

SILVERTON URBAN RENEWAL AGENCY



FISCAL YEAR 2022-2023

Silverton Urban Renewal Agency

Budget Committee Fiscal Year 2022-2023

Chair:

Kyle Palmer

Board Members:

Jason Freifinger

Jess Miller

Crystal Neideigh

Jim Sears

Dana Smith

Elvi Cuellar Sutton

Citizen Members:

Chris Childs

Hilary Dumitrescu

Morry Jones

Ciara Jung

April Newton

Ammon Saboe

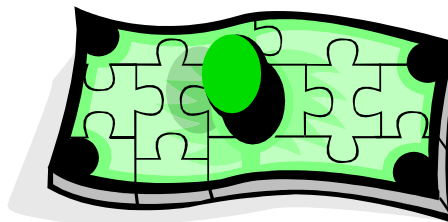
Vacant

Ron Chandler, Agency Director

Kathleen Zaragoza, Deputy City Manager/Finance Director

Jason Gottgetreu, Community Development Director

Sheena Lucht, Assistant Finance Director



Silverton Urban Renewal Agency
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SILVERTON URBAN RENEWAL AGENCY

2022-2023 Budget Calendar

| | |
|------------|---|
| 01/07/2022 | Worksheets and other information distributed to Department Heads. |
| 02/18/2022 | Last day to submit proposed budget worksheets and narratives to Finance. |
| 02/21/2022 | Agency Director meetings with Department Heads begin. |
| 03/28/2022 | Notice of first budget meeting to paper. |
| 04/06/2022 | Publish first notice of first Budget Committee meeting. (Not less than 5 days before the meeting nor more than 30 days.) |
| 04/08/2022 | Agency Director to complete budget message. |
| 04/11/2022 | Post on website second notice of first Budget Committee meeting. (Must be posted at least 10 days before the first budget meeting.) |
| 04/14/2022 | Deliver Preliminary Budgets to Budget Committee and Department Heads. |
| 04/21/2022 | First Budget Committee meeting (Meetings will be held in the Council Chambers at 6:00 pm) (Thursday) |
| 04/26/2022 | Second Budget Committee meeting. (Tuesday) |
| 04/28/2022 | Third Budget Committee meeting. (Thursday) <i>Additional Budget Committee meetings will be added if necessary.</i> |
| 05/23/2022 | Send budget summaries and notice of Agency hearing to paper. |
| 06/01/2022 | Publish notice of hearing before the Agency. (Not less than 5 days nor more than 30 days before the meeting.) Publish Budget Summaries and all other required State of Oregon Department of Revenue forms. |
| 06/20/2022 | Budget Hearing before Agency for adoption of appropriations and tax rate. |
| 07/08/2022 | Submit Notice of Property Tax Levy to County Assessor. |

Silverton Urban Renewal Agency

306 S. Water Street | Silverton, Oregon 97381

April 12, 2021

Honorable Chairman
Agency Members
Citizen Budget Committee Members
Citizens of the City of Silverton

RE: Fiscal Year (FY) 2022-2023 Budget Message

The Silverton Urban Renewal Agency (SURA) was created November 29, 2004 to promote valuation growth within the Silverton Urban Renewal boundary. The Agency is able to promote the growth using incremental tax revenues. The Agency created an Urban Renewal Advisory Committee at the August 2015 Board Meeting. The Advisory Committee reviews grant and loan applications and provides a recommendation to the SURA Board regarding the proposed projects.

SURA has been in existence for eighteen years and the Agency has supported many projects in the URA boundary including the MAPS Credit Union building, Willamette Valley Pie, Silver Falls Brewery and the restaurant and improvements to several other downtown buildings. All of the administration for the SURA is handled by City of Silverton staff. The total Fiscal Year (FY) 2022-2023 budget for the SURA is \$2,101,092. The total estimated tax increment revenue for FY 2021-2022 is \$957,880. A 22.22% increase in current property tax revenue is budgeted for FY 2022-2023 and is based on information received from Marion County less a potential reduction in assessed value that may take place since Bruce Pac has completely moved their operations to Woodburn. Taxes levied for FY 2021-2022 compared to FY 2020-2021 were up by 17.15%. This is due to the increase in the real market value of property within the Urban Renewal Boundary above the frozen value.

The Agency has budget \$114,913 for the “Grants Program” which is for approved grants that have not been fully paid out as this budget was being prepared.

Staff budgeted \$1,665,618 in the URA Projects line item to be used for projects the Advisory Committee may recommends and the Board approves. Of the budgeted amount, \$84,727 is for a grant to the City of Silverton for a portion of the Civic project park related costs. A list of the obligated projects is on the expenditure narrative page. Also on the expenditure page is a summary of how resources have been spent and what amount is unspent by category.

