

SILVERTON URBAN RENEWAL AGENCY



FISCAL YEAR 2020-2021

Silverton Urban Renewal Agency

Budget Committee Fiscal Year 2020-2021

Chairman:

Kyle Palmer

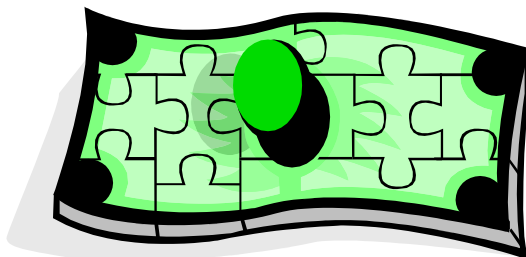
Board Members:

*Laurie Carter
Jason Freilinger
Crystal Neideigh
Matt Plummer
Jim Sears
Dana Smith*

Citizen Members:

*Ammon Benedict
Gregory Chase
Chris Childs
Aaron Koch
April Newton
Micole Olivas-Leyva
Walker Yeates*

*Christy S. Wurster, Agency Director
Kathleen Zaragoza, Finance Director
Jason Gottgetreu, Community Development Director
Sheena Kroger, Assistant Finance Director*



Silverton Urban Renewal Agency
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2020-2021 Fiscal Year

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SILVERTON URBAN RENEWAL AGENCY
SILVERTON, OREGON

2020-2021 Budget Calendar

- | | |
|------------|---|
| 12/14/2019 | Worksheets and other information distributed to Department Heads. |
| 02/14/2020 | Last day to submit proposed budget worksheets and narratives to Finance. |
| 02/24/2020 | City Manager/Agency Director meetings with Department Heads begin. |
| 03/23/2020 | Notice of first budget meeting to paper. |
| 04/01/2020 | Publish first notice of first Budget Committee meeting. (Not less than 5 days before the meeting nor more than 30 days.) Include notice of State Revenue Sharing Hearing and the website for the second notice. (At least 10 days prior to hearing.) |
| 04/03/2020 | City Manager/Agency Director to complete budget message. |
| 04/08/2020 | Post on website second notice of first Budget Committee meeting. (Must be posted at least 10 days before the first budget meeting.) |
| 04/14/2020 | Deliver Preliminary Budgets to Budget Committee and Department Heads. |
| 04/23/2020 | First Budget Committee meeting and State Revenue Sharing Budget Hearing. (Meetings will be held in Council Chambers starting at 6:00 pm) (Thursday) |
| 04/28/2020 | Second Budget Committee meeting. (Tuesday) |
| 04/30/2020 | Third Budget Committee meeting. (Thursday)
<i>Additional Budget Committee meetings will be added if necessary.</i> |
| 05/25/2020 | Send budget summaries and notice of council hearing to paper. |
| 06/03/2020 | Publish notice of hearing before the City Council/Urban Renewal 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. |
| 06/15/2020 | Budget Hearing before City Council/Urban Renewal Agency for adoption of appropriations, tax rate, bonded debt levy and acceptance of State Revenue Sharing. |
| 07/10/2020 | Submit Notice of Property Tax Levy to County Assessor. |

SILVERTON URBAN RENEWAL AGENCY (SURA)
AGENCY GOALS
ADOPTED JUNE 15, 2020
Fiscal Year 2020-2021



Goal 1: Utilize Agency and Borrowing Power to Plan for and Implement Infrastructure Improvements for the District

