

EUGENE URBAN RENEWAL AGENCY

AGENDA ITEM SUMMARY



Public Hearing and Action: Resolution 1040 Adopting a Supplemental Budget; Making Appropriations for the Urban Renewal Agency of the City of Eugene for the Fiscal Year Beginning July 1, 2006, and Ending June 30, 2007

Meeting Date: December 11, 2006
Department: Central Services
www.eugene-or.gov

Agenda Item Number: 6
Staff Contact: Kitty Murdoch
Contact Telephone Number: 682-5860

ISSUE STATEMENT

Urban Renewal Agency (URA) approval of the first Supplemental Budget for FY07 is requested. Oregon Local Budget Law (ORS 294.480) allows for supplemental budgets for "an occurrence...which had not been ascertained at the time of the preparation of a budget for the current year..." Supplemental Budget #1 consists of \$4.8 million in proposed changes to the FY07 Adopted Budget. A brief description of the proposed transactions is provided in Attachment A. This supplemental budget does not authorize any increased property tax levy.

BACKGROUND

The Supplemental Budget that occurs in December of a fiscal year is usually the largest because of audit adjustments to budgeted Beginning Working Capital and the reappropriation of funds from the prior fiscal year for program initiatives or projects begun, but not completed, in that year. Supplemental Budgets also recognize new revenue and authorize other unanticipated changes in legal appropriations.

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

Transactions Related to Beginning Working Capital

Grove, Mueller & Swank P.C., the City's external auditor, has completed its audit for FY06 and the City's Financial Reporting staff has completed the draft of the FY06 Comprehensive Annual Financial Report.

Based on audited FY06 actual revenues and expenditures, staff determined the FY07 Actual Beginning Working Capital for all funds. The FY07 Actual Beginning Working Capital was then reconciled with the FY07 Budgeted Beginning Working Capital, and the difference between the Budgeted and Actual Beginning Working Capital is the audit adjustment being recognized on this Supplemental Budget. In most cases, that adjustment increases Beginning Working Capital; that is, in the prior year the fund received more revenue than expected and/or expended less than was budgeted. These transactions are noted in Attachment A. In most funds the transactions increase Balance Available or Reserve, but in some cases Department Operating or Capital expenditures are affected.

Reappropriations

Reappropriation transactions recognize appropriations for programs initiated or projects authorized in FY06 by the Directors or Manager, but not completed in that fiscal year and for which a purchase order had not been issued by June 30, 2006. The FY07 reappropriations are payments to the City of Eugene for the Urban Renewal Agency's share of the Cultural Policy Review and the East Broadway Garage capital project.

Capital Project Carryover Reconciliation

The Capital Project Carryover Reconciliation occurs in this supplemental budget. An estimate of the capital carryover in each pertinent fund was established in the FY07 Annual Budget and approved by the URA Board. These estimates have been reconciled with actual FY06 expenditures and the Capital Budget is adjusted to reflect the remaining unspent balances in each project. These transactions are noted as Capital Project Carryover Adjustments in Attachment A. This supplemental budget also transfers the balance of URA capital budget appropriation authority for downtown capital projects to the new URA Downtown Capital Projects Fund.

Timing

In some cases, expenditure authority is needed immediately to carry out Board direction or to meet legal or program requirements. Approval of Supplemental Budget #1 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 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 approve Resolution 1040 adopting a Supplemental Budget; making appropriations for the Urban Renewal Agency of the City of Eugene for the Fiscal Year beginning July 1, 2006, and ending June 30, 2007.

