
Monthly Financial Report



Includes the Hermiston Urban Renewal Agency

**Finance Department
October 2016
(Unaudited)**

2016-2017 Monthly Financial Report

Hermiston Urban Renewal Agency (HURA)

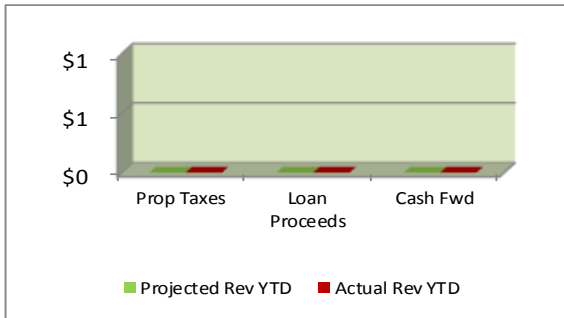
For the Month Ending October 31, 2016

Resources

Through October 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%

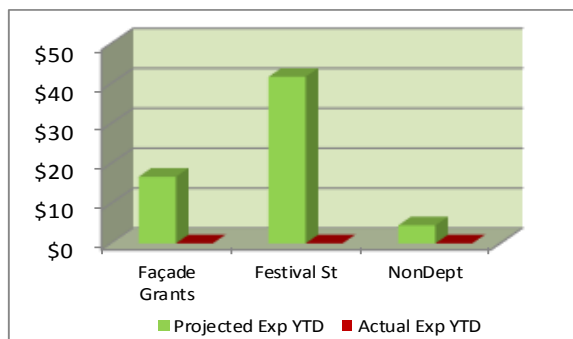
Note: variance is calculated as a percent of the projected revenue YTD.

Expenditures

Through October 31, 2016

by Character

(in \$1,000)



	Annual Proj Exp	Projected Exp YTD	Actual Exp YTD	Var Fav/ (Unfav)	% Var
Façade Grants	\$ 50	\$ 17	\$ -	\$ 17	100.0%
Festival St	125	42	-	42	98%
NonDept	14	5	-	5	94%
Res for Fut Exp	14	-	-	-	0%
Total	\$ 203	\$ 62	\$ -	\$ 62	100%

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

The Urban Renewal Agency conducted an open house for the festival street in October. The invoice for the consultant related costs has not yet been received. No other activity has occurred so far this year for the district.

2016-2017 Monthly Financial Report

City of Hermiston, Oregon

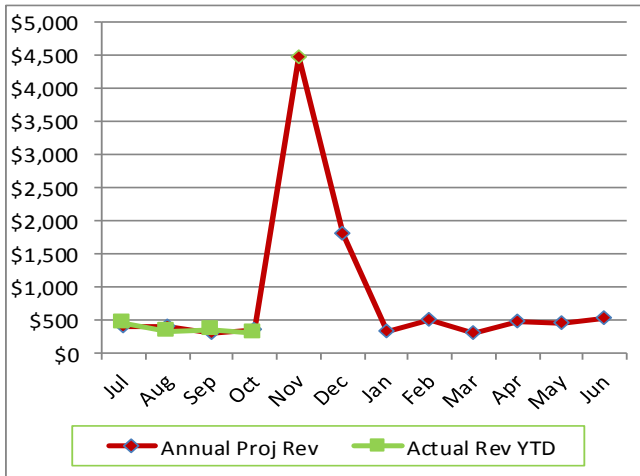
General Fund Resources

For the Month Ending October 31, 2016

Through October 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	\$ 308	\$ 362	54	17%
Oct	363	\$ 363	\$ 314	(49)	(13%)
Nov	4,475				
Dec	1,815				
Jan	340				
Feb	499				
Mar	317				
Apr	484				
May	453				
Jun	522				
Total	10,387	1,483	1,460	(24)	(2%)
Cash Fwd	4,800	-	-	-	0%
Total	\$ 15,187	\$ 1,483	\$ 1,460	(24)	(2%)

