
Monthly Financial Report



Includes the Hermiston Urban Renewal Agency

**Finance Department
May/June 2017
(Unaudited)**

2016-2017 Monthly Financial Report

Hermiston Urban Renewal Agency (HURA)

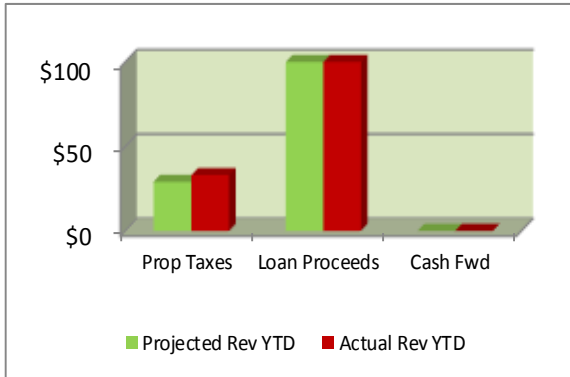
For the Month Ending June 30, 2017

Resources

Through June 30, 2017

by Category

(in \$1,000)



	Annual Proj Rev	Projected Rev YTD	Actual Rev YTD	Var Fav/ (Unfav)	% Var
Prop Taxes	\$ 29	\$ 29	\$ 33	\$ 4	0%
Loan Proceeds	100	100	100	-	0%
Cash Fwd	74	-	-	-	0%
Total	\$ 203	\$ 129	\$ 133	\$ 4	0%

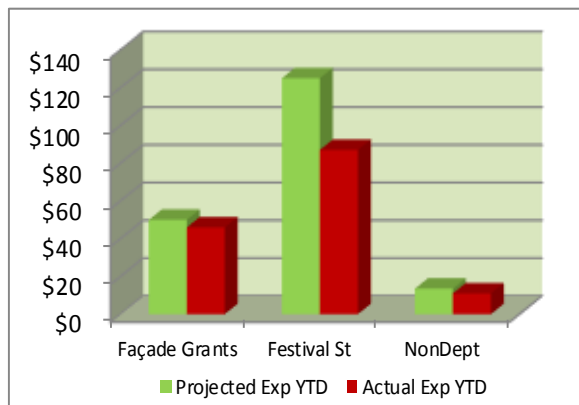
Note: variance is calculated as a percent of the projected revenue YTD.

Expenditures

Through June 30, 2017

by Character

(in \$1,000)



	Annual Proj Exp	Projected Exp YTD	Actual Exp YTD	Var Fav/ (Unfav)	% Var
Façade Grants	\$ 50	\$ 50	\$ 46	\$ 4	8.0%
Festival St	125	125	87	38	28%
NonDept	14	14	11	3	13%
Res for Fut Exp	14	-	-	-	0%
Total	\$ 203	\$ 188	\$ 144	\$ 44	23%

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

There was no activity on façade grants during May or June. Combined engineering and landscaping architecture expenditures for the Festival Street during May and June were \$34,000. The intention is to deliver 30% construction drawings by the end of July. \$10,500 in loan repayments were made to the City during the fiscal year.

2016-2017 Monthly Financial Report

City of Hermiston, Oregon

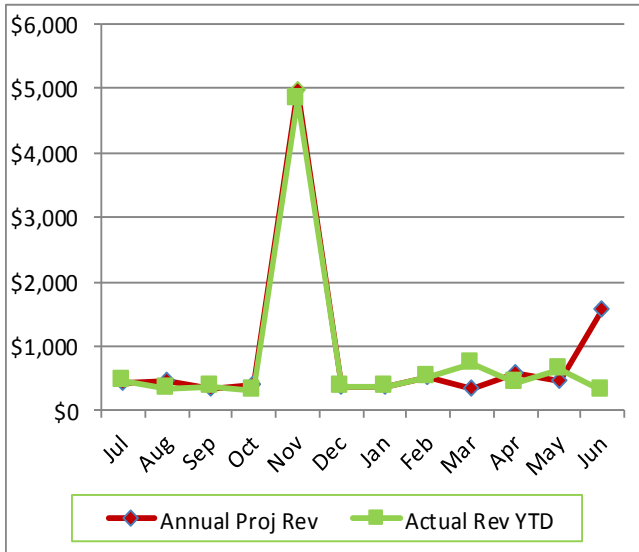
General Fund Resources

For the Month Ending June 30, 2017

Through June 30, 2017

All Resources

(in \$1,000)



