

Rainier Economic Development Corporation
(REDCO)

Proposed 2023-25 Fiscal Year Budget

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**Rainier Economic Development Corporation (REDCO)
2023-25 Fiscal Year Budget Message**

May 8, 2023

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 2023-25 fiscal year.

Unlike previous years, this is a two-year budget. That has been done to align it with the City's budget, which also aligns with the biannual budget process used by the State of Oregon.

At the direction of the REDCO Board, this budget has become increasingly simplified over the years. In the past, REDCO has been used to fund various projects throughout the community, in the name of economic development. However, the board has since changed its focus to paying off the agency's debt service and dissolving REDCO as an entity as quickly as possible.

In short, the sole purpose of REDCO anymore is to service its debt.

That was originally expected to be done by the end of calendar year 2029. However, the Board has decided that any funds left over from the annual \$275,000 debt service shall go towards contingency. Once that fund is large enough to make extra payments on the debt service, the Board will look at its options for doing so.

This proposed budget moves REDCO further towards those aforementioned goals.

At Your Service,

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

REDCO
2023/2025 Budget Calendar

Budget Committee Meeting (quorum required)	May 8, 2023 5 p.m.
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Reconvene 2 nd Budget Committee Meeting (if necessary)	May 15, 2023 5 p.m.
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Publish Budget Hearing and Financial Summary Notice	May 25, 2023
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Budget Hearing	June 5, 2023
Adopt Budget	5 p.m.
Approve Tax Levy	
Approve Appropriations	

File Notice of Property Tax Certification (File with Assessor)	July 7, 2023
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**Rainier Economic Development Corporation (REDCO)
2023-25 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 Paul Langner
Councilor Denise Watson

Citizen Members

Terry Deaton
Candis Forrest
Dena Nordstrom
Jan Rich
Leslie Rist

**RAINIER ECONOMIC DEVELOPMENT COUNCIL
2023-2025 BIENNIAL BUDGET**

GENERAL FUND				
GENERAL FUND RESOURCES				
2020/2021	2021/2022	2022/2023	Description	2023/2025
Actual	Actual	Adopted		Proposed
810,254	492,319	666,000	Beginning Fund Balance	483,159
1,868	3,623	-	Miscellaneous	-
5,908	3,567	2,500	Interest Earnings	23,000
818,030	499,509	668,500	General Fund Resources TOTAL	506,159
GENERAL FUND - REQUIREMENTS				
2020/2021	2021/2022	2022/2023	Description	2023/2025
Actual	Actual	Adopted		Proposed
Materials & Services				
7,200	7,200	7,200	Administrative Support	14,400
282	1,900	1,000	Office/ Operating/Misc/lt Upgrade	2,000
329	-	330	Membership Dues	600
5,400	8,850	9,000	Audit Services	18,000
13,211	17,950	17,530	Materials & Services Total	35,000
Capital Outlay				
-	-	15,000	#2 Economic Development	-
200,000	-	-	#5 Transportation- Street Participation Match	-
12,500	-	-	#10 Environment (Diking Recertification))	-
100,000	-	-	#11 Planning & Design-STP Update	-
312,500	-	15,000	Capital Outlay Total	-
Unallocated Requirements				
-	-	635,970	Contingency	5,900
-	-	635,970	Unallocated Total	5,900
Reserved for Future Use				
			-	-
			-	465,259
492,319	481,559		Ending Fund Balance - Actual	
818,030	499,509	668,500	TOTAL REQUIREMENTS	506,159

**RAINIER ECONOMIC DEVELOPMENT COUNCIL
2023-2025 BIENNIAL BUDGET**

DEBT SERVICE FUND

DEBT SERVICE FUND - RESOURCES

2020/202 1	2021/202 2	2022/202 3	Description	2023/202 5
Actual	Actual	Adopted		Proposed
165,918	177,745	150,000	Beginning Fund Balance	193,552
286,827	285,807	275,000	County Taxes/Current & Prior	550,000
452,745	463,552	425,000	Debt Service Resources TOTAL	743,552

DEBT SERVICE FUND - REQUIREMENTS

2020/202 1	2021/202 2	2022/202 3	Description	2023/202 5
Actual	Actual	Adopted		Proposed
Debt Service				
206,896	213,103	219,496	USG-Principal	459,000
68,104	61,897	55,504	USG-Interest	91,100
275,000	275,000	275,000	Debt Service Total	550,100

		150,000	Reserved for Future Use	-
		-	Unappr. Ending Fund Balance	193,452
177,745	188,552		Ending Fund Balance - Actual	
452,745	463,552	425,000	TOTAL Debt Service Fund Requirements	743,552

Settlement with United States Gypsum Corp.

Amortization Schedule

Payment Beginning Due Date	Principal	Payment			End Principal
		Principal	Interest	Total	
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	<u>1,000,000</u>
Initial Note Amount	<u>3,750,000</u>

Interest Rate 3.0%