

Monthly Financial Report



Includes the Hermiston Urban Renewal Agency

Finance Department
April 2015

2014-2015 Monthly Financial Report

Hermiston Urban Renewal Agency (HURA)

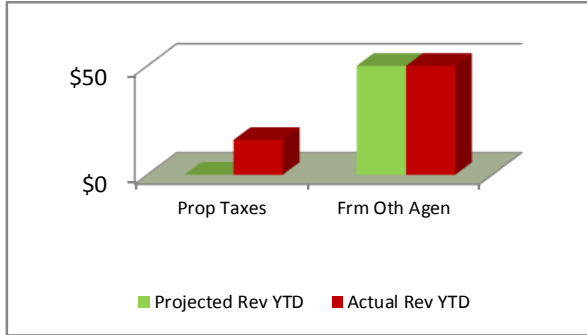
For the Month Ending April 30, 2015

Revenues

Through Apr 30, 2015

by Category

(in \$1,000)



	Annual Proj Rev	Projected Rev YTD	Actual Rev YTD	Var Fav/ (Unfav)	% Var
Prop Taxes	\$ -	\$ -	\$ 16	\$ 16	0%
Frm Oth Agen	50	50	50	-	0%
Total	\$ 50	\$ 50	\$ 66	\$ 16	32%

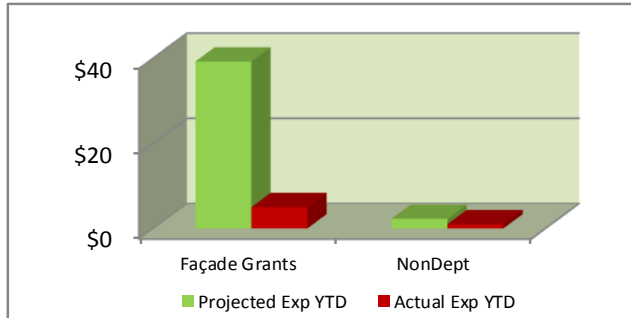
Note: variance is calculated as a percent of the projected revenue YTD.

Expenditures

Through Apr 30, 2015

by Character

(in \$1,000)



	Annual Proj Exp	Projected Exp YTD	Actual Exp YTD	Var Fav/ (Unfav)	% Var
Façade Grants	\$ 47	\$ 39	\$ 5	\$ 34	87%
NonDept	3	2	1	1	56%
Total	\$ 50	\$ 40	\$ 6	\$ 34	85%

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

Little activity occurred in April with the Urban Renewal Agency. Revenues year-to-date remain at \$66,000 and expenditures at \$6,000.

2014-2015 Monthly Financial Report

City of Hermiston, Oregon

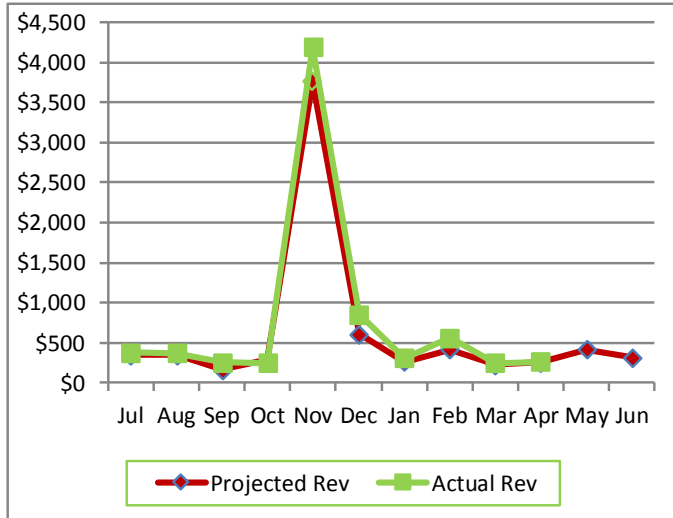
General Fund Revenue

For the Month Ending April 30, 2015

Through Apr 30, 2015

(in \$1,000)

All Revenue Sources



	Projected Rev	Projected Rev YTD	Actual Rev	Var Fav/ (Unfav)	% Var
Jul	\$ 344	\$ 344	\$ 377	\$ 34	10%
Aug	347	347	369	22	6%
Sep	161	161	255	94	59%
Oct	281	281	248	(33)	-12%
Nov	3,751	3,751	4,191	439	12%
Dec	607	607	855	247	41%
Jan	265	265	305	40	15%
Feb	415	415	561	146	35%
Mar	219	219	247	28	13%
Apr	253	253	264	12	5%
May	412	-	-	-	-
Jun	316	-	-	-	-
Total	7,370	6,643	7,671	1,029	15%
Cash Fwd	1,676	1,676	1,676	-	0%
Total	\$ 9,047	\$ 8,319	\$ 9,348	\$ 1,029	12%