	Annual Proj Rev	Proj Rev YTD	Actual Rev YTD	Var Fav/ (Unfav)	% Var
Jul	\$ 422	\$ 422	\$ 458	\$ 36	9%
Aug	446	\$ 446	\$ 326	(121)	(27%)
Sep	329	\$ 329	\$ 362	33	10%
Oct	386	\$ 386	\$ 314	(72)	(19%)
Nov	4,974	\$ 4,974	\$ 4,829	(145)	(3%)
Dec	381	\$ 381	\$ 354	(27)	(7%)
Jan	368	\$ 368	\$ 372	4	1%
Feb	527	\$ 527	\$ 515	(12)	(2%)
Mar	343	\$ 343	\$ 735	392	114%
Apr	576	576	\$ 439	(137)	(24%)
May	456	456	\$ 652	196	43%
Jun	1,556	1,556	\$ 300	(1,256)	(81%)
Total	10,763	10,763	9,654	(1,109)	(10%)
Cash Fwd	4,800	-	-	-	0%
Total	\$ 15,563	\$ 10,763	\$ 9,654	(1,109)	(10%)

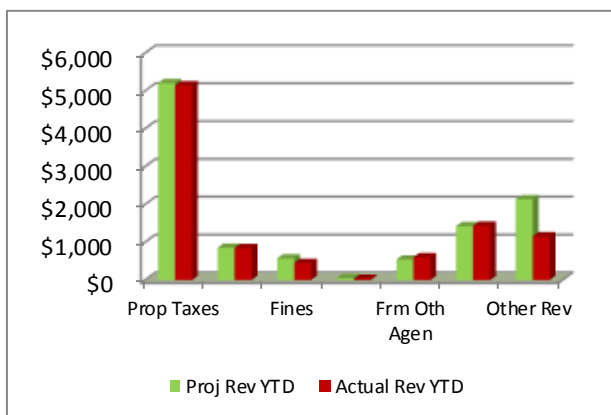
Actual revenues in the General Fund finished the fiscal year at \$9.7 million, a variance of \$1.1M. This is primarily caused by the \$1M in bond proceeds for EOTEC that are being repaid by Tourism Promotion Assessment (TPA) revenues. The 2016-17 budget was prepared with the assumption that the bond proceeds would be deposited in and expenditures made from the General Fund. Instead the activity was recorded in the Bond Construction fund.

General Fund Revenue

Through June 30, 2017

by Category

(in \$1,000)



	Annual Proj Rev	Proj Rev YTD	Actual Rev YTD	Var Fav/ (Unfav)	% Var
Prop Taxes	\$ 5,202	\$ 5,202	\$ 5,145	\$ (57)	(1%)
Lic	851	851	845	(7)	(1%)
Fines	570	570	451	(119)	(21%)
Interest Rev	50	50	32	(18)	(36%)
Frms Oth Agen	536	536	601	65	12%
Svc Chgs	1,424	1,424	1,430	7	0%
Other Rev	2,130	2,130	1,151	(980)	(46%)
Cash Fwd	4,800	-	-	-	0%
Total	\$15,563	\$ 10,763	\$ 9,654	\$ (1,109)	(10%)

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

2016-2017 Monthly Financial Report

City of Hermiston, Oregon General Fund Expenditures

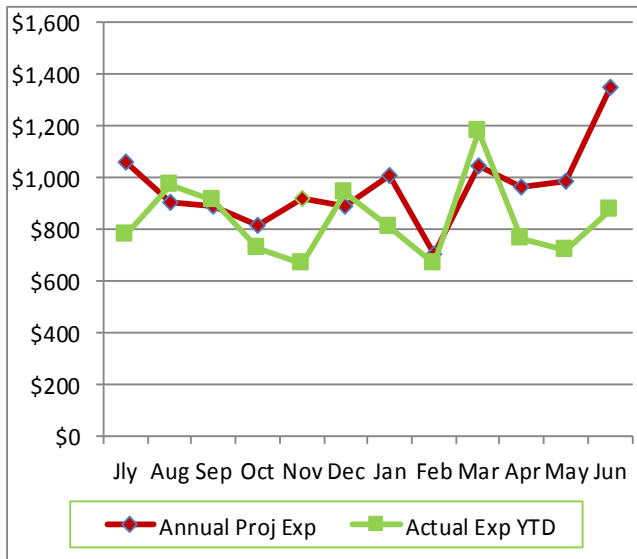
For the Month Ending June 30, 2017

General Fund Expenditure Summary

Through June 30, 2017

All Requirements

(in \$1,000)



