



Hermiston **U**rban **R**enewal **A**gency

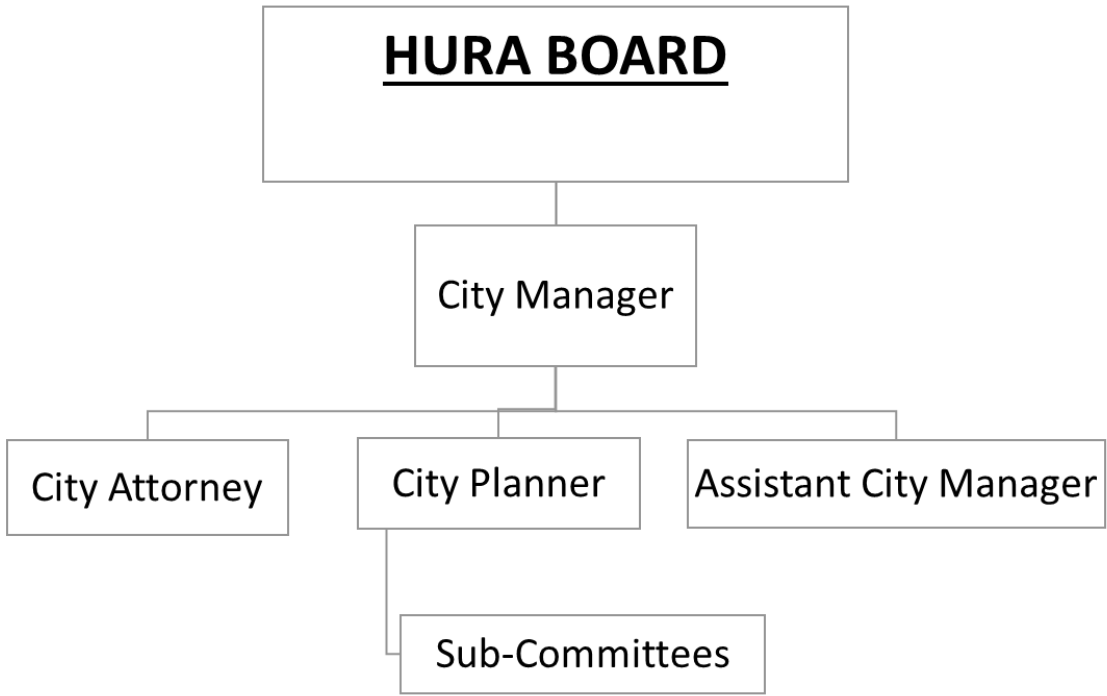
PROPOSED BUDGET
FISCAL YEAR 2023-2024



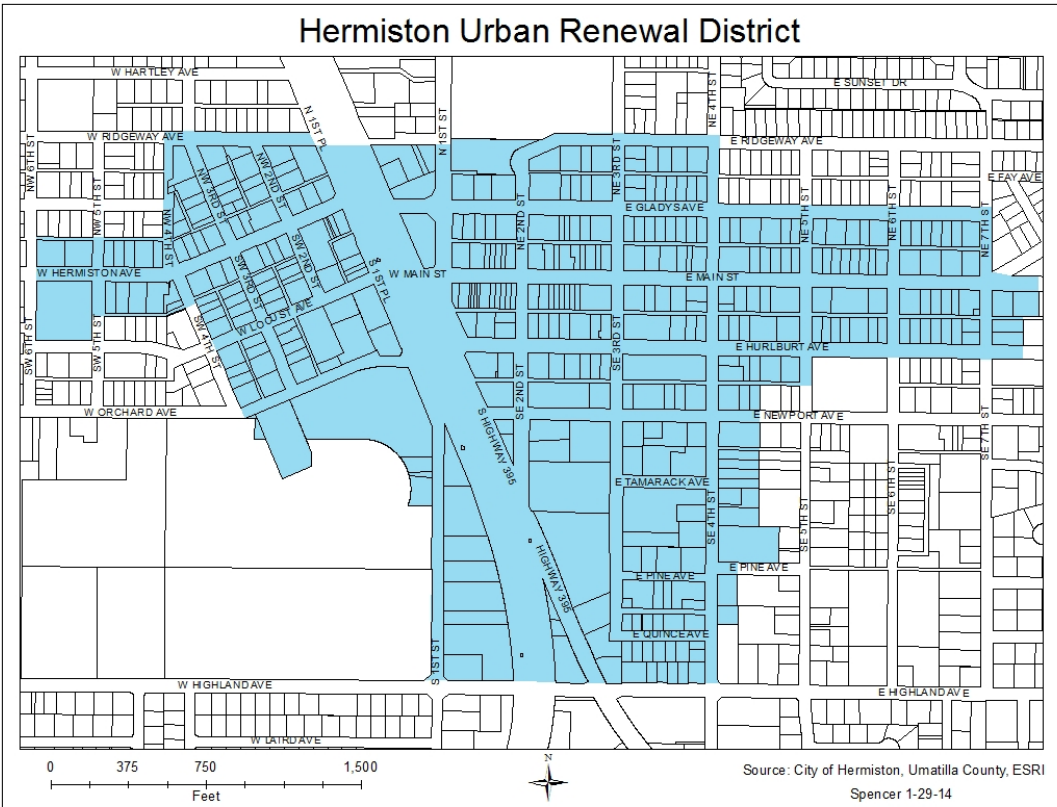
FISCAL YEAR 2023-24
PROPOSED ANNUAL BUDGET
BUDGET COMMITTEE MEMBERS

Roy Barron, Councilor
Lori Davis, Citizen Member
John Douglass, Citizen Member
Dave Drotzmann, Mayor
Maria E. Duron, Councilor
David Hanson, Citizen Member
Rod S. Hardin, Councilor
Larry Lankford, Citizen Member
Jackie M. Linton, Councilor
Jason McAndrew, Citizen Member
David P. McCarthy, Councilor
Paul Magana, Citizen Member
Brian Misner, Citizen Member
Jackie C. Myers, Councilor
Nancy Peterson, Councilor
Doug Primmer, Councilor
Joshua Roberts, Citizen Member
Anton Wanous, Citizen Member

Byron Smith, Budget Officer
Mark Krawczyk, Director of Finance



MAP OF DISTRICT



BUDGET PROCESS

Most local governments in Oregon must prepare and adopt an annual budget. Budget guidelines are determined by Oregon's Local Budget Law. The law requires citizen involvement in the preparation of the budget, public disclosure of the budget before its final adoption, and establishes standard procedures for preparing, presenting, and administering the budget. The budget committee in Oregon is made up of the mayor and city councilors of the local government and an equal number of appointed citizens. The Hermiston Urban Renewal Agency Budget Committee consists of eighteen individuals, each uniquely suited to provide guidance and analysis for the city budget.

The law sets out the following specific procedures to be followed:

- 1) Appoint budget officer;
- 2) Prepare a proposed budget;
- 3) Publish notices of budget committee meeting;
- 4) Hold budget committee meetings;
- 5) Approve proposed budget and specify the amount or rate of ad valorem taxes for each fund receiving tax revenues;
- 6) Publish budget summary and notice of budget hearing;
- 7) Hold a budget hearing;
