
Monthly Financial Report



Includes the Hermiston Urban Renewal Agency

**Finance Department
September 2016
(Unaudited)**

2016-2017 Monthly Financial Report

Hermiston Urban Renewal Agency (HURA)

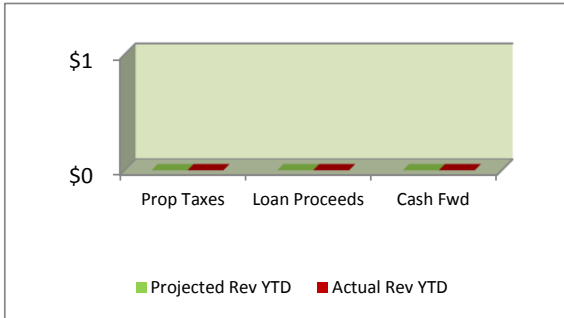
For the Month Ending September 30, 2016

Resources

Through September 30, 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%

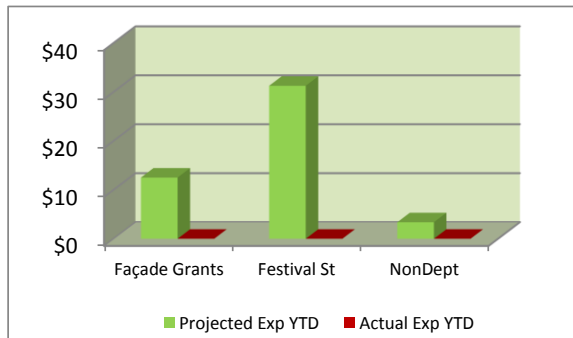
Note: variance is calculated as a percent of the projected revenue YTD.

Expenditures

Through September 30, 2016

by Character

(in \$1,000)



	Annual Proj Exp	Projected Exp YTD	Actual Exp YTD	Var Fav/ (Unfav)	% Var
Façade Grants	\$ 50	\$ 13	\$ -	\$ 13	100.0%
Festival St	125	31	-	31	98%
NonDept	14	3	-	3	94%
Res for Fut Exp	14	-	-	-	0%
Total	\$ 203	\$ 46	\$ -	\$ 46	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 September no revenues were received nor expenditures made.

2016-2017 Monthly Financial Report

City of Hermiston, Oregon

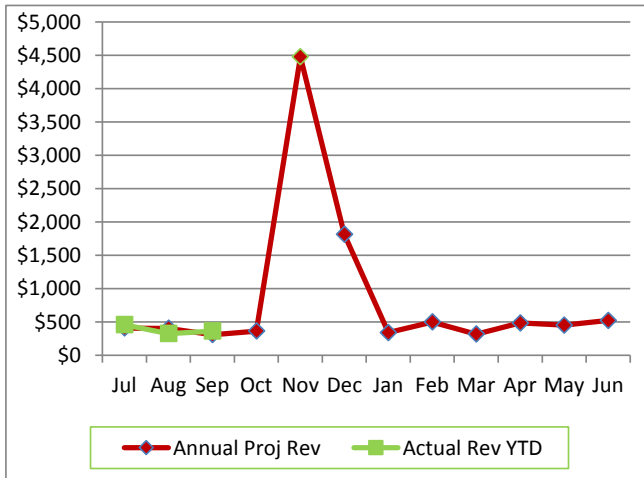
General Fund Resources

For the Month Ending September 30, 2016

Through September 30, 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				
Nov	4,475				
Dec	1,815				
Jan	340				
Feb	499				
Mar	317				
Apr	484				
May	453				
Jun	522				
Total	10,387	1,120	1,145	25	2%
Cash Fwd	4,800	-	-	-	0%
Total	\$ 15,187	\$ 1,120	\$ 1,145	\$ 25	2%

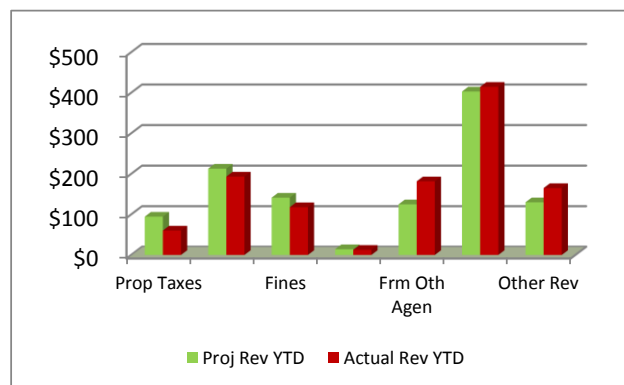
Estimated General Fund revenues for the 2016-17 fiscal year are \$10.4 million. Projected revenues through September were \$1.12 million with actual revenues of \$1.15 million, a variance of \$25,000. Property taxes, Licenses, Fines and Interest Earnings are collectively under projections by \$78,000 offset by a positive variance of \$103,000 collectively in receipts From Other Agencies, Service Charges and Other Revenue. There are several types of grants included in From Other Agencies that we have not yet received. Other Revenue includes a bond issue that is not expected to occur until next spring and repayment of an interfund loan which has not occurred yet either.

