

EUGENE CITY COUNCIL AGENDA ITEM SUMMARY



Public Hearing and Action: Resolution Adopting a Supplemental Budget; Making Appropriations for the City of Eugene for the Fiscal Year Beginning July 1, 2013 and Ending June 30, 2014

Meeting Date: June 9, 2014
Department: Central Services
www.eugene-or.gov

Agenda Item Number: 3
Staff Contact: Vicki Silvers
Contact Telephone Number: (541) 682-5082

ISSUE STATEMENT

Council approval of the second Supplemental Budget (SB2) for Fiscal Year 2013 - 2014 (FY14) 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". 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". 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

This Supplemental Budget recognizes new revenues and authorizes changes in legal levels of appropriations for the current fiscal year (FY14). A summary of items included in this supplemental budget is presented below:

City Hall Project

- Increase capital appropriations by \$14.25 million in the General Capital Projects Fund for the purpose of completing the funding plan for City Hall. Together with \$750,000 already appropriated on SB#2 in June 2013, the total project budget will be \$15 million. Funding for the appropriation is from: \$2 million in Telecom Registration and Licensing Fund, \$9.81 million in Facility Reserve in the Facilities Services Fund, and \$2.44 million in future revenue allocations. Future revenue allocations are anticipated to come from a portion of the capital budget and unanticipated carry-over balances in the General Fund in future years, as outlined in Attachment A and the email from Kristie Hammitt, Central Services Director, on May 23, 2014.

General Fund

- Recognize \$40,000 in grant revenue from the Urban Sustainability Directors Network (USDN) to convene the first Cascadia regional workshop on integrating climate adaptation principles into urban forestry management. This workshop will be conducted by the City of Eugene; the increase in department operating appropriation authority of \$40,000 is needed to cover the costs associated with this event. No grant match is required from the City of Eugene.

Community Development Fund

- Recognize \$30,000 in interfund transfer revenue from the 310 General Capital Project Fund, increase fiscal transactions by \$50,000 and increase department operating appropriations by the same amounts to repay HUD for property that was purchased in 2005 for affordable housing that has not yet been developed.

General Obligation Debt Service Fund

- Increase tax revenue in the amount of \$314,329, decrease Reserves by \$385,671, and increase debt service by \$700,000 to allow for an early principal payment on General Obligation bonds.

Municipal Airport Fund

- Increase charges for services by \$408,865 and increase Public Works appropriations by the same amount for unanticipated winter storm activity costs, parking management fees, and contracted facility repairs.

RELATED CITY POLICIES

Transactions included in this Supplemental Budget conform to the City's Financial Management Goals and Policies.

COUNCIL OPTIONS

Particular requests requiring more information or discussion may be removed from the Supplemental Budget and delayed for action in the following fiscal year Supplemental Budget. In certain cases, there may be financial, legal or operational impacts to delaying budget approval.

These impacts may include Oregon Local Budget Law violations due to exceeding the legal appropriation levels, or delays with implementation of capital projects. The Council may also adopt amended appropriation amounts or funding sources for specific items included in this Supplemental Budget.

CITY MANAGER'S RECOMMENDATION

The City Manager recommends approval of the attached resolution adopting the Supplemental Budget.

SUGGESTED MOTION

Move to approve a resolution adopting a Supplemental Budget; making appropriations for the City of Eugene for the Fiscal Year beginning July 1, 2013 and ending June 30, 2014.

ATTACHMENTS

- A. City Hall Funding Plan.
- B. Transaction Summary.
- C. Resolution.
 - Exhibit A - Fund Schedules

FOR MORE INFORMATION

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May 14, 2014

City Hall Funding Plan

- Council has approved \$10.55 million for this project as of SB#2 in December 2013, with an additional \$2 million available and in hand for Council to appropriate in FY14.
- Additional funding is planned to come from future budget allocations, including a portion of the capital budget and unanticipated carry-over balances in the General Fund in future years.
- If this approach is used, the risk of not achieving the full \$15 million in funding for this project is very low.