	Annual Proj Exp	Projected Exp YTD	Actual Exp YTD	Var Fav/ (Unfav)	% Var
Jly	\$ 1,063	\$ 1,063	\$ 775	\$ 288	27%
Aug	\$ 905	\$ 905	\$ 969	\$ (64)	(7%)
Sep	\$ 892	\$ 892	\$ 914	\$ (22)	(2%)
Oct	\$ 815	\$ 815	\$ 724	\$ 90	11%
Nov	\$ 921	\$ 921	\$ 670	\$ 251	27%
Dec	\$ 891	\$ 891	\$ 943	\$ (52)	(6%)
Jan	\$ 1,008	\$ 1,008	\$ 806	\$ 202	20%
Feb	\$ 701	\$ 701	\$ 666	\$ 36	5%
Mar	\$ 1,043	\$ 1,043	\$ 1,177	\$ (134)	(13%)
Apr	\$ 962	\$ 962	\$ 764	\$ 198	21%
May	\$ 989	\$ 989	\$ 718	\$ 271	27%
Jun	\$ 1,351	\$ 1,351	\$ 878	\$ 473	35%
Total	11,541	11,541	10,003	1,537	13%
Unapp	4,023	-	-	-	0%
Total	\$ 15,563	\$ 11,541	\$ 10,003	\$ 1,537	13%

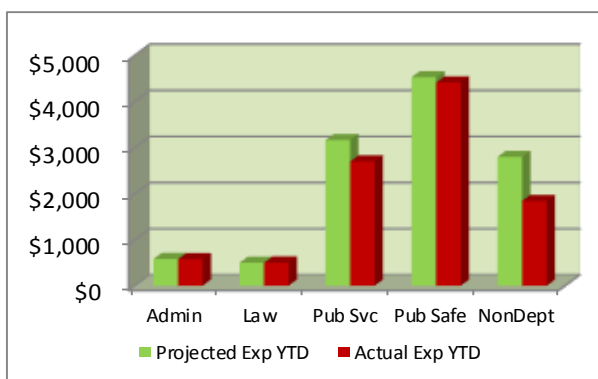
General Fund expenditures finished the fiscal year \$1.5M below budget. In addition to the \$1M unexpended bond proceeds Public Services had savings of \$466,000 and Public Safety had savings of \$116,000.

General Fund Expenditures

Through June 30, 2017

by Consolidated Department

(in \$1,000)



	Annual Proj Exp	Projected Exp YTD	Actual Exp YTD	Var Fav/ (Unfav)	% Var
Admin	\$ 580	580	576	4	1%
Law	497	497	500	(3)	(1%)
Pub Svc	3,156	3,156	2,690	466	15%
Pub Safe	4,517	4,517	4,401	116	3%
NonDept	6,813	2,791	1,836	955	34%
Unapp	-	-	-	-	0%
Total	\$15,563	\$ 11,541	\$10,003	\$ 1,537	13%

