

# Monthly Financial Report



*Includes the Hermiston Urban Renewal Agency*

Finance Department  
January 2015

# 2014-2015 Monthly Financial Report

## Hermiston Urban Renewal Agency (HURA)

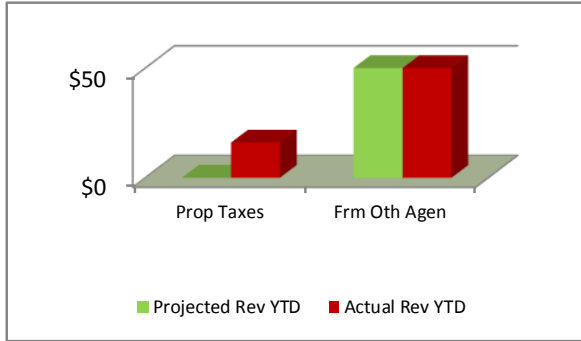
### For the Month Ending January 31, 2015

#### Revenues

Through Jan 31, 2015

by Category

(in \$1,000)



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

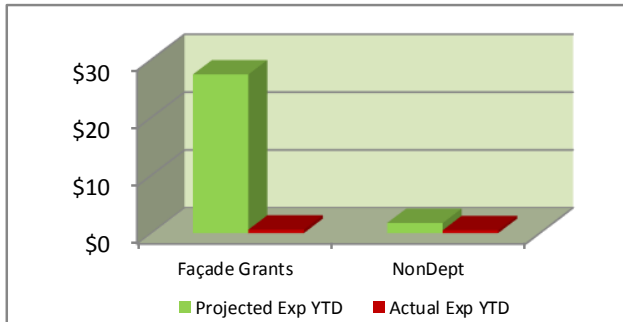
**Note:** variance is calculated as a percent of the projected revenue YTD.

#### Expenditures

Through Jan 31, 2015

by Character

(in \$1,000)



	Annual Proj Exp	Projected Exp YTD	Actual Exp YTD	Var Fav/ (Unfav)	% Var
Façade Grants	\$ 47	\$ 27	\$ 1	\$ 27	98%
NonDept	3	2	1	1	71%
<b>Total</b>	<b>\$ 50</b>	<b>\$ 30</b>	<b>\$ 2</b>	<b>\$ 28</b>	<b>93%</b>

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

Because this is the first fiscal year for the HURA no tax increment revenues were included in the budget. The revenue for the Agency was budgeted to come from a loan of \$50,000 from the City of Hermiston. As of the end of January 2015 the Agency has received \$16,000 in tax revenues. One façade grant totaling approximately \$600 has been paid for a roof replacement. One additional grant has been approved but the grantee has not yet requested reimbursement.

# 2014-2015 Monthly Financial Report

City of Hermiston, Oregon

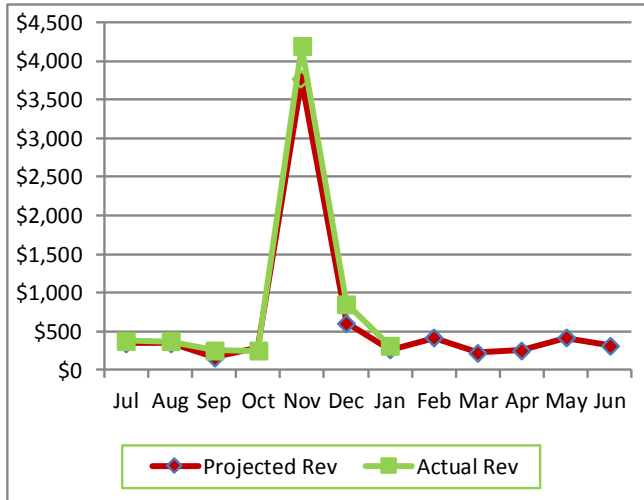
General Fund Revenue

For the Month Ending January 31, 2015

Through Jan 31, 2015

All Revenue Sources

(in \$1,000)



	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				
Mar	219				
Apr	253				
May	412				
Jun	316				
<b>Total</b>	<b>7,370</b>	<b>5,756</b>	<b>6,599</b>	<b>843</b>	<b>15%</b>
Cash Fwd	1,340	1,340	1,340	-	0%
<b>Total</b>	<b>\$ 8,710</b>	<b>\$ 7,096</b>	<b>\$ 7,939</b>	<b>\$ 843</b>	<b>12%</b>

