



Proposed Budget
Fiscal Year 2015-16

Florence Urban Renewal Agency

Proposed Budget

Fiscal Year 2015-2016

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Florence Urban Renewal Agency

Budget Message

May 8, 2015

Members of the Florence Urban Renewal Agency, Citizen Members of the Budget Committee, and Citizens of the City of Florence:

It is my pleasure, on behalf of the board to present the 2015-16 budget for the Florence Urban Renewal Agency (FURA). The budget is balanced and totals \$4,498,756.

FURA Proposed Budget Summary

<u>Fund</u>	<u>2015-16</u>
General Fund	\$ 2,350,500
Debt Service Fund	<u>2,148,256</u>
Total FURA Budget	<u>\$ 4,498,756</u>

The General Fund budget totals \$2,350,500, with program funding as follows:

- \$100,000 for development of strategy(ies) to attract a \$5.0 - \$10.0 million investment
- \$25,000 for parking and signage plans
- \$125,000 for artwork
- \$150,000 for Highway 101 and 126 entry ways
 - Public process to decide what the community desires
 - Initiate engineering work
- \$750,000 for development projects
- \$112,000 payment to the City for City staff to perform services to assist the Agency with the implementation of its projects and programs
- 1,074,250 contingency, which is anticipated to carryover to fiscal year 2017 for construction of entry way work and artwork.

The Debt Service Fund budget totals \$2,148,256, including paying off the Agency's current debt obligations as part of a refinancing and debt service on additional debt:

- \$1,665,000 to Oregon Pacific Bank for existing debt, and
- \$215,000 to the Siuslaw Library District for their expansion loan.

Additionally, \$28,000 is budgeted for bond issuance related costs for a \$3.7 million issue (\$1.55 million to refinance existing debt and \$2.15 million for projects and programs), \$136,150 in debt service for the new issue and contingency of \$89,895.

The projected tax levy is \$357,765, which includes the Agency levying its full authority, with taxable assessed value (TAV) in the district projected to increase 2.6% over the previous year to \$112 million, (excess TAV of \$29.4 million) and the combined tax rate per thousand TAV for the overlapping taxing jurisdictions projected to total \$12.6175.

The projected \$3.7 million debt issue in the proposed budget is based upon the Agency entering an intergovernmental agreement/loan with the City, which would use its full faith and credit to issue the debt and realize improved loan terms relative to what the Agency can secure.

We very much appreciate your service on the budget committee and look forward to discussing the proposed budget with you Wednesday, May 13, 2015 at 6 p.m., at the Florence Events Center.

Respectfully submitted,



Erin R. Reynolds
City of Florence City Manager / Budget Officer

Proposed Budgets

General Fund

Summary

This fund accounts for the activities associated with the City's urban renewal agency's implementation of its urban renewal plan. The primary resources are debt proceeds (repaid with property taxes resulting from the excess value of property within the urban renewal district over the frozen base) and grants and capital investments constructed by developers (contributions).

Highlights

- The 2011 debt issue is planned to be refinanced at a lower interest rate
- Net new debt of approximately \$2.15 million is planned and available for projects and programs
- The proposed budget includes considerable project and program activity, which is budgeted in fiscal year 2015-16, continuing for two-three or more years

Changes from previous year

- Property taxes are received directly into the Debt Service Fund, rather than transferred from the General Fund

Staffing

Staffing for FURA activity is provided by the City. Payments to the City are budgeted in materials and services.