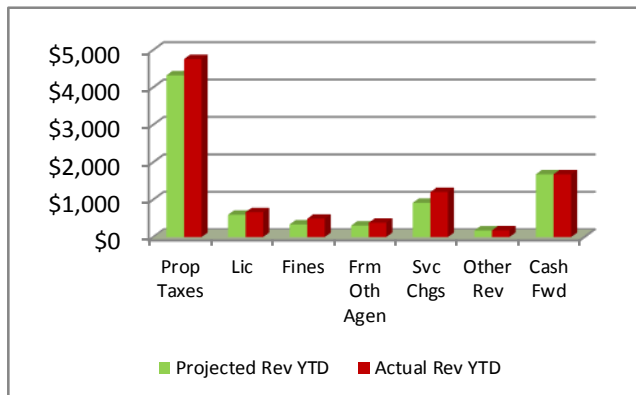
Note: variance is calculated as a percent of the projected revenue YTD.

General Fund revenues are a little over \$1 million higher than projections through the end of April. As noted in previous months, this is due to conservative budgeting. The City has already collected over \$300,000 in excess of the revenue estimate for the fiscal year. \$256,000 of this is in Property Taxes and \$89,000 is in Fines.

General Fund Revenue by Category

Through Apr 30, 2015

(in \$1,000)



	Projected Rev	Projected Rev YTD	Actual Rev YTD	Var Fav/ (Unfav)	% Var
Prop Taxes	\$ 4,500	\$ 4,319	\$ 4,756	\$ 437	10%
Lic	695	595	663	68	11%
Fines	400	335	489	154	46%
Frm Oth Agen	376	306	383	77	25%
Svc Chgs	1,223	913	1,201	288	32%
Other Rev	177	174	178	5	3%
Cash Fwd	1,676	1,676	1,676	-	0%
Total	\$ 9,047	\$ 8,319	\$ 9,348	\$ 1,029	12%

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

2014-2015 Monthly Financial Report

City of Hermiston, Oregon General Fund Expenditures

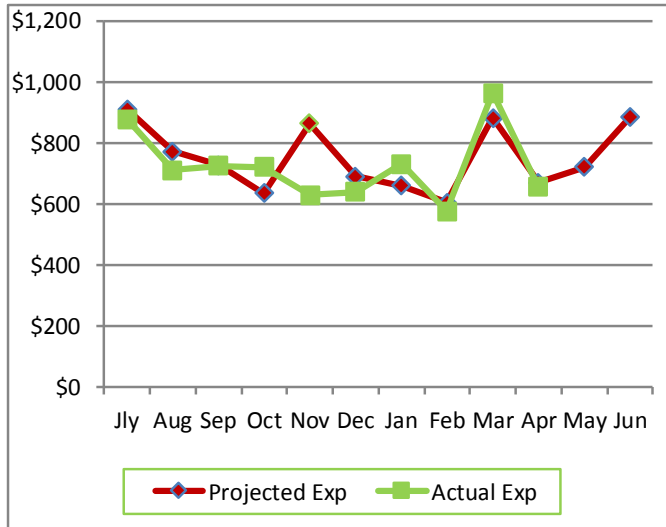
For the Month Ending April 30, 2015

General Fund Expenditure Summary

Through Apr 30, 2015

All Requirements

(in \$1,000)



	Projected Exp	Projected Exp YTD	Actual Exp	Var Fav/ (Unfav)	% Var
Jly	\$ 910	\$ 910	\$ 878	\$ 32	4%
Aug	773	773	712	\$ 61	8%
Sep	727	727	725	\$ 2	0%
Oct	636	636	721	\$ (85)	(13%)
Nov	861	861	630	\$ 231	27%
Dec	691	691	640	\$ 51	7%
Jan	659	659	732	\$ (72)	(11%)
Feb	605	605	577	\$ 28	5%
Mar	881	881	964	\$ (83)	(9%)
Apr	670	670	655	\$ 15	2%
May	721	-	-	-	-
Jun	887	-	-	-	-
Total	9,022	7,414	7,233	181	2%
Unapp	25	-	-	-	0%
Total	\$ 9,047	\$ 7,414	\$ 7,233	\$ 181	2%