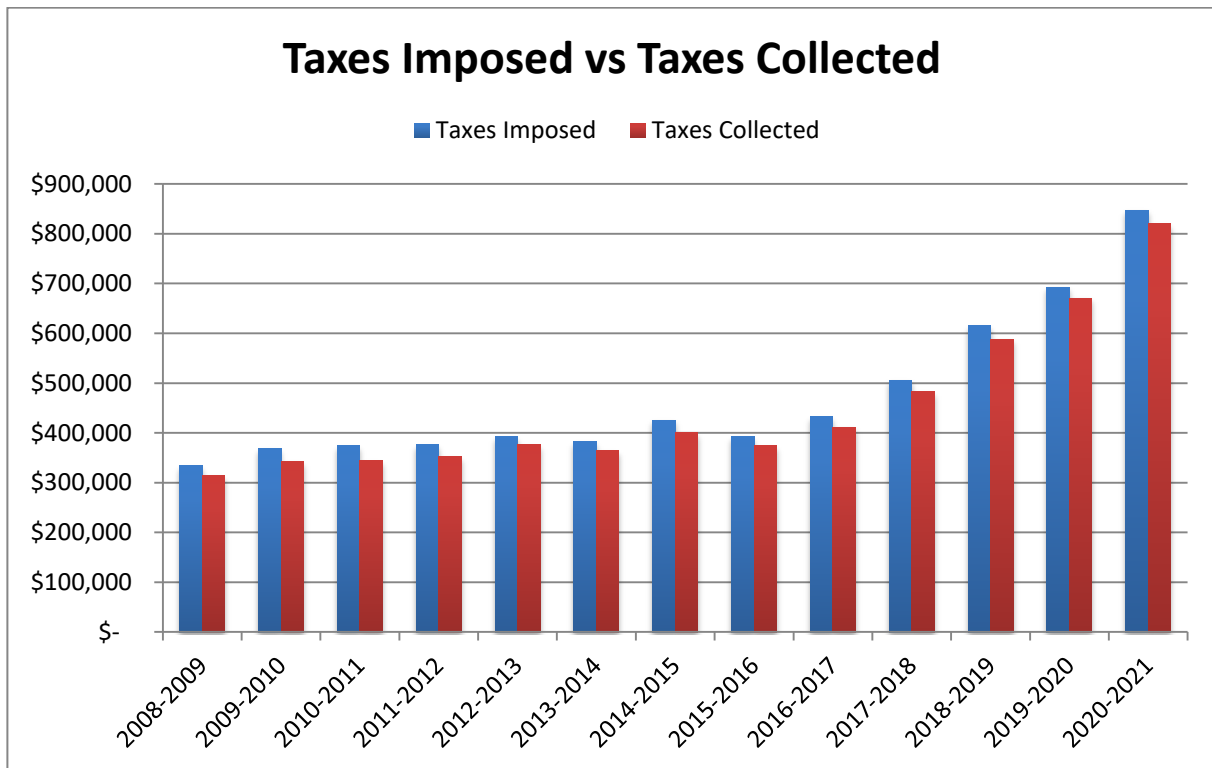
Staff would like to thank the Board, the Advisory Committee for their work during the 2021-2022 Fiscal Year and looks forward to working with the Budget Committee during the 2022-2023 Fiscal Year budget process.

Sincerely,

Ronald F. Chandler
Agency Director
Silverton Urban Renewal Agency

Kathleen Zaragoza,
Deputy City Manager/Finance Director
City of Silverton

DISTRICT TAX INFORMATION



| Base Plan Area frozen base in 2004 was: \$ 66,643,849 | | | |
|---|----------------------|------------------------|---------------------|
| | <u>Taxes Imposed</u> | <u>Taxes Collected</u> | <u>Excess Value</u> |
| 2009-2010 | \$368,394 | \$342,844 | \$23,544,054 |
| 2010-2011 | 375,125 | 344,143 | 23,855,347 |
| 2011-2012 | 376,487 | 353,680 | 24,034,044 |
| 2012-2013 | 391,990 | 377,300 | 25,211,939 |
| 2013-2014 | 383,272 | 364,665 | 26,252,906 |
| 2014-2015 | 425,980 | 400,668 | 29,230,729 |
| 2015-2016 | 393,381 | 373,892 | 26,885,546 |
| 2016-2017 | 432,283 | 411,631 | 30,764,186 |
| 2017-2018 | 506,327 | 483,651 | 36,306,905 |
| 2018-2019 | 615,914 | 588,646 | 44,186,219 |
| 2019-2020 | 693,230 | 671,061 | 49,697,293 |
| 2020-2021 | 847,512 | 819,949 | 60,750,515 |
| 2021-2022 | 992,871 | N/A | 71,176,397 |

SILVERTON URBAN RENEWAL AGENCY
REVENUE BUDGET NARRATIVE
Fiscal Year 2022-2023

FUND: URBAN RENEWAL

Program Description/Mission

The Silverton Urban Renewal Agency (SURA) was established November 29, 2004, by Ordinance 04-114. The intent of SURA is to promote valuation growth within the Silverton Urban Renewal Boundary, promote economic opportunities in Silverton, improve the aesthetics and functionality of downtown, and update infrastructure within the Urban Renewal District area boundaries.

On March 4, 2019, Ordinance 19-01 was approved to expand the Urban Renewal District in accordance with ORS Chapter 457 to include portions of First Street, Second Street, Mill Street and Jefferson Street.

