

Medford Urban Renewal Agency

(A Component Unit of the City of Medford Oregon)



2019-2021 Preliminary Biennial Budget

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2019-2021 Biennial Budget

April 8, 2019

Medford Urban Renewal Agency Board
Appointed Members of the Budget Committee
Citizens of the City of Medford

As Executive Director of the Medford Urban Renewal Agency (MURA), I submit for your review and consideration the attached 2019-2021 Biennial Budget. This budget encompasses the first full biennium of MURA's continuation of urban renewal activities pursuant to the Medford City Center Revitalization Plan Substantial Amendment No. 6 approved by City Council on April 19, 2018 via Ordinance 218-33. The Budget reflects the broad outlines provided by that document but reflects the fact that the selection of specific capital improvement projects awaits further Board deliberation and approval.

Notable aspects in the Biennial Budget include the following:

- Continuing the full division of taxes re-established in FY 2018-2019 in all subsequent years until the additional maximum indebtedness amount of \$19,926,040 is reached. FY 2018-2019 tax increment revenues totaled \$3,783,624.04 (exceeding the \$3,400,000 estimate). At current rates of collection, MURA anticipates full increment amounts through FYE 2023 and final receipt of a partial remainder of indebtedness in FYE 2024.
- Revenues and expenditures are budgeted on a pay-as-you-go basis. Rather than bond against future tax increment revenues, pay-as-you-go minimizes interest-carry expense and avoids the substantial transaction costs of bond underwriting and issuance.
- There is a one remaining bond payment due in FY 2019-2020 totaling \$1,354,450.
- As tax increment revenues must be accessed through a debt instrument, MURA will borrow its annual amount of tax increment revenues from the City of Medford and immediately repay the loan from its debt service fund. This line of credit facility affords the most efficient access to MURA funds without impacting the City's finances, and will appear as inter-agency transfers in the City's budget.
- Annual pay-as-you-go project expenditures implies limiting individual project activities within the annual funding available, and thus, constitutes an incremental approach to project identification and implementation. The line of

Budget Message

credit facility does not preclude borrowing on a multi-year basis if a large project need is defined. If City funds are constrained, a conventional line of credit can be pursued through a local lending institution, acknowledging that there would be an additional interest expense incurred over the longer term of the loan.

- MURA's operation depends upon a high degree of coordination and collaboration with various City department staff. A cost allocation formula created in 2018 projected the time of specific City staff involved in MURA's work on an on-going basis. The allocation formula included a detailed analysis of payroll and benefit costs and was accounted for accordingly. Beginning in the 2019-2021 Biennium, these inter-departmental cost allocations will be aggregated and accounted for under Materials & Services. As capital projects are specified, potential supplemental staff expenses for individual projects can be accounted for via project budget amendments.
- The Substantial Amendment provided a general allocation of 90% of future funds for improvements in the district north of Jackson Street (Liberty Park) and a maximum of 10% for seismic retrofit assistance in Downtown. Identification of specific projects in Liberty Park was deferred pending an update of the Liberty Park Neighborhood Plan now approaching completion. It remains for the Board to identify and scope specific capital projects to be added to the Substantial Amendment. This budget projects expense amounts for administration, operations, and anticipated Materials and Services items over the Biennium, but recognizes capital improvement expense as a lump-sum reserve of funds available for the Board's determination.

In addition to revenues and expenses considered in the Biennial Budget, MURA owns a number of real estate assets currently used in the Downtown parking system. Previous offerings of these assets for redevelopment under a Request for Proposals process did not garner responses. The Board has charged the newly formed MURA Advisory Committee with re-examining potential redevelopment of these assets to further Downtown revitalization objectives. The implications of disposition of these assets has significant ramifications for the existing parking system, and for the long-held goal of achieving housing in Downtown. These assets are balance sheet items whose disposition are not presently known, and therefore, are not projected in the 2019-2021 Biennium Budget. Should the Board ultimately pursue a disposition scenario, expenses associated with site disposition and any proceeds realized would come forward as budget amendments.

Sincerely,

Harry M. Weiss, Director
Medford Urban Renewal Agency

Resources & Requirements

MURA GENERAL FUND (901) This fund accounts for the financial operations of MURA not accounted for in any other fund. Principal sources of revenue are property taxes. Expenditures are for primary agency operations.