General Fund

	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Estimate	2015-16 Proposed
Beginning fund balance	1,803,691	362,208	284,000	217,660	192,200
Current year resources					
Miscellaneous	7,759	2,773	1,700	2,200	8,300
Debt proceeds	-	-	-	-	2,150,000
Total current year resources	255,627	289,654	284,000	323,100	2,158,300
Total resources	2,059,319	651,862	568,000	540,760	2,350,500
Expenditures					
Materials and services	50,450	43,026	47,340	45,560	251,250
Capital outlay	1,336,657	-	-	-	1,025,000
Transfers	310,003	314,346	303,000	303,000	-
Total expenditures	1,697,111	357,371	350,340	348,560	1,276,250
Other requirements					
Contingency	-	-	50,000	-	1,074,250
Total other requirements	-	-	50,000	-	1,074,250
Total expenditures and other requirements	1,697,111	357,371	400,340	348,560	2,350,500

Capital Outlay

Description	Amount
Artwork	\$ 125,000
Highways 101 and 126 entryways	150,000
Development projects	750,000
	<u>\$ 1,025,000</u>

Additionally, materials and services includes \$100,000 programmed for development consulting, \$25,000 for a parking/signage plan, and \$112,000 payment to the City for City staff services.

Contingency

The balance of debt financing is budgeted in contingency in the amount of \$1,074,250. The FURA board may allocate approximately \$352,000 (10%) , without reconvening the budget committee, if development or other opportunities arise during the fiscal year. Otherwise the unspent funds will be carried forward to subsequent fiscal years to complete the highway 101 and 126 entryway projects, acquire additional artwork, and other projects.

Debt Service Fund

Summary

This fund accounts for the repayment of debt issued to finance the urban renewal agency's projects and programs. The primary revenue source is property taxes.

Highlights

- The 2011 debt issue is to be refinanced at a lower interest rate (\$1.665 million)
- An existing debt obligation to the Siuslaw Library is to be paid in full (\$215,000)
- Additional net debt of approximately \$2.15 million is planned (total issue of \$3.7 million)

Changes from previous year

- Property taxes are received directly into the Debt Service Fund

	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Estimate	2015-16 Proposed
Beginning fund balance	251,025	251,919	252,000	252,756	252,956
Current year resources					
Property taxes	247,868	286,881	282,300	318,000	344,300
Miscellaneous	894	837	800	1,000	1,000
Transfers	310,003	314,346	303,000	303,000	-
Debt proceeds	-	-	-	-	1,550,000
Total current year resources	310,897	315,183	303,800	304,000	1,895,300
Total resources	561,922	567,102	555,800	556,756	2,148,256
Expenditures					
Materials and services	-	-	-	-	28,000
IGA LIBRARY LOAN EXPENSE	32,480	31,840	31,140	31,140	221,000
DEBT PAYMENT - PRINCIPAL	175,000	190,000	190,000	190,000	1,665,000
DEBT PAYMENT - INTEREST	135,003	124,346	113,000	113,000	8,211
DEBT SERVICE FEES	-	-	800	800	-
Debt service - 2015 FFCO - Principal/Interest	-	-	-	-	136,150
Debt service	310,003	314,346	303,800	303,800	2,030,361
Total expenditures	310,003	314,346	303,800	303,800	2,058,361
Other requirements					
Contingency	-	-	-	-	89,895
Total expenditures and other requirements	310,003	314,346	303,800	303,800	2,148,256

Note: Property taxes prior to fiscal year 2015-16 are presented for historical comparison only.

Schedule of Taxable Assessed Value and Levy Amounts
 Fiscal Year 2008 – 2016
 (inception to current)

Fiscal Year	District Frozen Base	Excess TAV	Total TAV	Dollar Change	% Change Total TAV	% Change Excess TAV	Levy Amount	Overlapping Tax Rate
2008	82,903,810	770,473	83,674,283	770,473			8,783	11.4000 *
2009	82,903,810	15,747,803	98,651,613	14,977,330	17.9%	1943.9%	179,525	11.4000 *
2010	82,903,810	22,422,460	105,326,270	6,674,657	6.8%	42.4%	255,616	11.4000 *
2011	82,903,810	23,842,507	106,746,317	1,420,047	1.3%	6.3%	272,704	11.4377
2012	82,903,810	25,252,874	108,156,684	1,410,367	1.3%	5.9%	296,297	11.7332
2013	82,903,810	21,796,071	104,699,881	(3,456,803)	-3.2%	-13.7%	256,769	11.7805
2014	82,903,810	24,385,105	107,288,915	2,589,034	2.5%	11.9%	297,691	12.2079
2015	82,903,810	26,557,328	109,461,138	2,172,223	2.0%	8.9%	325,784	12.2897
2016	82,903,810	29,403,318	112,307,128	2,845,990	2.6%	10.7%	357,765	12.1675 *

