



The  
Urban Renewal Agency  
of the  
City of Madras  
Annual Budget  
2014-2015

**SUBJECT: Budget Message for the Madras Urban Renewal District for the FY 2014-15 Budget.**

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This budget was developed in a manner that is consistent with the plans and policies established by the Madras Redevelopment Commission (MRC). The FY 2014-15 combined MRC General Fund and Reinvestment Fund budget is \$582,833. With this proposed FY 2014-15 budget, the MRC will: A) make its fourth of five annual construction and operation incentive payments for the movie theater, B) make the third annual bond principal and interest payment, C) make its third contribution to the Madras Police Station/City Hall, D) continue to fund the Paint Grant program, and E) provide beautification to the downtown streetscape with flowers.

### **MRC GENERAL FUND**

#### **Fund Balances:**

The FY 2014-15 General Fund beginning fund balance is anticipated to be \$117,948, which is down by \$74,119 from FY 2013-14. It is projected that the beginning fund balance will decrease further in the following two (2) fiscal years. Expenses will continue to be prudently managed in a manner such that expenses are programmed within available revenues.

#### **Revenue:**

Property tax revenue will likely be affected by two (2) factors in FY 2014-15. The first of which is the Measure 5 compressional effect, where many properties in the Madras Urban Renewal District (MURD) have a market value that is less than the assessed value of the property and therefore, property taxes are assessed on market value which is reducing property tax revenues to the MURD. The second factor affecting property tax revenue is the impact of expiring bonds, which will reduce the property tax collection rate, and accordingly, the amount of property tax revenue collected by the MURD. Consequently, this fiscal year will mark the third consecutive year where property tax revenue will decline as a result of challenging economic conditions in the commercial industry and as a result of the collection rate being reduced.

The largest revenue source for the MRC is property taxes which are projected to be \$313,500 (including \$12,000 in "Prior Year Property Taxes") in FY 2014-15.

General Fund Current Property Tax Revenue:

FY 2014-15 = \$ 313,500 (estimated)  
FY 2013-14 = \$ 330,000 (estimated)  
FY 2012-13 = \$ 355,038  
FY 2011-12 = \$ 370,970  
FY 2010-11 = \$ 352,621  
FY 2009-10 = \$ 305,402  
FY 2008-09 = \$ 247,931  
FY 2007-08 = \$ 225,631  
FY 2006-07 = \$ 194,712  
FY 2005-06 = \$ 220,452  
FY 2004-05 = \$ 159,485

Expenditures:

Expenditures have been reduced to minimize the impact on the end balance. The MRC has made three (3) financial commitments: 1) the annual bond interest and principal payment of \$178,000; 2) \$75,000 contribution towards the City's Police Station/City Hall; and 3) \$100,000 annual payment to the Madras Cinema 5 movie theater. The proposed FY 2014-15 budget allows the MRC to fulfill these financial commitments.

Materials and Services:

In FY 2014-15, \$58,100 is proposed to be appropriated for Materials and Services. This includes \$45,000 for Contract Services which funds City staff for administrative service to the MRC. The Materials and Service budget also includes \$2,500 for consultant services to help develop a Request for Proposal to update the Urban Revitalization Action Plan.

Capital Outlay:

Capital Outlay expenses are greater than \$5,000 and that will purchase a long-term asset. There are no expenses budgeted in Capital Outlay in FY 2014-15.

Special Payments:

This is a new budget category for FY 2014-15 and is intended to reflect the expenses allocated that are not related to Materials and Services, Capital Outlay, or Debt Service. In past fiscal years, the MRC has made payments to businesses and organizations to remove blight in the District. The Special Payments category will include these types of expenses. In FY 2014-15, a total of \$182,500 is budgeted for Special Payments. This includes the fourth of the five annual \$100,000 payments to Madras Cinema 5, \$7,500 for the Paint Grant Program, and \$75,000 to the City of Madras for the Police Station/City Hall.

Debt Service:

The FY 2014-15 budget includes \$178,000 for the annual Bond Principal and Interest payments. This is the third year of twenty annual payments for a 20-year bond that was issued by the City of Madras on behalf of the MRC (i.e. dejour debt). Because the City of Madras has issued the bond debt on behalf of the MRC with its full faith and credit, there is no obligation to maintain a debt service reserve for the annual Bond Principal and Interest payments. As such, it is important to note that funding the annual Bond Principal and Interest payments are the highest priority for the MRC until the debt is retired in full.

