

AUXILIARY SERVICES

ACTIVITIES

- *Transient Room Tax Fund
- *Debt Service Fund/Bancroft Bonds
- *Debt Service Fund/General Obligation Bonds
- *Industrial & Downtown Loan Fund
- *Community Development Block Grant Fund
- *Environmental Waste Fees Fund
- *Agency Fund

DESCRIPTION

This program accounts for funds that are generated through non-traditional sources (grants) or special sources which require segregated accounting treatment. Funds are in many cases transferred from the activities in this program to activities where they will be expensed.

	ACTUAL FY'09 \$	ACTUAL FY'10 \$	BUDGET FY'11 \$	MANAGER RECOMMEND FY'12 \$	COMMITTEE APPROVED FY'12 \$	COUNCIL ADOPTED FY'12 \$
Program Generated Resources	<u>5,657,438</u>	<u>4,631,042</u>	<u>6,402,961</u>	<u>5,973,605</u>	<u>5,973,605</u>	<u>5,973,605</u>
Total Resources	<u>5,657,438</u>	<u>4,631,042</u>	<u>6,402,961</u>	<u>5,973,605</u>	<u>5,973,605</u>	<u>5,973,605</u>
Requirements						
Transient Room Tax Fund	970,562	941,157	918,601	986,815	986,815	986,815
Bancroft Bond Fund	1,061,341	199,652	631,141	660,000	660,000	660,000
General Obligation Bond Fund	1,147,113	987,936	1,533,170	1,046,870	1,046,870	1,046,870
Industrial Loan Fund	1,000,795	1,008,924	987,615	995,293	995,293	995,293
CD Block Grant Fund	907,383	927,405	1,844,311	1,863,551	1,863,551	1,863,551
Environmental Fees	244,743	237,098	210,000	218,300	218,300	218,300
Trust Fund	<u>325,501</u>	<u>328,870</u>	<u>278,123</u>	<u>202,776</u>	<u>202,776</u>	<u>202,776</u>
Total Requirements	<u>5,657,438</u>	<u>4,631,042</u>	<u>6,402,961</u>	<u>5,973,605</u>	<u>5,973,605</u>	<u>5,973,605</u>

Program: Auxiliary Services – Transient Room Tax Fund

Services Delivered:

This activity accounts for revenues collected from the Transient Room Tax. Of the 7% base tax, sixty percent of the funds support the Economic Development, Tourism and Downtown activities. The remaining forty percent is used to fund Park Maintenance and Public Safety programs that support tourism.

In December 2000 the Council revised the room tax ordinance, declaring a 1% increase effective January 1, 2001 and 2002 respectively, bringing the total tax to 9%. Revenues generated by the incremental increase are dedicated specifically, with 30% going to the Tourism program and 70% targeted to the development of parks.

Budget Highlights:

With the dramatically fluctuating nationwide economic activity, it is difficult to predict the impact on travel and tourism in our area. The revenue locally appears to have stabilized and industry analysts believe things have stabilized and will begin to turn around. Given that FY'11 appears on track to match FY'10, the revenue estimate for Transient Room Tax in the FY'12 Budget reflects a slight increase over FY'11. This will allow flexibility in transferring to programs should the revenues increase. Actual transfers to programs will be driven by actual receipts.

Program: Auxiliary Services – Transient Room Tax Fund

Financial Summary

Resources	ACTUAL	ACTUAL	BUDGET	MANAGER	COMMITTEE	COUNCIL
	FY'09	FY'10	FY'11	RECOMMEND	APPROVED	ADOPTED
	\$	\$	\$	\$	\$	\$
Beginning Balance	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Current Resources						
Activity Generated						
Transient Occupancy Tax	970,446	940,765	918,601	986,815	986,815	986,815
Interest	<u>116</u>	<u>392</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Current Resources	<u>970,562</u>	<u>941,157</u>	<u>918,601</u>	<u>986,815</u>	<u>986,815</u>	<u>986,815</u>
Total Resources	<u>970,562</u>	<u>941,157</u>	<u>918,601</u>	<u>986,815</u>	<u>986,815</u>	<u>986,815</u>

