

AUXILIARY SERVICES

ACTIVITIES

- *Transient Room Tax Fund
- *Community Development Block Grant Fund
- *Debt Service Fund/Bancroft Bonds
- *Environmental Waste Fees Fund
- *Debt Service Fund/General Obligation Bonds
- *Agency Fund
- *Industrial Loan 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 transferred from the activities in this program to activities where they will be expensed.

	ACTUAL FY'05 \$	ACTUAL FY'06 \$	BUDGET FY'07 \$	MANAGER RECOMMEND FY'08 \$	COMMITTEE APPROVED FY'08 \$	COUNCIL ADOPTED FY'08 \$
Program Generated Resources	<u>1,404,410</u>	<u>2,157,963</u>	<u>6,032,266</u>	<u>7,474,044</u>	<u>7,474,044</u>	<u>7,474,044</u>
Total Resources	<u>1,404,410</u>	<u>2,157,963</u>	<u>6,032,266</u>	<u>7,474,044</u>	<u>7,474,044</u>	<u>7,474,044</u>
Requirements						
Transient Room Tax Fund	927,630	1,002,773	1,037,065	1,068,177	1,068,177	1,068,177
Bancroft Bond Fund	(1,485,787)	(1,471,423)	2,621,211	2,317,000	2,317,000	2,317,000
General Obligation Bond Fund	0	0	0	1,096,321	1,096,321	1,054,950
Industrial Loan Fund	803,431	846,056	938,933	767,633	767,633	767,633
C D Block Grant Fund	795,813	1,335,706	835,195	1,475,222	1,475,222	1,475,222
Environmental Fees	254,111	262,610	275,121	288,750	288,750	288,750
Agency Fund	<u>109,212</u>	<u>182,241</u>	<u>324,741</u>	<u>460,941</u>	<u>460,941</u>	<u>460,941</u>
Total Requirements	<u>1,404,410</u>	<u>2,157,963</u>	<u>6,032,266</u>	<u>7,474,044</u>	<u>7,474,044</u>	<u>7,474,044</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:

The revenue estimate for Transient Room Tax in the FY'08 Budget reflects an increase of 3.0% from FY'07 estimates. With the dramatically fluctuating gasoline prices, it is difficult to predict the impact on travel and tourism in our area.

Program: Auxiliary Services – Transient Room Tax Fund

Financial Summary

Resources	ACTUAL	ACTUAL	BUDGET	MANAGER	COMMITTEE	COUNCIL
	FY'05	FY'06	FY'07	RECOMMEND	APPROVED	ADOPTED
	\$	\$	\$	FY'08	FY'08	FY'08
Current Resources						
Activity Generated						
Transient Occupancy Tax	<u>927,630</u>	<u>1,002,773</u>	<u>1,037,065</u>	<u>1,068,177</u>	<u>1,068,177</u>	<u>1,068,177</u>
Total Current Resources	<u>927,630</u>	<u>1,002,773</u>	<u>1,037,065</u>	<u>1,068,177</u>	<u>1,068,177</u>	<u>1,068,177</u>
Total Resources	<u>927,630</u>	<u>1,002,773</u>	<u>1,037,065</u>	<u>1,068,177</u>	<u>1,068,177</u>	<u>1,068,177</u>

Requirements	ACTUAL	ACTUAL	BUDGET	MANAGER	COMMITTEE	COUNCIL
	FY'05	FY'06	FY'07	RECOMMEND	APPROVED	ADOPTED
	\$	\$	\$	FY'08	FY'08	FY'08
Contractual/Prof Services	2,170	2,260	2,280	2,300	2,300	2,300
Direct Charges	12,500	16,805	16,805	12,500	12,500	12,500
Transfers Out	<u>912,960</u>	<u>983,708</u>	<u>1,017,980</u>	<u>1,053,377</u>	<u>1,053,377</u>	<u>1,053,377</u>
Total Expenses	<u>927,630</u>	<u>1,002,773</u>	<u>1,037,065</u>	<u>1,068,177</u>	<u>1,068,177</u>	<u>1,068,177</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'08 Anticipated Accomplishments:

Dependent upon LID activity, largely the result of street and water infrastructure improvements, funding through the sale of bonds may be financially sought by FY'08.

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. 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'07 Activity Review:

All bond debt was extinguished in FY'03, the remaining debt being self-financed via internal borrowings.

