

Monthly Financial Report



Includes the Hermiston Urban Renewal Agency

Finance Department
December 2015

2015-2016 Monthly Financial Report

Hermiston Urban Renewal Agency (HURA)

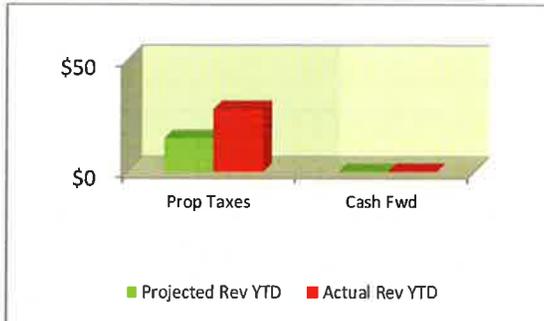
For the Month Ending Dec 31, 2015

Resources

by Category

Through Dec 31, 2015

(in \$1,000)



	Annual Proj Rev	Projected Rev YTD	Actual Rev YTD	Var Fav/ (Unfav)	% Var
Prop Taxes	\$ 15	\$ 15	\$ 28	\$ 13	0%
Cash Fwd	60	-	-	-	0%
Total	\$ 75	\$ 15	\$ 28	\$ 13	0%

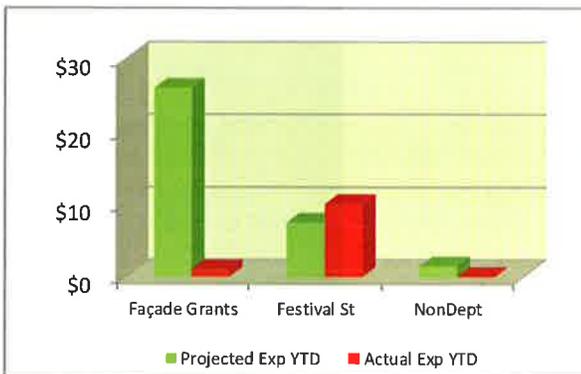
Note: variance is calculated as a percent of projected revenue YTD.

Expenditures

by Character

Through Dec 31, 2015

(in \$1,000)



	Annual Proj Exp	Projected Exp YTD	Actual Exp YTD	Var Fav/ (Unfav)	% Var
Façade Grants	\$ 52	\$ 26	\$ 1	\$ 25	96%
Festival St	15	8	10	(3)	(33%)
NonDept	3	2	-	2	0%
Res for Fut Exp	5	-	-	-	0%
Total	\$ 75	\$ 35	\$ 11	\$ 24	0%

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

Property taxes, which are due in November, are the primary revenue source for HURA. As of the end of December approximately \$28,000 has been received, which is \$13,000 more than the estimate for the fiscal year. During December a \$1,000 grant was made to the Hermiston Herald for landscape improvements bringing the year-to-date expenditures to \$11,500.

2015-2016 Monthly Financial Report

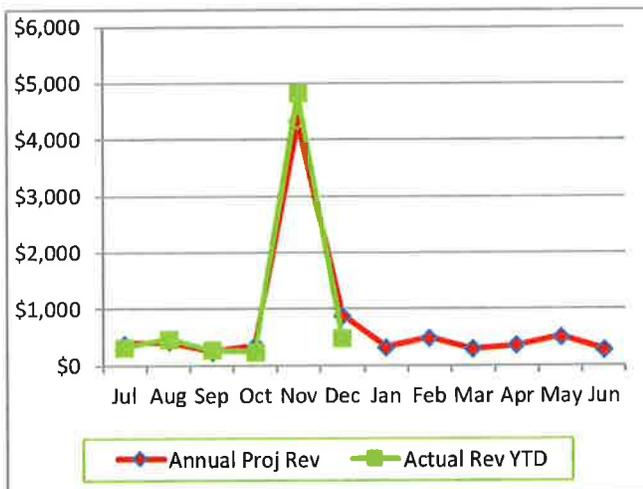
City of Hermiston, Oregon
General Fund Resources

