

AGENDA

Warrenton Urban Renewal Agency

January 14, 2020 – 6:00 p.m.

Warrenton City Hall – Commission Chambers
225 S. Main Ave.
Warrenton, Or 97146

1. CALL TO ORDER
2. ROLL CALL
3. CONSENT CALENDAR
 - A. Urban Renewal Agency Meeting Minutes – 11.12.19
 - B. Urban Renewal Advisory Committee Minutes – 9.04.19
 - C. Urban Renewal Agency Audit Report – FYE June 30, 2019
4. BUSINESS
 - A. Consideration of Façade Grant Program Increase
 - B. Consideration of Urban Renewal Advisory Committee Appointments
 - C. Consideration of Resolution No. 20-01; Authorizing Appointments to Fill Positions and Setting Terms of Office on Urban Renewal Advisory Committee
5. ADJOURN

Warrenton City Hall is accessible to the disabled. An interpreter for the hearing impaired may be requested under the terms of ORS 192.630 by contacting Dawne Shaw, City Recorder, at 503-861-0823 at least 48 hours in advance of the meeting so appropriate assistance can be provided.

MINUTES
 Warrenton Urban Renewal Agency
 November 12, 2019
 Warrenton City Hall - Commission Chambers
 225 S. Main
 Warrenton, OR 97146

Chair Balensifer convened the Urban Renewal Agency meeting at 7:23 p.m.

Commissioners Present: Chair Henry Balensifer, Rick Newton, Pam Ackley, Tom Dyer and Mark Baldwin

Staff Present: Executive Director Linda Engbretson, Community Development Director Kevin Cronin, Public Works Director Collin Stelzig, Public Works Analyst Trish Hayrynen, Public Works Operations Manager Kyle Sharpsteen, WWTP Operator Brian Alsbury, Finance Director April Clark, Harbormaster Jane Sweet, and Secretary Dawne Shaw

CONSENT CALENDAR

A. Urban Renewal Agency Meeting Minutes – 9.10.19

Commissioner Ackley made the motion to approve the Consent Calendar as presented. Motion was seconded and passed unanimously.

Baldwin – aye; Newton – abstained; Balensifer – aye; Ackley – aye; Dyer – aye

Community Development Director, Kevin Cronin, discussed two food truck license agreements; Tres Bros and Sasquatch Sandwiches. Mayor Balensifer asked if there is a line item within the budget of the Urban Renewal Agency for rent revenues or License revenues. Ms. Clark clarified it is being recorded as miscellaneous. Commissioner Newton noted the agreement for Sasquatch Sandwiches notes a reduced rate and wanted clarification. A brief discussion followed on the termination clause. Ms. Engbretson noted there was a discussion on the utility billing/payments. She stated currently it is exclusive to Tres Bros, and she doesn't want them to turn around and subletting. There may be a minor alteration in the agreements in how the City decides to bill for water utility. A brief conversation continued. Commissioner Baldwin noted concerns about the city's practices in regards to improvements. Ms. Engbretson noted this is not a permanent location for a food truck pod; discussion continued. Mayor Balensifer suggested a work session on the long-term plans; he feels it is fine to issue the license as long as the commission is working on the long-term plans. Commissioner Baldwin agreed as long as we get a long-term plan established. Mr. Cronin noted he will bring his research findings to the commission in a future work session.

Commissioner Ackley stated based on the terms of the license agreement, made the motion to approve a new agreement for Tres Bros food truck at 267 S Main Ave, and authorize the City Manager to execute said agreement. Motion was seconded and passed unanimously.

Baldwin – aye; Newton – aye; Balensifer – aye; Ackley – aye; Dyer – aye

Commissioner Ackley stated based on the terms of the license agreement, made the motion to approve a new agreement for Sasquatch Sandwiches food truck at 267 S Main Ave, and authorize the City Manager to execute said agreement. Motion was seconded and passed unanimously.

Baldwin – aye; Newton – aye; Balensifer – aye; Ackley – aye; Dyer – aye

Community Development Director, Kevin Cronin, discussed the Department of Land Conservation & Development (DLCDD) Technical Assistance Grant. He noted we were the only Clatsop county applicant, so our chances are good; our chances improve if we provide a match. He explained the difference between the road mapping process and the economic development strategy. Brief discussion followed. Mayor Balensifer stated for the record, that our citizen group Spruce Up Warrenton, which is not technically part of the city, will be closely involved in this as well. Mr. Cronin agreed.

Commissioner Ackley made the motion to authorize allocating \$6,000 in URA funds as a match. Motion was seconded and passed unanimously.

Baldwin – aye; Newton – aye; Balensifer – aye; Ackley – aye; Dyer – aye

There being no further business Chair Balensifer adjourned the URA meeting at 7:41 p.m.

Respectfully submitted by Lindsay Duarte, Deputy City Recorder

APPROVED:

Henry A. Balensifer III, Chair

ATTEST:

Dawne Shaw, Secretary

MINUTES

Warrenton Urban Renewal Advisory Committee
 September 4, 2019
 3:30 p.m.
 Warrenton City Hall – Commissioners Room
 225 S. Main
 Warrenton, OR 97146

Chair Dan Jackson called the meeting to order at 3:32 p.m.

Urban Renewal Advisory Committee Members Present: Frida Fraunfelder, Dennis Faletti, Gerald Poe, and Dan Jackson
 Tess Chedsey, Bob Bridgens
 Excused: Mel Jasmin

Staff Present: Community Development Director Kevin Cronin, Finance Director April Clark, Public Works Director, Colin Stelzig, and Secretary Lindsay Duarte

CONSENT CALENDAR

A. Advisory Committee Meeting Minutes – 06.05.19

Ms. Fraunfelder made the motion to approve the minutes from 03.06.19. The motion was seconded and approved with all in favor.

Fraunfelder - aye; Faletti – aye; Poe – aye; Jackson – aye Chedsey – aye Bridgens- aye

BUSINESS

City Hall Parking Lot Update- Public Works Director, Collin Stelzig, presented the pictures of the proposed light poles inside the Agenda Packet. He noted the recommendations given by the manufacturing company. He continued to note that the recommendations were made according to the wind load rating for the location and weight that might be needed for décor; based on the criteria the manufacture recommended heavy-duty poles. He reviewed the cost index, available design options, and the area for which the light poles would be placed. Mr. Stelzig requested input on the pole: color, and top of the light fixture. He continued to explain the details. All members were in agreement on the color black, Chimney top, and heavy duty pole. Mr. Stelzig noted he will present the Committee recommendations at the next commission meeting.

Ms. Fraunfelder made the motion to approve the parking lot as discussed. The motion was seconded and approved with all in favor.

