



McMinnville Urban Renewal Agency Meeting Agenda

Tuesday, June 11, 2024

7:00 p.m.

(IMMEDIATELY FOLLOWING REGULAR CITY COUNCIL MEETING)

Welcome! The public is strongly encouraged to participate remotely but there is seating at Civic Hall for those who are not able to participate remotely. However, if you are not feeling well, please stay home and take care of yourself.

The public is strongly encouraged to relay concerns and comments to the Council in one of four ways:

- Attend in person and fill out a public comment card.
- Email at any time up to **noon on Monday, June 10th** to CityRecorderTeam@mcminnvilleoregon.gov
- If appearing via telephone only please sign up prior by **noon on Monday, June 10th** by emailing the City Recorder at CityRecorderTeam@mcminnvilleoregon.gov as the chat function is not available when calling in Zoom;
- Join the Zoom meeting use the raise hand feature in Zoom to request to speak, once your turn is up we will announce your name and unmute your mic. **You will need to provide the City Recorder with your First and Last name, Address, and contact information (email or phone) for a public comment card.**

You can live broadcast the City Council Meeting on cable channels Xfinity 11 and 331, Frontier 29 or webstream here:

mcm11.org/live

Download the "Cablecast" app on iOS, Android, Roku, Apple TV or Amazon Firestick and watch McMinnville City Council on all your devices.

URA MEETING:

You may join online via Zoom Meeting:

<https://mcminnvilleoregon.zoom.us/j/85039897291?pwd=imkPRGH8NH9mt0rRlJlKhhejoeZhaq.1>

Meeting ID: 850 3989 7291

Password: 156548

Or you can call in and listen via Zoom: 1-253- 215- 8782

ID: 850 3989 7291

1. CALL TO ORDER

2. PUBLIC HEARING

- a. Public Hearing on the Proposed Fiscal Year 2024-2025 Urban Renewal Budget as approved by the Budget Committee.

3. RESOLUTION

- a. Consider **Resolution No. 2024-03**: A Resolution adopting the budget for the fiscal year beginning July 1, 2024, making appropriations, and declaring the tax increment.
- b. Consider **Resolution No. 2024-04**: A Resolution adopting a supplemental budget for fiscal year 2023-24 and making a contingency transfer.

4. ADJOURNMENT

STAFF REPORT

DATE: June 11, 2024
TO: Jeff Towery, City Manager
FROM: Jennifer Cuellar, Finance Director
SUBJECT: Public Hearing on FY2024-25 Approved Urban Renewal Agency Budget



CITY GOVERNMENT CAPACITY

Strengthen the City's ability to prioritize & deliver municipal services with discipline and focus.

Report in Brief: A public hearing on the FY2024-25 Urban Renewal Agency Budget as approved by the Budget Committee is required by Oregon statute.

Discussion of Hearing and Resolution Actions:

On May 22, 2024, the McMinnville Urban Renewal District's (UR) Budget Committee approved the City of McMinnville Urban Renewal Agency 2024-25 Budget. ORS 294.453 requires that, after the local government's budget committee has approved the budget, the governing body must hold a budget hearing to take citizen testimony on the approved budget.

Five to 30 days before the scheduled hearing, ORS 294.448 requires that the governing body publish a "Notice of Budget Hearing and Financial Summary." The Notice includes the date, time, location and remote access instructions for the budget hearing and a summary of the 2024-25 Approved Budget. The Notice must appear in a newspaper of general circulation.

The required Notice and Financial Summary were published in the News Register on May 31, 2024.

The City also has a Budget Public Comment page on its website to facilitate the community's ability to weigh in on budget matters in a remote way.

A resolution adopting the FY2024-25 Urban Renewal Agency Budget will be presented to the City Council following the public hearing this evening. The City will then certify the budget to the County Assessor's office prior to July 15, 2024.

Fiscal Impact:

Following the budget adoption and public hearing process is required for the Urban Renewal District to draw property taxes as allowed above the District's frozen base.