	Objective
1.1	<p>Complete the following infrastructure feasibility and scope studies:</p> <ul style="list-style-type: none"> • Perform a stormwater capacity study and assessment (\$35,000-\$40,000) • Water main condition assessment and capacity study (\$0-\$5,000) • Existing street condition assessment, including core sampling (\$5,000) • Sidewalk assessment (\$20,000) • Determine cost of undergrounding utilities in the downtown core and develop a staging and financing plan that minimizes impact to businesses and the cost impact to ratepayers/ property owners <p>Upon completion of the infrastructure feasibility and scope studies, develop a Request for Proposals to establish a formal work plan/design for the downtown infrastructure improvements identified in the studies. Develop a public involvement and outreach process.</p>
1.2	Identify, where feasible and appropriate, the SURA's role in the City's redevelopment of the Eugene Field property.
1.3	Explore proportional allocation of funds of infrastructure improvements the Urban Renewal Agency can make in the extended Urban Renewal area, to include the North Second street improvements, traffic calming measures at First and Jefferson streets.
1.4	Develop the scope of the redevelopment of the Westfield property, including possible use as affordable housing and/or assisted living.
1.5	Improve aesthetic appeal of City gateways within the Urban Renewal District.



Silverton Urban Renewal Agency

306 S. Water Street | Silverton, Oregon 97381

April 23, 2020

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

RE: Fiscal Year (FY) 2020-2021 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. The current situation affecting businesses due to COVID-19 makes it uncertain about how the revenues for the fiscal year budget before you may be affected.



SURA has been in existence for sixteen years and the agency has supported many outstanding projects in the URA boundary including the MAPS Credit Union building, Willamette Valley Pie, and improvements to several other downtown buildings in progress, such as the Silver Falls Brewery and the restaurant space at 405 N Water Street. All of the administration for the SURA is handled by City of Silverton staff. The total Fiscal Year (FY) 2020-2021 budget for the SURA is \$2,333,582. The total estimated tax increment revenue for Fiscal Year 2019-2020 is \$650,537. A small increase in property tax revenue expected for FY 2020-2021 has been budgeted. The budgeted amount of \$664,045 is based on information received from Marion County. Taxes levied for FY 2019-2020 compared to FY 2018-2019 were up by 12.55%. 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 continued to budget \$50,000 for the “Small Grants Program” which was created by the agency during the FY 2009-2010. The purpose of the “Small Grants Program” is to help offset the cost of design services for historic structures that require the stamp of a registered architect or civil engineer, and to facilitate the re-location of electrical services to more pedestrian friendly locations for buildings located in the Urban Renewal District Area and in the historic downtown.

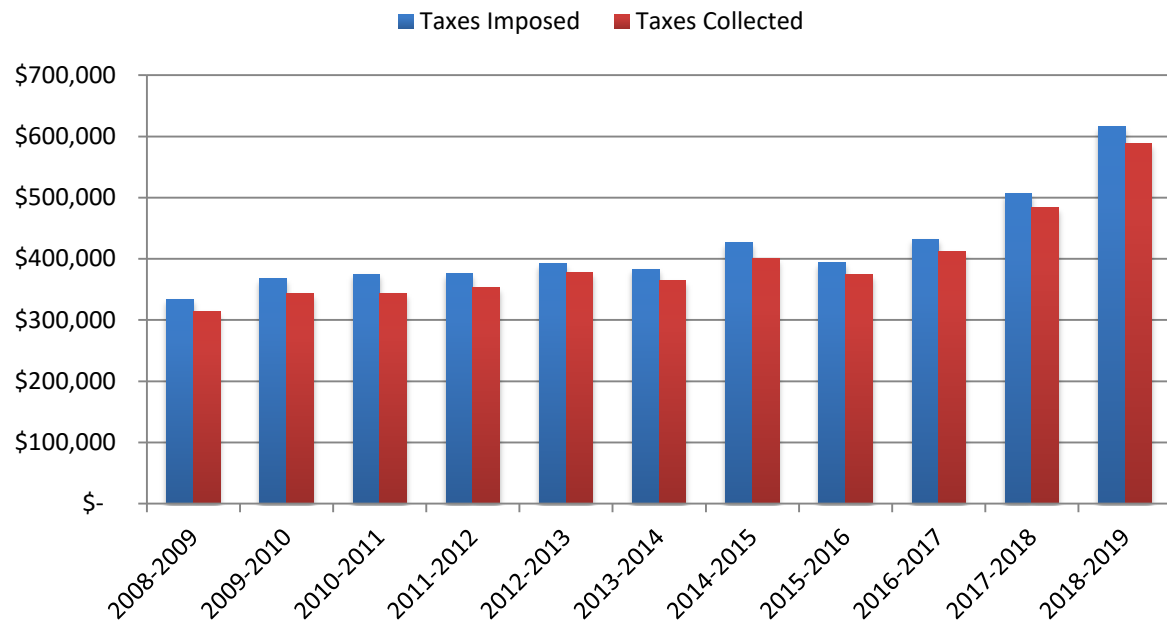
Staff budgeted \$1,876,037 in the SURA Projects line item to be used for projects the Advisory Committee recommends and the Board approves. Of the budgeted amount, \$672,400 is obligated for twelve (12) different approved projects. A list of the obligated projects is listed on the expenditure narrative page. It is staff's intention to provide more information regarding completed projects and funding ability in the final budget document that will be prepared and available in July. Due to the economic uncertainties, it will be important to weigh the benefits of the support provided to fund proposed projects.

