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**HARRISBURG REDEVELOPMENT AGENCY AGENDA**

**March 14, 2018**

**Harrisburg City Hall @ 120 Smith St., Directly following the City  
Council Meeting which starts at 6:30pm**  
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1. Call to order and roll call by Director Robert Duncan
2. The matter of Approving the Minutes of February 14, 2018

LOCATION: Page No. 2

ACTION: Motion to Approve the Minutes of February 14, 2018

3. The matter of Reviewing the 2nd Quarter FY 2017-2018 Financial Report Document

LOCATION: Page No. 5

STAFF REPORT: Exhibit A: 2nd Quarter Financial Report

ACTION: Motion to Approve the HRA 2nd Quarter Financial Report for Fiscal Year 2017-18

4. Other.
5. Adjourn



Harrisburg Redevelopment Agency Minutes February 14, 2018

The Harrisburg Redevelopment Agency Board met on this date at City Hall, located at 120 Smith St. at the hour of 7:34pm. Presiding was Vice-Chair Mike Caughey. Present were as follows:

- Kimberly Downey
- Robert Boese
- Adam Keaton
- City Administrator Brian Latta
- City Recorder/Asst. City Administrator Michele Eldridge
- Public Works Director Chuck Scholz
- Finance Officer Tim Gaines

Absent were Board Members Sarah Puls, John Loshbaugh, Chairperson Robert Duncan and Youth Advisor Sarah Isom.

Concerned Citizens in the Audience: None with comments for the HRA Board

The matter of Discussing the Fiscal Year 2016-2017 Audit Report with the Auditor, Steve Tuchscherer.

Auditor Report: Tuchscherer said that the HRA is a much smaller entity, but it does require an audit just like the City. It's a component unit, but it is separate. The letter is in this report as well, and the statement he had was the same as for Council.

It was discovered that Adam Keaton was listed in the regular audit report for the City, but not in this one. Tuchscherer told him that he would make a note of that. Again, there is no material misstatement. Property Taxes for Urban Renewal agencies are really hard to track, because these are really complex. There are four different schedules of receivables for URA's.

- Keaton **motioned to approve the HRA's Fiscal Year 2016-2017 Audit Report, as Presented by the Auditor Steve Tuchscherer. He was seconded** by Downey, and the **HRA Board voted unanimously to approve the HRA Fiscal Year Audit Report for 2016-2017.**

The matter of Approving the Minutes of January 10, 2018

- Downey **motioned to approve the minutes, and was seconded** by Boese. **The HRA Board then voted unanimously to approve the minutes from January 10, 2018.**

Others:

- Downey had visited Lincoln City and met a person whose mother (Eleanor) was a founding member of one of their first Urban Renewal Districts. She thought the concept

of the HRA may be complex, but it's also great. This area had restaurants too, and a thriving district.

- Latta added that they actually have 4 districts in Lincoln City, because the City is so long and drawn out.

Harrisburg Redevelopment Agency Policy Discussion:

- Latta explained that we have given away 3 loan/grant combinations so far. The doctor is finishing their project, and is already open. They've already submitted one set of receipts for one reimbursement; most of that was construction costs. They had to draw up plans of the interior of the building, and they wanted to know if that was reimbursable. He told them he would need to check with the board on that.
- Keaton asked if that was for interior architecture, decorating, or something like that.
- Latta said a little of both. It included walls, doors, finishes, lighting, surfaces, etc.
- Caughey's recollection was that the loan applied to outside stuff on the building, and if inside, it was only for a front reception area.
- Latta told him correct; but in this case, the doctor applied before, or really, right when we established the criteria. In this case, it's all interior stuff. This is more a policy issue than anything. Going forward, how did you want to handle this? They probably did all their planning before asking for the money. Where he is struggling with it, is that the work is already done.
- Boese asked if you meant plans like electrical or plumbing too.
- Keaton said that architectural work can include some of those.
- Latta thought it was mostly architecture, walls, and developing construction drawings for the project. He added that it's really a question of what the HRA wants to do with their money. Do you want to spend money on plans, or do you want to spend it on actual labor and construction?
- Kay Barnett, in the audience, asked if you don't have a plan, then how do they know what to work on?
- Latta thought if someone comes to us for money, then we would expect them to show us what they are going to do. In this case, the money is already expended. We'd rather pay for what you are going to do, and not for what you've already done.

Council asked some more questions, about interior decorators, and structural plans, Boese felt we could figure something out. Latta told him in the resolution, under award reimbursement; it states that construction may begin only after the application is approved. It states that *'any materials purchased or work performed prior to the agreement signed will not be eligible for reimbursement.'* That is maybe our answer right there. Caughey said that if they did their architectural plan before approval, the answer is no. Keaton said if we had already had the plan before the approval, then he might have let it be paid for. Downey added that we are trying to spur things to happen; not pay for work that's been done. Keaton thought that was the question. He would think that plans would be turned in with a proposal. We should have already had them presented to us. Caughey added that we also have a difference between conceptual designs vs. architectural design. Latta said that the dentist has not signed the agreement yet. They gave us a conceptual plan, not architectural detail. They had some issues with the state that has to be resolved before they can sign the agreement. We can say, hey, if

you are developing plans, and a conceptual, then they can come to us at the next meeting, and ask for a grant. He knows she hasn't done construction plans yet. That's an example of saying yes or no, and if we say yes, she develops it, and we can pay for it. He asked what they thought of that.

