

CITY OF COOS BAY CITY COUNCIL
Agenda Staff Report

MEETING DATE January 20, 2015	AGENDA ITEM NUMBER
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TO: Mayor Shoji and City Councilors

FROM: Susanne Baker, Finance Director

THROUGH: Rodger Craddock, City Manager

ISSUE: Annual System Development Charge Revenue and Expenditure Report

BACKGROUND:

On a monthly basis, the Council receives the financial statements which provide an accounting for the system development charge revenues collected for each system and the expenses related to projects that were funded, which meet the requirements of ORS 223. Additionally, the information is included in the annual audit. To provide greater transparency, the following report is being provided as an annual report to comply ORS 223. There will be a separate report regarding implementation of SDC's coming to the Council in the near future.

Administration of System Development Charges (SDC) are regulated by ORS 223.297 through 223.327. The City of Coos Bay first implemented SDC's in 2006 (transportation, wastewater, and stormwater) and placed a moratorium on the collection of SDC revenues in 2008.

ORS 223 regulates the expenditure of SDC revenue into three categories (reimbursement, improvement, and compliance). Expenditure of SDC funds are allowed only for the projects listed specifically on the capital improvement plan developed for the SDC.

(1) Reimbursement fees may be spent only on capital improvements associated with the systems for which the fees are assessed including expenditures relating to repayment of indebtedness.

(2) Improvement fees may be spent only on capacity increasing capital improvements, including expenditures relating to repayment of debt for such improvements. An increase in system capacity may be established if a capital improvement increases the level of performance or service provided by existing facilities or provides new facilities. The portion of the improvements funded by improvement fees must be related to the need for increased capacity to provide service for future users.

(5) Notwithstanding subsections (1) and (2) of this section, system development charge revenues may be expended on the costs of complying with the provisions of ORS 223.297 to 223.314, including the costs of developing system development charge

methodologies and providing an annual accounting of system development charge expenditures.

The Council has expressed interest in removing the SDC moratorium and staff has been working with FCS Group, a firm specializing in public finance and financial services to the public sector, to provide a qualitative assessment to re-implement the SDC's. FCS Group will provide and present a report to the Council upon its completion to discuss the findings. The report is anticipated to be presented within the first quarter of 2015.

The following details the revenue and expenditures in FYE 14 with the only revenue received being from the interest collected on SDC charges prior to the moratorium.

Balance Sheet Fund	Audited Beginning Fund Balance FYE 15	Earned	(Used)	Ending Fund Balance
Transportation SDC	\$ 14,496.06	\$ 80.21	\$ -	\$ 14,576.27
Wastewater SDC	\$ 244,599.95	\$ 1,353.01	\$ -	\$ 245,952.96
Stormwater SDC	\$ 18,836.86	\$ 104.21	\$ -	\$ 18,941.07

ADVANTAGES:

This process provides for full public disclosure and transparency in government.

DISADVANTAGES:

None.

BUDGET IMPLICATIONS:

None at this time.

RELATED CITY GOAL:

Finance: Ongoing Activities Aimed at Achieving Goal Priorities - Exercise fiscal responsibility and keep the City Council actively involved in monitoring the financial health of the City.

ACTION REQUESTED:

If it pleases the Council, accept the System Development Charges report.

Attachments:

Balance sheets, Revenue and Expenditures Comparison to Budget for FYE 14 (9 pages)

City of Coos Bay
 Balance Sheet
 June 30, 2014

Transportation SDC Fund

ASSETS

19-000-100-1001	Cash - Combined Fund		14,576.27	
			<u>14,576.27</u>	
	Total Assets			<u>14,576.27</u>

LIABILITIES AND EQUITY

FUND EQUITY

	Unappropriated Fund Balance:			
19-000-200-2500	Fund Balance	14,496.06		
	Revenue over Expenditures - YTD	80.21		
		<u>14,576.27</u>		
	Balance - Current Date		14,576.27	
			<u>14,576.27</u>	
	Total Fund Equity			<u>14,576.27</u>
	Total Liabilities and Equity			<u>14,576.27</u>

City of Coos Bay
 Revenues with Comparison to Budget
 For the 12 Months Ending June 30, 2014