The ability to fund projects has increased over time as the agency's debt capacity has also increased. The fiscal year 2022-2023 estimated tax revenue is derived from information provided by the Marion County Assessor's Office and prior year actual revenues received. The revenue estimate for the current budget year is conservative.

Account #4540 and #4541 includes principle and interest repayments of a building improvement loan for Larsen Flynn Insurance-103 S Water St (last payment is scheduled for November 2022). There is one (1) outstanding loan due from Gather-200 E Main St, but this was excluded from the budget as this account is past due and the business was closed in 2021.

SILVERTON URBAN RENEWAL AGENCY

REVENUES FISCAL YEAR 2022-2023

| | | 2019-2020 FISCAL ACTUAL | 2020-2021 FISCAL ACTUAL | 2021-2022 FISCAL BUDGET | 2022-2023 CITY MNGR PROPOSED | 2022-2023 BDGT COMM APPROVED | 2022-2023 BOARD ADOPTED |
|-------------------------------|------------------------------|-------------------------------|-------------------------------|-------------------------------|------------------------------------|------------------------------------|-------------------------------|
| <u>GENERAL FUND</u> | | | | | | | |
| <u>PROPERTY TAXES</u> | | | | | | | |
| 100-40-0001 | PROPERTY TAXES - CURRENT | 659,263 | 807,633 | 778,187 | 951,070 | 951,070 | 951,070 |
| 100-40-0002 | PROPERTY TAXES - PRIOR YEARS | 9,585 | 11,979 | 7,500 | 5,525 | 5,525 | 5,525 |
| | TOTAL PROPERTY TAXES | 668,849 | 819,612 | 785,687 | 956,595 | 956,595 | 956,595 |
| <u>FEE REVENUE</u> | | | | | | | |
| 100-42-4201 | LOAN APPLICATION FEES | 1,100 | 700 | 700 | 700 | 700 | 700 |
| | TOTAL FEE REVENUE | 1,100 | 700 | 700 | 700 | 700 | 700 |
| <u>MISCELLANEOUS REVENUES</u> | | | | | | | |
| 100-45-4540 | LOAN RE-PAYMENTS- PRINCIPLE | 25,478 | 11,361 | 14,216 | 1,765 | 1,765 | 1,765 |
| 100-45-4541 | LOAN RE-PAYMENTS- INTEREST | 2,103 | 3,154 | 280 | 10 | 10 | 10 |
| 100-45-4590 | MISCELLANEOUS REVENUE | 8,500 | 8,500 | 0 | 0 | 0 | 0 |
| 100-45-4990 | INTEREST EARNED | 38,931 | 16,294 | 10,000 | 12,725 | 12,725 | 12,725 |
| | TOTAL MISCELLANEOUS REVENUES | 75,012 | 39,309 | 24,496 | 14,500 | 14,500 | 14,500 |
| <u>BEGINING FUND BALANCE</u> | | | | | | | |
| 100-49-4999 | BEGINNING FUND BALANCE | 1,542,783 | 1,645,485 | 2,273,348 | 1,129,297 | 1,129,297 | 1,129,297 |
| | TOTAL BEGINING FUND BALANCE | 1,542,783 | 1,645,485 | 2,273,348 | 1,129,297 | 1,129,297 | 1,129,297 |
| | TOTAL FUND REVENUE | 2,287,744 | 2,505,106 | 3,084,231 | 2,101,092 | 2,101,092 | 2,101,092 |

SILVERTON URBAN RENEWAL AGENCY
EXPENDITURE BUDGET NARRATIVE
Fiscal Year 2022-2023

FUND: URBAN RENEWAL

Program Description/Mission

The Silverton Urban Renewal Agency (SURA) currently has no outstanding debts, but has the obligations provided below.

| Silverton Urban Renewal Summary | | | | |
|--|---------------------|------------------------|--------------------|----------------|
| | Total | Spent/Obligated | Unspent | % Spent |
| Streetscape, Streets and Curbs | \$2,401,575 | \$751,210 | \$1,650,365 | 31.3% |
| Rehabilitation and Conservation | \$960,630 | \$863,070 | \$97,560 | 89.8% |
| Redevelopment Through New Construction | \$1,056,693 | \$1,049,779 | \$6,914 | 99.3% |
| Undergrounding of Utilities | \$1,440,945 | \$0 | \$1,440,945 | 0.0% |
| Parks & Open Space | \$1,921,260 | \$1,603,549 | \$317,711 | 83.5% |
| Public Buildings and Facilities | \$2,401,575 | \$2,401,575 | \$0 | 100.0% |
| Pedestrian & Bike improvements | \$960,630 | \$4,395 | \$956,235 | 0.5% |
| Gateway Projects | \$576,378 | \$37,695 | \$538,683 | 6.5% |
| Public Utilities | \$500,000 | \$14,857 | \$485,143 | 3.0% |
| Administration | \$480,314 | \$120,912 | \$359,402 | 25.2% |
| Totals | \$12,700,000 | \$6,847,042 | \$5,852,958 | 53.9% |

Budget Comments:

Account #6725 provides funds for a SURA plan amendment.

