

(in \$1,000)



	Annual Proj Rev	Proj Rev YTD	Actual Rev YTD	Var Fav/ (Unfav)	% Var
Jul	\$ 444	\$ 444	\$ 458	\$ 14	3%
Aug	578				
Sep	382				
Oct	477				
Nov	4,613				
Dec	946				
Jan	462				
Feb	675				
Mar	382				
Apr	768				
May	640				
Jun	21				
Total	10,387	444	458	14	3%
Cash Fwd	4,800	-	-	-	0%
Total	\$ 15,187	\$ 444	\$ 458	\$ 14	3%

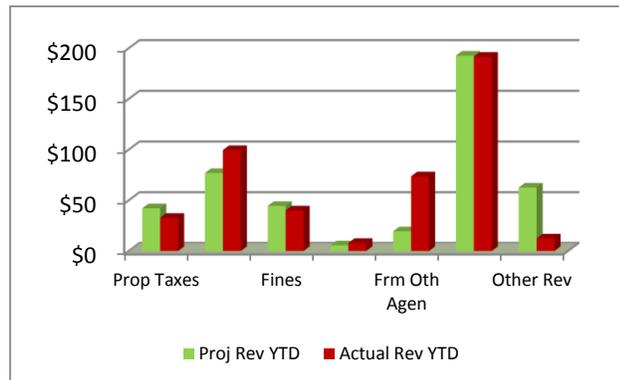
Estimated General Fund revenues for the 16-17 fiscal year are \$10.4 million. Projected revenues for July were \$444,000 and actual revenues were \$458,000, a positive 3% variance.

General Fund Revenue

by Category

Through July 31, 2016

(in \$1,000)



	Annual Proj Rev	Proj Rev YTD	Actual Rev YTD	Var Fav/ (Unfav)	% Var
Prop Taxes	\$ 5,202	\$ 42	\$ 33	\$ (9)	(22%)
Lic	851	77	100	23	29%
Fines	570	44	40	(4)	(10%)
Interest Rev	50	6	8	2	42%
Frm Oth Agen	499	19	74	54	280%
Svc Chgs	1,424	193	192	(1)	(1%)
Other Rev	1,791	63	12	(50)	(80%)
Cash Fwd	4,800	-	-	-	0%
Total	\$ 15,187	\$ 444	\$ 458	\$ 14	3%

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

2016-2017 Monthly Financial Report

City of Hermiston, Oregon

General Fund Expenditures

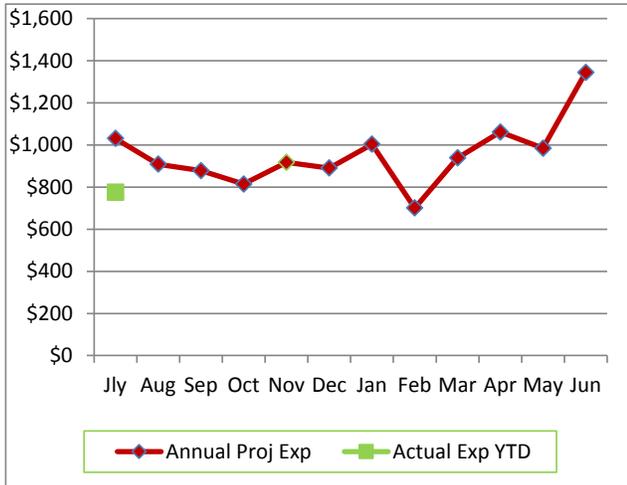
For the Month Ending July 31, 2016

General Fund Expenditure Summary

Through July 31, 2016

All Requirements

(in \$1,000)



	Annual Proj Exp	Projected Exp YTD	Actual Exp YTD	Var Fav/ (Unfav)	% Var
Jly	\$ 1,031	\$ 1,031	\$ 775	\$ 256	25%
Aug	\$ 909				
Sep	\$ 878				
Oct	\$ 814				
Nov	\$ 917				
Dec	\$ 890				
Jan	\$ 1,003				
Feb	\$ 701				
Mar	\$ 939				
Apr	\$ 1,061				
May	\$ 985				
Jun	\$ 1,345				
Total	11,472	1,031	775	256	25%
Unapp	3,715	-	-	-	0%
Total	\$ 15,187	\$ 1,031	\$ 775	\$ 256	25%

