

City Administrator

Budget Message

Urban Renewal Agency

Fiscal Year 2024-25



May 28, 2024

Elected and Appointed Members of the Budget Committee,

I am pleased and excited to share with you and the community the City of Coburg's Proposed Fiscal Year 2024-25 (FY25) Budget for the Coburg Urban Renewal Agency.

The Coburg Urban Renewal Agency (URA) was established in 2001 with the creation of an Urban Renewal Plan and associated boundary map outlining the URA area within the City of Coburg (ORS maximum of 25% of total land area). Urban Renewal is utilized to address particular issues that have been identified to be hindering the economic viability and future economic potential of an area of the community.

In Coburg, the driving economic hinderance affecting the commercial and light industrial areas of Coburg was the lack of a municipal wastewater system. The URA was and remains an instrumental financial tool in advancing Coburg's wastewater from its inefficient, environmentally damaging individual tank/drain field systems to a modern STEP (Septic Tank Effluent Pump) system for collections and a membrane (MBR – Membrane bio reactor) treatment plant.

The construction and use of this new wastewater system greatly improved groundwater quality and also facilitated growth and development of new and expanded business opportunities that could not have occurred without the new system.

The function of the URA currently is to continue to utilize the tax increment financing (TIF) model to fund a portion of the annual debt service for the wastewater treatment facility. This is done by an annual payment from the URA to the City that goes directly to the debt service located with the Wastewater Fund of the City's budget and represents approximately 40% of the overall annual debt service (remaining 60% come from customers/rate payers).

The URA has a total maximum indebtedness of \$9 million. Staff is proposing a slight increase of the payment from the URA to the City from \$375,000 in FY24 to \$400,000 in FY25 to leverage the higher fund balances. Staff will be evaluating the cost/benefit of accelerating the remaining payments to reach the \$9 million cap in the next three fiscal years as part of a strategy to improve the year-to-year fund balance within the Wastewater Fund for significant future capital project expenses anticipated in the next three to five years. The current future year columns represent the accelerated payment plan concept that will be studied and fully vetted within this upcoming fiscal year and presented next year as part of the proposed FY26 URA and City Budget.

Adam Hanks
City Administrator

Coburg Urban Renewal Agency

Fund & Department
City Wide
FY 2025 Budget

	FY 2023	FY 2024	FY 2025		FY 2026	FY 2027	FY 2028
	Actual	EOY Estimates	Proposed	Approved	Projected Budget	Projected Budget	Projected Budget
General Fund	376,695	383,000	411,000	411,000	611,440	611,898	612,374
Unappropriated Ending Fund Balance	102,980	183,280	253,355	253,355	146,744	64,607	8,165
Total	479,675	566,280	664,355	664,355	758,184	676,505	620,538
Administration Department	1,695	8,000	11,000	11,000	11,440	11,898	12,374
Non Operating	375,000	375,000	400,000	400,000	600,000	600,000	600,000
Transfers Out	-	-	-	-	-	-	-
Contingencies	-	-	-	-	-	-	-
Unappropriated Ending Fund Balance	102,980	183,280	253,355	253,355	146,744	64,607	8,165
Total	479,675	566,280	664,355	664,355	758,184	676,505	620,538

Coburg Urban Renewal Agency

Resources and Uses

City Wide

FY 2025 Budget

	FY 2023	FY 2024	FY 2025		FY 2026	FY 2027	FY 2028
	Actual	EOY Estimates	Proposed	Approved	Projected Budget	Projected Budget	Projected Budget
Revenues:							
Taxes and Assessments	436,017	450,300	466,075	466,075	489,379	513,848	539,540
Investment Revenue	7,154	13,000	15,000	15,000	15,450	15,914	16,391
Total Revenue	443,171	463,300	481,075	481,075	504,829	529,761	555,931
Budgetary Resources:							
Working Capital Carryover	36,504	102,980	183,280	183,280	253,355	146,744	64,607
Bond Proceeds	-	-	-	-	-	-	-
Transfer In	-	-	-	-	-	-	-
Total Budgetary Sources	36,504	102,980	183,280	183,280	253,355	146,744	64,607
Total Resources	479,675	566,280	664,355	664,355	758,184	676,505	620,538
Operating Expenditures:							
Materials and Services	1,695	8,000	11,000	11,000	11,440	11,898	12,374
Debt Service	375,000	375,000	400,000	400,000	600,000	600,000	600,000
Total Expenditure	376,695	383,000	411,000	411,000	611,440	611,898	612,374
Budgetary Requirements							
Transfers Out	-	-	-	-	-	-	-
Contingencies	-	-	-	-	-	-	-
Unappropriated Ending Fund Balance	102,980	183,280	253,355	253,355	146,744	64,607	8,165
Total Budgetary Requirements	102,980	183,280	253,355	253,355	146,744	64,607	8,165
Total Uses by Classification	479,675	566,280	664,355	664,355	758,184	676,505	620,538