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 June 30, 2017

General Fund Expenditures by Department

	Annual Projected Exp	Projected Exp YTD	Actual Exp YTD	Var Fav/ (Unfav)	% Var Fav/ (Unfav)
City Council	61,819	61,819	58,190	3,629	6%
City Manager/Planning	438,624	438,624	441,904	(3,280)	(1%)
Finance	79,295	79,295	75,755	3,540	4%
Total Admin & Finance	579,738	579,738	575,849	3,889	1%
Legal	83,700	83,700	87,754	(4,054)	0%
Court	413,186	413,186	412,129	1,057	0%
Total Dept of Law	496,886	496,886	499,882	(2,996)	(1%)
Transportation	248,300	248,300	178,056	70,244	28%
Airport	266,450	266,450	165,094	101,356	38%
Bldg Inspection	358,617	358,617	358,167	450	0%
Parks	490,819	490,819	445,708	45,111	9%
Parks/Utility Landscaping	39,475	39,475	21,122	18,353	46%
Pool	433,333	433,333	340,913	92,420	21%
Municipal Buildings	18,500	18,500	16,241	2,259	12%
Library	734,775	734,775	652,879	81,896	11%
Recreation	565,808	565,808	512,165	53,643	9%
Total Public Services	3,156,077	3,156,077	2,690,344	465,733	15%
Public Safety Center	82,000	82,000	68,629	13,371	16%
Police Operations	4,434,616	4,434,616	4,332,465	102,151	2%
Total Public Safety	4,516,616	4,516,616	4,401,094	115,522	3%
Non-Departmental	2,791,190	2,791,190	1,835,886	955,304	34%
Unappropriated	4,022,605	0	0	0	0%
Total Non-Dept	6,813,795	2,791,190	1,835,886	955,304	34%
Total	15,563,112	11,540,507	10,003,056	1,537,451	13%

Collectively the General Fund is under projected spending. However, the Manager/Planning and Legal departments are both over by \$3,280 and \$4,054 respectively. The Manager/Planning is over in benefits due to an unbudgeted change in an employee's coverage. The Legal department's overage is caused by litigation related to an odor nuisance issue.

The Airport's savings are in fuel costs; the Pool and Library's savings are in personnel.

2016-2017 Monthly Financial Report

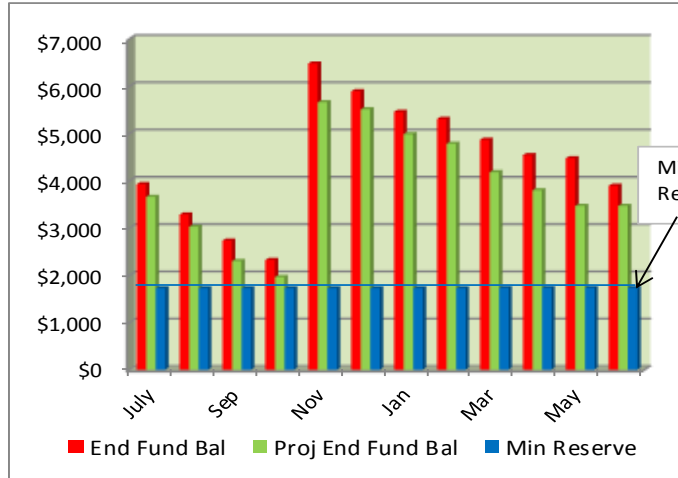
Fund Balance - General Fund For the Month Ending June 30, 2017

General Fund

Through June 30, 2017

Ending Fund Balance

(in \$1,000)



Minimum Reserve = \$1,731,076

	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	\$ 1,960
Nov	2,321	\$4,829	\$ (670)	\$ 6,480	\$ 5,660
Dec	6,480	\$ 354	\$ (943)	\$ 5,891	\$ 5,510
Jan	5,891	\$ 372	\$ (806)	\$ 5,457	\$ 4,982
Feb	5,457	\$ 515	\$ (666)	\$ 5,306	\$ 4,780
Mar	5,306	\$ 735	\$ (1,177)	\$ 4,864	\$ 4,180
Apr	4,864	\$ 439	\$ (764)	\$ 4,539	\$ 3,795
May	4,539	\$ 652	\$ (718)	\$ 4,473	\$ 3,468
June	4,473	\$ 300	\$ (878)	\$ 3,895	\$ 3,466
Total	\$ 4,244	\$9,654	\$ (10,003)	\$ 3,895	\$ 3,466

The fund balance in the General Fund at the end of June is \$3.9 million, a decrease of \$349,000 since the beginning of the fiscal year.

