

REDEVELOPMENT AGENCY



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FY 2011/2012

**KERMAN REDEVELOPMENT BUDGETS
FISCAL YEAR 2011/2012
EXECUTIVE DIRECTOR'S MESSAGE**

The Kerman RDA maintains three budgets. They are:

1. General Redevelopment (Fund 60/Activity 9091)

The total Kerman RDA projected increment for Fiscal Year 2011/2012 is estimated at \$721,015. However, a substantial amount of this goes to other agencies (Pass Through), Kerman Unified School District/Recreational Facility Increment (Budget 62 9093) and Fresno County Administrative processing fees. In addition the State of California continues to take funds away from municipal governments. In the past, this was done through ERAF. However, a California State Initiative passed by the voters was thought to have stopped this practice. In effective, the Kerman RDA must relinquish about \$230,000 to the State to remain in existence in FY 2011/12. This amount will be reduced to approximately \$53,000 in FY 2012/13. The Kerman RDA will be able to survive this \$230,000 take-away in 2011/2012 because we will be allowed for the first year only to pull funds from the Low and Moderate Income increments to fund the balance of funds that are not available in the RDA General Fund to pay this Alternative Voluntary Redevelopment Program Opt-In (extortion) money.

The Kerman General Redevelopment Budget funds several activities including RDA/Downtown improvements, business promotion/development and grant writing activities. The Budget also has paid for PRIDE Program downtown businesses façade improvements, public parking lots, industrial park improvement debt service and the debt service on a portion of the improvements done around City Hall (such as alley, parking lot and curb and gutter improvements). Staff time related to these activities and RDA economic development work are also charged to this budget.

FISCAL YEAR 2011/2012 MAJOR HIGHLIGHTS

RDA GENERAL FUND (FUND 60 9091)

- Salaries & Benefits - \$138,493
- KPFA Lease Payment (Bond) - \$22,533
- State Take Away - \$121,672
- Pass Through to Fresno County and other property taxing agencies - \$306,732
- Potential PRIDE Loans - \$33,000
- Remainder of Madera Ave. Master Streetscape Plan Match - \$7500
- Total Expenses are estimated to be \$680,502

Because of the State take away, the entire Kerman RDA General Fund Reserve will be eliminated in fiscal year 2011/2012.



2. RDA Low & Moderate Income Housing (Fund 61/ Activity 9092)

By State law, 20% of the RDA Increment is “Set-Aside” for the promotion, encouragement and development of Low & Moderate Income Housing in Kerman. The Kerman RDA/LMI Fund has lowered the cost of development of affordable multi-family apartment units by paying a portion of the development impact fees (DIF) for such projects are Kearney Palms I, II & III. KP III is under construction and should be ready for occupancy by early 2012. Also approved for FY 2011/12 is RDA/LMI partial payment of DIF for the 68 unit multi-family Hacienda Heights apartment complex. Hacienda Heights is expected to begin construction sometime in Oct/Nov. 2012.

On a one time only basis the State is allowing RDAs to utilize RDA/LMI increments to pay the State its ransom money to continue to function as an RDA in the future. Of the approximately \$230,000 that will be required for the Kerman RDA to stay in existence, \$108,328 will come from LMI funds.

Major Highlights Low & Moderate Income Housing

- Salaries & Benefits - \$53,247
- State Take Away - \$108,328
- Hacienda Heights - 1st Year payments Development Impact Fees - \$58,039 (6 yr period)



3. KUSD Recreation Facilities Increment


The estimated KUSD Recreation Increment for FY 2011/12 is \$187,678.

Per agreement between the Kerman Redevelopment Agreement and Kerman Unified School District (KUSD) a portion of the Kerman Redevelopment Agency increment is held in a special account earmarked for Community Recreational Facilities either on KUSD property or directly associated with these properties and for use by the entire Kerman community. In the past this budget has funded the Kerman High School Swimming Pool, improvement to HS tennis courts and baseball dugouts, Pool equipment, Football field turf and irrigation improvements and in 2010 & 11 lighting for the High School Softball fields; and recently the first reimbursement payment for the Goldenrod Ball fields. Annually the debt service for the swimming pool is paid and maintenance and operational cost for the swimming pool are budgeted.

