



MADRAS REDEVELOPMENT
COMMISSION

ANNUAL BUDGET 2016-2017

2016/2017

URBAN RENEWAL AGENCY OF THE CITY OF MADRAS



SAVE THE DATES

Madras Redevelopment Commission – Budget Committee

Meeting Date	Day/Time	Agenda Topics
April 21, 2016	Thursday, 5:30 p.m.	Election of Officers Public Input/Community Requests
May 3, 2016	Thursday, 5:30 p.m.	Final Meeting (if needed) Continued from previous meeting

MRC Commissioners			Budget Committee Members At Large
Chuck Schmidt 316 S.E. "D" Street Madras, OR 97741	Commissioner City Councilor	Cell Phone: 541-980-2273 Term Expires: 1/31/17	Janet Brown 206 NE 11st Street Madras, OR 97741
Royce Embanks 733 S.E. Turner Street Madras, OR 97741	Commissioner City Councilor	Home Phone: 475-5557 Term Expires 1/31/17	Steve Jansen 1572 NE Hilltop Lane Madras, OR 97741
Doeshia Jacobos 601 SE 10 th Street Madras, Oregon 97741	Commissioner General Public	Cell Phone: 541-460-2215 Term Expires: 1/31/17	Dan Chamness 622 NE Begonia Street Madras, OR 97741
Don Reeder 205 SE 5 th Street Madras, Oregon 97741	Commissioner General Public	Work Phone: 541-475-2272 Term Expires 1/31/19	Maura Schwartz 150 SE 16 th Street Madras, OR 97741
Blanca Reynoso 212 SW 5 th Street Madras, Oregon 97741	Commissioner General Public	Work: 541-475-5287 Term Expires: 1/31/19	Tena Jackson 1471 NE Brown Drive Madras, OR 97741
Tom Brown 206 NE 11 th Street Madras, OR 97741	Commissioner City Councilor Vice Chair	Work Phone: 475-6707 Term Expires: 1/31/19	Bartt Brick 385 S.E. "C" Street P.O. Box 578 Madras, Oregon 97741
Doug Lofting P.O. Box Z Madras, OR 97741	Commissioner General Public Chair	Work: 541-475-7211 Term Expires: 1/31/17	VACANT
Vacancy	Commissioner General Public	Term Expires 1/31/17	VACANT – cannot have if there is not an appointed commissioner
Vacancy	Commissioner General Public	Term Expires: 1/31/19	VACANT – cannot have if there is not an appointed commissioner

Under ORS 294.414, the budget committee is composed of the governing body and an equal number of electors appointed by the governing body. The bylaws of the Madras Redevelopment Commission states that to be a member of the governing body or budget committee, they must reside within the urban district boundary which is defined as the Madras community area consisting of two miles from the Madras city limits, excluding the City of Metolius.



MADRAS REDEVELOPMENT COMMISSION

125 S.W. "E" Street Madras Oregon 97741
Phone: 541-475-3388 Fax: 541-475-3959

The Urban Renewal Agency of the City of Madras

Budget Committee
City Council Chambers

April 21, 2016
5:30 p.m.

Agenda

- I Call to Order

- II Election of Officers
 - A. Chairman
 - B. Vice-Chairman (Optional)
 - C. Secretary

- III Budget Message

- IV Review of Budget

- V Consider Approval of Budget

- VI Adjourn

**Note: MRC Budget Committee agenda will resume on May 3, 2016 at 5:30 p.m. if not completed during this scheduled meeting.*



MADRAS REDEVELOPMENT COMMISSION

125 S.W. "E" Street Madras Oregon 97741
Phone: 541-475-3388 Fax: 541-475-3959

The Urban Renewal Agency of the City of Madras

Budget Committee
City Council Chambers

May 3, 2016
5:30 p.m.

