

REDCO

Rainier Economic Development Council

Adopted Budget for the Fiscal Year Beginning July 1, 2010

The 2009/2010 Budget Calendar

1. **REDCO** council member Jennifer Dennis was appointed the budget officer at the regular meeting on January 28, 2010.
2. Budget committee members are appointed to three year terms some vacancies were approved by the council prior to the first budget committee meeting.
3. The budget officer began preparing a proposed budget after March 11, 2010.
4. The first notice of the budget committee meeting was published in the Clatskanie Chief and appeared in the March 24, 2010 edition.
5. The second notice of the budget committee meeting appeared in the same publications on March 31, 2010.
6. The first budget committee meeting was held on April 8th, 2010 in the Rainier City Council chambers. The meeting began at 6:00PM.
7. At the first budget committee meeting the following dates were established for additional meetings:
_____, 2010 _____, 2010 _____, 2010

The Budget Committee approved a budget at its meeting on _____, 2010

8. At its regular meeting on _____, 2010 the **REDCO** council established _____ as the date for the public hearing on the budget approved by the budget committee. The Notice of budget hearing and financial summary was published in the Clatskanie Chief and appeared in the _____, 2010 edition.
9. The **REDCO** council having met with the budget committee, who approved a budget, and having held a public hearing on the approved budget enacted the following resolutions:
 - a) Adopting a budget for fiscal year 10/11.
 - b) Making appropriations to the budget
 - c) Imposing and categorizing taxes.
10. The adopted budget and appropriate tax forms and certification documents were filed with the County Assessor and Treasurer on _____, 2010.

Terry Grice, Co-Budget Officer
Jennifer S. Dennis, Co-Budget Officer

TO: The REDCO Budget Committee
FROM: Terry Grice, Jennifer Dennis, Co-Budget Officers
DATE: March 30, 2010

SUBJECT: The 2010/2011 Budget Message

The Rainier City Council has designated the Rainier Economic Development Council (REDCO) as the City's Urban Renewal Agency and directed REDCO to plan for the development and improvement of the Rainier waterfront. The Council adopted a plan for the urban renewal area. The goals for this plan are shown at the end of this document. Past budgets relied heavily on this plan for funding projects that met these goals. Other documents relied on in developing budget proposal have been minutes of REDCO meetings, the audit reports for the previous two years, the current REDCO budget and Oregon Revised Statutes (ORS) Chapter 457 covering Urban Renewal agencies. The Driving force for this budget proposal however, is the first step towards the repayment of REDCO's Debt in the land purchase & sale that brought USG to Rainier.

This budget was prepared following the cash basis of accounting recommended by the REDCO auditor and is consistent with previous budget's accounting practices. To ensure requirements do not exceed resources, the resources have been rounded down and expenses are rounded up. The proposed budget is balanced in that revenues and requirements are equal

During the 2006/07 budget cycle policy REDCO Council held a series of meetings with the taxing districts that share in the division of taxes for REDCO in an effort to minimize or eliminate the special levy for the payment of the USG debt beginning with the 2006 to 2007 property tax year. These meetings lead to a "friendly lawsuit" that asked the court to approve a plan where the taxing districts will return a portion of their tax receipts from USG to REDCO. The court held that not all the member Districts could enter into an Inter Governmental Agreement (IGA) to share revenues with REDCO. Columbia County, The City of Rainier, The Port, and the Northwest Regional Education Service District are able to sign IGAs with REDCO. The County and the City have indicated they will not participate in this upcoming fiscal year.

REDCO is seeking additional legal clarification on the correct course to repay the USG debt. During this time REDCO is not taking on any new projects although we continue to be able to assist in those projects where we have already allocated our support. At this time we are also recommending that we do not utilize our special levy.

As always we would like to thank the the Budget Committee for their time and energy spent each year with the REDCO budget.