ATTACHMENTS

- A. Transaction Summary
- B. Resolution

FOR MORE INFORMATION

Staff Contact: Kitty Murdoch
Phone: 682-5860
Email: kitty.m.murdoch@ci.eugene.or.us

Transaction Summary

817 Urban Renewal Agency Downtown General Fund

	FY07 Adopted	FY07 SB1 Action		FY07 Revised
I. RESOURCES				
BEGINNING WORKING CAPITAL	1,968,164	140,757	a	2,108,921
CHANGE TO WORKING CAPITAL				
REVENUE				
Charges for Services	500	0		500
Miscellaneous	105,000	0		105,000
Interfund Transfers	299,832	0		299,832
Fiscal Transactions	50,000	0		50,000
Total Revenue	<u>455,332</u>	<u>0</u>		<u>455,332</u>
TOTAL RESOURCES	<u>2,423,496</u>	<u>140,757</u>		<u>2,564,253</u>
II. REQUIREMENTS				
Department Operating				
Planning and Development	299,832	0		299,832
Total Department Operating	<u>299,832</u>	<u>0</u>		<u>299,832</u>
Non-Departmental				
Misc. Fiscal Transactions	2,073,664	140,757	a	2,214,421
Balance Available	50,000	0		50,000
Total Non-Departmental	<u>2,123,664</u>	<u>140,757</u>		<u>2,264,421</u>
TOTAL REQUIREMENTS	<u>2,423,496</u>	<u>140,757</u>		<u>2,564,253</u>

817 Urban Renewal Agency Downtown General Fund

a) Increase the budgeted Beginning Working Capital by \$140,757 and increase Misc. Fiscal Transactions by the same amount for the Downtown Revitalization Loan Program. The adjustment brings the FY07 Budgeted Beginning Working Capital in compliance with the audited FY06 actual revenues and expenditures as determined by Grove, Mueller & Swank P.C., the City's external auditor.

812 Urban Renewal Agency Downtown Debt Service

	FY07 Adopted	FY07 SB1 Action		FY07 Revised
I. RESOURCES				
BEGINNING WORKING CAPITAL	6,489,156	3,912	a	6,493,068
CHANGE TO WORKING CAPITAL				
REVENUE				
Taxes	3,680,000	0		3,680,000
Miscellaneous	240,000	0		240,000
Total Revenue	3,920,000	0		3,920,000
TOTAL RESOURCES	10,409,156	3,912		10,413,068
II. REQUIREMENTS				
Capital Projects				
Capital Projects	0	(560,937)	c	(560,937)
Cap. Carryover (Budget only)	770,321	(209,384)	d	560,937
Total Capital Projects	770,321	(770,321)		0
Non-Departmental				
Interfund Transfers	599,832	560,937	c	1,160,769
Misc. Fiscal Transactions	0	0	b	0
Intergovernmental Expend.	2,406,875	34,690		2,441,565
Reserve	2,500,000	0		2,500,000
Balance Available	4,132,128	178,606	a,b,d	4,310,734
Total Non-Departmental	9,638,835	774,233		10,413,068
TOTAL REQUIREMENTS	10,409,156	3,912		10,413,068

812 Urban Renewal Agency Downtown Debt Service

a) Increase the budgeted Beginning Working Capital by \$3,912 and increase Balance Available by the same amount. The adjustment brings the FY07 Budgeted Beginning Working Capital in compliance with the audited FY06 actual revenues and expenditures as determined by Grove, Mueller & Swank P.C., the City's external auditor.

b) Reappropriate unused URA funding of \$34,690 for LRCS Cultural Policy Review and decrease Balance Available by the same amount (approved by City Council in June, 2005).

c) Transfer \$560,937 of existing URA-Downtown capital project appropriation to new Downtown Capital Projects Fund.

d) Reduce excess capital appropriation by \$209,384 and increase Balance Available by the same amount.

813 Urban Renewal Agency Downtown Capital Projects Fund

	FY07 Adopted	FY07 SB1 Action	FY07 Revised
I. RESOURCES			
BEGINNING WORKING CAPITAL	0	0	0
CHANGE TO WORKING CAPITAL			
REVENUE			
Interfund Transfers	300,000	560,937	a 860,937
Total Revenue	300,000	560,937	860,937
TOTAL RESOURCES	300,000	560,937	860,937
II. REQUIREMENTS			
Capital Projects			
Capital Projects	300,000	560,937	a 860,937
Total Capital Projects	300,000	560,937	860,937
TOTAL REQUIREMENTS	300,000	560,937	860,937

813 Urban Renewal Agency Downtown Capital Projects Fund

a) Recognize \$560,937 transfer of existing URA-Downtown capital appropriation from Downtown Debt Service Fund to new Downtown Capital Projects Fund.

