



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, 2022, and Ending June 30, 2023

Meeting Date: December 12, 2022
Department: Central Services
www.eugene-or.gov

Agenda Item Number: X
Staff Contact: Liz Butterfield
Contact Telephone Number: 541-682-5512

ISSUE STATEMENT

Urban Renewal Agency (Agency) Board approval of the December Supplemental Budget for Fiscal Year 2023 (FY23) is requested after a public hearing. 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 each 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 contracts, program initiatives or projects that were started but not completed in that fiscal year. This supplemental budget consists of transactions to amend the Agency Adopted Budget to reconcile Beginning Working Capital, Capital Carryover, and Encumbrances Carryover, to reappropriate those dollars or place them into reserve, and authorizes other unanticipated changes in legal appropriations. A detailed description of these transactions is provided in Attachment A.

Beginning Working Capital

Moss Adams, LLP, the Agency's external auditor, has completed its Fiscal Year 2022 (FY22) audit and this supplemental budget includes Marginal Beginning Working Capital (MBWC) adjustments for all Agency funds. The MBWC is the difference between the estimate of FY22 ending working capital that was made in the FY23 Adopted Budget and the audited actual FY22 ending working capital. The total audited adjustment to the FY23 budgeted Beginning Working Capital for all Agency funds is a decrease of \$4,468,553.

Capital Carryover

The Capital Project Carryover Reconciliation is included in this supplemental budget. An estimate of the unspent balance in each capital project was established in the FY23 Adopted Budget. These estimates have been reconciled with the actual FY22 expenditures, and the Capital Budget is adjusted to reflect the remaining unspent balances in each project. The Capital Carryover on this

supplemental budget decreases the Capital Budget by \$4,018,447 and increases Balance Available by the same amount.

Revenue and One-Time Funding Requests: Two additional actions are requested:

Revenue: In FY08, the URA Downtown District transferred \$600,000 to the City to act as a reserve for HUD loan and grant programs used to help offset the development costs of the Woolworth Building. The developer repaid the loan at the end of FY22, and this action will transfer back to the URA Downtown District the original reserve amount plus accrued interest through the end of FY22 for a total transfer of \$664,490.

One-Time Funding Request: Increase the interfund transfer by \$600,000 from the URA Downtown Debt Service Fund (812) to the URA Downtown Capital Projects Fund (813). This transfer provides cashflow for existing capital projects currently active in the Downtown District and does not modify any project budgets. .

Timing

In some cases, expenditure authority is needed immediately to carry out Agency Board direction or to meet legal or program requirements. Approval of the December supplemental budget allows the organization to prepare more accurate mid-year projections and to more accurately project the Beginning Working Capital for the 2023-2025 Biennial Proposed Budget.

PREVIOUS COUNCIL/AGENCY BOARD DIRECTION

[June 27, 2022 Agency Board Meeting](#)

The Agency Board held a public hearing and took action to adopt the FY23 Budget for the Urban Renewal Agency.

BOARD OPTIONS

Particular requests requiring more information or discussion may be removed from the December 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 Agency Board may also adopt amended appropriation amounts or funding sources for specific requests in the supplemental budget.

AGENCY DIRECTOR'S RECOMMENDATION

Approve the resolution in Attachment B adopting the December Supplemental Budget.

SUGGESTED MOTION

Move to approve 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, 2022, and ending June 30, 2023.

ATTACHMENTS

- A. Transaction Summary
- B. Resolution

FOR MORE INFORMATION

Staff Contact: Liz Butterfield
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Transaction Summary

812 Urban Renewal Agency Downtown Debt Service Fund

	FY23 Adopted	FY23 SB1 Action	FY23 Revised
I. RESOURCES			
BEGINNING WORKING CAPITAL	112,282	(24,189) a	88,093
CHANGE TO WORKING CAPITAL			
REVENUE			
Taxes	2,718,000	0	2,718,000
Total Revenue	2,718,000	0	2,718,000
TOTAL RESOURCES	2,830,282	(24,189)	2,806,093
II. REQUIREMENTS			
Non-Departmental			
Interfund Transfers	1,833,130	600,000 b	2,433,130
Balance Available	997,152	(624,189) a,b	372,963
Total Non-Departmental	2,830,282	(24,189)	2,806,093
TOTAL REQUIREMENTS	2,830,282	(24,189)	2,806,093

812 Urban Renewal Agency Downtown Debt Service

a) **Beginning Working Capital Reconciliation** : Decrease the budgeted Beginning Working Capital by \$24,189 and decrease Balance Available by the same amount. This adjustment brings the FY23 budgeted Beginning Working Capital in compliance with the audited FY22 actual revenues and expenditures as determined by Moss Adams, LLP, the City's external auditor.

b) **One-Time Funding Request**: Increase Interfund Transfers expense by \$600,000 for a transfer to the URA Downtown Capital Projects Fund (813), and decrease Balance Available by the same amount. This transfer provides cashflow for for existing capital projects currently active in the Downtown District.