Staff would like to thank the Board, the Advisory Committee for their work during the 2019-2020 Fiscal Year and looks forward to working with the Budget Committee during the 2020-2021 Fiscal Year budget process.

Sincerely,


Christy S. Wurster, Agency Director
Kathleen Zaragoza, Finance Director

Taxes Imposed vs Taxes Collected



Base Plan Area frozen base in 2004 was: \$ 66,643,849

	<u>Taxes Imposed</u>	<u>Taxes Collected</u>	<u>Excess Value</u>
2008-2009	\$333,991	\$314,447	\$21,258,178
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	Final amount unavailable	49,697,293

SILVERTON URBAN RENEWAL AGENCY
REVENUE BUDGET NARRATIVE
Fiscal Year 2020-2021

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 increased. The fiscal year 2020-2021 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 building improvement loans for Gather (200 E Main St), Main Street Bistro (201 E Main St) and Larsen Flynn Insurance (103 S Water St).

Account #4590 includes the last of three (3) loan repayments for \$8,500. In the first year \$5,000 was paid, and in the second year \$8,500 was paid to the City of Silverton Tourism Occupancy Tax Fund for the installation of lights in the downtown street trees.

SILVERTON URBAN RENEWAL AGENCY

REVENUES FISCAL YEAR 2020-2021

		2017-2018 FISCAL ACTUAL	2018-2019 FISCAL ACTUAL	2019-2020 FISCAL BUDGET	2020-2021 CITY MNGR PROPOSED	2020-2021 BDGT COMM APPROVED	2020-2021 BOARD ADOPTED
<u>GENERAL FUND</u>							
<u>PROPERTY TAXES</u>							
100-40-0001	PROPERTY TAXES - CURRENT	483,651	588,646	589,984	664,045	664,045	664,045
100-40-0002	PROPERTY TAXES - PRIOR YEARS	7,449	17,487	7,800	7,500	7,500	7,500
	TOTAL PROPERTY TAXES	491,100	606,133	597,784	671,545	671,545	671,545
<u>FEE REVENUE</u>							
100-42-4201	LOAN APPLICATION FEES	750	1,900	1,000	1,000	1,000	1,000
	TOTAL FEE REVENUE	750	1,900	1,000	1,000	1,000	1,000
<u>MISCELLANEOUS REVENUES</u>							
100-45-4540	LOAN RE-PAYMENTS- PRINCIPLE	100,815	32,176	27,899	27,970	27,970	27,970
100-45-4541	LOAN RE-PAYMENTS- INTEREST	5,770	2,826	1,978	1,930	1,930	1,930
100-45-4590	MISCELLANEOUS REVENUE	25	0	8,500	8,500	8,500	8,500
100-45-4990	INTEREST EARNED	17,514	37,323	36,000	20,000	20,000	20,000
	TOTAL MISCELLANEOUS REVENUES	124,124	72,325	74,377	58,400	58,400	58,400
<u>BEGINING FUND BALANCE</u>							
100-49-4999	BEGINNING FUND BALANCE	731,981	1,113,680	1,503,816	1,602,637	1,602,637	1,602,637
	TOTAL BEGINING FUND BALANCE	731,981	1,113,680	1,503,816	1,602,637	1,602,637	1,602,637
	TOTAL FUND REVENUE	1,347,955	1,794,037	2,176,977	2,333,582	2,333,582	2,333,582