Coburg Urban Renewal Agency

Budgetary Funds

General Fund

FY 2025 Budget

	FY 2023	FY 2024	FY 2025		FY 2026	FY 2027	FY 2028
	Actual	EOY Estimates	Proposed	Approved	Projected Budget	Projected Budget	Projected Budget
Revenues:							
Taxes and Assessments	436,017	450,300	466,075	466,075	489,379	513,848	539,540
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Budgetary Sources:							
Working Capital Carryover	36,504	102,980	183,280	183,280	253,355	146,744	64,607
Bond Proceeds	-	-	-	-	-	-	-
Transfer In	-	-	-	-	-	-	-
Total Budgetary Sources	36,504	102,980	183,280	183,280	253,355	146,744	64,607
Total Sources	479,675	566,280	664,355	664,355	758,184	676,505	620,538
Expenditures							
Administration Department - Materials & Services	1,695	8,000	11,000	11,000	11,440	11,898	12,374
Total Administration	1,695	8,000	11,000	11,000	11,440	11,898	12,374
Debt Service:							
Principal	375,000	375,000	400,000	400,000	600,000	600,000	600,000
Interest	-	-	-	-	-	-	-
Total Debt Service	375,000	375,000	400,000	400,000	600,000	600,000	600,000
Total Expenditures	376,695	383,000	411,000	411,000	611,440	611,898	612,374
Budgetary Requirements							
Transfers Out	-	-	-	-	-	-	-
Contingencies	-	-	-	-	-	-	-
Unappropriated Ending Fund Balance	102,980	183,280	253,355	253,355	146,744	64,607	8,165
Total Budgetary Requirements	102,980	183,280	253,355	253,355	146,744	64,607	8,165
Total Uses by Classification	479,675	566,280	664,355	664,355	758,184	676,505	620,538

RESOLUTION 2024-01-U

A RESOLUTION ADOPTING THE AGENCY BUDGET FOR FISCAL YEAR 2023-24 AND CREATING EXPENDITURE APPROPRIATIONS

BE IT RESOLVED that the Board of Directors of the Coburg Urban Renewal Agency hereby adopts the budget for fiscal year 2023-2024 in the sum of \$664,355 now on file at Coburg City Hall.

MAKING APPROPRIATIONS

BE IT RESOLVED that the amounts for the fiscal year beginning July 1, 2024, and for the purposes shown below are hereby appropriated as follows:

Materials and Services	\$ 11,000
Special Payment to Sewer Debt	<u>\$400,000</u>
Total Appropriations	<u>\$411,000</u>
Total Un-appropriated Funds	<u>\$253,355</u>
Total Requirements	<u>\$664,355</u>

RESOLUTION DECLARING TAX INCREMENT

BE IT RESOLVED that the Board of Directors of the Coburg Urban Renewal Agency hereby resolves to certify to the County Assessor a request for the Coburg Urban Renewal Agency Plan Area for the maximum amount of revenue that may be raised by dividing the taxes under Section 1C, Article IX, of the Oregon Constitution and ORS Chapter 457.

The above resolution statements were approved and declared adopted on this 11th day of June, 2024.

Adopted by the **Coburg Urban Renewal Agency**, by a vote of ____ for and ____ against, this 11th day of June, 2024.

Nancy Bell, Director

ATTEST:

Sammy L. Egbert, City Recorder