

Monthly Financial Report



Includes the Hermiston Urban Renewal Agency

Finance Department
October 2015

2015-2016 Monthly Financial Report

Hermiston Urban Renewal Agency (HURA)

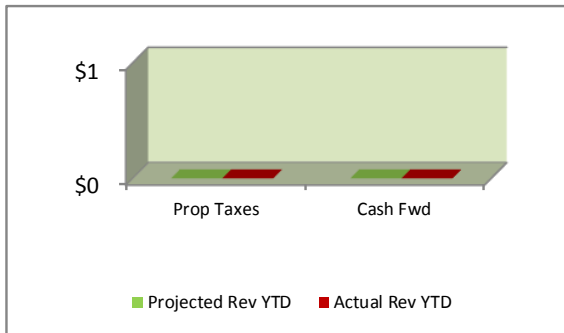
For the Month Ending Oct 31, 2015

Resources

Through Oct 31, 2015

by Category

(in \$1,000)



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

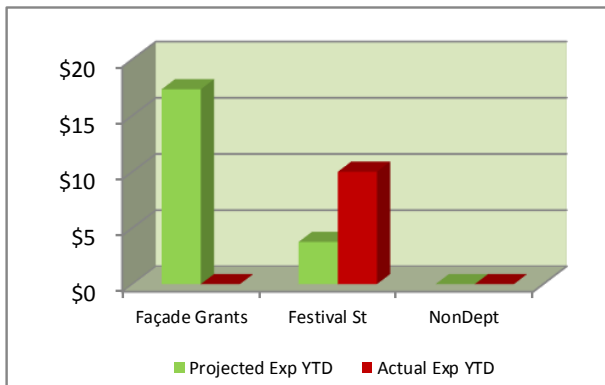
Note: variance is calculated as a percent of the projected revenue YTD.

Expenditures

Through Oct 31, 2015

by Character

(in \$1,000)



	Annual Proj Exp	Projected Exp YTD	Actual Exp YTD	Var Fav/ (Unfav)	% Var
Façade Grants	\$ 52	\$ 17	\$ -	\$ 17	100%
Festival St	15	4	10	(6)	(167%)
NonDept	3	-	-	-	0%
Res for Fut Exp	5	-	-	-	0%
Total	\$ 75	\$ 21	\$ 10	\$ 11	0%

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

Property taxes, which are due in November, are the primary revenue source for the agency. Last year 79% of the taxes was collected during November. No expenditures were made during October leaving year-to-date expenditures at approximately \$10,500.

2015-2016 Monthly Financial Report

City of Hermiston, Oregon

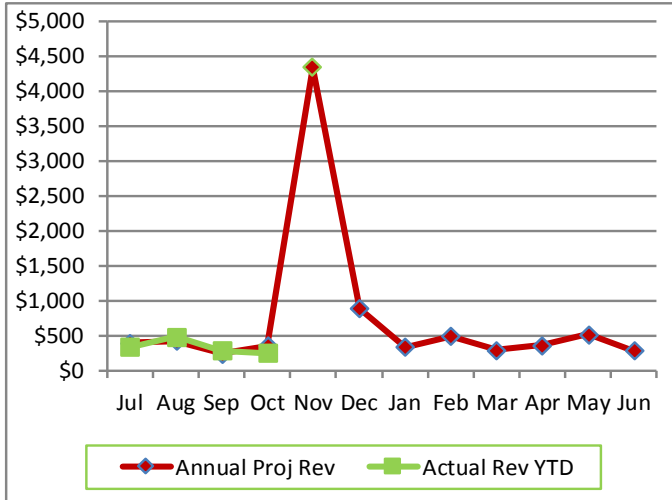
General Fund Resources

For the Month Ending Oct 31, 2015

Through Oct 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				
Dec	885				
Jan	333				
Feb	490				
Mar	293				
Apr	360				
May	517				
Jun	285				
Total	8,902	1,408	1,341	(67)	(5%)
Cash Fwd	3,813	-	-	-	0%
Total	\$ 12,715	\$ 1,408	\$ 1,341	\$ (67)	(5%)