Agenda

- I Call to Order

- II Review of Budget – *(start from fund that was last discussed during April 21st meeting)*

- II Consider Approval of Budget

- IV Adjourn

SUBJECT: Budget Message for the Madras Urban Renewal District for the FY 2016-17 Budget.

AUTHOR: City Administrator Gus Burrell, Budget Officer

This budget was developed in a manner that is consistent with the plans and policies established by the Madras Redevelopment Commission (MRC). The FY 2016-17 combined MRC General Fund and Reinvestment Fund budget is \$ 1,126,378. With this proposed FY 2016-17 budget, the MRC will:

1. Make the fifth annual bond principal and interest payment
2. Provide services to recruit development within the District
3. If opportunity develops, provide financial assistance for new development in the District
4. Make its fourth contribution to the Madras Police Station/City Hall
5. Fund a second year of the Sidewalk Repair Grant program
6. Provide resources to assist infrastructure improvements and upkeep
7. Provide funding for Paint Grants
8. Provide beautification to the downtown streetscape with flowers pots

MRC GENERAL FUND

Fund Balances:

The FY 2016-17 General Fund beginning cash balance is anticipated to be \$393,164. Deducting the estimated value of \$329,007 for the two properties that the MRC owns, the General Fund beginning cash in FY 2016-17 is estimated to be \$64,147. The FY 2016-17 General Fund beginning fund balance is \$17,934 less than in FY 15-16. It is projected that FY 2016-17 will be the last year with a diminishing beginning fund balance. Expenses will continue to be prudently managed in a manner such that expenses are programmed within available revenues and any financial assistance provided only when a development needs assistance and development occurs. The FY 2016-17 Ending Fund Balance is \$58,482, which represents 14% of the General Fund Expenditures, not including estimated value of the MRC's properties (i.e. Redevelopment Properties).

Revenue:

The MRC's property tax revenue continues to be affected by the reduction in its tax rate from \$17.8840 per \$1,000 in FY 2009-10 to \$15.0093 per \$1,000 in FY 2014-15, which represents a 16% reduction in the MRC's tax collection rate. Additionally, property values within the Urban Renewal District remain fairly stagnant due to the market value of properties in the District being less than the assessed value of properties (i.e. Measure 5 compression). However in FY 2016-17 property tax revenues are projected to marginally increase for the second consecutive year (Table 1). The largest revenue source for the MRC is property taxes which are projected to be \$355,735 (including \$8,625 in "Prior Year Property Taxes") in FY 2016-17.

Revenue in FY 2016-17 also includes a \$125,000 draw from the MRC's Line of Credit held with the Bank of the Cascades, which will be used to provide assistance for new development that increases the assessed value of property as a result of the development. It should be noted that if financial assistance for new development is not needed, the MRC may choose not to draw \$125,000 from the Line of Credit.

Table 1. Annual Property Tax Revenue Collections:

Fiscal Year	Tax Revenue Collected
FY 2016-17	\$ 355,735 (estimated)
FY 2015-16	\$ 347,447 (year-end projection)
FY 2014-15	\$ 328,967
FY 2013-14	\$ 331,164
FY 2012-13	\$ 355,038
FY 2011-12	\$ 370,970
FY 2010-11	\$ 352,621
FY 2009-10	\$ 327,138
FY 2008-09	\$ 305,402
FY 2007-08	\$ 247,931
FY 2006-07	\$ 194,712
FY 2005-06	\$ 220,452
FY 2004-05	\$ 159,485

Expenditures:

Expenditures have been reduced to maximize the ending cash balance of the General Fund. The MRC has two financial commitments: 1) the annual bond interest and principal payment of \$178,000; and 2) \$75,000 contribution towards the City's Police Station/City Hall. The proposed FY 2016-17 budget has been prepared to additionally support the following services and efforts:

Materials and Services:

- \$45,000 for Contract Services which funds City staff for administrative service to the MRC.
- \$2,000 for maintenance of the two MRC properties and to assist with cleaning streets and sidewalks of dust, debris, and weeds.
- \$2,500 for Bank Service Fees to draw funds from the MRC's Line of Credit which would be used to provide financial assistance for new development in the District.
- \$18,000 for Professional Services to hire a Local Commercial Development Recruitment Specialist and National Commercial Development Recruitment Specialist.

