

Monthly Financial Report



Includes the Hermiston Urban Renewal Agency

Finance Department
January 2016

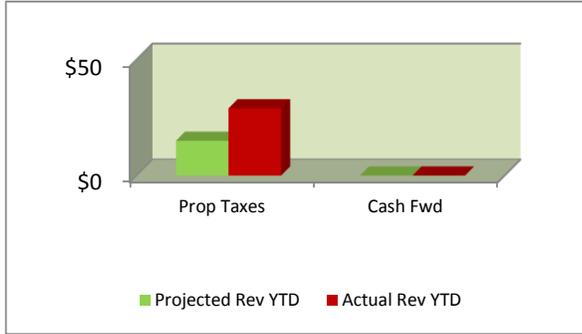
2015-2016 Monthly Financial Report

Hermiston Urban Renewal Agency (HURA)

For the Month Ending Jan 31, 2016

Resources by Category

Through Jan 31, 2016
(in \$1,000)

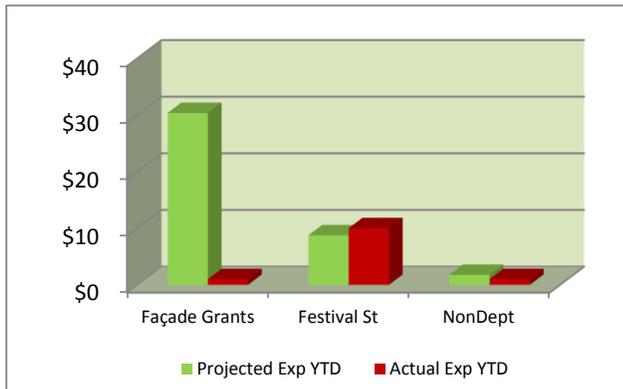


	Annual Proj Rev	Projected Rev YTD	Actual Rev YTD	Var Fav/ (Unfav)	% Var
Prop Taxes	\$ 15	\$ 15	\$ 29	\$ 14	0%
Cash Fwd	60	-	-	-	0%
Total	\$ 75	\$ 15	\$ 29	\$ 14	0%

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

Expenditures by Character

Through Jan 31, 2016
(in \$1,000)



	Annual Proj Exp	Projected Exp YTD	Actual Exp YTD	Var Fav/ (Unfav)	% Var
Façade Grants	\$ 52	\$ 30	\$ 1	\$ 29	97%
Festival St	15	9	10	(1)	(14%)
NonDept	3	2	1	1	0%
Res for Fut Exp	5	-	-	-	0%
Total	\$ 75	\$ 41	\$ 12	\$ 29	0%

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

A little more than \$400 in property tax revenue was received in January bringing the year-to-date receipts to approximately \$29,000. \$370 was expended on legal fees bringing year-to-date expenditures to \$11,900.

2015-2016 Monthly Financial Report

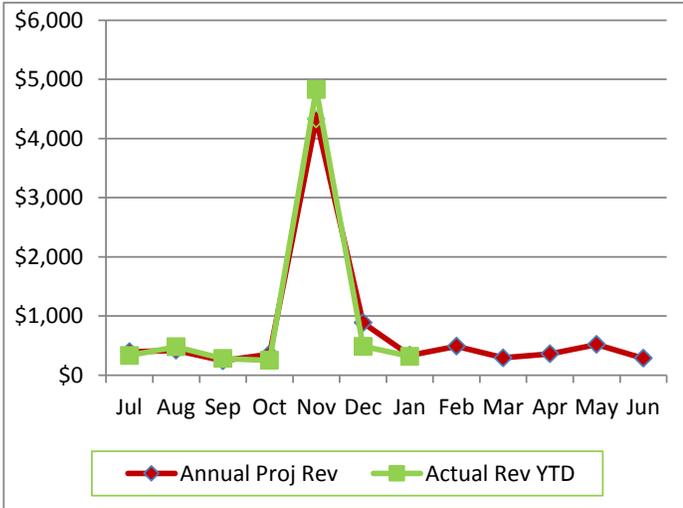
City of Hermiston, Oregon
General Fund Resources