Transportation SDC Fund

	Period Actual	YTD Actual	Budget	Unearned	Pcnt	
<u>Carryover</u>						
19-000-300-0100	Carryover - Improvement Fee	.00	.00	11,422.00	11,422.00	.0
19-000-300-0200	Carryover - Reimbursement Fee	.00	.00	2,017.00	2,017.00	.0
19-000-300-0300	Carryover - Compliance Fee	.00	.00	1,005.00	1,005.00	.0
	Total Carryover	.00	.00	14,444.00	14,444.00	.0
<u>Use Of Money & Property</u>						
19-000-350-0102	Interest - Improvement Fee	.00	66.56	55.00 (	11.56)	121.0
19-000-350-0103	Interest - Reimbursement Fee	.00	9.63	6.00 (	3.63)	160.5
19-000-350-0104	Interest - Compliance Fee	.00	4.02	3.00 (	1.02)	134.0
	Total Use Of Money & Property	.00	80.21	64.00 (	16.21)	125.3
	Total Fund Revenue	.00	80.21	14,508.00	14,427.79	.6

City of Coos Bay
Expenditures with Comparison to Budget
For the 12 Months Ending June 30, 2014

Transportation SDC Fund

	Period Actual	YTD Actual	Budget	Unexpended	Pcnt
<u>Transportation SDC Fund</u>					
Capital Outlay					
19-760-530-3102 Construction-Improvement Fee	.00	.00	11,477.00	11,477.00	.0
19-760-530-3103 Construction-Reimbursement Fee	.00	.00	2,023.00	2,023.00	.0
19-760-530-3104 Construction-Compliance Fee	.00	.00	1,008.00	1,008.00	.0
Total Capital Outlay	.00	.00	14,508.00	14,508.00	.0
Total Transportation SDC Fund	.00	.00	14,508.00	14,508.00	.0
Total Fund Expenditures	.00	.00	14,508.00	14,508.00	.0
Net Revenue Over Expenditures	.00	80.21	.00	(80.21)	.0

City of Coos Bay
Balance Sheet
June 30, 2014

Wastewater SDC Fund

ASSETS

20-000-100-1001	Cash - Combined Fund	245,952.96	
	Total Assets		245,952.96

LIABILITIES AND EQUITY

FUND EQUITY

	Unappropriated Fund Balance:		
20-000-200-2500	Fund Balance	244,599.95	
	Revenue over Expenditures - YTD	1,353.01	
	Balance - Current Date	245,952.96	
	Total Fund Equity		245,952.96
	Total Liabilities and Equity		245,952.96

City of Coos Bay
Revenues with Comparison to Budget
For the 12 Months Ending June 30, 2014

Wastewater SDC Fund

	Period Actual	YTD Actual	Budget	Unearned	Pcnt	
<u>Carryover</u>						
20-000-300-0100	Carryover - Treatment Imp Fee	.00	.00	18,474.00	18,474.00	.0
20-000-300-0200	Carryover - Treatment Reim Fee	.00	.00	18,046.00	18,046.00	.0
20-000-300-0300	Carryover - Treatment Comp Fee	.00	.00	1,702.00	1,702.00	.0
20-000-300-0400	Carryover - Collection Imp Fee	.00	.00	189,089.00	189,089.00	.0
20-000-300-0500	Carryover -Collection Reim Fee	.00	.00	5,254.00	5,254.00	.0
20-000-300-0600	Carryover -Collection Comp Fee	.00	.00	5,254.00	5,254.00	.0
20-000-300-0700	Carryover -CSD Treat Imp Fee	.00	.00	5,080.00	5,080.00	.0
20-000-300-0800	Carryover -CSD Treat Reimb Fee	.00	.00	1,210.00	1,210.00	.0
20-000-300-0900	Carryover -CSD Treat Comp Fee	.00	.00	490.00	490.00	.0
	Total Carryover	.00	.00	244,599.00	244,599.00	.0
<u>Use Of Money & Property</u>						
20-000-350-0101	Interest - Treatment Improv.	.00	70.41	55.00 (	15.41)	128.0
20-000-350-0102	Interest - Treatment Reimb.	.00	70.34	54.00 (	16.34)	130.3
20-000-350-0103	Interest - Treatment Compl.	.00	7.01	5.00 (	2.01)	140.2
20-000-350-0201	Interest - Collections Improv	.00	820.23	567.00 (	253.23)	144.7
20-000-350-0202	Interest - Collections Reimb.	.00	184.80	16.00 (	168.80)	1155.0
20-000-350-0203	Interest - Collections Compl.	.00	184.79	16.00 (	168.79)	1154.9
20-000-350-0301	Interest - CSD Treatment Imprv	.00	11.00	15.00	4.00	73.3
20-000-350-0302	Interest - CSD Treatment Reimb	.00	2.76	4.00	1.24	69.0
20-000-350-0303	Interest - CSD Treatment Compl	.00	1.67	1.00 (	.67)	167.0
	Total Use Of Money & Property	.00	1,353.01	733.00 (	620.01)	184.6
	Total Fund Revenue	.00	1,353.01	245,332.00	243,978.99	.6