Fraunfelder - aye; Faletti – aye; Poe – aye; Jackson – aye Chedsey – aye Bridgens- aye

Landscape Improvement Project – Change Order; Mr. Stelzig noted that they opened bids for the park and it came in roughly at \$485,000 and noted they had only budgeted for \$275,000. They have been in negotiation with Big River and AM Engineering to see how to cut down cost. Mr. Stelzig explained the changes that were made in order to reduce the cost of the project as outlined in the hand-out. Mr. Jackson inquired about the prior proposal for landscaping in front

of the storage area. Mr. Stelzig noted that they are focusing on “Flag Park” at the moment and noted there has been conversation surrounding enlisting volunteer services to plant the corner area in front of the storage. The conversation continued. Ms. Fraunfelder noted concern with the direction the project is going. She stated the advisory committee was presented a vision of what the project would look like and now that many parts are being taken out she does not have a vision of where the project is going. Mr. Stelzig clarified details of the project. Conversation continued. Mr. Bridgens asked who was going to maintain the flower beds after their completion. Mr. Stelzig noted that parks will do most of the work, but the proposed plants are low maintenance plants. Mr. Jackson noted that the “flag park” project has been a two year process to get to this stage; he would like to see continued movement.

Mr. Poe made the motion to approve the landscaping improvement change order as discussed. The motion was seconded and approved with all in favor.

Fraunfelder - aye; Faletti – aye; Poe – aye; Jackson – aye Chedsey – aye Bridgens- aye

SE 14th Waterline Update- Mr. Stelzig noted the complications the city faced while working on the waterline update. He noted the price for the project. A brief conversation continued. Mr. Stelzig noted that this bid will be on the agenda for the commission and he would like the committee’s approval.

Mr. Faletti Made the motion to approve the waterline update as discussed. The motion was seconded and approved all in favor.

Fraunfelder - aye; Faletti – aye; Poe – aye; Jackson – aye Chedsey – aye Bridgens- aye

Façade Grant Applications – Mr. Cronin explained the Façade Grant Application- Rustic Salon. It is the red building , are looking to do some updates to the entire property. Mr. Cronin explained the proposed updates. Ms. Fraunfelder stated she has a procedural question. Mr. Cronin Clarified, conversation continued.

Mr. Poe made the motion to approve the Façade Grant Application. The motion was seconded and passed unanimously.

Fraunfelder - aye; Faletti – aye; Poe – aye; Jackson – aye Chedsey – aye Bridgens- aye

Mr. Cronin stated that he really liked the flower boxes Downtown Warrenton. He noted he met with Russ Maze, the property owner of the “Brown Building” He is doing new siding on the building with his own money. Mr. Cronin noted that Mr. Maze is looking into updating the upstairs apartments in the building as well.

Mr. Poe noted that he and Ms. Chedsey would be willing to meet if they get any more applications in that need review.

Substantial Amendment Update- Mr. Cronin gave updates on the progress. He noted the end of September we will need to get a Resolution in front of them. He noted the process to come.

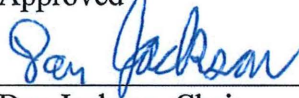
Mr. Jackson noted he would like signs that state there is no passing things out the windows at all. He noted the rise in pan-handling. The discussion continued.

Mr. Bridgens stated he has issue with the dumpster behind the Mexican Restaurant. He stated there is always over flow issues and it looks terrible. Mr. Stelzig stated they will get the camera up, and meanwhile they will place a sign there stating "you're on camera." Mr. Bridgens asked if there was an ordinance that states that trash has to be in a covered area. Mr. Stelzig explained the issues the city is up against at the moment. Mr. Bridgens asked how long these things generally take. He continued to express his concern with how slow all the projects take that come across the committee. Mr. Stelzig clarified the process of the projects, and some of the issues that are contributing the delay in the projects.

There being no further business, Chair Jackson adjourned the meeting at 4:25p.m.


Next regular meeting is scheduled for December 4, 2019, at 3:30 p.m.

Approved



Dan Jackson, Chair

Attest



Lindsay Duarte, Secretary

WARRENTON URBAN RENEWAL AGENCY

(A COMPONENT UNIT OF THE CITY OF
WARRENTON, OREGON)

FINANCIAL STATEMENTS AND SUPPLEMENTAL
INFORMATION

FOR THE YEAR ENDED JUNE 30, 2019

WITH

INDEPENDENT AUDITOR'S REPORT

WARRENTON URBAN RENEWAL AGENCY

Financial Statements and Supplemental Information

For the Year Ended June 30, 2019

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INTRODUCTORY SECTION

WARRENTON URBAN RENEWAL AGENCY

Governing Body and Appointed Officials

June 30, 2019

GOVERNING BODY UNDER ORS 457

Board Chair	Henry Balensifer III, Mayor
Board Member	Pam Ackley
Board Member	Mark Baldwin
Board Member	Tom M. Dyer
Board Member	Rick Newton

Mailing Address

PO Box 250
Warrenton, Oregon 97146

APPOINTED OFFICIALS

City Manager	Linda Engbretson
Deputy City Recorder	Dawne Shaw
City Attorney	Beery, Elsner & Hammond

Mailing Address

PO Box 250
Warrenton, Oregon 97146

FINANCIAL SECTION



1976 Garden Ave.
Eugene, OR 97403
541.342.5161
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INDEPENDENT AUDITOR'S REPORT

Honorable Board Chair and Agency Board
Warrenton Urban Renewal Agency
Warrenton, Oregon

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Warrenton Urban Renewal Agency ("Agency") as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Warrenton Urban Renewal Agency, as of June 30, 2019, and the respective changes in financial position and the respective budgetary comparison for the capital projects fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's basic financial statements. The introductory section and schedules of resources and requirements budget and actual are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedules of resources and requirements budget and actual are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of resources and requirements budget and actual are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Report on Other Legal and Regulatory Requirements

In accordance with the Minimum Standards of Audits of Oregon Municipal Corporations, we have issued our report dated December 17, 2019 on our consideration of the Warrenton Urban Renewal Agency's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

Isler CPA

By:



Paul R Nielson, CPA, a member of the firm

Eugene, Oregon

December 17, 2019

Warrenton Urban Renewal Agency

(a component unit of the City of Warrenton, Oregon)

Management's Discussion and Analysis

As management of the Warrenton Urban Renewal Agency, we offer readers of the Agency's financial statements this narrative overview and analysis of the financial activities of the Agency for the fiscal year ended June 30, 2019. We encourage readers to consider the information presented here in conjunction with the additional information that we have furnished in our annual financial report.

Financial Highlights

- The assets of the Warrenton Urban Renewal Agency exceeded its liabilities at the close of the most recent fiscal year by \$3,872,803 (reported as net position).
- At June 30, 2019, the Agency's governmental funds reported combined ending fund balances of \$2,251,825.
- The Warrenton Urban Renewal Agency did not issue debt during the current fiscal year and debt paid during the year amounted to \$305,346, which leaves total debt outstanding at the end of the fiscal year at \$2,674,409.
- Net capital assets decreased by \$90,389 from the prior year.