Amount Available in FY14	
Design Work Appropriation (Supplemental Budget in June 2013)	\$750,000
Facility Reserve Balance as of FY14 Budget at December 31, 2013	9,800,000
Additional Anticipated Interest Earnings on Facility Reserve in FY14	10,000
Telecom Fund Contribution for Telecom-Related Costs	2,000,000
Total Available in FY14	\$12,560,000

Amount Remaining to be Funded* (anticipated on supplemental budgets in December 2014, 2015 and 2016, if funds are available)	
Portion of Future General Capital Transfers – \$500K/year	\$1,500,000
Portion of Future Marginal Beginning Working Capital	<u>940,000</u>
Amount Remaining to be Funded	\$2,440,000

Total Funding Plan for City Hall Project	\$15,000,000
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Numbers are rounded.

*Other funding sources, if available, could offset portions of the amount remaining to be funded, or could be used for project additions.

Transaction Summary

010 General Fund

	FY14 Adopted	FY14 SB1 Action	FY14 SB2 Action	FY14 Revised
I. RESOURCES				
BEGINNING WORKING CAPITAL	35,367,721	3,477,471	0	38,845,192
CHANGE TO WORKING CAPITAL				
REVENUE				
Taxes	97,351,000	0	0	97,351,000
Licenses/Permits	6,367,700	0	0	6,367,700
Intergovernmental	4,007,140	1,179,514	40,000	5,226,654
Rental	114,068	0	0	114,068
Charges for Services	11,225,228	1,035,805	0	12,261,033
Fines/Forfeitures	2,143,775	0	0	2,143,775
Miscellaneous	474,850	42,155	0	517,005
Interfund Transfers	9,767,993	0	0	9,767,993
Total Revenue	131,451,754	2,257,474	40,000	133,749,228
TOTAL RESOURCES	166,819,475	5,734,945	40,000	172,594,420
II. REQUIREMENTS				
Department Operating				
Central Services	21,600,609	664,740	40,000	22,305,349
Fire and Emergency Medical Services	25,453,538	1,089,495	0	26,543,033
Library, Recreation and Cultural Servi	25,081,425	142,881	0	25,224,306
Planning and Development	6,039,638	825,978	0	6,865,616
Police	45,490,101	1,911,990	0	47,402,091
Public Works	6,238,088	18,096	0	6,256,184
Total Department Operating	129,903,399	4,653,180	40,000	134,596,579
Capital Projects				
Capital Projects	0	0	0	0
Capital Carryover	0	0	0	0
Total Capital Projects	0	0	0	0
Non-Departmental				
Debt Service	224,000	0	0	224,000
Interfund Transfers	4,395,350	1,900,000	0	6,295,350
Interfund Loans	0	0	0	0
Contingency	47,000	0	0	47,000
Special Payments	900,000	0	0	900,000
Reserves	8,040,036	821,455	0	8,861,491
Reserve for Encumbrances	1,639,690	(1,639,690)	0	0
UEFB	21,670,000	0	0	21,670,000
Total Non-Departmental	36,916,076	1,081,765	0	37,997,841
TOTAL REQUIREMENTS	166,819,475	5,734,945	40,000	172,594,420

010 General Fund

a) Recognize \$40,000 in grant revenue from the Urban Sustainability Directors Network (USDN) to convene the first Cascadia regional workshop on integrating climate adaptation principles into urban forestry management. This workshop will be conducted by the City of Eugene; the increase in department operating appropriation authority of \$40,000 is needed to cover the costs associated with this event. No grant match is required from the City of Eugene.

135 Telecom Registration/Licensing Fund

	FY14 Adopted	FY14 SB1 Action	FY14 SB2 Action	FY14 Revised	
I. RESOURCES					
BEGINNING WORKING CAPITAL	5,521,099	2,209,080	0	7,730,179	
CHANGE TO WORKING CAPITAL					
REVENUE					
Licenses/Permits	2,900,000	0	0	2,900,000	
Total Revenue	2,900,000	0	0	2,900,000	
TOTAL RESOURCES	8,421,099	2,209,080	0	10,630,179	
II. REQUIREMENTS					
Department Operating					
Central Services	3,226,037	1,349,336	0	4,575,373	
Total Department Operating	3,226,037	1,349,336	0	4,575,373	
Capital Projects					
Capital Carryover	184,577	(2,593)	0	181,984	
Total Capital Projects	184,577	(2,593)	0	181,984	
Non-Departmental					
Interfund Transfers	490,000	0	2,000,000	a	2,490,000
Reserves	276,907	64,000	0	340,907	
Balance Available	4,243,578	798,337	(2,000,000)	a	3,041,915
Total Non-Departmental	5,010,485	862,337	0	5,872,822	
TOTAL REQUIREMENTS	8,421,099	2,209,080	0	10,630,179	

