



CITY OF MILWAUKIE, OREGON

APPROVED BUDGET 2021 – 2022

July 1, 2020 – June 30, 2022



THIS PAGE LEFT INTENTIONALLY BLANK



Budget Message for Fiscal Years 2021-2022

April 28, 2020

To: Mayor Mark Gamba, Honorable Chair of the Milwaukie Redevelopment Commission
Members of the Milwaukie Redevelopment Commission
Members of the Budget Committee
Citizens of Milwaukie

I am pleased to present you with the proposed biennial budget for fiscal years 2021-2022 for the Milwaukie Redevelopment Commission (MRC). This budget cycle includes a recommendation to form the Citizen Advisory Committee – a collaboration with city staff to develop a five-year action plan that prioritizes projects in the Urban Renewal Plan (Plan) for implementation.

Urban Renewal activities are funded through a mechanism called Tax Increment Financing (TIF), authorized under Oregon Revised Statute 457. When the Plan was adopted in 2016, the existing tax base for the urban renewal area was frozen – this is referred to as the frozen base. Property value increases and new development within the Plan area that increases revenue above the frozen base gets allocated to the MRC and can be spent within the boundaries of the Urban Renewal Area (URA). TIF is important as it provides funding for redevelopment projects that enhance an areas livability, reduce blight and ultimately increase the tax base within the URA. TIF can be used to provide much needed infrastructure, amenities and investments in new housing and commercial development, as well as improvements to existing buildings within the URA.

Milwaukie's URA focuses primarily in the downtown and central commercial areas. The frozen base for Milwaukie's URA is \$135,994,953. It is anticipated that the Plan will take 29 years to implement with a maximum indebtedness of \$92,500,000, where the maximum indebtedness is an estimate of future property tax growth over the period based on detailed assumptions, estimates and projects from the Plan.

Milwaukie begins this next budget cycle with \$495,000 and anticipates an additional \$456,000 will be generated over the next biennium. A contingency fund of \$100,000 per budget year and the issuance of \$2.0 million in debt to fund projects over the five-year action plan period is proposed. City staff anticipates beginning work on the five-year action plan in fiscal year 2021 and implementation efforts in the second half of fiscal year 2022. Proposed expenditures are reflected in this recommendation.

This budget is MRC's financial plan for the biennium ending June 30, 2022. The budget is prepared based on the modified accrual basis of accounting and appropriated at the program level – this involves recognizing revenue when it becomes both available and measurable, rather than when it is earned. Expenditures, a term used instead of expenses for modified accrual accounting, are recognized when the related liability is incurred.

MRC is managed by city staff and conforms to the same financial policies as the city. The city is committed to responsible fiscal management through financial integrity, prudent stewardship of public assets, planning, accountability and transparency. These fiscal policies enable the city to achieve and maintain a long-term stable and positive financial condition and are the basic framework for overall financial management and day-to-day and long-range fiscal planning and decision-making. The financial policies can be found within the city's biennial budget.

Respectfully submitted,

Leila Aman
Executive Director
Milwaukie Redevelopment Commission

MILWAUKIE REDEVELOPMENT COMMISSION BUDGET



PROPOSED BUDGET

\$ 1,470,000

DEPARTMENT DIVISIONS:

- Administration

2021-2022 KEY INITIATIVES

- Develop a five-year action plan and prioritize projects
- Secure debt financing in Fiscal Year 2021 for capital projects.

DID YOU KNOW?

- Milwaukie Redevelopment Commission serves the public's interest in guiding how land and structures in Milwaukie are developed and served by infrastructure
- The city is actively pursuing solutions to the region's and city's housing affordability dilemma



THIS PAGE LEFT INTENTIONALLY BLANK

Milwaukie Redevelopment District - Urban Renewal Fund Summary

(Amounts in Thousands: \$100 = \$100,000)