**MRC REINVESTMENT FUND**

The Reinvestment Fund historically has been used as a fund to collect revenues from investments within the District such as land sale proceeds and loan payments. The revenue in this fund has historically provided loans to businesses for façade improvements within the District. This fund has provided grants to businesses, but only on a limited basis for extenuating circumstances.

**Fund Balances:**

The Reinvestment Fund beginning fund balance is anticipated to be \$123,385, which increased by \$29,392 from FY 2013-14.

**Use of Money & Property:**

There are three (3) potential revenue sources for the Reinvestment Fund: Interest on Investments, Land Sales, and Loan Repayment. It is projected that the Reinvestment Fund will receive \$1,000 from Interest on Investments. There is no budgeted revenue from Land Sales in FY 2014-15. There is \$27,000 budgeted for Loan Repayments from businesses participating in the MRC's Façade Improvement Program. The total estimated revenue for the Reinvestment Fund in FY 2014-15 is \$151,385.

**Materials & Services:**

\$8,000 budgeted for Materials and Services in the Reinvestment Fund. There is \$1,000 budgeted for Bank Service Fees and \$7,000 for the downtown flowers (downtown beautification initiative).

# The Urban Renewal Agency of the City of Madras

## 2014-15 Budget Worksheet

### MRC - General Fund

Historical Data		Projection 2013-14					2014-15 Budget		
2011-12	2012-13	Adopted 2013-14	Actual: July-Dec 2013-14	Total 2013-14	Line Item	Description	Proposed	Approved	Adopted
<b>701-701</b>									
Beginning Fund Balance									
323,890	752,708	192,067	676,342	676,342	301-0101	Beginning Fund Balance	581,639		
463,691						Prior Period Adjustment			
<b>787,581</b>	<b>752,708</b>	<b>192,067</b>	<b>676,342</b>	<b>676,342</b>		<b>Total Beginning Fund Balance</b>	<b>581,639</b>	-	-
Property Taxes									
352,784	335,830	339,000	282,730	314,000	310-1101	Current Property Taxes	301,500		
18,186	19,208	10,000	11,247	16,000	310-1201	Prior Property Taxes	12,000		
<b>370,970</b>	<b>355,038</b>	<b>349,000</b>	<b>293,977</b>	<b>330,000</b>		<b>Total Property Taxes</b>	<b>313,500</b>	-	-
Shared Revenues									
2,574,027	-	-	-	-	340-4114	Bond Proceeds	-	-	-
<b>2,574,027</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>Total Shared Revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>
Charges for Services									
-	215	-	980	-	350-5401	Miscellaneous Revenue	-	-	-
<b>-</b>	<b>215</b>	<b>-</b>	<b>980</b>	<b>-</b>		<b>Total Charges for Services</b>	<b>-</b>	<b>-</b>	<b>-</b>
Use of Money & Property									
731	1,065	500	7	7	380-8101	Interest on Investments			
<b>731</b>	<b>1,065</b>	<b>500</b>	<b>7</b>	<b>7</b>		<b>Total Use of Money &amp; Property</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>3,733,309</b>	<b>1,109,026</b>	<b>541,567</b>	<b>971,306</b>	<b>1,006,349</b>		<b>Total Revenues</b>	<b>895,139</b>	<b>-</b>	<b>-</b>
Materials & Services									
2,745	4,050	3,900	1,700	3,900	520-1003	Audit	4,000		
42,000	50,000	45,000	22,500	45,000	520-1221	Contract Services	45,000		
445	445	200	310	310	520-1301	Dues / Membership	450		