Respectfully,

Terry Grice, Jennifer Dennis, Co-Budget Officers

Terry Grice, Chairperson
Co-Budget Officer

Paul Rice, Councilor

Chris Geist
Janet Wade

REDCO Officials

Tim, Navarro, Vice Chair

Scott Cooper, Councilor

Budget Committee

Bill Wagner

REDCO Staff

Terry Deaton, Administrator

Jennifer Dennis, Treasurer
Co-Budget Officer

Robert Piercy, Secretary

Debbie Bogardus

REDCO has two “funds which are defined by local budget law as groups of accounts that perform a specific purpose. By law urban renewal agencies must operate from a debt service basis so both of the funds are debt service funds. The “Special Revenue Fund” is used to reserve monies from year to year for specific purposes, and the “General Operating Fund” is used to conduct the daily operations of **REDCO** and at the end of the year unspent money becomes the beginning fund balance for the next year. Local Budget law further requires a minimum number of account groups or “line items within a Fund. Most municipal budgets exceed the minimum number of line items especially on the expense side to better show how the municipality is utilizing money. **REDCO** is no exception to this rule. The following are the list of Revenue accounts used by **REDCO**:

Beginning Fund Balance: The beginning fund balance is the projected fiscal year 2008/09 ending fund balance.

Property Taxes: 1) Divided - These are property tax dollars raised from the tax increment financing on the urban renewal plan area. For **REDCO** these dollars are capped at \$300,000. (These dollars are subject to compression and to the same discounts and/or uncollectable amounts as all other taxes.) Due to this fact, while capped at \$300,000 **REDCO** will never collect the full amount as revenues. **2) Special levy** – These are property tax dollars generated by the dollar

amount of property taxes required to balance the budget. This proposal has attempted to minimize the special levy amount but does require \$101,400 to balance the budget at this time.

Previously Levied Taxes: Not all taxes due are paid in the year they are assessed. This line item accounts for these dollars and the penalties and interest REDCO is entitled to.

Interest on Investments: Estimated interest to be earned on all funds while they are held in the “bank” not being used by REDCO. The majority of funds are invested in the State of Oregon Local Investment Pool.

Previously Levied Taxes: Not all taxes due are paid in the year they are assessed. This line item accounts for these dollars and the penalties and interest REDCO is entitled to.

Interest on Investments: Estimated interest to be earned on all funds while they are held in the “bank” not being used by REDCO. The majority of funds are invested in the State of Oregon Local Investment Pool. Interest on investments like the economy in general has dropped to low levels during the current recession. At this time they show no signs of rebounding.

Budgetary control is maintained at the appropriation levels through monitoring of the expenses for each of the following categories:

Personal Services - includes the wages and fringe benefits of employees. REDCO has no Employees and therefore no personal service expenses.

Materials and Services - includes supplies, maintenance and repair, utilities and contracts for professional services such as legal counsel, audits, and insurance. In addition REDCO uses the following Materials and services line items:

- Administrative Support** – The City of Rainier provide staff and administrative services to REDCO on a daily operational basis this reimburses the city for their effort.

- Office operating support** – This lien item covers the paper, and other office supplies for the year.

- Membership dues** – REDCO belongs to the Rural Development Initiative (RDI) that host conferences each year on economic development for small communities.

- Audit services** – Each year REDCO is required to have its books audited by a Certified Public Accountant (CPA) and file their report with the State.

- City Administrator fund** – This is to cover unforeseen expenses that need to be address immediately by City staff.

•**Attorney** – This money covers legal fees REDCO incurs.

Capital Outlay - Includes the cost of equipment replacement, facility repairs and improvements, furniture, and fixtures. Primarily these are the projects to which REDCO has committed financial support. REDCO has agreed not to take on any new projects but has already dedicated support to the following projects:

- Food Wholesale/Retail** – Money to assist a food wholesale/retail business to locate in Rainier.
- Business Grant Program** – This money helps reimburse businesses (within the urban renewal plan area) for up to 50% of their expenses incurred in upgrading their facades.
- Community Service Grant Program** – This money assist local community groups attract people to the city.
- “A” Street Sprinklers** – This project has been closed out.
- Boat Launch Project** - This project has been closed out.
- Highway 30 Enhancement Project** – This line item represents the matching funds for an ODT & Federal Highway grant. The project consists of new curbs, gutters, sidewalks, streetlights, landscaping, and pedestrian amenities.
- Riverfront Park Phase II project** – This project has been closed out
- Fox creek pedestrian Bridge**– This project was changed to the “Mobius” play structure and has been closed out.
- Riverfront trail/Marina square project** – This project is to place a Pedestrian square near the marina and connect that square to the Riverfront trail at the boat launch.
- Marina Restroom Project** – This project has been closed out.
- 1st Street Plaza Project** – This project put a pedestrian square at the end of 1st street and connects the square to the Riverfront trail.
- River Front Park Shoreline Stabilization** – This project has been closed out.
- A Street Redevelopment** – This project is intended to improve A Street from West 2nd to East 5th. (Hopefully in conjunction with rail improvements.)
- Riverfront Park Phase III** – This project connects the Riverfront trail and other Park enhancement projects.
- City hall ADA Elevator Project** – This has been closed out.