	Actual FY 2017	Actual FY 2018	BN 2019-2020			BN 2021-2022				
			Budget	Actuals FY 2019	Estimated FY 2020	Estimated Total	Proposed Total	Approved FY 2021	Approved FY 2022	Approved Total
Resources										
Beginning Fund Balance	-	-	93	95	271	95	495	495	711	495
Property Taxes	-	94	212	172	218	390	456	225	231	456
Interest Income	-	1	10	4	6	10	2	1	1	2
Proceeds from Issuance of Debt	-	-	-	-	-	-	2,000	-	2,000	2,000
Total Resources	\$ -	\$ 95	\$ 315	\$ 271	\$ 495	\$ 495	\$ 2,953	\$ 721	\$ 2,943	\$ 2,953
Requirements										
Materials & Services:										
Professional Services	-	-	100	-	-	-	130	10	120	130
Contractual Services	-	-	-	-	-	-	40	-	40	40
Total Materials & Services	-	-	100	-	-	-	170	10	160	170
Capital Outlay	-	-	50	-	-	-	1,000	-	1,000	1,000
Debt Service	-	-	-	-	-	-	200	-	200	200
Contingency	-	-	25	-	-	-	100	-	100	100
Total Program Requirements	-	-	175	-	-	-	1,470	10	1,460	1,470
Unappropriated Ending Fund Balance	-	95	140	271	495	495	1,483	711	1,483	1,483
Total Requirements	\$ -	\$ 95	\$ 315	\$ 271	\$ 495	\$ 495	\$ 2,953	\$ 721	\$ 2,943	\$ 2,953

	Actual FY 2017	Actual FY 2018	BN 2019-2020			BN 2021-2022				
			Budget	Actuals FY 2019	Estimated FY 2020	Estimated Total	Proposed Total	Approved FY 2021	Approved FY 2022	Approved Total
Contingency & Ending Fund Balance Above Policy Requirement (50%)	\$ -	\$ 95	\$ 165	\$ 271	\$ 495	\$ 495	\$ 1,583	\$ 711	\$ 1,583	\$ 1,583
Reserve	-	-	140	271	495	495	1,583	711	1,583	1,583
Amount over (under) Policy Requirement	\$ -	\$ -	\$ -	\$ 271	\$ 495	\$ 495	\$ 1,503	\$ 706	\$ 1,503	\$ 1,503

City of Milwaukee
 FIVE-YEAR FORECAST
 (amounts in thousands)

MRC Urban Renewal Fund

						Current	Projected				
						Fiscal Year					
	FY15	FY16	FY17	FY18	FY19	Estimated	+1	+2	+3	+4	+5
						FY20	FY21	FY22	FY23	FY24	FY25
Resources											
Beginning Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ 95	\$ 271	\$ 495	\$ 711	\$ 1,483	\$ 362	\$ (252)
Revenues											
Property Taxes	-	-	-	94	172	218	225	231	238	245	253
Interest Income	-	-	-	1	4	6	1	1	1	1	1
Proceeds from Issuance of Debt	-	-	-	-	-	-	-	2,000	-	-	-
Total Revenues	-	-	-	95	176	224	226	2,232	239	246	254
Total Resources	\$ -	\$ -	\$ -	\$ 95	\$ 271	\$ 495	\$ 721	\$ 2,943	\$ 1,722	\$ 608	\$ 2
Requirements											
Expenditures											
Materials & Services	-	-	-	-	-	-	10	160	160	160	160
Capital Outlay	-	-	-	-	-	-	-	1,000	1,000	500	500
Debt Service	-	-	-	-	-	-	-	200	200	200	200
Contingency	-	-	-	-	-	-	-	100	-	-	-
Total Expenditures	-	-	-	-	-	-	10	1,460	1,360	860	860
Fund Balance											
Policy Requirement (50%)	-	-	-	-	-	-	5	80	80	80	330
Over (Under) Policy	-	-	-	95	271	495	706	1,403	282	(332)	(1,188)
Total Ending Fund Balance	-	-	-	95	271	495	711	1,483	362	(252)	(858)
Total Requirements	\$ -	\$ -	\$ -	\$ 95	\$ 271	\$ 495	\$ 721	\$ 2,943	\$ 1,722	\$ 608	\$ 2