135 Telecom Registration/Licensing Fund

a) Increase interfund transfer appropriations by \$2,000,000 and decrease balance available by the same amount. This adjustment transfers funds from the 135 Telecom Registration/Licensing Fund to the 310 General Capital Projects Fund as part of the City Hall funding plan.

170 Community Development Fund

	FY14 Adopted	FY14 SB1 Action	FY14 SB2 Action		FY14 Revised
I. RESOURCES					
BEGINNING WORKING CAPITAL	3,864,043	(1,516,823)	0		2,347,220
CHANGE TO WORKING CAPITAL					
REVENUE					
Intergovernmental	3,941,300	1,343,359	0		5,284,659
Charges for Services	83,950	0	0		83,950
Miscellaneous	698,300	0	0		698,300
Interfund Transfers	0	0	30,000	a	30,000
Fiscal Transactions	2,541,000	0	50,000	a	2,591,000
Total Revenue	7,264,550	1,343,359	80,000		8,687,909
TOTAL RESOURCES	11,128,593	(173,464)	80,000		11,035,129
II. REQUIREMENTS					
Department Operating					
Central Services	6,000	0	0		6,000
Planning and Development	3,296,938	382,561	80,000	a	3,759,499
Total Department Operating	3,302,938	382,561	80,000		3,765,499
Capital Projects					
Capital Projects	677,250	117,318	0		794,568
Capital Carryover	460,000	(189,110)	0		270,890
Total Capital Projects	1,137,250	(71,792)	0		1,065,458
Non-Departmental					
Debt Service	248,000	0	0		248,000
Interfund Transfers	124,000	0	0		124,000
Special Payments	5,536,337	(515,844)	0		5,020,493
Reserves	780,068	29,198	0		809,266
Balance Available	0	2,413	0		2,413
Total Non-Departmental	6,688,405	(484,233)	0		6,204,172
TOTAL REQUIREMENTS	11,128,593	(173,464)	80,000		11,035,129

170 Community Development Fund

a) Recognize \$30,000 in interfund transfer revenue from the 310 General Capital Project Fund, increase fiscal transactions by \$50,000 and increase department operating appropriations by the same amounts to repay HUD for property that was purchased in 2005 for affordable housing that has not yet been developed.

211 General Obligation Debt Service Fund

	FY14 Adopted	FY14 SB1 Action	FY14 SB2 Action		FY14 Revised
I. RESOURCES					
BEGINNING WORKING CAPITAL	15,104	385,671	0		400,775
CHANGE TO WORKING CAPITAL					
REVENUE					
Taxes	13,344,359	0	314,329	a	13,658,688
Miscellaneous	10,000	0	0		10,000
Total Revenue	13,354,359	0	314,329		13,668,688
TOTAL RESOURCES	13,369,463	385,671	314,329		14,069,463
II. REQUIREMENTS					
Non-Departmental					
Debt Service	13,369,463	0	700,000	a	14,069,463
Reserves	0	385,671	(385,671)	a	0
Total Non-Departmental	13,369,463	385,671	314,329		14,069,463
TOTAL REQUIREMENTS	13,369,463	385,671	314,329		14,069,463

211 General Obligation Debt Service Fund

a) Increase tax revenue in the amount of \$314,329, decrease Reserves by \$385,671, increase debt service by \$700,000 to allow for an early principal payment on General Obligation bonds.