813 Urban Renewal Agency Downtown Capital Projects Fund

	FY23 Adopted	FY23 SB1 Action		FY23 Revised
I. RESOURCES				
BEGINNING WORKING CAPITAL	5,630,435	(3,131,637)	a	2,498,798
CHANGE TO WORKING CAPITAL				
REVENUE				
Miscellaneous	17,000	0		17,000
Interfund Transfers	1,215,793	600,000	b	1,815,793
Total Revenue	1,232,793	600,000		1,832,793
TOTAL RESOURCES	6,863,228	(2,531,637)		4,331,591
II. REQUIREMENTS				
Capital Projects				
Capital Projects	53,126	0		53,126
Capital Carryover	5,630,435	(2,578,164)	c	3,052,271
Total Capital Projects	5,683,561	(2,578,164)		3,105,397
Non-Departmental				
Debt Service	96,000	0		96,000
Intergovernmental Loan Repayments	1,066,667	0		1,066,667
Balance Available	17,000	46,527	a,b,c	63,527
Total Non-Departmental	1,179,667	46,527		1,226,194
TOTAL REQUIREMENTS	6,863,228	(2,531,637)		4,331,591

813 Urban Renewal Agency Downtown Capital Projects Fund

a) **Beginning Working Capital Reconciliation:** Decrease the budgeted Beginning Working Capital by \$3,131,637 and decrease Balance Available by the same amount. This adjustment brings the FY23 budgeted Beginning Working Capital in compliance with the audited FY22 actual revenues and expenditures as determined by Moss Adams, LLP, the City's external auditor.

b) **One-Time Funding Request:** Increase Interfund Transfers revenue by \$600,000 to receive a transfer from the URA Downtown Debt Service Fund (812), and increase Balance Available by the same amount. This transfer provides cashflow for for existing capital projects currently active in the Downtown District.

c) **Capital Carryover Reconciliation:** Decrease Capital Carryover appropriations by \$2,578,164 and increase Balance Available by the same amount. This adjustment reconciles the FY23 Capital Carryover Estimate to the actual ending FY22 capital projects balance.

817 Urban Renewal Agency Downtown General Fund

	FY23 Adopted	FY23 SB1 Action		FY23 Revised
I. RESOURCES				
BEGINNING WORKING CAPITAL	5,093,625	310,462	a	5,404,087
CHANGE TO WORKING CAPITAL				
REVENUE				
Intergovernmental	0	664,490	b	664,490
Miscellaneous	57,044	0		57,044
Interfund Transfers	617,337	0		617,337
Fiscal Transactions	32,325	0		32,325
Total Revenue	706,706	664,490		1,371,196
TOTAL RESOURCES	5,800,331	974,952		6,775,283
II. REQUIREMENTS				
Department Operating				
Planning and Development	755,771	0		755,771
Total Department Operating	755,771	0		755,771
Non-Departmental				
Special Payments	4,164,670	0		4,164,670
Balance Available	879,890	974,952	a,b	1,854,842
Total Non-Departmental	5,044,560	974,952		6,019,512
TOTAL REQUIREMENTS	5,800,331	974,952		6,775,283

817 Urban Renewal Agency Downtown General Fund

a) **Beginning Working Capital Reconciliation**: Increase the budgeted Beginning Working Capital by \$310,462 and increase Balance Available by the same amount. This adjustment brings the FY23 budgeted Beginning Working Capital in compliance with the audited FY22 actual revenues and expenditures as determined by Moss Adams, LLP, the City's external auditor.

b) **Revenue**: Increase Intergovernmental revenue by \$664,490 and increase Balance Available by the same amount for a transfer from the City Community Development Fund (170) to the URA. In FY08, the URA Downtown District transferred \$600,000 to the City to act as a reserve for HUD loan and grant programs used to help offset the development costs of the Woolworth Building. The developer repaid the loan at the end of FY22, and this action will transfer back to the URA Downtown District the original reserve amount plus accrued interest through the end of FY22.