Special Payments:

- \$105,000 for financial assistance for new development in the District
- \$10,000 for the Sidewalk Repair Grant Program
- \$75,000 to the City of Madras for the Police Station/City Hall.
- \$10,000 Blight Removal

Debt Service:

Phase 1 long term bond financing: The FY 2016-17 budget includes \$179,950 for the 2012 Series-B Bond Principal, Interest, and Trust Fee payment and the interest payment on the Line of Credit. This is the fifth year of twenty annual payments for a 20-year bond that issued by the City of Madras on behalf of the MRC (i.e. dejour debt).

MRC REINVESTMENT FUND

The Reinvestment Fund exists to serve as a revolving loan fund capitalized by, but not limited to, proceeds from MRC property sales and loan payments. Expenditures from this fund should be related to loans to property owners within the District to ensure the fund is capitalized and is able to assist with blight removal within the District. However, the MRC has the authority to authorize other expenditures through the annual budget approval process or through formal action at a MRC meeting.

Revenues from investments within the District such as land sale proceeds and loan payments. The revenue in this Fund has been historically allocated (expenses) for loans to businesses for improvements within the District and grants to businesses, but only on a limited basis for extenuating circumstances. The Reinvestment Fund also funds the flower pots downtown.

Fund Balance:

The FY 2016-17 Reinvestment Fund beginning fund balance is anticipated to be \$235,984, which is up by \$40,353 from FY 2015-16. This is due to the additional revenues from the Sheldon Arnett, World of Treasures, and Ralph's TV & Furniture Facade Improvement Loan being repaid in full before the end of their loan term.

Revenue:

As a result of the Sheldon Arnett, World of Treasures, and Ralph's TV & Furniture Facade Improvement Loan being repaid in full in FY 2015-16, Reinvestment Fund revenues collected from Loan Repayments will be less in FY 2016-17 than in FY 2015-16. Based on the payment schedules of the current loans the MRC has issued, the Reinvestment fund will collect \$13,899 in Loan Repayment revenue in FY 2016-17.

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 \$2,096 from Interest on Investments. There is no budgeted revenue from Land Sales in FY 2016-17. There is \$13,899 budgeted for Loan Repayments from businesses participating in the MRC's Façade Improvement Program. The total estimated revenue for the Reinvestment Fund in FY 2016-17 is \$251,979.

Expenditures:

There are two (2) primary expenditures in the Reinvestment Fund: Downtown Flowers and Loan Distributions. Expenditures have been minimized in FY 2016-17. An Ending Balance of \$145,969 is planned.

Materials & Services:

The Reinvestment Fund will pay for placement of flowers in the flower pots along US Highway 97. While this annual expense is not related to a loan, the MRC prioritizes this expense to improve the appearance of the District during the summer season highly. The cost for the flowers are funded by the Reinvestment Fund to ensure the greatest amount of General Fund resources are used to remove blight within the District through Professional Services, Capital Outlay, and Special Payments. In FY 2016-17 there is \$11,000 budgeted for Materials and Services in the Reinvestment Fund, to place flowers in the downtown area and along Highway 97 between Buff and L Streets.

Special Payments:

In FY 2016-17 there is \$25,000 budgeted for special payments to property owners and or businesses for a Façade Improvement or Derelict Building (Blight) Removal. There is not a specific project to fund at this time although the FY 2016-17 Reinvestment Fund budget has been prepared to enable the MRC to respond to a need for a Façade Improvement or Blight Removal.