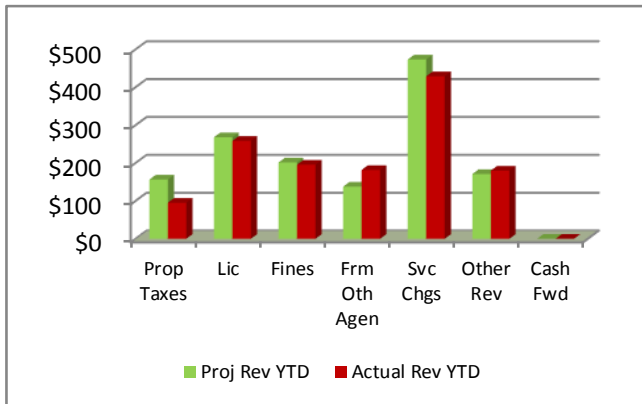
General Fund revenues for the 2015-16 fiscal year are estimated at \$8.9 million. Actual year-to-date revenues through October were \$1,341,000 compared to projected year-to-date revenues of \$1,408,000, an unfavorable variance of \$67,000. The largest variances are in property taxes and service charges, a combined unfavorable variance of \$105,000. This variance is largely offset by revenue From Other Agencies, a favorable \$44,000 variance. Beginning with the 2015-16 fiscal year the City began estimating revenues more closely to expected actuals than in previous years causing the variance to be unfavorable rather than favorable as has been seen in prior years.

General Fund Revenue

by Category

Through Oct 31, 2015

(in \$1,000)



	Annual Proj Rev	Proj Rev YTD	Actual Rev YTD	Var Fav/ (Unfav)	% Var
Prop Taxes	\$ 5,265	\$ 156	\$ 95	\$ (61)	(39%)
Lic	774	268	259	(9)	(4%)
Fines	583	202	196	(6)	(3%)
Frn Oth Agen	445	138	182	44	32%
Svc Chgs	1,323	473	429	(44)	(9%)
Other Rev	513	171	180	9	5%
Cash Fwd	3,813	-	-	-	0%
Total	\$ 12,715	\$ 1,408	\$ 1,341	\$ (67)	(5%)

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

2015-2016 Monthly Financial Report

City of Hermiston, Oregon General Fund Expenditures

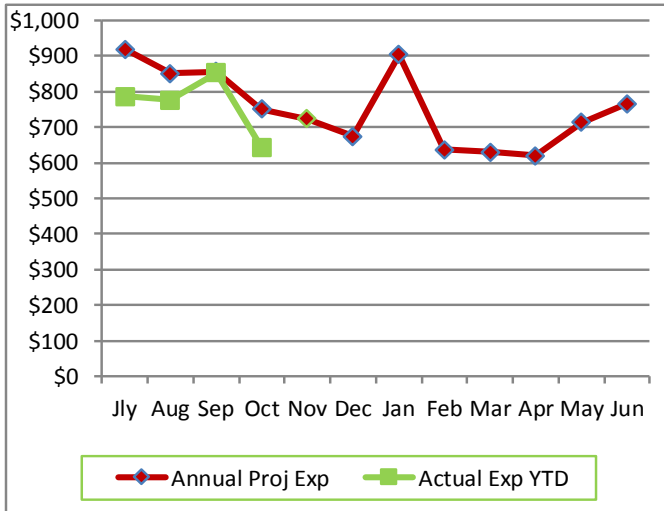
For the Month Ending Oct 31, 2015

General Fund Expenditure Summary

Through Oct 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	724	-	-	-	-
Dec	675	-	-	-	-
Jan	903	-	-	-	-
Feb	637	-	-	-	-
Mar	629	-	-	-	-
Apr	620	-	-	-	-
May	713	-	-	-	-
Jun	765	-	-	-	-
Total	9,039	3,374	3,059	315	9%
Unapp	3,676	-	-	-	0%
Total	\$ 12,715	\$ 3,374	\$ 3,059	\$ 315	9%

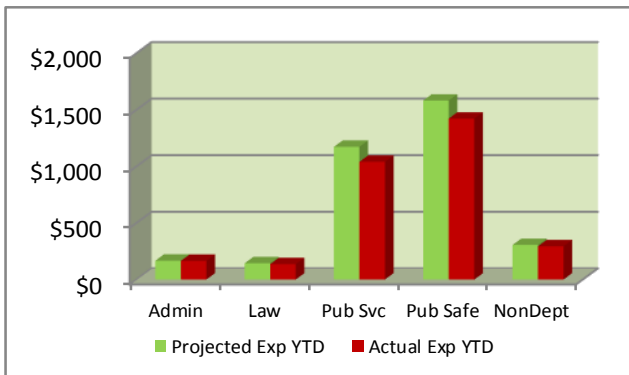
In contrast to revenues, the General Fund expenditure variance is a favorable \$315,000. The largest variances are in Public Services, a favorable \$133,000 and Public Safety, a positive \$159,000 variance. Together those variances amount to \$292,000, a 9% savings.