Major Highlights for FY 2011/12 are:

- 2nd year payment to KUSD/Goldenrod ball fields - \$125,000
- USDA KUSD Swimming Pool Debt Service - \$51,000

Respectively Submitted,



**Ron Manfredi, Executive Director
Kerman Redevelopment Agency
July 20, 2011**

KERMAN REDEVELOPMENT AGENCY

RDA

FISCAL YEAR 2011-2012

Revenue:

The total tax increment for both RDA Areas is estimated to be \$724,015, assuming a 2% growth rate in 2011/2012.

Breakdown of RDA Funds Available	Beginning Reserves	Increment	Interest	Other Income	Expenses	Ending Reserves
10/11 RDA/General Projects	106,933	582,342	1,325		(567,809)	102,791
FY 2011/12	102,791	573,589	500		(676,880)	0
10/11 RDA/Low & Moderate Income Housing (20%)	480,953	140,585	2,619		(240,917)	363,240
FY 2011/12	363,240	143,397	2,000		(236,002)	272,634
FY 2010/11 Totals	\$567,886	\$702,927	\$3,944	\$0	(\$808,726)	\$466,031
FY 2011/12 Totals	\$466,031	\$716,986	\$2,500	\$0	(\$912,882)	\$272,634

KUSD Trust Funds Available

10/11 RDA/KUSD Recreational Facility Fund	553,335	182,212	3,000		(845,544)	93,003
FY 2011/12	593,003	187,678	500		(\$194,757)	586,424

2011/2012 Budget Highlights

I. General Redevelopment (9091) - Estimated Increment Revenue \$573,589 (assuming a 2% growth rate) Plus \$500 of Interest. Total Income of \$574,089.

Program Highlights:

- *Personnel \$138,493
- *KPFA Lease Payment \$22,533 - 942 S. Madera Building portion of PFA Lease is now paid by General Fund.
- *REDIP Debt \$12,632
- *ERAF - \$152,000 in 09/10. Reduced to \$31,289 in 10/11 and eliminated in 11/12 but replace with "Opt-In" contribution.
- *Alternative Voluntary RDA Program Opt-In - \$118,050 (balance of RDA General Fund cash) to be paid to stay in existence.
- *County Pass Through \$297,798 estimated for 10/11 and \$306,732 estimated for 11/12.
- *PRIDE Grants/Loans - 10/11 Fence project east of Rite Aid came in under budget. Split between 60.0 and 61.0.
- *Contracts - 45% of CA Consulting Contract (\$16,000) in 10/11. One month budgeted entirely out of this fund in 11/12.

Estimated Expenditures for 2011/2012: \$676,880

II. RDA Low & Moderate Income Housing (9092) - Estimated Increment Revenue \$143,397 Plus \$2,000 of Interest. Total Estimated Income of \$145,397 for 2011/2012

Program Highlights:

- *Personnel \$54,930
- *Kearney Palms III were State Tax Credits were awarded FY 10/11.
- * Hacienda Heights - If Tax Credits are awarded FY 11/12 - DIF will be paid to City over 6 yrs.
- *Alternative Voluntary RDA Program Opt-In - \$111,950 (balance of \$230,000) to be paid to stay in existence.
- *CalHFA Loan due in 2012 was paid off in 2009/2010.