Contingency:

In FY 2016-17 the Reinvestment Fund has planned \$70,000 in Contingency. At the time the FY 2016-17 Reinvestment Fund budget to provide financial assistance to an unforeseen opportunity. Use of Contingency will require the MRC to formally approve a Supplemental Budget amendment.

The Urban Renewal Agency of the City of Madras
2016-17 Budget Worksheet

MRC - General Fund

Historical		Adopted	Projection 2015-16		Line Item	Description	2016-17 Budget		
2013-14	2014-15	2015-2016	Actual: July-Dec 2015-2016	Total 2015-2016			Proposed	Approved	Adopted
701-701									
Beginning Fund Balance									
542,349	461,496	359,976	475,255	475,255	301-0101	Beginning Fund Balance	393,154		
542,349	461,496	359,976	475,255	475,255		Total Beginning Fund Balance	393,154	-	-
Property Taxes									
311,272	317,468	332,000	311,245	337,000	310-1101	Current Property Taxes	347,110		
19,892	11,499	7,700	7,641	10,447	310-1201	Prior Property Taxes	8,625		
331,164	328,967	339,700	318,886	347,447		Total Property Taxes	355,735	-	-
Shared Revenues									
-	100,000	240,000	-	150,000	340-4114	Line of Credit Proceeds	125,000		
-	-	-	-	-	tbd	Transfer in from MRC Reinvestment Fund	10		
-	100,000	240,000	-	150,000		Total Shared Revenues	125,010	-	-
Charges for Services									
(819)	631	-	-	-	350-5401	Miscellaneous Revenue	-		
(819)	631	-	-	-		Total Charges for Services	-	-	-
Use of Money & Property									
1,945	1,709	500	10	500	380-8101	Interest on Investments	500		
1,945	1,709	500	10	500		Total Use of Money & Property	500	-	-
874,638	892,803	940,176	794,151	973,202		Total Revenues	874,399	-	-
Materials & Services									
4,350	4,210	4,500	4,060	4,210	520-1003	Audit	4,600		
45,000	45,000	45,000	22,500	45,000	520-1221	Contract Services	45,000		
310	310	450	488	488	520-1301	Dues / Membership	500		
4,561	-	-	-	-	520-1302	Downtown Flowers	-		
178	144	800	-	500	520-1511	Repairs and Maintenance	2,000		
1,344	4,544	12,500	5,292	12,500	520-2102	Legal Fees	10,000		
422	-	2,000	1,343	2,000	520-2203	Meetings, Travel & Schools	2,000		
48	1,250	1,050	(1)	500	520-2206	Bank Service Fees	2,500		
606	874	900	550	1,050	520-2401	Office Supplies	1,100		
363	1,716	90,000	58,788	90,000	520-2503	Professional Services	18,000		
57,182	58,048	157,200	93,019	156,248		Total Materials & Services	85,700	-	-
Capital Outlay									
-	-	-	-	-	540-5103	Property Aquisitions	10		
-	-	-	-	-		Total Capital Outlay	10	-	-
Special Payments									
176,510	107,500	150,000	140,000	151,500	545-6110	Grants- Business (TIF and facades)	105,000		
-	-	10,000	-	10,000	545-6120	Grants- Infrastructure (Sidewalks)	10,000		
-	-	-	-	-	545-tbd	Grants- Blight Removal	10,000		
-	75,000	75,000	37,500	75,000	545-6130	Grants- Police Station/City Hall	75,000		
176,510	182,500	235,000	177,500	236,500		Total Special Payments	200,000	-	-
Debt Service									
-	-	-	-	-	570-7311	Line of Credit - Principal	-		
-	-	6,000	842	5,800	570-7312	Line of Credit - Interest	11,250		
100,000	100,000	105,000	-	105,000	570-7418	Series 2012B Bond Principal-City of Madras	105,000		
79,000	77,000	76,500	37,950	76,500	570-7419	Series 2012B Bond Interest-City of Madras	74,500		
-	-	-	-	-	570-7420	Series 2012B Bond Trust Fee	450		
450	-	-	-	-	570-7510	Bond Fees	-		
179,450	177,000	187,500	38,792	187,300		Total Debt Service	191,200	-	-
Reserve for Future Expenditure									
-	-	329,007	329,007	329,007	580-6001	Redevelopment Properties - (Non-Spendable until Sold)	329,007		
-	-	329,007	329,007	329,007		Total Reserve for Future Expenditure	329,007	-	-
Contingency									
-	-	3,000	-	-	590-1010	Contingency	10,000		
-	-	3,000	-	-		Total Contingency	10,000	-	-
Ending Balance									
461,496	475,255	28,469	155,833	64,147	595-1010	Ending Balance	58,482	-	-
461,496	475,255	28,469	155,833	64,147		Total Ending Balance	58,482	-	-
874,638	892,803	940,176	794,151	973,202		Total Expenditures	874,399	-	-
874,638	892,803	940,176	794,151	973,202		Total MRC - General Revenues	874,399	-	-
874,638	892,803	940,176	794,151	973,202		Total MRC - General Expenses	874,399	-	-

