

EUGENE URBAN RENEWAL AGENCY

AGENDA ITEM SUMMARY



Public Hearing and Action: Resolution Adopting a Supplemental Budget; Making Appropriations for the Urban Renewal Agency of the City of Eugene for the Fiscal Year Beginning July 1, 2012 and Ending June 30, 2013

Meeting Date: December 10, 2012
Department: Central Services
www.eugene-or.gov

Agenda Item Number: 5
Staff Contact: Mia Cariaga
Contact Telephone Number: (541) 682-5408

ISSUE STATEMENT

Urban Renewal Agency Board approval of the first Supplemental Budget (SB1) for Fiscal Year 2013 (FY13) is requested. Oregon Local Budget Law (ORS 294.471) allows for supplemental budgets in the event of "an occurrence or condition that is not ascertained when preparing the original budget or a previous supplemental budget for the current year." ORS 294.471 also allows for a supplemental budget if there are "funds that are made available by another unit of federal, state or local government and the availability of which could not reasonably be foreseen when preparing the original budget." This Supplemental Budget does not authorize any increase in the property tax levy and has been published in compliance with the Oregon Local Budget Law.

BACKGROUND

The Supplemental Budget that occurs in December of a fiscal year is usually the largest because of the audit adjustments to budgeted Beginning Working Capital and the reappropriation of funds from the prior fiscal year for program initiatives or projects that were started but not completed in that fiscal year. This Supplemental Budget consists of transactions to amend the Urban Renewal Agency budget to reconcile Beginning Working Capital and Capital Carryover, and to increase appropriations for the Downtown Revitalization Loan Program (DLRP).

For this Supplemental Budget, the proposed changes fall into the following categories:

Transactions Related to Beginning Working Capital

Isler & Company, LLC, the Urban Renewal Agency's external auditor, has completed its Fiscal Year 2012 (FY12) audit, and this Supplemental Budget includes Marginal Beginning Working Capital (MBWC) adjustments for all URA funds. The MBWC is the difference between the estimated and audited actual FY12 revenues and expenditures. The total audited adjustment to the FY13 budgeted Beginning Working Capital for all URA funds is an increase of \$137,961.

Downtown Loan Program Increase

This Supplemental Budget includes an increase in the DLRP for commercial revitalization projects in the amount of \$499,421. Of this amount, \$275,000 comes from an intergovernmental payment from the City of Eugene's General Fund. The remaining \$224,421 comes from the MBWC in the URA Downtown General Fund. These appropriations are part of the City's Economic Prosperity Plan.

A detailed description of these transactions is provided in Attachment A.

Timing

In some cases, expenditure authority is needed immediately to carry out URA Board direction or to meet legal or program requirements. Approval of SB1 in December allows the organization to prepare more accurate mid-year projections by having the general ledger reflect the audited balances in each fund. This, in turn, enables staff to more accurately project the Beginning Working Capital for the next fiscal year's Proposed Budget.

RELATED CITY POLICIES

These transactions conform to the City's Financial Management Goals and Policies.

BOARD OPTIONS

Particular requests requiring more information or discussion may be removed from the Supplemental Budget and delayed for action in a future supplemental budget. In certain cases there may be a financial or legal impact to delaying budget approval. The URA Board may also adopt amended appropriation amounts or funding sources for specific requests in the Supplemental Budget.

AGENCY DIRECTOR'S RECOMMENDATION

Approve the attached resolution adopting the Supplemental Budget.

SUGGESTED MOTION

Move to adopt a resolution adopting a Supplemental Budget; making appropriations for the Urban Renewal Agency of the City of Eugene for the Fiscal Year beginning July 1, 2012 and ending June 30, 2013.

ATTACHMENTS

- A. Transaction Summary
- B. Resolution

FOR MORE INFORMATION

Staff Contact: Mia Cariaga
Telephone: (541) 682-5408
Staff E-Mail: mia.cariaga@ci.eugene.or.us

OR

Staff Contact: Pavel Gubanikhin
Telephone: (541) 682-5512
Staff E-Mail: pavel.e.gubanikhin@ci.eugene.or.us

Transaction Summary

817 Urban Renewal Agency Downtown General Fund

	FY13 Adopted	FY13 SB1 Action	FY13 Revised
I. RESOURCES			
BEGINNING WORKING CAPITAL	57,237	224,421 a	281,658
CHANGE TO WORKING CAPITAL			
REVENUE			
Intergovernmental	0	275,000 b	275,000
Charges for Services	10,000	0	10,000
Miscellaneous	33,000	0	33,000
Interfund Transfers	360,000	0	360,000
Fiscal Transactions	100,000	0	100,000
Total Revenue	503,000	275,000	778,000
TOTAL RESOURCES	560,237	499,421	1,059,658
II. REQUIREMENTS			
Department Operating			
Planning and Development	360,000	0	360,000
Total Department Operating	360,000	0	360,000
Non-Departmental			
Misc. Fiscal Transactions	140,237	499,421 a,b	639,658
Balance Available	60,000	0	60,000
Total Non-Departmental	200,237	499,421	699,658
TOTAL REQUIREMENTS	560,237	499,421	1,059,658