SILVERTON URBAN RENEWAL AGENCY
EXPENDITURE BUDGET NARRATIVE
Fiscal Year 2020-2021

FUND: URBAN RENEWAL

Program Description/Mission

The Silverton Urban Renewal Agency (SURA) currently has no outstanding loans, but has the obligations provided below. In Fiscal Year 2018-2019, Ordinance 19-01 was approved completing the process for expanding the Urban Renewal District in accordance with ORS Chapter 457 to include portions of First Street, Second Street, Mill Street and Jefferson Street.

Budget Obligations:

The total funds available for SURA projects is \$1,876,037. Projects approved by the Board but not completed are listed below: *(Pending as of June 30, 2020).*

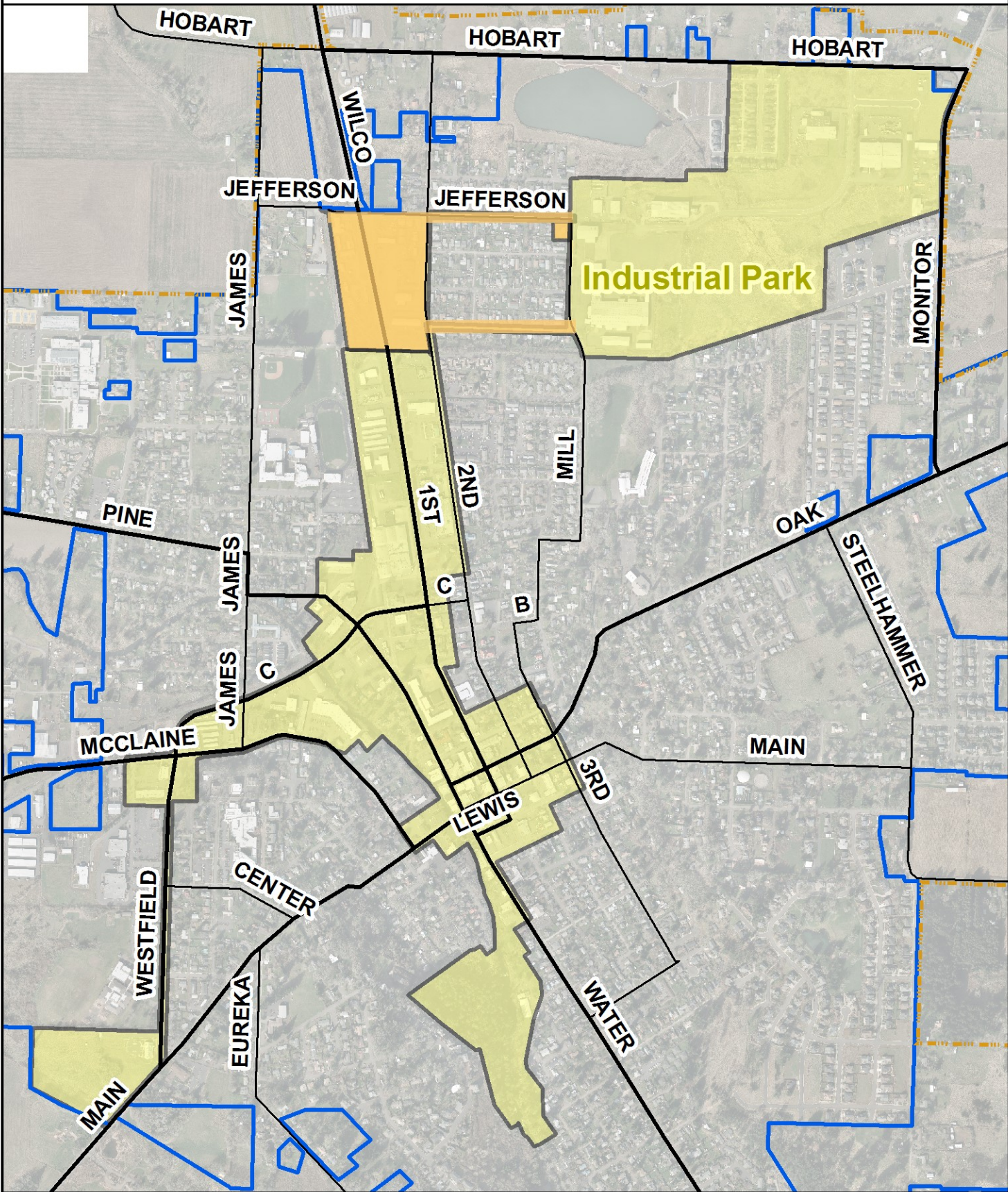
Approved Grants and Amounts	Remaining Balance
Gear Up Espresso LLC-442 McClaine Street	
Building Improvement Grant (\$50,000)	
Façade Improvement Grant (\$20,000)	\$4,739.68
Kirk Properties-301 E Main Street/104 N First Street	
Façade Improvement Grant (\$9,750)	9,750.00
Roths Fresh Markets-Starbucks-806 N First Street	
Building Improvement Grant (\$100,000)	100,000.00
Silver Falls Brewery-208 Lewis Street	
Building Improvement Grant (\$207,036)	178,933.01
TDO LLC-405 N Water Street	
Building Improvement Grant (\$32,200.50)	12,252.08
Façade Improvement Grant (\$10,000)	
Total Projects	\$322,399.65
City Downtown Projects	Amount Budgeted
Stormwater capacity study and assessment	\$40,000.00
Research the potential existence of underground storage tanks	5,000.00
Assessment of water main condition and capacity study	5,000.00
Assessment of street conditions and core sampling	5,000.00
Assessment of sidewalk and investigation of coal chutes	20,000.00
Civic Center Contribution	250,000.00
Gateway Construction	25,000.00
Total City Downtown Projects	\$350,000.00
Total Obligated Funds	\$ 672,399.65