Program: Auxiliary Services – Debt Service/Bancroft Bonds

Financial Summary

Resources	ACTUAL	ACTUAL	BUDGET	MANAGER	COMMITTEE	COUNCIL
	FY'05	FY'06	FY'07	RECOMMEND	APPROVED	ADOPTED
	\$	\$	\$	FY'08	FY'08	FY'08
Beginning Balance	(1,956,330)	(2,068,577)	(2,966,514)	0	0	0
Current Resources						
Activity Generated						
Interest	6,057	5,621	8,250	0	0	0
Assessment Principal	428,056	562,529	936,000	550,000	550,000	550,000
Assessment Interest	36,430	29,004	66,475	43,000	43,000	43,000
Bond & Loan Proceeds	<u>0</u>	<u>0</u>	<u>4,577,000</u>	<u>1,724,000</u>	<u>1,724,000</u>	<u>1,724,000</u>
Total Current Resources	<u>470,543</u>	<u>597,154</u>	<u>5,587,725</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Resources	<u>(1,485,787)</u>	<u>(1,471,423)</u>	<u>2,621,211</u>	<u>2,317,000</u>	<u>2,317,000</u>	<u>2,317,000</u>

Requirements	ACTUAL	ACTUAL	BUDGET	MANAGER	COMMITTEE	COUNCIL
	FY'05	FY'06	FY'07	RECOMMEND	APPROVED	ADOPTED
	\$	\$	\$	FY'08	FY'08	FY'08
Contractual/Prof Services	22,531	67,805	159,211	83,875	83,875	83,875
Direct Charges	10,000	10,000	10,000	10,000	10,000	10,000
Contingencies						
Debt Service	0	0	875,000	499,125	499,125	499,125
Transfers Out	550,259	1,417,286	1,577,000	1,724,000	1,724,000	1,724,000
Ending Balance	<u>(2,068,577)</u>	<u>(2,966,514)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenses	<u>(1,485,787)</u>	<u>(1,471,423)</u>	<u>2,621,211</u>	<u>2,317,000</u>	<u>2,317,000</u>	<u>2,317,000</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 will be 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 existing, condemned multi-story tower used for fire and 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 will be issued in a principal amount of \$9,875,000, or less, and the annual levy is not expected to exceed .53/\$1000 assessed value.

FY'08 Anticipated Accomplishments:

Beginning in November of 2007, taxes will be levied at an estimated rate of .53/\$1000 of assessed value. The principal payments are to be made in June and December of each year with the expiration of payments in 2019.

Budget Highlights:

Debt repayments have been budgeted based upon an estimated debt schedule of twelve years with interest due beginning December, 2007. See Appendix "R" for detailed schedule.

FY'07 Activity Review:

The voters approved the bond levy in November of 2006. In spring of FY'07 the process was completed for the sale of the bonds.

Program: Auxiliary Services – Debt Service/General Obligation Bonds

Financial Summary

Resources	ACTUAL FY'05 \$	ACTUAL FY'06 \$	BUDGET FY'07 \$	MANAGER RECOMMEND FY'08 \$	COMMITTEE APPROVED FY'08 \$	COUNCIL ADOPTED FY'08 \$
Beginning Balance	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Current Resources						
Activity Generated						
Property Taxes	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,096,321</u>	<u>1,096,321</u>	<u>1,054,950</u>
Total Current Resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,096,321</u>	<u>1,096,321</u>	<u>1,054,950</u>
Total Resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,096,321</u>	<u>1,096,321</u>	<u>1,054,950</u>

Requirements	ACTUAL FY'05 \$	ACTUAL FY'06 \$	BUDGET FY'07 \$	MANAGER RECOMMEND FY'08 \$	COMMITTEE APPROVED FY'08 \$	COUNCIL ADOPTED FY'08 \$
Contractual/Prof Services	0	0	0	16,321	16,321	24,950
Debt Service	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,080,000</u>	<u>1,080,000</u>	<u>1,030,000</u>
Total Expenses	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,096,321</u>	<u>1,096,321</u>	<u>1,054,950</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'08 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 **“With emphasis on small business, we diversify the local economy and create quality jobs for our residents.”** For the third year, we will be using \$5,000 of annual interest payments on new and existing loans to transfer into the economic development operating fund to fund the small business technical assistance program in cooperation with RCC & OMEP. We are increasing our loan program marketing, partnering with local private lending institutions.