Overview of Financial Statements

This discussion and analysis provided here are intended to serve as an introduction to the Agency's basic financial statements. The Agency's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the Agency's finances, in a manner similar to a private-sector business.

The Statement of Net position presents financial information on all of the Agency's assets, liabilities, and deferred outflows/inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Agency is improving or deteriorating.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenue and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes). The governmental activities of the Agency include a capital projects fund, a debt service fund, and a debt service reserve fund.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Agency, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Agency are categorized as governmental funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Agency maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the Capital Projects Fund, Debt Service Fund, and the Debt Service Reserve Fund, which are considered to be major funds.

The Warrenton Urban Renewal Agency adopts an annual appropriated budget for all governmental funds. A budgetary comparison statement has been provided for each fund to demonstrate compliance with the budget. To demonstrate compliance, budgetary comparison statements for all of the governmental funds have been prepared and can be found in the basic financial statements or other supplemental information.

Notes to the basic financial statements. The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements.

Government-wide Overall Financial Analysis

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the Agency, assets exceeded liabilities by \$3,872,803 at the close of the most recent fiscal year.

Warrenton Urban Renewal Agency's Net Position		
	Governmental Activities	
	2019	2018
Current and other assets	\$ 2,287,461	\$ 1,951,353
Capital assets, net	4,264,806	4,355,195
Total assets	6,552,267	6,306,548
Noncurrent liabilities	2,674,409	2,979,755
Other liabilities	5,055	28,310
Total liabilities	2,679,464	3,008,065
Net position:		
Net investment in capital assets	1,870,069	1,673,210
Restricted	2,002,734	1,625,273
Total net position	\$ 3,872,803	\$ 3,298,483

The government's net position increased by \$574,320 during the current fiscal year.

Warrenton Urban Renewal Agency's Change in Net Position		
	Governmental Activities	
	2019	2018
Revenues:		
General revenues:		
Property taxes	\$ 736,863	\$ 609,234
Unrestricted investment earnings	56,649	34,748
Other general revenues	700	-
Total revenues	<u>794,212</u>	<u>643,982</u>
Expenses:		
General government	144,830	89,507
Interest on long-term liabilities	<u>75,062</u>	<u>81,346</u>
Total expenses	<u>219,892</u>	<u>170,853</u>
Change in net position	574,320	473,129
Net position, July 1	<u>3,298,483</u>	<u>2,825,354</u>
Net position, June 30	<u><u>\$ 3,872,803</u></u>	<u><u>\$ 3,298,483</u></u>

Governmental activities. Governmental activities increased the Agency's net position by \$574,320. The primary elements of the change in total net position are as follows:

- Revenues overall increased \$150,230.
- The Agency's property tax revenues increased \$127,629.
- Unrestricted investment earnings (interest from bank accounts) increased by \$21,901 during the year.
- Interest expense on debt decreased \$6,284 from the prior year.
- Operational (general government) expenses increased by \$55,323.

Financial Analysis of the Agency's Funds

Governmental funds. The focus of the Agency's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Agency's financing requirements.

As of the end of the current fiscal year, the Agency's governmental funds reported combined ending fund balances of \$2,251,825, an increase of \$357,711 in comparison with the prior year.

Budgetary Highlights

There were no changes to the adopted budgets during the fiscal year.

Capital Asset and Debt Administration

Capital assets. The Agency's investment in capital assets for its governmental activities as of June 30, 2019, amounts to \$4,264,806. Net capital assets decreased by \$90,389 during the year because capital asset additions of \$15,972 less current year depreciation, in the amount of \$106,361, net to the overall decrease of capital assets at the end of the year.

Capital Assets, Net of Accumulated Depreciation		
	Governmental Activities	
	2019	2018
Land	\$ 1,000,945	\$ 1,000,945
Buildings	541,853	556,904
Infrastructure	2,558,219	2,649,529
Construction in progress	163,789	147,817
Total	\$ 4,264,806	\$ 4,355,195

Major capital asset additions during the current fiscal year included the following:

- Landscape improvements in the amount of \$7,173.
- SW 4th Street in the amount of \$7,672.
- SE 14th Waterline in the amount of \$1,127.

Additional information regarding the Agency's capital assets can be found at Note III B.

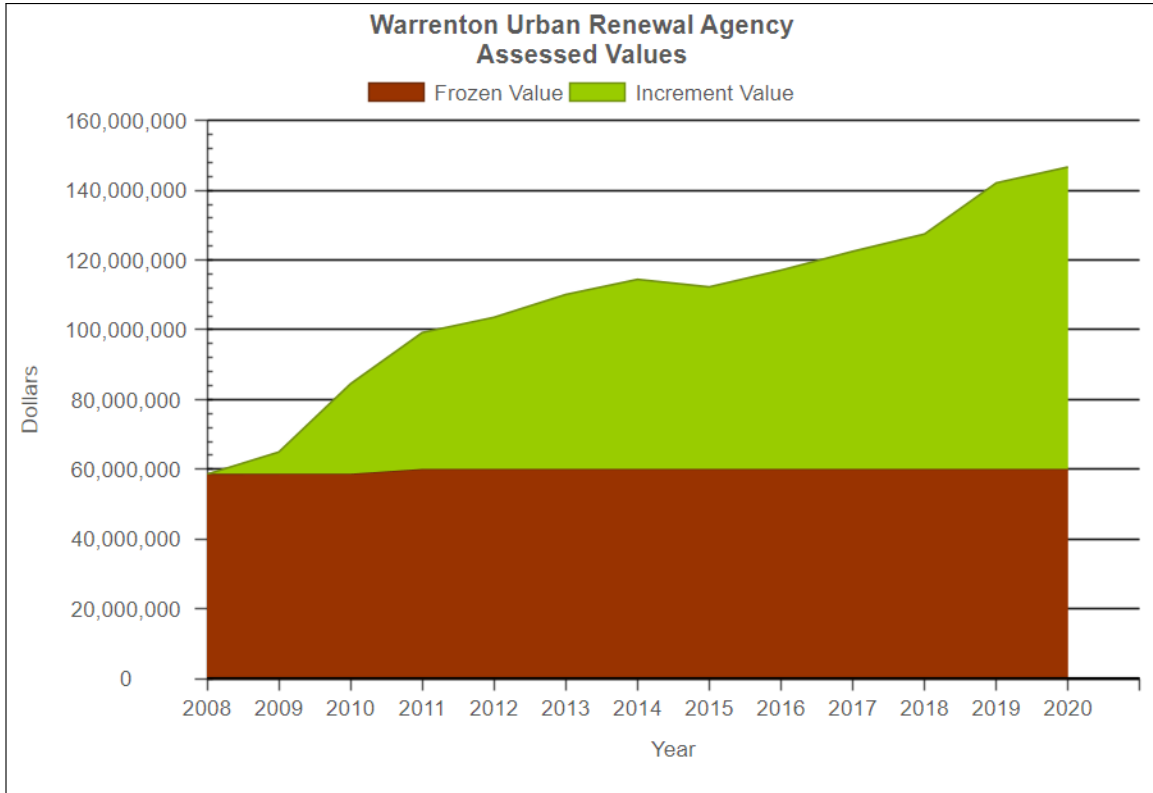
Long-term Debt. At the end of the current fiscal year, the Agency had total long-term debt of \$2,674,409. The Agency repaid principal in the amount of \$305,346 on the credit line and the 2012 and 2016 outstanding bonds.