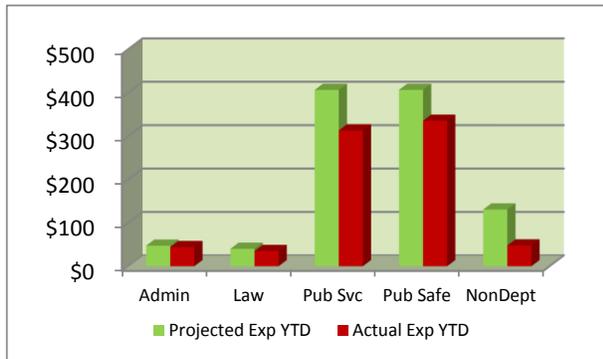
Projected General Fund department expenditures for July were \$1,031,000. Actual expenditures were \$256,000 lower than that at \$775,000. Public Services, Public Safety and Non-Departmental had the highest savings at \$93,000, \$71,000 and \$83,000 respectively.

General Fund Expenditures

Through July 31, 2016

by Consolidated Department

(in \$1,000)



	Annual Proj Exp	Projected Exp YTD	Actual Exp YTD	Var Fav/ (Unfav)	% Var
Admin	\$ 564	47	44	\$ 3	7%
Law	497	40	35	5	13%
Pub Svc	3,139	406	313	93	23%
Pub Safe	4,517	406	335	71	17%
NonDept	6,470	131	48	83	63%
Unapp	0	-	-	-	-
Total	\$ 15,187	\$ 1,031	\$ 775	\$ 256	25%

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

2016-2017 Monthly Financial Report

General Fund Expenditure Detail For the Month Ending July 31, 2016

General Fund Expenditures by Department

	Annual Projected Exp	Projected Exp YTD	Actual Exp YTD	Var Fav/ (Unfav)	% Var Fav/ (Unfav)
City Council	45,719	4,801	4,059	742	15%
City Manager/Planning	438,624	35,716	35,272	444	1%
Finance	79,295	6,763	4,690	2,073	31%
Total Admin & Finance	563,638	47,280	44,021	3,259	7%
Legal	83,700	6,181	4,440	1,741	0%
Court	413,186	33,903	30,548	3,355	10%
Total Dept of Law	496,886	40,083	34,988	5,095	13%
Transportation	248,300	16,611	10,300	6,311	38%
Airport	252,450	31,143	22,882	8,261	27%
Bldg Inspection	355,617	29,760	28,022	1,738	6%
Parks	490,819	46,750	36,402	10,348	22%
Parks/Utility Landscaping	39,475	3,290	2,457	833	25%
Pool	433,333	144,876	106,546	38,330	26%
Municipal Buildings	18,500	1,414	446	968	68%
Library	734,775	64,330	44,621	19,709	31%
Recreation	565,808	68,051	61,249	6,802	10%
Total Public Services	3,139,077	406,225	312,925	93,299	23%
Public Safety Center	82,000	8,323	4,164	4,159	50%
Police Operations	4,434,616	397,994	331,065	66,929	17%
Total Public Safety	4,516,616	406,316	335,229	71,087	17%
Non-Departmental	2,756,190	130,638	47,749	82,889	63%
Unappropriated	3,714,718	0	0	0	0%
Total Non-Dept	6,470,908	130,638	47,749	82,889	63%
Total	15,187,125	1,030,542	774,912	255,630	25%

Within the Public Services category, the Pool had the greatest amount of savings dollar-wise at \$38,330. Since this is the first month of the fiscal year it is a little early to determine the significance of the expenditure trends.

