North Plains Urban Renewal Agency
2019-2020 Annual Budget
Budget Committee

URA Board: Term Expires:
Chairperson Russ Sheldon........... December 31, 2020
James Fage.............................. December 31, 2022
Garth Eimers......................... December 31, 2022
Rickey Smith......................... December 31, 2022
Robert Kindel....................... December 31, 2020
Teri Lenahan......................... December 31, 2020
Cameron Martinez................... December 31, 2020

Citizen Members: Term Expires:
Christopher Cronk.................. April 15, 2020
David Hatcher....................... April 15, 2020
Heather LaBonte...................... April 15, 2021
Ricki Manrique...................... April 15, 2020
Michelle McCall-Wallace.......... April 15, 2021
Charlynn Newton.................... April 15, 2020
Trista Papen......................... April 15, 2021

Budget Officer
Executive Director Andy Varner

Document prepared by the Finance Department
April 22, 2019

Urban Renewal Board and Budget Committee Members,

The Urban Renewal Agency was created in 2006 to accomplish a series of goals and objectives which were established by the community. Projects of the URA include:

Completed Projects:
  - Glencoe road Gateway Improvements: Installation of spires and street furniture
  - Purchase of property at 31311 Commercial Street for future economic development
  - Development of the lot at Kaybern and Main Streets for parking
  - City Center Entrance Signage

Current Projects:
  - Mural paintings on tin buildings on Commercial Street

Future Projects:
  - To be determined

The mural projects are largely done, but will have some additional work in the next fiscal year.

In FY2017-18 the City began work on the city center entrance signage. The City has been working closely with the Chamber of Commerce on this project to understand the needs and desires of the downtown business community. This project is largely complete.

Urban Renewal Agency property tax revenues are expected to increase again in FY2019-20, due to regular growth in existing properties along with additional houses added to the assessment rolls by January 1, 2019.

Professional services has been increased to allow for additional planning for projects that could be funded with Urban Renewal money. In addition, a small portion of the City Manager and City Recorder salaries and materials and supplies is being charged to the Urban Renewal Agency this year.
A $3 million loan was included in the 2018-2019 budget, however that loan was not executed, and so the loan has been carried over to the 2019-2020 budget. This money is not earmarked for a specific project, but is budgeted so that if the board identifies a project, the budget appropriation will be available.

In fiscal year 2018-2019 the Glencoe Road loan was paid off. The only debt the Urban Renewal District has now is a loan from the City’s General Fund. This budget proposes paying off that loan. There are sufficient resources in the Urban Renewal Agency to pay off the loan without impacting any Urban Renewal plans.

Respectfully submitted,

Andy Varner,
Executive Director
2019-2020 Budget Calendar

April 19 – Executive Director releases proposed budget

April 22 – First Budget Committee meeting

May 1 – Second Budget Committee meeting

May 14 – Third Budget Committee meeting, if necessary

The Budget Committee will approve the budget.

June 3 – URA Board meeting to hold public hearing on the approved 2018-2019 budget.

June 30 – URA Board must adopt the budget by June 30.

July 15 - The adopted budget is filed with the County Clerk and State of Oregon, and the property tax levy is certified to the County Assessor.

The Budget Amendment Process

The budget is not a fixed document. It is constantly monitored and regular updates are presented to the URA Board by the Contract Accountant. Oregon Budget Law allows for amendments to the City budget for reasons unforeseen at the time of adoption. Adjustments between appropriation levels may be adopted via resolution. Adjustments that exceed certain thresholds require additional action by the Board, including holding a hearing on the proposed budget changes.

The Budget Committee

The Budget Committee is composed of the Urban Renewal Board, and seven citizen members appointed by the Board. The appointed members:

- Must live in the City of North Plains
- Cannot be officers, agents, or employees of the local government,
- Serve three-year terms that are staggered so approximately one-third of the terms end each year

Accounting

The budget is prepared using the modified accrual method of accounting. This means that obligations of the Agency are budgeted as expenses when the related goods or services are available for use rather than when invoices are paid. The URA manages its
finances according to Generally Accepted Accounting Principles (GAAP) for local governments in the United States. During the year, expenditures and revenues are closely monitored to ensure compliance with the adopted budget and State law.

Monthly reports are prepared by office staff and reviewed by department heads and provided to the Board. These reports are public records and available for the general public to review.

**Budget Detail Pages**

**URBAN RENEWAL FUND 113** – The Urban Renewal Agency has a single fund to account for all revenues and expenditures of the Agency.

**Resources**

**Beginning Fund Balance** – The Agency has accumulated resources as property taxes have continued to grow and projects have been completed. The Agency expects to begin the next fiscal year with approximately $1,140,000 of beginning fund balance.

**Property Taxes** – The FY20 budget assumes property taxes will continue to grow.

**Debt Proceeds** – Urban renewal is typically achieved by borrowing money to fund projects and then paying that money back as property taxes grow. The budget for this year anticipates borrowing $3 million to get more projects going.

**Requirements**

**Capital Outlay** – The full $3 million is shown as capital outlay. The Board will need to decide what projects it would still like to fund.

**Debt Service** – The Urban Renewal Agency paid off a $210,000 state loan during fiscal year 2018-19. The Agency owes the General Fund of the City $99,880 to be paid over the next five years, however this budget was prepared recommending the Agency repay the entire loan in fiscal year 2019-20.
Future Debt

The Urban Renewal Agency has the following existing loans:

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<th>Fiscal Year</th>
<th>Principal</th>
<th>Interest</th>
<th>Total</th>
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<tr>
<td>2020</td>
<td>18,719</td>
<td>3,246</td>
<td>21,965</td>
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<tr>
<td>2021</td>
<td>19,328</td>
<td>2,638</td>
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<td>2023</td>
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<td>691</td>
<td>21,964</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>99,880</strong></td>
<td><strong>9,946</strong></td>
<td><strong>109,826</strong></td>
</tr>
</tbody>
</table>

2020 Interest 3,246

Recommended payoff 103,126