7,996	4,304	-	1,482	7,000	520-1302	Downtown Flowers	-		
200	810	600	-	600	520-1511	Facility Maintenance	700		
980	3,534	2,500	-	2,000	520-2102	Legal Fees	2,500		
945	1,750	2,000	423	750	520-2203	Meetings, Travel & Schools	2,000		
51	10	50	-	50	520-2206	Bank Service Fees	50		
612	650	900	-	650	520-2401	Office Supplies	900		
-	-	450	231	450	520-2503	Professional Services	2,500		
<b>55,974</b>	<b>65,553</b>	<b>55,600</b>	<b>26,836</b>	<b>60,710</b>		<b>Total Materials &amp; Services</b>	<b>58,100</b>	<b>-</b>	<b>-</b>
Capital Outlay									
-	-	7,500	-	-	540-5103	Building Improvement	-	-	-
-	-	170,000	-	-	540-5105	Public Facilities	-	-	-
-	-	7,000	-	-	540-5106	Streets and Infrastructure	-	-	-
<b>-</b>	<b>-</b>	<b>184,500</b>	<b>-</b>	<b>-</b>		<b>Total Capital Outlay</b>	<b>-</b>	<b>-</b>	<b>-</b>
Special Payments									
213,719	12,635	-	105,030	107,500	545-6110	Grants- Business	107,500		
40,000	175,000	-	-	-	545-6120	Grants- Infrastructure	-		
-	-	-	-	70,000	545-6130	Grants- Police Station/City Hall	75,000		
40,566	-	-	-	-	545-6200	Loan Distributions	-		
<b>294,285</b>	<b>187,635</b>	<b>-</b>	<b>105,030</b>	<b>177,500</b>		<b>Total Special Payments</b>	<b>182,500</b>	<b>-</b>	<b>-</b>
Debt Service									
2,500,000	-	-	-	-	570-7311	Line of Credit - Principal	-		
80,959	-	-	-	-	570-7312	Line of Credit - Interest	-		
-	95,000	100,000	-	100,000	570-7418	Series 2012B Bond Principal-City of Madras	100,000		
-	84,496	79,000	-	79,000	570-7419	Series 2012B Bond Interest-City of Madras	77,000		
-	-	-	-	-	570-7419	Series 2012B Bond Trust Fee	1,000		
49,383	-	-	-	-	570-7510	Bond Fees	-		
<b>2,630,342</b>	<b>179,496</b>	<b>179,000</b>	<b>-</b>	<b>179,000</b>		<b>Total Debt Service</b>	<b>178,000</b>	<b>-</b>	<b>-</b>
Reserve for Future Expenditure									
-	-	-	-	-	580-6001	Redevelopment Properties - (Non-Spendable until So	463,691		
<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>Total Reserve for Future Expenditure</b>	<b>463,691</b>	<b>-</b>	<b>-</b>
Contingency									
-	-	10,000	-	7,500	590-1010	Contingency	7,000		
<b>-</b>	<b>-</b>	<b>10,000</b>	<b>-</b>	<b>7,500</b>		<b>Total Contingency</b>	<b>7,000</b>	<b>-</b>	<b>-</b>
Ending Balance									
752,708	676,342	112,467	839,440	581,639	595-1010	Ending Balance	5,848		
<b>752,708</b>	<b>676,342</b>	<b>112,467</b>	<b>839,440</b>	<b>581,639</b>		<b>Total Ending Balance</b>	<b>5,848</b>	<b>-</b>	<b>-</b>
<b>3,733,309</b>	<b>1,109,026</b>	<b>541,567</b>	<b>971,306</b>	<b>1,006,349</b>		<b>Total Expenditures</b>	<b>895,139</b>	<b>-</b>	<b>-</b>
<b>3,733,309</b>	<b>1,109,026</b>	<b>541,567</b>	<b>971,306</b>	<b>1,006,349</b>		<b>Total MRC - General Revenues</b>	<b>895,139</b>	<b>-</b>	<b>-</b>
<b>3,733,309</b>	<b>1,109,026</b>	<b>541,567</b>	<b>971,306</b>	<b>1,006,349</b>		<b>Total MRC - General Expenses</b>	<b>895,139</b>	<b>-</b>	<b>-</b>

**City of Madras  
Amortization Schedule  
2014-2015**

**Madras Redevelopment Commission**

**Full Faith and Credit  
LOCAP - Series 2012B  
Bank of New York Mellon**

Loan Amount	2,585,000
Issue Date	5/15/2012
Maturity Date	6/1/2032
Term	20 years
Interest Rate	1.1 to 3.5%