817 Urban Renewal Agency Downtown General Fund

a) **Beginning Working Capital Reconciliation:** Increase the budgeted Beginning Working Capital by \$224,421, and increase non-departmental appropriations for the Downtown Revitalization Loan Program (DRLP) by the same amount. This adjustment brings the FY13 Budgeted Beginning Working Capital in compliance with the audited FY12 actual revenues and expenditures as determined by Isler & Company, LLC, the City's external auditor.

b) **Intergovernmental Revenue:** Recognize \$275,000 in intergovernmental revenue from the City of Eugene's General Fund, and increase non-departmental appropriations for the DRLP by the same amount.

812 Urban Renewal Agency Downtown Debt Service

	FY13 Adopted	FY13 SB1 Action		FY13 Revised
I. RESOURCES				
BEGINNING WORKING CAPITAL	891,549	31,272	a	922,821
CHANGE TO WORKING CAPITAL				
REVENUE				
Taxes	1,937,000	0		1,937,000
Miscellaneous	20,000	0		20,000
Interfund Transfers	134,593	0		134,593
Total Revenue	2,091,593	0		2,091,593
TOTAL RESOURCES	2,983,142	31,272		3,014,414
II. REQUIREMENTS				
Non-Departmental				
Debt Service	2,484,593	0		2,484,593
Interfund Transfers	360,000	0		360,000
Balance Available	138,549	31,272	a	169,821
Total Non-Departmental	2,983,142	31,272		3,014,414
TOTAL REQUIREMENTS	2,983,142	31,272		3,014,414

812 Urban Renewal Agency Downtown Debt Service

a) **Beginning Working Capital Reconciliation:** Increase the budgeted Beginning Working Capital by \$31,272, and increase Balance Available by the same amount. This adjustment brings the FY13 budgeted Beginning Working Capital in compliance with the audited FY12 actual revenues and expenditures as determined by Isler & Company, LLC, the City's external auditor.

813 Urban Renewal Agency Downtown Capital Projects Fund

	FY13 Adopted	FY13 SB1 Action		FY13 Revised
I. RESOURCES				
BEGINNING WORKING CAPITAL	861,111	(140,100)	a	721,011
CHANGE TO WORKING CAPITAL				
REVENUE				
Miscellaneous	2,000	0		2,000
Total Revenue	2,000	0		2,000
TOTAL RESOURCES	863,111	(140,100)		723,011
II. REQUIREMENTS				
Capital Projects				
Capital Carryover	715,944	(140,584)	a,b	575,360
Total Capital Projects	715,944	(140,584)		575,360
Non-Departmental				
Interfund Transfers	134,593	0		134,593
Balance Available	12,574	484	a,b	13,058
Total Non-Departmental	147,167	484		147,651
TOTAL REQUIREMENTS	863,111	(140,100)		723,011

813 Urban Renewal Agency Downtown Capital Projects Fund

a) **Beginning Working Capital Reconciliation:** Decrease the budgeted Beginning Working Capital by \$140,100, decrease Capital Carryover appropriations by \$134,593, and decrease Balance Available by \$5,507. These adjustments bring the FY13 budgeted Beginning Working Capital in compliance with the audited FY12 actual revenues and expenditures as determined by Isler & Company, LLC, the City's external auditor.

b) **Capital Carryover Reconciliation:** Decrease the capital carryover by \$5,991, and decrease Balance Available by the same amount. This action reconciles the FY13 Capital Carryover Estimate to the actual ending FY12 capital projects balance.

821 Urban Renewal Agency Riverfront General Fund

	FY13 Adopted	FY13 SB1 Action		FY13 Revised
I. RESOURCES				
BEGINNING WORKING CAPITAL	5,058,554	22,136	a	5,080,690
CHANGE TO WORKING CAPITAL				
REVENUE				
Taxes	930,000	0		930,000
Rental	63,000	0		63,000
Miscellaneous	37,000	0		37,000
Total Revenue	1,030,000	0		1,030,000
TOTAL RESOURCES	6,088,554	22,136		6,110,690
II. REQUIREMENTS				
Department Operating				
Planning and Development	250,401	0		250,401
Total Department Operating	250,401	0		250,401
Non-Departmental				
Balance Available	5,838,153	22,136	a	5,860,289
Total Non-Departmental	5,838,153	22,136		5,860,289
TOTAL REQUIREMENTS	6,088,554	22,136		6,110,690

821 Urban Renewal Agency Riverfront General Fund

a) **Beginning Working Capital Reconciliation:** Increase the budgeted Beginning Working Capital by \$22,136, and increase Balance Available by the same amount. This adjustment brings the FY13 budgeted Beginning Working Capital in compliance with the audited FY12 actual revenues and expenditures as determined by Isler & Company, LLC, the City's external auditor.