Estimated Expenditures for 2011/2012: \$236,002

III. RDA Recreation Facilities Increment (9093)- Estimate Increment Revenues \$187,678 Plus \$500 of Interest Income. Total Income of \$188,178

Projects (Per Approved CIP) :

- *Pool Rental increased to from \$12,000 to \$14,000 in 10/11.
 - *Pool Debt Service \$51,000
 - *KHS Softball Lights - \$350,000 in 10/11
 - *New School Park Construction/Improvements - \$225,000 in 10/11 and \$125,000 in 11/12.
- Estimated Expenditures \$194,757**

**Kerman Redevelopment Agency Budget 2011/12
General Redevelopment**

Activity: **9091**
Fund: **60.0**
Department: **RDA**

Fund	Object	Project		Description	09/10 Actual	10/11 Budget	10/11 Amended	10/11 Final	11/12 Budget	
60.0	9091	410	10	00	Salaries	81,027	81,085	87,081	87,605	96,028
60.0	9091	410	20	00	Part-time Wages (Board)	1,710	2,800	2,800	1,380	1,800
60.0	9091	410	30	00	Overtime	556			117	200
60.0	9091	410	35	00	Standby Pay	361	637		69	100
60.0	9091	420	00	00	Fringe Benefits					
					Subtotal	\$ 31,554	\$ 38,762	\$ 41,126	\$ 34,944	\$ 40,365
					Subtotal	\$ 115,208	\$ 123,284	\$ 131,007	\$ 124,115	\$ 138,493
60.0	9091	510	03	00	Contract Services	17,947	18,000	18,000	17,052	2,850
60.0	9091	510	10	00	Professional Services	13,150	5,000	13,500	13,455	13,500
60.0	9091	521	02	00	General Supplies	915	800	800	1,000	800
60.0	9091	521	06	00	Uniforms	196	120	159	220	246
60.0	9091	540	00	00	Lease Payment (PFA Bond)	45,237	45,237	45,919	45,919	22,533
60.0	9091	545	00	00	Vehicle - Equip Rental Internal	6,276	6,276	4,858	4,858	9,345
60.0	9091	546	00	00	Computer Replacement	979	979	1,100	1,100	1,806
60.0	9091	550	00	00	Insurance - Liability	6,507	6,863	6,514	6,515	7,082
60.0	9091	552	01	00	Public Notice		250	200	-	200
60.0	9091	554	01	00	Travel/Conferences		200	100	-	100
60.0	9091	595	00	00	Supplemental ERAF Shift	151,977		160,000	31,289	-
60.0	9091	560	00	00	Admin & Overhead	935	935	972	972	1,011
60.0	9091	570	00	00	Abatement	817	2,500	1,000	500	1,000
60.0	9091	590	00	00	Pass Through Agreements	289,123	302,401	297,798	279,273	306,732
60.0	9091	599	00	00	Alternative Voluntary RDA Program Opt-in	-	-	-	-	118,050
					Subtotal M & O	\$ 534,061	\$ 389,561	\$ 550,920	\$ 402,153	\$ 485,256
60.0	9091	600	03	01	Madera Ave Master Streetscape Plan	\$ 16,648	50,000	17,500	10,000	7,500
60.0	9091	600	03	04	Pride Loans/Grants	15,250	100,000	33,000	-	33,000
60.0	9091	600	03	05	Planning Building Improvements		25,000			
60.0	9091	600	03	04	Kearney Alley Fence Project			21,391	18,910	
60.0	9091	600	03	15	CTC Parking Lot Expansion	46,423	39,000			
60.0	9091	600	03	17	Youth Center Design, Engineer, RFP		38,000			
60.0	9091	600	04	18	Animal Control Vehicle Cage	6,233	10,000			
60.0	9091	700	01	00	Debt Service - Principal/Advance from General Fund		1,843			
60.0	9091	700	02	00	Debt Service - Principal/State REDIP Loan	12,631	12,632	12,632	12,631	12,631
					Subtotal	\$ 97,186	\$ 276,475	\$ 84,523	\$ 41,541	\$ 53,131
					Total Expenditures	\$ 746,455	\$ 789,320	\$ 766,450	\$ 567,809	\$ 676,880

Remarks on Budget Request

I. Personnel:

- 13% City Manager
- 7% City Clerk
- 13% City Manager's Secretary
- 4% Finance Director
- 2% Junior Accountant
- 14% Planning & Dev Services Director
- 20% Admin Sec/Planning Tech.
- 23% Bldg Permits Clerk Non-Cert
- 4% Public Works Director
- 5% PW Maintenance Tech.
- 50% Abatement/Animal Control