Notes:

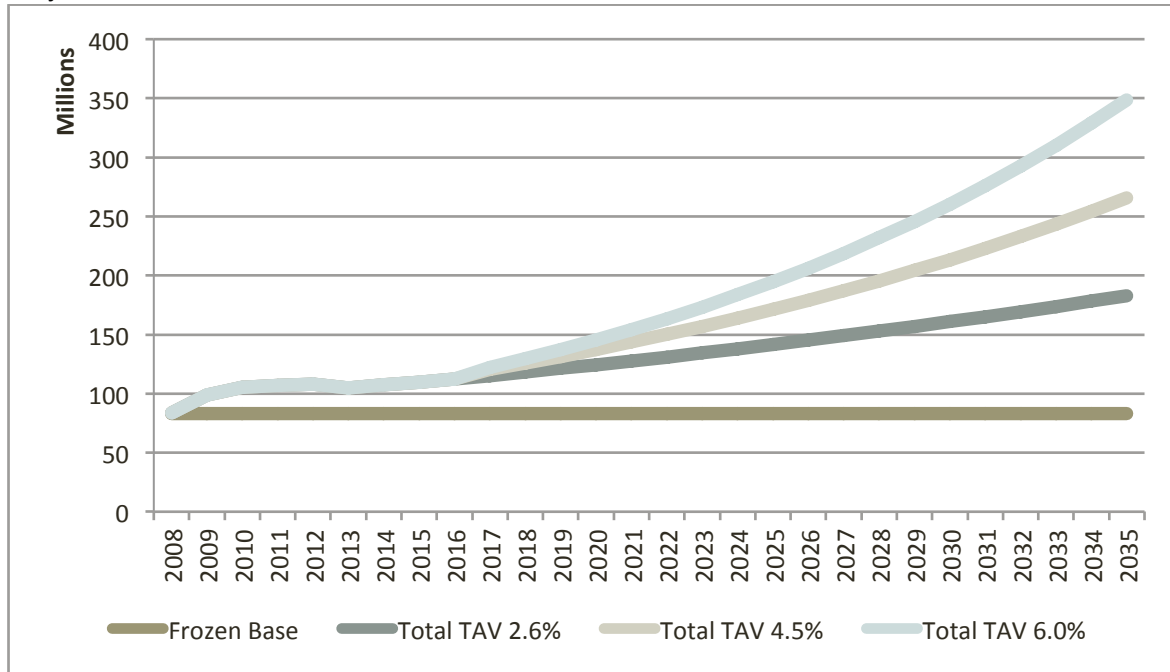
* Estimated amounts

** The levy amount for fiscal year 2016 is an estimate, based on a percentage change in total TAV of 2.6% over the fiscal year 2015 TAV and an estimated overlapping taxing district combined tax rate of \$12.1675.

Actual and projected TAV of the Florence Urban Renewal District

Actual 2008-2015

Projected 2016 - 2035



The chart above shows the actual TAV of the district through FY 2015. The future TAV is shown given a low, mid and high value annual percentage change of 2.6%, 4.5% and 6% respectively.