For the Month Ending Jan 31, 2016

Through Jan 31, 2016

All Resources

(in \$1,000)



	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	355	251	(105)	(29%)
Nov	4,330	4,330	4,829	499	12%
Dec	885	885	486	(399)	(45%)
Jan	333	333	317	(17)	(5%)
Feb	490	-	-	-	-
Mar	293	-	-	-	-
Apr	360	-	-	-	-
May	517	-	-	-	-
Jun	285	-	-	-	-
Total	8,902	6,957	6,973	16	0%
Cash Fwd	3,813	-	-	-	0%
Total	\$ 12,715	\$ 6,957	\$ 6,973	\$ 16	0%

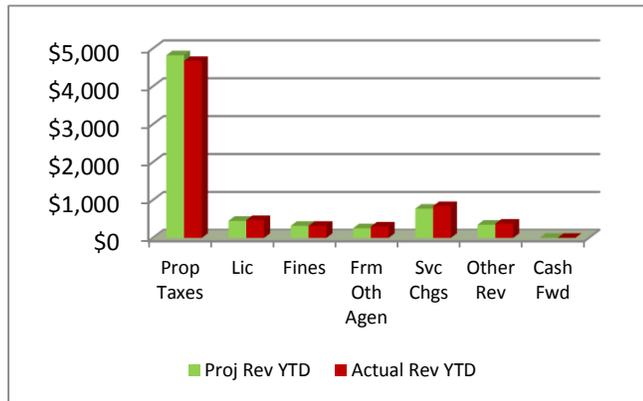
As of the end of January the City has received \$6,973,000 in General Fund revenues. This is just \$16,000 more than the year-to-date projection of \$6,957,000. Property Taxes are under projections by \$150,000 offset by an overage of \$70,000 in Service Charges and \$46,000 in Receipts from Other Agencies.

General Fund Revenue

by Category

Through Jan 31, 2016

(in \$1,000)



	Annual Proj Rev	Proj Rev YTD	Actual Rev YTD	Var Fav/ (Unfav)	% Var
Prop Taxes	\$ 5,265	\$ 4,819	\$ 4,669	\$ (150)	(3%)
Lic	774	449	469	20	5%
Fines	583	318	319	1	0%
Frm Oth Agen	445	254	300	46	18%
Svc Chgs	1,323	770	840	70	9%
Other Rev	513	347	376	29	8%
Cash Fwd	3,813	-	-	-	0%
Total	\$ 12,715	\$ 6,957	\$ 6,973	\$ 16	0%

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

2015-2016 Monthly Financial Report

City of Hermiston, Oregon General Fund Expenditures

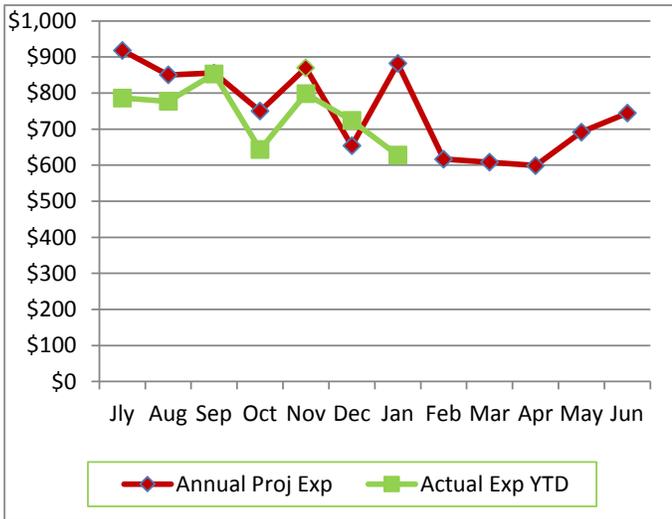
For the Month Ending Jan 31, 2016

General Fund Expenditure Summary

Through Jan 31, 2016

All Requirements

(in \$1,000)