- 8) Enact resolutions or ordinances to adopt budget, make appropriations, levy taxes by fund and categorize taxes;
- 9) File budget and certify tax levy to county assessor and county clerk.

The Hermiston Urban Renewal Agency budget calendar for the fiscal year 2023-24 is as follows:

Jan/Feb	City Council meets with City Manager and department heads to set goals
March	Department budget requests are submitted. City Manager and Finance Director meet with department heads to discuss submission.
April	City Manager finalizes budget and prepares budget message.
May	Budget Committee meets to receive budget, hear public comment, and approve budget. Property tax levy set.
June	Public hearing is held on the budget. City Council adopts budget, sets appropriations, and levies property taxes.

During the fiscal year, circumstances may require expenses to be paid that were not budgeted or the agency may receive revenue it did not plan for in its budget. A supplemental budget is required to pay additional expenses and spend the extra revenue. The supplemental budget must be adopted and appropriated before any additional money can be spent.

Adopting a supplemental budget will not involve the budget committee. After publishing a notice of the regular meeting at which the supplemental budget will be adopted, the governing body may adopt the supplemental budget by resolution if the expenditures are less than 10 percent of the annual budget fund being adjusted. If the expenditures are more, the governing body must publish the supplemental budget notice and hold a special hearing.

NOTE: This is the same budget process that is used to adopt the City of Hermiston's budget.

GLOSSARY OF TERMS

Adopted Budget. Financial plan that forms the basis for appropriations. Adopted by the governing body.

Ad Valorem Tax. A property tax computed as a percentage of the value of taxable property. See “Assessed Value.”