FY'08 Performance Measurements:

- All existing loan payments will remain current. **Goal #II**
- One partnership program with a private lender will be developed. **Goal #II**
- Two loan applications will be processed. **Goal #II**

Budget Highlights:

All anticipated loan repayments, with the exception of the \$5,000 to be used for the technical assistance program, are budgeted to be available for new loans in FY'08.

FY'07 Activity Review:

No new loans were processed in FY'07.

FY'07 Performance Indicators:

- All existing loan payments will remain current. **Goal #II Target met.**
- One partnership program with a private lender will be developed. **Goal #II Target not met.**
- Two loan applications will be processed. **Goal #II Target not met.**

Program: Auxiliary Services – Industrial and Downtown Loan Fund

Financial Summary

Resources	ACTUAL	ACTUAL	BUDGET	MANAGER	COMMITTEE	COUNCIL
	FY'05	FY'06	FY'07	RECOMMEND	APPROVED	ADOPTED
	\$	\$	\$	FY'08	FY'08	FY'08
Beginning Balance	<u>767,361</u>	<u>798,431</u>	<u>841,056</u>	<u>708,933</u>	<u>708,933</u>	<u>708,933</u>
Current Resources						
Activity Generated						
Interest	16,219	30,365	40,000	45,000	45,000	45,000
Loan Repayments	19,851	17,260	57,877	13,550	13,550	13,550
Other Revenue	<u>0</u>	<u>0</u>	<u>0</u>	<u>150</u>	<u>150</u>	<u>150</u>
Total Current Resources	<u>36,070</u>	<u>47,625</u>	<u>97,877</u>	<u>58,700</u>	<u>58,700</u>	<u>58,700</u>
Total Resources	<u>803,431</u>	<u>846,056</u>	<u>938,933</u>	<u>767,633</u>	<u>767,633</u>	<u>767,633</u>

Requirements	ACTUAL	ACTUAL	BUDGET	MANAGER	COMMITTEE	COUNCIL
	FY'05	FY'06	FY'07	RECOMMEND	APPROVED	ADOPTED
	\$	\$	\$	FY'08	FY'08	FY'08
Contractual/Prof Services	0	0	200,000	200,000	200,000	200,000
Contingency	0	0	25,000	100,000	100,000	100,000
Transfers Out	5,000	5,000	5,000	5,000	5,000	5,000
Ending Balance	<u>798,431</u>	<u>841,056</u>	<u>708,933</u>	<u>462,633</u>	<u>462,633</u>	<u>462,633</u>
Total Expenses	<u>803,431</u>	<u>846,056</u>	<u>938,933</u>	<u>767,633</u>	<u>767,633</u>	<u>767,633</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'08 Anticipated Accomplishments:

An application will be prepared for a Community Block Grant with the anticipation of receiving up to \$800,000 for FY'08.

This activity also funds the support for the volunteers for Paint Your Heart Out.

Budget Highlights:

The FY'08 budget reflects the loan activity on the low or no interest housing rehabilitation loans.

FY'07 Activity Review:

Final reporting and funding was completed for the grant awarded for the Child Development Center City.

Program: Auxiliary Services – Community Development Block Grant Fund

Financial Summary

Resources	ACTUAL	ACTUAL	BUDGET	MANAGER	COMMITTEE	COUNCIL
	FY'05	FY'06	FY'07	RECOMMEND	APPROVED	ADOPTED
	\$	\$	\$	\$	\$	\$
Beginning Balance	<u>717,474</u>	<u>751,798</u>	<u>792,487</u>	<u>630,314</u>	<u>630,314</u>	<u>630,314</u>
Current Resources						
Activity Generated						
Community Development						
Block Grant	35,311	540,110	0	800,000	800,000	800,000
Loan Fees	50	50	50	200	200	200
Interest	19,984	31,172	31,291	30,900	30,900	30,900
Loan Repayments	22,979	12,576	11,367	13,808	13,808	13,808
Other Revenue	<u>15</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Current Resources	<u>78,339</u>	<u>583,908</u>	<u>42,708</u>	<u>844,908</u>	<u>844,908</u>	<u>844,908</u>
Total Resources	<u>795,813</u>	<u>1,335,706</u>	<u>835,195</u>	<u>1,475,222</u>	<u>1,475,222</u>	<u>1,475,222</u>