Requirements	ACTUAL	ACTUAL	BUDGET	MANAGER	COMMITTEE	COUNCIL
	FY'09	FY'10	FY'11	RECOMMEND	APPROVED	ADOPTED
	\$	\$	\$	\$	\$	\$
Contractual/Prof Services	2,965	3,060	2,985	3,015	3,015	3,015
Direct Charges	12,812	13,198	13,500	13,500	13,500	13,500
Contingencies	0	0	0	35,000	35,000	35,000
Transfers Out	<u>954,785</u>	<u>924,899</u>	<u>902,116</u>	<u>935,300</u>	<u>935,300</u>	<u>935,300</u>
Total Requirements	<u>970,562</u>	<u>941,157</u>	<u>918,601</u>	<u>986,815</u>	<u>986,815</u>	<u>986,815</u>

Program: Auxiliary Services – Debt Service/Bancroft Bonds

Services Delivered:

This activity accounts for funds received from property owners to satisfy assessments against their property for improvement projects such as street construction and water line installation. The activity also accounts for the payment of Bancroft Bonds sold to finance those improvements.

The projects are often completed through Local Improvement Districts. These districts are formed, generally, at the request of the property owners who will benefit from the project. The City manages the construction of the improvement, usually funding the costs of construction with internal borrowings.

Once a project is complete, the property owners are assessed for the costs. Property assessments may be paid in full when the improvements are completed and billed; or the property owner may choose to have a lien placed on his/her property and pay the assessment in semi-annual installments. This process is known as Bancrofting.

The user signed Bancroft liens are used as collateral to issue bonds and retire the short term debt. The long-term, bonded debt is paid through the payments made by the property owners in the various local improvement districts.

FY'12 Anticipated Accomplishments:

Dependent upon LID activity, largely the result of street and water infrastructure improvements, funding through the sale of bonds or a bank loan may be financially sought during FY'12.

Budget Highlights:

Recent LID activities have not been large enough in dollar volume to warrant the issuing of bonded debt. Financing costs coupled with the relatively small size of the potential bond issue has made it more practical to self-finance or potentially seek a bank loan. Since LID projects are consumer initiated and cannot be fully anticipated, an appropriation for bond sales is budgeted so as not to preclude citizen initiated action.

FY'11 Activity Review:

All bond debt was extinguished in FY'03 and the remaining debt has been self-financed via internal borrowings.

Program: Auxiliary Services – Debt Service/Bancroft Bonds

Financial Summary

Resources	ACTUAL	ACTUAL	BUDGET	MANAGER	COMMITTEE	COUNCIL
	FY'09	FY'10	FY'11	RECOMMEND	APPROVED	ADOPTED
	\$	\$	\$	\$	\$	\$
Beginning Balance	<u>153,740</u>	<u>(242,901)</u>	<u>(28,859)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Current Resources						
Activity Generated						
Interest	11,025	(265)	0	0	0	0
Assessment Principal	795,947	374,550	130,000	130,000	130,000	130,000
Assessment Interest	100,629	68,268	30,000	30,000	30,000	30,000
Bond & Loan Proceeds	<u>0</u>	<u>0</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>
Total Current Resources	<u>907,601</u>	<u>442,553</u>	<u>660,000</u>	<u>660,000</u>	<u>660,000</u>	<u>660,000</u>
Total Resources	<u>1,061,341</u>	<u>199,652</u>	<u>631,141</u>	<u>660,000</u>	<u>660,000</u>	<u>660,000</u>

Requirements	ACTUAL	ACTUAL	BUDGET	MANAGER	COMMITTEE	COUNCIL
	FY'09	FY'10	FY'11	RECOMMEND	APPROVED	ADOPTED
	\$	\$	\$	\$	\$	\$
Contractual/Prof Services	32,106	10,481	30,800	46,200	46,200	46,200
Direct Charges	10,000	10,000	10,000	10,000	10,000	10,000
Debt Service	0	0	90,341	103,800	103,800	103,800
Transfers Out	1,262,136	0	500,000	500,000	500,000	500,000
Ending Balance	<u>(242,901)</u>	<u>179,171</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Requirements	<u>1,061,341</u>	<u>199,652</u>	<u>631,141</u>	<u>660,000</u>	<u>660,000</u>	<u>660,000</u>

Program: Auxiliary Services – Debt Service/General Obligation Bonds

Services Delivered:

This activity accounts for property tax collections levied and used to retire debt for bonds sold to construct two new fire and police facilities. These funds have been used to pay capital construction and improvement costs for a new fire/police station located on land owned by the City on East Park Street, a new fire/police station on land the City acquired on Leonard Road, a replacement for the condemned multi-story tower used for fire/police training at the Hillcrest Fire Station, three fire trucks, road, water and site improvements for the fire/police stations, and bond issuing costs. The voter approved bond was issued in a principal amount of \$9,875,000 and the annual levy is not expected to exceed .51/\$1000 assessed value.