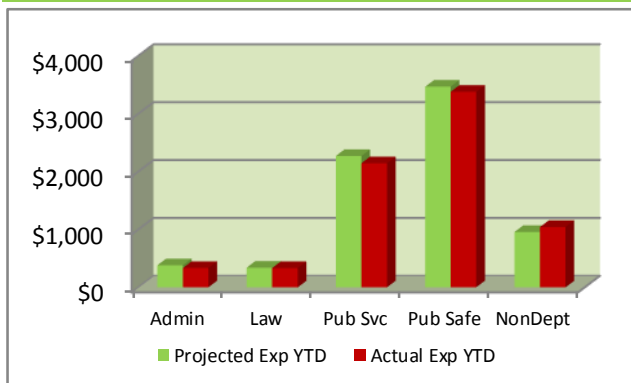
The positive variance in expenditures increased slightly from \$166,000 in March to \$181,000 in April. Public Services accounts for \$128,000 of the variance with Public Safety and Administration adding \$88,000 and \$46,000 respectively. Non-Department's unfavorable variance grew \$10,000 from \$77,000 in March to \$87,000 in April.

General Fund Expenditures

Through Apr 30, 2015

by Consolidated Department

(in \$1,000)



	Annual Proj Exp	Projected Exp YTD	Actual Exp YTD	Var Fav/ (Unfav)	% Var
Admin	\$ 469	382	335	\$ 46	12%
Law	411	339	334	\$ 6	2%
Pub Svc	2,775	2,270	2,144	\$ 128	6%
Pub Safe	4,183	3,467	3,377	\$ 88	3%
NonDept	1,184	956	1,043	\$ (87)	(9%)
Unapp	25	-	-	-	0%
Total	\$ 9,047	\$ 7,414	\$ 7,233	\$ 181	2%

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

2014-2015 Monthly Financial Report

General Fund Expenditure Detail For the Month Ending April 30, 2015

General Fund Expenditures by Department

	Annual Projected Exp	Projected Exp YTD	Actual Exp YTD	Var Fav/ (Unfav)	% Var Fav/ (Unfav)
City Council	\$ 32,400	\$ 27,995	\$ 18,962	\$ 9,033	32%
City Manager/Planning	370,355	\$ 297,986	272,659	25,327	8%
Finance	66,650	\$ 55,552	43,574	11,978	22%
Total Admin & Finance	469,405	381,532	335,195	46,338	12%
Legal	186,300	152,056	146,686	5,370	4%
Court	224,600	187,436	187,167	269	0%
Total Dept of Law	410,900	339,492	333,853	5,639	2%
Transportation	188,375	157,159	134,023	23,136	15%
Airport	273,300	229,017	207,560	21,457	9%
Bldg Inspection	334,300	275,972	269,988	5,984	2%
Parks	442,300	356,708	343,467	13,241	4%
Pool	375,350	285,449	276,520	8,929	3%
Municipal Buildings	11,400	8,873	9,568	(695)	(8%)
Library	642,800	534,331	494,912	39,419	7%
Recreation	416,500	346,222	335,822	10,400	3%
Conference Center	90,900	76,694	71,829	4,865	6%
Total Public Services	2,775,225	2,270,426	2,143,689	126,737	6%
Public Safety Center	87,500	76,109	66,198	9,911	13%
Police Operations	4,095,290	3,390,778	3,311,190	79,588	2%
Total Public Safety	4,182,790	3,466,887	3,377,388	89,499	3%
Non-Departmental	1,183,473	955,958	1,043,209	(87,251)	(9%)
Unappropriated	25,000	-	-	-	-
Total Non-Dept	1,208,473	955,958	1,043,209	(87,251)	(9%)
Total	\$ 9,046,793	\$ 7,414,295	\$ 7,233,334	\$ 180,961	2%

In addition to Non-Departmental, Municipal Buildings is over projections, albeit a very small amount. As expected the variance is beginning to correct itself. Last month the variance was \$857; this month it is \$695.

The bulk of the budget in Non-Departmental is for transfers and contracted services. All but one of the transfers have been made and remaining expenditures will be watched carefully for the rest of the fiscal year to ensure they finish within budget.

