

**Rainier Economic Development Corporation
(REDCO)**

Proposed 2022-23 Fiscal Year Budget

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**Rainier Economic Development Corporation (REDCO)
2022-23 Fiscal Year Budget Message**

May 9, 2022

REDCO Budget Committee Members, Citizens of Rainier and All Other Interested Parties,

The following is the proposed budget for the Rainier Economic Development Corporation (REDCO) for the 2022-23 fiscal year. It is balanced, as is required by law.

For the past several years, REDCO's emphasis has shifted from supporting specific economic development projects to paying off the organization's debt service. This proposed budget represents a continuation of movement in that direction.

This proposed budget includes REDCO's obligatory \$275,000 annual allocation towards the principal and interest related to that debt.

During the REDCO budget process for the 2021-22 fiscal year, the board opted to shift significant funds to contingency. Those funds are represented in this budget document as a \$660,000 beginning fund balance, with the bulk of that amount remaining in contingency.

This proposed budget includes an increased line item for audit services, consistent with the direction given by the committee during last year's budget meetings.

The only other major difference is the proposed allocation of \$15,000 towards economic development. The city received a request from Columbia Economic Team to make a contribution towards its Small Business Development Center. That matter went before the city council and the REDCO board, and it was ultimately decided that this budget was the most appropriate source for that funding request.

Council, the REDCO board and the REDCO Budget Committee have all expressed a desire to direct financial resources towards making larger debt service payments so it can be paid off ahead of its original deadline of December 31, 2029. This proposed budget moves REDCO closer towards achieving that goal.

At Your Service,

W. Scott Jorgensen, Executive MPA
City Administrator and Budget Officer

**Rainier Economic Development Corporation (REDCO)
2022-23 Fiscal Year Budget Calendar**

Budget Committee Meeting (quorum required)	May 16, 2022 5:00 p.m.
Reconvene 2 nd Budget Committee Meeting (if necessary)	May 23, 2022 5:00 p.m.
Publish Budget Hearing and Financial Summary Notice	May 27, 2022
Budget Hearing Adopt Budget Approve Tax Levy Approve Appropriations	June 6, 2022 5:00 p.m.
File Notice of Property Tax Certification (File with Assessor)	July 8, 2022

**Rainier Economic Development Corporation (REDCO)
2022-23 Fiscal Year Budget Committee Members**

The REDCO Board consists of the city council members. Its Budget Committee is comprised of the board and citizen members:

Rainier City Council Members

Council President and REDCO President Mike Kreger

Councilor Connie Budge

Councilor Scott Cooper

Councilor, REDCO Treasurer and Secretary Robert duPlessis

Councilor Jeremy Howell

Councilor Levi Richardson

Councilor Denise Watson

Citizen Members

Terry Deaton

Candis Forrest

Kris Guist

Dena Nordstrom

Jan Rich

Settlement with United States Gypsum Corp.

Amortization Schedule

Payment Due Date	Beginning Principal	Payment		Total	End Principal
		Principal	Interest		
4/2/2012	4,750,000	1,000,000		1,000,000	3,750,000
12/31/2012	3,750,000	190,856	84,144	275,000	3,559,144
12/31/2013	3,559,144	168,226	106,774	275,000	3,390,918
12/31/2014	3,390,918	173,272	101,728	275,000	3,217,646
12/31/2015	3,217,646	178,471	96,529	275,000	3,039,175
12/31/2016	3,039,175	183,825	91,175	275,000	2,855,350
12/31/2017	2,855,350	189,339	85,661	275,000	2,666,011
12/31/2018	2,666,011	195,020	79,980	275,000	2,470,991
12/31/2019	2,470,991	200,870	74,130	275,000	2,270,121
12/31/2020	2,270,121	206,896	68,104	275,000	2,063,225
12/31/2021	2,063,225	213,103	61,897	275,000	1,850,121
12/31/2022	1,850,121	219,496	55,504	275,000	1,630,625
12/31/2023	1,630,625	226,081	48,919	275,000	1,404,544
12/31/2024	1,404,544	232,864	42,136	275,000	1,171,680
12/31/2025	1,171,680	239,850	35,150	275,000	931,830
12/31/2026	931,830	247,045	27,955	275,000	684,785
12/31/2027	684,785	254,456	20,544	275,000	430,329
12/31/2028	430,329	262,090	12,910	275,000	168,239
12/31/2029	168,239	168,239	5,047	173,286	0
		<u>4,750,000</u>	<u>1,098,286</u>	<u>5,848,286</u>	