2016-2017 Monthly Financial Report

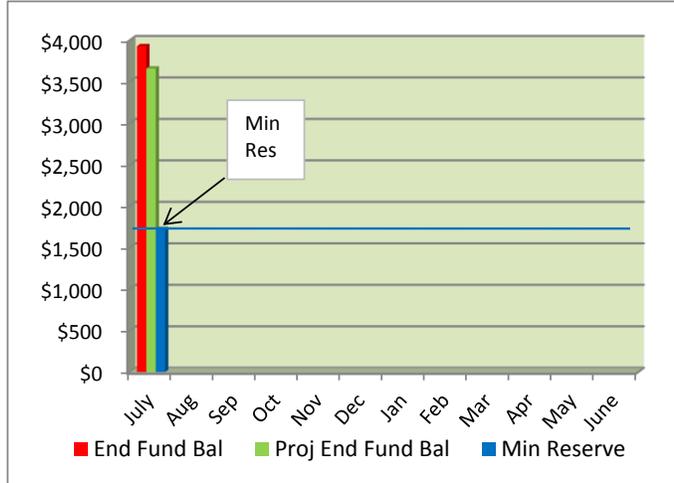
Fund Balance - General Fund
For the Month Ending July 31, 2016

General Fund

Through July 31, 2016

Ending Fund Balance

(in \$1,000)



Minimum Reserve = \$1,720,861

	Begin Fund Bal	Rev	Exp	End Fund Bal	Proj End Fund Bal
July	\$ 4,244	\$ 458	\$ (775)	\$ 3,927	\$ 3,658
Aug					
Sep					
Oct					
Nov					
Dec					
Jan					
Feb					
Mar					
Apr					
May					
June					
Total	\$ 4,244	\$ 458	\$ (775)	\$ 3,927	\$ 3,658

The beginning fund balance for the 2016-17 fiscal year is \$4.2 million, which is \$2.5 million above the minimum reserve of \$1.7 million. Expecting that the revenues and expenditures follow normal historical patterns the balance will decrease steadily until November when the property taxes come in at which point it will begin to increase.

2016-2017 Monthly Financial Report

Special Revenue Funds Report For the Month Ending July 31, 2016

Special Revenue Funds

Resources & Requirements

	2016-17 Annual Budget	Actual YTD	Remaining Budget
Bonded Debt Fund			
Resources	699,925	1,855	698,070
Expenditures	510,275	281,975	228,300
Unappropriated Balance	189,650	N/A	N/A
Transient Room Tax (TRT)			
Resources	830,460	93,614	736,846
Expenditures	767,860	-	767,860
Unappropriated Balance	62,600	N/A	N/A
Recreation Special Revenue			
Resources	375,000	-	375,000
Expenditures	-	-	-
Unappropriated Balance	375,000	N/A	N/A
Reserve Fund			
Resources	6,330,090	18,131	6,311,959
Expenditures	5,337,317	47,997	5,289,320
Unappropriated Balance	992,773	N/A	N/A
Municipal Court Special Revenue			
Resources	281,900	19,436	262,464
Expenditures	260,100	18,799	241,301
Unappropriated Balance	21,800	N/A	N/A
Miscellaneous Special Revenue			
Resources	35,000	2,589	32,411
Expenditures	35,000	2,606	32,394
Unappropriated Balance	-	N/A	N/A
Conference Center			
Resources	237,525	13,042	224,483
Expenditures	187,525	1,694	185,831
Unappropriated Balance	50,000	N/A	N/A
Christmas Express Special Revenue			
Resources	34,690	19,691	14,999
Expenditures	34,690	-	34,690
Unappropriated Balance	-	N/A	N/A
Law Enforcement Special Revenue			
Resources	78,880	3,069	75,811
Expenditures	65,880	19,691	46,189
Unappropriated Balance	13,000	N/A	N/A

Beginning with the 2016-17 fiscal year the City began distinguishing within the funds some part of ending fund balance as contingency and some as reserved for future expenditure. The contingency is included in appropriations while the reserve for future expenditures is unappropriated.

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 in nature 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.

