

HRA Board Meeting Agenda May 14, 2024 6:30 PM

(Immediately Following the City Council Business Meeting)

Chairperson: Robert Duncan Vice Chairperson: Mike Caughey

Members: Kimberly Downey, Robert Boese, Randy Klemm, Charlotte Thomas,

and Cindy Knox

Meeting Location: Harrisburg Municipal Center Located at 354 Smith St

PUBLIC NOTICES:

- 1. This meeting is open to the public and will be tape-recorded.
- 2. Copies of the Staff Reports or other written documents relating to each item on the agenda are on file in the office of the City Recorder and are available for public inspection.
- 3. The City Hall Council Chambers are handicapped accessible. Persons with disabilities wishing accommodations, including assisted listening devices and sign language assistance are requested to contact City Hall at 541-995-6655, at least 48 hours prior to the meeting date. If a meeting is held with less than 48 hours' notice, reasonable effort shall be made to have an interpreter present. The requirement for an interpreter does not apply to an emergency meeting. ORS 192.630(5)
- 4. Persons contacting the City for information requiring accessibility for deaf, hard of hearing, or speech-impaired persons, can use TTY 711; call 1-800-735-1232, or for Spanish voice TTY, call 1-800-735-3896.
- 5. The City of Harrisburg does not discriminate against individuals with disabilities, and is an equal opportunity provider.
- 6. For information regarding items of discussion on this agenda, please contact City Recorder Lori Ross, at 541-995-6655

CALL TO ORDER AND ROLL CALL BY CHAIRPERSON ROBERT DUNCAN

CONCERNED CITIZEN(S) IN THE AUDIENCE. (Please limit presentation to two minutes per issue.)

APPROVAL OF MINUTES

1. MOTION TO APPROVE THE HRA BOARD MINUTES FROM JANUARY 9, 2024

NEW BUSINESS

2. THE MATTER OF DISCUSSING THE HARRISBURG REDEVELOPMENT AGENCY FISCAL YEAR 2022-2023 AUDIT REPORT WITH THE HRA AUDITOR, STEVE TUCHSCHERER

STAFF REPORT:

Exhibit A: 2022-23 City of Harrisburg HRA Audit Report

ACTION: MOTION TO APPROVE THE HRA'S FISCAL YEAR 2022-2023 AUDIT REPORT, AS PRESENTED BY THE AUDITOR STEVE TUCHSCHERER.

3. THE MATTER OF CONSIDERATION OF AN HRA GRANT REQUEST FOR A \$11,333 PROPERTY IMPROVEMENT GRANT FROM THE OWNERS OF THE JB WOODWORKS BUILDING, ALSO KNOWN AS THE MOODY BUILDING LOCATED AT 206 S 3RD ST

STAFF REPORT:

Exhibit A: Property Improvement Grant Application

Exhibit B: Pictures

Exhibit C: HRA 'Program Guidelines and Overview'

ACTION "TBD – (MOTION TO APPROVE THE PROPERTY IMPROVEMENT GRANT APPLICATION FOR JIM AND BRENDA HOILAND IN THE AMOUNT OF \$11,333 UPON COMPLETION OF THE WORK DESCRIBED IN THE GRANT APPLICATION FOR THE MOODY BUILDING CURRENTLY KNOWN AS JB WOODWORKS)."

4. THE MATTER OF APPROVING THE HARRISBURG REDEVELOPMENT AGENCY 2ND AND 3RD QUARTER 2023/2024 EXPENSE REPORT

STAFF REPORT:

Exhibit A: 2nd Quarter HRA Expense Report Ending December 31, 2023

Exhibit B: 3rd Quarter HRA Expense Report Ending March 31, 2024

ACTION: MOTION TO APPROVE THE HRA 2ND AND 3RD QUARTER 2023/2024 EXPENSE REPORT.

