Monthly Financial Report

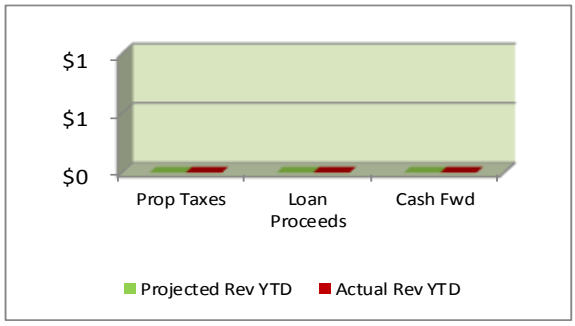
Includes the Hermiston Urban Renewal Agency

Finance Department
July 2016
(Unaudited)

2016-2017 Monthly Financial Report
Hermiston Urban Renewal Agency (HURA)
For the Month Ending August 31, 2016

Resources
by Category

Through August 31, 2016
(in $1,000)

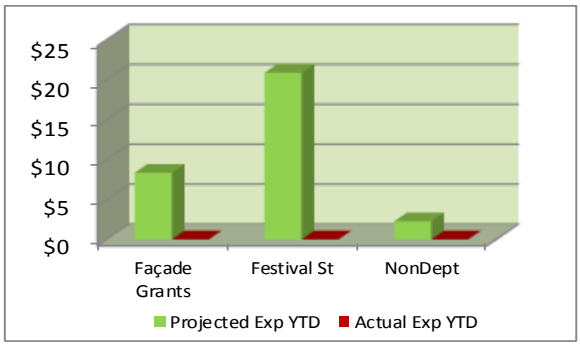


	Annual Proj Rev	Projected Rev YTD	Actual Rev YTD	Var Fav/ (Unfav)	% Var
Prop Taxes	$ 29	$ -	$ -	$ -	0%
Loan Proceeds	100	-	-	-	0%
Cash Fwd	74	-	-	-	0%
Total	**$ 203**	**$ -**	**$ -**	**$ -**	**0%**

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

Expenditures
by Character

Through August 31, 2016
(in $1,000)



	Annual Proj Exp	Projected Exp YTD	Actual Exp YTD	Var Fav/ (Unfav)	% Var
Façade Grants	$ 50	$ 8	$ -	$ 8	100.0%
Festival St	125	21	-	21	98%
NonDept	14	2	-	2	94%
Res for Fut Exp	14	-	-	-	0%
Total	**$ 203**	**$ 30**	**$ -**	**$ 30**	**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. As of the end of August no revenues were received nor expenditures made.

2016-2017 Monthly Financial Report

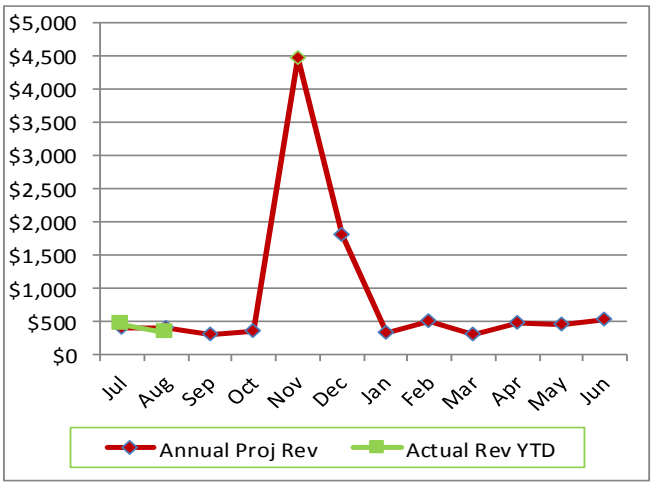
City of Hermiston, Oregon

General Fund Resources

For the Month Ending August 31, 2016

Through August 31, 2016

All Resources (in $1,000)