Account #7700 provides funds to be used towards streetscape, utilities, pedestrian and bike improvements, gateway projects, public utilities and administration (\$1,655,179). This also includes \$84,727 for parks and open space cost related to the Civic Center project, \$127,000 for an all abilities park and \$30,000 for Silverton skate park lighting.

Account #7750 includes funds for Building and Façade improvement grants (\$114,913).

Projects that were approved by the Board but not completed are listed below.

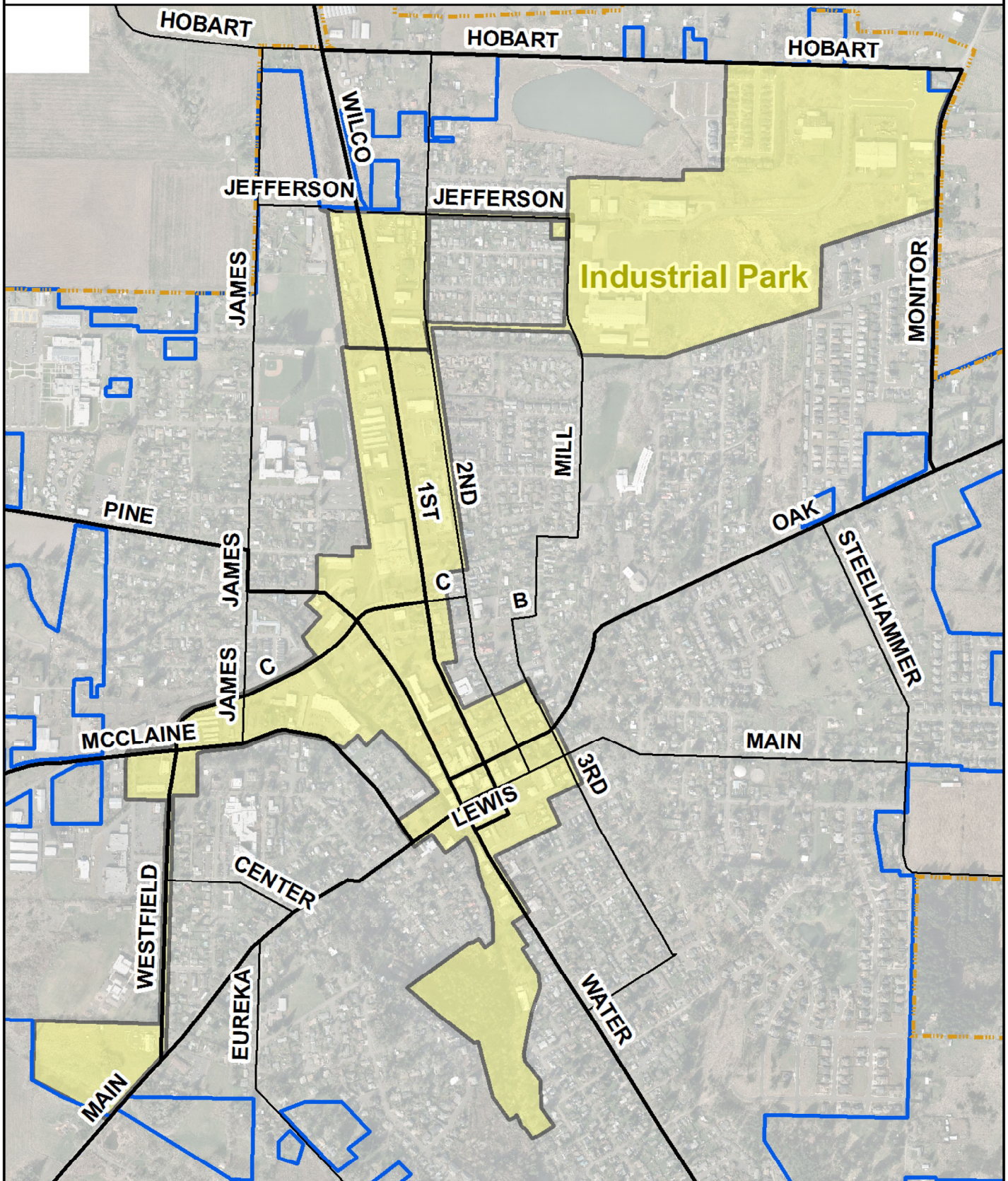
| Approved Grants and Amounts <i>(Pending as of June 27, 2022)</i> | Remaining Balance to Disburse |
|--|--|
| Gear Up Espresso LLC-442 McClaine Street | |
| Building Improvement Grant (\$50,000) | |
| Façade Improvement Grant (\$20,000) | \$4,027.18 |
| | |
| Palace Theatre Roof-200 N Water Street | |
| Building Improvement Grant (\$11,235) | \$35.00 |
| Façade Improvement Grant (\$29,350) | \$10,850.00 |
| Total Projects | \$114,912.18 |