Outstanding Debt		
	Governmental Activities	
	2019	2018
Tax increment financial bonds	\$ 2,674,409	\$ 2,979,755

Additional information on the Agency's long-term debt can be found in Note III C.

Economic Factors and Next Year's Budgets and Rates

The Agency's frozen value was set at \$58,745,500 in 2008 and then changed to \$60,136,994 in 2011 as a result of an amendment to the plan. Increasing property values within the boundaries of the Agency translate into increasing tax increment revenue available. That tax increment revenue is then used to pay debt service on debt that funds projects and improvements. The increment value increased \$4,559,121 from \$81,999,845 in 2019 to \$86,558,966 in 2020. As the Agency has outperformed the original estimates, a major amendment to the plan was recently passed to increase the maximum indebtedness of the plan by \$4,800,218, from \$7,134,597 to \$11,934,815 to allow for completion of additional projects.



Requests for Information

This financial report is designed to provide a general overview of Agency's finances for those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be directed to the following address:

City of Warrenton
Attention: Finance Director
P. O. Box 250
Warrenton, OR 97146

BASIC FINANCIAL STATEMENTS

WARRENTON URBAN RENEWAL AGENCY

Statement of Net Position

June 30, 2019

	<u>Governmental Activities</u>
ASSETS	
Equity in pooled cash and cash equivalents	\$ 2,242,779
Property taxes receivable	44,682
Capital assets:	
Nondepreciable assets	1,164,734
Depreciable assets, net of accumulated depreciation	<u>3,100,072</u>
Total assets	<u>6,552,267</u>
LIABILITIES	
Accounts payable and other current liabilities	897
Accrued interest payable	4,158
Noncurrent liabilities:	
Due within one year	282,445
Due in more than one year	<u>2,391,964</u>
Total liabilities	<u>2,679,464</u>
NET POSITION	
Net investment in capital assets	1,870,069
Restricted for:	
Debt service	<u>2,002,734</u>
Total net position	<u>\$ 3,872,803</u>

The accompanying notes are an integral part of these financial statements.

WARRENTON URBAN RENEWAL AGENCY

Statement of Activities

For the Year Ended June 30, 2019

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Governmental Activities</u>
		<u>Charges for Services</u>	<u>Capital Grants and Contributions</u>	
Governmental activities:				
General government	\$ 144,830	\$ -	\$ -	\$ (144,830)
Interest on long-term liabilities	<u>75,062</u>	<u>-</u>	<u>-</u>	<u>(75,062)</u>
Total governmental activities	<u>219,892</u>	<u>-</u>	<u>-</u>	<u>(219,892)</u>
General revenues:				
Property taxes levied for debt service				736,863
Unrestricted investment earnings				56,649
Other general revenues				<u>700</u>
Total general revenues				<u>794,212</u>
Change in net position				574,320
Net position, beginning				<u>3,298,483</u>
Net position, ending				<u>\$ 3,872,803</u>

The accompanying notes are an integral part of these financial statements.

WARRENTON URBAN RENEWAL AGENCY

GOVERNMENTAL FUNDS

Balance Sheet

June 30, 2019

	<u>Capital Projects (200)</u>	<u>Debt Service (300)</u>	<u>Debt Reserve (400)</u>	<u>Total</u>
ASSETS				
Equity in pooled cash and cash equivalents	\$ 280,569	\$ 1,609,003	\$ 353,207	\$ 2,242,779
Property taxes receivable	<u>-</u>	<u>44,682</u>	<u>-</u>	<u>44,682</u>
Total assets	<u>\$ 280,569</u>	<u>\$ 1,653,685</u>	<u>\$ 353,207</u>	<u>\$ 2,287,461</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable and other current liabilities	<u>\$ 897</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 897</u>
Deferred Inflows of Resources:				
Unavailable revenues - property taxes	<u>-</u>	<u>34,739</u>	<u>-</u>	<u>34,739</u>
Fund Balances:				
Restricted for:				
Debt service	-	1,618,946	353,207	1,972,153
Community development	<u>279,672</u>	<u>-</u>	<u>-</u>	<u>279,672</u>
Total fund balances	<u>279,672</u>	<u>1,618,946</u>	<u>353,207</u>	<u>2,251,825</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 280,569</u>	<u>\$ 1,653,685</u>	<u>\$ 353,207</u>	<u>\$ 2,287,461</u>

The accompanying notes are an integral part of these financial statements.

WARRENTON URBAN RENEWAL AGENCY

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position

June 30, 2019

Amounts reported for governmental activities in the statement of net position are different because:

Fund balances - governmental funds		\$ 2,251,825	
Receivables are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.			34,739
Capital assets used in governmental activities are not financial resources and, therefore are not reported in the funds:			
Nondepreciable assets	\$ 1,164,734		
Depreciable assets	3,341,370		
Accumulated depreciation	<u>(241,298)</u>		
			4,264,806
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:			
Accrued interest payable		(4,158)	
Long-term debt		<u>(2,674,409)</u>	
			<u>(2,678,567)</u>
Net position of governmental activities			<u>\$ 3,872,803</u>

The accompanying notes are an integral part of these financial statements.