II. M & O Costs:

- 510 03 00 Contract Services: Contract for Grant Writing Consultant eliminated in FY 2011-2012 (CA Consulting), except for the month of July.
- 510 10 00 Professional Services: Fresno County Administration Fee of approximately \$10,500 and other professional fees.
- 590 00 00 Pass Through to Fresno County & Other Agencies Tax Increment. In 07/08, during the audit, auditors told us to include KUSD in this.
- 599 00 00 This is the portion of the \$236,000 that would come from the RDA General Fund in order to prevent the RDA from being eliminated by the State of California. This will leave the RDA General Fund with a zero balance as of 6/30/12 and the balance of the \$236,000 will be paid from the RDA LMI Fund Increment, which will only be allowed this one year. The 2012/2013 "Voluntary" contribution is estimated to be approximately \$53,000.

III. Capital Items:

- 600 03 01 RDA pledged \$17,500 local match (over two yrs.); \$157,500 Caltrans planning grant for Madera Ave. Master Streetscape Plan.

IV. Debt Service:

- 700 02 00 Annual Debt Service on REDIP Loan The original \$186,498 loan was for the design of and improvements to the Kerman Industrial Park Infrastructure Project. The loan will be paid off in 2019.

Note: Annual Bond Lease Payment Breakdown is located in the PFA Budget

**Kerman Redevelopment Agency Budget 2011/12
Low & Moderate Income Housing**

Activity: **9092**
Fund: **61.0**
Department: **RDA**

Fund	Object	Project	Description	09/10 Actual	10/11 Budget	10/11 Amended	10/11 Final	11/12 Budget		
Activity	Sub Obj.	Obj.								
61.0	9092	410	10	00	Salaries	43,619	43,080	45,983	45,479	39,428
61.0	9092	410	20	00	Part-time Wages					
61.0	9092	410	30	00	Overtime					
61.0	9092	420	00	00	Fringe Benefits					
				Subtotal	\$ 15,369	\$ 16,885	\$ 17,211	\$ 16,347	\$ 13,819	
				Subtotal	\$ 58,988	\$ 59,965	\$ 63,194	\$ 61,826	\$ 53,247	
61.0	9092	510	10	00	Professional Services - Legal/Audit/Co Adm	6,274	3,000	6,500	4,990	6,500
61.0	9092	510	20	00	Inspections - Plan Check					
61.0	9092	510	30	00	Contract - Housing / Infrastructure	13				
61.0	9092	521	06	00	Uniforms	39	24	63	77	93
61.0	9092	545	00	00	Vehicle - Equip Rental Internal	3,312	3,312	1,344	1,344	1,937
61.0	9092	546	00	00	Computer Replacement	490	490	550	550	903
61.0	9092	550	00	00	Insurance - Liability	2,903	2,745	2,606	2,606	2,833
61.0	9092	554	01	00	Travel/Conferences		1,000	250	-	250
61.0	9092	552	01	00	Public Notice	128	500	250	-	250
61.0	9092	599	00	00	Alternative Voluntary RDA Program Opt-In					111,950
				Subtotal M & O	\$ 13,158	\$ 11,071	\$ 11,563	\$ 9,567	\$ 124,716	
61.0	9092	600	02	00	Capital Outlay - RDA House	4,319	5,000			-
61.0	9092	600	03	00	Capital Outlay - RDA House (Lot)					-
61.0	9092	600	03	04	Kearney Alley Fence Project		100,000	21,391	18,677	-
61.0	9092	600	03	02	Special Projects - Kearney Palms III			15,141	150,847	-
61.0	9092	600	03	03	Special Projects - Hacienda Heights					58,039
61.0	9092	700	00	00	Debt/Principal and Interest CHFA Loan					
				Subtotal	\$ 353,744	\$ 105,000	\$ 36,532	\$ 169,524	\$ 58,039	
				Total Expenditures	\$ 425,890	\$ 176,036	\$ 111,289	\$ 240,917	\$ 236,002	