SILVERTON URBAN RENEWAL AGENCY

EXPENDITURES FISCAL YEAR 2022-2023

| | | 2019-2020 FISCAL ACTUAL | 2020-2021 FISCAL ACTUAL | 2021-2022 FISCAL BUDGET | 2022-2023 CITY MNGR PROPOSED | 2022-2023 BDGT COMM APPROVED | 2022-2023 BOARD ADOPTED |
|-----------------------------------|------------------------------|-------------------------------|-------------------------------|-------------------------------|------------------------------------|------------------------------------|-------------------------------|
| <u>GENERAL FUND</u> | | | | | | | |
| <u>ADMINISTRATION</u> | | | | | | | |
| <u>MATERIALS & SERVICES</u> | | | | | | | |
| 100-50-6101 | SUPPLIES | 0 | 0 | 50 | 50 | 50 | 50 |
| 100-50-6105 | POSTAGE AND FREIGHT | 0 | 0 | 50 | 50 | 50 | 50 |
| 100-50-6400 | ADVERTISING | 343 | 259 | 500 | 600 | 600 | 600 |
| 100-50-6710 | DUES & MEMBERSHIPS | 88 | 88 | 300 | 600 | 600 | 600 |
| 100-50-6720 | AUDIT SERVICES | 3,225 | 3,365 | 4,500 | 4,500 | 4,500 | 4,500 |
| 100-50-6725 | CONTRACTED SERVICES | 0 | 0 | 10,000 | 10,000 | 10,000 | 10,000 |
| 100-50-6900 | BANK CHARGES | 92 | 91 | 200 | 200 | 200 | 200 |
| | TOTAL MATERIALS & SERVICES | 3,747 | 3,803 | 15,600 | 16,000 | 16,000 | 16,000 |
| <u>CAPITAL OUTLAY</u> | | | | | | | |
| 100-50-7700 | URA PROJECTS | 638,511 | 481,410 | 2,618,631 | 1,655,179 | 1,655,179 | 1,655,179 |
| 100-50-7750 | GRANTS PROGRAM | 0 | 0 | 50,000 | 114,913 | 114,913 | 114,913 |
| | TOTAL CAPITAL OUTLAY | 638,511 | 481,410 | 2,668,631 | 1,770,092 | 1,770,092 | 1,770,092 |
| <u>CONTINGENCY & RESERVES</u> | | | | | | | |
| 100-50-9001 | CONTINGENCY | 0 | 0 | 400,000 | 315,000 | 315,000 | 315,000 |
| | TOTAL CONTINGENCY & RESERVES | 0 | 0 | 400,000 | 315,000 | 315,000 | 315,000 |
| | TOTAL ADMINISTRATION | 642,258 | 485,214 | 3,084,231 | 2,101,092 | 2,101,092 | 2,101,092 |
| | TOTAL FUND EXPENDITURES | 642,258 | 485,214 | 3,084,231 | 2,101,092 | 2,101,092 | 2,101,092 |

City of Silverton



Legend

Urban Renewal District

0 375 750 1,500 Feet

Disclaimer:
This map was published by the City of Silverton Community Development Department as a general planning tool. Due to the differing quality of source data, the Department cannot accept responsibility for errors or omissions, and therefore, there are no warranties which accompany this material.

SILVERTON URBAN RENEWAL AGENCY
RESOLUTION
22-01

A RESOLUTION OF THE SILVERTON URBAN RENEWAL AGENCY BOARD OF DIRECTORS ADOPTING THE FISCAL YEAR 2022-2023 BUDGET, MAKING APPROPRIATIONS, AND DECLARING TAX INCREMENT

WHEREAS, in accordance with Oregon Budget Law, the Silverton Urban Renewal Agency seeks to adopt a budget, appropriate expenditures and declare the tax increment for fiscal year 2022-2023.

NOW, THEREFORE, BE IT RESOLVED BY THE SILVERTON URBAN RENEWAL AGENCY, AS FOLLOWS:

Section 1: The Silverton Urban Renewal Agency hereby adopts the fiscal year 2022-2023 budget in the total of \$2,101,092 now on file at the Agency Office, 306 S Water, Silverton Oregon, 97381.

Section 2: That the amounts for fiscal year beginning July 1, 2022 and for the purposes shown below are hereby appropriated:

General Fund

| | |
|------------------------|----------------|
| Materials and Services | \$ 16,000 |
| Capital Outlay | 1,770,092 |
| Contingency | <u>315,000</u> |
| Fund Total | \$2,101,092 |

Section 3: The Board of Directors for the Silverton Urban Renewal Agency hereby resolves to certify to the Marion County Assessor a request for the Silverton Urban Renewal Plan Area for the maximum amount of revenue that may be raised by dividing the taxes under Section 1c, Article IX of the Oregon Constitution and ORS Chapter 457.

Section 4: The Agency Director will file this resolution with the Marion County Clerk and the County Assessor on or before July 15, 2022.

Section 5: That this resolution is and shall be effective after its passage by the Silverton Urban Renewal Agency.