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

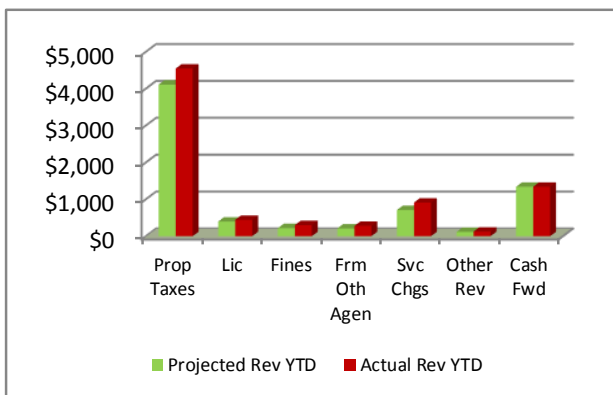
General Fund revenues collected through January are \$843,000 higher than projections. Property Taxes account for a little over half of the variance with Fines, receipts From Other Agencies and Service Charges making up the majority of the remainder. The variance is mostly reflective of the City's conservative budget approach.

## General Fund Revenue

by Category

Through Jan 31, 2015

(in \$1,000)



	Projected Rev	Projected Rev YTD	Actual Rev YTD	Var Fav/ (Unfav)	% Var
Prop Taxes	\$ 4,500	\$ 4,109	\$ 4,545	\$ 436	11%
Lic	695	396	443	47	12%
Fines	400	219	300	81	37%
Frm Oth Agen	376	209	279	69	33%
Svc Chgs	1,223	709	909	201	28%
Other Rev	177	114	123	9	8%
Cash Fwd	1,340	1,340	1,340	-	0%
<b>Total</b>	<b>\$ 8,710</b>	<b>\$ 7,096</b>	<b>\$ 7,939</b>	<b>\$ 843</b>	<b>12%</b>

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

# 2014-2015 Monthly Financial Report

City of Hermiston, Oregon  
General Fund Expenditures

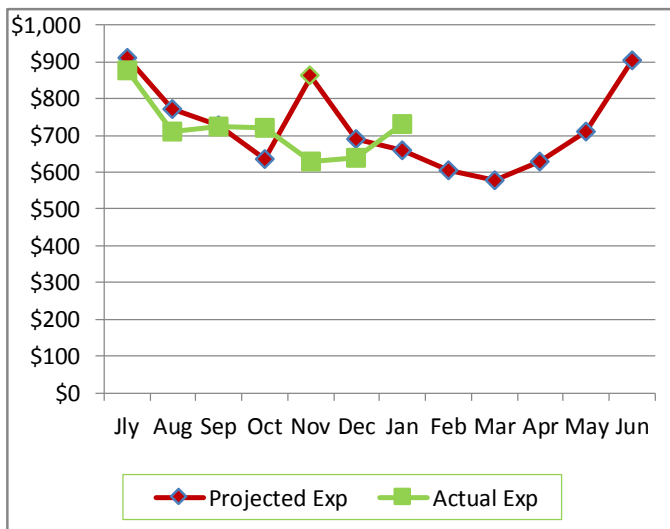
For the Month Ending January 31, 2015

## General Fund Expenditure Summary

Through Jan 31, 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				
Mar	579				
Apr	628				
May	709				
Jun	906				
<b>Total</b>	<b>8,685</b>	<b>5,258</b>	<b>5,037</b>	<b>221</b>	<b>4%</b>
Unapp	25	-	-	-	0%
<b>Total</b>	<b>\$ 8,710</b>	<b>\$ 5,258</b>	<b>\$ 5,037</b>	<b>\$ 221</b>	<b>4%</b>

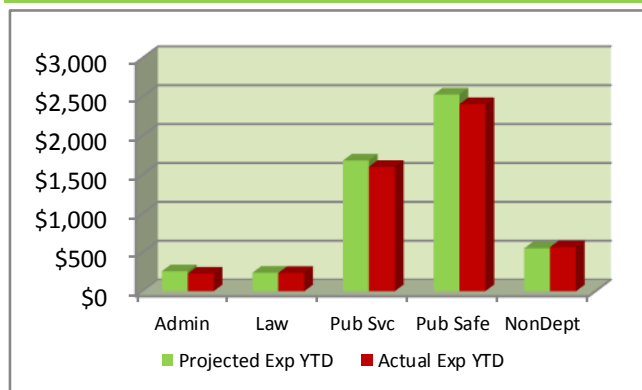
Departmental spending through January was under projections by \$221,000, a four percent variance. The largest savings were in Public Safety with a \$124,000 variance and Public Services with an \$81,000 variance. Non-Departmental is slightly above projections mostly due to transfers and one-time expenditures.