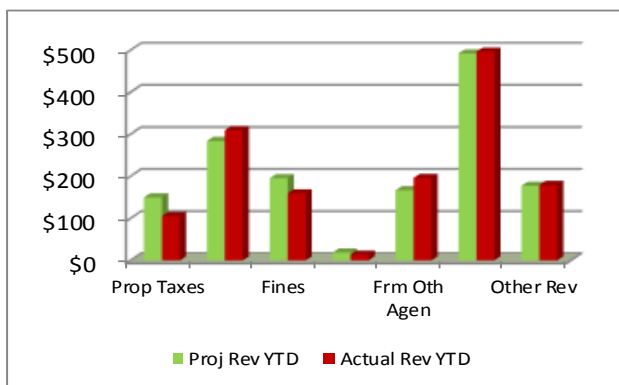
Estimated General Fund revenues for the 2016-17 fiscal year are \$10.4 million. Projected revenues through October \$24,000 higher than actual revenues at \$1.5 million, a variance of 2%. Property taxes, Fines and Interest Earnings are collectively under projections by \$85,000 offset by a positive variance of \$62,000 collectively in Licenses, receipts From Other Agencies, Service Charges and Other Revenue.

General Fund Revenue

Through October 31, 2016

by Category

(in \$1,000)



	Annual Proj Rev	Proj Rev YTD	Actual Rev YTD	Var Fav/ (Unfav)	% Var
Prop Taxes	\$ 5,202	\$ 150	\$ 105	\$ (44)	(30%)
Lic	851	284	309	26	9%
Fines	570	196	159	(36)	(19%)
Interest Rev	50	19	14	(5)	(27%)
Frm Oth Agen	499	166	196	30	18%
Svc Chgs	1,424	492	496	4	1%
Other Rev	1,791	177	179	2	1%
Cash Fwd	4,800	-	-	-	0%
Total	\$15,187	\$ 1,483	\$ 1,460	\$ (24)	(2%)

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

2016-2017 Monthly Financial Report

City of Hermiston, Oregon

General Fund Expenditures

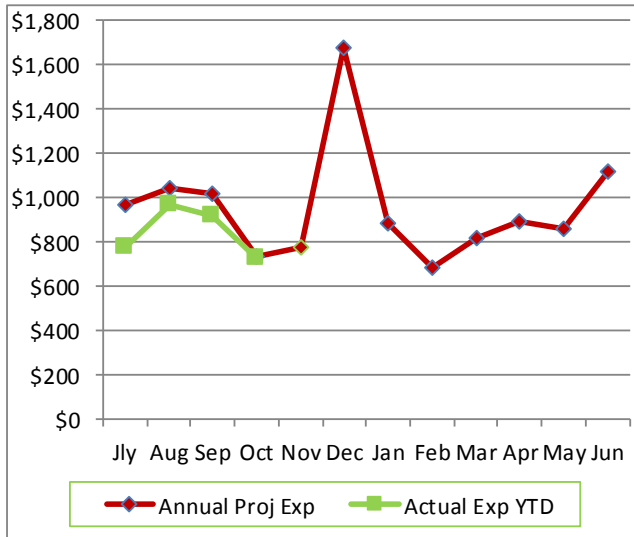
For the Month Ending October 31, 2016

General Fund Expenditure Summary

Through October 31, 2016

All Requirements

(in \$1,000)



	Annual Proj Exp	Projected Exp YTD	Actual Exp YTD	Var Fav/ (Unfav)	% Var
Jly	\$ 964	\$ 964	\$ 775	\$ 189	20%
Aug	\$ 1,045	\$ 1,045	\$ 969	\$ 76	7%
Sep	\$ 1,022	\$ 1,022	\$ 914	\$ 108	11%
Oct	\$ 736	\$ 736	\$ 724	\$ 12	2%
Nov	\$ 775				
Dec	\$ 1,680				
Jan	\$ 882				
Feb	\$ 684				
Mar	\$ 815				
Apr	\$ 889				
May	\$ 861				
Jun	\$ 1,119				
Total	11,472	3,767	3,382	385	10%
Unapp	3,715	-	-	-	0%
Total	\$ 15,187	\$ 3,767	\$ 3,382	\$ 385	10%

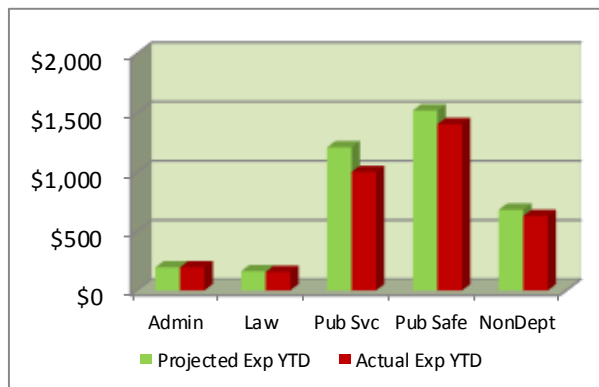
Projected General Fund expenditures through October were \$3.8 million and actual expenditures were \$3.4 million, a favorable variance of \$385,000. Public Services and Public Safety continue to have the highest savings at \$209,000 and \$117,000 respectively.

