

EUGENE URBAN RENEWAL AGENCY

AGENDA ITEM SUMMARY



Public Hearing and Possible Action: Adoption of Resolution 1057 Adopting a Supplemental Budget; Making Appropriations for the Urban Renewal Agency of the City of Eugene for the Fiscal Year Beginning July 1, 2010 and Ending June 30, 2011

Meeting Date: December 13, 2010
Department: Central Services
www.eugene-or.gov

Agenda Item Number: 4
Staff Contact: Mia Cariaga
Contact Telephone Number: 682-5408

ISSUE STATEMENT

Board approval of the first Supplemental Budget for FY11 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 transactions to amend the Urban Renewal Agency (URA) budget to reconcile Beginning Working Capital and capital carryover.

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 carryover adjustments:

Transactions Related to Beginning Working Capital

Isler & Company, LLC, the City's external auditor, has completed its FY10 audit and this Supplemental Budget reflects Marginal Beginning Working Capital (MBWC) information. The MBWC is the difference between the estimated and audited actual FY10 revenues and expenditures. This adjustment is recognized on Supplemental Budget #1 and is the only component of the transactions included in this budget request.

The total audited adjustment to the FY11 Budgeted Beginning Working Capital for URA funds is a reduction of \$255,832.

Capital Project Carryover Reconciliation

The Capital Project Carryover estimate is reconciled in this supplemental budget. An estimate of the capital carryover in each pertinent fund was established in the FY11 Annual Budget and approved by the URA Board. These estimates have been reconciled with actual FY10 expenditures and the Capital Budget is adjusted to reflect the remaining unspent balances in each project. These transactions total an increase of \$99,000 to the URA Capital budget.

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 adopt Resolution 1057 adopting a Supplemental Budget; making appropriations for the Urban Renewal Agency of the City of Eugene for the Fiscal Year beginning July 1, 2010 and ending June 30, 2011.

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

| | FY11 Adopted | FY11 SB1 Action | FY11 Revised |
|-----------------------------------|------------------|--------------------|------------------|
| I. RESOURCES | | | |
| BEGINNING WORKING CAPITAL | 1,947,967 | (247,409) a | 1,700,558 |
| CHANGE TO WORKING CAPITAL | | | |
| REVENUE | | | |
| Intergovernmental | 6,504,000 | 0 | 6,504,000 |
| Charges for Services | 2,000 | 0 | 2,000 |
| Miscellaneous | 46,000 | 0 | 46,000 |
| Interfund Transfers | 530,000 | 0 | 530,000 |
| Fiscal Transactions | 50,000 | 0 | 50,000 |
| Total Revenue | 7,132,000 | 0 | 7,132,000 |
| TOTAL RESOURCES | 9,079,967 | (247,409) | 8,832,558 |
| II. REQUIREMENTS | | | |
| Department Operating | | | |
| Planning and Development | 530,000 | 0 | 530,000 |
| Total Department Operating | 530,000 | 0 | 530,000 |
| Non-Departmental | | | |
| Misc. Fiscal Transactions | 8,499,967 | (197,409) a | 8,302,558 |
| Balance Available | 50,000 | (50,000) a | 0 |
| Total Non-Departmental | 8,549,967 | (247,409) | 8,302,558 |
| | 0 | | |
| TOTAL REQUIREMENTS | 9,079,967 | (247,409) | 8,832,558 |

817 Urban Renewal Agency Downtown General Fund

a) **Beginning Working Capital Reconciliation:** Decrease the budgeted Beginning Working Capital by \$247,409, decrease appropriations for capital development loans by \$197,409, and decrease Balance Available by \$50,000. This adjustment brings the FY11 Budgeted Beginning Working Capital in compliance with the audited FY10 actual revenues and expenditures as determined by Isler & Company, LLC, the City's external auditor.