2016-2017 Monthly Financial Report

Special Revenue Funds Report For the Month Ending July 31, 2016

Special Revenue Funds

Resources & Requirements

	2016-17 Annual Budget	Actual YTD	Remaining Budget
Library Special Revenue			
Resources	57,200	1,795	55,405
Expenditures	44,000	636	43,364
Unappropriated Balance	13,200	N/A	N/A
Senior Center Const			
Resources	2,706,300	-	2,706,300
Expenditures	2,706,300	-	2,706,300
Unappropriated Balance	-	N/A	N/A

2016-2017 Monthly Financial Report

Utility and Street Funds Report

For the Month Ending July 31, 2016

Utility and Street Funds Report

Resources & Expenditures

	2016-17 Annual			Variance	
	Budget	Projected YTD	Actual YTD	Fav/(Unfav)	% Variance
Street Fund					
Resources	1,730,474	83,333	91,859	8,526	10%
Expenditures	1,184,879	58,673	47,046	11,627	20%
Contingency/Unapp Balance	545,595	N/A	N/A	N/A	N/A

Utility Fund					
Resources	7,310,820	549,607	602,489	52,882	10%
Expenditures	6,535,820	303,268	330,326	(27,058)	(9%)
Contingency/Unapp Balance	775,000	N/A	N/A	N/A	N/A

HES Fund					
Resources	11,970,249	781,737	648,266	(133,471)	(17%)
Expenditures	9,151,094	645,869	642,589	3,280	1%
Contingency/Unapp Balance	2,819,155	N/A	N/A	N/A	N/A

Regional Water Fund					
Resources	1,317,060	43,164	70,501	27,337	63%
Expenditures	723,530	60,294	37,595	22,699	38%
Contingency/Unapp Balance	593,530	N/A	N/A	N/A	N/A

As was noted in the previous section the funds now show estimated ending fund balance as either contingency or unappropriated balance. In the Street fund \$545,000 is budgeted as contingency. The variances in both revenues and expenditures are large percentage-wise but not that large in dollar amount. Also as noted earlier, it is too early to determine the significance of the variances.

Revenues in the Utility Fund were about \$53,000 over the estimate in July and expenditures were approximately \$28,000 under projections.

Revenues in the HES came in lower than estimates by about \$133,500. Last July revenues were about \$74,500 higher than this year, likely due to the higher average temperatures we experienced in the area last year. Expenditures came in very nearly on target at approximately \$643,000.

The Regional Water revenues came in \$27,000 higher than expected and expenditures were about \$23,000 lower than projected.

2016-2017 Monthly Financial Report

Utility and HES Funds Report For the Month Ending July 31, 2016

Utility and HES Funds Report

Reserve Balances

	Beginning Reserve	Ending Reserve	% Ending Reserve	Minimum Reserve Requirement	Difference
Utility Fund	3,445,748	2,708,408	41.4%	805,786	1,902,622
HES Fund	3,531,269	3,568,871	39.0%	1,128,217	2,440,654
Total	6,977,017	6,277,279	-	1,934,003	4,343,276

The reserves in both the Utility Fund and HES Fund remain healthy into the beginning of the 2016-17 fiscal year. The Utility Fund reserve is \$1.9 million above the minimum and the HES Fund is \$2.4 million above the minimum. The funds combined total reserve is approximately \$6.3 million.

2016-17 Monthly Financial Report

City of Hermiston, Oregon

Capital Projects Report

For the Month Ending July 31, 2016

Capital Projects

	2016-2017 Budget	YTD Expenditures	LTD Budget	LTD Expenditures	% Complete
Airport Improvements	\$ 643,350	\$ -	\$ 3,562,000	\$ 2,867,842	81%
Senior Center	2,706,300	-	2,823,360	108,304	0%
11th & Elm	813,710	-	813,710	-	0%
West Highland Trail	130,000	-	130,000	-	0%
Total	\$ 4,293,360	\$ -	\$ 7,329,070	\$ 2,976,146	

Airport Improvements

The contractor finished all on-site work on July 8 and re-opened the taxiway. There continues to be some minor punch-list items that will be addressed over the next couple of months. From a grant-tracking standpoint, we will still be drawing approximately \$300,000 in funding from our taxiway construction grant in order to complete the AGIS (Airport GIS) mapping project this Fall.