General Fund Expenditures

Through October 31, 2016

by Consolidated Department

(in \$1,000)



	Annual Proj Exp	Projected Exp YTD	Actual Exp YTD	Var Fav/ (Unfav)	% Var
Admin	\$ 564	195	195	0	0%
Law	497	163	156	7	4%
Pub Svc	3,139	1,209	999	209	17%
Pub Safe	4,517	1,519	1,403	117	8%
NonDept	6,470	681	629	52	8%
Unapp	-	-	-	-	0%
Total	\$15,187	\$ 3,767	\$ 3,382	\$ 385	10%

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 October 31, 2016

General Fund Expenditures

by Department

	Annual Projected			Var Fav/ (Unfav)	% Var Fav/ (Unfav)
	Exp	Projected Exp YTD	Actual Exp YTD		
City Council	45,719	26,953	28,452	(1,499)	(6%)
City Manager/Planning	438,624	142,625	142,234	391	0%
Finance	79,295	25,760	24,196	1,564	6%
Total Admin & Finance	563,638	195,338	194,882	456	0%
Legal	83,700	27,689	23,471	4,218	0%
Court	413,186	135,171	132,798	2,373	2%
Total Dept of Law	496,886	162,860	156,269	6,591	4%
Transportation	248,300	44,231	41,956	2,275	5%
Airport	252,450	113,609	78,088	35,521	31%
Bldg Inspection	355,617	117,336	115,837	1,499	1%
Parks	490,819	181,992	171,835	10,157	6%
Parks/Utility Landscaping	39,475	13,158	9,614	3,544	27%
Pool	433,333	277,196	196,993	80,203	29%
Municipal Buildings	18,500	7,678	7,171	507	7%
Library	734,775	244,965	193,530	51,435	21%
Recreation	565,808	208,660	184,369	24,291	12%
Total Public Services	3,139,077	1,208,826	999,393	209,433	17%
Public Safety Center	82,000	29,639	20,929	8,710	29%
Police Operations	4,434,616	1,489,662	1,381,626	108,036	7%
Total Public Safety	4,516,616	1,519,301	1,402,555	116,746	8%
Non-Departmental	2,756,190	680,981	628,996	51,985	8%
Unappropriated	3,714,718	0	0	0	0%
Total Non-Dept	6,470,908	680,981	628,996	51,985	8%
Total	15,187,125	3,767,305	3,382,095	385,210	10%

Within the Public Services category, the Pool had the greatest amount of savings dollar-wise at \$80,000. followed by the Library at \$51,000 and the Airport at \$35,500. Savings in the Pool are due to a combination of lower than expected labor costs and slower spending on materials and services than previous years. Library savings are in personnel costs and unspent budget for building repairs and maintenance and other contractual services. Police Operations had savings of \$108,000 largely due to unspent budget in travel and training, nuisance abatement and motor vehicle fuel and oil.

2016-2017 Monthly Financial Report

Fund Balance - General Fund

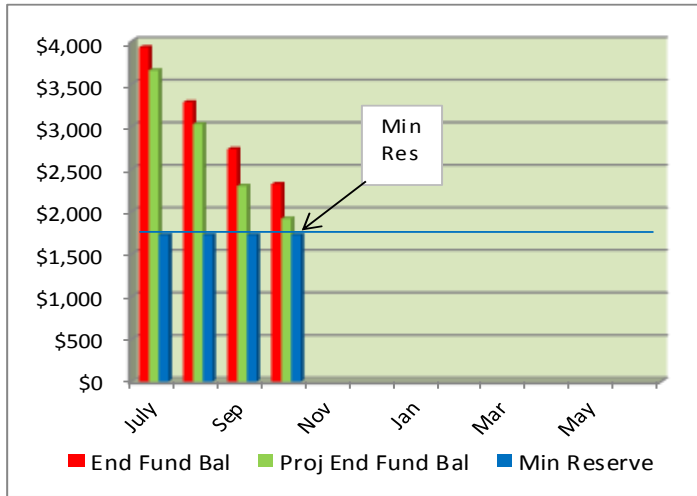
For the Month Ending October 31, 2016

General Fund

Through October 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	3,283	\$ 362	\$ (914)	\$ 2,731	\$ 2,298
Oct	2,731	\$ 314	\$ (724)	\$ 2,321	\$ 1,913
Nov					
Dec					
Jan					
Feb					
Mar					
Apr					
May					
June					
Total	\$ 4,244	\$1,460	\$ (3,382)	\$ 2,321	\$ 1,913

