

AUXILIARY SERVICES

ACTIVITIES

*Transient Room Tax Fund

*Community Development Block Grant Fund

*Debt Service Fund

*Environmental Waste Fees Fund

*Industrial Loan Fund

*Trust 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'03 \$	ACTUAL FY'04 \$	BUDGET FY'05 \$	MANAGER RECOMMEND FY'06 \$	COMMITTEE APPROVED FY'06 \$	COUNCIL ADOPTED FY'06 \$
Program Generated Resources	3,020,351	3,028,740	4,647,887	6,664,554	6,720,554	6,720,554
General Support	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Resources	<u>3,020,351</u>	<u>3,028,740</u>	<u>4,647,887</u>	<u>6,664,554</u>	<u>6,720,554</u>	<u>6,720,554</u>
Requirements						
Transient Room Tax Fund	923,195	912,504	940,467	968,284	968,284	968,284
Debt Service Fund	(876,814)	(1,348,250)	792,935	2,756,500	2,812,500	2,812,500
Industrial Loan Fund	759,245	772,361	841,736	477,161	477,161	477,161
C D Block Grant Fund	689,307	723,929	821,483	1,178,181	1,178,181	1,178,181
Environmental Fees	190,795	238,729	252,838	269,500	269,500	269,500
Trust Fund	<u>1,334,623</u>	<u>1,729,467</u>	<u>998,428</u>	<u>1,014,928</u>	<u>1,014,928</u>	<u>1,014,928</u>
Total Requirements	<u>3,020,351</u>	<u>3,028,740</u>	<u>4,647,887</u>	<u>6,664,554</u>	<u>6,720,554</u>	<u>6,720,554</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'06 Budget reflects an increase of 3.0% from FY'05 estimates. Dramatically fluctuating gasoline prices together with the global political happenings make it difficult to predict the impact these factors will have on travel and tourism in our area.

Program: Auxiliary Services – Transient Room Tax Fund

Financial Summary

Resources	ACTUAL	ACTUAL	BUDGET	MANAGER RECOMMEND	COMMITTEE APPROVED	COUNCIL ADOPTED
	FY'03	FY'04	FY'05	FY'06	FY'06	FY'06
	\$	\$	\$	\$	\$	\$
Current Resources						
Activity Generated						
Transient Occupancy Tax	<u>923,195</u>	<u>912,504</u>	<u>940,467</u>	<u>968,284</u>	<u>968,284</u>	<u>968,284</u>
Total Current Resources	<u>923,195</u>	<u>912,504</u>	<u>940,467</u>	<u>968,284</u>	<u>968,284</u>	<u>968,284</u>
Total Resources	<u>923,195</u>	<u>912,504</u>	<u>940,467</u>	<u>968,284</u>	<u>968,284</u>	<u>968,284</u>

Requirements	ACTUAL	ACTUAL	BUDGET	MANAGER RECOMMEND	COMMITTEE APPROVED	COUNCIL ADOPTED
	FY'03	FY'04	FY'05	FY'06	FY'06	FY'06
	\$	\$	\$	\$	\$	\$
Contractual/Prof Services	2,300	2,100	2,260	2,475	2,475	2,475
Direct Charges	12,500	12,500	12,500	16,805	16,805	16,805
Transfers Out	<u>908,395</u>	<u>897,904</u>	<u>925,707</u>	<u>949,004</u>	<u>949,004</u>	<u>949,004</u>
Total Expenses	<u>923,195</u>	<u>912,504</u>	<u>940,467</u>	<u>968,284</u>	<u>968,284</u>	<u>968,284</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'06 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'06.

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'05 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
	FY'03	FY'04	FY'05	FY'06	FY'06	FY'06
	\$	\$	\$	\$	\$	\$
Beginning Balance	(1,585,291)	(1,916,216)	(1,956,330)	0	0	0
Current Resources						
Activity Generated						
Interest	0	2,098	0	0	0	0
Assessment Principal	521,447	517,330	350,000	400,000	400,000	400,000
Assessment Interest	187,030	48,538	40,000	41,500	41,500	41,500
Bond & Loan Proceeds	<u>0</u>	<u>0</u>	<u>2,359,265</u>	<u>2,315,000</u>	<u>2,371,000</u>	<u>2,371,000</u>
Total Current Resources	<u>708,477</u>	<u>567,966</u>	<u>2,749,265</u>	<u>2,756,500</u>	<u>2,812,500</u>	<u>2,812,500</u>
Total Resources	<u>(876,814)</u>	<u>(1,348,250)</u>	<u>792,935</u>	<u>2,756,500</u>	<u>2,812,500</u>	<u>2,812,500</u>

