

AUXILIARY SERVICES

ACTIVITIES

*Transient Room Tax Fund

*Environmental Waste Fees Fund

*Debt Service Fund

*Prepared Food & Beverage Tax Fund

*Industrial Loan Fund

*Agency Fund

*Community Development Block Grant 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'04 \$	ACTUAL FY'05 \$	BUDGET FY'06 \$	MANAGER RECOMMEND FY'07 \$	COMMITTEE APPROVED FY'07 \$	COUNCIL ADOPTED FY'07 \$	PROJECTED FY'08 \$
Program Generated Resources	<u>3,028,734</u>	<u>1,404,410</u>	<u>5,261,993</u>	<u>5,621,690</u>	<u>6,086,690</u>	<u>6,367,190</u>	<u>4,130,922</u>
Total Resources	<u>3,028,734</u>	<u>1,404,410</u>	<u>5,261,993</u>	<u>5,621,690</u>	<u>6,086,690</u>	<u>6,367,190</u>	<u>4,130,922</u>
Requirements							
Transient Room Tax Fund	912,504	927,630	1,012,564	1,052,671	1,052,671	1,052,671	1,079,745
Debt Service Fund	(1,348,256)	(1,485,787)	1,527,673	0	2,965,000	3,245,500	493,000
Industrial Loan Fund	772,361	803,431	845,227	801,732	801,732	801,732	544,832
C D Block Grant Fund	723,929	795,813	1,423,076	668,300	668,300	668,300	1,264,408
Environmental Fees	238,729	254,111	261,966	275,000	275,000	275,000	288,750
Prepared Food & Beverage Tax Fund	0	0	0	2,500,000	0	0	0
Trust Fund	<u>1,729,467</u>	<u>109,212</u>	<u>191,487</u>	<u>323,987</u>	<u>323,987</u>	<u>323,987</u>	<u>460,187</u>
Total Requirements	<u>3,028,734</u>	<u>1,404,410</u>	<u>5,261,993</u>	<u>5,621,690</u>	<u>6,086,690</u>	<u>6,367,190</u>	<u>4,130,922</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'07 Budget reflects an increase of 4.0% from FY'06 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	PROJECTED
	FY'04	FY'05	FY'06	RECOMMEND	APPROVED	ADOPTED	FY'08
	\$	\$	\$	\$	\$	\$	\$
Current Resources							
Activity Generated							
Transient Occupancy Tax	<u>912,504</u>	<u>927,630</u>	<u>1,012,564</u>	<u>1,052,671</u>	<u>1,052,671</u>	<u>1,052,671</u>	<u>1,079,745</u>
Total Current Resources	<u>912,504</u>	<u>927,630</u>	<u>1,012,564</u>	<u>1,052,671</u>	<u>1,052,671</u>	<u>1,052,671</u>	<u>1,079,745</u>
Total Resources	<u>912,504</u>	<u>927,630</u>	<u>1,012,564</u>	<u>1,052,671</u>	<u>1,052,671</u>	<u>1,052,671</u>	<u>1,079,745</u>

Requirements	ACTUAL	ACTUAL	BUDGET	MANAGER	COMMITTEE	COUNCIL	PROJECTED
	FY'04	FY'05	FY'06	RECOMMEND	APPROVED	ADOPTED	FY'08
	\$	\$	\$	\$	\$	\$	\$
Contractual/Prof Services	2,100	2,170	2,475	2,280	2,280	2,280	2,300
Direct Charges	12,500	12,500	16,805	16,805	16,805	16,805	12,500
Transfers Out	<u>897,904</u>	<u>912,960</u>	<u>993,284</u>	<u>1,033,586</u>	<u>1,033,586</u>	<u>1,033,586</u>	<u>1,064,945</u>
Total Expenses	<u>912,504</u>	<u>927,630</u>	<u>1,012,564</u>	<u>1,052,671</u>	<u>1,052,671</u>	<u>1,052,671</u>	<u>1,079,745</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'07 – '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'07.