5. THE MATTER OF REVIEWING AND ACCEPTING THE ANNUAL REPORT OF THE HARRISBURG REDEVELOPMENT AGENCY (HRA)

STAFF REPORT:

Exhibit A: HRA Annual Report for 2022-2023 Fiscal Year

ACTION: MOTION TO APPROVE THE ANNUAL REPORT FOR THE HARRISBURG REDEVELOPMENT AGENCY

OTHER

ADJOURN



HRA Board Minutes January 09, 2024

Chairperson: Robert Duncan, Presiding Vice Chairperson: Mike Caughey, Present

Members Present: Kimberly Downey, Robert Boese, Randy Klemm and Cindy Knox

Members Absent: Charlotte Thomas (Excused)

Staff Present: City Administrator Michele Eldridge, Public Works Director Chuck

Scholz, Finance Officer/Deputy City Recorder Cathy Nelson, and City

Recorder/Municipal Court Clerk Lori Ross

Meeting Location: Harrisburg Municipal Center Located at 354 Smith St

CALL TO ORDER AND ROLL CALL BY CHAIRPERSON ROBERT DUNCAN at the hour of 7:36pm

CONCERNED CITIZEN(S) IN THE AUDIENCE: All in attendance were there for items on the agenda.

APPROVAL OF MINUTES: No comments or concerns.

 Downey motioned to approve the minutes from the June 27, 2023 HRA Board Meeting as was seconded by Klemm. The motion passed unanimously by a vote of 5-0. (Yes: Caughey, Downey, Boese, Klemm and Knox. No: None.)

THE MATTER OF HOLDING AN ANNUAL HRA MEETING AS REQUIRED BY THE HRA BY-

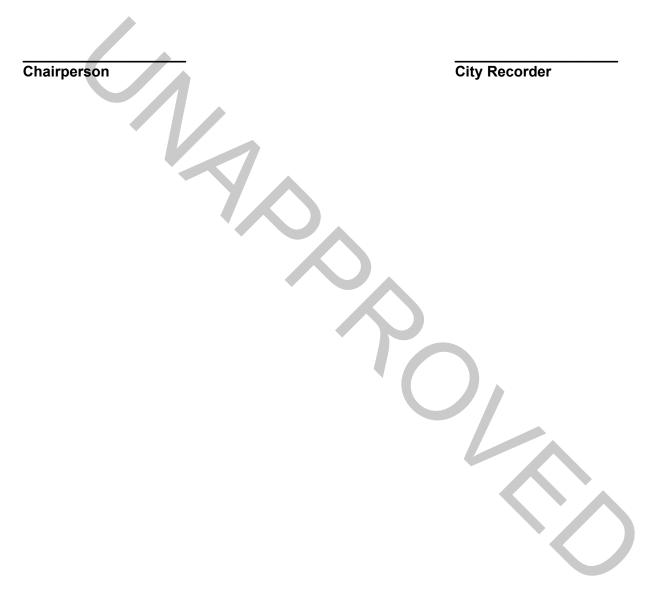
LAWS, ARTICLE III, SECTION 1: Eldridge reminded Council that holding this first HRA meeting in January is required by our Bylaws. Eldridge reviewed the staff report commenting that \$2.4M is still available to use for the Water Bond Project if needed. If it is not used for the water bond project, it can be used for another project on the HRA Project List. Other projects or additional debt can be added with a minor amendment.

THE MATTER OF APPROVING THE HARRISBURG REDEVELOPMENT AGENCY 1ST QUARTER 2023/2024 EXPENSE REPORT: Nelson pointed out the unearned total fund revenue on page 9 of the agenda and commented we have only received 1% of our budgeted property taxes. She stated that the bulk of the revenue will be received in November. No comments or concerns.

• Klemm motioned to approve the HRA 1st Quarter 2023/2024 Expense Report and was seconded by Downey. The motion passed unanimously by a vote of 5-0. (Yes: Caughey, Downey, Boese, Klemm and Knox. No: None.)

OTHERS: None

With no further discussion, the HRA Board Meeting adjourned at the hour of 7:40pm to return to the City Council Business Meeting.



Agenda Bill Harrisburg Redevelopment Agency Board

Harrisburg, Oregon

THE MATTER OF DISCUSSING THE HARRISBURG REDEVELOPMENT AGENCY FISCAL YEAR 2022-2023 AUDIT REPORT WITH THE HRA AUDITOR, STEVE TUCHSCHERER

STAFF REPORT:

Exhibit A: 2022-23 City of Harrisburg HRA Audit Report

ACTION: MOTION TO APPROVE THE HRA'S FISCAL YEAR 2022-2023 AUDIT REPORT, AS PRESENTED BY THE AUDITOR STEVE TUCHSCHERER.