For the Month Ending Dec 31, 2015

Through Dec 31, 2015

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	-	-	-	-
Feb	490	-	-	-	-
Mar	293	-	-	-	-
Apr	360	-	-	-	-
May	517	-	-	-	-
Jun	285	-	-	-	-
Total	8,902	6,623	6,656	33	0%
Cash Fwd	3,813	-	-	-	0%
Total	\$ 12,715	\$ 6,623	\$ 6,656	\$ 33	0%

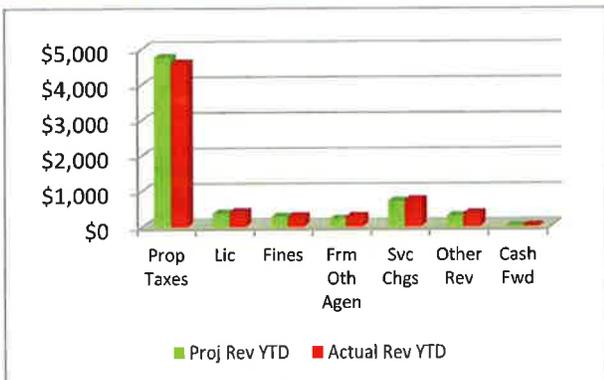
Midway through the fiscal year the City has received \$6,656,000 in General Fund revenues. This is just slightly above the year-to-date projection of \$6,623,000. The largest variances are in Property Taxes - a shortage of \$167,000 - Receipts from Other Agencies, with a favorable \$68,000 and Other Revenue with a favorable \$65,000 variance. Other Revenue includes Interest Earnings, repayment of Interfund Loans, Miscellaneous Sales, and Nuisance Abatement assessments.

General Fund Revenue

Through Dec 31, 2015

by Category

(in \$1,000)



	Annual Proj Rev	Proj Rev YTD	Actual Rev YTD	Var Fav/ (Unfav)	% Var
Prop Taxes	\$ 5,265	\$ 4,762	\$ 4,594	\$ (167)	(4%)
Lic	774	368	406	38	10%
Fines	583	276	278	2	1%
Frn Oth Agen	445	210	279	68	32%
Svc Chgs	1,323	711	738	27	4%
Other Rev	513	296	361	65	22%
Cash Fwd	3,813	-	-	-	0%
Total	\$ 12,715	\$ 6,623	\$ 6,656	\$ 33	0%

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

2015-2016 Monthly Financial Report

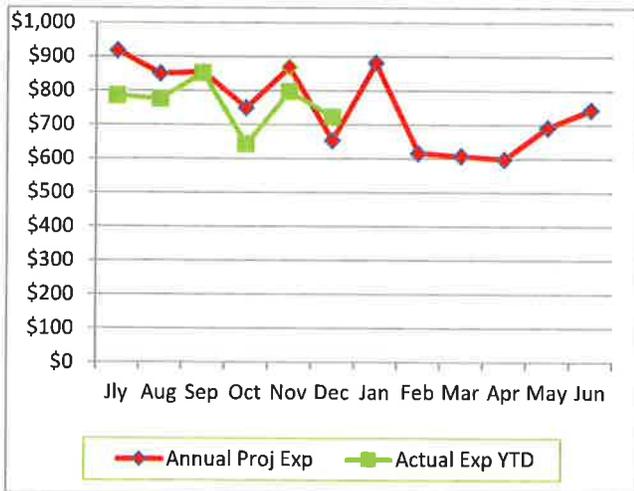
City of Hermiston, Oregon
General Fund Expenditures
For the Month Ending Dec 31, 2015

General Fund Expenditure Summary

Through Dec 31, 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	750	643	107	14%
Nov	870	870	798	72	8%
Dec	654	654	724	(70)	(11%)
Jan	882				
Feb	617				
Mar	608				
Apr	599				
May	692				
Jun	744				
Total	9,039	4,897	4,581	316	6%
Unapp	3,676	-	-	-	0%
Total	\$ 12,715	\$ 4,897	\$ 4,581	\$ 316	6%

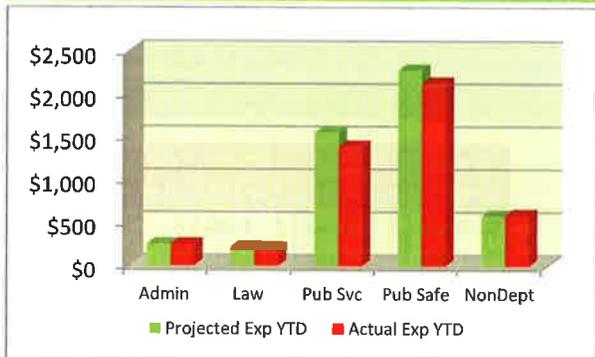
General Fund expenditures are under projections by \$316,000, a 6% favorable variance. Continuing the pattern we have seen in prior months, the largest savings are in Public Services and Public Safety.