310 General Capital Projects Fund

	FY14 Adopted	FY14 SB1 Action	FY14 SB2 Action		FY14 Revised
I. RESOURCES					
BEGINNING WORKING CAPITAL	16,821,643	(11,477,039)	0		5,344,604
CHANGE TO WORKING CAPITAL					
REVENUE					
Rental	20,000	0	0		20,000
Miscellaneous	19,000	0	2,440,000	a	2,459,000
Interfund Transfers	2,779,300	400,000	11,810,000	a	14,989,300
Fiscal Transactions	0	10,580,954	0		10,580,954
Total Revenue	2,818,300	10,980,954	14,250,000		28,049,254
TOTAL RESOURCES	19,639,943	(496,085)	14,250,000		33,393,858
II. REQUIREMENTS					
Department Operating					
Library, Rec & Cultural Svcs	20,000	0	0		20,000
Total Department Operating	20,000	0	0		20,000
Capital Projects					
Capital Projects	2,827,160	399,968	14,220,000	a,b	17,447,128
Capital Carryover	16,037,391	(862,033)	0		15,175,358
Total Capital Projects	18,864,551	(462,065)	14,220,000		32,622,486
Non-Departmental					
Debt Service	50,000	0	0		50,000
Interfund Transfers	0	0	30,000	b	30,000
Reserve	27,560	0	0		27,560
Balance Available	677,832	(34,020)	0		643,812
Total Non-Departmental	755,392	(34,020)	30,000		751,372
TOTAL REQUIREMENTS	19,639,943	(496,085)	14,250,000		33,393,858

310 General Capital Projects Fund

a) Recognize miscellaneous revenue in the amount of \$2,440,000, increase interfund transfer revenue by \$11,810,000 and increase appropriations for capital projects \$14.25 million for the City Hall project.

b) Increase interfund transfer appropriations to the 170 Community Development Fund by \$30,000 and decrease housing capital project appropriations by the same amount.

510 Municipal Airport Fund

	FY14 Adopted	FY14 SB1 Action	FY14 SB2 Action	FY14 Revised
I. RESOURCES				
BEGINNING WORKING CAPITAL	23,280,543	(5,034,928)	0	18,245,615
CHANGE TO WORKING CAPITAL				
REVENUE				
Intergovernmental	6,251,805	3,371,164	0	9,622,969
Rental	3,527,591	0	0	3,527,591
Charges for Services	4,849,305	70,000	408,865	5,328,170
Fines/Forfeitures	8,200	0	0	8,200
Miscellaneous	39,994	0	0	39,994
Fiscal Transactions	75,252	0	0	75,252
Total Revenue	14,752,147	3,441,164	408,865	18,602,176
TOTAL RESOURCES	38,032,690	(1,593,764)	408,865	36,847,791
II. REQUIREMENTS				
Department Operating				
Fire/Emergency Medical Svcs	814,564	0	0	814,564
Police	462,096	70,000	0	532,096
Public Works	6,011,303	(50,177)	408,865	6,369,991
Total Department Operating	7,287,963	19,823	408,865	7,716,651
Capital Projects				
Capital Projects	9,185,000	0	0	9,185,000
Capital Carryover	12,882,623	(3,286,913)	0	9,595,710
Total Capital Projects	22,067,623	(3,286,913)	0	18,780,710
Non-Departmental				
Interfund Transfers	512,000	0	0	512,000
Reserves	4,290,422	(1,651,382)	0	2,639,040
Balance Available	3,874,682	3,324,708	0	7,199,390
Total Non-Departmental	8,677,104	1,673,326	0	10,350,430
TOTAL REQUIREMENTS	38,032,690	(1,593,764)	408,865	36,847,791

510 Municipal Airport Fund

a) Increase charges for services by \$408,865 and increase departmental appropriations by the same amount for unanticipated winter storm activity costs, parking management fees, and contracted facility repairs.