Debt Service – REDCO uses the Special Reserve Fund to pay its USG debt but this line item includes the cost of paying debt, leases, and other long term payments for capital goods..

Transfers – Includes money transferred from the general fund to the reserve fund for future uses. For example it might be appropriate to transfer some of the above capital projects that are not being acted on to the Reserve fund.

Contingencies – Are monies that are set aside for unforeseen expenditures during the current fiscal year. They are appropriated to the account group by resolution of the REDCO Council if needed.

Reserves and Special Payments – REDCO has established a reserve fund to carry money forward from year to year and does not use the “reserves” part of this category nor does REDCO have any special payments.

Unappropriated Ending Fund Balance – Monies that are set aside in the current or (unspent in previous years) for carry over into a subsequent fiscal year. Because monies that are “Unappropriated” cannot be spent in the current fiscal year REDCO Does not typically show an unappropriated balance in the current year’s budget.

RESOURCES

The following tables indicate the past history and proposed Revenues for REDCO.

Form LB-20			<u>RESOURCES</u>	Rainier Economic Development Council		
<u>HISTORICAL DATA</u>			<u>GENERAL FUND</u>	<u>NEXT YEAR</u>		
<u>2007/08</u>	<u>2008/09</u>	<u>2009/10</u>	<u>DESCRIPTION</u>	<u>2010/11</u>	<u>2010/11</u>	<u>2010/11</u>
<u>Actual</u>	<u>Actual</u>	<u>Adopted</u>		<u>PROPOSED</u>	<u>APPROVED</u>	<u>ADOPTED</u>
\$562,000	\$701,472	\$167,300	Beginning Fund Balance	\$500,000	\$500,000	
\$310,439		\$150,000	Transfer from Debt Service Fund			
\$292,573	\$397,000	\$198,500	Revenue Sharing			
			Long Term Debt Proceeds			
			Grants (Unrestricted)			
			Grants (Pass Through)			
			Short Term Debt Proceeds			
			Prior Year’s Taxes			
\$10,000	5,000	\$2,500	Interest Earnings	\$1,000	\$1,000	
\$1,175,012	1,103,672	\$518,300	TOTAL General Fund Resources	\$501,000	\$501,000	\$501,000

FORM LB-20			RESOURCES	Rainier Economic Development Council		
HISTORICAL DATA			DEBT SERVICE FUND	NEXT YEAR		
<u>2007/08</u>	<u>2008/09</u>	<u>2009/10</u>	DESCRIPTION	<u>2010/11</u>	<u>2010/11</u>	<u>2010/11</u>
<u>Actual</u>	<u>Actual</u>	<u>Adopted</u>		PROPOSED	APPROVED	ADOPTED
\$559,504	\$690,000	\$1,002,500	Beginning Fund Balance	\$1,700,000	\$1,700,000	
\$20,000	\$50,000	\$25,000	Interest Earnings	\$5,000	\$5,000	
\$300,000	\$285,000	\$276,000	Property Taxes (Divided)	\$276,000	\$276,000	
\$158,064			Property Taxes (Special Levy)			
	\$701,472	\$198,000	Transfer from General Fund			
\$1,037,568	\$1,726,472	\$1,502,000	TOTAL G.F. RESOURCES	\$1,981,000	\$1,981,000	\$1,981,000

Summary of all Revenues:

HISTORICAL DATA			SUMMARY OF RESOURCES	NEXT YEAR		
<u>2007/08</u>	<u>2008/09</u>	<u>2009/10</u>	ALL FUNDS	<u>2010/11</u>	<u>2010/11</u>	<u>2010/11</u>
<u>Actual</u>	<u>Actual</u>	<u>Adopted</u>	DESCRIPTION	PROPOSED	APPROVED	ADOPTED
\$1,037,568	\$402,200	\$ 518,300	General Fund	\$501,000	\$501,000	\$501,000
\$1,175,012	\$1,726,472	\$ 1,502,000	Debt Service Fund	\$1,981,000	\$1,981,000	\$1,981,000
\$2,212,580	\$2,128,672	\$ 2,020,300	TOTAL ALL FUNDS RESOURCES	\$2,482,000	\$2,482,000	\$2,482,000

Requirements

The tables below indicate the past history and propose requirements for REDCO.