Appropriation. Authorization for spending a specific amount of money for a specific purpose during a fiscal year. It is based on the adopted budget, including supplemental budgets, if any. It is presented in a resolution or ordinance adopted by the governing body.

Assessed Value. The value set on real and personal property as a basis for imposing taxes. It is the lesser of the property’s maximum assessed value or real market value.

Budget. Written report showing the local government’s comprehensive financial plan for one fiscal year. It must include a balanced statement of actual revenues and expenditures during each of the last two years, and estimated revenues and expenditures for the current and upcoming year.

Budget Committee. Fiscal planning board of a local government, consisting of the governing body plus an equal number of legal voters appointed from the district.

Budget Message. Written explanation of the budget and the local government’s financial priorities. It is prepared and presented by the executive officer or chairperson of the governing body.

Budget Officer. Person appointed by the governing body to assemble budget material and information and to physically prepare the proposed budget.

Capital Outlay. Items which generally have a useful life of one or more years, such as machinery, land, furniture, equipment or buildings.

Commodities. Supplies purchased for direct use, such as paper products, gasoline, equipment parts and cleaning supplies.

Contractual Services. Services provided by outside sources, such as architects, janitorial and printing.

Debt Service Fund. A fund established to account for payment of general long-term debt principal and interest.

Enterprise Fund. A fund established to account for operations that are financed and operated in a manner similar to private business enterprises. They are usually self-supporting. Examples of enterprise funds are those for water and wastewater utilities.

Expenditures. Total amount incurred if accounts are kept on an accrual basis; total amount paid if accounts are kept on a cash basis.

Fiscal Year. A 12-month period to which the annual operating budget applies. At the end of the period, a government determines its financial position and the results of its operations. It is July 1 through June 30 for local governments.

Full-Time Equivalent Position (FTE). A part-time position converted to the decimal equivalent of a full-time position based on 2,080 hours per year. For example, a summer parks worker working for four months, or 690 hours, would be equivalent to .3 of a full-time position.

Fund. A division in a budget segregating independent fiscal and accounting requirements. An entity within a government's financial plan designated to carry on specific activities or to reach certain objectives.

Goal. A statement of broad direction, purpose or intent based on the needs of the community. A goal is general and timeless; that is, it is not concerned with a specific achievement in a given time period.

Long-Term. A period of time ten years or more.

Materials & Services. The goods and direct services purchased for direct consumption in the annual operation of the budget.

Maximum Assessed Value (MAV). The maximum taxable value limitation placed on real or personal property by the constitution. It can increase a maximum of 3 percent each year. The 3 percent limit may be exceeded if there are qualifying improvements made to the property, such as a major addition or new construction.

Operating Funds. Resources derived from recurring revenue sources used to finance ongoing expenditures and pay-as-you-go capital projects.

Ordinance. A formal legislative enactment by the governing board of a municipality.

Permanent Rate Limit. The maximum rate of ad valorem property taxes that a local government can impose. Taxes generated from the permanent rate limit can be used for any purpose. No action of the local government can increase a permanent rate limit.

Personal Services. Salaries, health and accident insurance premiums, social security and retirement contributions, for example.

Proposed Budget. Financial and operating plan prepared by the budget officer, submitted to the public and budget committee for review.

Real Market Value (RMV). The amount in cash which could reasonably be expected by an informed seller from an informed buyer in an arm's-length transaction as of the assessment date. In most cases, the value used to test the constitutional limits.

Resolution. A formal order of a governing body; lower legal status than an ordinance.

Resources. Estimated beginning funds on hand plus anticipated receipts.

Short-Term. A period of time less than ten years.

Supplemental Budget. A financial plan prepared to meet unexpected needs or to spend revenues not anticipated when the regular budget was adopted. It cannot be used to authorize a tax.

Transfers. Also known as inter-fund transfers, the amounts distributed from one fund to finance activities in another fund. Shown as an expenditure in the originating fund and a revenue in the receiving fund.

Unappropriated Ending Fund Balance. Amount set aside in the budget to be used as a cash carryover to the next year's budget. It provided the local government with cash until tax money is received from the county treasurer in November. This amount cannot be transferred by resolution or used through a supplemental budget, unless necessitated by a qualifying emergency.

User Charges. The payment of a fee for direct receipt of a public service by the party benefiting from the service.