WARRENTON URBAN RENEWAL AGENCY

GOVERNMENTAL FUNDS

Statement of Revenues, Expenditures, and Changes in Fund Balances

For the Year Ended June 30, 2019

	<u>Capital Projects (200)</u>	<u>Debt Service (300)</u>	<u>Debt Reserve (400)</u>	<u>Total</u>
Revenues:				
Taxes	\$ -	\$ 731,963	\$ -	\$ 731,963
Investment earnings	6,968	49,682	-	56,650
Other revenue	<u>700</u>	<u>-</u>	<u>-</u>	<u>700</u>
Total revenues	<u>7,668</u>	<u>781,645</u>	<u>-</u>	<u>789,313</u>
Expenditures:				
Current:				
General government	34,793	-	-	34,793
Debt service:				
Principal retirement	-	275,346	30,000	305,346
Interest	-	75,490	-	75,490
Capital outlay	<u>15,973</u>	<u>-</u>	<u>-</u>	<u>15,973</u>
Total expenditures	<u>50,766</u>	<u>350,836</u>	<u>30,000</u>	<u>431,602</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(43,098)</u>	<u>430,809</u>	<u>(30,000)</u>	<u>357,711</u>
Other Financing Sources (Uses):				
Transfers in	25,000	-	-	25,000
Transfers out	<u>-</u>	<u>(25,000)</u>	<u>-</u>	<u>(25,000)</u>
Total other financing sources (uses)	<u>25,000</u>	<u>(25,000)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(18,098)	405,809	(30,000)	357,711
Fund Balances:				
Beginning of year	<u>297,770</u>	<u>1,213,137</u>	<u>383,207</u>	<u>1,894,114</u>
End of year	<u>\$ 279,672</u>	<u>\$ 1,618,946</u>	<u>\$ 353,207</u>	<u>\$ 2,251,825</u>

The accompanying notes are an integral part of these financial statements.

WARRENTON URBAN RENEWAL AGENCY

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

June 30, 2019

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - governmental funds	\$	357,711
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Change in unavailable revenues		1,224
Capital outlays are reported as expenditures in governmental funds. However, the Statement of Activities allocates the cost of capital outlays over their estimated useful lives as depreciation expense.		
Expenditures for capital assets	\$ 15,972	
Current year depreciation	<u>(106,361)</u>	
		(90,389)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
Change in:		
Accrued interest payable	<u>428</u>	
		428
Proceeds from the issuance of long-term debt provide current financial resources to governmental funds and are reported as other financing sources. In the same way, repayments of long-term debt use current financial resources and are reported as expenditures in governmental funds. However, neither the receipt of debt proceeds nor the payment of debt principal affect the Statement of Activities, but are reported as increases and decreases in noncurrent liabilities in the Statement of Net Position.		
Repayment of long-term debt	<u>305,346</u>	
		<u>305,346</u>
Change in net position of governmental activities	\$	<u><u>574,320</u></u>

The accompanying notes are an integral part of these financial statements.

WARRENTON URBAN RENEWAL AGENCY

Capital Projects Fund

Statement of Resources and Requirements
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 234,692	\$ 234,692	\$ 297,770	\$ 63,078
Investment earnings	-	-	6,968	6,968
Other revenue	-	-	700	700
Transfers in	1,100,000	1,100,000	25,000	(1,075,000)
Loan proceeds	<u>797,622</u>	<u>797,622</u>	<u>-</u>	<u>(797,622)</u>
Total resources	<u>\$ 2,132,314</u>	<u>\$ 2,132,314</u>	<u>\$ 330,438</u>	<u>\$ (1,801,876)</u>
Requirements:				
Materials and services	\$ 119,000	\$ 119,000	\$ 34,793	\$ 84,207
Capital outlay	<u>2,013,314</u>	<u>2,013,314</u>	<u>15,973</u>	<u>1,997,341</u>
Total expenditures	2,132,314	2,132,314	50,766	2,081,548
Ending fund balance	<u>-</u>	<u>-</u>	<u>279,672</u>	<u>(279,672)</u>
Total requirements	<u>\$ 2,132,314</u>	<u>\$ 2,132,314</u>	<u>\$ 330,438</u>	<u>\$ 1,801,876</u>

The accompanying notes are an integral part of these financial statements.

WARRENTON URBAN RENEWAL AGENCY

Notes to the Financial Statements

June 30, 2019

Note I - Summary of Significant Accounting Policies

A. Reporting Entity

The Warrenton Urban Renewal Agency ("Agency") was organized on February 27, 2007 under the provisions of Oregon Revised Statutes, Chapter 457 ("ORS 457"), to provide for rehabilitation of blighted and deteriorated areas within the Agency's designated urban renewal area. As provided by ORS 457, the City Commission of the City of Warrenton ("City") is the governing body of the Agency.

The Agency is a legally separate entity governed by the City Commission. The City Commission has the ability to impose its will over the Agency as determined on the basis of budget adoption, taxing authority and funding for the Agency. The Agency is considered a component unit of the City of Warrenton, and is reported as a blended component unit in the basic financial statements of the City.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements display information about the reporting government as a whole. For the most part, the effect of interfund activity has been removed from these statements. These statements focus on the sustainability of the Agency as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. These aggregated statements consist of the statement of net position and the statement of activities.

The statement of activities demonstrates the degree to which the direct and allocated indirect expenses of a given function or program are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or program. *Indirect expenses* are those costs, usually administrative in nature, that support all Agency functions, programs, and enable direct services to be provided. *Program revenues* include 1) fees, fines, and charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or program and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or program. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Agency considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The Agency reports the following major governmental funds:

The *Capital Projects Fund* is the government's primary operating fund. It accounts for all the acquisition and construction of capital assets. The principal revenue source is loan proceeds.

The *Debt Service Fund* accounts for the servicing of long-term debt. Revenue sources are property taxes and other general governmental revenues.

WARRENTON URBAN RENEWAL AGENCY

Notes to the Financial Statements

June 30, 2019

Note I - Summary of Significant Accounting Policies, Continued

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation, Continued

The *Debt Reserve Fund* accounts for funds set aside in compliance with the Urban Renewal Bond Series 2012 agreement.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance

1. Equity in pooled cash and cash equivalents

The Agency's cash and cash equivalents are considered to be cash on hand, demand deposits, and investments in the State of Oregon Local Government Investment Pool ("LGIP"). The Agency's cash and cash equivalents are pooled with the City of Warrenton's resources.

State statutes authorize the Agency to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, and repurchase agreements.

2. Receivables and Payables

Property taxes receivable that meet the measurable and available criteria for revenue recognition are accrued as revenue in the governmental funds financial statements. Receivables in the government-wide financial statements are accrued as revenue when earned. In governmental funds, any revenues not meeting the revenue recognition criteria are offset by unavailable revenue accounts.

Property taxes are levied and become a lien on July 1st. Property taxes are assessed in October and tax payments are due November 15th of the same year. Under the partial payment schedule, the first one-third of taxes are due November 15th of the same year, the second one-third on February 15th, and the remaining one-third on May 15th. A three percent discount is allowed if full payment is made by November 15th and a two percent discount is allowed if two-thirds payment is made by November 15th. Taxes become delinquent if not paid by the due date and interest accrues after each trimester at a rate of one percent per month. Property foreclosure proceedings are initiated four years after the due date.

3. Capital Assets

Capital assets, which include land, buildings, improvements, infrastructure, and other tangible assets, are reported in the government-wide financial statements. Capital assets are defined by the Agency as assets with an initial, individual cost of more than \$5,000 and an estimated useful life beyond a single reporting period. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of the donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

No depreciation is taken in the year the assets are acquired. Gains or losses from sales or retirements of capital assets are included in operations of the current period.