821 Urban Renewal Agency Riverfront General Fund

	FY07 Adopted	FY07 SB1 Action	FY07 Revised
I. RESOURCES			
BEGINNING WORKING CAPITAL	32,589	18,894	a 51,483
CHANGE TO WORKING CAPITAL			
REVENUE			
Taxes	575,000	0	575,000
Rental	25,000	0	25,000
Miscellaneous	25,000	0	25,000
Total Revenue	625,000	0	625,000
TOTAL RESOURCES	657,589	18,894	676,483
II. REQUIREMENTS			
Department Operating			
Planning and Development	261,316	0	261,316
Total Department Operating	261,316	0	261,316
Non-Departmental			
Interfund Transfers	320,000	0	320,000
Misc. Fiscal Transactions	0	0	b 0
Intergovernmental Expend.	12,500	12,500	25,000
Balance Available	63,773	6,394	a,b 70,167
Total Non-Departmental	396,273	18,894	415,167
TOTAL REQUIREMENTS	657,589	18,894	676,483

821 Urban Renewal Agency Riverfront General Fund

a) Increase the budgeted Beginning Working Capital by \$18,894 and increase the Balance Available by the same amount. The adjustment brings the FY07 budgeted Beginning Working Capital in compliance with the audited FY06 actual revenues and expenditures as determined by Grove, Mueller & Swank P.C., the City's external auditor.

b) Reappropriate unused URA funding of \$12,500 for LRCS Cultural Policy Review and decrease Balance Available by the same amount (approved by City Council in June, 2005).

822 Urban Renewal Agency Riverfront Debt Service Fund

	FY07 Adopted	FY07 SB1 Action		FY07 Revised
I. RESOURCES				
BEGINNING WORKING CAPITAL	80,000	71,025	a	151,025
CHANGE TO WORKING CAPITAL				
REVENUE				
Interfund Transfers	320,000	0		320,000
Fiscal Transactions	0	4,000,000	b	4,000,000
Total Revenue	<u>320,000</u>	<u>4,000,000</u>		<u>4,320,000</u>
TOTAL RESOURCES	<u>400,000</u>	<u>4,071,025</u>		<u>4,471,025</u>
II. REQUIREMENTS				
Non-Departmental				
Debt Service	0	71,025	c	71,025
Intergovernmental Expend.	0	4,000,000	b	4,000,000
Reserve (less RFE)	400,000	0		400,000
Balance Available	0	0	a,c	0
Total Non-Departmental	<u>400,000</u>	<u>4,071,025</u>		<u>4,471,025</u>
TOTAL REQUIREMENTS	<u>400,000</u>	<u>4,071,025</u>		<u>4,471,025</u>

822 Urban Renewal Agency Riverfront Debt Service Fund

a) Increase the budgeted Beginning Working Capital by \$71,025 and increase the Balance Available by the same amount. The adjustment brings the FY07 Budgeted Beginning Working Capital in compliance with the audited FY06 actual revenues and expenditures as determined by Grove, Mueller & Swank P.C., the City's external auditor.

b) Reappropriate \$4 million payment to the City of Eugene for the East Broadway Garage Project.

c) Re-establish bond issuance cost appropriation of \$71,025 for the East Broadway Garage project and reduce Balance Available by the same amount.