## General Fund Expenditures

Through Jan 31, 2015

by Consolidated Department

(in \$1,000)



	Annual Proj Exp	Projected Exp YTD	Actual Exp YTD	Var Fav/ (Unfav)	% Var
Admin	\$ 431	257	227	\$ 30	12%
Law	410	237	236	1	0%
Pub Svc	2,769	1,681	1,600	81	5%
Pub Safe	4,183	2,530	2,406	124	5%
NonDept	892	551	567	(16)	(3%)
Unapp	25	-	-	-	0%
<b>Total</b>	<b>\$ 8,710</b>	<b>\$ 5,258</b>	<b>\$ 5,037</b>	<b>\$ 221</b>	<b>4%</b>

**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 January 31, 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	\$ 19,947	\$ 11,169	\$ 8,778	44%
City Manager/Planning	332,355	198,817	184,856	13,961	7%
Finance	66,650	38,566	30,855	7,711	20%
<b>Total Admin &amp; Finance</b>	<b>431,405</b>	<b>257,329</b>	<b>226,880</b>	<b>30,450</b>	<b>12%</b>
Legal	186,300	104,865	103,906	959	1%
Court	224,100	132,470	132,314	156	0%
<b>Total Dept of Law</b>	<b>410,400</b>	<b>237,334</b>	<b>236,220</b>	<b>1,114</b>	<b>0%</b>
Transportation	188,375	112,224	97,129	15,095	13%
Airport	266,700	180,473	170,098	10,375	6%
Bldg Inspection	334,300	191,104	188,153	2,951	2%
Parks	442,300	257,207	238,868	18,339	7%
Pool	375,350	266,040	262,635	3,405	1%
Municipal Buildings	11,400	4,590	7,597	(3,007)	(66%)
Library	642,800	377,555	349,961	27,594	7%
Recreation	416,500	240,579	236,221	4,358	2%
Conference Center	90,900	52,217	49,599	2,618	5%
<b>Total Public Services</b>	<b>2,768,625</b>	<b>1,681,989</b>	<b>1,600,261</b>	<b>81,728</b>	<b>5%</b>
Public Safety Center	87,500	52,919	51,726	1,193	2%
Police Operations	4,095,290	2,476,811	2,354,369	122,442	5%
<b>Total Public Safety</b>	<b>4,182,790</b>	<b>2,529,730</b>	<b>2,406,095</b>	<b>123,635</b>	<b>5%</b>
Non-Departmental	892,113	551,354	567,498	(16,144)	(3%)
Unappropriated	25,000	-	-	-	-
<b>Total Non-Dept</b>	<b>917,113</b>	<b>551,354</b>	<b>567,498</b>	<b>(16,144)</b>	<b>(3%)</b>
<b>Total</b>	<b>\$ 8,710,333</b>	<b>\$ 5,257,736</b>	<b>\$ 5,036,954</b>	<b>\$ 220,783</b>	<b>4%</b>

The largest variances year-to-date are in Police Operations and the Library. The favorable \$122,000 variance in Police Operations is primarily due to lower than expected costs in nuisance abatement and miscellaneous contractual services. The variance of \$28,000 in the Library is primarily due to lower than expected labor costs. This is a result of 1) fewer hours being worked by staff this year than in the previous two years, and 2) fewer calendar days open this January than last year.

# 2014-2015 Monthly Financial Report

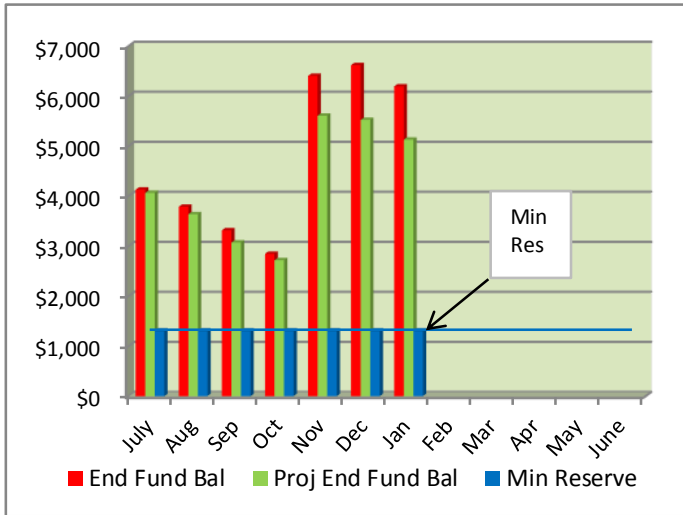
Fund Balance - General Fund  
For the Month Ending January 31, 2015

