

CITY OF COOS BAY CITY COUNCIL
Agenda Staff Report

| MEETING DATE | AGENDA ITEM NUMBER |
|---------------------|---------------------------|
| January 19, 2016 | |

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 project related expenses. Additionally, this same information is included in the annual audit. Both of these meet the requirements of ORS 223 to provide this information on an annual basis. To provide greater transparency, the following report is being provided as an annual report to comply ORS 223.

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 sector finance and financial services, to provide a qualitative assessment to re-implement the SDC's. Due to complexity of the analysis, this project has become reprioritized.

The following details the revenue and expenditures in FYE 15 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 | \$ 14,576.27 | \$ 77.32 | \$ - | \$ 14,653.59 |
| Wastewater SDC | \$ 245,952.96 | \$ 1,304.73 | \$ - | \$ 247,257.69 |
| Stormwater SDC | \$ 18,941.07 | \$ 100.48 | \$ - | \$ 19,041.55 |

ADVANTAGES:

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

DISADVANTAGES:

None.

BUDGET IMPLICATIONS:

None at this time.

ACTION REQUESTED:

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

Attachments:

Balance sheets, Revenue and Expenditures Comparison to Budget for FYE 15 (9 pages)

City of Coos Bay
Balance Sheet
June 30, 2015

Transportation SDC Fund

ASSETS

| | | | |
|-----------------|----------------------|-----------|-----------|
| 19-000-100-1001 | Cash - Combined Fund | 14,653.59 | |
| | Total Assets | | 14,653.59 |

LIABILITIES AND EQUITY

FUND EQUITY

| | | | |
|-----------------|---------------------------------|-----------|-----------|
| | Unappropriated Fund Balance: | | |
| 19-000-200-2500 | Fund Balance | 14,576.27 | |
| | Revenue over Expenditures - YTD | 77.32 | |
| | Balance - Current Date | 14,653.59 | |
| | Total Fund Equity | | 14,653.59 |
| | Total Liabilities and Equity | | 14,653.59 |

City of Coos Bay
Revenues with Comparison to Budget
For the 12 Months Ending June 30, 2015

Transportation SDC Fund

| | Period Actual | YTD Actual | Budget | Unearned | Pcnt |
|---|---------------|------------|-----------|-----------|-------|
| <u>Carryover</u> | | | | | |
| 19-000-300-0100 Carryover - Improvement Fee | .00 | .00 | 12,062.00 | 12,062.00 | .0 |
| 19-000-300-0200 Carryover - Reimbursement Fee | .00 | .00 | 1,744.00 | 1,744.00 | .0 |
| 19-000-300-0300 Carryover - Compliance Fee | .00 | .00 | 727.00 | 727.00 | .0 |
| Total Carryover | .00 | .00 | 14,533.00 | 14,533.00 | .0 |
| <u>Use Of Money & Property</u> | | | | | |
| 19-000-350-0102 Interest - Improvement Fee | .00 | 64.18 | 30.00 | (34.18) | 213.9 |
| 19-000-350-0103 Interest - Reimbursement Fee | .00 | 9.28 | 4.00 | (5.28) | 232.0 |
| 19-000-350-0104 Interest - Compliance Fee | .00 | 3.86 | 2.00 | (1.86) | 193.0 |
| Total Use Of Money & Property | .00 | 77.32 | 36.00 | (41.32) | 214.8 |
| Total Fund Revenue | .00 | 77.32 | 14,569.00 | 14,491.68 | .5 |

City of Coos Bay
Expenditures with Comparison to Budget
For the 12 Months Ending June 30, 2015

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 | 12,092.00 | 12,092.00 | .0 |
| 19-760-530-3103 | Construction-Reimbursement Fee | .00 | .00 | 1,748.00 | 1,748.00 | .0 |
| 19-760-530-3104 | Construction-Compliance Fee | .00 | .00 | 729.00 | 729.00 | .0 |
| | Total Capital Outlay | .00 | .00 | 14,569.00 | 14,569.00 | .0 |
| | Total Transportation SDC Fund | .00 | .00 | 14,569.00 | 14,569.00 | .0 |
| | Total Fund Expenditures | .00 | .00 | 14,569.00 | 14,569.00 | .0 |
| | Net Revenue Over Expenditures | .00 | 77.32 | .00 | (77.32) | .0 |