SILVERTON URBAN RENEWAL AGENCY

EXPENDITURES FISCAL YEAR 2020-2021

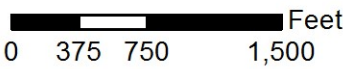
		2017-2018 FISCAL ACTUAL	2018-2019 FISCAL ACTUAL	2019-2020 FISCAL BUDGET	2020-2021 CITY MNGR PROPOSED	2020-2021 BDGT COMM APPROVED	2020-2021 BOARD ADOPTED
<u>GENERAL FUND</u>							
<u>ADMINISTRATION</u>							
<u>MATERIALS & SERVICES</u>							
100-50-6101	SUPPLIES	29	0	150	25	25	25
100-50-6105	POSTAGE AND FREIGHT	0	0	20	20	20	20
100-50-6400	ADVERTISING	523	316	500	500	500	500
100-50-6710	DUES & MEMBERSHIPS	285	285	400	300	300	300
100-50-6720	AUDIT SERVICES	2,852	3,015	4,000	4,500	4,500	4,500
100-50-6725	CONTRACTED SERVICES	0	1,125	20,000	20,000	20,000	20,000
100-50-6900	BANK CHARGES	96	93	275	200	200	200
	TOTAL MATERIALS & SERVICES	3,786	4,834	25,345	25,545	25,545	25,545
<u>CAPITAL PROJECTS</u>							
100-50-7700	URA PROJECTS	80,490	220,444	1,702,563	1,876,037	1,876,037	1,876,037
100-50-7750	SMALL GRANTS PROGRAM	0	0	50,000	50,000	50,000	50,000
	TOTAL CAPITAL PROJECTS	80,490	220,444	1,752,563	1,926,037	1,926,037	1,926,037
<u>DEBT SERVICE</u>							
100-50-8801	LOAN - PRINCIPAL	147,198	25,767	0	0	0	0
100-50-8802	LOAN - INTEREST	2,802	209	0	0	0	0
	TOTAL DEBT SERVICE	150,000	25,976	0	0	0	0
<u>CONTINGENCY & RESERVES</u>							
100-50-9001	CONTINGENCY	0	0	399,069	382,000	382,000	382,000
	TOTAL CONTINGENCY & RESERVES	0	0	399,069	382,000	382,000	382,000
	TOTAL ADMINISTRATION	234,275	251,254	2,176,977	2,333,582	2,333,582	2,333,582
	TOTAL FUND EXPENDITURES	234,275	251,254	2,176,977	2,333,582	2,333,582	2,333,582