City of Coos Bay
Expenditures with Comparison to Budget
For the 12 Months Ending June 30, 2014

Wastewater SDC Fund

	<u>Period Actual</u>	<u>YTD Actual</u>	<u>Budget</u>	<u>Unexpended</u>	<u>Pcnt</u>
<u>Wastewater SDC Fund</u>					
Capital Outlay					
20-770-560-6005 Reserv For Future Expenditures	.00	.00	245,332.00	245,332.00	.0
Total Capital Outlay	.00	.00	245,332.00	245,332.00	.0
Total Wastewater SDC Fund	.00	.00	245,332.00	245,332.00	.0
Total Fund Expenditures	.00	.00	245,332.00	245,332.00	.0
Net Revenue Over Expenditures	.00	1,353.01	.00	(1,353.01)	.0

City of Coos Bay
Balance Sheet
June 30, 2014

Stormwater SDC Fund

ASSETS

21-000-100-1001	Cash - Combined Fund	18,941.07	
	Total Assets		<u>18,941.07</u>

LIABILITIES AND EQUITY

FUND EQUITY

	Unappropriated Fund Balance:		
21-000-200-2500	Fund Balance	18,836.86	
	Revenue over Expenditures - YTD	104.21	
	Balance - Current Date	18,941.07	
	Total Fund Equity		<u>18,941.07</u>
	Total Liabilities and Equity		<u>18,941.07</u>

City of Coos Bay
 Revenues with Comparison to Budget
 For the 12 Months Ending June 30, 2014

Stormwater SDC Fund

	Period Actual	YTD Actual	Budget	Unearned	Pcnt	
<u>Carryover</u>						
21-000-300-0100	Carryover - Improvement Fee	.00	.00	15,055.00	15,055.00	.0
21-000-300-0200	Carryover - Compliance Fee	.00	.00	3,762.00	3,762.00	.0
	Total Carryover	.00	.00	18,817.00	18,817.00	.0
<u>Use Of Money & Property</u>						
21-000-350-0102	Interest-Improvement Fee	.00	84.65	45.00 (	39.65)	188.1
21-000-350-0104	Interest - Compliance Fee	.00	19.56	11.00 (	8.56)	177.8
	Total Use Of Money & Property	.00	104.21	56.00 (	48.21)	186.1
	Total Fund Revenue	.00	104.21	18,873.00	18,768.79	.6

City of Coos Bay
Expenditures with Comparison to Budget
For the 12 Months Ending June 30, 2014

Stormwater SDC Fund

	Period Actual	YTD Actual	Budget	Unexpended	Pcnt
<u>Stormwater SDC Fund</u>					
Capital Outlay					
21-780-560-6005 Reserve For Future Expenditure	.00	.00	18,873.00	18,873.00	.0
Total Capital Outlay	.00	.00	18,873.00	18,873.00	.0
Total Stormwater SDC Fund	.00	.00	18,873.00	18,873.00	.0
Total Fund Expenditures	.00	.00	18,873.00	18,873.00	.0
Net Revenue Over Expenditures	.00	104.21	.00	(104.21)	.0