

COBURG URBAN RENEWAL AGENCY

BUDGET COMMITTEE MESSAGE

FISCAL YEAR 2020-21

Dear Citizens and Budget Committee Members

This budget continues the agency's practice of contributing funds to the City of Coburg Sewer Debt Fund for debt service loan payments. This fulfills the mission of the agency to "Assist the City of Coburg with the financing of the wastewater system".

The Funding of Sewer Debt was designed with the development of the Urban Renewal District. The limitation of contribution to the sewer fund was set at approximately \$9,000,000. Given the current transfers it is assumed that this will be reached somewhere around 2032, unless an adjustment to the URD is made. With the anticipated expansion of 106 acres of industrial lands it could be a possibility for the City to expand the district in order to take those lands into the urban growth boundary, and thus create additional revenues for sewer debt when there is a growth in value. However, this is only in a discussion phase at this time with the City Attorney.

It is anticipated that the Urban Renewal Agency will have revenues of \$417,000 consisting of Tax Receipts and Interest Income in fiscal year 2021. This is 4% decrease over anticipated receipts for 2020. Expenses are limited to administrative costs of the district in the amount of \$8,025 which will be consistent with anticipated expenses in 2020. The budget also reflects \$400,000 transferred to the City Sewer Debt Department. This is a decrease of \$80,000 from 2020.

In keeping with process established, the transfer to the City for 2021 and years after should be the majority of tax receipts leaving minimal cash balance. In 2021 the ending balance will be \$43,975 in the URA to be carried over in order to cover the administration of the agency such as the audit, administrative services expense, public notices, bank fees, etc. The fund balance represents cash on hand as the Urban Renewal District has no Capital Assets.

As the Sewer project was completed and the Sewer Fund as well as the Urban Renewal Agency moved to an “operations mode”, a policy driven discussion took place regarding the purpose and use of the Urban Renewal tax receipts. This budget reflects those discussions.

TAX ANTICIPATION

An analysis of tax receipts for the URD (Urban Renewal District) is included in this packet. It reflects an anticipated decrease in tax collections from receipts in 2020. The URA experienced a 7% growth in fiscal year 2019 and it was anticipated due to conversations with the county assessor that would continue into 2020. However, that has not been realized. Tax receipts in 2020 will fall short of budget by 6%. The County predicts that the URA will continue to perform at a 3% growth in 2021. However, due to Covid-19 and the uncertain collections within the URD, the budget has been reduced to \$410,000.

Thank you for your time and consideration of this budget. I look forward to discussing the budget with you and answering your questions.

Sincerely,

Anne Heath
City Administrator
Budget Officer, Urban Renewal Agency

City of Coburg
Urban Renewal Agency
Adopted Budget 2020-2021

CITY OF COBURG URBAN RENEWAL AGENCY ADOPTED BUDGET FISCAL YEAR 2020-2021

Description Resources and Requirements	Historical Data			Proposed FY 2021
	Actual FY 2018	Actual FY 2019	Adopted FY 2020	
1 - Revenue	375,348	409,541	430,500	417,000
001-000-400200 Current Property Taxes	337,183	386,025	425,000	410,000
001-000-400300 Delinquent Property Taxes	33,577	14,953		0
001-000-401000 Interest Income	4,588	8,562	5,500	7,000
001-001-400110 Sewer Project Reimb.		0		0
3 - Material & Services	-504,908	-404,501	-488,000	-408,025
001-001-510600 Audit	-4,120	-4,275	-4,500	-4,500
001-001-510701 UGB Expansion Project Reimb.	0	0		0
001-001-510800 Professional Services	-504	-168	-500	-500
001-001-510801 General LCOG Services	0	0		
001-001-510880 Attorney	0	0	-200	-200
001-001-513000 Bank Fees	-1	0	-350	-375
001-001-522090 Mbrships, Dues & Subscriptions	-58	-58	-550	-550
001-001-542000 Payments to City for Debt Serv	0	0	0	0
001-001-557100 Advertising, Notices & Electio	-225	0	-400	-400
001-001-557200 Reconciliation Discrepancy	0	0		0
001-001-665000 LCOG Services	0	0		0
001-001-510805 Administrative Services	0	0	-1,500	-1,500
001-001-710000 Wastewater Debt Service Reserve Fund	-500,000	-400,000	-480,000	-400,000
6 - Debt	0	0	0	0
001-001-666000 Construction Loan to City	0	0		0
8 - Contingency	0	0	0	0
001-800-801000 Operating Contingency	0	0		0
9 - Fund Balance	129,560	-5,040	57,500	-8,975
001-000-400100 Beginning Fund Balance	240,884	107,000	108,000	35,000
001-900-950000 Unapp Ending Fund Bal	-111,324	-112,040	-50,500	-43,975
001-900-95XXXX Prior Period Adjustment	0	0		0
Adjustment to debt service	0	0	0	0
Grand Total	(0)	(0)	0	-