General Fund Expenditures

Through Dec 31, 2015

by Consolidated Department

(in \$1,000)



	Annual Proj Exp	Projected Exp YTD	Actual Exp YTD	Var Fav/ (Unfav)	% Var
Admin	\$ 490	251	251	\$ (0)	0%
Law	440	221	209	12	5%
Pub Svc	2,879	1,558	1,392	166	11%
Pub Safe	4,330	2,285	2,136	149	7%
NonDept	901	582	592	(10)	(2%)
Unapp	3,676	-	-	-	0%
Total	\$ 12,715	\$ 4,897	\$ 4,581	\$ 316	6%

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 Dec 31, 2015

General Fund Expenditures by Department

	Annual Projected Exp	Projected Exp YTD	Actual Exp YTD	Var Fav/ (Unfav)	% Var Fav/ (Unfav)
City Council	32,150	16,916	22,579	(5,663)	(33%)
City Manager/Planning	402,398	207,788	202,920	4,868	2%
Finance	54,964	26,309	25,987	322	1%
Total Admin & Finance	489,512	251,014	251,486	(472)	(0%)
Legal	187,700	92,465	87,306	5,159	6%
Court	251,904	128,861	122,185	6,676	5%
Total Dept of Law	439,604	221,325	209,491	11,834	5%
Transportation	188,375	96,606	78,502	18,104	19%
Airport	241,640	155,955	85,252	70,703	45%
Bldg Inspection	343,262	170,985	167,261	3,724	2%
Parks	477,440	246,024	225,359	20,665	8%
Pool	389,229	266,684	235,441	31,243	12%
Municipal Buildings	12,900	5,816	6,727	(911)	(16%)
Library	689,266	346,606	326,841	19,765	6%
Recreation	537,300	268,833	266,418	2,415	1%
Total Public Services	2,879,412	1,557,509	1,391,801	165,708	11%
Public Safety Center	92,000	46,657	43,219	3,438	7%
Police Operations	4,237,982	2,238,510	2,092,948	145,562	7%
Total Public Safety	4,329,982	2,285,167	2,136,167	149,000	7%
Non-Departmental	900,565	582,352	592,246	(9,894)	(2%)
Unappropriated	3,676,280	0	0	0	0%
Total Non-Dept	4,576,845	582,352	592,246	(9,894)	(2%)
Total	12,715,355	4,897,367	4,581,191	316,176	6%

The City Council is over its projected expenditures year to date by approximately \$5,700. As expected, this variance has decreased from last month's variance of \$7,000. The overage is due to the timing of most council training opportunities. They come early in the fiscal year and this year this was exacerbated because more councilors were able to participate in the National League of Cities conference. The overall training budget has not been exceeded and we anticipate the overall budget will still be sufficient through the end of the fiscal year.

The Airport continues to show a significant favorable variance in December. Continuing the trend we have seen 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 are also down.

The Police Department also continues to be under projections with a \$146,000 favorable variance primarily due to savings in overtime and nuisance abatement.

2015-2016 Monthly Financial Report

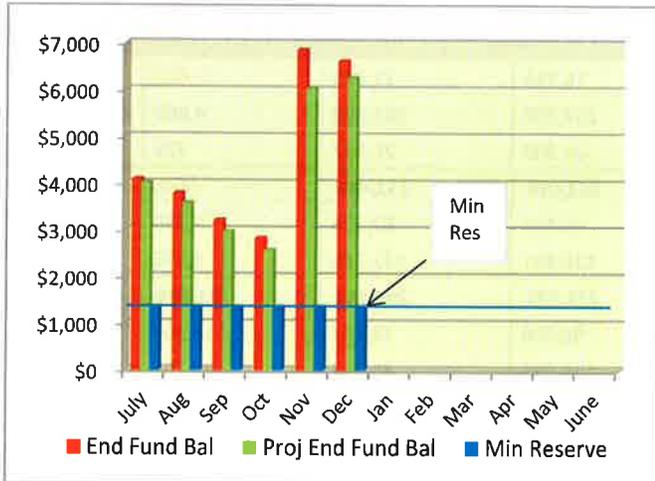
Fund Balance - General Fund
For the Month Ending Dec 31, 2015