City of Coos Bay
Balance Sheet
June 30, 2015

Wastewater SDC Fund

ASSETS

| | | | |
|-----------------|----------------------|------------|------------|
| 20-000-100-1001 | Cash - Combined Fund | 247,257.69 | |
| | Total Assets | | 247,257.69 |

LIABILITIES AND EQUITY

FUND EQUITY

| | | | |
|-----------------|---------------------------------|------------|------------|
| | Unappropriated Fund Balance: | | |
| 20-000-200-2500 | Fund Balance | 245,952.96 | |
| | Revenue over Expenditures - YTD | 1,304.73 | |
| | Balance - Current Date | 247,257.69 | |
| | Total Fund Equity | | 247,257.69 |
| | Total Liabilities and Equity | | 247,257.69 |

City of Coos Bay
Revenues with Comparison to Budget
For the 12 Months Ending June 30, 2015

Wastewater SDC Fund

| | Period Actual | YTD Actual | Budget | Unearned | Pcnt |
|--|---------------|------------|------------|------------|-------|
| <u>Carryover</u> | | | | | |
| 20-000-300-0100 Carryover - Treatment Imp Fee | .00 | .00 | 12,758.00 | 12,758.00 | .0 |
| 20-000-300-0200 Carryover - Treatment Reim Fee | .00 | .00 | 12,748.00 | 12,748.00 | .0 |
| 20-000-300-0300 Carryover - Treatment Comp Fee | .00 | .00 | 1,274.00 | 1,274.00 | .0 |
| 20-000-300-0400 Carryover - Collection Imp Fee | .00 | .00 | 148,662.00 | 148,662.00 | .0 |
| 20-000-300-0500 Carryover -Collection Reim Fee | .00 | .00 | 33,491.00 | 33,491.00 | .0 |
| 20-000-300-0600 Carryover -Collection Comp Fee | .00 | .00 | 33,490.00 | 33,490.00 | .0 |
| 20-000-300-0700 Carryover -CSD Treat Imp Fee | .00 | .00 | 1,991.00 | 1,991.00 | .0 |
| 20-000-300-0800 Carryover -CSD Treat Reimb Fee | .00 | .00 | 500.00 | 500.00 | .0 |
| 20-000-300-0900 Carryover -CSD Treat Comp Fee | .00 | .00 | 297.00 | 297.00 | .0 |
| Total Carryover | .00 | .00 | 245,211.00 | 245,211.00 | .0 |
| <u>Use Of Money & Property</u> | | | | | |
| 20-000-350-0101 Interest - Treatment Improv. | .00 | 67.87 | 32.00 | (35.87) | 212.1 |
| 20-000-350-0102 Interest - Treatment Reimb. | .00 | 67.83 | 32.00 | (35.83) | 212.0 |
| 20-000-350-0103 Interest - Treatment Compl. | .00 | 6.80 | 3.00 | (3.80) | 226.7 |
| 20-000-350-0201 Interest - Collections Improv | .00 | 791.00 | 371.00 | (420.00) | 213.2 |
| 20-000-350-0202 Interest - Collections Reimb. | .00 | 178.20 | 84.00 | (94.20) | 212.1 |
| 20-000-350-0203 Interest - Collections Compl. | .00 | 178.19 | 84.00 | (94.19) | 212.1 |
| 20-000-350-0301 Interest - CSD Treatment Imprv | .00 | 10.59 | 5.00 | (5.59) | 211.8 |
| 20-000-350-0302 Interest - CSD Treatment Reimb | .00 | 2.67 | 1.00 | (1.67) | 267.0 |
| 20-000-350-0303 Interest - CSD Treatment Compl | .00 | 1.58 | 1.00 | (.58) | 158.0 |
| Total Use Of Money & Property | .00 | 1,304.73 | 613.00 | (691.73) | 212.8 |
| Total Fund Revenue | .00 | 1,304.73 | 245,824.00 | 244,519.27 | .5 |