2014-2015 Monthly Financial Report

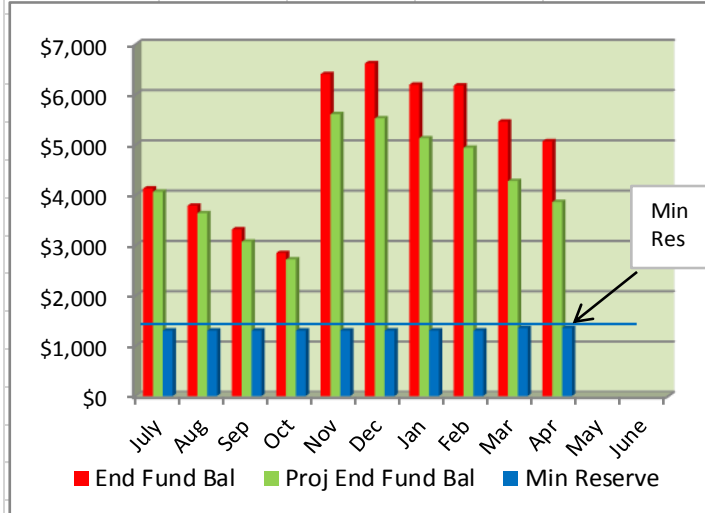
Fund Balance - General Fund For the Month Ending April 30, 2015

General Fund

Through Apr 30, 2015

Ending Fund Balance

(in \$1,000)



	Begin Fund Bal	Rev	Exp	End Fund Bal	Proj End Fund Bal
July	\$ 4,630	\$ 377	\$ (878)	\$ 4,129	\$ 4,064
Aug	4,129	369	(712)	\$ 3,786	\$ 3,638
Sep	3,786	255	(725)	\$ 3,316	\$ 3,071
Oct	3,316	248	(721)	\$ 2,843	\$ 2,717
Nov	2,843	4,191	(630)	6,404	\$ 5,607
Dec	6,404	855	(640)	6,619	\$ 5,523
Jan	6,619	305	(732)	6,192	\$ 5,128
Feb	6,192	560	(577)	6,175	\$ 4,938
Mar	6,175	247	(964)	5,458	\$ 4,276
Apr	5,458	264	(655)	5,067	\$ 3,859
May					
June					
Total	\$ 4,630	\$ 7,670	\$ (7,233)	\$ 5,067	\$ 3,859

Minimum Reserve = \$1,353,269

* Corrected

The City Council has established a minimum reserve for the General Fund of 15% of budgeted annual operating expenditures. Factoring in the expenditures added through the supplemental budget, the minimum reserve for 2014-15 is \$1,353,269. The fund balance is \$5.1 million at the end of April compared to the projected fund balance of \$3.8 million. Fund balance has increased \$437,000 since the beginning of the fiscal year.

2014-2015 Monthly Financial Report

Special Revenue Funds Report For the Month Ending April 30, 2015

Special Revenue Funds Revenues and Expenditures

	2014-15		Remaining
	Annual Budget	Actual YTD	Budget
Bonded Debt Fund			
Revenues	2,590,560	1,820,052	770,508
Expenditures	2,590,560	1,836,366	754,194
Transient Room Tax (TRT)			
Revenues	70,000	71,288	(1,288)
Expenditures	70,000	53,665	16,335
Recreation Special Revenue			
Revenues	279,200	295,997	(16,797)
Expenditures	279,200	135,828	143,372
Reserve Fund			
Revenues	6,606,227	5,986,300	619,927
Expenditures	6,606,227	1,297,403	5,308,824
Municipal Court Special Revenue			
Revenues	200,000	172,725	27,275
Expenditures	200,000	166,471	33,529
Miscellaneous Special Revenue			
Revenues	35,000	21,557	13,443
Expenditures	35,000	11,763	23,237
Conference Center			
Revenues	158,350	131,279	27,071
Expenditures	158,350	125,145	33,205
WWTP Construction Fund			
Revenues	4,000,000	4,918,630	(918,630)
Expenditures	4,000,000	1,022,566	2,977,434
EOTEC Grant Fund			
Revenues	6,000,000	6,000,000	-
Expenditures	6,000,000	710,908	5,289,092
Law Enforcement Special Revenue			
Revenues	78,814	73,573	5,241
Expenditures	78,814	39,368	39,446
Library Special Revenue			
Revenues	48,500	45,531	2,969
Expenditures	48,500	22,193	26,307
2014 Water & Sewer Rev Bonds			
Revenues	5,300,000	17,141	5,282,859
Expenditures	5,300,000	3,237,409	2,062,591
Senior Center Const			
Revenues	2,073,360	73,360	2,000,000
Expenditures	2,073,360	-	2,073,360

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.