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'06 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 RECOMMEND	COMMITTEE APPROVED	COUNCIL ADOPTED	PROJECTED
	FY'04	FY'05	FY'06	FY'07	FY'07	FY'07	FY'08
	\$	\$	\$	\$	\$	\$	\$
Beginning Balance	(1,916,216)	(1,956,330)	(2,068,577)	0	0	0	0
Current Resources							
Activity Generated							
Interest	2,092	6,057	4,750	0	0	5,500	0
Assessment Principal	517,330	428,056	400,000	0	450,000	725,000	450,000
Assessment Interest	48,538	36,430	41,500	0	43,000	43,000	43,000
Bond & Loan Proceeds	0	0	3,150,000	0	2,472,000	2,472,000	0
Total Current Resources	567,960	470,543	3,596,250	0	2,965,000	3,245,500	493,000
Total Resources	(1,348,256)	(1,485,787)	1,527,673	0	2,965,000	3,245,500	493,000

Requirements	ACTUAL	ACTUAL	BUDGET	MANAGER RECOMMEND	COMMITTEE APPROVED	COUNCIL ADOPTED	PROJECTED
	FY'04	FY'05	FY'06	FY'07	FY'07	FY'07	FY'08
	\$	\$	\$	\$	\$	\$	\$
Contractual/Prof Services	23,074	22,531	71,000	0	0	115,500	0
Direct Charges	10,000	10,000	10,000	0	10,000	10,000	10,000
Contingencies	0	0	5,426	0	0	0	0
Debt Service	575,000	0	0	0	0	165,000	0
Transfers Out	0	550,259	1,441,247	0	2,955,000	2,955,000	155,000
Ending Balance	(1,956,330)	(2,068,577)	0	0	0	0	328,000
Total Expenses	(1,348,256)	(1,485,787)	1,527,673	0	2,965,000	3,245,500	493,000

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'07 – '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'07 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'06.

FY'06 Activity Review:

No new loans were processed in FY'06.

FY'06 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.** *No new loan applications were processed.*

Program: Auxiliary Services – Industrial and Downtown Loan Fund

Financial Summary

Resources	ACTUAL	ACTUAL	BUDGET	MANAGER	COMMITTEE	COUNCIL	PROJECTED
	FY'04	FY'05	FY'06	RECOMMEND	APPROVED	ADOPTED	FY'08
	\$	\$	\$	\$	\$	\$	\$
Beginning Balance	<u>672,245</u>	<u>767,361</u>	<u>798,431</u>	<u>740,227</u>	<u>740,227</u>	<u>740,227</u>	<u>496,732</u>
Current Resources							
Activity Generated							
Interest	10,156	16,219	28,000	37,000	37,000	37,000	24,800
Loan Repayments	89,960	19,851	18,646	24,355	24,355	24,355	23,150
Other Revenue	<u>0</u>	<u>0</u>	<u>150</u>	<u>150</u>	<u>150</u>	<u>150</u>	<u>150</u>
Total Current Resources	<u>100,116</u>	<u>36,070</u>	<u>46,796</u>	<u>61,505</u>	<u>61,505</u>	<u>61,505</u>	<u>48,100</u>
Total Resources	<u>772,361</u>	<u>803,431</u>	<u>845,227</u>	<u>801,732</u>	<u>801,732</u>	<u>801,732</u>	<u>544,832</u>

Requirements	ACTUAL	ACTUAL	BUDGET	MANAGER	COMMITTEE	COUNCIL	PROJECTED
	FY'04	FY'05	FY'06	RECOMMEND	APPROVED	ADOPTED	FY'08
	\$	\$	\$	\$	\$	\$	\$
Contractual/Prof Services	0	0	50,000	200,000	200,000	200,000	200,000
Contingency	0	0	50,000	100,000	100,000	100,000	100,000
Transfers Out	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Ending Balance	<u>767,361</u>	<u>798,431</u>	<u>740,227</u>	<u>496,732</u>	<u>496,732</u>	<u>496,732</u>	<u>239,832</u>
Total Expenses	<u>772,361</u>	<u>803,431</u>	<u>845,227</u>	<u>801,732</u>	<u>801,732</u>	<u>801,732</u>	<u>544,832</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'07 – '08 Anticipated Accomplishments:

During FY'07 an application will be prepared for a Community Block Grant with the anticipation of receiving \$800,000 for FY'08.

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

Budget Highlights:

The FY'07 budget reflects the loan activity on the low or no interest housing rehabilitation loans.

FY'06 Activity Review:

The grant awarded for the Child Development Center City was received and expended in FY'06.