General Fund

Through Jan 31, 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					
Mar					
Apr					
May					
June					
<b>Total</b>	<b>\$ 4,630</b>	<b>\$ 6,600</b>	<b>\$ (5,037)</b>	<b>\$ 6,193</b>	<b>\$ 5,128</b>

Minimum Reserve = \$1,302,800

\* Corrected

The City Council has established a minimum reserve for the General Fund of 15% of budgeted annual operating expenditures. The minimum reserve for 2014-15 is \$1,302,800. The fund balance is \$6.2 million at the end of January. This is a \$1.6 million increase since the beginning of the fiscal year.

# 2014-2015 Monthly Financial Report

## Special Revenue Funds Report

For the Month Ending January 31, 2015

### Special Revenue Funds

#### Revenues and Expenditures

	2014-15		Remaining Budget
	Annual Budget	Actual YTD	
<b>Bonded Debt Fund</b>			
Revenues	2,590,560	1,102,400	1,488,160
Expenditures	2,590,560	1,132,366	1,458,194
<b>Transient Room Tax (TRT)</b>			
Revenues	70,000	53,161	16,839
Expenditures	70,000	44,747	25,253
<b>Recreation Special Revenue</b>			
Revenues	133,500	128,160	5,340
Expenditures	133,500	50,954	82,546
<b>Reserve Fund</b>			
Revenues	4,732,977	4,304,064	428,913
Expenditures	4,732,977	816,921	3,916,056
<b>Municipal Court Special Revenue</b>			
Revenues	180,000	114,558	65,442
Expenditures	180,000	108,823	71,177
<b>Miscellaneous Special Revenue</b>			
Revenues	35,000	18,267	16,733
Expenditures	35,000	8,565	26,435
<b>Conference Center</b>			
Revenues	158,350	85,777	72,573
Expenditures	158,350	88,233	70,117
<b>WWTP Construction Fund</b>			
Revenues	4,000,000	4,918,630	(918,630)
Expenditures	4,000,000	1,023,566	2,976,434
<b>EOTEC Grant Fund</b>			
Revenues	6,000,000	6,000,000	-
Expenditures	6,000,000	5,510	5,994,490
<b>Law Enforcement Special Revenue</b>			
Revenues	42,100	46,271	(4,171)
Expenditures	42,100	37,403	4,697
<b>Library Special Revenue</b>			
Revenues	48,500	40,401	8,099
Expenditures	48,500	12,092	36,408
<b>2014 Water &amp; Sewer Rev Bonds</b>			
Revenues	5,300,000	13,824	5,286,176
Expenditures	5,300,000	919,392	4,380,608

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.

# 2014-2015 Monthly Financial Report

## Utility and Street Funds Report

For the Month Ending January 31, 2015

### Utility and Street Funds Report

#### Revenues & Expenditures

	2014-15 Annual			Variance	
	Budget	Budget YTD	Actual YTD	Fav/(Unfav)	% Variance
<b><u>Street Fund</u></b>					
Revenues	1,210,000	713,031	727,197	14,166	2.0%
Expenditures	1,210,000	717,718	670,679	47,039	6.6%
	-	(4,687)	56,518	61,205	---
<b><u>Utility Fund</u></b>					
Revenues	4,555,010	2,840,790	3,002,461	161,671	5.7%
Expenditures	4,555,010	2,079,176	2,119,885	(40,709)	(2.0%)
	-	761,615	882,576	120,961	---
<b><u>HES Fund</u></b>					
Revenues	8,531,878	5,426,128	5,482,495	56,367	1.0%
Expenditures	8,531,878	5,118,469	4,510,467	608,002	11.9%
	-	307,659	972,028	664,369	---
<b><u>Regional Water Fund</u></b>					
Revenues	\$ 593,566	\$ 411,718	\$ 483,391	\$ 71,673	17.4%
Expenditures	593,566	350,204	297,828	52,376	15.0%
	-	61,514	185,563	124,049	---

These funds are used to account for the City's business-type activities. Gas tax revenues, which are posted in the **Street Fund**, are about 2% above projections. Expenditures are running below projections but are expected to pick when the warmer weather arrives in the spring.