General Fund Revenue

Through September 30, 2016

by Category

(in \$1,000)



	Annual Proj Rev	Proj Rev YTD	Actual Rev YTD	Var Fav/ (Unfav)	% Var
Prop Taxes	\$ 5,202	\$ 94	\$ 60	\$ (34)	(36%)
Lic	851	213	193	(19)	(9%)
Fines	570	141	118	(23)	(17%)
Interest Rev	50	14	13	(1)	(11%)
Frm Oth Agen	499	125	182	57	45%
Svc Chgs	1,424	403	415	12	3%
Other Rev	1,791	130	165	35	27%
Cash Fwd	4,800	-	-	-	0%
Total	\$ 15,187	\$ 1,120	\$ 1,145	\$ 25	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

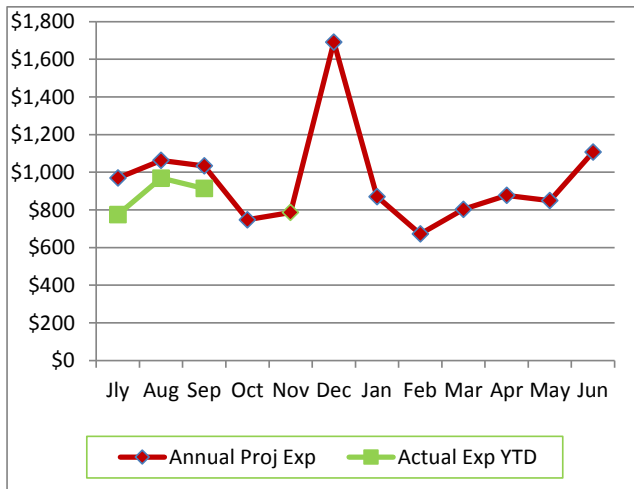
For the Month Ending September 30, 2016

General Fund Expenditure Summary

Through September 30, 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	\$ 1,034	\$ 1,034	\$ 914	\$ 120	12%
Oct	\$ 748				
Nov	\$ 786				
Dec	\$ 1,692				
Jan	\$ 871				
Feb	\$ 672				
Mar	\$ 804				
Apr	\$ 877				
May	\$ 849				
Jun	\$ 1,107				
Total	11,472	3,066	2,658	408	13%
Unapp	3,715	-	-	-	0%
Total	\$ 15,187	\$ 3,066	\$ 2,658	\$ 408	13%

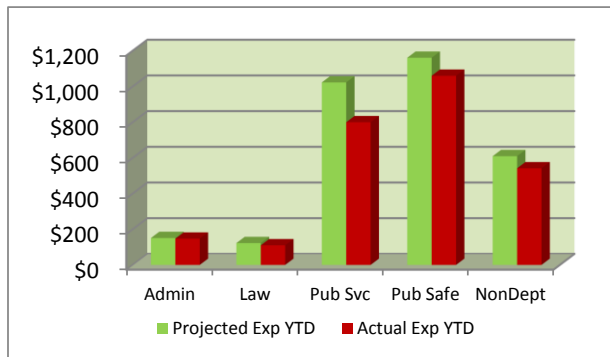
Projected General Fund expenditures through September were \$3.1 million and actual expenditures were \$2.7 million, a variance of \$408,000. Public Services and Public Safety had the highest savings at \$223,000 and \$101,000 respectively.

General Fund Expenditures

Through September 30, 2016

by Consolidated Department

(in \$1,000)



	Annual Proj Exp	Projected Exp YTD	Actual Exp YTD	Var Fav/ (Unfav)	% Var
Admin	\$ 564	151	147	\$ 4	2%
Law	497	122	110	12	10%
Pub Svc	3,139	1,023	800	223	22%
Pub Safe	4,517	1,161	1,060	101	9%
NonDept	6,470	609	541	68	11%
Unapp	-	-	-	-	0%
Total	\$ 15,187	\$ 3,066	\$ 2,658	\$ 408	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 September 30, 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	24,526	24,026	500	2%
City Manager/Planning	438,624	105,944	105,917	27	0%
Finance	79,295	20,144	17,092	3,052	15%
Total Admin & Finance	563,638	150,613	147,035	3,578	2%
Legal	83,700	20,624	18,155	2,469	0%
Court	413,186	101,540	91,634	9,906	10%
Total Dept of Law	496,886	122,163	109,789	12,374	10%
Transportation	248,300	68,077	31,977	36,100	53%
Airport	252,450	92,282	53,001	39,282	43%
Bldg Inspection	355,617	88,628	88,112	516	1%
Parks	490,819	140,820	131,239	9,581	7%
Parks/Utility Landscaping	39,475	9,869	7,256	2,613	26%
Pool	433,333	268,653	192,738	75,915	28%
Municipal Buildings	18,500	6,628	6,724	(96)	(1%)
Library	734,775	182,921	143,183	39,738	22%
Recreation	565,808	164,908	145,446	19,462	12%
Total Public Services	3,139,077	1,022,786	799,676	223,111	22%
Public Safety Center	82,000	23,387	15,565	7,822	33%
Police Operations	4,434,616	1,137,546	1,044,447	93,099	8%
Total Public Safety	4,516,616	1,160,933	1,060,012	100,921	9%
Non-Departmental	2,756,190	609,354	541,357	67,997	11%
Unappropriated	3,714,718	0	0	0	0%
Total Non-Dept	6,470,908	609,354	541,357	67,997	11%
Total	15,187,125	3,065,850	2,657,869	407,981	13%