Downey said otherwise, everyone in the whole town can come and say we developed this, please pay for our plans. Keaton said his only reservation is what if they submit a set of plans, but don't do exactly what was submitted. If they change plans, is that different? Latta told him that if they came in and asked for reimbursement of architectural fees, then we can ask them for more information on that. Keaton said that if it is only the grants for the project, then if it's part of it, it's ok to pay it. Council discussed how much the plans tended to cost, and what kind of a cap we had. Latta noted that for loans, its 25%, and for grants, 50%. Keaton said then if they want to spend the entire loan.....Caughey added that we don't pay until after the plan is done, paid for, and we have proof of it. Latta commented that we hold onto 25% of the money for each reimbursement request. We decided to restructure that, from what we were doing before. We hold back the 25% as contingency, and then pay it at the end.

Some of the Councilors said that they were still somewhat on the fence for a decision on this. Boese expressed caution, because things can come up, and we get stuck with something, that we didn't think we would be paying for. Latta said its incumbent on the agency to know what it is you are paying for. He would be very hesitant to look at a request, where someone says that I have a building that I want to make nice; please give me \$25,000 to make it look good. We'd say no, we need information from you; and you would have some surety when approving the request, of what it will be. In most cases, that's developed before they make a request. In this case, the doctor came in before we had the policy in force, although it was in force before they signed the agreement. But he thinks in the future, as we get more requests, we get the information we need, at least through a conceptual plan, if not through all the contractor drawings. That's something you can request before you say yes to a project.

Caughey said that he wanted to comment on what Keaton and Boese have brought up. If it's a matter of the design for flower arrangements on a table, or furniture, then he'd say no, we don't pay it. But if its construction drawings, for equipment, power, light, plumbing, etc., then it's appropriate. Consensus was given by all in regards to this statement. Latta told them that we can put that into the approval when we give that. We will pay for xyz, because you gave us a proposal that says it will cost this much. We weren't as specific with the doctor and the dentist, as we should have been. We'll get better at evaluating future requests; because we will know what we are paying for. Latta said that he will tell the doctors group no, because the work was done prior to signing the agreement.

With no further discussion, the HRA Board adjourned at the hour of 8:02pm.

Chairperson

City Recorder

Agenda Bill

Harrisburg Redevelopment Agency

Harrisburg, Oregon

In the matter of: REVIEWING THE
2nd QUARTER FY 2017-2018
FINANCIAL REPORT DOCUMENT.

Meeting date: March 14, 2018
Item: Staff Report
Prepared by: Tim Gaines Finance Officer
Exhibit: A. 2nd Quarter Financial Report

Regular Agenda

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Consent Agenda

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Information—No action

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COMMITTEE ACTION: None

| BUDGET IMPACT | | |
|---------------|-----------|-----------------|
| COST | BUDGETED? | SOURCE OF FUNDS |
| N/A | N/A | N/A |

STAFF'S RECOMMENDATION:

Staff recommends the HRA Board approve FY 2017-18 2nd quarter financial report.


BACKGROUND INFORMATION:

The HRA's Finance Officer has prepared the 2nd Quarter Financial Report for review by the HRA Board. The report shows all revenues and expenditures for the 2nd quarter, as well as the total revenues and expenditures for fiscal year 2017-18. The HRA Board should review the document and raise any questions or concerns they may have to HRA staff.

MOTION (If necessary):

I move to approve the HRA 2nd quarter financial report for fiscal year 2017-18.

REVIEW AND APPROVAL:

 3/7/18

Brian Latta Date
City Administrator

**HARRISBURG REDEVELOPEMENT AGENCY
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 6 MONTHS ENDING December 31, 2017**

HRA GENERAL FUND

REVENUES (RESOURCES)

| OBJECT CLASSIFICATION (DESCRIPTION) | PERIOD ACTUAL | YTD ACTUAL | BUDGET | UNEARNED | PERCENTAGE |
|--|-------------------|---------------------|---------------------|--------------------|----------------|
| BEGINNING FUND BALANCE | 48,500.00 | 48,500.00 | 48,500.00 | 0.00 | 100.00% |
| TAXES | 285,478.45 | 288,541.25 | 235,500.00 | (53,041.25) | 122.52% |
| INVESTMENT REVENUE | 10,912.78 | 15,013.67 | 800.00 | (14,213.67) | 1876.71% |
| MISCELLANEOUS REVENUE | 0.00 | 3,155,011.94 | 3,155,012.00 | 0.06 | 100.00% |
| TOTAL FUND REVENUE | 344,891.23 | 3,507,066.86 | 3,439,812.00 | (67,254.86) | 101.96% |

EXPENDITURES (REQUIREMENTS)

| OBJECT CLASSIFICATION (DESCRIPTION) | PERIOD ACTUAL | YTD ACTUAL | BUDGET | REMAINING | PERCENTAGE |
|--|-------------------|---------------------|---------------------|---------------------|---------------|
| MATERIALS & SERVICE | 4,250.00 | 4,320.90 | 17,000.00 | 12,679.10 | 25.42% |
| CAPITAL OUTLAY | 37,640.16 | 37,640.16 | 2,600,000.00 | 2,562,359.84 | 1.45% |
| SPECIAL PAYMENTS | 0.00 | 0.00 | 500,000.00 | 500,000.00 | 0.00% |
| DEBT SERVICES | 74,232.19 | 74,232.19 | 322,812.00 | 248,579.81 | 23.00% |
| TOTAL FUND EXPENDITURES | 116,122.35 | 116,193.25 | 3,439,812.00 | 3,323,618.75 | 3.38% |
| NET REVENUES OVER EXPENDITURES | 228,768.88 | 3,390,873.61 | 3,439,812.00 | 48,938.39 | 98.58% |