812 Urban Renewal Agency Downtown Debt Service

| | FY11 Adopted | FY11 SB1 Action | | FY11 Revised |
|----------------------------------|--------------------------|-------------------------|---|--------------------------|
| I. RESOURCES | | | | |
| BEGINNING WORKING CAPITAL | 4,718,491 | (119,431) | a | 4,599,060 |
| CHANGE TO WORKING CAPITAL | | | | |
| REVENUE | | | | |
| Taxes | 1,920,000 | 0 | | 1,920,000 |
| Miscellaneous | 25,000 | 0 | | 25,000 |
| Fiscal Transactions | 4,500,000 | 0 | | 4,500,000 |
| Total Revenue | <u>6,445,000</u> | <u>0</u> | | <u>6,445,000</u> |
| TOTAL RESOURCES | <u>11,163,491</u> | <u>(119,431)</u> | | <u>11,044,060</u> |
| II. REQUIREMENTS | | | | |
| Non-Departmental | | | | |
| Debt Service | 150,000 | 0 | | 150,000 |
| Interfund Transfers | 1,030,000 | 0 | | 1,030,000 |
| Intergovernmental Expend. | 8,740,000 | 0 | | 8,740,000 |
| Reserve | 1,000,000 | 0 | | 1,000,000 |
| Balance Available | 243,491 | (119,431) | a | 124,060 |
| Total Non-Departmental | <u>11,163,491</u> | <u>(119,431)</u> | | <u>11,044,060</u> |
| TOTAL REQUIREMENTS | <u>11,163,491</u> | <u>(119,431)</u> | | <u>11,044,060</u> |

812 Urban Renewal Agency Downtown Debt Service

a) **Beginning Working Capital Reconciliation:** Decrease the budgeted Beginning Working Capital by \$119,431 and decrease Balance Available by the same amount. This adjustment brings the FY11 Budgeted Beginning Working Capital in compliance with the audited FY10 actual revenues and expenditures as determined by Isler & Company, LLC, the City's external auditor.

813 Urban Renewal Agency Downtown Capital Projects Fund

| | FY11 Adopted | FY11 SB1 Action | | FY11 Revised |
|----------------------------------|-----------------|--------------------|-----|-----------------|
| I. RESOURCES | | | | |
| BEGINNING WORKING CAPITAL | 138,093 | 99,825 | a | 237,918 |
| CHANGE TO WORKING CAPITAL | | | | |
| REVENUE | | | | |
| Miscellaneous | 1,000 | 0 | | 1,000 |
| Interfund Transfers | 500,000 | 0 | | 500,000 |
| Total Revenue | 501,000 | 0 | | 501,000 |
| TOTAL RESOURCES | 639,093 | 99,825 | | 738,918 |
| II. REQUIREMENTS | | | | |
| Capital Projects | | | | |
| Capital Projects | 500,000 | | | 500,000 |
| Capital Carryover | 135,593 | 99,000 | b | 234,593 |
| Total Capital Projects | 635,593 | 99,000 | | 734,593 |
| Non-Departmental | | | | |
| Balance Available | 3,500 | 825 | a,b | 4,325 |
| Total Non-Departmental | 3,500 | 825 | | 4,325 |
| TOTAL REQUIREMENTS | 639,093 | 99,825 | | 738,918 |

813 Urban Renewal Agency Downtown Capital Projects Fund

a) **Beginning Working Capital Reconciliation:** Increase the budgeted Beginning Working Capital by \$99,825 and increase Balance Available by the same amount. This adjustment brings the FY11 Budgeted Beginning Working Capital in compliance with the audited FY10 actual revenues and expenditures as determined by Isler & Company, LLC, the City's external auditor.

b) **Capital Carryover Reconciliation:** Increase the capital carryover by \$99,000 and decrease Balance Available by the same amount. This action reconciles the FY11 Capital Carryover Estimate to the actual ending FY10 capital projects balance and carry forward.

821 Urban Renewal Agency Riverfront General Fund

| | FY11 Adopted | FY11 SB1 Action | FY11 Revised |
|-----------------------------------|-------------------------|---------------------|-------------------------|
| I. RESOURCES | | | |
| BEGINNING WORKING CAPITAL | 3,517,950 | 6,536 | a 3,524,486 |
| CHANGE TO WORKING CAPITAL | | | |
| REVENUE | | | |
| Taxes | 780,000 | 0 | 780,000 |
| Miscellaneous | 25,000 | 0 | 25,000 |
| Total Revenue | <u>805,000</u> | <u>0</u> | <u>805,000</u> |
| TOTAL RESOURCES | <u>4,322,950</u> | <u>6,536</u> | <u>4,329,486</u> |
| II. REQUIREMENTS | | | |
| Department Operating | | | |
| Planning and Development | 267,500 | 0 | 267,500 |
| Total Department Operating | <u>267,500</u> | <u>0</u> | <u>267,500</u> |
| Non-Departmental | | | |
| Balance Available | 4,055,450 | 6,536 | a 4,061,986 |
| Total Non-Departmental | <u>4,055,450</u> | <u>6,536</u> | <u>4,061,986</u> |
| TOTAL REQUIREMENTS | <u>4,322,950</u> | <u>6,536</u> | <u>4,329,486</u> |

821 Urban Renewal Agency Riverfront General Fund

a) **Beginning Working Capital Reconciliation:** Increase the budgeted Beginning Working Capital by \$6,536 and increase Balance Available by the same amount. This adjustment brings the FY11 Budgeted Beginning Working Capital in compliance with the audited FY10 actual revenues and expenditures as determined by Isler & Company, LLC, the City's external auditor.