RESOURCES

HURA - Resources - Updated

	2020 - 21 Actual	2021 - 22 Actual	2022 - 23 Budget	2023-24 Proposed
PROPERTY TAXES	\$221,664	\$251,891	\$270,759	\$298,290
NON-REVENUE RECEIPTS	\$0	\$0	\$496,000	\$496,000
CASH FORWARD	\$0	\$0	\$695,003	\$176,676
FROM OTHER AGENCIES	\$0	\$0	\$0	\$50,000
TOTAL	\$221,664	\$251,891	\$1,461,762	\$1,020,966

CONSOLIDATED HURA FUND EXPENDITURES SUMMARY

HURA - Consolidated Expenditures by Department

	2020 - 21 Actual	2021 - 22 Actual	2022 - 23 Budget	2023-24 Proposed
DEPARTMENTS				
(92-4100) SHURA	\$0	\$0	\$496,000	\$496,000
(92-8500) SE 2ND ST GATEWAY	\$0	\$0	\$400,000	\$360,000
(92-8400) PARKING IMPROVEMENTS	\$267,096	\$87,581	\$0	\$3,000
(92-8300) WAY FINDING SIGNS	\$0	\$94,430	\$10,056	\$0
(92-8100) FAÇADE GRANTS	\$0	\$20,000	\$50,000	\$20,000
(92-8200) FESTIVAL STREET	\$0	\$0	\$5,000	\$3,000
DEPARTMENTS TOTAL	\$267,096	\$202,011	\$961,056	\$882,000
NON-DEPARTMENTAL	\$106,955	\$109,462	\$500,706	\$138,966
TOTAL	\$374,051	\$311,473	\$1,461,762	\$1,020,966

CONSOLIDATED HURA FUND EXPENDITURES BY CATEGORY

HURA Consolidated Expenditures by Category

	2020 - 21 Actual	2021 - 22 Actual	2022 - 23 Budget	2023-24 Proposed
MATERIALS & SERVICES	\$272,857	\$212,111	\$977,000	\$908,000
DEBT SERVICE	\$101,194	\$99,362	\$110,687	\$100,615
TRANSFERS	\$0	\$0	\$320,100	\$0
CONTINGENCY	\$0	\$0	\$53,975	\$12,351
TOTAL	\$374,051	\$311,473	\$1,461,762	\$1,020,966

FACADE GRANTS

FUND PURPOSE

To provide grants to private property owners for the purpose of making improvements to publicly visible facades. The improvements may include beautification, repair, code compliance, signage, awnings, painting, brickwork, windows and other materials, and any other type of improvements which meet the goals of the Plan.

Facade Department - Updated

	2020 - 21 Actual	2021 - 22 Actual	2022 - 23 Budget	2023-24 Proposed
MATERIALS & SERVICES				
(92-8100-2950) MISCELLANEOUS CONTRACTUAL	\$0	\$20,000	\$50,000	\$20,000
MATERIALS & SERVICES TOTAL	\$0	\$20,000	\$50,000	\$20,000
TOTAL	\$0	\$20,000	\$50,000	\$20,000

FESTIVAL STREET

FUND PURPOSE

To provide for the Improvement of existing street rights of ways which might include widening, traditional paving, brick or decorative paving, striping, bike lanes, sidewalks, plantings, or any other improvement to public right of way to improve functionality, multi-modal access, marking, parking, or aesthetics. The intent of the festival street concept is to create a street improvement which preserves existing street connectivity and functionality for daily use, but which also creates a public gathering space with superior aesthetics, pedestrian access, and display capacity for special community events. A festival street is easy to transition from vehicular to pedestrian needs for special events.

This project was completed in FY2018 and the amounts now appropriated are used primarily to maintain Festival Street into the future.

HURA Festival Street Expenditures

	2020 - 21 Actual	2021 - 22 Actual	2022 - 23 Budget	2023-24 Proposed
MATERIALS & SERVICES				
(92-8200-2950) MISCELLANEOUS CONTRACTUAL	\$0	\$0	\$5,000	\$3,000
MATERIALS & SERVICES TOTAL	\$0	\$0	\$5,000	\$3,000
TOTAL	\$0	\$0	\$5,000	\$3,000

WAY FINDING SIGNS

FUND PURPOSE

Placement of signage within the URA, which may include but is not limited to signage to identify or facilitate the following: The Downtown, the City streets, parks, public spaces, parking, special events, historical or cultural markers, private entities where improved signage would serve a public good, and any other instance in which public signage would meet the goals of the Plan.

