

**TO:** Urban Renewal Agency Board  
**THROUGH:** Steve Powers, Executive Director  
**FROM:** Kacey Duncan, Deputy City Manager  
**SUBJECT:** Supplemental information regarding final additions, deletions, and changes recommended by the Budget Committee.

**ISSUE:** To provide additional information regarding the Budget Committee's recommended budget as a supplement to Attachment 1 of Agenda Item 7.a.

**RECOMMENDATION:**

Information only.

**SUMMARY AND BACKGROUND:**

Attachment 1 of Agenda Item 7.a. provides the appropriations of the Budget Committee's recommended budget for the Urban Renewal Agency. This supplemental report offers more detail related to changes the Budget Committee approved to the [Executive Director's proposed FY 2019 budget](#).

**FACTS AND FINDINGS:**

Convention Center Fund (345) and Convention Center Gain / Loss Reserve Fund (428)

The changes to the proposed FY 2019 budget for the Urban Renewal Agency approved by the Budget Committee related to program income realized in the Convention Center Fund, which is transferred to the Convention Center Gain / Loss Reserve Fund. The current actions required to move the funds to the reserve span two fiscal years. The income is earned in one fiscal year and transferred in the next fiscal year.

The changes approved by the Budget Committee will allow for the discontinuation of this practice and have all actions related to the distribution of the program income occur in the year in which it is earned. To facilitate the corrective action, appropriation authority sufficient for two transfers is needed in FY 2019 for the Convention Center Fund. The first transfer will occur at the beginning of the fiscal year and account for the program income earned in FY 2018. The second transfer will occur at the end of the fiscal year and account for the income earned in FY 2019.

By increasing the estimate for working capital and transfer expense in the Convention Center Fund by \$700,000, it is assumed that two years of program income can be transferred in FY 2019. It is estimated that the new total of \$1,500,000 in transfer expense is needed as the program income earned and transferred for FY 2017 was \$683,727.

The offsetting actions to the increased transfer expense in the Convention Center Fund is a \$700,000 increase to revenue in the Convention Center Gain / Loss Reserve Fund and an equivalent increase to unappropriated ending working capital.