Resolution adopted by the Silverton Urban Renewal Agency of the City of Silverton, this 20th day of June 2022.



Chair, Silverton Urban Renewal Agency
Kyle Palmer

ATTEST:



Agency Director, Silverton Urban Renewal Agency
Ronald F. Chandler

FORM UR-50

NOTICE TO ASSESSOR

2022-2023

• Submit two (2) copies to county assessor by July 15.

☐

Check here if this is an amended form.

Notification

Silverton Urban Renewal Agency
(Agency Name)

authorizes its 2022-2023 ad valorem tax increment amounts

by plan area for the tax roll of

Marion

(County Name)

Kathleen Zaragoza
(Contact Person)

503-874-2203

(Telephone Number)

7/1/2022

(Date Submitted)

306 S Water St, Silverton OR 97381
(Agency's Mailing Address)kzaragoza@silverton.or.us

(Contact Person's E-mail Address)

☐ Yes, the agency has filed an impairment certificate by May 1 with the assessor (ORS 457.445).

Part 1: Option One Plans (Reduced Rate). [ORS 457.435(2)(a)]

| Plan Area Name | Increment Value to Use* | | 100% from Division of Tax | Special Levy Amount** |
|----------------|-------------------------|----|------------------------------|-----------------------|
| | \$ | OR | <input type="checkbox"/> Yes | \$ |
| | \$ | OR | <input type="checkbox"/> Yes | \$ |

Part 2: Option Three Plans (Standard Rate). [ORS 457.435(2)(c)]

| Plan Area Name | Increment Value to Use*** | | 100% from Division of Tax | Special Levy Amount**** |
|----------------|---------------------------|----|---------------------------|-------------------------|
| | \$ | OR | | \$ |
| | \$ | OR | | \$ |

Part 3: Other Standard Rate Plans. [ORS 457.445(2)]

| Plan Area Name | Increment Value to Use* | | 100% from Division of Tax | |
|----------------|-------------------------|----|------------------------------|--|
| | \$ | OR | <input type="checkbox"/> Yes | |
| | \$ | OR | <input type="checkbox"/> Yes | |

Part 4: Other Reduced Rate Plans. [ORS 457.445(1)]

| Plan Area Name | Increment Value to Use* | | 100% from Division of Tax | |
|--------------------------------|-------------------------|----|---|--|
| Silverton Urban Renewal Agency | \$ | OR | <input checked="" type="checkbox"/> Yes | |
| | \$ | OR | <input type="checkbox"/> Yes | |

Part 5: Permanent Rate Plans. [ORS 457.087]

| Plan Area Name | Increment Value to Use* | | 100% from Division of Tax | |
|----------------|-------------------------|----|------------------------------|--|
| | \$ | OR | <input type="checkbox"/> Yes | |
| | \$ | OR | <input type="checkbox"/> Yes | |

Notice to Assessor of Permanent Increase in Frozen Value. Beginning tax year 2021-22, permanently increase frozen value to:

| Plan Area Name | New frozen value \$ |
|----------------|---------------------|
| | |
| | |

* **All Plans except Option Three:** Enter amount of Increment Value to Use that is less than 100% Or check "Yes" to receive 100% of division of tax. Do NOT enter an amount of Increment Value to Use AND check "Yes".

** If an **Option One** plan enters a Special Levy Amount, you MUST check "Yes" and NOT enter an amount of Increment to Use.

*** **Option Three** plans enter EITHER an amount of Increment Value to Use to raise less than the amount of division of tax stated in the 1998 ordinance under ORS 457.435(2)(c) OR the Amount from Division of Tax stated in the ordinance, NOT both.

**** If an **Option Three** plan requests both an amount of Increment Value to Use that will raise less than the amount of division of tax stated in the 1998 ordinance and a Special Levy Amount, the Special Levy Amount cannot exceed the amount available when the amount from division of tax stated in the ordinance is subtracted from the plan's Maximum Authority.

GLOSSARY

The Silverton Urban Renewal Agency has attached a glossary to promote greater understanding of financial terms used throughout the budget document. These definitions originate from the Oregon Department of Revenue's Local Budgeting Manual and some have been modified to fit the Agency's financial practices. Please also feel free to contact the Finance Department with any questions.

Accrual basis. Method of accounting recognizing transactions when they occur without regard to cash flow timing [ORS 294.311(1)].

Adopted budget. Financial plan that is the basis for appropriations. Adopted by the governing body (ORS 294.456).

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 [ORS 294.311(3)].

Approved budget. The budget that has been approved by the budget committee. The data from the approved budget is published in the Financial Summary before the budget hearing (ORS 294.428).

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. The growth is limited to 3% unless an exception applies (e.g., new or enlarged structure).

Assessment date. The date on which the real market value of property is set-January 1.

Audit. The annual review and appraisal of a municipal corporation's accounts and fiscal affairs conducted by an accountant under contract or the Secretary of State (ORS 297.425).

Audit report. A report in a form prescribed by the Secretary of State made by an auditor expressing an opinion about the propriety of a local government's financial statements, and compliance with requirements, orders and regulations.