FY'12 Anticipated Accomplishments:

The payments are to be made in June and December of each year with the expiration of payments in 2019. The levy rate for FY'11 was 0.4066/\$1000 assessed value and a similar rate is expected for FY'12.

Budget Highlights:

Debt repayments have been budgeted based upon an estimated debt schedule of twelve years. See the Appendix debt tables for a detailed schedule.

FY'11 Activity Review:

Tax collections and debt service payments followed the long-term schedule during the year. The bonded Public Safety projects were completed during the year and there were left over bond proceeds. A defeasance of \$405,000 of principal occurred this year which will reduce the final bond payment for tax-payers and annual interest payments.

Program: Auxiliary Services – Debt Service/General Obligation Bonds

Financial Summary

Resources	ACTUAL	ACTUAL	BUDGET	MANAGER	COMMITTEE	COUNCIL
	FY'09	FY'10	FY'11	RECOMMEND	APPROVED	ADOPTED
	\$	\$	\$	\$	\$	\$
Beginning Balance	<u>42,169</u>	<u>60,113</u>	<u>66,470</u>	<u>66,570</u>	<u>66,570</u>	<u>66,570</u>
Current Resources						
Activity Generated						
Property Taxes	1,103,998	927,772	966,600	980,200	980,200	980,200
Interest	946	51	100	100	100	100
Transfers In	<u>0</u>	<u>0</u>	<u>500,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Current Resources	<u>1,104,944</u>	<u>927,823</u>	<u>1,466,700</u>	<u>980,300</u>	<u>980,300</u>	<u>980,300</u>
Total Resources	<u>1,147,113</u>	<u>987,936</u>	<u>1,533,170</u>	<u>1,046,870</u>	<u>1,046,870</u>	<u>1,046,870</u>

Requirements	ACTUAL	ACTUAL	BUDGET	MANAGER	COMMITTEE	COUNCIL
	FY'09	FY'10	FY'11	RECOMMEND	APPROVED	ADOPTED
	\$	\$	\$	\$	\$	\$
Debt Service	1,087,000	919,000	1,466,600	980,200	980,200	980,200
Ending Balance	<u>60,113</u>	<u>68,936</u>	<u>66,570</u>	<u>66,670</u>	<u>66,670</u>	<u>66,670</u>
Total Requirements	<u>1,147,113</u>	<u>987,936</u>	<u>1,533,170</u>	<u>1,046,870</u>	<u>1,046,870</u>	<u>1,046,870</u>

Program: Auxiliary Services – Industrial and Downtown Loan Fund

Services Delivered:

This activity accounts for the industrial development and downtown building renovation loans made by the City and the repayment of those loans. The City utilizes a three-member loan review committee to provide professional loan review expertise and advisory services. This activity responds to the needs expressed through the application process and utilizes the loan funds to assist small businesses.

FY'12 Anticipated Accomplishments:

It is anticipated that all original loans and the subsequent recycling of the repayments into new loans will help the development of the economy and the Council's **Economic Development** goal of “**Encourage economic prosperity**”.

FY'12 Performance Measurements:

- All existing loan payments will remain current.
- Two loan applications will be processed.

Budget Highlights:

The anticipated loan repayments are budgeted to be available for new loans in FY'12.

FY'11 Activity Review:

No new loans were processed in FY'11. The Council moved \$50,000 to the Micro-loan program. That program will target small loans to small businesses.

FY'11 Performance Indicators:

- All existing loan payments will remain current. **Target met.**
- Two loan applications will be processed. **Target not met, no applications were submitted.**

Program: Auxiliary Services – Industrial and Downtown Loan Fund

Financial Summary

Resources	ACTUAL	ACTUAL	BUDGET	MANAGER	COMMITTEE	COUNCIL
	FY'09	FY'10	FY'11	RECOMMEND	APPROVED	ADOPTED
	\$	\$	\$	\$	\$	\$
Beginning Balance	<u>977,696</u>	<u>995,795</u>	<u>976,800</u>	<u>979,738</u>	<u>979,738</u>	<u>979,738</u>
Current Resources						
Activity Generated						
Interest	20,331	10,092	6,555	6,445	6,445	6,445
Loan Repayments	2,768	3,037	4,110	8,960	8,960	8,960
Other Revenue	<u>0</u>	<u>0</u>	<u>150</u>	<u>150</u>	<u>150</u>	<u>150</u>
Total Current Resources	<u>23,099</u>	<u>13,129</u>	<u>10,815</u>	<u>15,555</u>	<u>15,555</u>	<u>15,555</u>
Total Resources	<u>1,000,795</u>	<u>1,008,924</u>	<u>987,615</u>	<u>995,293</u>	<u>995,293</u>	<u>995,293</u>