HURA Way Finding Signs Expenditures

	2020 - 21 Actual	2021 - 22 Actual	2022 - 23 Budget	2023-24 Proposed
MATERIALS & SERVICES				
(92-8300-2950) MISCELLANEOUS CONTRACTUAL	\$0	\$94,430	\$10,056	\$0
MATERIALS & SERVICES TOTAL	\$0	\$94,430	\$10,056	\$0
TOTAL	\$0	\$94,430	\$10,056	\$0

PARKING IMPROVEMENTS

FUND PURPOSE

To improve the aesthetics of and access to, publicly available parking in the downtown core. Funds were budgeted in FY2021 for the rebuilding of the parking lot at the corner of East Gladys and NE 2nd street. This project will be completed in FY2021 at which point this fund will be considered inactive and not used.

HURA Parking Improvements Expenditures

	2020 - 21 Actual	2021 - 22 Actual	2022 - 23 Budget	2023-24 Proposed
MATERIALS & SERVICES				
(92-8400-2950) MISCELLANEOUS CONTRACTUAL	\$267,096	\$87,581	\$0	\$3,000
MATERIALS & SERVICES TOTAL	\$267,096	\$87,581	\$0	\$3,000
TOTAL	\$267,096	\$87,581	\$0	\$3,000

2ND STREET GATEWAY

FUND PURPOSE

The Downtown Urban Renewal Plan contains a project to construct a gateway arch and other improvements at the intersection of Southeast Second Street and Highway 395. Through festival street and wayfinding planning, the project has been modified to reconstruct the intersection with safety improvements, downtown signage, and landscaping. The south entrance to the Community Center will be closed for safety. The adopted urban renewal plan estimated \$60,000 would be needed for arches. The proposed project will require \$275,000. The other projects in the plan may require funding at a lower level in the final 10 years of the district. However, because revenues have run significantly higher than projected in the plan, it is expected that any allocation adjustments will be minimal.

HURA - 2nd Street Gateway Department

	2020 - 21 Actual	2021 - 22 Actual	2022 - 23 Budget	2023-24 Proposed
MATERIALS & SERVICES				
(92-8500-2950) MISCELLANEOUS CONTRACTUAL	\$0	\$0	\$400,000	\$360,000
MATERIALS & SERVICES TOTAL	\$0	\$0	\$400,000	\$360,000
TOTAL	\$0	\$0	\$400,000	\$360,000

SOUTH HERMISTON URBAN RENWAL AGENCY

FUND PURPOSE

The South Hermiston Urban Renewal Agency was formed for the purpose of assisting with the development of approximately 350 acres of residentially zoned property in the southwestern corner of the City which has been severely constrained due to it's distance from existing city utilities. Projects included in the SHURA include:

- Construction of a new 2 Million Gallon Water Reservoir capable of serving the entire City of Hermiston
- Construction of approximately 10,000 linear feet of new water transmission main
- Construction of approximately 4,000 linear feet of new sewer main
- Construction of a new regional park

The infrastructure improvements are necessary to allow for up to 1,300 new residential housing units over 20 years. The new property tax revenue from the new housing development will be diverted to cover the cost of the infrastructure improvements which will be financed through State of Oregon backed borrowing through Business Oregon and the Department of Environmental Quality.

SHURA EXPENDITURES

	2020 - 21 Actual	2021 - 22 Actual	2022 - 23 Budget	2023-24 Proposed
MATERIALS & SERVICES				
(92-4100-2950) MISCELLANEOUS CONTRACTUAL	\$0	\$0	\$496,000	\$496,000
MATERIALS & SERVICES TOTAL	\$0	\$0	\$496,000	\$496,000
TOTAL	\$0	\$0	\$496,000	\$496,000

NON-DEPARTMENTAL

FUND PURPOSE

To provide a non-apportioned accounting entity which allows for costs which are not readily divided into the appropriation areas of the operating budget, and for those costs which are beneficial to the entire operation. The appropriations in this category include specialized services such as general publications of Agency activity and similar expenses.

HURA - Non Departmental - Updated

	2020 - 21 Actual	2021 - 22 Actual	2022 - 23 Budget	2023-24 Proposed
DEBT SERVICE	\$101,194	\$99,362	\$110,687	\$100,615
TRANSFERS	\$0	\$0	\$320,100	\$0
CONTINGENCY	\$0	\$0	\$53,975	\$12,351
MATERIALS & SERVICES	\$5,762	\$10,099	\$15,944	\$26,000
TOTAL	\$106,955	\$109,462	\$500,706	\$138,966