

# EUGENE URBAN RENEWAL AGENCY

## AGENDA ITEM SUMMARY



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Public Hearing and Action: Adoption of 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, 2011 and Ending June 30, 2012

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Meeting Date: December 12, 2011  
Department: Central Services  
[www.eugene-or.gov](http://www.eugene-or.gov)

Agenda Item Number: 4  
Staff Contact: Mia Cariaga  
Contact Telephone Number: (541) 682-5408

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### ISSUE STATEMENT

Board approval of the first Supplemental Budget for FY12 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 to realign the debt service budget for parking garage bonds.

### 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

Isler & Company, LLC, the City's external auditor, has completed its FY11 audit, and this Supplemental Budget reflects the Marginal Beginning Working Capital (MBWC) information provided by the auditor. The MBWC is the difference between the estimated and audited actual FY11 revenues and expenditures. The total audited adjustment to the FY12 budgeted Beginning Working Capital for URA funds is an increase of \$140,784.

#### Debt Service Budget Realignment

This Supplemental Budget includes a reduction in intergovernmental expenditures budgeted for parking garage debt service and an increase in the debt service budget. This adjustment moves the parking garage debt service budget from the Parking Services Fund to the URA Downtown Debt Service Fund due to bond refunding in May 2011.

#### Intergovernmental Revenue Adjustment

As part of this Supplemental Budget, the URA Director recommends recognizing intergovernmental revenue associated with the remaining HUD loan for the Beam in the amount of \$740,000, and increasing appropriations for capital development loans by the same amount. A detailed description of these transactions is provided in Attachment A.

### 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**

The Agency Director recommends adoption of the attached resolution adopting the Supplemental Budget.

### **SUGGESTED MOTION**

Move to adopt Resolution ~~XXXX~~ adopting a Supplemental Budget; making appropriations for the Urban Renewal Agency of the City of Eugene for the Fiscal Year beginning July 1, 2011 and ending June 30, 2012.

### **ATTACHMENTS**

- A. Transaction Summary
- B. Resolution

### **FOR MORE INFORMATION**

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# Transaction Summary

## 817 Urban Renewal Agency Downtown General Fund

	FY12 Adopted	FY12 SB1 Action		FY12 Revised
<b>I. RESOURCES</b>				
<b>BEGINNING WORKING CAPITAL</b>	38,000	639,173	a	677,173
<b>CHANGE TO WORKING CAPITAL</b>				
<b>REVENUE</b>				
Intergovernmental	1,626,000	740,000	a	2,366,000
Miscellaneous	56,000	0		56,000
Interfund Transfers	355,000	0		355,000
Fiscal Transactions	80,000	0		80,000
<b>Total Revenue</b>	<b>2,117,000</b>	<b>740,000</b>		<b>2,857,000</b>
<b>TOTAL RESOURCES</b>	<b>2,155,000</b>	<b>1,379,173</b>		<b>3,534,173</b>
<b>II. REQUIREMENTS</b>				
Department Operating				
Planning and Development	355,000	0		355,000
<b>Total Department Operating</b>	<b>355,000</b>	<b>0</b>		<b>355,000</b>
Non-Departmental				
Misc. Fiscal Transactions	1,740,000	1,379,173	a	3,119,173
Balance Available	60,000	0		60,000
<b>Total Non-Departmental</b>	<b>1,800,000</b>	<b>1,379,173</b>		<b>3,179,173</b>
<b>TOTAL REQUIREMENTS</b>	<b>2,155,000</b>	<b>1,379,173</b>		<b>3,534,173</b>

## 817 Urban Renewal Agency Downtown General Fund

a) **Beginning Working Capital Reconciliation:** Increase the budgeted Beginning Working Capital by \$639,173, increase Intergovernmental Revenues associated with the remaining HUD loan for the Beam project by \$740,000, and increase appropriations for capital development loans by \$1,379,173. This adjustment brings the FY12 Budgeted Beginning Working Capital in compliance with the audited FY11 actual revenues and expenditures as determined by Isler & Company, LLC, the City's external auditor.