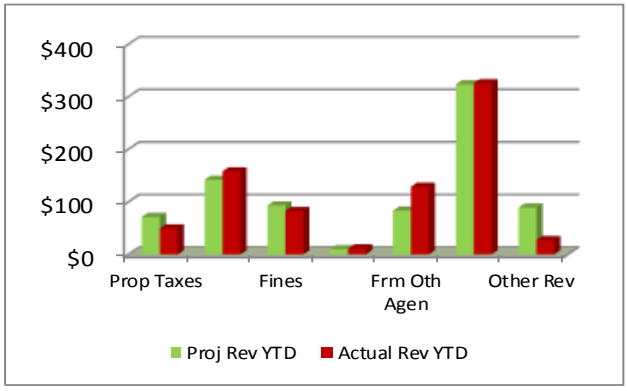


	Annual Proj Rev	Proj Rev YTD	Actual Rev YTD	Var Fav/ (Unfav)	% Var
Jul	$ 408	$ 408	$ 458	$ 50	12%
Aug	405	$ 405	$ 326	(79)	(20%)
Sep	308				
Oct	363				
Nov	4,475				
Dec	1,815				
Jan	340				
Feb	499				
Mar	317				
Apr	484				
May	453				
Jun	522				
Total	**10,387**	**812**	**783**	**(29)**	**(4%)**
Cash Fwd	4,800	-	-	-	0%
Total	**$ 15,187**	**$ 812**	**$ 783**	**(29)**	**(4%)**

Estimated General Fund revenues for the 2016-17 fiscal year are $10.4 million. Projected revenues through August were $812,000 with actual revenues of $783,000, a variance of $29,000. The largest variances are in the categories From Other Agencies and Other Revenue. There are several types of grants included in From Other Agencies that we have not yet received. Other Revenue includes miscellaneous revenue sources which are difficult to project from a timing perspective.

General Fund Revenue **Through August 31, 2016**

by Category (in $1,000)



	Annual Proj Rev	Proj Rev YTD	Actual Rev YTD	Var Fav/ (Unfav)	% Var
Prop Taxes	$ 5,202	$ 71	$ 49	$ (22)	(31%)
Lic	851	142	158	16	11%
Fines	570	93	83	(10)	(11%)
Interest Rev	50	10	12	2	15%
Frm Oth Agen	499	83	129	46	55%
Svc Chgs	1,424	323	326	2	1%
Other Rev	1,791	89	27	(62)	(69%)
Cash Fwd	4,800	-	-	-	0%
Total	**$15,187**	**$ 812**	**$ 783**	**$ (29)**	**(4%)**

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

2016-2017 Monthly Financial Report

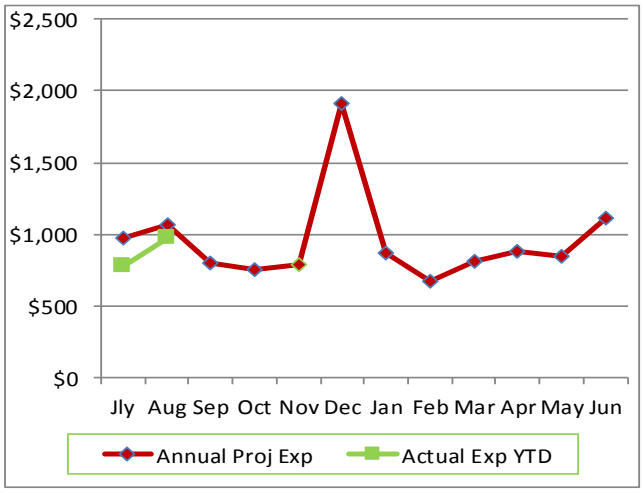
City of Hermiston, Oregon

General Fund Expenditures

For the Month Ending August 31, 2016

General Fund Expenditure Summary — **Through August 31, 2016**

All Requirements — (in $1,000)