In the **Utility Fund** Wastewater revenues are almost right on target while Water revenues are about 5% ahead of projections. Both utility's expenditures are slightly ahead of projections as reflected in the 2% variance.

Revenues in the **HES Fund** are just 1% ahead of projections while expenditures continue to run below. As noted previously the expenditure variance is primarily due to power purchases that have not yet been made. As of the end of January only half of the budgeted \$4.4 million has been expended.

Non-potable receipts are still driving the positive revenue variance in the **Regional Water Fund**. Electricity and Miscellaneous Contractual costs are lower than expected so far this year causing the majority of the positive expenditure variance.



# 2014-2015 Monthly Financial Report

## Utility and HES Funds Report

For the Month Ending January 31, 2015

### Utility and HES Funds Report

#### Reserve Balances

	Beginning Reserve	Ending Reserve	% Ending Reserve	Minimum Reserve Requirement	Difference
Utility Fund	3,244,877	4,405,956	96.7%	561,577	3,844,379
HES Fund	4,329,711	4,342,138	50.9%	1,051,875	3,290,263
<b>Total</b>	<b>7,574,588</b>	<b>8,748,094</b>	<b>-</b>	<b>1,613,452</b>	<b>7,134,642</b>

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 \$562,000 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 \$8.7 million.

# 2014-2015 Monthly Financial Report

City of Hermiston, Oregon

Capital Projects Report

For the Month Ending January 31, 2015

## Capital Projects

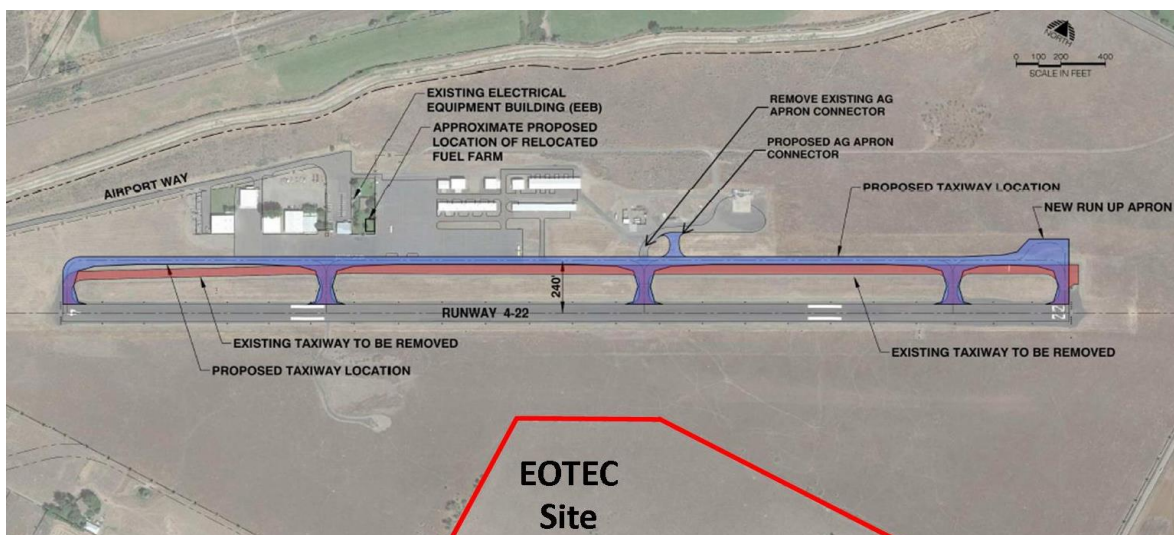
	2014-15 Budget	YTD Expenditures	LTD Budget	LTD Expenditures	% Complete
Airport Improvements	\$ 50,000	\$ 3,500	\$ 50,000	\$ 3,500	0%
Eastern OR Trade & Event Ctr (EOTEC) Pipeline	\$ 1,800,000	\$ 440,259	\$ 1,800,000	\$ 440,259	30%
EOTEC Construction	6,000,000	5,510	6,400,000	361,836	0%
Recycled Water Treatment Plant (RWTP)	5,100,000	1,874,565	28,200,000	6,367,450	99%
RWTP Outfall	2,500,000	64,893	2,500,000	64,893	60%
Water Line Extension	1,250,000	2,500	1,250,000	57,000	0%
<b>Total</b>	<b>\$ 16,700,000</b>	<b>\$ 2,391,227</b>	<b>\$ 40,200,000</b>	<b>\$ 7,294,938</b>	<b>---</b>

The City's 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, finalization of the upgrades at the Recycled Water Treatment Plant (RWTP), and a major water line extension from the Regional Water Plant to South 1<sup>st</sup> Street.