General Fund Expenditures

Through Oct 31, 2015

by Consolidated Department

(in \$1,000)



	Annual Proj Exp	Projected Exp YTD	Actual Exp YTD	Var Fav/ (Unfav)	% Var
Admin	\$ 490	167	165	\$ 2	1%
Law	440	145	137	8	6%
Pub Svc	2,879	1,174	1,041	133	11%
Pub Safe	4,330	1,582	1,423	159	10%
NonDept	901	306	294	12	4%
Unapp	3,676	-	-	-	0%
Total	\$ 12,715	\$ 3,374	\$ 3,059	\$ 315	9%

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 Oct 31, 2015

General Fund Expenditures by Department

	Annual Projected			Var Fav/ (Unfav)	% Var Fav/ (Unfav)
	Exp	Projected Exp YTD	Actual Exp YTD		
City Council	32,150	12,248	12,761	(513)	(4%)
City Manager/Planning	402,398	136,314	135,686	628	0%
Finance	54,964	18,251	16,802	1,449	8%
Total Admin & Finance	489,512	166,813	165,249	1,563	1%
Legal	187,700	61,096	58,913	2,183	4%
Court	251,904	83,721	77,667	6,054	7%
Total Dept of Law	439,604	144,817	136,580	8,237	6%
Transportation	188,375	64,777	58,861	5,916	9%
Airport	241,640	133,340	72,067	61,273	46%
Bldg Inspection	343,262	113,696	110,225	3,471	3%
Parks	477,440	179,109	169,139	9,970	6%
Pool	389,229	252,272	225,333	26,939	11%
Municipal Buildings	12,900	4,663	3,350	1,313	28%
Library	689,266	230,711	214,232	16,479	7%
Recreation	537,300	195,508	187,592	7,916	0
Total Public Services	2,879,412	1,174,075	1,040,799	133,276	11%
Public Safety Center	92,000	30,234	32,978	(2,744)	(9%)
Police Operations	4,237,982	1,551,894	1,389,807	162,087	10%
Total Public Safety	4,329,982	1,582,129	1,422,785	159,344	10%
Non-Departmental	900,565	306,140	293,666	12,474	4%
Unappropriated	3,676,280	0	0	0	0%
Total Non-Dept	4,576,845	306,140	293,666	12,474	4%
Total	12,715,355	3,373,973	3,059,079	314,893	9%

The Airport continues to show the largest savings in the Public Services departments at \$61,273. As was the case last month, this is primarily due to timing of fuel purchases. Within the General Fund as a whole, Police Operations had the highest positive dollar variance, at \$162,087. The department is underspending in overtime, nuisance abatement and motor vehicle repairs.

2015-2016 Monthly Financial Report

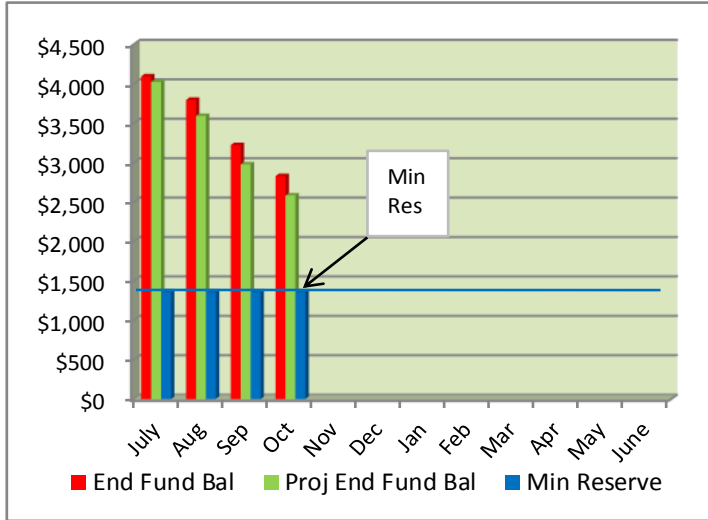
Fund Balance - General Fund For the Month Ending Oct 31, 2015

General Fund

Through Oct 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					
Dec					
Jan					
Feb					
Mar					
Apr					
May					
June					
Total	\$ 4,547	\$ 1,341	\$ (3,059)	\$ 2,829	\$ 2,581

The City Council has established a minimum reserve for the General Fund of 15% of budgeted annual operating expenditures. In 2015-16 the reserve is \$1,355,861. The fund balance at the end of October is approximately \$2.8 million, a decrease of \$1.7 million since the beginning of the fiscal year. Fund balance is expected to begin growing in November as the property taxes come in.