Documents:

1. FY25 McMinnville Urban Renewal District Approved Budget Hearing notice

A public meeting of the McMinnville Urban Renewal Agency will be held on June 11, 2024 at 7:00 pm at the Kent L Taylor Civic Hall, 200 NE 2nd Street, McMinnville, Oregon and via Zoom for remote access. Information on remote viewing and real time public comment options is available in the calendar section of mcminnvilleoregon.gov. In addition, public comment may be submitted ahead of the hearing online on the city's website mcminnvilleoregon.gov/finance/webform/budget-public-comment. The purpose of this meeting is to discuss the budget for the fiscal year beginning July 1, 2024 as approved by the Urban Renewal Agency Budget Committee. A summary of the budget is presented below. A copy of the budget is available online at mcminnvilleoregon.gov/cd/page/urban-renewal. This budget is for an annual budget period and was prepared on a basis of accounting that is the same basis of accounting as used the preceding year.

Contact: Jennifer Cuellar

Telephone: 503-434-2350

Email: Jennifer.Cuellar@mcminnvilleoregon.gov

FINANCIAL SUMMARY - RESOURCES

TOTAL OF ALL FUNDS	Actual Amount 2022-23	Adopted Budget This Year 2023-24	Approved Budget Next Year 2024-25
Beginning Fund Balance/Net Working Capital	691,620	934,716	1,258,026
Interfund Transfers	88,821	893,212	984,048
All Other Resources Except Division of Tax & Special Levy	66,466	34,628	44,814
Revenue from Division of Tax	643,830	710,000	711,000
Total Resources	1,490,737	2,572,556	2,997,888

FINANCIAL SUMMARY - REQUIREMENTS BY OBJECT CLASSIFICATION

Materials and Services	68,970	419,890	457,162
Capital Outlay	15,000	289,000	280,000
Debt Service	0	0	0
Interfund Transfers	328,606	1,138,207	1,448,900
Contingencies	0	300,000	500,000
All Other Expenditures and Requirements	0	0	0
Unappropriated Ending Fund Balance	1,078,161	425,459	311,826
Total Requirements	1,490,737	2,572,556	2,997,888

FINANCIAL SUMMARY-REQUIREMENTS AND FULL-TIME EQUIVALENT EMPLOYEES (FTE) BY ORGANIZATIONAL UNIT OR PROGRAM *

Name of Organizational Unit or Program			
FTE for that unit or program			
Urban Renewal Fund	235,122	966,590	998,962
FTE	0	0	0
Urban Renewal Debt Service Fund	1,255,615	1,605,966	1,998,926
FTE	0	0	0
Total Requirements	1,490,737	2,572,556	2,997,888
Total FTE	0	0	0

STATEMENT OF CHANGES IN ACTIVITIES and SOURCES OF FINANCING *

This is the Urban Renewal (UR) District's eleventh year. Revenues are continuing to grow based on investments made in the district. For FY2024-25 the total assessed value is anticipated to be a \$57.4 million increase in value over the District's "frozen" 2012-2013 base of \$86,331,273. Property taxes are projected to increase slightly relative the FY2023-24 budget by \$1,000 to \$711,000 as projections for actuals in the FY2023-24 year are coming in lower than budget. Projects for FY2024-25 include the Third Street Improvement project of \$240,000, an update of the 2000 Downtown Improvement Plan of \$200,000, planning for District Identity Improvements of \$40,000, housing development of \$50,000, and \$42,000 in property assistance associated with the NW Rubber site. Debt Service of \$403,052 (included in Interfund Transfers) is appropriated for payment on 2016-17 Alpine Avenue loan and acquisition of the NW Rubber site.

STATEMENT OF INDEBTEDNESS

LONG TERM DEBT	Estimated Debt Outstanding July 1	Estimated Debt Authorized, But Not Incurred on July 1
General Obligation Bonds	\$0	
Other Bonds	\$0	
Other Borrowings	\$1,296,410	
Total	\$1,296,410	

STAFF REPORT

DATE: June 11, 2024
TO: Jeff Towery, City Manager
FROM: Jennifer Cuellar, Finance Director
SUBJECT: A Resolution adopting the budget for fiscal year beginning July 1, 2024 for the McMinnville Urban Renewal Agency

Strategic Priority and Goal:



CITY GOVERNMENT CAPACITY

Strengthen the City's ability to prioritize & deliver municipal services with discipline and focus.