Within the Public Services category, the Pool had the greatest amount of savings dollar-wise at \$76,000. followed by the Library at almost \$40,000 and the Airport at \$39,000. Savings in the Library are mainly due to unspent budget for building repairs and maintenance and other contractual services. The larger fuel tank installed at the Airport allowed them to purchase a larger inventory at the end of June so they have not yet incurred a cost for that this fiscal year. Police Operations had savings of \$93,000 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

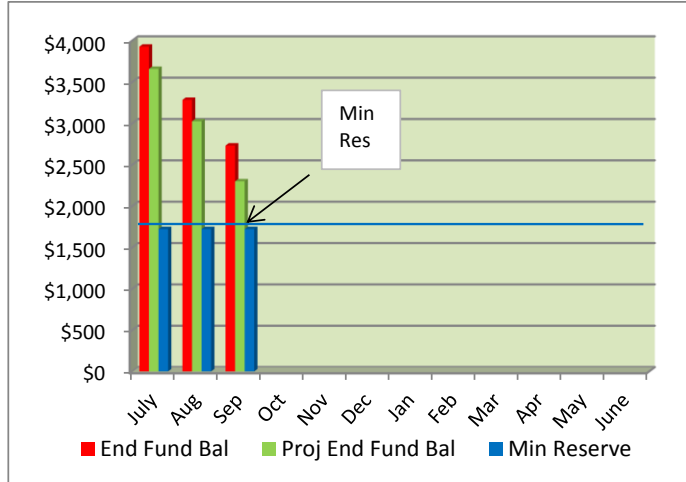
For the Month Ending September 30, 2016

General Fund

Through September 30, 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					
Nov					
Dec					
Jan					
Feb					
Mar					
Apr					
May					
June					
Total	\$ 4,244	\$ 1,145	\$ (2,658)	\$ 2,731	\$ 2,298

As of the end of September the fund balance in the General Fund was \$2.7 million, which is \$1 million above the minimum reserve.

2016-2017 Monthly Financial Report

Special Revenue Funds Report

For the Month Ending September 30, 2016

Special Revenue Funds Resources & Requirements

	2016-17 Annual Budget	Actual YTD	Remaining Budget
Bonded Debt Fund			
Resources	699,925	193,326	506,599
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	149,997	617,863
Unappropriated Balance	62,600	N/A	N/A
Reserve Fund			
Resources	6,330,090	625,315	5,704,775
Expenditures	5,337,317	359,135	4,978,182
Unappropriated Balance	992,773	N/A	N/A
Municipal Court Special Revenue			
Resources	281,900	54,056	227,844
Expenditures	260,100	54,519	205,581
Unappropriated Balance	21,800	N/A	N/A
Miscellaneous Special Revenue			
Resources	35,000	5,751	29,249
Expenditures	35,000	5,767	29,233
Unappropriated Balance	-	N/A	N/A
Conference Center			
Resources	237,525	45,769	191,756
Expenditures	187,525	33,094	154,431
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	5,334	73,546
Expenditures	65,880	27,646	38,234
Unappropriated Balance	13,000	N/A	N/A
Library Special Revenue			
Resources	57,200	5,565	51,635
Expenditures	44,000	705	43,295
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 September 30, 2016

Utility and Street Funds Report

Resources & Expenditures

	2016-17 Annual			Variance	
	Budget	Projected YTD	Actual YTD	Fav/(Unfav)	% Variance
Street Fund					
Resources	1,730,474	250,000	259,273	9,273	4%
Expenditures	1,184,879	344,720	329,030	15,690	5%
Contingency/Unapp Balance	545,595	N/A	N/A	N/A	N/A

Utility Fund					
Resources	7,310,820	1,698,896	1,708,703	9,807	1%
Expenditures	6,535,820	1,709,478	2,554,093	(844,615)	(49%)
Contingency/Unapp Balance	775,000	N/A	N/A	N/A	N/A