Program: Auxiliary Services – Community Development Block Grant Fund

Financial Summary

Resources	ACTUAL	ACTUAL	BUDGET	MANAGER	COMMITTEE	COUNCIL	PROJECTED
	FY'04	FY'05	FY'06	RECOMMEND	APPROVED	ADOPTED	FY'08
	\$	\$	\$	\$	\$	\$	\$
Beginning Balance	<u>686,390</u>	<u>717,474</u>	<u>751,798</u>	<u>611,187</u>	<u>611,187</u>	<u>611,187</u>	<u>420,300</u>
Current Resources							
Activity Generated							
Community Development							
Block Grant	0	35,311	624,689	0	0	0	800,000
Loan Fees	100	50	200	200	200	200	200
Interest	14,250	19,984	30,236	40,500	40,500	40,500	28,000
Loan Repayments	18,549	22,979	16,153	16,413	16,413	16,413	15,908
Other Revenue	<u>4,640</u>	<u>15</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Current Resources	<u>37,539</u>	<u>78,339</u>	<u>671,278</u>	<u>57,113</u>	<u>57,113</u>	<u>57,113</u>	<u>844,108</u>
Total Resources	<u>723,929</u>	<u>795,813</u>	<u>1,423,076</u>	<u>668,300</u>	<u>668,300</u>	<u>668,300</u>	<u>1,264,408</u>

Requirements	ACTUAL	ACTUAL	BUDGET	MANAGER	COMMITTEE	COUNCIL	PROJECTED
	FY'04	FY'05	FY'06	RECOMMEND	APPROVED	ADOPTED	FY'08
	\$	\$	\$	\$	\$	\$	\$
Contractual/Prof Services	6,455	44,015	111,889	98,000	98,000	98,000	98,650
Capital Outlay	0	0	600,000	0	0	0	800,000
Contingencies	0	0	100,000	150,000	150,000	150,000	150,000
Ending Balance	<u>717,474</u>	<u>751,798</u>	<u>611,187</u>	<u>420,300</u>	<u>420,300</u>	<u>420,300</u>	<u>215,758</u>
Total Expenses	<u>723,929</u>	<u>795,813</u>	<u>1,423,076</u>	<u>668,300</u>	<u>668,300</u>	<u>668,300</u>	<u>1,264,408</u>

Program: Auxiliary Services – Environmental Waste Fees Fund

Services Delivered:

The new 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	PROJECTED
	FY'04	FY'05	FY'06	RECOMMEND	APPROVED	ADOPTED	FY'08
	\$	\$	\$	\$	\$	\$	\$
Beginning Balance	<u>121</u>	<u>7,838</u>	<u>(534)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Current Resources							
Activity Generated							
Landfill Fees	<u>238,608</u>	<u>246,273</u>	<u>262,500</u>	<u>275,000</u>	<u>275,000</u>	<u>275,000</u>	<u>288,750</u>
Total Current Resources	<u>238,608</u>	<u>246,273</u>	<u>262,500</u>	<u>275,000</u>	<u>275,000</u>	<u>275,000</u>	<u>288,750</u>
Total Resources	<u>238,729</u>	<u>254,111</u>	<u>261,966</u>	<u>275,000</u>	<u>275,000</u>	<u>275,000</u>	<u>288,750</u>

Requirements	ACTUAL	ACTUAL	BUDGET	MANAGER	COMMITTEE	COUNCIL	PROJECTED
	FY'04	FY'05	FY'06	RECOMMEND	APPROVED	ADOPTED	FY'08
	\$	\$	\$	\$	\$	\$	\$
Contractual/Prof Services	230,891	254,645	261,966	275,000	275,000	275,000	288,750
Ending Balance	<u>7,838</u>	<u>(534)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenses	<u>238,729</u>	<u>254,111</u>	<u>261,966</u>	<u>275,000</u>	<u>275,000</u>	<u>275,000</u>	<u>288,750</u>

Program: Auxiliary Services – Prepared Food and Beverage Tax Fund

Services Delivered:

This fund will account for the revenues and disbursements for the restaurant tax. This tax will be voted upon May 17, 2006 and would become effective September, 2006. The funding will be used to support the construction of new police and fire stations and the capital needs, park development and maintenance, after school drug awareness programs, community center operations, and school extra curricular activities.

The voters did not approve the Prepared Food and Beverage Tax measure in the May 2006 election. With the defeat of the measure, the Budget Committee removed the recommended appropriation from the Approved FY'07 and Projected FY'08 Budgets.