823 Urban Renewal Agency Riverfront Capital Projects Fund

	FY07 Adopted	FY07 SB1 Action	FY07 Revised
I. RESOURCES			
BEGINNING WORKING CAPITAL	43,999	21,318 a	65,317
CHANGE TO WORKING CAPITAL			
REVENUE			
Miscellaneous	20,000	0	20,000
Total Revenue	20,000	0	20,000
TOTAL RESOURCES	63,999	21,318	85,317
II. REQUIREMENTS			
Capital Projects			
Cap. Carryover (Budget only)	42,400	40,836 b	83,236
Total Capital Projects	42,400	40,836	83,236
Non-Departmental			
Intergovernmental Expend.	0	0	0
Balance Available	21,599	(19,518) a,b	2,081
Total Non-Departmental	21,599	(19,518)	2,081
TOTAL REQUIREMENTS	63,999	21,318	85,317

823 Urban Renewal Agency Riverfront Capital Projects Fund

a) Increase the budgeted Beginning Working Capital by \$21,318 and increase Balance Available by the same amount. The adjustment brings the FY07 Budgeted Beginning Working Capital in compliance with the audited FY06 actual revenues and expenditures as determined by Grove, Mueller & Swank P.C., the City's external auditor.

b) Increase the capital carryover by \$40,836 and decrease Balance Available by the same amount. This action reconciles the FY07 Capital Carryover Estimate to the actual ending FY06 capital projects balance and carry forward.

**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, 2006,
AND ENDING JUNE 30, 2007.**

The Urban Renewal Agency of the City of Eugene finds that adopting the Supplemental Budget and making appropriations is necessary under ORS 294.480.

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, 2006, and ending June 30, 2007, as set forth in attached Exhibit "A" is hereby adopted.

Section 2.

The supplemental amounts for the fiscal year beginning July 1, 2006, and ending June 30, 2007, and for the purposes shown in attached Exhibit "A" are hereby appropriated.

Section 3.

That this Supplemental Budget is prepared in accordance with ORS 294.480(1)(a), 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 294.480(4).

Section 4.

This resolution complies with ORS 294.480(5), 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 11th day of December, 2006.

Director

EXHIBIT "A"

In dollars

URBAN RENEWAL AGENCY DOWNTOWN GENERAL FUND

Non-Departmental	
Miscellaneous Fiscal Transactions	140,757
Total Non-Departmental	<u>140,757</u>
TOTAL URA DOWNTOWN GENERAL FUND	<u>140,757</u>

URBAN RENEWAL AGENCY DOWNTOWN DEBT SERVICE FUND

Capital Projects	
Capital Projects	(770,321)
Total Capital Projects	<u>(770,321)</u>
Non-Departmental	
Interfund Transfer	560,937
* Balance Available	178,606
Intergovernmental Expenditures	34,690
Total Non-Departmental	<u>774,233</u>
TOTAL URA DOWNTOWN DEBT SERVICE FUND	<u>3,912</u>

URBAN RENEWAL AGENCY DOWNTOWN CAPITAL PROJECTS FUND

Capital Projects	
Capital Projects	560,937
Total Capital Projects	<u>560,937</u>
TOTAL URA DOWNTOWN CAPITAL PROJECTS FUND	<u>560,937</u>

URBAN RENEWAL AGENCY RIVERFRONT GENERAL FUND

Non-Departmental

* Balance Available	6,394
Intergovernmental Expenditures	12,500
Total Non-Departmental	<u>18,894</u>

TOTAL URA RIVERFRONT GENERAL FUND 18,894

URBAN RENEWAL AGENCY RIVERFRONT DEBT SERVICE FUND

Non-Departmental

Debt Service	71,025
Intergovernmental Expenditures	4,000,000
Total Non-Departmental	<u>4,071,025</u>

TOTAL URA RIVERFRONT DEBT SERVICE FUND 4,071,025

URBAN RENEWAL AGENCY RIVERFRONT CAPITAL PROJECTS FUND

Capital Projects

Capital Projects	40,836
Total Capital Projects	<u>40,836</u>

Non-Departmental

* Balance Available	(19,518)
Total Non-Departmental	<u>(19,518)</u>

TOTAL URA RIVERFRONT CAPITAL PROJECTS FUND 21,318

TOTAL REQUIREMENTS - ALL FUNDS 4,816,843

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