THIS AGENDA BILL IS DESTINED FOR: Regular Agenda – May 14, 2024

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

STAFF RECOMMENDATION:

Staff recommends the HRA Board accept and approve the HRA Fiscal Year 2022-2023 Audit Report.

BACKGROUND INFORMATION:

Steve Tuchscherer and his firm audited the HRA's financial records for Fiscal Year 2022-2023. The audit report (**Exhibit A**) should be used to follow along with the presentation given by Auditor, Steve Tuchscherer.

Mr. Tuchscherer will be providing his audit report via Zoom, which will be broadcast on the City Council Information Screens. He will be available to answer any questions from the HRA Board.

REVIEW AND APPROVAL:

CATHY NELSON

5/6/2024

Cathy Nelson

Date

Finance Officer

(A Component Unit of the City of Harrisburg)



HARRISBURG, OREGON

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2023

(A Component Unit of the City of Harrisburg)

PO Box 378 Harrisburg, Oregon 97446 (541) 995-6655

AGENCY OFFICIALS

KIM DOWNEY Official

PO Box 651, Harrisburg, OR 97446

ROBERT BOESE Official

460 N 7th Street, Harrisburg, OR 97446

CHARLOTTE THOMAS Official

1145 South 6th Street, Harrisburg, OR 97446

RANDY KLEMM Official

785 Monroe Street, Harrisburg, OR 97446

MIKE CAUGHEY Official

1052 Whitledge Place, Harrisburg, OR 97446

ROBERT DUNCAN Official

PO Box 224, Harrisburg, OR 97446

ADMINISTRATION

CATHY NELSON Finance Officer

PO Box 378, Harrisburg, OR 97446

MICHELE ELDRIDGE City Manager

PO Box 378, Harrisburg, OR 97446

LORI ROSS City Recorder

PO Box 378, Harrisburg, OR 97446

(A Component Unit of the City of Harrisburg)

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2023

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Independent Accountant Review Report

Official of the Harrisburg Redevelopment Agency Urban Renewal Agency of the City of Harrisburg, Oregon

We have reviewed the accompanying modified accrual basis of accounting financial statements of the governmental activities and each major fund information of the Harrisburg Redevelopment Agency (a component unit of the City of Harrisburg) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's financial statements, as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of the Harrisburg Redevelopment Agency, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual are presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Such information is the responsibility of management. We have not audited, reviewed, or compiled the required supplementary information and we do not express an opinion, a conclusion, nor provide any assurance on it.

Report on Other Legal and Regulatory Requirements

The accompanying Management Representation of Fiscal Affairs Required by Oregon Regulation is presented for purpose of additional analysis and is not a required part of the financial statements. The information is the responsibility of management. We have not reviewed such information and we do not express an opinion, a conclusion, nor provide any assurance of it.

Steve Tuchscherer, CPA Umpqua Valley Financial, LLC

Will

Roseburg, Oregon

March 21, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

2.

<u>HARRISBURG REDEVELOPMENT AGENCY -</u> THE URBAN RENEWAL AGENCY OF THE CITY OF HARRISBURG

Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2023
Unaudited

The management of the Harrisburg Redevelopment Agency (HRA) of the City of Harrisburg, Oregon, a component unit of the City of Harrisburg, Oregon presents this narrative overview and analysis to facilitate both a short and long-term analysis of the financial activities of the Agency for the fiscal year ending June 30, 2023. This Management's Discussion and Analysis (MD&A) is based on currently known facts, decisions, and conditions that existed as of the date of the independent auditor's report.

FINANCIAL HIGHLIGHTS

Key financial highlights for the fiscal year ended June 30, 2023, are as follows:

- The Agency's total assets as of June 30, 2023, were \$2,277,597, an increase of \$149,177 (7.01%) from the prior year.
- The Agency's total liabilities as of June 30, 2023, were \$2,447,282, a decrease of \$131,341 (5.09%) from the prior year.
- The Agency's net position as of June 30, 2023, was \$(169,685), an increase of \$280,518 (62.31%) from the prior year.
- As of June 30, 2023, the Agency reported a combined ending fund balance of \$2,223,753. The entire balance is restricted to Urban Renewal Projects.