Year	Payment	Interest <small>306-060-570-7419</small>	Principal <small>306-060-570-7418</small>	Balance	Trustee Fee <small>306-060-520-2206</small>
Balance July 1, 2014				<b>2,390,000</b>	
2014-2015	177,000	77,000	100,000	2,290,000	450
2015-2016	180,900	75,900	105,000	2,185,000	450
2016-2017	178,800	73,800	105,000	2,080,000	450
2017-2018	181,700	71,700	110,000	1,970,000	450
2018-2019	178,950	68,950	110,000	1,860,000	450
2019-2020	180,100	65,100	115,000	1,745,000	450
2020-2021	181,075	61,075	120,000	1,625,000	450
2021-2022	181,875	56,875	125,000	1,500,000	450
2022-2023	182,500	52,500	130,000	1,370,000	450
2023-2024	182,950	47,950	135,000	1,235,000	450
2024-2025	178,225	43,225	135,000	1,100,000	450
2025-2026	178,500	38,500	140,000	960,000	450
2026-2027	178,600	33,600	145,000	815,000	450
2027-2028	178,525	28,525	150,000	665,000	450
2028-2029	178,275	23,275	155,000	510,000	450
2029-2030	182,850	17,850	165,000	345,000	450
2030-2031	182,075	12,075	170,000	175,000	450
2031-2032	181,125	6,125	175,000	0	450
Total	<u>3,244,025</u>	<u>854,025</u>	<u>2,390,000</u>		<u>8,100</u>

<b>Payments Due Dates:</b>
December - Interest Only
June - Principal & Interest

Budget line item	Description	2014-15 Budget
306-060-570-7419	Interest	77,500
306-060-570-7418	Principal	100,000
306-060-520-2206	Trust Fee	500
<b>Total</b>		<b>178,000</b>

*Debt Payments are mirrored with MRC budget from 701-701-570-7419/7418.  
MRC transfers to the City prior to the City making each debt service payment*

**The Urban Renewal Agency of the City of Madras**  
2014-15 Budget Worksheet

**MRC - Reinvestment Fund**

Historical Data		Adopted 2013-14	Projection 2013-14		Line Item	Description	2014-15 Budget		
2011-12	2012-13		Actual: July- 2013-14	Total 2013-14			Proposed	Approved	Adopted
<b>702-702</b>									
Beginning Fund Balance									
23,307	66,495	93,993	98,805	98,805	301-0101	Beginning Fund Balance	123,385		
<b>23,307</b>	<b>66,495</b>	<b>93,993</b>	<b>98,805</b>	<b>98,805</b>		<b>Total Beginning Fund Balance</b>	<b>123,385</b>	-	-
Charges for Services									
-	-	-	-	-	350-5401	Miscellaneous Revenue	-		
-	-	-	-	-		<b>Total Charges for Services</b>	-	-	-
Use of Money & Property									
6,033	7,216	-	5,080	5,080	380-8101	Interest on Investments	1,000		
-	-	-	-	-	380-8501	Land Sales	-		
37,155	25,094	27,000	15,664	27,000	380-8507	Loan Repayment	27,000		
<b>43,188</b>	<b>32,310</b>	<b>27,000</b>	<b>20,744</b>	<b>32,080</b>		<b>Total Use of Money &amp; Property</b>	<b>28,000</b>	-	-
<b>66,495</b>	<b>98,805</b>	<b>120,993</b>	<b>119,549</b>	<b>130,885</b>		<b>Total Revenues</b>	<b>151,385</b>	-	-
Materials & Services									
-	-	-	450	500	520-2206	Bank Service Fees	1,000		
-	-	-	-	7,000	520-1302	Downtown Flowers	7,000		
-	-	-	<b>450</b>	<b>7,500</b>		<b>Total Materials &amp; Services</b>	<b>8,000</b>	-	-
Interfund Transfers									
-	-	-	-	-	550-1015	MRC - General Fund	-		
-	-	-	-	-		<b>Total Interfund Transfers</b>	-	-	-
Contingency									
-	-	-	-	-	590-1010	Contingency	43,000		
-	-	-	-	-		<b>Total Contingency</b>	<b>43,000</b>	-	-
Ending Balance									
66,495	98,805	120,993	119,099	123,385	595-1010	Ending Balance	100,385		
<b>66,495</b>	<b>98,805</b>	<b>120,993</b>	<b>119,099</b>	<b>123,385</b>		<b>Total Ending Balance</b>	<b>100,385</b>	-	-
<b>66,495</b>	<b>98,805</b>	<b>120,993</b>	<b>119,549</b>	<b>130,885</b>		<b>Total Expenditures</b>	<b>151,385</b>	-	-
<b>66,495</b>	<b>98,805</b>	<b>120,993</b>	<b>119,549</b>	<b>130,885</b>		<b>Total Reinvestment Revenues</b>	<b>151,385</b>	-	-
<b>66,495</b>	<b>98,805</b>	<b>120,993</b>	<b>119,549</b>	<b>130,885</b>		<b>Total Reinvestment Expenses</b>	<b>151,385</b>	-	-