The WWTP Construction Fund has received \$918,630 more than was estimated to be received. This is because several reimbursements received this fiscal year from the State Revolving Loan Fund were for expenditures that were made last fiscal year.

The Senior Center Construction Fund was added as part of the Supplemental Budget. Resources include \$2M from a CDBG grant and \$73,360 in matching funds from the City.

2014-2015 Monthly Financial Report

Utility and Street Funds Report

For the Month Ending April 30, 2015

Utility and Street Funds Report

Revenues & Expenditures

	2014-15 Annual			Variance	
	Budget	Budget YTD	Actual YTD	Fav/(Unfav)	% Variance
<u>Street Fund</u>					
Revenues	1,238,000	969,173	1,002,827	33,654	3.5%
Expenditures	1,238,000	1,016,135	964,648	51,487	5.1%
	-	(46,962)	38,179	85,141	---
<u>Utility Fund</u>					
Revenues	4,965,460	4,177,017	4,381,222	204,205	4.9%
Expenditures	4,965,460	3,638,682	3,569,743	68,939	1.9%
	-	538,335	811,479	273,144	---
<u>HES Fund</u>					
Revenues	9,154,878	7,867,128	8,097,868	230,740	2.9%
Expenditures	9,154,878	7,868,462	7,360,811	507,651	6.5%
	-	(1,334)	737,057	738,391	---
<u>Regional Water Fund</u>					
Revenues	\$ 593,566	\$ 534,118	\$ 602,802	\$ 68,684	12.9%
Expenditures	593,566	549,910	552,976	(3,066)	(0.6%)
	-	(15,792)	49,826	65,618	---

These funds are used to account for the City's business-type activities. The **Street Fund** accounts for gas tax revenues, which continue to come in higher than projections. As of the end of April the variance is 3.5%. Expenditures also show a positive variance but they are expected to pick up as the spring weather allows for more maintenance work to occur.

In the **Utility Fund** revenues in **Wastewater** are about \$21,000 lower than expected while **Water** revenues are \$159,000 above projections. Expenditures in Wastewater are almost right on target; Water expenditures are below projections by about 2%.

Revenues in the **HES Fund** are ahead of projections by almost \$231,000, while expenditures are 6.5% below projections. The utility has \$1.2 million unexpended in power purchases and \$250,000 unexpended in contract payments to UEC. These two items make up the majority of the positive variance.

As of the end of April, all of the **Regional Water Fund's** budgeted revenues have been received. The fund received \$27,000 in insurance proceeds for a damaged vehicle and \$30,000 from Simplot for their contribution to the water line project. Expenditures in the fund are very close to projections giving the utility an overall positive variance of almost \$50,000.

2014-2015 Monthly Financial Report

Utility and HES Funds Report

For the Month Ending April 30, 2015

Utility and HES Funds Report

Reserve Balances

	Beginning Reserve	Ending Reserve	% Ending Reserve	Minimum Reserve Requirement	Difference
Utility Fund	3,244,877	4,005,763	80.7%	612,180	3,393,583
HES Fund	4,329,711	3,484,167	38.1%	1,128,684	2,355,483
Total	7,574,588	7,489,930	-	1,740,864	5,749,066

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 approximately \$612,000 for the Utility Fund and \$1.1 million for the HES Fund. Both funds have balances well above their minimum reserve levels for a total reserve of \$7 million. The City is still in the process of reviewing appropriate reserve levels for both funds.

2014-2015 Monthly Financial Report

City of Hermiston, Oregon

Capital Projects Report

For the Month Ending April 30, 2015

Capital Projects

	2014-15 Budget	YTD Expenditures	LTD Budget	LTD Expenditures	% Complete
Airport Improvements	\$ 650,000	\$ 144,129	\$ 650,000	\$ 144,129	*See Below
Eastern OR Trade & Event Ctr (EOTEC) Pipeline	1,800,000	625,923	1,800,000	625,923	50%
EOTEC Construction	6,000,000	710,908	6,400,000	1,067,234	0%
Recycled Water Treatment Plant (RWTP)	5,100,000	4,259,975	28,200,000	8,752,860	100%
RWTP Outfall	2,500,000	1,045,199	2,500,000	1,045,199	87%
Water Line Extension	1,250,000	35,286	1,250,000	89,786	0%
Total	\$17,300,000	\$ 6,821,420	\$40,800,000	\$11,725,131	---

Major capital projects for the 2014-15 fiscal year include the taxiway realignment at the Airport, extending the water distribution system and sanitary sewer collection system to the new EOTEC facility, continued development and construction of the EOTEC facility, and a major water line extension from the Regional Water Plant to South 1st Street. In addition, upgrades at the Recycled Water Treatment Plant (RWTP) were completed with only minor items remaining to take care of.