Senior Center

In January 2015 the City was awarded a \$2 million Oregon Community Development Block Grant through the Oregon Infrastructure Finance Authority for construction of a new Senior Center. The City must provide a cash contribution of \$73,242 and complete the project by January 29, 2018. In June 2016, City Council added \$750,000 to the project for a 3,800 sf basement and elevator. The City has incurred a little over \$108,000 on design, survey and appraisal costs.

Traffic Control – 11th & Elm

This project is a \$1.6M ODOT-led project to install a full traffic signal at the intersection of Elm Avenue and NW 11th as well as a left-turn lane for southbound traffic into Good Shepherd Medical Center's entrance on NW 11th. It will also complete a bike/pedestrian crossing with flashing beacon at GSMC's NW 11th entrance where the Oxbow Trail currently terminates. The City of Hermiston partnered with GSMC to provide the \$813,000 in local match funding necessary for the project as part of an ODOT Immediate Opportunity Fund Grant, which carries a job-creation requirement. As of January, 2016, GSMC had already met the new job creation requirement by adding 58 new FTE. Design of the signal/turn lane/bike crossing is approximately 40% complete. ODOT is leading the design and construction. Construction is expected to begin in spring 2017.

West Highland Trail

This project is to create a bike lane and/or separated trail on the south side of West Highland Avenue between SW 11th Street and Riverfront Park. A bike lane will be striped where there are existing sidewalks on the south side of West Highland and a separated path will be built where there are no existing curbs or sidewalks. A portion of the project will include creating a left turn pocket at Gotta Stop/SW 14th Place. The project is funded by a grant from ODOT.

The city and ODOT entered into an IGA for project funding and management in March, 2016 per Resolution 2018. ODOT has since determined that the project funding will be better served through a fund exchange program where the federal requirements are removed from the cost sharing. This change to a fund exchange will require a new IGA and more city responsibility. Under the fund exchange the project will be managed by the city with ODOT oversight. Under the previous IGA ODOT would design, build, and manage the project on behalf of the city and invoice the city for the required match. ODOT anticipates sending a new IGA in early fall.

2016-2017 Monthly Financial Report
City of Hermiston, Oregon
Investments
For the Month Ending July 31, 2016

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)
3135G0G31	\$ 2,000,000	\$ 1,993,600	\$ 2,000,906	FNMA	Aaa/AA+	912	Y	1.28	1.28
76116FAA5	\$ 2,062,000	\$ 1,999,998	\$ 1,992,775	REFCORP	Aaa/AA+	1,171	N	0.95	0.95
3133EGLA1	\$ 1,000,000	\$ 1,001,020	\$ 997,726	FFCB	Aaa/AA+	1,261	Y	1.07	1.14
3137EADN6	\$ 1,000,000	\$ 978,757	\$ 999,256	FHLMC	Aaa/AA+	530	N	1.29	1.29
3135G0GY3	\$ 1,000,000	\$ 1,013,901	\$ 1,003,795	FNMA	Aaa/AA+	183	N	0.78	0.78
US Agencies	\$ 7,062,000	\$ 6,987,276	\$ 6,994,458	---	---	---	---	---	---
LGIP ⁽¹⁾⁽²⁾	\$ 4,106,759	\$ 4,106,759	\$ 4,106,759	Varies	---/AA	1	N	0.88	0.88
LGIP	\$ 4,106,759	\$ 4,106,759	\$ 4,106,759	---	---	---	---	---	---
TOTAL	\$ 11,168,759	\$ 11,094,035	\$ 11,101,217	---	---	---	---	---	---

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	\$ 4,106,759	36.8%	US Agency	\$ 7,062,000	63.2%	WTD Avg Days to Mat	557	557
90 Days - 3 Yrs	\$ 4,000,000	35.8%	Other	\$ -	0.0%	Wtd Avg Yield to Mat	1.01%	1.09%
3 - 5 Yrs	\$ 3,062,000	27.4%	LGIP	\$ 4,106,759	36.8%	Percent Callable	26.7%	42.5%
	\$11,168,759	100.0%		\$11,168,759	100.0%	Wtd Avg Credit Rating	Aaa/AA+	Aaa/AA+