Capital assets of the Agency are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	10 - 50
Infrastructure	20 - 25

WARRENTON URBAN RENEWAL AGENCY

Notes to the Financial Statements

June 30, 2019

Note I - Summary of Significant Accounting Policies, Continued

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance, Continued

4. *Deferred Outflows/Inflows of Resources*

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Agency did not have any deferred outflows of resources.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Agency has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

5. *Long-Term Obligations*

In the government-wide financial statements long-term obligations are reported as liabilities.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

6. *Net Position Flow Assumptions*

Sometimes the Agency will fund outlays for a particular resource from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Agency's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

7. *Fund Balance Flow Assumptions*

Sometimes the Agency will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Agency's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

WARRENTON URBAN RENEWAL AGENCY

Notes to the Financial Statements

June 30, 2019

Note I - Summary of Significant Accounting Policies, Continued

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance, Continued

8. Fund Balance Policies

In the fund financial statements, the fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The fund balance classifications are:

Nonspendable - resources cannot be spent because they are either in a nonspendable form or legally or contractually required to be maintained intact. Resources in nonspendable form include inventories, prepaids and deposits, and assets held for sale.

Restricted - constraints placed on the use of resources are either: (a) externally imposed by creditors (such as through debt covenants), grants, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed - the Agency Board passes an ordinance that places specific constraints on how the resources may be used. The Agency Board can modify or rescind the ordinance at any time through passage of an additional ordinance.

Assigned - resources that are constrained by the Agency's intent to use them for a specific purpose, but are neither restricted, nor committed. Intent is expressed when the Agency Board approves which resources should be "reserved" during the adoption of the annual budget.

Unassigned - resources that have not been restricted, committed, or assigned within the general fund. This classification is also used to report any negative fund balance amounts in other governmental funds.

9. Use of Estimates

The preparation of basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

WARRENTON URBAN RENEWAL AGENCY

Notes to the Financial Statements

June 30, 2019

Note II - Stewardship, Compliance, and Accountability

A. Budgetary Information

Annual budgets are adopted on a basis consistent with Oregon Revised Statutes (ORS 294 - Local Budget Law).

A budget is prepared by the City Manager in the early winter preceding the fiscal year the budget will be used. The Agency is required to budget for all funds. The Agency's budget is prepared for each fund on the modified accrual basis of accounting. The budget committee, with public input, deliberates and approves the budget for transmittal to the Agency Board in early spring. After public notices and a hearing, the final budget is adopted, appropriations made, and a tax levy declared no later than June 30.

The Agency Board resolution adopting the budget and authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriation. The level of control for all funds is the object group level of personal services, materials and services, capital outlay, debt service, and interfund transfers. Appropriations lapse as of year-end.

Expenditures cannot legally exceed appropriations except in the case of grants which could not be estimated at the time of budget adoption. Supplemental appropriations and appropriation transfers may occur with notice and Agency Board action.

Note III - Detailed Notes On All Funds

A. Deposits and Investments

The Agency participates in the City of Warrenton's cash and investment pool. At June 30, 2019, the City's cash and investments were maintained in deposits at local financial institutions and the State of Oregon's Local Government Investment Pool ("LGIP"). The Agency's portion of this pool is displayed in the Statement of Net Position and the Balance Sheet as "Equity in pooled cash and cash equivalents." Detail information for the Agency's pooled cash and investments can be found in the City of Warrenton's ("City") June 30, 2019 Financial Statements notes to the financial statements.

WARRENTON URBAN RENEWAL AGENCY

Notes to the Financial Statements

June 30, 2019

Note III - Detailed Notes On All Funds, Continued

B. Capital Assets

Capital asset activity for the year ended June 30, 2019 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 1,000,945	\$ -	\$ -	\$ -	\$ 1,000,945
Construction in progress	<u>147,817</u>	<u>15,972</u>	<u>-</u>	<u>-</u>	<u>163,789</u>
Total capital assets, not being depreciated	<u>1,148,762</u>	<u>15,972</u>	<u>-</u>	<u>-</u>	<u>1,164,734</u>
Capital assets, being depreciated:					
Buildings	602,057	-	-	-	602,057
Infrastructure	<u>2,739,313</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,739,313</u>
Total capital assets, being depreciated	<u>3,341,370</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,341,370</u>
Less accumulated depreciation for:					
Buildings	(45,153)	(15,051)	-	-	(60,204)
Infrastructure	<u>(89,784)</u>	<u>(91,310)</u>	<u>-</u>	<u>-</u>	<u>(181,094)</u>
Total accumulated depreciation	<u>(134,937)</u>	<u>(106,361)</u>	<u>-</u>	<u>-</u>	<u>(241,298)</u>
Total capital assets, being depreciated, net	<u>3,206,433</u>	<u>(106,361)</u>	<u>-</u>	<u>-</u>	<u>3,100,072</u>
Governmental activities capital assets, net	<u>\$ 4,355,195</u>	<u>\$ (90,389)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,264,806</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	<u>\$ 106,361</u>

WARRENTON URBAN RENEWAL AGENCY

Notes to the Financial Statements

June 30, 2019

Note III - Detailed Notes On All Funds, Continued

C. Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2019 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Tax increment financial bonds - direct borrowings	\$ 2,979,755	\$ -	\$ (305,346)	\$ 2,674,409	\$ 282,445

Tax increment financial bonds outstanding at June 30, 2019 were all direct borrowings from Columbia Bank. Terms of individual bonds were as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Governmental Activities</u>
The urban renewal bond series 2012, in the original amount of \$1,640,000, was used to finance urban renewal projects. This tax increment financing is secured by assignment of incremental tax revenues. The bond matures on June 15, 2027.	3.75%	\$ 985,974
The urban renewal bond series 2016, in the original amount of \$2,200,000, was used to finance urban renewal projects. This tax increment financing is secured by assignment of incremental tax revenues. The bond matures on June 1, 2028.	1.86%	1,688,435
The urban renewal taxable revolving line of credit series 2018 note is used to finance urban renewal projects. The Agency may draw up to \$200,000 on the line. The note carries a variable interest rate defined as the Columbia Bank Base Rate plus 1% with a minimum rate of 5%. This tax increment financing is secured by assignment of incremental tax revenues. The line matures on March 8, 2020.	5.00%	-
Total debt outstanding		2,674,409
Less current portion		<u>(282,445)</u>
Long-term portion		<u>\$ 2,391,964</u>

If an event of default occurs on any of the direct borrowings Columbia Bank (Bank) may exercise any remedy available at law or in equity under the provisions of the Master Resolution. If an event of default occurs due to nonpayment of principal, interest, fees or other amounts when due, or failure to maintain the tax-exempt status of the obligation, then the Bank may increase the interest rate to 8.75% on the series 2012 bonds, 5% on the series 2016 bonds or an additional 5% on the revolving line of credit.