2015-2016 Monthly Financial Report

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

Special Revenue Funds Resources & Requirements

	2015-16 Annual		Remaining
	Budget	Actual YTD	Budget
Bonded Debt Fund			
Resources	3,767,354	686,096	3,081,258
Expenditures	3,527,354	1,230,884	2,296,470
Unappropriated Balance	240,000	N/A	N/A
Transient Room Tax (TRT)			
Resources	573,335	299,419	273,916
Expenditures	520,000	145,933	374,067
Unappropriated Balance	53,335	N/A	N/A
Recreation Special Revenue			
Resources	239,000	-	239,000
Expenditures	57,086	57,085	1
Unappropriated Balance	181,914	N/A	N/A
Reserve Fund			
Resources	7,090,060	479,213	6,610,847
Expenditures	4,882,912	1,171,929	3,710,983
Unappropriated Balance	2,207,148	N/A	N/A
Municipal Court Special Revenue			
Resources	281,900	90,865	191,035
Expenditures	246,900	86,867	160,033
Unappropriated Balance	35,000	N/A	N/A
Miscellaneous Special Revenue			
Resources	30,000	5,398	24,602
Expenditures	30,000	5,373	24,627
Unappropriated Balance	-	N/A	N/A
Conference Center			
Resources	249,975	73,038	176,937
Expenditures	192,475	58,765	133,710
Unappropriated Balance	57,500	N/A	N/A
EOTEC Grant Fund			
Resources	5,400,000	-	5,400,000
Expenditures	5,400,000	1,186,308	4,213,692
Unappropriated Balance	-	N/A	N/A
Law Enforcement Special Revenue			
Resources	71,500	18,871	52,629
Expenditures	43,500	6,034	37,466
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 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 Oct 31, 2015

Special Revenue Funds Resources & Requirements

	2015-16 Annual		Remaining
	Budget	Actual YTD	Budget
Library Special Revenue			
Resources	58,000	6,194	51,806
Expenditures	46,000	4,550	41,450
Unappropriated Balance	12,000	N/A	N/A
2014 Water & Sewer Rev Bonds			
Resources	1,300,000	643	1,299,357
Expenditures	1,300,000	751,502	548,498
Unappropriated Balance	-	N/A	N/A
Senior Center Const			
Resources	2,073,360	-	2,073,360
Expenditures	2,073,360	5,925	2,067,435
Unappropriated Balance	-	N/A	N/A

2015-2016 Monthly Financial Report

Utility and Street Funds Report

For the Month Ending Oct 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	316,667	356,947	40,280	13%
Expenditures	1,348,785	401,133	368,216	32,917	8%
Unappropriated Balance	668,715	N/A	N/A	N/A	N/A

<u>Utility Fund</u>					
Resources	8,480,520	1,974,582	2,145,901	171,319	9%
Expenditures	5,821,305	1,288,244	1,305,698	(17,454)	(1%)
Unappropriated Balance	2,659,215	N/A	N/A	N/A	N/A

<u>HES Fund</u>					
Resources	11,435,765	3,552,177	3,611,598	59,421	2%
Expenditures	8,697,002	3,143,381	2,698,914	444,467	14%
Unappropriated Balance	2,738,763	N/A	N/A	N/A	N/A

<u>Regional Water Fund</u>					
Resources	1,437,800	305,812	382,232	76,420	25%
Expenditures	660,198	502,609	456,042	46,567	9%
Unappropriated Balance	777,602	N/A	N/A	N/A	N/A

The Street Fund has a favorable \$40,280 variance in revenues due to higher than projected gasoline tax collections. The fund also had a favorable expenditure variance of \$32,917.

Water revenues in the Utility Fund have come in about \$161,000 higher than projections while expenditures are only 1% over projections.

The HES Fund revenues are almost right on target while expenditures are 14% under projections. Expenditures are lower than projected due to the timing of power purchases. Only 24.6% of the budgeted \$4.8 million has been expended compared to 34% of the fiscal year being elapsed.

The Regional Water Fund also has a positive revenue variance. Actual revenues are \$76,240 over projected revenues, a 25% variance. The expenditure variance is also positive at \$46,567, a 9% variance.

2015-2016 Monthly Financial Report

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

Utility and HES Funds Report

Reserve Balances

	Beginning Reserve	Ending Reserve	% Ending Reserve	Minimum Reserve Requirement	Difference
Utility Fund	3,056,640	3,902,916	46.0%	1,045,544	2,857,372
HES Fund	3,157,652	3,993,041	34.9%	1,409,889	2,583,152
Total	6,214,292	7,895,957	-	2,455,432	5,440,525

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 \$1 million forty-five thousand for the Utility Fund and \$1.4 million for the HES Fund. Both funds have balances well above their minimum levels for a total reserve of \$7.9 million.