As of the end of October the fund balance in the General Fund was \$2.3 million, compared to a projected fund balance of \$1.9 million.

2016-2017 Monthly Financial Report

Special Revenue Funds Report

For the Month Ending October 31, 2016

Special Revenue Funds

Resources & Requirements

	2016-17		Remaining Budget
	Annual Budget	Actual YTD	
Bonded Debt Fund			
Resources	699,925	195,685	504,240
Expenditures	510,275	427,162	83,113
Unappropriated Balance	189,650	N/A	N/A
Transient Room Tax (TRT)			
Resources	830,460	272,766	557,694
Expenditures	767,860	157,443	610,417
Unappropriated Balance	62,600	N/A	N/A
Reserve Fund			
Resources	6,330,090	655,198	5,674,892
Expenditures	5,337,317	403,200	4,934,117
Unappropriated Balance	992,773	N/A	N/A
Municipal Court Special Revenue			
Resources	281,900	71,895	210,005
Expenditures	260,100	74,399	185,701
Unappropriated Balance	21,800	N/A	N/A
Miscellaneous Special Revenue			
Resources	35,000	7,442	27,558
Expenditures	35,000	9,973	25,027
Unappropriated Balance	-	N/A	N/A
Conference Center			
Resources	237,525	55,862	181,663
Expenditures	187,525	48,709	138,816
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	10,102	68,778
Expenditures	65,880	27,646	38,234
Unappropriated Balance	13,000	N/A	N/A
Library Special Revenue			
Resources	57,200	7,177	50,023
Expenditures	44,000	1,203	42,797
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.

2016-2017 Monthly Financial Report

Utility and Street Funds Report

For the Month Ending October 31, 2016

Utility and Street Funds Report

Resources & Expenditures

	2016-17		Actual YTD	Variance	
	Annual Budget	Projected YTD		Fav/(Unfav)	% Variance
Street Fund					
Resources	1,730,474	337,288	362,843	25,555	8%
Expenditures	1,184,879	403,393	381,907	21,486	5%
Contingency/Unapp Balan	545,595	N/A	N/A	N/A	N/A

Utility Fund					
Resources	7,310,820	2,306,582	2,188,788	(117,794)	(5%)
Expenditures	6,535,820	2,112,896	3,382,292	(1,269,396)	(60%)
Contingency/Unapp Balan	775,000	N/A	N/A	N/A	N/A

HES Fund					
Resources	11,970,249	3,265,308	2,877,884	(387,424)	(12%)
Expenditures	9,151,094	3,235,866	3,074,660	161,206	5%
Contingency/Unapp Balan	2,819,155	N/A	N/A	N/A	N/A

Regional Water Fund					
Resources	1,317,060	266,246	315,127	48,881	18%
Expenditures	723,530	241,177	223,678	17,499	7%
Contingency/Unapp Balan	593,530	N/A	N/A	N/A	N/A

Revenues in the Street fund are \$25,000 above projections through October, an 8% favorable variance. Expenditures are \$22,000 lower than expected reflecting savings in both labor and materials and services providing an overall favorable variance of approximately \$47,000.

Revenues in the Utility Fund are under projections mainly due to Water Revenues coming in less than expected. Expenditures are about \$1.3 million over projections. As previously reported this is due to costs to drain the sludge lagoon. Council recently approved a budget supplement which is expected to eliminate this variance.

HES revenues continue to come in lower than estimates. Through October they are down \$387,000 likely due to temperature fluctuations between last year and this year. The unfavorable revenue variance is offset by a favorable expenditure of \$161,000 for a net variance of \$226,000.

Regional Water revenues are nearly \$49,000 higher than expected and expenditures are \$17,500 lower than projected.