**City of Madras
Amortization Schedule
2016-2017**

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, 2016				2,185,000	
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	2,886,125	701,125	2,185,000		7,200

Payments Due Dates:
December - Interest Only
June - Principal & Interest

Budget line item	Description	2016-17 Budget
306-060-570-7419	Interest	74,500
306-060-570-7418	Principal	105,000
306-060-520-2206	Trust Fee	450
Total		179,950

*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
2016-17 Budget Worksheet

MRC - Reinvestment Fund

Historical		Adopted 2015-2016	Projection 2015-16		Line Item	Description	2016-17 Budget		
2013-14	2014-15		Actual: July- 2015-2016	Total 2015-2016			Proposed	Approved	Adopted
702-702									
Beginning Fund Balance									
98,805	137,955	195,631	203,989	195,631	301-0101	Beginning Fund Balance	235,984		
98,805	137,955	195,631	203,989	195,631		Total Beginning Fund Balance	235,984	-	-
Charges for Services									
-	40	-	-	-	370-6202	Late Payment Fee			
-	40	-	-	-		Total Charges for Services	-	-	-
Use of Money & Property									
11,821	6,635	4,000	2,808	3,967	380-8101	Interest on Investments	2,096		
27,329	65,582	31,000	39,373	89,386	380-8507	Loan Repayment	13,899		
39,150	72,217	35,000	42,181	93,353		Total Use of Money & Property	15,995	-	-
137,955	210,211	230,631	246,170	288,984		Total Revenues	251,979	-	-
Materials & Services									
-	211	1,000	-	-	520-2206	Bank Service Fees	-		
-	6,012	7,000	3,103	18,000	520-1302	Downtown Flowers	11,000		
-	6,222	8,000	3,103	18,000		Total Materials & Services	11,000	-	-
Interfund Transfers									
-	-	-	-	-	550-1015	MRC - General Fund	10		
-	-	-	-	-		Total Interfund Transfers	10	-	-
Special Payments									
-	-	35,000	20,000	35,000	545-6200	Loan Distributions	25,000		
-	-	35,000	20,000	35,000		Total Special Payments	25,000	-	-
Contingency									
-	-	25,000	-	-	590-1010	Contingency	70,000		
-	-	25,000	-	-		Total Contingency	70,000	-	-
Ending Balance									
137,955	203,989	162,631	223,067	235,984	595-1010	Ending Balance	145,969		
137,955	203,989	162,631	223,067	235,984		Total Ending Balance	145,969	-	-
137,955	210,211	230,631	246,170	288,984		Total Expenditures	251,979	-	-
137,955	210,211	230,631	246,170	288,984		Total Reinvestment Revenues	251,979	-	-
137,955	210,211	230,631	246,170	288,984		Total Reinvestment Expenses	251,979	-	-