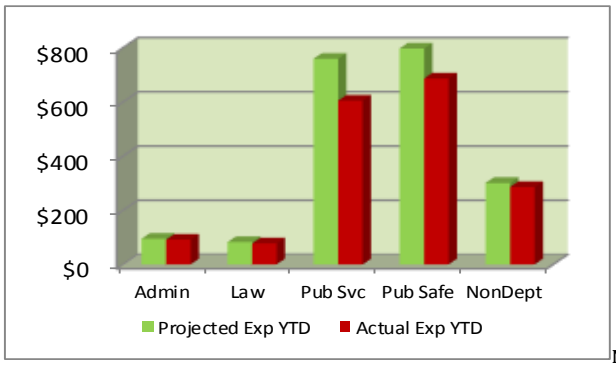


	Annual Proj Exp	Projected Exp YTD	Actual Exp YTD	Var Fav/ (Unfav)	% Var
Jly	$ 969	$ 969	$ 775	$ 194	20%
Aug	$ 1,063	$ 1,063	$ 969	$ 94	9%
Sep	$ 801				
Oct	$ 751				
Nov	$ 788				
Dec	$ 1,914				
Jan	$ 871				
Feb	$ 673				
Mar	$ 807				
Apr	$ 878				
May	$ 851				
Jun	$ 1,107				
Total	**11,472**	**2,032**	**1,744**	**288**	**14%**
Unapp	3,715	-	-	-	0%
Total	**$ 15,187**	**$ 2,032**	**$ 1,744**	**$ 288**	**14%**

Projected General Fund expenditures through August were $2,032,000. Actual expenditures were $288,000 lower than that at $1,744,000. Public Services, Public Safety and Non-Departmental had the highest savings at $155,000, $111,000 and $15,000 respectively.

General Fund Expenditures — **Through August 31, 2016**

by Consolidated Department — (in $1,000)



	Annual Proj Exp	Projected Exp YTD	Actual Exp YTD	Var Fav/ (Unfav)	% Var
Admin	$ 564	95	91	$ 3	3%
Law	497	82	77	5	6%
Pub Svc	3,139	759	604	155	20%
Pub Safe	4,517	796	686	111	14%
NonDept	6,470	300	286	15	5%
Unapp	-	-	-	-	0%
Total	**$15,187**	**$ 2,032**	**$ 1,744**	**$ 288**	**14%**

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 August 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	9,047	9,288	(241)	(3%)
City Manager/Planning	438,624	71,271	71,227	44	0%
Finance	79,295	14,365	10,921	3,444	24%
Total Admin & Finance	***563,638***	***94,682***	***91,436***	***3,246***	***3%***
Legal	83,700	13,731	13,260	471	0%
Court	413,186	68,562	64,084	4,478	7%
Total Dept of Law	***496,886***	***82,293***	***77,344***	***4,949***	***6%***
Transportation	248,300	45,969	21,153	24,816	54%
Airport	252,450	55,959	41,501	14,458	26%
Bldg Inspection	355,617	58,811	57,483	1,328	2%
Parks	490,819	91,019	90,943	76	0%
Parks/Utility Landscaping	39,475	6,579	4,910	1,669	25%
Pool	433,333	248,847	178,470	70,377	28%
Municipal Buildings	18,500	4,635	6,161	(1,526)	(33%)
Library	734,775	124,512	93,500	31,012	25%
Recreation	565,808	122,381	109,956	12,425	10%
Total Public Services	***3,139,077***	***758,711***	***604,077***	***154,634***	***20%***
Public Safety Center	82,000	15,432	9,610	5,822	38%
Police Operations	4,434,616	780,764	675,985	104,779	13%
Total Public Safety	***4,516,616***	***796,196***	***685,595***	***110,601***	***14%***
Non-Departmental	2,756,190	300,358	285,548	14,810	5%
Unappropriated	3,714,718	0	0	0	0%
Total Non-Dept	***6,470,908***	***300,358***	***285,548***	***14,810***	***5%***
Total	**15,187,125**	**2,032,241**	**1,744,000**	**288,241**	**14%**

Within the Public Services category, the Pool had the greatest amount of savings dollar-wise at $71,000. Police Operations saw savings of $105,000 largely due to animal impound costs, travel and training and motor vehicle fuel and oil.