HES Fund					
Resources	11,970,249	2,422,738	2,117,802	(304,936)	(13%)
Expenditures	9,151,094	2,645,279	2,550,317	94,962	4%
Contingency/Unapp Balance	2,819,155	N/A	N/A	N/A	N/A

Regional Water Fund					
Resources	1,317,060	199,709	249,515	49,806	25%
Expenditures	723,530	180,883	168,415	12,468	7%
Contingency/Unapp Balance	593,530	N/A	N/A	N/A	N/A

Revenues in the Street fund are \$9,300 above projections through September, a 4% variance. Expenditures are about \$16,000 less than expected providing an overall favorable variance of approximately \$25,000.

Revenues in the Utility Fund are almost right on target with projections while expenditures are about \$845,000 over projections. As mentioned last month, this is due to costs related to draining the sludge lagoon which were budgeted in 2015-16 but not expended until after the close of the fiscal year. This will be brought to Council in November to request re-appropriation for it.

HES revenues continue to come in lower than estimates. Through September they are down by \$305,000. As noted last month, this is likely due to temperature fluctuations between last year and this year. Expenditures are under projections by about \$95,000 for a net variance of \$210,000.

Regional Water revenues are nearly \$50,000 higher than expected and expenditures are \$12,500 lower than projected.

2016-2017 Monthly Financial Report

Utility and HES Funds Report

For the Month Ending September 30, 2016

Utility and HES Funds Report

Reserve Balances

	Beginning Reserve	Ending Reserve	% Ending Reserve	Minimum Reserve Requirement	Difference
Utility Fund	3,445,748	1,157,247	17.7%	805,786	351,461
HES Fund	3,531,269	3,367,562	36.8%	1,128,217	2,239,345
Total	6,977,017	4,524,809	-	1,934,003	2,590,806

The reserve in the Utility Fund dropped from \$1.6 million last month to \$1.2 million in September reflecting the costs to drain the lagoon. The reserve is \$351,500 above the minimum. The HES Fund is \$2.2 million above the minimum at \$3.4 million. The funds combined total reserve is approximately \$4.5 million.

2016-17 Monthly Financial Report

City of Hermiston, Oregon

Capital Projects Report

For the Month Ending September 30, 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	30,583	2,823,360	138,887	0%
11th & Elm	813,710	15,000	813,710	15,000	0%
West Highland Trail	130,000	-	130,000	-	0%
Total	\$ 4,293,360	\$ 183,436	\$ 7,329,070	\$ 3,159,582	

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 \$139,000 on design, survey and appraisal costs.

September Update: The plan review will be completed in November and awarded in December 2016.

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.

September Update: \$15,000 has been expended to date on right of way costs.

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

September Update: The IGA is being presented to Council in October for approval.

2016-2017 Monthly Financial Report
City of Hermiston, Oregon
Investments
For the Month Ending September 30, 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	\$ 2,000,004	FNMA	Aaa/AA+	851	Y	1.28	1.28
76116FAA5	\$ 2,062,000	\$ 1,999,998	\$ 1,995,985	REFCORP	Aaa/AA+	1,110	N	0.95	0.95
3133EGLA1	\$ 1,000,000	\$ 1,001,020	\$ 996,932	FFCB	Aaa/AA+	1,200	Y	1.07	1.14
3137EADN6	\$ 1,000,000	\$ 978,757	\$ 999,645	FHLMC	Aaa/AA+	469	N	1.29	1.29
3135G0GY3	\$ 1,000,000	\$ 1,013,901	\$ 1,002,753	FNMA	Aaa/AA+	122	N	0.78	0.78
US Agencies	\$ 7,062,000	\$ 6,987,276	\$ 6,995,319	---	---	---	---	---	---
LGIP	\$ 7,613,787	\$ 7,613,787	\$ 7,613,787	Varies	---/AA	1	N	0.88	0.88
LGIP	\$ 7,613,787	\$ 7,613,787	\$ 7,613,787	---	---	---	---	---	---
TOTAL	\$ 14,675,787	\$ 14,601,063	\$ 14,609,106	---	---	---	---	---	---

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	\$ 7,613,787	51.9%	US Agency	\$ 7,062,000	48.1%	WTD Avg Days to Mat	394	394
90 Days - 3 Yrs	\$ 4,000,000	27.3%	Other	\$ -	0.0%	Wtd Avg Yield to Mat	0.98%	1.09%
3 - 5 Yrs	\$ 3,062,000	20.9%	LGIP	\$ 7,613,787	51.9%	Percent Callable	20.4%	42.5%
	\$ 14,675,787	100.0%		\$ 14,675,787	100.0%	Wtd Avg Credit Rtng	Aaa/AA+	Aaa/AA+