FY'07 – '08 Anticipated Accomplishments:

It is anticipated this will provide the financing to allow the bond to be issued for the public safety facilities.

FY'07 Performance Measurements:

- The City will provide an annual report to residents.
- The City will audit a minimum of 15 businesses collecting this tax.
- Payments will be made to the school districts within 30 days of the quarterly receipt of taxes.

Budget Highlights:

This new fund will include the revenues and disbursements for this tax. The disbursement formula is described in the ordinance. It is anticipated the new tax will generate \$2,250,000 in the first year which includes nine months.

FY'06 Performance Indicators:

This is a new fund and there are no previous performance indicators.

Program: Auxiliary Services – Prepared Food and Beverage Tax Fund

Financial Summary

Resources	ACTUAL	ACTUAL	BUDGET	MANAGER RECOMMEND	COMMITTEE APPROVED	COUNCIL ADOPTED	PROJECTED
	FY'04	FY'05	FY'06	FY'07	FY'07	FY'07	FY'08
	\$	\$	\$	\$	\$	\$	\$
Beginning Balance	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Current Resources							
Activity Generated							
Prepared Food & Beverage Tax	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,500,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Current Resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,500,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,500,000</u>	<u>0</u>	<u>0</u>	<u>0</u>

Requirements	ACTUAL	ACTUAL	BUDGET	MANAGER RECOMMEND	COMMITTEE APPROVED	COUNCIL ADOPTED	PROJECTED
	FY'04	FY'05	FY'06	FY'07	FY'07	FY'07	FY'08
	\$	\$	\$	\$	\$	\$	\$
Contractual/Prof Services	0	0	0	1,666,667	0	0	0
Direct Charges	0	0	0	25,000	0	0	0
Capital Outlay	0	0	0	183,333	0	0	0
Debt Service	<u>0</u>	<u>0</u>	<u>0</u>	<u>625,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenses	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,500,000</u>	<u>0</u>	<u>0</u>	<u>0</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	ACTUAL	BUDGET	MANAGER	COMMITTEE	COUNCIL	PROJECTED
	FY'04	FY'05	FY'06	RECOMMEND	APPROVED	ADOPTED	FY'08
	\$	\$	\$	\$	\$	\$	\$
Beginning Balance	<u>641,077</u>	<u>90,049</u>	<u>104,212</u>	<u>186,487</u>	<u>186,487</u>	<u>186,487</u>	<u>318,187</u>
Current Resources							
Activity Generated							
State Surcharge	57,842	0	0	0	0	0	0
Interest	13,765	19,163	87,275	137,500	137,500	137,500	142,000
Other Revenues	169,000	0	0	0	0	0	0
Miscellaneous Trust Receipts	403,339	0	0	0	0	0	0
Public Safety Activities	12,386	0	0	0	0	0	0
Recreation Northwest	51,918	0	0	0	0	0	0
Retainage/Capital Projects	14,879	0	0	0	0	0	0
Pass Through Revenues	<u>365,261</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Current Resources	<u>1,088,390</u>	<u>19,163</u>	<u>87,275</u>	<u>137,500</u>	<u>137,500</u>	<u>137,500</u>	<u>142,000</u>
Total Resources	<u>1,729,467</u>	<u>109,212</u>	<u>191,487</u>	<u>323,987</u>	<u>323,987</u>	<u>323,987</u>	<u>460,187</u>

Requirements	ACTUAL	ACTUAL	BUDGET	MANAGER	COMMITTEE	COUNCIL	PROJECTED
	FY'04	FY'05	FY'06	RECOMMEND	APPROVED	ADOPTED	FY'08
	\$	\$	\$	\$	\$	\$	\$
Miscellaneous Trust	738,839	0	0	0	0	0	0
Direct Charges	5,000	5,000	5,000	5,800	5,800	5,800	6,100
Ending Balance	<u>985,628</u>	<u>104,212</u>	<u>186,487</u>	<u>318,187</u>	<u>318,187</u>	<u>318,187</u>	<u>454,087</u>
Total Expenses	<u>1,729,467</u>	<u>109,212</u>	<u>191,487</u>	<u>323,987</u>	<u>323,987</u>	<u>323,987</u>	<u>460,187</u>

WHERE THE ROGUE RIVER RUNS



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