2016-2017 Monthly Financial Report

Special Revenue Funds Report

For the Month Ending June 30, 2017

Special Revenue Funds Resources & Requirements

	2016-17 Annual Budget	Actual YTD	Remaining Budget
Bonded Debt Fund			
Resources	699,925	444,044	255,881
Expenditures	510,275	510,261	14
Unappropriated Balance	189,650	N/A	N/A
Transient Room Tax (TRT)			
Resources	830,460	670,479	159,981
Expenditures	767,860	660,863	106,997
Unappropriated Balance	62,600	N/A	N/A
Recreation Special Revenue			
Resources	375,000	15,000	360,000
Expenditures	312,214	312,214	-
Unappropriated Balance	62,786	N/A	N/A
Reserve Fund			
Resources	6,425,276	1,602,276	4,823,000
Expenditures	5,390,567	1,595,331	3,795,236
Unappropriated Balance	1,034,709	N/A	N/A
Municipal Court Special Revenue			
Resources	281,900	180,006	101,894
Expenditures	260,100	183,846	76,254
Unappropriated Balance	21,800	N/A	N/A
Miscellaneous Special Revenue			
Resources	92,742	24,049	68,694
Expenditures	92,742	79,949	12,793
Unappropriated Balance	-	N/A	N/A
Conference Center			
Resources	254,782	192,381	62,401
Expenditures	204,782	191,661	13,121
Unappropriated Balance	50,000	N/A	N/A
Christmas Express Special Revenue			
Resources	36,204	37,735	(1,531)
Expenditures	34,690	12,978	21,712
Unappropriated Balance	1,514	N/A	N/A
Law Enforcement Special Revenue			
Resources	107,606	43,759	63,847
Expenditures	94,606	55,192	39,414
Unappropriated Balance	13,000	N/A	N/A
Library Special Revenue			
Resources	57,200	22,461	34,739
Expenditures	44,000	3,858	40,142
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 June 30, 2017

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	1,181,516	1,237,418	55,902	5%
Expenditures	1,184,879	1,178,465	1,130,867	47,598	4%
Contingency/Unapp Balance	545,595	N/A	N/A	N/A	N/A
Utility Fund					
Resources	8,731,020	5,670,820	5,516,446	(154,374)	(3%)
Expenditures	7,956,020	7,521,280	7,293,739	227,541	3%
Contingency/Unapp Balance	775,000	N/A	N/A	N/A	N/A
HES Fund					
Resources	11,380,501	8,520,501	8,595,684	75,183	1%
Expenditures	8,561,346	8,239,285	8,072,576	166,709	2%
Contingency/Unapp Balance	2,819,155	N/A	N/A	N/A	N/A
Regional Water Fund					
Resources	1,425,560	717,060	661,172	55,888	8%
Expenditures	832,030	832,030	831,624	406	0%
Contingency/Unapp Balance	593,530	N/A	N/A	N/A	N/A

The Street fund finished the year \$56,000 ahead of projected revenues and \$47,600 under budgeted expenditures for a combined positive variance of \$103,500.

Revenues in the Utility Fund ended the year \$154,000 under projections. The effect on billings caused by the unusually snowy winter weather was being smoothed out up until April when revenues took another downturn. Staff researched this and found that temperatures in April 2017 were significantly and consistently lower than they were in April 2016 and rainfall was over three times higher in 2017 than 2016. Fortunately expenditures were enough under budget to more than offset the revenue shortfall.

The HES fund ended the year with both positive revenue and expenditure variances, a combined total of almost \$242,000.

The Regional Water fund also ended the year in positive territory at \$56,300.

Utility and HES Funds Report For the Month Ending June 30, 2017

Utility and HES Funds Report Reserve Balances

	Beginning Reserve	Ending Reserve	% Ending Reserve	Minimum Reserve Requirement	Difference
Utility Fund	1,684,832	1,207,951	15.2%	980,879	227,072
HES Fund	3,027,074	4,380,041	51.2%	1,055,508	3,324,533
Total	4,711,906	5,587,992	-	2,036,388	3,551,604

The reserve in the Utility Fund is \$981,000, a little more than \$227,000 above the required minimum. The HES Fund reserve at the end of June is \$4.4 million, also above the required minimum. The combined total reserve is \$5.6 million.