### Airport Improvements

Much of the preliminary design for the Taxiway Relocation has been completed. The FAA has agreed that the cost of relocating the "Fuel Farm" will be covered by the Discretionary Construction Grant. It is still recommended that instead of moving the 20-year-old tanks that we should remove them and install new larger tanks at the new location. The Connect Oregon Grant may be able to pay for the upgrade work. If so, the project will be bid out with two options. Option 1 will move the existing tanks to the new location. Option 2 will remove the tanks and install new tanks at the new location. The funding sources for the project are:

- FAA Design Grant – \$300,000
- FAA Construction Grant – Amount contingent upon bids
- Connect Oregon Grant – \$300,000
- City of Hermiston – \$50,000



# 2014-2015 Monthly Financial Report

City of Hermiston, Oregon

Capital Projects Report

For the Month Ending January 31, 2015

## Capital Projects

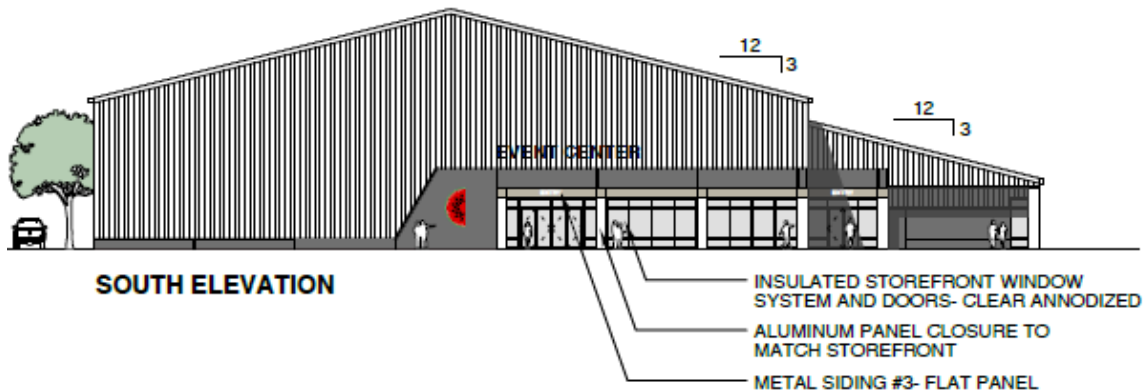
### EOTEC Pipeline

This project will extend the water distribution system and sanitary sewer collection system to the new EOTEC facility. Construction began in early December, and the new water and sewer lines south of the airport have been completed. However, the project is still on hold pending review of an archaeological pre-clearance at the EOTEC site, which is being completed by Frew Development. Frew has amended the date construction will be allowed to proceed to the beginning of March. Construction remains at approximately 30% complete.



### EOTEC Facility Design and Construction

Several responses to the RFP for bids on the Event Center have been received and Frew is in the process of reviewing the proposals. Frew is anticipating bringing a recommendation for a contractor to the EOTEC Board at the February meeting. The Design/Build packages for the remaining pieces of construction on the site, the Livestock Barns and Rodeo Arena, are being finalized by Frew and should be ready for bidding in February 2015. The site pedestrian lighting, vendor power, fencing and underground irrigation packages are in the process of being finalized and are also expected to be issued in February.



# 2014-2015 Monthly Financial Report

City of Hermiston, Oregon

Capital Projects Report

For the Month Ending January 31, 2015

## Capital Projects



The City's new secondary treatment process MBR went on-line October 2014.

### Recycled Water Treatment Plant

Construction on upgrades to the City's recycled-water treatment plant, including a new membrane Biologic Reactor (MBR) Building, began in March 2013 and is approximately 99% complete. The contractor is working on closeout documentation, Operation and Maintenance Manuals and Record Drawings.