2016-2017 Monthly Financial Report

Utility and HES Funds Report

For the Month Ending October 31, 2016

Utility and HES Funds Report

Reserve Balances

	Beginning Reserve	Ending Reserve	% Ending Reserve	Minimum Reserve Requirement	Difference
Utility Fund	3,445,748	1,065,208	16.3%	805,786	259,422
HES Fund	3,531,269	3,673,488	40.1%	1,128,217	2,545,271
Total	6,977,017	4,738,696	-	1,934,003	2,804,693

The reserve in the Utility Fund dropped from \$1.2 million last month to \$1.1 million in October. The utility has paid out almost all of the costs to drain the lagoon so we do not expect to see the reserves drop significantly from this point on. Currently the reserve is \$259,400 above the minimum. The HES Fund is \$2.5 million over the minimum reserve of \$1.1 million. The combined total reserve is approximately \$4.7 million.

2016-17 Monthly Financial Report

City of Hermiston, Oregon

Capital Projects Report

For the Month Ending October 31, 2016

Capital Projects

	2016-2017 Budget	YTD Expenditures	LTD Budget	LTD Expenditures	% Complete
Airport GIS Mapping Project	\$ -	\$ -	\$ -	\$ -	0%
Senior Center	2,706,300	34,909	2,823,360	143,213	0%
11th & Elm	813,710	15,000	813,710	15,000	0%
West Highland Trail	130,000	-	130,000	-	0%
Total	\$ 3,650,010	\$ 49,909	\$ 3,767,070	\$ 158,213	

Airport Improvements

Construction on the Airport improvements has been completed and the focus will now be on completing a GIS mapping of all facilities at the Airport which will be loaded into the FAA's system. This work was added as part of the City's existing grant to relocate the parallel taxiway and is a requirement of airports when their Master Plans are updated. The City is scheduled to update the Master Plan in 2017 for an estimated \$300,000. If this work had not been added to the City's existing grant, the Master Plan Update would have been delayed by a year in order to build up another year's worth of \$150,000 NPE funding. The total project cost for the AGIS project alone is \$154,600.

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. Life-to-date the City has incurred \$143,000 on design, survey and appraisal costs. The plan review will be completed in November and awarded in December 2016.

October Update: *Nothing new to report since last month.*

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. ODOT is leading the design and construction. Construction is expected to begin in spring 2017. \$15,000 has been expended to date on right of way costs.

October Update: *Nothing new to report since last month.*

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.

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

October Update: *Nothing new to report since last month.*

2016-2017 Monthly Financial Report
City of Hermiston, Oregon
Investments
For the Month Ending October 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	\$ 1,995,398	FNMA	Aaa/AA+	820	Y	1.28	1.28
76116FAA5	\$ 2,062,000	\$ 1,999,998	\$ 1,988,799	REFCORP	Aaa/AA+	1,079	N	0.95	0.95
3133EGLA1	\$ 1,000,000	\$ 1,001,020	\$ 992,111	FFCB	Aaa/AA+	1,169	Y	1.07	1.14
3137EADN6	\$ 1,000,000	\$ 978,757	\$ 999,678	FHLMC	Aaa/AA+	438	N	1.29	1.29
3135G0GY3	\$ 1,000,000	\$ 1,013,901	\$ 1,002,160	FNMA	Aaa/AA+	91	N	0.78	0.78
US Agencies	\$ 7,062,000	\$ 6,987,276	\$ 6,978,146	---	---	---	---	---	---
LGIP	\$ 6,520,010	\$ 6,520,010	\$ 6,520,010	Varies	---/AA	1	N	0.88	0.88
LGIP	\$ 6,520,010	\$ 6,520,010	\$ 6,520,010	---	---	---	---	---	---
TOTAL	\$ 13,582,010	\$ 13,507,286	\$ 13,498,156	---	---	---	---	---	---

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	\$ 6,520,010	48.0%	US Agency	\$ 7,062,000	52.0%	WTD Avg Days to Mat	410	410
90 Days - 3 Yrs	\$ 4,000,000	29.5%	Other	\$ -	0.0%	Wtd Avg Yield to Mat	0.98%	1.09%
3 - 5 Yrs	\$ 3,062,000	22.5%	LGIP	\$ 6,520,010	48.0%	Percent Callable	22.1%	42.5%
	\$ 13,582,010	100.0%		\$ 13,582,010	100.0%	Wtd Avg Credit Rtng	Aaa/AA+	Aaa/AA+