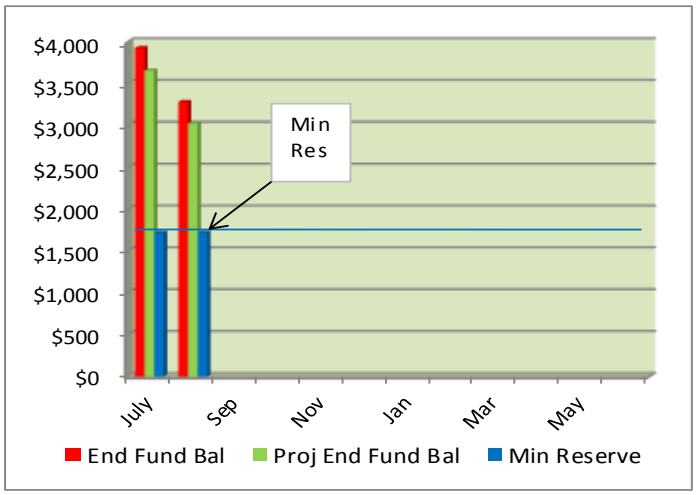
2016-2017 Monthly Financial Report

Fund Balance - General Fund

For the Month Ending August 31, 2016

General Fund — **Through August 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	3,927	$ 326	$ (969)	$ 3,283	$ 3,024
Sep					
Oct					
Nov					
Dec					
Jan					
Feb					
Mar					
Apr					
May					
June					
Total	**$ 4,244**	**$ 783**	**$ (1,744)**	**$ 3,283**	**$ 3,024**

As of the end of August the fund balance in the General Fund was $3.3 million, which is $1.6 million above the minimum reserve.

2016-2017 Monthly Financial Report

Special Revenue Funds Report

For the Month Ending August 31, 2016

Special Revenue Funds

Resources & Requirements

	2016-17 Annual Budget	Actual YTD	Remaining Budget
Bonded Debt Fund			
Resources	699,925	192,700	507,225
Expenditures	510,275	281,975	228,300
Unappropriated Balance	189,650	N/A	N/A
Transient Room Tax (TRT)			
Resources	830,460	126,447	704,013
Expenditures	767,860	4,843	763,017
Unappropriated Balance	62,600	N/A	N/A
Reserve Fund			
Resources	6,330,090	146,737	6,183,353
Expenditures	5,337,317	207,800	5,129,517
Unappropriated Balance	992,773	N/A	N/A
Municipal Court Special Revenue			
Resources	281,900	35,804	246,096
Expenditures	260,100	36,899	223,201
Unappropriated Balance	21,800	N/A	N/A
Miscellaneous Special Revenue			
Resources	35,000	4,525	30,475
Expenditures	35,000	4,696	30,304
Unappropriated Balance	-	N/A	N/A
Conference Center			
Resources	237,525	28,177	209,348
Expenditures	187,525	18,973	168,552
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 Enforcemnent Special Revenue			
Resources	78,880	2,426	76,454
Expenditures	65,880	24,657	41,223
Unappropriated Balance	13,000	N/A	N/A
Library Special Revenue			
Resources	57,200	3,518	53,682
Expenditures	44,000	650	43,350
Unappropriated Balance	13,200	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.

Note: The Senior Center Construction Fund was previously reported in this section in addition to the Capital Projects section. This was corrected in August.

2016-2017 Monthly Financial Report

Utility and Street Funds Report

For the Month Ending August 31, 2016

Utility and Street Funds Report

Resources & Expenditures

	2016-17 Annual Budget	Projected YTD	Actual YTD	Variance Fav/(Unfav)	% Variance
Street Fund					
Resources	1,730,474	166,667	173,747	7,080	4%
Expenditures	1,184,879	117,346	106,597	10,749	9%
Contingency/Unapp Balan	545,595	N/A	N/A	N/A	N/A
Utility Fund					
Resources	7,310,820	1,152,624	1,160,675	8,051	1%
Expenditures	6,535,820	606,537	1,260,487	(653,950)	(108%)
Contingency/Unapp Balan	775,000	N/A	N/A	N/A	N/A
HES Fund					
Resources	11,970,249	1,652,707	1,350,358	(302,349)	(18%)
Expenditures	9,151,094	2,023,159	1,979,708	43,451	2%
Contingency/Unapp Balan	2,819,155	N/A	N/A	N/A	N/A
Regional Water Fund					
Resources	1,317,060	112,844	138,868	26,024	23%
Expenditures	723,530	120,588	97,477	23,111	19%
Contingency/Unapp Balan	593,530	N/A	N/A	N/A	N/A

Revenues in the Street fund were $7,100 more than projected, a 4% variance. Expenditures were $10,750 less than expected providing an overall favorable variance of $17,850.