2016-17 Monthly Financial Report

City of Hermiston, Oregon

Capital Projects Report

For the Month Ending June 30, 2017

Capital Projects

	2016-2017 Budget	YTD Expenditures	LTD Budget	LTD Expenditures	% Complete
Airport GIS (AGIS) Mapping Project	\$ 300,000	\$ 82,091	\$ 300,000	\$ 82,091	27%
Harkenrider Center	2,713,100	309,275	2,830,160	417,579	15%
11th & Elm	813,710	51,500	813,710	51,500	6%
West Highland Trail	130,000	22,614	130,000	22,614	17%
Total	\$ 3,956,810	\$ 465,480	\$ 4,073,870	\$ 573,784	

Airport Improvements

The AGIS mapping project will provide highly accurate 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.

May/June Update: Precision Approach Engineering continues to work with Anderson Perry related to survey work for the AGIS mapping project. Expenditures for the 2016-17 fiscal year were \$82,091.

Harkenrider 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 grant has a required cash match of \$73,242 and must complete the project by spring of 2018. In June 2016, City Council added \$750,000 to the project for a 3,800 sf basement and elevator.

May/June Update: The City has expended about \$413,000 on the project life-to-date. The foundation walls were poured on June 30 and are currently being waterproofed. June expenditures were \$125,940.

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.

May/June Update: ODOT received no bids for the signal project at 11th & Elm. This is largely attributed to massive building projects taking place in the Portland Metro Region where regional labor economists forecast a current need of 10,000 jobs in the construction sector. No changes are planned for the design of the project. ODOT will re-bid the project this fall in the hopes of achieving a better bidding environment.

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.

May/June Update: No expenditures were made in June. Engineering and survey descriptions were developed. Descriptions of necessary easements to obtain were prepared and submitted to ODOT.

**2016-2017 Monthly Financial Report
City of Hermiston, Oregon
Investments
For the Month Ending June 30, 2017**

**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	Yield to
								Worst Call	Maturity (YTM)
3135G0G31	\$ 2,000,000	\$ 1,993,600	\$ 1,991,832	FNMA	Aaa/AA+	578	Y	1.28	1.28
76116FAA5	\$ 2,062,000	\$ 1,999,998	\$ 1,987,238	REFCORP	Aaa/AA+	837	N	0.95	0.95
3133EGLA1	\$ 1,000,000	\$ 1,001,020	\$ 988,555	FFCB	Aaa/AA+	927	Y	1.07	1.14
3137EADN6	\$ 1,000,000	\$ 978,757	\$ 997,903	FHLMC	Aaa/AA+	196	N	1.29	1.29
3130A9SY8	\$ 1,010,000	\$ 996,574	\$ 997,850	FHLB	Aaa/AA+	1,214	Y	1.72	1.72
US Agencies	\$ 7,072,000	\$ 6,969,949	\$ 6,963,378	---	---	---	---	---	---
LGIP	\$ 10,983,469	\$ 10,983,469	\$ 10,983,469	Varies	---/AA	1	N	1.31	1.31
LGIP	\$ 10,983,469	\$ 10,983,469	\$ 10,983,469	---	---	---	---	---	---
TOTAL	\$ 18,055,469	\$ 17,953,418	\$ 17,946,847	---	---	---	---	---	1.27

The City's investment in the LGIP increased \$4.4 million since April as a result of adding new accounts for the 2017 bond proceeds. This brings the year-end portfolio balance to \$18 million. The new accounts provided an additional \$8,300 in interest earnings for the City during May and June. During the 2016-17 fiscal year the portfolio earned approximately \$142,000.

Various Investment Parameters	With LGIP	Without LGIP	Maturity	Par Value	% of Total Portfolio	Type of Inv	Par Value	% of Total Portfolio
WTD Avg Days to Mat	290	290	< 90 Days	\$ 10,983,469	60.8%	US Agency	\$ 7,072,000	39.2%
Wtd Avg Yield to Mat	1.36%	1.23%	90 Days - 3 Yrs	\$ 6,062,000	33.6%	Other	\$ -	0.0%
Percent Callable	22.2%	56.7%	3 - 5 Yrs	\$ 1,010,000	5.6%	LGIP	\$ 10,983,469	60.8%
Wtd Avg Credit Rtnng	Aaa/AA+	Aaa/AA+		\$ 18,055,469	100.0%		\$ 18,055,469	100.0%

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.