823 Urban Renewal Agency Riverfront Capital Projects Fund

	FY13 Adopted	FY13 SB1 Action	FY13 Revised
I. RESOURCES			
BEGINNING WORKING CAPITAL	164,123	232 a	164,355
CHANGE TO WORKING CAPITAL			
REVENUE			
Total Revenue	0	0	0
TOTAL RESOURCES	164,123	232	164,355
II. REQUIREMENTS			
Capital Projects			
Capital Carryover	141,500	0	141,500
Total Capital Projects	141,500	0	141,500
Non-Departmental			
Balance Available	22,623	232 a	22,855
Total Non-Departmental	22,623	232	22,855
TOTAL REQUIREMENTS	164,123	232	164,355

823 Urban Renewal Agency Riverfront Capital Projects Fund

a) **Beginning Working Capital Reconciliation:** Increase the budgeted Beginning Working Capital by \$232, and increase Balance Available by the same amount. This adjustment brings the FY13 budgeted Beginning Working Capital in compliance with the audited FY12 actual revenues and expenditures as determined by Isler & Company, LLC, the City's external auditor.

**A RESOLUTION ADOPTING A SUPPLEMENTAL BUDGET;
MAKING APPROPRIATIONS FOR THE URBAN RENEWAL AGENCY
OF THE CITY OF EUGENE
FOR THE FISCAL YEAR BEGINNING **JULY 1, 2012,**
AND ENDING **JUNE 30, 2013.****

The Urban Renewal Agency of the City of Eugene finds that adopting the Supplemental Budget and making appropriations is necessary under ORS 294.471.

NOW THEREFORE,

BE IT RESOLVED BY THE URBAN RENEWAL AGENCY OF THE CITY OF EUGENE as follows:

Section 1.

That the Supplemental Budget for the Urban Renewal Agency of the City of Eugene, Oregon, for the fiscal year beginning **July 1, 2012**, and ending **June 30, 2013**, as set forth in attached Exhibit "A" is hereby adopted.

Section 2.

The supplemental amounts for the fiscal year beginning **July 1, 2012**, and ending **June 30, 2013**, and for the purposes shown in attached Exhibit "A" are hereby appropriated.

Section 3.

That this Supplemental Budget is prepared in accordance with ORS 294.471(1), which authorizes the formulation of a supplemental budget resulting from "an occurrence or condition which had not been ascertained at the time of the preparation of a budget for the current year or current budget period which requires a change in financial planning." This Supplemental Budget was published in accordance with ORS 294.471(3).

Section 4.

This resolution complies with ORS 294.471(4), and does not authorize an increase in the levy of property taxes above the amount published in the Annual Budget publication.

The foregoing resolution adopted this **10th day of December, 2012.**

Director

EXHIBIT "A"

In dollars

URBAN RENEWAL AGENCY DOWNTOWN GENERAL FUND

Non-Departmental	
Miscellaneous Fiscal Transactions	499,421
Total Non-Departmental	<u>499,421</u>
TOTAL URA DOWNTOWN GENERAL FUND	<u>499,421</u>

URBAN RENEWAL AGENCY DOWNTOWN DEBT SERVICE FUND

Non-Departmental	
* Balance Available	31,272
Total Non-Departmental	<u>31,272</u>
TOTAL URA DOWNTOWN DEBT SERVICE FUND	<u>31,272</u>

URBAN RENEWAL AGENCY DOWNTOWN CAPITAL PROJECTS FUND

Capital Projects	
Capital Projects	(140,584)
Total Capital Projects	<u>(140,584)</u>
Non-Departmental	
* Balance Available	484
Total Non-Departmental	<u>484</u>
TOTAL URA DOWNTOWN CAPITAL PROJECTS FUND	<u>(140,100)</u>

URBAN RENEWAL AGENCY RIVERFRONT GENERAL FUND

Non-Departmental	
* Balance Available	22,136
Total Non-Departmental	<u>22,136</u>
TOTAL URA RIVERFRONT GENERAL FUND	<u>22,136</u>

URBAN RENEWAL AGENCY RIVERFRONT CAPITAL PROJECTS FUND

Non-Departmental

* Balance Available

232

Total Non-Departmental

232

TOTAL URA RIVERFRONT CAPITAL PROJECTS FUND

232

TOTAL REQUIREMENTS - ALL FUNDS

412,961

* Reserves and Balance Available amounts are not appropriated for spending and are shown for information purposes only.