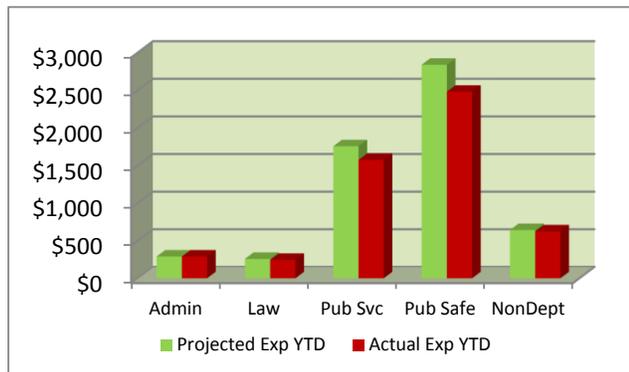
	Annual Proj Exp	Projected Exp YTD	Actual Exp YTD	Var Fav/ (Unfav)	% Var
Jly	\$ 918	\$ 918	\$ 786	\$ 132	14%
Aug	850	850	777	73	9%
Sep	855	855	853	3	0%
Oct	750	750	643	107	14%
Nov	870	870	798	72	8%
Dec	654	654	724	(70)	(11%)
Jan	882	882	628	254	29%
Feb	617	-	-	-	-
Mar	608	-	-	-	-
Apr	599	-	-	-	-
May	692	-	-	-	-
Jun	744	-	-	-	-
Total	9,039	5,779	5,209	570	10%
Unapp	3,676	-	-	-	0%
Total	\$ 12,715	\$ 5,779	\$ 5,209	\$ 570	10%

General Fund expenditures are under projections by \$570,000, a 10% favorable variance. Continuing the pattern we have seen in prior months, the largest savings are in Public Services and Public Safety.

General Fund Expenditures by Consolidated Department

Through Jan 31, 2016

(in \$1,000)



	Annual Proj Exp	Projected Exp YTD	Actual Exp YTD	Var Fav/ (Unfav)	% Var
Admin	\$ 490	289	289	\$ (0)	(0%)
Law	440	257	245	13	5%
Pub Svc	2,879	1,755	1,573	181	10%
Pub Safe	4,330	2,838	2,479	359	13%
NonDept	901	641	623	18	3%
Unapp	3,676	-	-	-	0%
Total	\$ 12,715	\$ 5,779	\$ 5,209	\$ 570	10%

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 Jan 31, 2016

General Fund Expenditures by Department

	Annual Projected Exp	Projected Exp YTD	Actual Exp YTD	Var Fav/ (Unfav)	% Var Fav/ (Unfav)
City Council	32,150	18,739	23,899	(5,160)	(28%)
City Manager/Planning	402,398	238,530	234,387	4,143	2%
Finance	54,964	31,561	30,773	788	2%
Total Admin & Finance	489,512	288,830	289,059	(229)	(0%)
Legal	187,700	107,293	102,126	5,167	5%
Court	251,904	149,853	142,406	7,447	5%
Total Dept of Law	439,604	257,146	244,532	12,614	5%
Transportation	188,375	111,971	85,882	26,089	23%
Airport	241,640	173,688	119,584	54,104	31%
Bldg Inspection	343,262	199,811	195,188	4,623	2%
Parks	477,440	276,249	247,933	28,316	10%
Pool	389,229	271,556	239,513	32,043	12%
Municipal Buildings	12,900	6,807	7,353	(546)	(8%)
Library	689,266	403,681	375,478	28,203	7%
Recreation	537,300	310,907	302,340	8,567	3%
Total Public Services	2,879,412	1,754,668	1,573,271	181,397	10%
Public Safety Center	92,000	54,443	50,237	4,206	8%
Police Operations	4,237,982	2,783,539	2,428,873	354,666	13%
Total Public Safety	4,329,982	2,837,982	2,479,110	358,872	13%
Non-Departmental	900,565	640,793	622,986	17,807	3%
Unappropriated	3,676,280	0	0	0	0%
Total Non-Dept	4,576,845	640,793	622,986	17,807	3%
Total	12,715,355	5,779,418	5,208,958	570,461	10%

The City Council continues to be over its projected expenditures at the end of January. The year-to-date overage dropped from \$5,700 last month to \$5,160 this month. As noted previously the overage is due to the timing of training opportunities and we anticipate the department to end the fiscal year within budget.