HISTORICAL DATA			GENERAL FUND REQUIREMENTS	Rainier Economic Development Council		
<u>2007/08</u>	<u>2008/09</u>	<u>2009/10</u>	<u>DESCRIPTION</u>	NEXT YEAR		
<u>Actual</u>	<u>Actual</u>	<u>Adopted</u>		<u>2010/11</u>	<u>2010/11</u>	<u>2010/11</u>
				<u>PROPOSED</u>	<u>APPROVED</u>	<u>ADOPTED</u>
			Personal Services			
			Materials & Services			
			Contract Services			
\$7,200	\$27,200	\$16,000	Administrative Support	\$15,000	\$15,000	
\$600	\$600	\$1,000	Office Operating Expense	\$1,000	\$1,000	
	\$1,750	\$600	Office Rent	\$600	\$600	
			Debt Insurance Costs			
\$300	\$300	\$300	Membership Dues	\$300	\$300	
\$2,645	\$3,000	\$3,000	Audit Services	\$4,000	\$4,000	
\$2,500	\$2,500		City Administrator Fund			
\$10,000	\$40,000	\$130,000	Legal Services	\$100,000	\$100,000	
			Wetlands Consultant			
			Downtown Plan Consultants			
	\$1,250	\$500	Miscellaneous Expenses			
		\$198,500	Transfers to other Funds			
	\$10,000	\$168,400	Contingency	10,000	\$10,000	
			Debt Service			
			Reserves & Special Payments			
	\$318,6000		Unappropriated Ending Balance	\$370,100	\$370,100	
\$77,197	\$402,300	\$518,300	TOTAL GF REQUIREMENTS	\$501,000	\$501,000	\$501,000

The Debt Service Fund:

HISTORICAL DATA			DEBT SERVICE FUND REQUIREMENTS	Rainier Economic Development Council		
<u>2007/08</u>	<u>2008/09</u>	<u>2009/10</u>	<u>DESCRIPTION</u>	<u>NEXT YEAR</u>		
<u>Actual</u>	<u>Actual</u>	<u>Adopted</u>		<u>2010/11</u>	<u>2010/11</u>	<u>2010/11</u>
				<u>PROPOSED</u>	<u>APPROVED</u>	<u>ADOPTED</u>
			Personal Services			
			Materials & Services			
			Capital Improvements			
			Public Improvements			
	\$49,854	\$49,854	Food Wholesale/Retail			
	\$15,000	\$15,000	Business Grant Program		\$15,000	
\$7,300	\$15,000	\$15,000	Community Group Grants			
	\$20,000	\$20,000	East Rainier Entrance Improvements	\$20,000	\$20,000	
	\$81,218	\$81,218	Highway 30 Enhancement Project	\$81,218	\$81,218	
\$81,970			Riverfront Park Phase II			
\$45,321			Boat Launch project			
313,745			City Hall ADA Project			
			Fox Creek Pedestrian Bridge			
	\$100,000	\$100,000	Riverfront Trail/Marina Square	\$100,000	\$100,000	
	\$15,000	\$15,000	Marina Restroom Project	\$15,000	\$0	
\$6,429	\$100,000	\$100,000	Riverfront Trail/1 st Street Plaza	\$100,000	\$100,000	
\$27,972			Riverfront Park Shoreline Stabilization			
	\$175,000	\$175,000	'A' Street Redevelopment	\$175,000	\$175,000	
\$11,791	\$100,000	\$100,000	Riverfront Park Phase III	\$100,000	\$100,000	
\$1,155,012	\$600,000	\$600,000	Debt Service	\$300,000		
			Transfer to General Fund			
			Contingency			
			Reserves & Special Payments			
		\$255,400	Debt Service Reserve	\$569,000	569,000	
			Miscellaneous Requirements			
\$200,000	\$200,000	\$200,000	Waste Water Treatment Plant Reserve			
\$1,597,540	\$1,847,420	\$1,726,472	Subtotal Requirements	\$1,660,218	\$1,660,218	
			Ending Fund Balance	\$520,782	\$520,782	
\$1,597,540	\$1,847,420	\$1,726,472	TOTAL REQUIREMENTS	\$1,981,000	\$1,981,000	\$1,981,000