821 Urban Renewal Agency Riverfront General Fund

	FY23 Adopted	FY23 SB1 Action		FY23 Revised
I. RESOURCES				
BEGINNING WORKING CAPITAL	3,477,543	136,533	a	3,614,076
CHANGE TO WORKING CAPITAL				
REVENUE				
Taxes	3,353,500	0		3,353,500
Miscellaneous	13,000	0		13,000
Total Revenue	3,366,500	0		3,366,500
TOTAL RESOURCES	6,844,043	136,533		6,980,576
II. REQUIREMENTS				
Department Operating				
Planning and Development	685,410	0		685,410
Total Department Operating	685,410	0		685,410
Non-Departmental				
Special Payments	1,323,658	0		1,323,658
Balance Available	4,834,975	136,533	a	4,971,508
Total Non-Departmental	6,158,633	136,533		6,295,166
TOTAL REQUIREMENTS	6,844,043	136,533		6,980,576

821 Urban Renewal Agency Riverfront General Fund

a) **Beginning Working Capital Reconciliation** : Increase the budgeted Beginning Working Capital by \$136,533 and increase Balance Available by the same amount. This adjustment brings the FY23 budgeted Beginning Working Capital in compliance with the audited FY22 actual revenues and expenditures as determined by Moss Adams, LLP, the City's external auditor.

823 Urban Renewal Agency Riverfront Capital Projects Fund

	FY23 Adopted	FY23 SB1 Action		FY23 Revised
I. RESOURCES				
BEGINNING WORKING CAPITAL	8,570,130	(1,759,722)	a	6,810,408
CHANGE TO WORKING CAPITAL				
REVENUE				
Miscellaneous	3,111,000	0		3,111,000
Total Revenue	3,111,000	0		3,111,000
TOTAL RESOURCES	11,681,130	(1,759,722)		9,921,408
II. REQUIREMENTS				
Capital Projects				
Capital Projects	3,630,000	0		3,630,000
Capital Carryover	6,428,316	(1,440,283)	b	4,988,033
Total Capital Projects	10,058,316	(1,440,283)		8,618,033
Non-Departmental				
Special Payments	0	0		0
Balance Available	1,622,814	(319,439)	a,b	1,303,375
Total Non-Departmental	1,622,814	(319,439)		1,303,375
TOTAL REQUIREMENTS	11,681,130	(1,759,722)		9,921,408

823 Urban Renewal Agency Riverfront Capital Projects Fund

a) **Beginning Working Capital Reconciliation**: Decrease the budgeted Beginning Working Capital by \$1,759,722 and decrease Balance Available by the same amount. This adjustment brings the FY23 budgeted Beginning Working Capital in compliance with the audited FY22 actual revenues and expenditures as determined by Moss Adams, LLP, the City's external auditor.

b) **Capital Carryover Reconciliation**: Decrease Capital Carryover appropriations by \$1,440,283 and increase Balance Available by the same amount. This adjustment reconciles the FY23 Capital Carryover Estimate to the actual ending FY22 capital projects balance.

Resolution Number **XXXX**

**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, 2022,
AND ENDING JUNE 30, 2023.**

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, 2022, and ending June 30, 2023, as set forth in attached Exhibit A is hereby adopted.

Section 2.

The supplemental amounts for the fiscal year beginning July 1, 2022, and ending June 30, 2023, 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 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." 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 in the Annual Budget publication.

The foregoing resolution adopted this 12th day of December, 2022.

City Recorder

EXHIBIT A

Amounts
in dollars

URBAN RENEWAL AGENCY DOWNTOWN GENERAL FUND

Non-Departmental		
*	Balance Available	974,952
Total Non-Departmental		974,952
TOTAL URA DOWNTOWN GENERAL FUND		974,952

URBAN RENEWAL AGENCY DOWNTOWN DEBT SERVICE FUND

Non-Departmental		
	Interfund Transfers	600,000
*	Balance Available	(624,189)
Total Non-Departmental		(24,189)
TOTAL URA DOWNTOWN DEBT SERVICE FUND		(24,189)

URBAN RENEWAL AGENCY DOWNTOWN CAPITAL PROJECTS FUND

Capital Projects		
	Capital Projects	(2,578,164)
Total Capital Projects		(2,578,164)
Non-Departmental		
*	Balance Available	46,527
Total Non-Departmental		46,527
TOTAL URA DOWNTOWN CAPITAL PROJECTS FUND		(2,531,637)

URBAN RENEWAL AGENCY RIVERFRONT GENERAL FUND

Non-Departmental	
* Balance Available	136,533
Total Non-Departmental	<u>136,533</u>
TOTAL URA RIVERFRONT GENERAL FUND	<u>136,533</u>

URBAN RENEWAL AGENCY RIVERFRONT CAPITAL PROJECTS FUND

Capital Projects	
Capital Projects	(1,440,283)
Total Capital Projects	<u>(1,440,283)</u>
Non-Departmental	
* Balance Available	(319,439)
Total Non-Departmental	<u>(319,439)</u>
TOTAL URA RIVERFRONT CAPITAL PROJECTS FUND	<u>(1,759,722)</u>

TOTAL REQUIREMENTS - ALL FUNDS	<u><u>(3,204,063)</u></u>
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* Balance Available amounts are not appropriated for spending and are shown for informational purposes only.