Fewer residents are purchasing and using subsidized taxi tickets causing the majority of the \$26,000 variance in the Transportation department. Ticket sales and reimbursements are both down about 13%.

The Airport also has a favorable variance. Continuing the trend we saw in previous months fuel sales are down due to the construction work on the taxiway, and with fuel sales down, the corresponding expenditures to purchase fuel decrease.

The Police Department's favorable variance nearly doubled in January from 7% to 13%. Savings in overtime, motor vehicle fuel and oil and nuisance abatement expenditures continue to drive the variance.

2015-2016 Monthly Financial Report

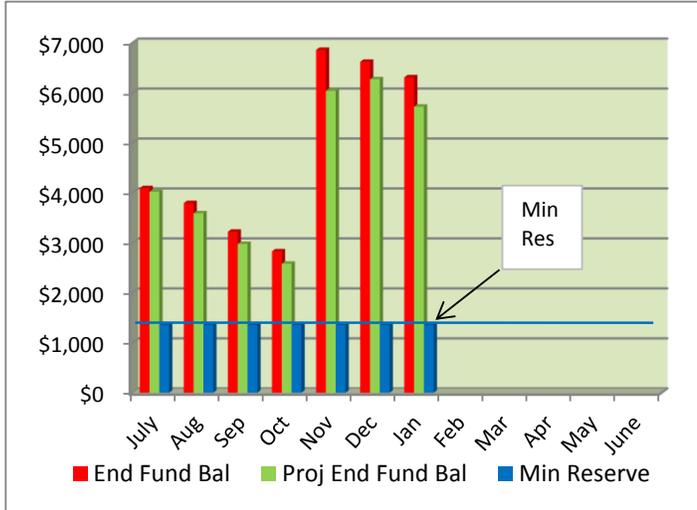
Fund Balance - General Fund For the Month Ending Jan 31, 2016

General Fund

Ending Fund Balance

Through Jan 31, 2016

(in \$1,000)



Minimum Reserve = \$1,355,861

	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	3,221	251	(643)	2,829	2,581
Nov	2,829	4,829	(798)	6,860	6,041
Dec	6,860	486	(724)	6,622	6,273
Jan	6,622	317	(628)	6,311	5,724
Feb					
Mar					
Apr					
May					
June					
Total	\$ 4,547	\$ 6,973	\$ (5,209)	\$ 6,311	\$ 5,724

78% of the estimated revenues and 58% of the budgeted expenditures for 2015-16 have been received/expended to date bringing the fund balance in the General Fund to \$6.3 million. This is a net increase of \$1.8 million since the beginning of the fiscal year and puts the fund almost \$5 million above the required reserve of \$1.4 million.

2015-2016 Monthly Financial Report

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

Special Revenue Funds Resources & Requirements

	2015-16 Annual Budget	Actual YTD	Remaining Budget
Bonded Debt Fund			
Resources	3,767,354	1,344,222	2,423,132
Expenditures	3,527,354	1,428,305	2,099,049
Unappropriated Balance	240,000	N/A	N/A
Transient Room Tax (TRT)			
Resources	573,335	384,472	188,863
Expenditures	520,000	286,033	233,967
Unappropriated Balance	53,335	N/A	N/A
Recreation Special Revenue			
Resources	239,000	15,000	224,000
Expenditures	57,086	57,086	-
Unappropriated Balance	181,914	N/A	N/A
Reserve Fund			
Resources	7,090,060	2,140,463	4,949,597
Expenditures	4,882,912	2,483,815	2,399,097
Unappropriated Balance	2,207,148	N/A	N/A
Municipal Court Special Revenue			
Resources	281,900	140,790	141,110
Expenditures	246,900	135,806	111,094
Unappropriated Balance	35,000	N/A	N/A
Miscellaneous Special Revenue			
Resources	30,000	14,218	15,782
Expenditures	30,000	14,163	15,837
Unappropriated Balance	-	N/A	N/A
Conference Center			
Resources	249,975	130,730	119,245
Expenditures	192,475	126,176	66,299
Unappropriated Balance	57,500	N/A	N/A
EOTEC Grant Fund			
Resources	5,400,000	-	5,400,000
Expenditures	5,400,000	1,590,192	3,809,808
Unappropriated Balance	-	N/A	N/A
Law Enforcement Special Revenue			
Resources	71,500	40,461	31,039
Expenditures	43,500	24,454	19,046
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 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.