Line Item Detail

	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Estimate	2015-16 Proposed
Beginning fund balance	1,803,691	362,208	284,000	217,660	192,200
Current year resources					
PROPERTY TAX - CURRENT YEAR	(148,685)	(279,888)	(275,300)	(312,900)	-
PROPERTY TAXES - PRIOR YEAR	(99,183)	(6,993)	(7,000)	(8,000)	-
Property taxes	247,868	286,881	282,300	320,900	-
INTEREST INCOME	(7,438)	(2,574)	(1,500)	(2,000)	(8,300)
IN LIEU OF TAXES	(271)	(199)	(200)	(200)	-
OTHER	(50)	-	-	-	-
Miscellaneous	7,759	2,773	1,700	2,200	8,300
Debt proceeds	-	-	-	-	2,150,000
Total current year resources	255,627	289,654	284,000	323,100	2,158,300
Total resources	2,059,319	651,862	568,000	540,760	2,350,500
Expenditures					
OFFICE SUPPLIES	523	200	200	210	500
MEMBERSHIP AND DUES	250	250	250	250	250
WEBSITE DEVELOPMENT & MAINT	1,500	1,500	1,500	1,500	1,500
IGA LIBRARY LOAN EXPENSE	32,480	31,840	31,140	31,100	-
CONTRACT SERVICES	9,940	4,000	7,000	7,000	112,000
Consulting services	-	-	-	-	125,000
AUDIT SERVICES	5,000	4,100	4,500	4,500	6,000
LEGAL NOTICES	506	473	750	500	1,000
LEGAL SERVICES	-	-	1,000	-	5,000
OTHER	252	663	1,000	500	-
Materials and services	50,450	43,026	47,340	45,560	251,250
GRANT-INFRASTRUCTURE IMP PROJ	1,336,657	-	-	-	-
Artwork	-	-	-	-	125,000
Hwy 101 and 126 Entry Ways	-	-	-	-	150,000
Development projects	-	-	-	-	750,000
Capital outlay	1,336,657	-	-	-	1,025,000
TRANSFER OUT - DEBT SERVICE	310,003	314,346	303,000	303,000	-
Total expenditures	1,697,111	357,371	350,340	348,560	1,276,250
Other requirements					
Contingency	-	-	50,000	-	1,074,250
Total other requirements	-	-	50,000	-	1,074,250
Total expenditures and other requirements	1,697,111	357,371	400,340	348,560	2,350,500

Five-Year Financial Forecasts

General Fund

	2015-16 Proposed	2016-17 Forecast	2017-18 Forecast	2018-19 Forecast	2019-20 Forecast
Current year resources					
Miscellaneous	8,300	5,200	4,000	4,000	2,000
Debt proceeds	2,150,000	-	1,500,000	-	-
Total current year resources	2,158,300	5,200	1,504,000	4,000	2,000
Expenditures					
Materials and services	251,250	154,450	157,250	160,050	162,950
GRANT-INFRASTRUCTURE IMP PROJ	-	-	-	-	-
Artwork	125,000	125,000	-	-	-
Hwy 101 and 126 Entry Ways	150,000	750,000	-	-	-
Development projects	750,000	-	350,000	350,000	-
Estuary trail	-	-	300,000	-	-
Capital outlay	1,025,000	875,000	650,000	350,000	-
Total expenditures	1,276,250	1,029,450	807,250	510,050	162,950
Resources over (under) expenditures	882,050	(1,024,250)	696,750	(506,050)	(160,950)
Beginning fund balance	192,200	1,074,250	50,000	746,750	240,700
Ending fund balance	1,074,250	50,000	746,750	240,700	79,750

Debt Service Fund

	2015-16 Proposed	2016-17 Forecast	2017-18 Forecast	2018-19 Forecast	2019-20 Forecast
Current year resources					
Property taxes	349,400	383,300	418,100	453,800	490,400
Miscellaneous	1,000	1,000	1,000	1,000	1,000
Debt proceeds	1,550,000	-	-	-	-
Total current year resources	1,900,400	384,300	419,100	454,800	491,400
Expenditures					
Materials and services	28,000	-	-	-	-
Debt service	2,030,361	272,300	332,500	392,700	392,700
Total expenditures	2,058,361	272,300	332,500	392,700	392,700
Resources over (under) expenditures	(157,961)	112,000	86,600	62,100	98,700
Beginning fund balance	252,956	94,995	206,995	293,595	355,695
Ending fund balance	94,995	206,995	293,595	355,695	454,395