City of Coos Bay
Expenditures with Comparison to Budget
For the 12 Months Ending June 30, 2015

Wastewater SDC Fund

| | Period Actual | YTD Actual | Budget | Unexpended | Pcnt |
|--|---------------|------------|------------|-------------|------|
| <u>Wastewater SDC Fund</u> | | | | | |
| Other Financing Uses | | | | | |
| 20-770-560-6005 Reserv For Future Expenditures | .00 | .00 | 245,824.00 | 245,824.00 | .0 |
| Total Other Financing Uses | .00 | .00 | 245,824.00 | 245,824.00 | .0 |
| Total Wastewater SDC Fund | .00 | .00 | 245,824.00 | 245,824.00 | .0 |
| Total Fund Expenditures | .00 | .00 | 245,824.00 | 245,824.00 | .0 |
| Net Revenue Over Expenditures | .00 | 1,304.73 | .00 | (1,304.73) | .0 |

City of Coos Bay
Balance Sheet
June 30, 2015

Stormwater SDC Fund

ASSETS

| | | | |
|-----------------|----------------------|-----------|-----------|
| 21-000-100-1001 | Cash - Combined Fund | 19,041.55 | |
| | Total Assets | | 19,041.55 |

LIABILITIES AND EQUITY

FUND EQUITY

| | | | |
|-----------------|---------------------------------|-----------|-----------|
| | Unappropriated Fund Balance: | | |
| 21-000-200-2500 | Fund Balance | 18,941.07 | |
| | Revenue over Expenditures - YTD | 100.48 | |
| | Balance - Current Date | 19,041.55 | |
| | Total Fund Equity | | 19,041.55 |
| | Total Liabilities and Equity | | 19,041.55 |

City of Coos Bay
Revenues with Comparison to Budget
For the 12 Months Ending June 30, 2015

Stormwater SDC Fund

| | | Period Actual | YTD Actual | Budget | Unearned | Pcnt |
|-----------------|------------------------------------|---------------|------------|-----------|-----------|-------|
| | <u>Carryover</u> | | | | | |
| 21-000-300-0100 | Carryover - Improvement Fee | .00 | .00 | 15,341.00 | 15,341.00 | .0 |
| 21-000-300-0200 | Carryover - Compliance Fee | .00 | .00 | 3,543.00 | 3,543.00 | .0 |
| | Total Carryover | .00 | .00 | 18,884.00 | 18,884.00 | .0 |
| | <u>Use Of Money & Property</u> | | | | | |
| 21-000-350-0102 | Interest-Improvement Fee | .00 | 81.62 | 38.00 | (43.62) | 214.8 |
| 21-000-350-0104 | Interest - Compliance Fee | .00 | 18.86 | 9.00 | (9.86) | 209.6 |
| | Total Use Of Money & Property | .00 | 100.48 | 47.00 | (53.48) | 213.8 |
| | Total Fund Revenue | .00 | 100.48 | 18,931.00 | 18,830.52 | .5 |

City of Coos Bay
Expenditures with Comparison to Budget
For the 12 Months Ending June 30, 2015

Stormwater SDC Fund

| | Period Actual | YTD Actual | Budget | Unexpended | Pcnt |
|--|---------------|------------|-----------|------------|------|
| <u>Stormwater SDC Fund</u> | | | | | |
| Other Financing Uses | | | | | |
| 21-780-560-6005 Reserve For Future Expenditure | .00 | .00 | 18,931.00 | 18,931.00 | .0 |
| Total Other Financing Uses | .00 | .00 | 18,931.00 | 18,931.00 | .0 |
| Total Stormwater SDC Fund | .00 | .00 | 18,931.00 | 18,931.00 | .0 |
| Total Fund Expenditures | .00 | .00 | 18,931.00 | 18,931.00 | .0 |
| Net Revenue Over Expenditures | .00 | 100.48 | .00 | (100.48) | .0 |