Balanced budget. A budget in which the resources equal the requirements in every fund.

Billing Rate. A district's tax rate used to compute ad valorem taxes for each property. The billing rate is expressed in dollars per \$1,000 of assessed property 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 [ORS 294.311(5)].

Budget Committee. Fiscal planning board of a local government, consisting of the governing body plus an equal number of registered voters appointed from the district (ORS 294.414).

Budget Message. Written explanation of a local government's budget and financial policies, including any changes from the prior fiscal year. It is prepared and presented under the direction of the executive officer or chairperson of the governing body (ORS 294.403).

Budget Officer. Person appointed by the governing body to assemble budget material and information and to physically prepare the proposed budget (ORS 294.331).

Budget transfers. Amounts moved from one fund to finance activities in another fund. They are shown as expenditures in the originating fund and revenues in the receiving fund.

Capital expenditure. For budgetary purposes \$1,000 is used for capital and per Resolution \$5,000 is used for depreciation.

Capital outlay. Items which generally have a useful life of one or more years, such as machinery, land, furniture, equipment, or buildings [ORS 294.388(4)]

GLOSSARY

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Capital projects fund. A fund used to account for resources, such as bond sale proceeds and expenditures to be used for major capital item purchase or construction [OAR 150-294.0420(2)(c)].

Category of limitation. The three categories of taxes on property for the purpose of the constitutional limits- education, general government, excluded from limitation (ORS 310.150).

Compression. A reduction in taxes by Measure 5 (1990) property tax limits. Compression is computed on a property-by-property basis, and is first towards local option tax levies, then permanent rate levies.

Consolidated billing tax rate. The consolidated billing tax rate is the combined total of the billing rates for all taxing districts in a limitation category in the code area but does not include the billing rate for any urban renewal special levies or non-ad valorem taxes, fees, or other charges.

Constitutional limits. The maximum amount of tax on property that can be collected from an individual property for education and for other government activities (Art. XI, sect. 11b, OR Const.).

Contingency. An amount appropriated in anticipation that some operating expenditures will become necessary which cannot be foreseen and planned in the budget. A general operating fund may contain one line for operating contingency [ORS 294.388].

Debt service fund. A fund established to account for payment of general long-term debt principal and interest [OAR 150-294.0420(2)(d)].

Division of tax. Division of tax refers to the process of, and revenue from, apportioning tax to urban renewal agencies based on the relationship of the excess to frozen value, also known as tax increment revenue.

Double majority. A term that refers to an election where at least 50 percent of the registered voters eligible to vote in the election cast a ballot and more than 50 percent voting approve the question. (*Any March or September election*)

Encumbrance. An obligation chargeable to an appropriation and for which part of the appropriation is reserved [ORS 294.311(13)].

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, gas, and electric utilities, swimming pools, airports, parking garages, transit systems, and ports [OAR 150-294.0420(f)].

Excluded from limitation category. The category for taxes used to pay principal and interest on exempt bonded indebtedness [ORS 310.150(1)(a)].

Exempt bonded indebtedness. 1) Bonded indebtedness authorized by a specific provision of the Oregon Constitution, or 2) bonded indebtedness issued as a general obligation on or before November 6, 1990, incurred for capital construction or capital improvements, or 3) bonded indebtedness issued as a general obligation after November 6, 1990, incurred for capital construction or capital improvements with the approval of the electors of the local government. Bonded indebtedness issued to refund or refinance any bonded indebtedness described above is also included [ORS 310.140(7)(b)].

Expenditures. Total amount incurred if accounts are kept on an accrual basis; total amount paid if accounts are kept on a cash basis. Does not include amounts budgeted for interfund transfers, contingency, reserved for future expenditure or unappropriated ending fund balance [ORS 294.311(16)].

Fiscal year. A 12-month period to which the annual operating budget applies. The Fiscal Year is July 1 through June 30 for local governments [ORS 294.311(17)].

GLOSSARY

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Fund. A fiscal and accounting entity with self-balancing accounts to record cash and other financial resources, related liabilities, balances and changes, all segregated for specific, regulated activities and objectives.

Fund balance. The excess of the assets of a fund over its liabilities and reserves [ORS 294.311(18)].

Fund type. One of nine fund types: General, special revenue, debt service, capital projects, special assessment, enterprise, internal service, trust and agency, and reserve [OAR 150-294.352(1)-(A)].

General fund. A fund used to account for most fiscal activities except for those activities required to be accounted for in another fund [OAR 150-294.0420(2)(a)].

General government category. The limitation category for taxes used to support general government operations other than schools that are not for the purposes of paying exempt bonded indebtedness [ORS 310.150(1)(c)].

Governing body. County court or board of commissioners, city council, school board, board of trustees, board of directors, or other managing board of a local government unit [ORS 294.311(20)].

Grant. A donation or contribution in cash by one governmental unit to another unit which may be made to support a specified purpose or function, or general purpose [ORS 294.311(21)].

Interfund loans. Loans made by one fund to another and authorized by resolution or ordinance (ORS 294.468).