Remarks on Budget Request

Funding **20% RDA Set Aside**

I. Personnel:

- 6% City Manager
- 7% City Clerk
- 6% City Manager's Secretary
- 4% Finance Director
- 1% Junior Accountant
- 5% Planning & Dev Services Director
- 5% Admin Sec/Planning Tech.
- 20% Building Inspector

II. M & O Costs:

599 00 00 This is the portion of the \$236,000 that would come from the RDA LMI Fund in order to prevent the RDA from being eliminated by the State of California. The balance of the \$236,000 will be paid from and will zero out the RDA General Fund as of 6/30/12. This use of RDA LMI funds for the Opt-In program will only be allowed this one year.

III. Capital Items:

- 600 03 02 Special Projects - Kearney Palms III RDA/LMI pays \$150,847 to Development Impact Fees accounts as financial assistance to Kearney Palms III low and moderate income seniors' housing project.
- 600 03 03 Special Projects - Hacienda Heights RDA to pay \$348,234 of Development Impact Fees (\$58,039 a year for six years) as financial assistance to the Hacienda Heights low and moderate income housing project.

Kerman Redevelopment Agency Budget - 2011/12
KUSD Recreation Facilities Increment

Activity: **9093**
Fund: **62.0**
Department: **RDA**

Fund	Object	Project			09/10	10/11	10/11	10/11	11/12
Activity	Sub Obj.	Description			Actual	Budget	Amended	Final	Budget
62.0	9093	510 10 00	Professional Services - Audit			2,500	2,500	2,500	3,743
62.0	9093	557 00 00	Transfer to City (Pool Rental)		12,000	12,000	12,000	14,000	14,000
62.0	9093	560 00 00	Admin & Overhead		938	938	938	975	1,014
Subtotal					\$12,938	\$15,438	\$15,438	\$17,475	\$18,757
62.0	9093	600 03 04	KHS Pool Equipment						
62.0	9093	600 03 06	KHS Football Field Turf Renovation						
62.0	9093	600 03 07	KHS Softball Lights			225,000	350,000	350,000	
62.0	9093	600 03 08	New School Park Construction/Improv's					225,000	125,000
62.0	9093	600 03 00	Kerman Floyd Basketball Equipment					2,069	
Subtotal					-	225,000	350,000	577,069	125,000
62.0	9093	700 01 00	USDA Loan - Principal		35,000	34,000	35,000	36,000	36,000
62.0	9093	700 02 00	USDA Loan - Interest		16,750	18,050	16,750	15,000	15,000
Subtotal					\$51,750	\$52,050	\$51,750	\$51,000	\$51,000
Total Expenditures					\$64,688	\$292,488	\$417,188	\$645,544	\$194,757

Remarks on Budget Request

1. M & O Cost:

557 00 00 10/11 - Increase to \$14,000 per year per KUSD CIP

2. Capital:

600 03 07 Project postponed to 10/11 and increased from \$225,000 to \$350,000 per KUSD CIP
600 03 08 Phase 1 Reimbursement to KUSD Elementary School for Ball Field, Lights, etc.
600 03 09 Kerman City Park Restroom/Concession Facility at new East Side Elementary School

3. Debt Service:

700 01 00 Principal and Interest paid on the KUSD 1997 Education and Handicapped Swimming Facility Project Certificates of Participation. Final payment will be due in April of 2017.

PUBLIC FINANCING AUTHORITY FUND 13



Description

Page

Revenue Summary

PFA-1

Expense Summary

PFA-2

Bond Lease Payment Breakdown

PFA-3

FY 2011/2012

Public Finance Authority (PFA) Fund Revenue Summary

FY 2011/2012

	Object Activity	Project Sub-Obj	Description	08/09 Actual	09/10 Actual	10/11 Budget	10/11 Final Budget	11/12 Budget
13.0	0000	361 02 00	Lease Income	241,544	238,749	242,353	242,352	237,853
13.0	0000	361 01 00	Interest Earned on Proceeds	59,985	18			
				301,529	238,767	242,353	242,352	237,853

Notes:

Lease Income is collected from various City and RDA funds to service their portion of the debt. The breakdown of those cost allocations can be seen on page PFA-3. In October of 2007, the Kerman Public Finance Authority (PFA) issued the Lease Revenue Bonds in the amount of \$3,930,000. The principal payments are made every October 1, beginning in 2008 and terminating in 2037. Interest is paid semi-annually each April and October, with interest rates ranging from 3.5% to 4.75%.