OVERVIEW OF THE FINANCIAL STATEMENTS

Management's Discussion and Analysis introduce the Agency's basic financial statements. The basic financial statements include 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also includes additional supplementary information to supplement the basic financial statements.

Government-wide Financial Statements

The first of the government-wide statements is the *Statement of Net Position*. This is the Agency-wide statement of position presenting information that includes all of the Agency's assets and liabilities. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Agency as a whole is improving or deteriorating. Evaluation of the overall economic health of the Agency would extend to other non-financial factors such as the condition of buildings, and water and sewer systems facilities.

The second government-wide statement is the *Statement of Activities* which reports how the Agency's net position changed during the current fiscal year. All current-year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the *Statement of Activities* is to show the financial reliance of the Agency's distinct activities or functions of the Agency that are principally supported by user fee revenues, intergovernmental revenues from grants, and property tax revenues.

2.

<u>HARRISBURG REDEVELOPMENT AGENCY -</u> THE URBAN RENEWAL AGENCY OF THE CITY OF HARRISBURG

Management's Discussion and Analysis (MD&A) For the Fiscal Year Ended June 30, 2023 Unaudited

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Agency uses fund accounting to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, Fund Financial Statements focus on the Agency's most significant funds rather than the Agency as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for non-major funds is provided in the form of combining and individual fund statements in a later section of this report. The Agency has one fund which is considered a governmental-type fund.

Governmental funds focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. Unlike government-wide financial statements, these statements report short-term fiscal accountability focusing on the use of spendable resources during the year and balances of spendable resources available at the end of the fiscal year.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to government-wide statements to assist in understanding the differences between these two perspectives.

Budgetary comparison statements are included in the basic financial statements for the General Fund. This statement and schedule demonstrate compliance with the Agency's adopted and final revised budget.

Notes to the Basic Financial Statements

The accompanying notes to the basic financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the basic financial statements begin immediately following the basic financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents as required supplementary information budgetary comparison statements for the General Fund. The required supplementary information immediately follows the notes to the financial statements.

FINANCIAL ANALYSIS OF THE AGENCY AS A WHOLE

Recalling that the Statement of Net Position provides the perspective of the Agency as a whole. Net position may serve over time as a useful indicator of a government's financial position.

The Agency's net position at the end of the fiscal year is \$(169,685). However, there was a 62.31% increase of \$280,518.

Management's Discussion and Analysis (MD&A) For the Fiscal Year Ended June 30, 2023 Unaudited

The following table provides a summary of the Agency's net position for the current and prior year.

Summary of Net Position

	Governmental Activities			
	2023	2022		
Assets				
Current and Other Assets	\$ 2,277,597	\$ 2,128,420		
Total Assets	2,277,597	2,128,420		
Liabilities				
Current Liabilities	133,021	128,343		
Long-Term Liabilities	2,314,261	2,450,280		
Total Liabilities	2,447,282	2,578,623		
Net Position				
Restricted	(169,685)	(450,203)		
Total Net Position	\$ (169,685)	\$ (450,203)		

Changes in net position - The Agency's total revenues for the fiscal year ended June 30, 2023, were \$526,211. The total cost of all programs and services was \$243,440. The following table shows a comparative analysis of government-wide revenues, expenses, and changes in net position.

Summary of Changes in Net Position

	Governmental Activities		
	2022-23	2021-22	
Revenues			
Program Revenues			
Operating Grants and Contributions	\$ -	\$ 81,784	
Total Program Reveneus		81,784	
General Revenues			
Taxes and Assessments	466,040	429,357	
Interest & Investment Earnings	60,171	10,924	
Other Revenue		34,583	
Total General Reveneus	526,211	474,864	
Total Revenues	526,211	556,648	
Program Expenses			
Urban Renewal Projects	160,981	15,960	
Interest on Long-Term Debt	82,459	92,279	
Total Expenses	243,440	108,239	
Equity Transfers	(2,253)	(183,023)	
Change in Net Position	\$280,518	\$265,386	

2.