Requirements	ACTUAL	ACTUAL	BUDGET	MANAGER	COMMITTEE	COUNCIL
	FY'05	FY'06	FY'07	RECOMMEND	APPROVED	ADOPTED
	\$	\$	\$	\$	\$	\$
Contractual/Prof Services	44,015	27,007	101,750	108,150	108,150	108,150
Capital Outlay	0	516,212	77,938	800,000	800,000	800,000
Contingencies	0	0	25,193	250,000	250,000	250,000
Ending Balance	<u>751,798</u>	<u>792,487</u>	<u>630,314</u>	<u>317,072</u>	<u>317,072</u>	<u>317,072</u>
Total Expenses	<u>795,813</u>	<u>1,335,706</u>	<u>835,195</u>	<u>1,475,222</u>	<u>1,475,222</u>	<u>1,475,222</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 Solid Waste Agency.

Program: Auxiliary Services – Environmental Waste Fees Fund

Financial Summary

Resources	ACTUAL	ACTUAL	BUDGET	MANAGER	COMMITTEE	COUNCIL
	FY'05	FY'06	FY'07	RECOMMEND	APPROVED	ADOPTED
	\$	\$	\$	\$	\$	\$
Beginning Balance	<u>7,838</u>	<u>(534)</u>	<u>121</u>	<u>0</u>	<u>0</u>	<u>0</u>
Current Resources						
Activity Generated						
Landfill Fees	<u>246,273</u>	<u>263,144</u>	<u>275,000</u>	<u>288,750</u>	<u>288,750</u>	<u>288,750</u>
Total Current Resources	<u>246,273</u>	<u>263,144</u>	<u>275,000</u>	<u>288,750</u>	<u>288,750</u>	<u>288,750</u>
Total Resources	<u>254,111</u>	<u>262,610</u>	<u>275,121</u>	<u>288,750</u>	<u>288,750</u>	<u>288,750</u>

Requirements	ACTUAL	ACTUAL	BUDGET	MANAGER	COMMITTEE	COUNCIL
	FY'05	FY'06	FY'07	RECOMMEND	APPROVED	ADOPTED
	\$	\$	\$	\$	\$	\$
Contractual/Prof Services	254,645	262,489	275,121	288,750	288,750	288,750
Ending Balance	<u>(534)</u>	<u>121</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenses	<u>254,111</u>	<u>262,610</u>	<u>275,121</u>	<u>288,750</u>	<u>288,750</u>	<u>288,750</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. In FY'05, an accounting change was made in the trust fund. Balances for the various line items in the fund were transferred to liability account numbers on the balance sheet. This better reflects the rollover nature of the balances and improves the reconciliation process for this fund. Investment interest and direct charges remain as budgeted items in the Agency Fund.

Program: Auxiliary Services – Agency Fund

Financial Summary

Resources	ACTUAL FY'05 \$	ACTUAL FY'06 \$	BUDGET FY'07 \$	MANAGER RECOMMEND FY'08 \$	COMMITTEE APPROVED FY'08 \$	COUNCIL ADOPTED FY'08 \$
Beginning Balance	<u>90,049</u>	<u>104,212</u>	<u>177,241</u>	<u>318,941</u>	<u>318,941</u>	<u>318,941</u>
Current Resources						
Activity Generated						
Interest	<u>19,163</u>	<u>78,029</u>	<u>147,500</u>	<u>142,000</u>	<u>142,000</u>	<u>142,000</u>
Total Current Resources	<u>19,163</u>	<u>78,029</u>	<u>147,500</u>	<u>142,000</u>	<u>142,000</u>	<u>142,000</u>
Total Resources	<u>109,212</u>	<u>182,241</u>	<u>324,741</u>	<u>460,941</u>	<u>460,941</u>	<u>460,941</u>

Requirements	ACTUAL FY'05 \$	ACTUAL FY'06 \$	BUDGET FY'07 \$	MANAGER RECOMMEND FY'08 \$	COMMITTEE APPROVED FY'08 \$	COUNCIL ADOPTED FY'08 \$
Direct Charges	5,000	5,000	5,800	6,100	6,100	6,100
Ending Balance	<u>104,212</u>	<u>177,241</u>	<u>318,941</u>	<u>454,841</u>	<u>454,841</u>	<u>454,841</u>
Total Expenses	<u>109,212</u>	<u>182,241</u>	<u>324,741</u>	<u>460,941</u>	<u>460,941</u>	<u>460,941</u>

WHERE THE ROGUE RIVER RUNS



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