Internal service fund. A fund used to account for fiscal activities when goods or services are provided by one organizational unit to another on a cost-reimbursement basis (ORS 294.343).

Levy. (v) To impose a property tax. (n) Amount of ad valorem tax certified by a local government for the support of government activities.

Liability. Debt or other legal obligation arising from transactions in the past which must be liquidated, renewed, or refunded at a future date; does not include encumbrances [ORS 294.311(24)].

Local option tax. Voter-approved taxing authority that is in addition to the taxes generated by the permanent tax rate. Local option taxes can be for general operations, a specific purpose or capital projects. They are limited to five years unless they are for a capital project, then they are limited to the useful life of the project or 10 years, whichever is less [Art. XI, section 11(4)].

Materials and Services. Expenses for operating costs and supplies and contracted services, such as utilities, rent, liability insurance, repair parts, fuel, accountant's fees, etc.

Maximum assessed value (MAV). The maximum taxable value limitation placed on real or personal property by the Article XI, section 11 of 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 (OAR 308.146).

Measure 5. A constitutional tax rate limitation (Art. XI, section 11b) passed by the voters in 1990 which restricts the amount an individual property can be taxed. Measure 5 limits school taxes to \$5 per \$1,000 of real market value. All other general governmental taxes are limited to \$10 per 1,000 for general government of real market value.

Measure 50. A constitutional amendment (Art. XI, section 11) passed in 1997 that limits the growth in a property's maximum assessed value to 3% per year. It also limits a local government's taxing authority by creating permanent rate limits.

GLOSSARY

The Silverton Urban Renewal Agency has attached a glossary to promote greater understanding of financial terms used throughout the budget document. These definitions originate from the Oregon Department of Revenue's Local Budgeting Manual and some have been modified to fit the Agency's financial practices. Please also feel free to contact the Finance Department with any questions.

Net working capital. The sum of the cash balance, accounts receivable expected to be realized during the ensuing year, inventories, supplies, prepaid expenses less current liabilities and, if encumbrance method of accounting is used, reserve for encumbrances [ORS 294.311(27)].

Object classification. A grouping of expenditures, such as personnel services, materials and services, capital outlay, debt services, and other types of requirements [ORS 294.311(29)].

Operating rate. The rate determined by dividing the local government's tax amount by the estimated assessed value in district. This rate is calculated by the assessor when a local government imposes its operating tax as an amount, rather than a tax rate.

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

Organizational unit. Any administrative subdivision of the local government, especially one charged with carrying on one or more specific functions (such as a department, office or division) [ORS 294.311(31)].

Personnel Services. Expenses related to the compensation of salaried employees, such as, health and accident insurance premiums, Social Security and retirement contributions, civil service assessments.

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 or its voters can change a permanent rate limit. A district can levy any rate or amount up to their permanent rate authority each year.

Prior years' tax levies. Taxes levied for fiscal years preceding the current one.

Program. A group of related activities to accomplish a major service or function for which the local government is responsible [ORS 294.311(33)].

Property taxes. Ad valorem tax, another other "tax on property", or fees, charges and assessments that are specifically authorized by statute to be certified to the county assessor by a local government unit.

Proposed budget. Financial and operating plan prepared by the budget officer. All funds must balance. It is submitted to the public and the budget committee for review.

Publication. Public notice given by publication in a newspaper of general circulation within the boundaries of the local government; mailing through the U.S. Postal Service by first class mail to each street address within the boundaries of the local government; or hand delivery to each street address within the boundaries of the local government [ORS 294.311(35)].

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. For most properties, the value used to test the constitutional limits (ORS 308.205).

Reserve fund. Established to accumulate money from year to year for a specific purpose, such as purchase of new equipment (ORS 294.346; 280.050).

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

Resource. Estimated beginning funds on hand plus anticipated receipts (ORS 294.361).

Special levy. A special levy is an ad valorem tax imposed for an existing urban renewal plan. It is not a result of a division of tax but rather imposed directly for the plan.

Special revenue fund. A fund used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditure for specific purposes [OAR 150-294.0420(2)(b)].

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Supplemental budget. A revised financial plan prepared to meet unexpected needs or to appropriate revenues not anticipated when the regular budget was adopted. It cannot be used to authorize a tax (ORS 294.471).

Tax increment financing. A financial mechanism for urban renewal plans which captures the tax from the growth in property value within a designated geographical area. AKA urban renewal division of tax.

Tax on property. Any tax, fee, charge or assessment imposed by any government unit upon property or upon a property owner as a direct consequence of ownership of that property [ORS 310.140(18)].

Tax rate. The amount of tax stated in terms of a unit of tax for each \$1,000 of assessed value of taxable property.

Tax roll. The official listing of the amount of taxes imposed against each taxable property.

Tax year. The Fiscal Year from July 1 through June 30.

Unappropriated ending fund balance. Amount set aside in the budget to be used as cash as a cash carryover to the next year's budget. It provides the local government with cash until tax money or other revenues are received later in the year. This amount cannot be transferred by resolution or used through a supplemental budget, unless necessitated by a qualifying emergency (ORS 294.398).