Report in Brief:

Oregon Revised Statute (ORS) 294.456 requires the City to enact a resolution to adopt the McMinnville Urban Renewal Agency's budget for the fiscal year. Resolution 2024-03 adopts the FY2024-25 budget for the fiscal year beginning July 1, 2024, makes appropriations and declares tax increment.

ORS 294.456 also allows the City Council to make changes to the budget that was approved by the Budget Committee. If a change increases expenditures by more than 10 percent, a revised financial summary must be published and a second budget hearing must be held before the adjusted budget can be adopted.

Discussion of Changes in Budget Appropriation Levels:

No changes to the 2024-25 Budget approved by the Budget Committee on May 22, 2024, are included in the Budget that is being presented to the Council for adoption.

Fiscal Impact:

Enacting the annual budget allows the city to request and receive tax increment property taxes, the largest revenue source supporting Urban Renewal programming.

Recommendation:

Approve the Resolution

- adopting the budget for the fiscal year beginning July 1, 2024, in the amount of \$2,997,888
- making appropriations in the amount of \$2,686,062
- certifying to the county assessor a request for the McMinnville Urban Renewal Plan Area for the maximum amount of revenue that may be raised by dividing the taxes under Section 1c, Article IX, of the Oregon Constitution and ORS Chapter 457

Attachments:

Resolution No. 2024-03

RESOLUTION NO. 2024-03

A Resolution adopting the budget for the fiscal year beginning July 1, 2024, making appropriations, and declaring the tax increment

NOW, THEREFORE, BE IT RESOLVED BY THE MCMINNVILLE URBAN RENEWAL BOARD OF THE MCMINNVILLE URBAN RENEWAL AGENCY, as follows:

1. Adopting the Budget: The Board of the McMinnville Urban Renewal Agency hereby adopts the budget for 2024-25, now on file at City Hall, 230 NE Second Street, McMinnville, Oregon, as approved by the Urban Renewal Budget Committee and amended by the Urban Renewal Agency Board, in the sum of \$2,997,888

2. Making Appropriations: The amounts for the fiscal year beginning July 1, 2024 are for the purposes shown below and are hereby appropriated as follows:

Urban Renewal Fund	
Urban Renewal District Programs and Improvements	\$ 737,162
Transfers Out to Other Funds	61,800
Contingencies	200,000
Total Urban Renewal Fund Appropriation	\$ 998,962
Urban Renewal Debt Service Fund	
Transfers Out to Other Funds	1,387,100
Contingencies	300,000
Total Urban Renewal Debt Service Fund Appropriation	\$ 1,687,100
Total Appropriations, All Funds	\$ 2,686,062
Total Unappropriated and Reserved amounts, All Funds	311,826
Total Adopted Budget	2,997,888

3. Declaring Tax Increment: The McMinnville Urban Renewal Agency Board hereby resolves to certify to the county assessor a request for the McMinnville Urban Renewal Plan Area for the maximum amount of revenue that may be raised by dividing the taxes under Section 1c, Article IX, of the Oregon Constitution and ORS Chapter 457.

This resolution shall take effect immediately upon passage and shall continue in full force and effect until revoked or replaced.

Adopted by the McMinnville Urban Renewal Agency Board at a regular meeting held the 11th day of June 2024 by the following votes:

Ayes: _____

Nays: _____

Approved this 11th day of June 2024.

Approved as to form:

MAYOR

Attest:

CITY ATTORNEY

CITY RECORDER

STAFF REPORT – Urban Renewal Agency

DATE: May 28, 2024
TO: Jeff Towery, City Manager
CC: Heather Richards, Community Development Director
FROM: Jennifer Cuellar, Finance Director
SUBJECT: FY2023-24 Supplemental Budget Resolution Year End Review Urban
Renewal



CITY GOVERNMENT CAPACITY

Strengthen the City's ability to prioritize & deliver municipal services with discipline and focus.

Report in Brief: The Supplemental Budget resolution for the Urban Renewal Agency addresses budget adjustments needed after conducting the year-end budget review. This added appropriation will be funded a contingency transfer.

Discussion of Resolution Action:

Oregon Revised Statute (ORS) 294.471 allows a local government to prepare a supplemental budget when an occurrence or condition that was not known at the time the budget was prepared requires a change in financial planning.

