

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, 2015, and Ending June 30, 2016

Meeting Date: December 14, 2015
Department: Central Services
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Agenda Item Number: 4
Staff Contact: Twylla Miller
Contact Telephone Number: 541-682-8417

ISSUE STATEMENT

Urban Renewal Agency (URA) Board approval of the first Supplemental Budget (SB1) for Fiscal Year 2016 (FY16) 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 or current budget period and that requires a change in financial planning.” 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 or a previous supplemental budget for the current year or current budget period.” 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 reappropriate those dollars or place them into reserve.

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 2015 (FY15) audit of Beginning Working Capital, 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 FY15 revenues and expenditures. The total audited adjustment to the FY16 budgeted Beginning Working Capital for all URA funds is an increase of \$1,517,279.

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

Capital Carryover

The Capital Project Carryover Reconciliation is also included in this Supplemental Budget. An estimate of the unspent balance in each capital project was established in the FY16 Adopted Budget. These estimates have been reconciled with the actual FY15 expenditures, and the Capital Budget is adjusted to reflect the remaining unspent balances in each project. The Capital Carryover on this Supplemental Budget increases the Capital Budget by \$337,600 and decreases Balance Available by the same amount.

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 estimate 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 Resolution 1077, adopting a Supplemental Budget; making appropriations for the Urban Renewal Agency of the City of Eugene for the fiscal year beginning July 1, 2015, and ending June 30, 2016.

ATTACHMENTS

- A. Transaction Summary
- B. Resolution

FOR MORE INFORMATION

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