Requirements	ACTUAL	ACTUAL	BUDGET	MANAGER	COMMITTEE	COUNCIL
	FY'09	FY'10	FY'11	RECOMMEND	APPROVED	ADOPTED
	\$	\$	\$	\$	\$	\$
Contractual/Prof Services	0	30,000	200,000	250,000	250,000	250,000
Contingencies	0	0	782,615	740,293	740,293	740,293
Transfers Out	5,000	5,000	5,000	5,000	5,000	5,000
Ending Balance	<u>995,795</u>	<u>973,924</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Requirements	<u>1,000,795</u>	<u>1,008,924</u>	<u>987,615</u>	<u>995,293</u>	<u>995,293</u>	<u>995,293</u>

Program: Auxiliary Services – Community Development Block Grant Fund

Services Delivered:

This activity accounts for the receipt and disbursement of funds received through the Community Development Block Grant Program. Several of the City's prior grants were for the purpose of making low or no interest housing rehabilitation loans. The repayments from these loans are also accounted for in this fund.

FY'12 Anticipated Accomplishments:

An application will be prepared for Community Block Grant funds. One of the targeted projects may be the Food Bank project located on the River Road Reserve property.

Another potential use of resources being proposed is the funding of a Capital program that would help small businesses pay their Transportation System Development Charges, as part of an economic incentive program.

Budget Highlights:

The FY'12 budget reflects the loan activity on the low or no interest housing rehabilitation loans. The City budgets for the maximum potential resources from traditional CDBG resources and the potential to use those resources.

FY'11 Activity Review:

The City has successfully applied for two grants for the Microenterprise program. These were partnership grants with the Small Business Development Center.

The City is preparing to apply for new grants.

Program: Auxiliary Services – Community Development Block Grant Fund

Financial Summary

Resources	ACTUAL	ACTUAL	BUDGET	MANAGER	COMMITTEE	COUNCIL
	FY'09	FY'10	FY'11	RECOMMEND	APPROVED	ADOPTED
	\$	\$	\$	\$	\$	\$
Beginning Balance	<u>861,573</u>	<u>904,192</u>	<u>922,200</u>	<u>941,481</u>	<u>941,481</u>	<u>941,481</u>
Current Resources						
Activity Generated						
Community Dev. Block Grant	0	0	900,000	900,000	900,000	900,000
Loan Fees	100	0	0	0	0	0
Interest	24,033	13,088	8,935	8,670	8,670	8,670
Loan Repayments	<u>21,677</u>	<u>10,125</u>	<u>13,176</u>	<u>13,400</u>	<u>13,400</u>	<u>13,400</u>
Total Current Resources	<u>45,810</u>	<u>23,213</u>	<u>922,111</u>	<u>922,070</u>	<u>922,070</u>	<u>922,070</u>
Total Resources	<u>907,383</u>	<u>927,405</u>	<u>1,844,311</u>	<u>1,863,551</u>	<u>1,863,551</u>	<u>1,863,551</u>

Requirements	ACTUAL	ACTUAL	BUDGET	MANAGER	COMMITTEE	COUNCIL
	FY'09	FY'10	FY'11	RECOMMEND	APPROVED	ADOPTED
	\$	\$	\$	\$	\$	\$
Contractual/Prof Services	3,191	2,236	114,500	25,400	25,400	25,400
Capital Outlay	0	0	900,000	900,000	900,000	900,000
Contingencies	0	0	829,811	863,151	863,151	863,151
Transfers Out	0	0	0	75,000	75,000	75,000
Ending Balance	<u>904,192</u>	<u>925,169</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Requirements	<u>907,383</u>	<u>927,405</u>	<u>1,844,311</u>	<u>1,863,551</u>	<u>1,863,551</u>	<u>1,863,551</u>

Program: Auxiliary Services – Environmental Waste Fees Fund

Services Delivered:

The Solid Waste Franchise Agreements with Grants Pass Sanitation and Southern Oregon Sanitation provide for an Environmental Program Fee (EPF) to be charged for each ton of refuse collected by the haulers and at the Transfer Station, and paid to the City. This EPF is held in a separate account and must be used for environmental cleanups at solid waste sites and other solid waste program activities. Josephine County has implemented a similar EPF paid by the haulers, to the County.