### RWTP Outfall

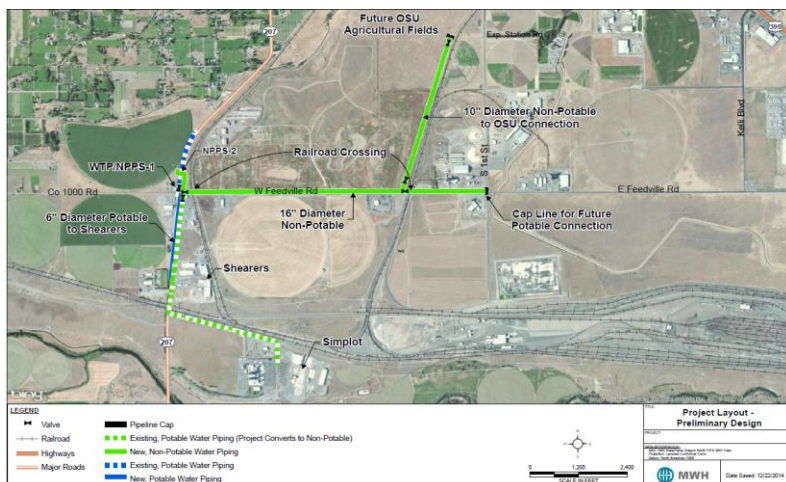
The Outfall, the final piece of the RWTP project, is about 60% complete. Construction began in mid-January 2015 with installation of portions of the pipeline across the LGW Ranch. The majority of the 1.8 miles of pipeline has been installed and work is proceeding on other canal related work. The project is anticipated to be complete in the early fall of 2015.



Future winter outfall location at Three Mile Dam.

### 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 engineering design is nearing completion and work is being done to acquire the necessary easements.



**2014-15 Monthly Financial Report  
City of Hermiston, Oregon  
Investments  
For the Month Ending January 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	\$ 1,988,784	FNMA	Aaa/AA+	919	Y	1.37	1.37
3134G35P1	\$ 1,000,000	\$ 979,970	\$ 999,300	FHLMC	Aaa/AA+	1,137	Y	1.71	1.71
3133EATP3	\$ 2,000,000	\$ 1,968,078	\$ 1,998,624	FFCB	Aaa/AA+	1,227	Y	1.85	1.85
313381UZ6	\$ 1,000,000	\$ 985,720	\$ 993,951	FHLB	---	1,090	Y	1.31	1.31
3137EADN6	\$ 1,000,000	\$ 978,757	\$ 991,158	FHLMC	Aaa/AA+	1,077	N	1.29	1.29
31771CCJ2	\$ 1,065,000	\$ 1,042,845	\$ 1,052,106	FICO	---	650	N	0.70	0.70
3135G0GY3	\$ 1,000,000	\$ 1,013,901	\$ 1,012,548	FNMA	Aaa/AA+	730	N	0.78	0.78
<b>US Agencies</b>	<b>\$ 9,065,000</b>	<b>\$ 8,929,771</b>	<b>\$ 9,036,471</b>	---	---	---	---	---	---
LGIP <sup>(1) (2)</sup>	\$ 15,772,562	\$ 15,772,562	\$ 15,772,562	Varies	---/AA	1	N	0.50	0.50
<b>LGIP</b>	<b>\$ 15,772,562</b>	<b>\$ 15,772,562</b>	<b>\$ 15,772,562</b>	---	---	---	---	---	---
<b>TOTAL</b>	<b>\$ 24,837,562</b>	<b>\$ 24,702,333</b>	<b>\$ 24,809,033</b>	---	---	---	---	---	---

<sup>(1)</sup> \$5,042,773 of the balance in the LGIP is held by the City for the Eastern Oregon Trade and Event Center (EOTEC).

<sup>(2)</sup> \$4,513,824 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	\$ 15,772,562	63.5%	US Agency	\$ 9,065,000	36.5%	WTD Avg Maturity	364 Days	364 Days
90 Days - 3 Yrs	\$ 4,065,000	16.4%	Corporate	\$ -	0.0%	Wtd Avg Yield to Maturity	0.81%	1.67%
3 - 5 Yrs	\$ 5,000,000	20.1%	LGIP	\$ 15,772,562	63.5%	Percent Callable	30.3%	30.3%
	\$ 24,837,562	100.0%		\$ 24,837,562	100.0%	Wtd Avg Credit Rating	Aaa/AA+	Aaa/AA+