City of Silverton



Legend

- Expansion Area
- Urban Renewal District



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
20-01

A RESOLUTION OF THE SILVERTON URBAN RENEWAL AGENCY BOARD OF DIRECTORS ADOPTING THE FISCAL YEAR 2020-2021 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 2020-2021.

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 2020-2021 budget in the total of \$2,333,582 now on file at the Agency Office, 306 S Water, Silverton Oregon, 97381.

Section 2: That the amounts for fiscal year beginning July 1, 2020 and for the purposes shown below are hereby appropriated:

General Fund

Materials and Services	\$ 25,545
Capital Outlay	1,926,037
Contingency	<u>382,000</u>
Fund Total	\$2,333,582

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, 2020.

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 15th day of June 2020.



Chairman, Silverton Urban Renewal Agency
Kyle Palmer

ATTEST:



Agency Director, Silverton Urban Renewal Agency
Christy S. Wurster

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

☐

Check here if this is an amended form.

Notification

Silverton Urban Renewal Agency authorizes its 2020-2021 ad valorem tax increment amounts
(Agency Name)

by plan area for the tax roll of Marion County.

(County Name)

Kathleen Zaragoza
(Contact Person)

503-874-2203
(Telephone Number)

July 1, 2020
(Date Submitted)

306 S Water Street, 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). For definition of Option One plans, see ORS 457.435(2)(a)

Plan Area Name	Increment Value to Use*	100% from Division of Tax*	Special Levy Amount**
	\$ Or	Yes ____	\$
	\$ Or	Yes ____	\$
	\$ Or	Yes ____	\$
	\$ Or	Yes ____	\$

Part 2: Option Three Plans (Standard Rate). For definition of Option Three plans, see ORS 457.435(2)(c)

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

Part 3: Other Standard Rate Plans. For definition of standard rate plans, see ORS 457.445(2)

Plan Area Name	Increment Value to Use*	100% from Division of Tax*	
	\$ Or	Yes ____	
	\$ Or	Yes ____	
	\$ Or	Yes ____	
	\$ Or	Yes ____	
	\$ Or	Yes ____	

Part 4: Other Reduced Rate Plans. For definition of reduced rate plans, see ORS 457.445(1)

Plan Area Name	Increment Value to Use*	100% from Division of Tax*	
Silverton Urban Renewal Agency	\$ Or	Yes <u>X</u>	
	\$ Or	Yes ____	
	\$ Or	Yes ____	
	\$ Or	Yes ____	
	\$ Or	Yes ____	

Notice to Assessor of Permanent Increase in Frozen Value. Effective 2015-2016, permanently increase frozen value to:

Plan Area Name	New frozen value \$
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

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

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

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)].

GLOSSARY

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).