The City and County formed an intergovernmental Solid Waste Agency in order to coordinate the expenditures of the EPF funds for cleanup sites and other solid waste programs throughout the City and County. The monies recorded by the City are passed through to the Josephine County/City of Grants Pass Solid Waste Agency.

Program: Auxiliary Services – Environmental Waste Fees Fund

Financial Summary

Resources	ACTUAL	ACTUAL	BUDGET	MANAGER	COMMITTEE	COUNCIL
	FY'09	FY'10	FY'11	RECOMMEND	APPROVED	ADOPTED
	\$	\$	\$	\$	\$	\$
Beginning Balance	<u>121</u>	<u>121</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Current Resources						
Activity Generated						
Landfill Fees	<u>244,622</u>	<u>236,977</u>	<u>210,000</u>	<u>218,300</u>	<u>218,300</u>	<u>218,300</u>
Total Current Resources	<u>244,622</u>	<u>236,977</u>	<u>210,000</u>	<u>218,300</u>	<u>218,300</u>	<u>218,300</u>
Total Resources	<u>244,743</u>	<u>237,098</u>	<u>210,000</u>	<u>218,300</u>	<u>218,300</u>	<u>218,300</u>

Requirements	ACTUAL	ACTUAL	BUDGET	MANAGER	COMMITTEE	COUNCIL
	FY'09	FY'10	FY'11	RECOMMEND	APPROVED	ADOPTED
	\$	\$	\$	\$	\$	\$
Contractual/Prof Services	244,622	224,818	210,000	218,300	218,300	218,300
Ending Balance	<u>121</u>	<u>12,280</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Requirements	<u>244,743</u>	<u>237,098</u>	<u>210,000</u>	<u>218,300</u>	<u>218,300</u>	<u>218,300</u>

Program: Auxiliary Services – Agency Fund

Services Delivered:

This activity accounts for funds on deposit with the City for future application, and includes prepayments and general deposits. Receipts for this activity are dependent entirely on the amount of funds placed into trust from various City operations. All funds on deposit are held in liability accounts in the Agency Fund. Investment interest, investment expenditures on deferred development agreement deposits, and direct charges remain as budgeted items in the Agency Fund.

Program: Auxiliary Services – Agency Fund

Financial Summary

Resources	ACTUAL	ACTUAL	BUDGET	MANAGER	COMMITTEE	COUNCIL
	FY'09	FY'10	FY'11	RECOMMEND	APPROVED	ADOPTED
	\$	\$	\$	\$	\$	\$
Beginning Balance	<u>303,913</u>	<u>319,401</u>	<u>268,123</u>	<u>178,776</u>	<u>178,776</u>	<u>178,776</u>
Current Resources						
Activity Generated						
Interest	<u>21,588</u>	<u>9,469</u>	<u>10,000</u>	<u>24,000</u>	<u>24,000</u>	<u>24,000</u>
Total Current Resources	<u>21,588</u>	<u>9,469</u>	<u>10,000</u>	<u>24,000</u>	<u>24,000</u>	<u>24,000</u>
Total Resources	<u>325,501</u>	<u>328,870</u>	<u>278,123</u>	<u>202,776</u>	<u>202,776</u>	<u>202,776</u>

Requirements	ACTUAL	ACTUAL	BUDGET	MANAGER	COMMITTEE	COUNCIL
	FY'09	FY'10	FY'11	RECOMMEND	APPROVED	ADOPTED
	\$	\$	\$	\$	\$	\$
Contractual/Prof Services	0	48,745	140,000	25,000	25,000	25,000
Direct Charges	6,100	6,100	6,100	6,100	6,100	6,100
Ending Balance	<u>319,401</u>	<u>274,025</u>	<u>132,023</u>	<u>171,676</u>	<u>171,676</u>	<u>171,676</u>
Total Requirements	<u>325,501</u>	<u>328,870</u>	<u>278,123</u>	<u>202,776</u>	<u>202,776</u>	<u>202,776</u>

WHERE THE ROGUE RIVER RUNS



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