615 Facilities Services Fund

	FY14 Adopted	FY14 SB1 Action	FY14 SB2 Action		FY14 Revised
I. RESOURCES					
BEGINNING WORKING CAPITAL	12,324,386	166,904	0		12,491,290
CHANGE TO WORKING CAPITAL					
REVENUE					
Rental	653,600	0	0		653,600
Charges for Services	8,321,841	0	0		8,321,841
Miscellaneous	8,000	0	18,393	a	26,393
Interfund Transfers	0	1,500,000	0		1,500,000
Total Revenue	8,983,441	1,500,000	18,393		10,501,834
TOTAL RESOURCES	21,307,827	1,666,904	18,393		22,993,124
II. REQUIREMENTS					
Department Operating					
Central Services	8,606,547	0	0		8,606,547
Planning and Development	271,456	0	0		271,456
Total Department Operating	8,878,003	0	0		8,878,003
Capital Projects					
Capital Projects	150,000	0	0		150,000
Capital Carryover	512,173	(112,242)	0		399,931
Total Capital Projects	662,173	(112,242)	0		549,931
Non-Departmental					
Debt Service	204,255	0	0		204,255
Interfund Transfers	377,000	0	9,810,000	a	10,187,000
Reserves	8,522,923	1,810,684	(9,791,607)	a	542,000
Balance Available	2,663,473	(31,538)	0		2,631,935
Total Non-Departmental	11,767,651	1,779,146	18,393		13,565,190
TOTAL REQUIREMENTS	21,307,827	1,666,904	18,393		22,993,124

615 Facilities Services Fund

a) Increase miscellaneous revenues by \$18,393, decrease the Facility Replacement Reserve by \$9,791,607 and increase appropriations for interfund transfers by the same amounts for the City Hall project.

**A RESOLUTION ADOPTING A SUPPLEMENTAL BUDGET;
MAKING APPROPRIATIONS FOR THE CITY OF EUGENE
FOR THE FISCAL YEAR BEGINNING **JULY 1, 2013**,
AND ENDING **JUNE 30, 2014**.**

The City Council 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 CITY COUNCIL OF THE CITY OF EUGENE, A
Municipal Corporation of the State of Oregon, as follows:

Section 1.

That the Supplemental Budget for the City of Eugene, Oregon, for the fiscal year beginning **July 1, 2013**, and ending **June 30, 2014**, as set forth in attached Exhibit "A" is hereby adopted.

Section 2.

The supplemental amounts for the fiscal year beginning **July 1, 2013**, and ending **June 30, 2014**, 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)(a), 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 published in the Adopted Budget publication.

The foregoing resolution adopted **this 9th day of June, 2014**.

City Recorder

EXHIBIT "A"
Fund Schedules

In dollars

GENERAL FUND

Departmental Operating	
Central Services	40,000
Total Departmental Operating	<u>40,000</u>
TOTAL GENERAL FUND	<u>40,000</u>

TELECOM REGISTRATION/LICENSING FUND

Non-Departmental	
Interfund Transfer	2,000,000
* Balance Available	<u>(2,000,000)</u>
Total Non-Departmental	0
TOTAL TELECOM REGISTRATION/LICENSING FUND	<u>0</u>

COMMUNITY DEVELOPMENT FUND

Departmental Operating	
Planning and Development	80,000
Total Departmental Operating	<u>80,000</u>
TOTAL COMMUNITY DEVELOPMENT FUND	<u>80,000</u>

GENERAL OBLIGATION DEBT SERVICE FUND

Non-Departmental	
Debt Service	700,000
* Reserves	<u>(385,671)</u>
Total Non-Departmental	314,329
TOTAL GENERAL OBLIGATION DEBT SERVICE FUND	<u>314,329</u>

GENERAL CAPITAL PROJECTS FUND

Capital Projects	
Capital Projects	14,220,000
Total Capital Projects	<u>14,220,000</u>
Non-Departmental	
Interfund Transfer	30,000
Total Non-Departmental	<u>30,000</u>
TOTAL GENERAL CAPITAL PROJECTS FUND	<u>14,250,000</u>

MUNICIPAL AIRPORT FUND

Departmental Operating	
Public Works	408,865
Total Departmental Operating	<u>408,865</u>
TOTAL MUNICIPAL AIRPORT FUND	<u>408,865</u>

FACILITIES SERVICES FUND

Non-Departmental	
Interfund Transfer	9,810,000
* Reserves	(9,791,607)
Total Non-Departmental	<u>18,393</u>
TOTAL FACILITES SERVICES FUND	<u>18,393</u>

TOTAL REQUIREMENTS - ALL FUNDS	<u><u>15,111,587</u></u>
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* Reserves, Balance Available, and UEFB amounts are not appropriated for spending and are shown for information purposes only.