Annual debt service requirements to maturity for long-term debt at June 30, 2019 are as follows:

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2020	\$ 282,445	\$ 67,571
2021	289,754	60,262
2022	297,276	52,741
2023	305,017	45,000
2024	312,985	37,031
2025 - 2029	<u>1,186,932</u>	<u>63,651</u>
Total	<u>\$ 2,674,409</u>	<u>\$ 326,256</u>

WARRENTON URBAN RENEWAL AGENCY

Notes to the Financial Statements

June 30, 2019

Note III - Detailed Notes On All Funds, Continued

Note IV - Other Information

A. Risk Management

The Agency is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. In 1981, the League of Oregon Cities joined together with the Association of Oregon Cities to form City County Insurance Services ("CCIS"), a public entity risk pool currently operating a common risk management and insurance program. The Agency pays an annual premium to CCIS for insurance coverage. Based on the experience of the Agency and CCIS, the Agency may be liable for an additional premium of up to 20% of its initial premium or it may receive a refund. The Agency has not had to pay an additional premium. Predetermined limits and deductible amounts are stated in the policy. Settled claims have not exceeded commercial insurance coverage in any of the past three years.

B. Contingent Liabilities

The Agency is contingently liable with respect to lawsuits and other claims incidental to the ordinary course of its operations and capital projects. Management intends to contest these matters and does not believe their ultimate resolution will have a material effect upon the Agency's financial position, results of operations, or cash flows.

OTHER SUPPLEMENTAL INFORMATION

WARRENTON URBAN RENEWAL AGENCY

Debt Service Fund

Schedule of Resources and Requirements
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 1,239,328	\$ 1,239,328	\$ 1,213,137	\$ (26,191)
Taxes	622,456	622,456	731,963	109,507
Investment earnings	<u>20,000</u>	<u>20,000</u>	<u>49,682</u>	<u>29,682</u>
Total resources	<u>\$ 1,881,784</u>	<u>\$ 1,881,784</u>	<u>\$ 1,994,782</u>	<u>\$ 112,998</u>
Requirements:				
Debt service	\$ 508,267	\$ 508,267	\$ 350,836	\$ 157,431
Transfers out	<u>1,250,000</u>	<u>1,250,000</u>	<u>25,000</u>	<u>1,225,000</u>
Total expenditures	1,758,267	1,758,267	375,836	1,382,431
Ending fund balance	<u>123,517</u>	<u>123,517</u>	<u>1,618,946</u>	<u>(1,495,429)</u>
Total requirements	<u>\$ 1,881,784</u>	<u>\$ 1,881,784</u>	<u>\$ 1,994,782</u>	<u>\$ (112,998)</u>

WARRENTON URBAN RENEWAL AGENCY

Debt Reserve Fund

Schedule of Resources and Requirements
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 350,017	\$ 350,017	\$ 383,207	\$ 33,190
Transfers in	<u>150,000</u>	<u>150,000</u>	<u>-</u>	<u>(150,000)</u>
Total resources	<u>\$ 500,017</u>	<u>\$ 500,017</u>	<u>\$ 383,207</u>	<u>\$ (116,810)</u>
Requirements:				
Debt service	\$ 500,017	\$ 500,017	\$ 30,000	\$ 470,017
Ending fund balance	<u>-</u>	<u>-</u>	<u>353,207</u>	<u>(353,207)</u>
Total requirements	<u>\$ 500,017</u>	<u>\$ 500,017</u>	<u>\$ 383,207</u>	<u>\$ 116,810</u>

COMPLIANCE SECTION



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COMMENTS AND DISCLOSURES OF INDEPENDENT AUDITOR REQUIRED BY STATE STATUE

Honorable Mayor and City Commission
Warrenton Urban Renewal Agency
Warrenton, Oregon

We have audited the basic financial statements of the Warrenton Urban Renewal Agency, Oregon ("Agency") as of and for the year ended June 30, 2019, and have issued our report thereon dated December 17, 2019. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

As part of obtaining reasonable assurance about whether the Agency's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants including provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 to 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

We performed procedures to the extent we considered necessary to address the required comments and disclosures which included, but were not limited to the following:

- Deposits of public funds with financial institutions (ORS Chapter 295).
- Indebtedness limitations, restrictions and repayment.
- Budgets legally required (ORS Chapter 294).
- Insurance and fidelity bonds in force or required by law.
- Programs funded from outside sources.
- Authorized investment of surplus funds (ORS Chapter 294).
- Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).

In connection with our testing nothing came to our attention that caused us to believe the Warrenton Urban Renewal Agency, Oregon was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations.

OAR 162-10-0230 Internal Control

In planning and performing our audit, we considered the Agency's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control over financial reporting

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

This report is intended for the information of the Agency Board and the Secretary of State Division of Audits of the State of Oregon. However, this report is a matter of public record and is not intended to be and should not be used by anyone other than these parties.

Isler CPA

By:

A handwritten signature in black ink that reads "Paul R. Nielson". The signature is written in a cursive, flowing style.

Paul R Nielson, CPA, a member of the firm

Eugene, Oregon

December 17, 2019



AGENDA MEMORANDUM

TO: The Warrenton Urban Renewal Agency
FROM: Linda Engbretson, City Manager
DATE: For the Agenda of January 14, 2020
SUBJ: **Facade Grant Program**

The Warrenton Urban Renewal Agency authorized changes to an existing facade grant program to revive and increase applications from eligible business and property owners in early 2019. As a result of the program change, and targeted outreach by city staff, there are four applications in various stages. The Warrenton Urban Renewal Agency has additional funds available for grants. The Warrenton Urban Renewal Advisory Committee approved the applications at its December meeting and recommends increasing the grant funding for these projects.

RECOMMENDATION/SUGGESTED MOTION

Staff is seeking approval to expand the program. It should be noted this is not a budget adjustment request as there is room in this year's overall URA budget to increase total grants by \$20,000.

Suggested motion: I move to approve the expenditure of an additional \$20,000 in URA funds to sustain the facade grant program for FY 19-20.

AGENDA MEMORANDUM

TO: The Warrenton Urban Renewal Agency
FROM: Dawne Shaw, URA Secretary
DATE: January 14, 2020
SUBJ: Advisory Committee Appointments

SUMMARY

Four positions on the Urban Renewal Advisory Committee have terms that ended on December 31, 2019. Mayor Balensifer has submitted nomination letters for each position.