RESOURCES & REQUIREMENTS	13-15 BIENNIUM ACTUAL	15-17 BIENNIUM ACTUAL	17-19 ADJUSTED BUDGET	19-20 CITY MGR PROPOSED	20-21 CITY MGR PROPOSED	19-21 CITY MGR PROPOSED
RESOURCES						
GENERAL GOVERNMENT	292,948	170,158	-	-	-	-
INTEREST INCOME	93,093	130,571	58,000	-	-	-
SALE OF PROPERTY	117,500	-	-	-	-	-
SERVICE PAY & TRANSFERS	300,000	-	3,750,150	2,687,150	3,633,400	6,320,550
OTHER	-	-	-	3,536,500	3,632,200	7,168,700
Sub-Total	803,541	300,729	3,808,150	6,223,650	7,265,600	13,489,250
BEGINNING FUND BALANCE	10,212,730	385,278	290,000	4,035,100	-	4,035,100
Total Resources	\$ 11,016,271	\$ 686,007	\$ 4,098,150	\$ 10,258,750	\$ 7,265,600	\$ 17,524,350
REQUIREMENTS						
SALARIES & WAGES	58,450	-	267,036	147,030	157,100	304,130
FRINGE BENEFITS	27,405	-	118,944	63,330	66,600	129,930
MATERIALS & SERVICES	101,138	-	215,200	166,500	141,500	308,000
CAPITAL IMPROVEMENT PROJECTS	10,444,000	395,243	3,482,970	-	-	-
TRANSFERS	-	-	-	3,536,500	3,632,200	7,168,700
Sub-Total	10,630,993	395,243	4,084,150	3,913,360	3,997,400	7,910,760
CONTINGENCY	-	-	-	6,345,390	3,268,200	9,613,590
Unappropriated Ending Fund Balance	385,278	290,763	14,000	-	-	-
Total Requirements	\$ 11,016,271	\$ 686,007	\$ 4,098,150	\$ 10,258,750	\$ 7,265,600	\$ 17,524,350

Resources & Requirements

MURA BOND FUND (902) This fund accounts for principal and interest on Agency debt.

RESOURCES & REQUIREMENTS	13-15 BIENNIUM ACTUAL	15-17 BIENNIUM ACTUAL	17-19 ADJUSTED BUDGET	19-20 CITY MGR PROPOSED	20-21 CITY MGR PROPOSED	19-21 CITY MGR PROPOSED
RESOURCES						
PROPERTY TAXES	10,947,677	12,361,537	4,460,850	3,536,500	3,632,200	7,168,700
INTEREST INCOME	26,672	4,709	-	1,200	1,200	2,400
Sub-Total	10,974,349	12,366,245	4,460,850	3,537,700	3,633,400	7,171,100
BEGINNING FUND BALANCE	3,149,972	4,293,139	3,229,860	503,900	-	503,900
Total Resources	\$ 14,124,321	\$ 16,659,385	\$ 7,690,710	\$ 4,041,600	\$ 3,633,400	\$ 7,675,000
REQUIREMENTS						
DEBT SERVICE	9,531,182	13,658,550	3,303,700	1,354,450	-	1,354,450
TRANSFERS	300,000	-	3,750,150	2,687,150	3,633,400	6,320,550
Sub-Total	9,831,182	13,658,550	7,053,850	4,041,600	3,633,400	7,675,000
CONTINGENCY	-	-	-	-	-	-
Unappropriated Ending Fund Balance	4,293,139	3,000,835	636,860	-	-	-
Total Requirements	\$ 14,124,321	\$ 16,659,385	\$ 7,690,710	\$ 4,041,600	\$ 3,633,400	\$ 7,675,000

Revenue Detail

MURA GENERAL FUND (901)

RESOURCE DESCRIPTION	13-15 BIENNIUM ACTUAL	15-17 BIENNIUM ACTUAL	17-19 ADJUSTED BUDGET	19-20 CITY MGR PROPOSED	20-21 CITY MGR PROPOSED	19-21 CITY MGR PROPOSED
GENERAL GOVERNMENT						
MISC AR LOAN REVENUE	174,637	170,133	-	-	-	-
MISCELLANEOUS REVENUE	71,449	25	-	-	-	-
REFUNDS	46,862	-	-	-	-	-
CREDIT CARD PROCESSING FEE	-	-	-	-	-	-
GENERAL GOVERNMENT - TOTAL	292,948	170,158	-	-	-	-
INTEREST INCOME						
INTEREST INCOME	93,093	130,571	58,000	-	-	-
INTEREST INCOME - TOTAL	93,093	130,571	58,000	-	-	-
SALE OF PROPERTY						
SALES - PROPERTY	117,500	-	-	-	-	-
SALE OF PROPERTY - TOTAL	117,500	-	-	-	-	-
SERVICE PAY & TRANSFERS						
TF FROM GENERAL 100	300,000	-	-	-	-	-
TF FROM MURA DEBT 902	-	-	3,750,150	2,687,150	3,633,400	6,320,550
SERVICE PAY & TRANSFERS - TOTAL	300,000	-	3,750,150	2,687,150	3,633,400	6,320,550
OTHER						
MURA LOAN PAYMENTS	-	-	-	3,536,500	3,632,200	7,168,700
OTHER - TOTAL	-	-	-	3,536,500	3,632,200	7,168,700
Grand Total	\$ 803,541	\$ 300,729	\$ 3,808,150	\$ 6,223,650	\$ 7,265,600	\$ 13,489,250

Revenue Detail

MURA BOND FUND (902)