Requirements	ACTUAL	ACTUAL	BUDGET	MANAGER RECOMMEND	COMMITTEE APPROVED	COUNCIL ADOPTED
	FY'03	FY'04	FY'05	FY'06	FY'06	FY'06
	\$	\$	\$	\$	\$	\$
Contractual/Prof Services	30,023	23,080	43,000	47,500	47,500	47,500
Direct Charges	10,000	10,000	10,000	10,000	10,000	10,000
Contingencies	0	0	34,935	50,000	50,000	50,000
Debt Service	92,835	575,000	0	200,000	200,000	200,000
Transfers Out	906,544	0	705,000	2,449,000	2,505,000	2,505,000
Ending Balance	(1,916,216)	(1,956,330)	0	0	0	0
Total Expenses	<u>(876,814)</u>	<u>(1,348,250)</u>	<u>792,935</u>	<u>2,756,500</u>	<u>2,812,500</u>	<u>2,812,500</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'06 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'06 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'05 Activity Review:

No new loans were processed in FY'05 – although we attempted one loan restructure.

FY'05 Performance Indicators:

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

Program: Auxiliary Services – Industrial and Downtown Loan Fund

Financial Summary

Resources	ACTUAL	ACTUAL	BUDGET	MANAGER RECOMMEND	COMMITTEE APPROVED	COUNCIL ADOPTED
	FY'03	FY'04	FY'05	FY'06	FY'06	FY'06
	\$	\$	\$	\$	\$	\$
Beginning Balance	<u>694,418</u>	<u>672,245</u>	<u>767,361</u>	<u>441,736</u>	<u>441,736</u>	<u>441,736</u>
Current Resources						
Activity Generated						
Interest	11,884	10,156	12,600	6,000	6,000	6,000
Loan Repayments	52,123	89,960	60,625	29,275	29,275	29,275
Other Revenue	<u>820</u>	<u>0</u>	<u>1,150</u>	<u>150</u>	<u>150</u>	<u>150</u>
Total Current Resources	<u>64,827</u>	<u>100,116</u>	<u>74,375</u>	<u>35,425</u>	<u>35,425</u>	<u>35,425</u>
Total Resources	<u>759,245</u>	<u>772,361</u>	<u>841,736</u>	<u>477,161</u>	<u>477,161</u>	<u>477,161</u>

Requirements	ACTUAL	ACTUAL	BUDGET	MANAGER RECOMMEND	COMMITTEE APPROVED	COUNCIL ADOPTED
	FY'03	FY'04	FY'05	FY'06	FY'06	FY'06
	\$	\$	\$	\$	\$	\$
Contractual/Prof Services	82,000	0	300,000	200,000	200,000	200,000
Contingency	0	0	95,000	85,000	85,000	85,000
Transfers Out	5,000	5,000	5,000	0	5,000	5,000
Ending Balance	<u>672,245</u>	<u>767,361</u>	<u>441,736</u>	<u>192,161</u>	<u>187,161</u>	<u>187,161</u>
Total Expenses	<u>759,245</u>	<u>772,361</u>	<u>841,736</u>	<u>477,161</u>	<u>477,161</u>	<u>477,161</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'06 Anticipated Accomplishments:

The City will receive the grant on behalf of the Child Development Center at Rogue Community College. The \$1.25M project will construct a 7,500 square foot early childhood center at the college campus, to be used mutually by Head Start and the Early Education Department. The staff will work with the College and a private contractor to administer the grant.

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

Budget Highlights:

The FY'06 budget reflects the revenue for the Child Development Center grant. The grant is \$600,000.

FY'05 Activity Review:

The City applied for and was awarded a grant for the Child Development Center.

Program: Auxiliary Services – Community Development Block Grant Fund

Financial Summary

Resources	ACTUAL	ACTUAL	BUDGET	MANAGER RECOMMEND	COMMITTEE APPROVED	COUNCIL ADOPTED
	FY'03	FY'04	FY'05	FY'06	FY'06	FY'06
	\$	\$	\$	\$	\$	\$
Beginning Balance	<u>644,215</u>	<u>686,390</u>	<u>717,474</u>	<u>549,283</u>	<u>549,283</u>	<u>549,283</u>
Current Resources						
Activity Generated						
Community Development Block Grant	0	0	70,000	600,000	600,000	600,000
Loan Fees	150	100	400	200	200	200
Interest	16,349	14,250	15,836	10,468	10,468	10,468
Loan Repayments	28,593	18,549	17,773	18,230	18,230	18,230
Other Revenue	<u>0</u>	<u>4,640</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Current Resources	<u>45,092</u>	<u>37,539</u>	<u>104,009</u>	<u>628,898</u>	<u>628,898</u>	<u>628,898</u>
Total Resources	<u>689,307</u>	<u>723,929</u>	<u>821,483</u>	<u>1,178,181</u>	<u>1,178,181</u>	<u>1,178,181</u>