## 812 Urban Renewal Agency Downtown Debt Service

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	FY12 Adopted	FY12 SB1 Action		FY12 Revised
<b>I. RESOURCES</b>				
<b>BEGINNING WORKING CAPITAL</b>	1,018,554	(639,838)	a	378,716
<b>CHANGE TO WORKING CAPITAL</b>				
<b>REVENUE</b>				
Taxes	1,785,000	0		1,785,000
Miscellaneous	31,000	0		31,000
<b>Total Revenue</b>	<u>1,816,000</u>	<u>0</u>		<u>1,816,000</u>
<b>TOTAL RESOURCES</b>	<b><u>2,834,554</u></b>	<b><u>(639,838)</u></b>		<b><u>2,194,716</u></b>
<b>II. REQUIREMENTS</b>				
Non-Departmental				
Debt Service	370,000	765,000	b	1,135,000
Interfund Transfers	355,000	0		355,000
Intergovernmental Expend.	760,000	(760,000)	b	0
Reserve	1,000,000	(295,284)	a,b	704,716
Balance Available	349,554	(349,554)	a	0
<b>Total Non-Departmental</b>	<u>2,834,554</u>	<u>(639,838)</u>		<u>2,194,716</u>
<b>TOTAL REQUIREMENTS</b>	<b><u>2,834,554</u></b>	<b><u>(639,838)</u></b>		<b><u>2,194,716</u></b>

## 812 Urban Renewal Agency Downtown Debt Service

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a) **Beginning Working Capital Reconciliation:** Decrease the budgeted Beginning Working Capital by \$639,838, decrease Debt Service Reserve by \$290,284, and decrease Balance Available by \$349,554. This adjustment brings the FY12 Budgeted Beginning Working Capital in compliance with the audited FY11 actual revenues and expenditures as determined by Isler & Company, LLC, the City's external auditor.

b) **Debt Service Realignment:** Decrease the Intergovernmental Expenditures budget by \$760,000, decrease Debt Service Reserve by \$5,000, and increase Debt Service Budget by \$765,000. This adjustment moves the parking garage debt service budget from the Parking Services Fund to the URA Downtown Debt Service Fund due to bond refunding in May 2011.

## 813 Urban Renewal Agency Downtown Capital Projects Fund

	FY12 Adopted	FY12 SB1 Action	FY12 Revised
<b>I. RESOURCES</b>			
<b>BEGINNING WORKING CAPITAL</b>	740,218	(51) a	740,167
<b>CHANGE TO WORKING CAPITAL</b>			
REVENUE			
Miscellaneous	2,000	0	2,000
Total Revenue	2,000	0	2,000
<b>TOTAL RESOURCES</b>	<b>742,218</b>	<b>(51)</b>	<b>742,167</b>
<b>II. REQUIREMENTS</b>			
Capital Projects			
Capital Carryover	734,593	0	734,593
Total Capital Projects	734,593	0	734,593
Non-Departmental			
Balance Available	7,625	(51) a	7,574
Total Non-Departmental	7,625	(51)	7,574
<b>TOTAL REQUIREMENTS</b>	<b>742,218</b>	<b>(51)</b>	<b>742,167</b>

## 813 Urban Renewal Agency Downtown Capital Projects Fund

a) **Beginning Working Capital Reconciliation:** Decrease the budgeted Beginning Working Capital by \$51 and increase Balance Available by the same amount. This adjustment brings the FY12 Budgeted Beginning Working Capital in compliance with the audited FY11 actual revenues and expenditures as determined by Isler & Company, LLC, the City's external auditor.

## 821 Urban Renewal Agency Riverfront General Fund

	FY12 Adopted	FY12 SB1 Action		FY12 Revised
<b>I. RESOURCES</b>				
<b>BEGINNING WORKING CAPITAL</b>	4,150,986	141,520	a	4,292,506
<b>CHANGE TO WORKING CAPITAL</b>				
REVENUE				
Taxes	825,000	0		825,000
Rental	63,000	0		63,000
Miscellaneous	26,000	0		26,000
Total Revenue	914,000	0		914,000
<b>TOTAL RESOURCES</b>	<b>5,064,986</b>	<b>141,520</b>		<b>5,206,506</b>
<b>II. REQUIREMENTS</b>				
Department Operating				
Planning and Development	249,144	0		249,144
Total Department Operating	249,144	0		249,144
Non-Departmental				
Balance Available	4,815,842	141,520	a	4,957,362
Total Non-Departmental	4,815,842	141,520		4,957,362
<b>TOTAL REQUIREMENTS</b>	<b>5,064,986</b>	<b>141,520</b>		<b>5,206,506</b>

## 821 Urban Renewal Agency Riverfront General Fund

a) **Beginning Working Capital Reconciliation:** Increase the budgeted Beginning Working Capital by \$141,520 and increase Balance Available by the same amount. This adjustment brings the FY12 Budgeted Beginning Working Capital in compliance with the audited FY11 actual revenues and expenditures as determined by Isler & Company, LLC, the City's external auditor.