Revenues in the Utility Fund were $8,000 over projections through August and expenditures were almost $654,000 over projections. This is due to costs related to draining the sludge lagoon which were budgeted in 2015-16 but the work was not completed until after the close of the fiscal year. This will be brought to Council in the next month or so to request re-appropriation for it.

Revenues in the HES came in lower than estimates by about $302,350. As noted last month, this is likely due to the higher average temperatures we experienced in the area last year. Expenditures came in within 2% of projections.

The Regional Water revenues came in $26,000 higher than expected and expenditures were $23,000 lower than projected.

2016-2017 Monthly Financial Report

Utility and HES Funds Report

For the Month Ending August 31, 2016

Utility and HES Funds Report

Reserve Balances

	Beginning Reserve	Ending Reserve	% Ending Reserve	Minimum Reserve Requirement	Difference
Utility Fund	3,445,748	1,538,732	23.5%	805,786	732,946
HES Fund	3,531,269	3,216,892	35.2%	1,128,217	2,088,675
Total	6,977,017	4,755,624	-	1,934,003	2,821,621

The reserve in the Utility Fund dropped from $2.7 million last month to $1.6 million in August reflecting the costs to drain the lagoon. The reserve is $733,000 above the minimum. The HES Fund is $2.1 million above the minimum. The funds combined total reserve is approximately $2.9 million.

2016-17 Monthly Financial Report

City of Hermiston, Oregon

Capital Projects Report

For the Month Ending August 31, 2016

Capital Projects

	2016-2017 Budget	YTD Expenditures	LTD Budget	LTD Expenditures	% Complete
Airport Improvements	$ 643,350	$ 137,853	$ 3,562,000	$ 3,005,695	100%
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**	**$ 137,853**	**$ 7,329,070**	**$ 3,113,999**	

Airport Improvements

The Airport project is now complete.

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. There have been no expenditures on the project in the fiscal year 2016-17.

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. There have been no expenditures on the project in the fiscal year 2016-17.

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. There have been no expenditures on the project in the fiscal year 2016-17.

2016-2017 Monthly Financial Report
City of Hermiston, Oregon
Investments
For the Month Ending August 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	$ 2,000,326	FNMA	Aaa/AA+	881	Y	1.28	1.28
76116FAA5	$ 2,062,000	$ 1,999,998	$ 1,990,077	REFCORP	Aaa/AA+	1,140	N	0.95	0.95
3133EGLA1	$ 1,000,000	$ 1,001,020	$ 994,816	FFCB	Aaa/AA+	1,230	Y	1.07	1.14
3137EADN6	$ 1,000,000	$ 978,757	$ 999,234	FHLMC	Aaa/AA+	499	N	1.29	1.29
3135G0GY3	$ 1,000,000	$ 1,013,901	$ 1,002,893	FNMA	Aaa/AA+	152	N	0.78	0.78
US Agencies	**$ 7,062,000**	**$ 6,987,276**	**$ 6,987,346**	---	---	---	---	---	---
LGIP (1) (2)	$ 4,109,919	$ 4,109,919	$ 4,109,919	Varies	---/AA	1	N	0.88	0.88
LGIP	**$ 4,109,919**	**$ 4,109,919**	**$ 4,109,919**	---	---	---	---	---	---
TOTAL	**$ 11,171,919**	**$ 11,097,195**	**$ 11,097,265**	---	---	---	---	---	---

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
< 90 Days	$ 4,109,919	36.8%
90 Days - 3 Yr	$ 4,000,000	35.8%
3 - 5 Yrs	$ 3,062,000	27.4%
	$ 11,171,919	100.0%

Type of Inv	Par Value	% of Total Portfolio
US Agency	$ 7,062,000	63.2%
Other	$ -	0.0%
LGIP	$ 4,109,919	36.8%
	$ 11,171,919	100.0%

Various Investment Parameters	With LGIP	Without LGIP
WTD Avg Days to Mat	537	537
Wtd Avg Yield to Mat	1.01%	1.09%
Percent Callable	26.9%	42.5%
Wtd Avg Credit Rating	Aaa/AA+	Aaa/AA+