General Fund

Through Dec 31, 2015

Ending Fund Balance

(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					
Feb					
Mar					
Apr					
May					
June					
Total	\$ 4,547	\$ 6,656	\$ (4,581)	\$ 6,622	\$ 6,273

Almost 90% of the property taxes have been received to date bringing the fund balance in the General Fund to \$6.7 million. This is an increase of \$2.2 million since the beginning of the fiscal year and puts the fund \$5.3 million above the required reserve of \$1.4 million.

2015-2016 Monthly Financial Report

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

Special Revenue Funds Resources & Requirements

	2015-16 Annual		Remaining Budget
	Budget	Actual YTD	
Bonded Debt Fund			
Resources	3,767,354	1,340,242	2,427,112
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	303,070	270,265
Expenditures	520,000	283,659	236,341
Unappropriated Balance	53,335	N/A	N/A
Recreation Special Revenue			
Resources	239,000	15,000	224,000
Expenditures	57,086	57,085	1
Unappropriated Balance	181,914	N/A	N/A
Reserve Fund			
Resources	10,006,060	2,020,118	7,985,942
Expenditures	7,798,912	2,430,317	5,368,595
Unappropriated Balance	2,207,148	N/A	N/A
Municipal Court Special Revenue			
Resources	281,900	125,559	156,341
Expenditures	246,900	121,293	125,607
Unappropriated Balance	35,000	N/A	N/A
Miscellaneous Special Revenue			
Resources	30,000	11,744	18,256
Expenditures	30,000	11,713	18,287
Unappropriated Balance	-	N/A	N/A
Conference Center			
Resources	249,975	114,627	135,348
Expenditures	192,475	109,937	82,538
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	30,532	40,968
Expenditures	43,500	23,718	19,782
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 Reserve Fund budget has been increased by \$2,916,000 to reflect the FAA grant for the Airport.

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 Dec 31, 2015

Special Revenue Funds Resources & Requirements

	2015-16 Annual		Remaining
	Budget	Actual YTD	Budget
Library Special Revenue			
Resources	58,000	18,739	39,261
Expenditures	46,000	8,681	37,319
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	487,246	812,754
Unappropriated Balance	-	N/A	N/A
Senior Center Const			
Resources	2,073,360	5,490	2,067,870
Expenditures	2,073,360	11,675	2,061,685
Unappropriated Balance	-	N/A	N/A

2015-2016 Monthly Financial Report

Utility and Street Funds Report

For the Month Ending Dec 31, 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	690,872	737,313	46,441	7%
Expenditures	1,348,785	897,830	866,191	31,639	4%
Unappropriated Balance	668,715	N/A	N/A	N/A	N/A

<u>Utility Fund</u>					
Resources	8,480,520	2,865,419	2,950,800	85,381	3%
Expenditures	5,821,305	2,149,016	2,211,861	(62,845)	(3%)
Unappropriated Balance	2,659,215	N/A	N/A	N/A	N/A

<u>HES Fund</u>					
Resources	11,435,765	4,865,680	4,868,856	3,176	0%
Expenditures	8,697,002	4,472,155	4,260,265	211,890	5%
Unappropriated Balance	2,738,763	N/A	N/A	N/A	N/A

<u>Regional Water Fund</u>					
Resources	2,102,000	625,159	711,626	86,467	14%
Expenditures	1,324,398	615,635	536,233	79,402	13%
Unappropriated Balance	777,602	N/A	N/A	N/A	N/A

The Street Fund has favorable variances in both revenues and expenditures. Gasoline taxes are coming in higher than projections and personnel costs and materials and services are lower than expected.