Summary All Requirements

HISTORICAL DATA			SUMMARY OF ALL FUND REQUIREMENTS	Rainier Economic Development Council NEXT YEAR		
2007/08 Actual	2008/09 Actual	2008/09 Approved	DESCRIPTION	2010/11 PROPOSED	2010/11 APPROVED	2010/11 ADOPTED
\$77,197	\$402,200	\$518,300	General Fund	\$501,000	\$501,000	\$501,000
	\$726,472	\$1,303,500	Debt Service Fund	\$1,981,000	\$1,981,000	\$1,981,000
\$77,197	\$2,128,672	\$1,821,800	TOTAL ALL FUNDS	\$2,482,000	\$2,482,000	\$2,482,000

For Your Information the following tables describe revenue sharing potentials based on the court ruling and the available partners remaining in the IGA pool.

Post Decision Distribution Based on total participation Rates.			Post Decision Distribution Based on Total Balance Rates		
Participant	Original %	annual Contribution	Participant		100%
City of Rainier	50.44%	\$ 151,320	City of Rainier	\$ 228,478	
Columbia County	13.44%	\$ 40,320	Columbia County	\$ 60,881	
Port of St. Helens	0.86%	\$ 2,580	Port of St. Helens	\$ 3,890	
NW Regional ESD	1.49%	\$ 4,470	NW Regional ESD	\$ 6,752	
TOTAL		\$ 198,690	TOTAL	\$ 300,001	

Special Levy Production

REDCO AV	\$236,848,607								
Special Levy Rate	\$ -	\$0.25	\$0.50	\$0.75	\$0.90	\$1.00	\$1.50	\$1.75	\$2.00
Division of taxes	\$276,000	\$276,000	\$276,000	\$276,000	\$276,000	\$276,000	\$276,000	\$276,000	\$276,000
Special Levy Taxes	\$ -	\$54,475	\$108,950	\$163,426	\$196,111	\$217,901	\$326,851	\$381,326	\$435,801
TOTAL TAXES	\$276,000	\$330,475	\$384,950	\$439,426	\$472,111	\$493,901	\$602,851	\$657,326	\$711,801

THANK YOU! Once again

The Rainier Waterfront Urban Renewal Plan identifies ten goals for the urban renewal area. These goals are summarized below in an effort to provide a focus for REDCO's budget documents.

GOAL 1 - Riverfront Development – The ultimate goal is to create and restore the Rainier riverfront. Key elements include community access to the river, river views, recreational boating opportunities and places to work, shop and live. This development will include commercial, industrial and residential buildings, open spaces and public facilities.

GOAL 2 - Economic Development – Realize the waterfront as an asset for the community's economic development. Help ensure that major industrial and marine related commercial and industrial development occurs in a way that generates jobs and income for the community.

GOAL 3 - Public Access to the Riverfront – The plan will promote public access to the river by providing marine recreational facilities, open spaces like green ways and trails, and protection of significant view corridors.

GOAL 4 - Recreation Boating Facilities – Develop the waterfront as a major center for recreational boating by providing a range of facilities and services that meet the needs of boaters.

GOAL 5 - Transportation – Take full advantage of public and private transportation via US highway 30, the Lewis & Clark Bridge, the railroad and the river to improve access to the waterfront.

GOAL 6 - Housing – Provide for the opportunity for Rainier residents to live on the waterfront. Promote the development of a range of types of housing, including affordable units that serve a variety of households.

GOAL 7 - Retail Services – Promote the development of retail services for residents and visitors, thereby creating retail and service jobs within the community.

GOAL 8 - Community Facilities – Promote the development public facilities along the waterfront such as senior and community centers, parks, theaters and museums.

GOAL 9 - Environment – Enhance the natural environment along the waterfront with particular attention given to the water quality of Fox Creek and the Columbia River.

GOAL 10 - Planning and Design – Ensure that development along the waterfront happens in a manner that enhances interaction with the river, and respects the needs of developers and the community.