Over the course of the current fiscal year, a new grant was awarded to reimburse the cost of environmental studies done at the new property acquired in the Alpine District, a part of the McMinnville urban renewal area. The grant included a match (\$7,044) that will be paid for by the Urban Renewal Agency as a transfer out to the McMinnville General Fund.

Because transfers out are not included in the larger program category appropriation and is a separate budget category of its own, whenever a change in transfers out is needed - even if it is a small amount as is the case in this FY2023-24 proposed action - it almost invariably will need a budget amendment.

Included in local budget law on supplemental budget actions is a requirement that if an action increases expenditures more than 10%, a public budget hearing must be scheduled prior to consideration of the resolution. In this case, the transfer out is not considered an "expenditure" and thus this proposed budget amendment has no change in expenditures to consider.

The match will be covered by a contingency transfer. These are governed by ORS 294.463(2) and have a requirement that if the contingency transfer is for more than 15% of total fund appropriations, the action requires a public budget hearing. This contingency transfer is less than 15% and does not need a hearing on that basis.

Fiscal Impact:

The Urban Renewal Fund has sufficient contingency to include this transfer.

Council Options:

1. Approve the resolutions authorizing these FY2023-24 budget amendments that address needs identified in the Year-End Review (staff recommendation).
2. Reject the budget amendment resolutions which would result in an Oregon Local Budget Law violation.
3. Request additional information on the proposed action.

Documents:

1. Resolution No. 2024-04 FY2023-24 Budget Amendment Urban Renewal Fund

RESOLUTION NO. 2024 – 04

A Resolution adopting a supplemental budget for fiscal year 2023-24 and making a contingency transfer.

RECITALS:

Whereas, this resolution proposes a supplemental budget for the Urban Renewal Fund; and

Whereas, this supplemental budget is to accommodate unknown circumstances at the time the budget was adopted based on a Year-End Review of the Urban Renewal Agency's budget status; and

Whereas, Oregon Local Budget Law allows a local government to prepare a supplemental budget when circumstances were unknown at the time the budget was prepared thus requiring a change in financial planning (ORS 294.471); and

Whereas, the contingency transfer of \$7,044 to the transfer out category allows for the Agency to cover the match portion of a brownfields grant reimbursing the McMinnville General Fund for environmental study expenses associated with the property purchased in the Alpine District included in the urban renewal area; and

Whereas, the governing body must adopt a resolution to adopt the supplemental budget and make any necessary appropriations; and

Whereas, the supplemental budget for the Urban Renewal fund makes no change in the budgeted expenditure category so, therefore, a public hearing is not required for this reason; and

Whereas, contingency transfers that exceed 15% of the total appropriation in a fund requires a public hearing prior to adoption of the Council resolution; and

Whereas, the Urban Renewal Fund contingency transfer does not exceed this statutory limit (ORS 294.463(2)), a public hearing is not required; and

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF McMINNVILLE, OREGON, as follows:

1. **Adopt the following Supplemental Budget:** The McMinnville Urban Renewal Agency Board adopts the following Supplemental Budget for 2023-24 in the Urban Renewal Fund.
2. **Make Supplemental Appropriations:** The additional appropriations for fiscal year 2023-24 are hereby appropriated as detailed in Exhibit A.

Adopted by the McMinnville Urban Renewal Agency Board at a regular meeting held the 11th day of June 2024 by the following votes:

Ayes:_____

Nayes:_____

Approved this 11th day of June 2024.

MAYOR

Approved as to form:

Attest:

CITY ATTORNEY

CITY RECORDER

EXHIBITS:

- A. Detailed Additional Appropriations for Fiscal Year 2023-24.

Exhibit A

	Adopted Budget	Budget Adjustment	Amended Budget
Urban Renewal Fund:			
Requirements:			
Transfers Out	\$ 57,700	7,044	\$ 64,744
Contingency	200,000	-7,044	192,956
All other requirements unchanged	<u>708,890</u>	<u>-</u>	<u>708,890</u>
Total Requirements	<u>\$ 966,590</u>	<u>0</u>	<u>\$ 966,590</u>