RESOURCE DESCRIPTION	13-15 BIENNIUM ACTUAL	15-17 BIENNIUM ACTUAL	17-19 ADJUSTED BUDGET	19-20 CITY MGR PROPOSED	20-21 CITY MGR PROPOSED	19-21 CITY MGR PROPOSED
PROPERTY TAXES						
CURRENT PROPERTY TAX	10,646,163	12,061,050	4,335,000	3,469,500	3,563,200	7,032,700
DELINQUENT PROPERTY TAX	301,514	300,487	125,850	67,000	69,000	136,000
PROPERTY TAXES - TOTAL	10,947,677	12,361,537	4,460,850	3,536,500	3,632,200	7,168,700
INTEREST INCOME						
INTEREST INCOME	26,672	4,709	-	1,200	1,200	2,400
INTEREST INCOME - TOTAL	26,672	4,709	-	1,200	1,200	2,400
Grand Total	\$ 10,974,349	\$ 12,366,245	\$ 4,460,850	\$ 3,537,700	\$ 3,633,400	\$ 7,171,100

Expenditure Detail

MEDFORD URBAN RENEWAL AGENCY

MURA GENERAL FUND (901)

EXPENSE DESCRIPTION	13-15 BIENNIUM ACTUAL	15-17 BIENNIUM ACTUAL	17-19 ADJUSTED BUDGET	19-20 CITY MGR PROPOSED	20-21 CITY MGR PROPOSED	19-21 CITY MGR PROPOSED
PERSONNEL SERVICES						
SALARIES & WAGES	55,494	-	267,036	128,310	137,440	265,750
TEMPORARY WAGES	2,957	-	-	18,720	19,660	38,380
FRINGE BENEFITS	27,405	-	118,944	63,330	66,600	129,930
PERSONNEL SERVICES - TOTAL	85,855	-	385,980	210,360	223,700	434,060
MATERIALS & SERVICES						
PROFESSIONAL & CONTRACT SVCS	90,645	-	200,000	150,000	125,000	275,000
MEMBERSHIP DUES & FEES	566	-	1,000	1,200	1,200	2,400
COMPLIANCE EXPENSE	-	-	2,000	2,000	2,000	4,000
INSURANCE PREMIUMS	3,749	-	-	-	-	-
ADVERTISING	1,100	-	-	1,500	1,500	3,000
PROPERTY TAXES	2,167	-	-	-	-	-
TRAINING & TRAVEL	-	-	4,000	3,000	3,000	6,000
OFFICE SUPPLIES	18	-	3,000	3,000	3,000	6,000
COMPUTER EXPENSE	-	-	2,500	2,500	2,500	5,000
POSTAGE & SHIPPING	-	-	700	500	500	1,000
FOOD & BEVERAGE	1,822	-	2,000	2,800	2,800	5,600
SMALL EQUIP & FURNISHINGS	1,000	-	-	-	-	-
NATURAL GAS UTILITY	70	-	-	-	-	-
MATERIALS & SERVICES - TOTAL	101,138	-	215,200	166,500	141,500	308,000
CAPITAL IMPROVEMENT						
CIP GENERAL	10,444,000	395,243	3,482,970	-	-	-
CAPITAL IMPROVEMENT - TOTAL	10,444,000	395,243	3,482,970	-	-	-
TRANSFERS						
TF TO GENERAL FUND 100	-	-	-	3,536,500	3,632,200	7,168,700
TRANSFERS - TOTAL	-	-	-	3,536,500	3,632,200	7,168,700
Grand Total	\$ 10,630,993	\$ 395,243	\$ 4,084,150	\$ 3,913,360	\$ 3,997,400	\$ 7,910,760

Expenditure Detail

MEDFORD URBAN RENEWAL AGENCY

MURA BOND FUND (902)

EXPENSE DESCRIPTION	13-15 BIENNIUM ACTUAL	15-17 BIENNIUM ACTUAL	17-19 ADJUSTED BUDGET	19-20 CITY MGR PROPOSED	20-21 CITY MGR PROPOSED	19-21 CITY MGR PROPOSED
DEBT SERVICE						
BUILDINGS & FIXTURES	7,522,000	12,585,000	3,085,000	1,315,000	-	1,315,000
FURNISHINGS	2,009,182	1,073,550	218,700	39,450	-	39,450
DEBT SERVICE - TOTAL	9,531,182	13,658,550	3,303,700	1,354,450	-	1,354,450
TRANSFERS						
TF TO GENERAL FUND 100	300,000	-	-	-	-	-
TF TO MURA GEN 901	-	-	3,750,150	2,687,150	3,633,400	6,320,550
TRANSFERS - TOTAL	300,000	-	3,750,150	2,687,150	3,633,400	6,320,550
Grand Total	\$ 9,831,182	\$ 13,658,550	\$ 7,053,850	\$ 4,041,600	\$ 3,633,400	\$ 7,675,000