Airport Improvements

Staff and the engineers from Precision Approach Engineers met with the FAA Project Manager on April 7 to review the preliminary design and all agreed to a May 1 advertisement date. PAE submitted 90% design documents to the FAA on April 24 for review. PAE needs approximately a week to incorporate FAA comments before advertising.

For FAA funding purposes, this project was broken into two pieces – Design and Construction. The Design portion uses the City’s normal Non-Primary Entitlement grant funds. The Construction portion will use FAA discretionary grant funding. Further information is provided in the table below.

Funding Source	Budgeted Amount	Expended to Date	Percent Complete
FAA NPE Design Grant	\$300,000	\$181,476	60%
Connect Oregon Grant	\$300,000	\$14,336	7%
FAA Discretionary Grant	Contingent upon bids	\$0	0%
City of Hermiston	\$0	\$0	0%

2014-2015 Monthly Financial Report

City of Hermiston, Oregon
Capital Projects Report
For the Month Ending April 30, 2015

EOTEC Pipeline

This project will extend the water distribution system and sanitary sewer collection system to the new EOTEC facility. It also includes construction of a sanitary sewer pump station and force main on the EOTEC site that will be owned and operated by the City of Hermiston. Work is being done to complete the pump station and overall project construction is approximately 50% complete.



EOTEC Facility Design and Construction

Site work on the facility is well under way including the access road, which is almost complete. The Board approved a final design for the event center on May 19th keeping the project on schedule to be completed by May 2016. Construction of the building is expected to start mid- to late June.

RWTP Outfall

The Outfall, the final piece of the Recycled Water Treatment Plant project, is nearing completion. Construction began in mid-January 2015 and the West Extension canal outlet structure is complete. The “in-water” portion of the work will be done in the summer of 2015 and the project is on schedule to be complete in the early fall of 2015.



Water Line Extension

This project is for construction of a water main from the Regional Water System’s treatment plant which will enhance the city’s water-delivery capabilities. The pre-construction meeting has been held and construction is expected to be underway by the end of May.

**2014-15 Monthly Financial Report
City of Hermiston, Oregon
Investments
For the Month Ending April 30, 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	\$ 2,000,514	FNMA	Aaa/AA+	830	Y	1.37	1.37
3134G35P1	\$ 1,000,000	\$ 979,970	\$ 1,000,431	FHLMC	Aaa/AA+	1,048	Y	1.71	1.71
3135G0QK2	\$ 2,000,000	\$ 1,985,750	\$ 1,989,316	FFCB	Aaa/AA+	1,618	Y	1.71	1.71
313381UZ6	\$ 1,000,000	\$ 985,720	\$ 994,788	FHLB	---	1,001	Y	1.31	1.31
3137EADN6	\$ 1,000,000	\$ 978,757	\$ 1,000,043	FHLMC	Aaa/AA+	988	N	1.29	1.29
3135G0GY3	\$ 1,000,000	\$ 1,013,901	\$ 1,010,964	FNMA	Aaa/AA+	641	N	0.78	0.78
US Agencies	\$ 8,000,000	\$ 7,904,598	\$ 7,996,056	---	---	---	---	---	---
LGIP ^{(1) (2)}	\$ 12,378,676	\$ 12,378,676	\$ 12,378,676	Varies	---/AA	1	N	0.50	0.50
LGIP	\$ 12,378,676	\$ 12,378,676	\$ 12,378,676	---	---	---	---	---	---
TOTAL	\$ 20,378,676	\$ 20,283,274	\$ 20,374,732	---	---	---	---	---	---

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	\$ 12,378,676	60.7%	US Agency	\$ 8,000,000	39.3%	WTD Avg Maturity	421 Days	421 Days
90 Days - 3 Yrs	\$ 5,000,000	24.5%	Corporate	\$ -	0.0%	Wtd Avg Yield to Maturity	0.86%	1.41%
3 - 5 Yrs	\$ 3,000,000	14.7%	LGIP	\$ 12,378,676	60.7%	Percent Callable	29.4%	39.1%
	\$ 20,378,676	100.0%		\$ 20,378,676	100.0%	Wtd Avg Credit Rating	Aaa/AA+	Aaa/AA+