Requirements	ACTUAL	ACTUAL	BUDGET	MANAGER RECOMMEND	COMMITTEE APPROVED	COUNCIL ADOPTED
	FY'03	FY'04	FY'05	FY'06	FY'06	FY'06
	\$	\$	\$	\$	\$	\$
Contractual/Prof Services	2,917	6,455	157,200	97,200	97,200	97,200
Direct Charges	0	0	15,000	0	0	0
Capital Outlay	0	0	0	600,000	600,000	600,000
Contingencies	0	0	100,000	299,532	299,532	299,532
Ending Balance	<u>686,390</u>	<u>717,474</u>	<u>549,283</u>	<u>181,449</u>	<u>181,449</u>	<u>181,449</u>
Total Expenses	<u>689,307</u>	<u>723,929</u>	<u>821,483</u>	<u>1,178,181</u>	<u>1,178,181</u>	<u>1,178,181</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 RECOMMEND	COMMITTEE APPROVED	COUNCIL ADOPTED
	FY'03	FY'04	FY'05	FY'06	FY'06	FY'06
	\$	\$	\$	\$	\$	\$
Beginning Balance	<u>241</u>	<u>121</u>	<u>7,838</u>	<u>0</u>	<u>0</u>	<u>0</u>
Current Resources						
Activity Generated						
Landfill Fees	<u>190,554</u>	<u>238,608</u>	<u>245,000</u>	<u>269,500</u>	<u>269,500</u>	<u>269,500</u>
Total Current Resources	<u>190,554</u>	<u>238,608</u>	<u>245,000</u>	<u>269,500</u>	<u>269,500</u>	<u>269,500</u>
Total Resources	<u>190,795</u>	<u>238,729</u>	<u>252,838</u>	<u>269,500</u>	<u>269,500</u>	<u>269,500</u>

Requirements	ACTUAL	ACTUAL	BUDGET	MANAGER RECOMMEND	COMMITTEE APPROVED	COUNCIL ADOPTED
	FY'03	FY'04	FY'05	FY'06	FY'06	FY'06
	\$	\$	\$	\$	\$	\$
Contractual/Prof Services	190,674	230,891	252,838	269,500	269,500	269,500
Ending Balance	<u>121</u>	<u>7,838</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenses	<u>190,795</u>	<u>238,729</u>	<u>252,838</u>	<u>269,500</u>	<u>269,500</u>	<u>269,500</u>

Program: Auxiliary Services – Private Purpose Trust 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 Private Purpose Trust Fund.

Program: Auxiliary Services – Private Purpose Trust Fund

Financial Summary

Resources	ACTUAL	ACTUAL	BUDGET	MANAGER RECOMMEND	COMMITTEE APPROVED	COUNCIL ADOPTED
	FY'03	FY'04	FY'05	FY'06	FY'06	FY'06
	\$	\$	\$	\$	\$	\$
Beginning Balance	<u>461,585</u>	<u>641,077</u>	<u>985,628</u>	<u>993,428</u>	<u>993,428</u>	<u>993,428</u>
Current Resources						
Activity Generated						
State Surcharge	93,348	57,842	0	0	0	0
Interest	11,751	13,765	12,800	21,500	21,500	21,500
Other Revenues	54,684	169,000	0	0	0	0
Miscellaneous Trust Receipts	262,911	464,557	0	0	0	0
Advance Financing	48,074	(27,534)	0	0	0	0
Security Deposits	0	(14,309)	0	0	0	0
Assessment Trust	12,367	(19,375)	0	0	0	0
Public Safety Activities	47,597	12,386	0	0	0	0
Recreation Northwest	39,369	51,918	0	0	0	0
Retainage/Capital Projects	17,872	14,879	0	0	0	0
Pass Through Revenues	<u>285,065</u>	<u>365,261</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Current Resources	<u>873,038</u>	<u>1,088,390</u>	<u>12,800</u>	<u>21,500</u>	<u>21,500</u>	<u>21,500</u>
Total Resources	<u>1,334,623</u>	<u>1,729,467</u>	<u>998,428</u>	<u>1,014,928</u>	<u>1,014,928</u>	<u>1,014,928</u>

Requirements	ACTUAL	ACTUAL	BUDGET	MANAGER RECOMMEND	COMMITTEE APPROVED	COUNCIL ADOPTED
	FY'03	FY'04	FY'05	FY'06	FY'06	FY'06
	\$	\$	\$	\$	\$	\$
Miscellaneous Trust	688,546	738,839	0	0	0	0
Direct Charges	5,000	5,000	5,000	5,000	5,000	5,000
Ending Balance	<u>641,077</u>	<u>985,628</u>	<u>993,428</u>	<u>1,009,928</u>	<u>1,009,928</u>	<u>1,009,928</u>
Total Expenses	<u>1,334,623</u>	<u>1,729,467</u>	<u>998,428</u>	<u>1,014,928</u>	<u>1,014,928</u>	<u>1,014,928</u>

WHERE THE ROGUE RIVER RUNS



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