2015-2016 Monthly Financial Report

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

Special Revenue Funds Resources & Requirements

	2015-16 Annual Budget	Actual YTD	Remaining Budget
Library Special Revenue			
Resources	58,000	19,635	38,365
Expenditures	46,000	12,858	33,142
Unappropriated Balance	12,000	N/A	N/A
2014 Water & Sewer Rev Bonds			
Resources	1,300,000	623	1,299,377
Expenditures	1,300,000	497,329	802,671
Unappropriated Balance	-	N/A	N/A
Senior Center Const			
Resources	2,073,360	17,490	2,055,870
Expenditures	2,073,360	12,005	2,061,355
Unappropriated Balance	-	N/A	N/A

2015-2016 Monthly Financial Report

Utility and Street Funds Report

For the Month Ending Jan 31, 2016

Utility and Street Funds Report

Resources & Expenditures

	2015-16 Annual			Variance	
	Budget	Projected YTD	Actual YTD	Fav/(Unfav)	% Variance
Street Fund					
Resources	2,017,500	770,039	824,314	54,275	7%
Expenditures	1,348,785	954,663	919,158	35,505	4%
Unappropriated Balance	668,715	N/A	N/A	N/A	N/A

Utility Fund					
Resources	8,480,520	3,195,119	3,273,782	78,663	2%
Expenditures	5,821,305	2,435,643	2,452,420	(16,777)	(1%)
Unappropriated Balance	2,659,215	N/A	N/A	N/A	N/A

HES Fund					
Resources	11,435,765	5,477,740	5,537,641	59,901	1%
Expenditures	8,697,002	5,085,951	4,896,223	189,728	4%
Unappropriated Balance	2,738,763	N/A	N/A	N/A	N/A

Regional Water Fund					
Resources	2,102,000	676,334	767,626	91,292	13%
Expenditures	1,324,398	670,652	578,681	91,971	14%
Unappropriated Balance	777,602	N/A	N/A	N/A	N/A

The Street Fund has favorable variances in both revenues and expenditures again this month. Gasoline taxes are about 5% higher than projections and personnel costs and materials and services are 4% lower than expected.

Utility Fund revenues are just 2% higher than anticipated. Water revenues are up \$46,000 and Recycled Water revenues are up \$27,000. Excluding capital outlay and transfers out, the expenditure variance has dropped from \$63,000 last month to \$16,777 this month. Both Sewer and Water have unanticipated expenditures that will be included in the supplemental budget request. These include repairs, lab equipment and the City's portion of the Department of Transportation project on Hwy 395.

HES revenues remain virtually on target with projections while the expenditure variance dropped slightly from 5% in December to 4%. Most of the variance is due to power purchases, which are under projections by 3% or \$125,560.

Actual revenues are \$91,292 over projections in the Regional Water Fund, a 13% favorable variance. \$82,000 of this variance is in non-potable receipts. Actual expenditures are almost an equal amount under projections at \$91,971 a favorable 14% variance. Over half of the savings are in Materials & Services in non-departmental.

2015-2016 Monthly Financial Report

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

Utility and HES Funds Report

Reserve Balances

	Beginning Reserve	Ending Reserve	% Ending Reserve	Minimum Reserve Requirement	Difference
Utility Fund	3,056,640	3,718,629	63.9%	717,695	3,000,934
HES Fund	3,157,652	4,329,975	49.8%	1,072,233	3,257,742
Total	6,214,292	8,048,604	-	1,789,928	6,258,676

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 \$717,695 for the Utility Fund and \$1,072,233 for the HES Fund. Both funds have balances well above their minimum levels for a total reserve of a little over \$8 million.