Revenues continue to come in higher than anticipated in the Utility Fund. Water revenues are up \$47,000 and Recycled Water revenues are up \$33,500. Expenditures are over projections by almost \$63,000. Approximately half of this is due to repairs on two pumps and replacement of lab equipment in the Sewer Division. These will be included in the spring budget supplement. The other half is in the Water Division, which has fully expended Dues & Membership and has spent about 88% of its Miscellaneous Contractual budget. Most of the Miscellaneous Contractual expenditures were for the City's portion of the Department of Transportation project on Hwy 395. These costs will also be included in the budget supplement.

HES revenues are virtually right on target while expenditures are 5% under at \$211,890. Most of the variance is due to power purchases. Even with the December invoice included, the purchased power expenditures are still under projections by almost \$163,000.

Actual revenues are \$86,467 over projections in the Regional Water Fund, a 14% variance. \$81,000 of this variance is in non-potable receipts. Actual expenditures are \$79,400 under projections, a positive 13% variance. Most of the savings are in labor at the River Intake Station, Miscellaneous Contractual and electricity and chemicals in the potable water division.

2015-2016 Monthly Financial Report

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

Utility and HES Funds Report

Reserve Balances

	Beginning Reserve	Ending Reserve	% Ending Reserve	Minimum Reserve Requirement	Difference
Utility Fund	3,056,640	3,628,456	62.3%	717,695	2,910,761
HES Fund	3,157,652	4,071,526	46.8%	1,072,233	2,999,293
Total	6,214,292	7,699,982	-	1,789,928	5,910,054

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 \$7.7 million.

2015-2016 Monthly Financial Report

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

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	70%
RWTP Outfall	-	151,738	2,500,000	1,315,693	100%
Water Line Extension	1,026,200	307,461	1,250,000	803,516	64%
Total	\$ 10,307,200	\$ 3,226,708	\$ 15,516,000	\$ 8,742,995	---

Airport Improvements

The taxiway project has been winterized, and only minor electrical work was done on-site in December. The taxiway relocation portion is approximately halfway complete. The new Fuel Farm will be installed along with the second half of the taxiway in the Spring. The airport has remained operational all winter, with no construction-related problems.

EOTEC Pipeline

This project is now complete.

EOTEC Construction

Construction of the Event Center continues on schedule with occupation expected to occur in March 2016. 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

The installation of the pump in the Non-Potable #2 pump station was delayed in December but expected to be completed in January.

2015-2016 Monthly Financial Report
City of Hermiston, Oregon
Investments
For the Month Ending Dec 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)
3135G0G31	\$ 2,000,000	\$ 1,993,600	\$ 1,982,192	FNMA	Aaa/AA+	1,125	Y	1.28	1.28
3134G33E8	\$ 1,000,000	\$ 997,073	\$ 984,760	FHLMC	Aaa/AA+	1,471	Y	1.57	1.57
3135G0QK2	\$ 2,000,000	\$ 1,985,750	\$ 1,979,338	FFCB	Aaa/AA+	1,373	Y	1.71	1.71
3137EADN6	\$ 1,000,000	\$ 978,757	\$ 990,823	FHLMC	Aaa/AA+	743	N	1.29	1.29
3135G0GY3	\$ 1,000,000	\$ 1,013,901	\$ 1,003,877	FNMA	Aaa/AA+	396	N	0.78	0.78
US Agencies	\$ 7,000,000	\$ 6,969,081	\$ 6,940,990	---	---	---	---	---	---
LGIP ^{(1) (2)}	\$ 5,682,467	\$ 5,682,467	\$ 5,682,467	Varies	---/AA	1	N	0.59	0.59
LGIP	\$ 5,682,467	\$ 5,682,467	\$ 5,682,467	---	---	---	---	---	---
TOTAL	\$ 12,682,467	\$ 12,651,548	\$ 12,623,457	---	---	---	---	---	---

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	\$ 5,682,467	44.8%	US Agency	\$ 7,000,000	55.2%	WTD Avg Mat	600	600
90 Days - 3 Yrs	\$ 2,000,000	15.8%	Corporate	\$ -	0.0%	Wtd Avg Yield to Mat	1.02%	1.37%
3 - 5 Yrs	\$ 5,000,000	39.4%	LGIP	\$ 5,682,467	44.8%	Percent Callable	39.4%	71.4%
	\$ 12,682,467	100.0%		\$ 12,682,467	100.0%	Wtd Avg Credit Rating	Aaa/AA+	Aaa/AA+