## 823 Urban Renewal Agency Riverfront Capital Projects Fund

		<u>FY12 Adopted</u>	<u>FY12 SB1 Action</u>	<u>FY12 Revised</u>
I.	<b>RESOURCES</b>			
	<b>BEGINNING WORKING CAPITAL</b>	163,515	(20) a	163,495
	<b>CHANGE TO WORKING CAPITAL</b>			
	REVENUE			
	Miscellaneous	1,000	0	1,000
	Total Revenue	<u>1,000</u>	<u>0</u>	<u>1,000</u>
	<b>TOTAL RESOURCES</b>	<b><u>164,515</u></b>	<b><u>(20)</u></b>	<b><u>164,495</u></b>
II.	<b>REQUIREMENTS</b>			
	Capital Projects			
	Capital Carryover	141,500	0	141,500
	Total Capital Projects	<u>141,500</u>	<u>0</u>	<u>141,500</u>
	Non-Departmental			
	Balance Available	23,015	(20) a	22,995
	Total Non-Departmental	<u>23,015</u>	<u>(20)</u>	<u>22,995</u>
	<b>TOTAL REQUIREMENTS</b>	<b><u>164,515</u></b>	<b><u>(20)</u></b>	<b><u>164,495</u></b>

## 823 Urban Renewal Agency Riverfront Capital Projects Fund

a) **Beginning Working Capital Reconciliation:** Decrease the budgeted Beginning Working Capital by \$20 and decrease Balance Available by the same amount. This adjustment brings the FY12 Budgeted Beginning Working Capital in compliance with the audited FY11 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, 2011,**  
AND ENDING **JUNE 30, 2012.****

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, 2011**, and ending **June 30, 2012**, as set forth in attached Exhibit "A" is hereby adopted.

Section 2.

The supplemental amounts for the fiscal year beginning **July 1, 2011**, and ending **June 30, 2012**, 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 **12th day of December, 2011.**

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Director



EXHIBIT "A"

*In dollars*

**URBAN RENEWAL AGENCY DOWNTOWN GENERAL FUND**

<b>Non-Departmental</b>	
Miscellaneous Fiscal Transactions	1,379,173
<b>Total Non-Departmental</b>	<u>1,379,173</u>
<b>TOTAL URA DOWNTOWN GENERAL FUND</b>	<u>1,379,173</u>

**URBAN RENEWAL AGENCY DOWNTOWN DEBT SERVICE FUND**

<b>Non-Departmental</b>	
Debt Service	765,000
* Reserves	(295,284)
* Balance Available	(349,554)
Intergovernmental Expenditures	<u>(760,000)</u>
<b>Total Non-Departmental</b>	<u>(639,838)</u>
<b>TOTAL URA DOWNTOWN DEBT SERVICE FUND</b>	<u>(639,838)</u>

**URBAN RENEWAL AGENCY DOWNTOWN CAPITAL PROJECTS FUND**

<b>Non-Departmental</b>	
* Balance Available	<u>(51)</u>
<b>Total Non-Departmental</b>	<u>(51)</u>
<b>TOTAL URA DOWNTOWN CAPITAL PROJECTS FUND</b>	<u>(51)</u>

**URBAN RENEWAL AGENCY RIVERFRONT GENERAL FUND**

<b>Non-Departmental</b>	
* Balance Available	<u>141,520</u>
<b>Total Non-Departmental</b>	<u>141,520</u>
<b>TOTAL URA RIVERFRONT GENERAL FUND</b>	<u>141,520</u>

**URBAN RENEWAL AGENCY RIVERFRONT CAPITAL PROJECTS FUND**

**Non-Departmental**

\* Balance Available (20)

**Total Non-Departmental** (20)

**TOTAL URA RIVERFRONT CAPITAL PROJECTS FUND** (20)

**TOTAL REQUIREMENTS - ALL FUNDS** 880,784

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