RECOMMENDATION/SUGGESTED MOTION

I move to reappoint Ms. Tess Chedsey to Position No. 4, Mel Jasmin to Position No. 5, and Dennis Faletti to Position No. 6, and to appoint Katie Burkhart to Position No. 7 on the Warrenton Urban Renewal Advisory Committee.

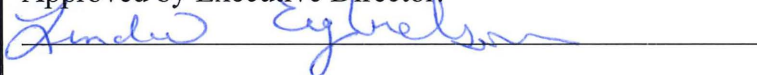
ALTERNATIVE

Other action as deemed appropriate by the Agency

FISCAL IMPACT

N/A

Approved by Executive Director:



Andrew Egelson



January 5, 2020

To the Warrenton Urban Renewal Agency Board of Directors:

As a courtesy and for full disclosure, below is the list of applicants and nominees with their respective positions on the board. Nominees are bolded.

Applicants: Tess Chedsey (4), Melvin Jasmin (5), Dennis Faletti (6), Dan Jackson, **Katie Burkhart (7)**.

Sincerely,

Henry A. Balensifer III
Chair



December 5, 2019

To the Warrenton Urban Renewal Agency Board of Directors:

I nominate Tess Chedsey for reappointment to Position #4 on the Urban Renewal Advisory Board.

I have interviewed Tess and discussed her thoughts on the accomplishments, concerns and future outlook of the Urban Renewal District and related projects. I believe her desires align with ours as a Board of Directors. As we finish the last marina project, she has expressed a desire to focus on the downtown. I believe Tess will continue to provide thoughtful advice on projects, as well ensuring both accountability and forward progress towards urban improvements.

Sincerely,

Henry A. Balensifer III

Chair



December 5, 2019

To the Warrenton Urban Renewal Agency Board of Directors:

I nominate Mel Jasmin for reappointment to Position #5 on the Urban Renewal Advisory Board.

Mel has been a long time resident and active presence in the VFW, which has been involved in partnering with the WURA board in projects around the city—most notably the Warrenton Memorial Plaza project.

I have interviewed Mel and find that his experience and historical town knowledge is important to have as we continue to plan a wide array of projects across the district for increasing livability and revitalizing a once-neglected downtown.

Sincerely,

Henry A. Balensifer III
Chair



December 5, 2019

To the Warrenton Urban Renewal Agency Board of Directors:

I nominate Dennis Faletti for reappointment to Position #6 on the Urban Renewal Advisory Board.

I have had several conversations recently with Dennis regarding his thoughts on the accomplishments, concerns and future outlook of the Urban Renewal District and related projects. For those that know him, Dennis is not shy about sharing his opinions and concerns directly and has made known his thoughts over several occasions. As a result, I did not feel the need to interview him.

He has been a vocal supporter of urban revitalization, nuisance abatement, and smart growth policies that will enable a more livable town after revitalization has occurred.

Sincerely,

A handwritten signature in blue ink that reads "Henry A. Balensifer III". The signature is written in a cursive style with a large, stylized initial "H".

Henry A. Balensifer III
Chair



January 5, 2020

To the Warrenton Urban Renewal Agency Board of Directors:

I nominate Katie Burkhart for the appointment to Position #7 on the Urban Renewal Advisory Board.

Mrs. Burkhart is a young mother, who has an entrepreneurial mind and a keen appreciation for the livability agenda the City Commission and Urban Renewal Agency has focused its efforts on. As we work towards projects like greater pedestrian connectivity to our parks, connectivity vis-a-vis sidewalks to schools, and improved downtown commercial potential, Mrs. Burkhart will bring a young mother's perspective to the Urban Renewal Advisory Board—a perspective we are currently missing, and one that should be represented.

I have interviewed Katie a couple years ago, and find that she can bring a lot to advising the allocation of our Urban Renewal funds in a way that will continue to make Warrenton's urban core a place that is both commercially vibrant—and nice to live in. While married to a local, she does not originate, nor grew up in Warrenton and so provides a perspective that is becoming very common among the fastest growing demographic in our town—young families getting their start in life.

Sincerely,

Henry A. Balensifer III
Chair

"Making a difference through excellence of service"



CITY OF WARRENTON

Application for Committee Appointment

To: **Warrenton City Commission and Warrenton City Manager**

I, Katie Beth Burkhart, hereby apply for appointment to serve on the following:

- Budget Committee
- Community Center Board
- Parks Advisory Committee
- Planning Commission
- Warrenton Business Association
- Warrenton Community Library Board
- Warrenton Urban Renewal Advisory Board

What is your interest in applying for this position?

I have noticed and appreciated many of the changes that have been made in our community over the last couple of years and I am interested in being part of those changes and supporting the board and community in any way that I can.

What experience or qualifications do you have for this position?

I volunteered for the Warrenton Warming Center and was the official scheduler for the season of 2018-2019. I am a responsible and hardworking individual with strong communication skills looking to support our community.

How much time could you give to serving on this committee?

Weekly Monthly ^{10 Hrs} Quarterly

Katie Beth Burkhart
Full Name (please print)

01/05/2020
Date

AGENDA MEMORANDUM

TO: The Warrenton Urban Renewal Agency

FROM: Dawne Shaw, City Recorder

DATE: January 14, 2020

SUBJ: Urban Renewal Advisory Board – Terms of Office

SUMMARY

The attached resolution confirms the appointments and sets the terms of office of the newly appointed positions.

RECOMMENDATION/SUGGESTED MOTION

"I move to adopt Resolution No. 20-01; Authorizing Appointments to Fill Positions on the Warrenton Urban Renewal Advisory Board and Setting Terms of Office."

ALTERNATIVE

Other action as deemed appropriate by the Agency

FISCAL IMPACT

N/A

Approved by Executive Director:



RESOLUTION NO. 20-01
INTRODUCED BY ALL COMMISSIONERS

**APPOINTING PERSONS TO SERVE ON THE
WARRENTON URBAN RENEWAL DISTRICT ADVISORY COMMITTEE
AND SETTING TERMS OF OFFICE**

BE IT RESOLVED, by the Warrenton Urban Renewal District Agency that the Warrenton Urban Renewal Advisory Board members and their terms of office are as follows:

Position No. 1	Bob Bridgens	Term Ending 31, December 2020
Position No. 2	Gerald Poe	Term Ending 31, December 2020
Position No. 3	Frida Fraunfelder	Term Ending 31, December 2020
Position No. 4	Tess Chedsey	Term Ending 31, December 2021
Position No. 5	Mel Jasmin	Term Ending 31, December 2021
Position No. 6	Dennis Faletti	Term Ending 31, December 2021
Position No. 7	Katie Burkhart	Term Ending 31, December 2021

This Resolution takes effect immediately upon its passage.

ADOPTED by the Warrenton Urban Renewal District Agency, this 14th day of January, 2020.

APPROVED:

Henry A. Balensifer III, Chair

ATTEST:

Dawne Shaw, Secretary