2015-2016 Monthly Financial Report

City of Hermiston, Oregon

Capital Projects Report

For the Month Ending Oct 31, 2015

Capital Projects

	2015-16 Budget	YTD Expenditures	LTD Budget	LTD Expenditures	% Complete
Airport Improvements	\$ 615,000	\$ 35,250	\$ 650,000	\$ 300,624	---
Eastern OR Trade & Event Ctr (EOTEC) Pipeline	350,000	90,095	1,800,000	782,192	99%
EOTEC Construction	5,400,000	1,186,308	6,400,000	4,085,114	0%
RWTP Outfall	-	208,424	2,500,000	1,372,379	99%
Water Line Extension	1,026,200	279,752	1,250,000	775,807	70%
Total	\$ 7,391,200	\$ 1,799,829	\$ 12,600,000	\$ 7,316,116	---

Airport Improvements

The City was awarded \$2.9 million from the FAA for the construction phase of the Airport Improvements project and the City signed a contract with Columbia Pacific Construction (CPC) at the end of September to perform the work. CPC began demolition of the eastern half of the taxiway on October 12th and moved very quickly through the project so that they could pave during the first week of November. The contractor will leave the taxiway so that it is usable over the course of the winter once they finish this fall's work on November 25.

EOTEC Pipeline

This project is now substantially complete. The only thing remaining to be done is the engineer's final walk-through to identify any final punch list items.

EOTEC Construction

This project is moving along well. City Manager Byron Smith has been working closely with Frew Development and the EOTEC Board so he is prepared to immediately begin assisting with the fundraising campaign and getting the construction on schedule for a 2017 Fair and Rodeo.

RWTP Outfall

The Outfall project is now finished. There are no outstanding punch list items to complete.

Water Line Extension

The contractor has finished all of the pipe installation. They are waiting for the delivery of a pump that will be installed in the Non-Potable #2 pump station. That is expected in December.

2015-2016 Monthly Financial Report
City of Hermiston, Oregon
Investments
For the Month Ending Oct 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)
3136G1BT5	\$ 2,000,000	\$ 1,960,500	\$ 2,000,208	FNMA	Aaa/AA+	646	Y	1.37	1.37
3134G33E8	\$ 1,000,000	\$ 997,073	\$ 1,001,332	FHLMC	Aaa/AA+	1,532	Y	1.57	1.57
3135G0QK2	\$ 2,000,000	\$ 1,985,750	\$ 1,986,530	FFCB	Aaa/AA+	1,434	Y	1.71	1.71
3137EADN6	\$ 1,000,000	\$ 978,757	\$ 997,241	FHLMC	Aaa/AA+	804	N	1.29	1.29
3135G0GY3	\$ 1,000,000	\$ 1,013,901	\$ 1,008,786	FNMA	Aaa/AA+	457	N	0.78	0.78
US Agencies	\$ 7,000,000	\$ 6,935,981	\$ 6,994,097	---	---	---	---	---	---
LGIP ^{(1) (2)}	\$ 2,683,337	\$ 2,683,337	\$ 2,683,337	Varies	---/AA	1	N	0.54	0.54
LGIP	\$ 2,683,337	\$ 2,683,337	\$ 2,683,337	---	---	---	---	---	---
TOTAL	\$ 9,683,337	\$ 9,619,318	\$ 9,677,434	---	---	---	---	---	---

⁽¹⁾ \$1,765 of the balance in the LGIP is held by the City for the Eastern Oregon Trade and Event Center (EOTEC).

⁽²⁾ \$285 of the balance in the LGIP is invested for the 2014 Sewer & Water Revenue Bonds.

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	\$ 2,683,337	27.7%	US Agency	\$ 7,000,000	72.3%	WTD Avg Mat	718	718
90 Days - 3 Yrs	\$ 4,000,000	41.3%	Corporate	\$ -	0.0%	Wtd Avg Yield to Mat	1.16%	1.40%
3 - 5 Yrs	\$ 3,000,000	31.0%	LGIP	\$ 2,683,337	27.7%	Percent Callable	51.6%	71.4%
	\$ 9,683,337	100.0%		\$ 9,683,337	100.0%	Wtd Avg Credit Rating	Aaa/AA+	Aaa/AA+