2015-2016 Monthly Financial Report

City of Hermiston, Oregon

Capital Projects Report

For the Month Ending Jan 31, 2016

Capital Projects

	2015-16 Budget	YTD Expenditures	LTD Budget	LTD Expenditures	% Complete
Airport Improvements	\$ 3,531,000	\$ 1,127,011	\$ 3,566,000	\$ 1,392,385	---
Eastern OR Trade & Event Ctr (EOTEC) Pipeline	350,000	50,306	1,800,000	742,403	100%
EOTEC Construction	5,400,000	1,590,192	6,400,000	4,488,998	---
RWTP Outfall	-	151,738	2,500,000	1,315,693	100%
Water Line Extension	1,026,200	307,461	1,250,000	803,516	95%
Total	\$ 10,307,200	\$ 3,226,708	\$ 15,516,000	\$ 8,742,995	---

Airport Improvements

There were no expenditures made during January on the taxiway project.

EOTEC Pipeline

This project is now complete.

EOTEC Construction

Construction of the Event Center continues on schedule with completion expected to occur March 31, 2016. An open house is planned for late April and the first scheduled event is May 21. In order to hold the open house certain tasks need to be completed that are required by city code. These include paving the entrance drive, parking lot and sidewalks around the center, powering up the sewer lift station, flow testing the on-site fire hydrants, installing an exhaust hood in the kitchen, completing the fire alarm and fire sprinkler system within the Event Center, passing all inspections, installing site lighting in the paved parking area and landscaping the front entry. Bidding will soon begin on a number of the final pieces of the overall project and the community fundraising is making good progress.

RWTP Outfall

This project is now finished.

Water Line Extension

Only a few items remain to be completed on the water line extension project. The City is expecting official notice of completion soon.

2015-2016 Monthly Financial Report
City of Hermiston, Oregon
Investments
For the Month Ending Jan 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	\$ 2,000,082	FNMA	Aaa/AA+	1,094	Y	1.28	1.28
3134G33E8	\$ 1,000,000	\$ 997,073	\$ 999,806	FHLMC	Aaa/AA+	1,440	Y	1.57	1.57
3135G0QK2	\$ 2,000,000	\$ 1,985,750	\$ 2,000,208	FFCB	Aaa/AA+	1,342	Y	1.71	1.71
3137EADN6	\$ 1,000,000	\$ 978,757	\$ 997,196	FHLMC	Aaa/AA+	712	N	1.29	1.29
3135G0GY3	\$ 1,000,000	\$ 1,013,901	\$ 1,005,410	FNMA	Aaa/AA+	365	N	0.78	0.78
US Agencies	\$ 7,000,000	\$ 6,969,081	\$ 7,002,702	---	---	---	---	---	---
LGIP ⁽¹⁾⁽²⁾	\$ 5,686,864	\$ 5,686,864	\$ 5,686,864	Varies	---/AA	1	N	0.59	0.59
LGIP	\$ 5,686,864	\$ 5,686,864	\$ 5,686,864	---	---	---	---	---	---
TOTAL	\$ 12,686,864	\$ 12,655,945	\$ 12,689,566	---	---	---	---	---	---

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	\$ 5,686,864	44.8%	US Agency	\$ 7,000,000	55.2%	WTD Avg Mat	583	583
90 Days - 3 Yrs	\$ 4,000,000	31.5%	Corporate	\$ -	0.0%	Wtd Avg Yield to Mat	1.02%	1.37%
3 - 5 Yrs	\$ 3,000,000	23.6%	LGIP	\$ 5,686,864	44.8%	Percent Callable	39.4%	71.4%
	\$ 12,686,864	100.0%		\$ 12,686,864	100.0%	Wtd Avg Credit Rating	Aaa/AA+	Aaa/AA+