Settlement Amount	4,750,000
Initial Payment	1,000,000
Initial Note Amount	<u>3,750,000</u>

Interest Rate 3.0%

**RAINIER ECONOMIC DEVELOPMENT COUNCIL
2022-2023 BUDGET**

GENERAL FUND

GENERAL FUND RESOURCES						
2019/2020	2020/2021	2021/2022	Description	2022/2023	2022/2023	2022/2023
Actual	Actual	Adopted		Proposed	Approved	Adopted
826,104	810,254	658,000	Beginning Fund Balance	666,000		
625	1,868	0	Miscellaneous	0		
22,589	5,908	3,600	Interest Earnings	2,500		
849,318	818,030	661,600	General Fund Resources TOTAL	668,500		

GENERAL FUND - REQUIREMENTS						
2019/2020	2020/2021	2021/2022	Description	2022/2023	2022/2023	2022/2023
Actual	Actual	Adopted		Proposed	Approved	Adopted
			Materials & Services			
7,200	7,200	7,200	Administrative Support	7,200		
479	282	3,100	Office/ Operating/Misc/It Upgrade	1,000		
0	329	200	Membership Dues	330		
4,900	5,400	5,500	Audit Services	9,000		
12,579	13,211	16,000	Materials & Services Total	17,530		
			Capital Outlay			
13,985	0	0	#1 Riverfront Development- Consulting	0		
0	0	0	#2 Economic Development	15,000		
0	0	0	#3 Public Access to the Riverfront-Walking Trail	0		
0	0	0	#4 Recreation Boating Facilities-Feasibility Study	0		
0	200,000	0	#5 Transportation- Street Participation Match	0		
0	0	0	Federal Dollar Match/Veterans Way	0		
0	0	0	#6 Housing-Feasibility Study	0		
0	0	0	#7 Retail Services-Consulting	0		
0	0	0	#8 Community Facilities-Park Improvement	0		
12,500	12,500	0	#9 Environment (Diking Recertification))	0		
0	100,000	0	#10 Planning & Design-STP Update	0		
26,485	312,500	0	Capital Outlay Total	15,000		
			Unallocated Requirements			
0	0	645,600	Contingency	635,970		
0	0	645,600	Unallocated Total	635,970	0	0
			Reserved for Future Use	0		
810,254	492,319		Ending Fund Balance - Actual			
849,318	818,030	661,600	TOTAL REQUIREMENTS	668,500	0	0

**RAINIER ECONOMIC DEVELOPMENT COUNCIL
2022-2023 BUDGET**

DEBT SERVICE FUND

DEBT SERVICE FUND - RESOURCES

2019/2020 Actual	2020/2021 Actual	2021/2022 Adopted	Description	2022/2023 Proposed	2022/2023 Approved	2022/2023 Adopted
160,076	165,918	0	Beginning Fund Balance	150,000		
280,842	286,827	275,000	County Taxes/Current & Prior	275,000		
440,918	452,745	275,000	Debt Service Resources TOTAL	425,000		

DEBT SERVICE FUND - REQUIREMENTS

2019/2020 Actual	2020/2021 Actual	2021/2022 Adopted	Description	2022/2023 Proposed	2022/2023 Approved	2022/2023 Adopted
			Debt Service			
200,870	206,896	213,103	USG-Principal	219,496		
74,130	68,104	61,897	USG-Interest	55,504		
275,000	275,000	275,000	Debt Service Total	275,000		
		0	Reserved for Future Use	150,000		
165,918	177,745		Ending Fund Balance - Actual			
440,918	452,745	275,000	TOTAL Debt Service Fund Requirements	425,000		