823 Urban Renewal Agency Riverfront Capital Projects Fund

| | | FY11 Adopted | FY11 SB1 Action | | FY11 Revised |
|-----|----------------------------------|-----------------|--------------------|---|-----------------|
| I. | RESOURCES | | | | |
| | BEGINNING WORKING CAPITAL | 157,318 | 4,647 | a | 161,965 |
| | CHANGE TO WORKING CAPITAL | | | | |
| | REVENUE | | | | |
| | Miscellaneous | 1,000 | 0 | | 1,000 |
| | Total Revenue | 1,000 | 0 | | 1,000 |
| | TOTAL RESOURCES | 158,318 | 4,647 | | 162,965 |
| II. | REQUIREMENTS | | | | |
| | Capital Projects | | | | |
| | Capital Carryover | 141,500 | 0 | | 141,500 |
| | Total Capital Projects | 141,500 | 0 | | 141,500 |
| | Non-Departmental | | | | |
| | Balance Available | 16,818 | 4,647 | a | 21,465 |
| | Total Non-Departmental | 16,818 | 4,647 | | 21,465 |
| | TOTAL REQUIREMENTS | 158,318 | 4,647 | | 162,965 |

823 Urban Renewal Agency Riverfront Capital Projects Fund

a) **Beginning Working Capital Reconciliation:** Increase the budgeted Beginning Working Capital by \$4,647 and increase Balance Available by the same amount. This adjustment brings the FY11 Budgeted Beginning Working Capital in compliance with the audited FY10 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, 2010**,
AND ENDING **JUNE 30, 2011**.**

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, 2010**, and ending **June 30, 2011**, as set forth in attached Exhibit "A" is hereby adopted.

Section 2.

The supplemental amounts for the fiscal year beginning **July 1, 2010**, and ending **June 30, 2011**, 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 **13th day of December, 2010**.

Director

EXHIBIT "A"

In dollars

URBAN RENEWAL AGENCY DOWNTOWN GENERAL FUND

Non-Departmental

| | |
|-----------------------------------|------------------|
| * Balance Available | (50,000) |
| Miscellaneous Fiscal Transactions | <u>(197,409)</u> |
| Total Non-Departmental | (247,409) |

TOTAL URA DOWNTOWN GENERAL FUND **(247,409)**

URBAN RENEWAL AGENCY DOWNTOWN DEBT SERVICE FUND

Non-Departmental

| | |
|-------------------------------|------------------|
| * Balance Available | <u>(119,431)</u> |
| Total Non-Departmental | (119,431) |

TOTAL URA DOWNTOWN DEBT SERVICE FUND **(119,431)**

URBAN RENEWAL AGENCY DOWNTOWN CAPITAL PROJECTS FUND

Capital Projects

| | |
|-------------------------------|---------------|
| Capital Projects | <u>99,000</u> |
| Total Capital Projects | 99,000 |

Non-Departmental

| | |
|-------------------------------|------------|
| * Balance Available | <u>825</u> |
| Total Non-Departmental | 825 |

TOTAL URA DOWNTOWN CAPITAL PROJECTS FUND **99,825**

URBAN RENEWAL AGENCY RIVERFRONT GENERAL FUND

| | |
|--|--------------|
| Non-Departmental | |
| * Balance Available | 6,536 |
| Total Non-Departmental | <u>6,536</u> |
| TOTAL URA RIVERFRONT GENERAL FUND | <u>6,536</u> |

URBAN RENEWAL AGENCY RIVERFRONT CAPITAL PROJECTS FUND

| | |
|---|--------------|
| Non-Departmental | |
| * Balance Available | 4,647 |
| Total Non-Departmental | <u>4,647</u> |
| TOTAL URA RIVERFRONT CAPITAL PROJECTS FUND | <u>4,647</u> |

| | |
|---------------------------------------|------------------|
| TOTAL REQUIREMENTS - ALL FUNDS | <u>(255,832)</u> |
|---------------------------------------|------------------|

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