**City of Kerman Municipal Budget
Public Financing Authority**

FY 2011/2012

Activity: **4024**
Fund: **13.0**
Department: **Public Finance
Authority**

Fund	Object	Project	Description	08/09 Actual	09/10 Actual	10/11 Budget	10/11 Final Budget	11/12 Budget
Acquisition								
13.0	4024	600 01 96	Community Park					
			Sub-Total	644,037				
Maintenance and Operations								
13.0	5005	510 10 00	Professional Services-Admin Fee	1,500	1,500	1,500	1,500	1,500
			Sub-Total	1,500	1,500	1,500	1,500	1,500
Construction and Equipment								
13.0	4024	600 03 14	City Hall Parking Lot	3,143	128,758			
13.0	4024	600 03 18	City Hall Expansion Project (Bonds)	2,246,940	69,571			
13.0	4024	600 03 19	Planning Building Improvements	6,347	1,296			
13.0	4024	600 03 88	Master Plan Design (Regional Park)		16,826	10,000	1,000	9,000
13.0	4024	600 04 01	Finance Desks/Modules & Shelves		1,914			
13.0	4024	600 04 35	Council Chambers Furn & Equip	60,000				
13.0	4024	600 04 36	Video Conference Equipment		5,214			
13.0	4024	600 04 37	Projector for Council Chamber			4,800	1,325	
			Sub-Total	2,316,430	223,579	14,800	2,325	9,000
Debt Service								
13.0	5005	700 01 00	Debt Service - Principal	70,000	70,000	75,000	75,000	75,000
13.0	5005	700 02 00	Debt Service - Interest	171,544	168,753	165,853	165,852	162,853
			Sub-Total	241,544	238,753	240,853	240,852	237,853
			Total Expenditures	3,202,012	463,832	257,153	244,677	248,353



Notes:
The balance of the bond proceeds and related interest earnings have dwindled down to approximately \$16,000 as of June 30, 2011. The only non-recurring expenditure in 2011/2012 is \$9,000 which is budgeted for Master Plan Design of the Regional Park, which is to be located near the northeast corner of California and Goldenrod Avenues. Once the balance of approximately \$16,000 has been expended, the only activity in this fund will be the annual debt service payments and administrative fees which are paid to Wells Fargo Bank for administering the payments to bondholders.

City of Kerman
Annual Bond Lease Payment Breakdown

FY 11/12

Project	Cost	Annual Lease Pmt Allocations					Fund 60	Fund 59	Fund 41	Fund 42	Fund 43	Check Total
		Fund 10	Fund 14	Fund 59	Fund 41	Fund 42						
City Hall Expansion	\$ 2,400,000 2010/2011 Budget	0.0%	40.0%	100.0%	15.0%	15.0%	25.0%	22,533	37,556	22,533	7,511	150,223
Community Park	\$ 1,000,000 2010/2011 Budget	-	60,089	100.0%	62,593	62,593	62,593	62,593	62,593	62,593	62,593	62,593
Bruno Property	\$ 400,000 2010/2011 Budget	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	25,037
Total		237,853	25,037	60,089	62,593	22,533	37,556	22,533	7,511	237,853	237,853	237,853

Total Bond 3,800,000
Fiscal Yr 11/12 Payment 237,853

Total Bond Allocation	\$ 3,800,000
City Hall	63.16%
Park	26.32%
Bruno	10.53%
	100%
FY 11/12 Payment - Pfm & Int	237,853