<u>HARRISBURG REDEVELOPMENT AGENCY -</u> THE URBAN RENEWAL AGENCY OF THE CITY OF HARRISBURG

Management's Discussion and Analysis (MD&A) For the Fiscal Year Ended June 30, 2023 Unaudited

FINANCIAL ANALYSIS OF THE AGENCY'S FUNDS

As noted earlier, the Agency uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the Agency's governmental funds is to provide information on short-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Agency's financing requirements. An unreserved fund balance may serve as a useful measure of the Agency's net resources available for spending at the end of the fiscal year.

Governmental Funds

As the Agency completed the year, its governmental funds reported a combined fund balance of \$2,077,360, an increase of \$143,662. The fund balance constitutes restricted amounts. Of the current fund balance the entire amount is restricted for urban renewal projects.

Budgetary Highlights

General Fund resources were budgeted and anticipated to be collected in the amount of \$242,605 during the fiscal year. Actual resources of \$519,474 were \$276,869 more than budgeted. The General Fund expenditures budget was underspent by \$1,994,289 due to capital outlay expenditures being less than anticipated.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Agency does not have any capital assets or infrastructure.

Long-Term Debt

As of June 30, 2023, the Agency had a total long-term debt outstanding of \$2,285,000. The principal paid on the debt was \$120,000 and the interest paid on the debt amounted to \$93,800. Additional information on the Agency's long-term debt can be found in the Long-Term Debt Note in the Notes to the Basic Financial Statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

During the preparation of the budget for the ensuing fiscal year, the long-term impacts on the local economy were examined in conjunction with business decisions made by the Harrisburg Redevelopment Agency. There were no changes in the activities of sources of financing.

The HRA's budget for the fiscal year ending June 30, 2024, will be \$2,188,151, including the \$266,400 of unappropriated and reserved amounts. The majority of the budget is appropriated to capital outlay and debt service.

CONTACTING THE AGENCY'S FINANCIAL MANAGEMENT

The financial report is designed to provide a general overview of the Harrisburg Redevelopment Agency's finances for those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Harrisburg at (541) 995-6655. The office is located inside City Hall at 120 Smith Street, Harrisburg, Oregon 97446.

BASIC FINANCIAL STATEMENTS

Government-Wide Financial Statements

(A Component Unit of the City of Harrisburg)

STATEMENT OF NET POSITION

For the Fiscal Year Ended June 30, 2023

	Governmen Activities	
ASSETS:		
Current Assets:		
Cash and Investments	\$	2,029,847
Property Taxes Receivable		19,107
Loans Receivable		228,643
Total Assets		2,277,597
LIABILITIES:		
Current Liabilities:		
Interest Payable		8,021
Current Portion of Long-Term Liabilities:		
Bonds Payable		125,000
Total Current Liabilities		133,021
Long-Term Liabilities:		
Noncurrent Portion of Long-Term Liabilities:		
Bonds Payable (Net of unamortized premium)		2,314,261
Total Long-Term Liabilities		2,314,261
Total Liabilities		2,447,282
NET POSITION:		
Restricted		(169,685)
Total Net Position	\$	(169,685)

(A Component Unit of the City of Harrisburg)

STATEMENT OF ACTIVITIES

For the Fiscal Year Ended June 30, 2023

			Program Revenues			Net	
Functions / Programs	<u>(F</u>	Expenses)		rges or vices	Gr a	rating rants and ibutions	(Expense) Revenue and Change in Net Position
GOVERNMENTAL ACTIVITIES:							
Urban Renewal Projects	\$	160,981	\$	-	\$	-	\$ (160,981)
Interest on Long-Term Debt		82,459					(82,459)
Total Governmental Activities	\$	243,440	\$		\$		\$ (243,440)
<u>C</u>		ERAL RE	VENU	JES:			
		Property Ta	axes, I	Levied	l for Del	ot Service	466,040
	Int	erest and In	vestme	ent Ea	rnings		60,171
	Su	btotal - Ger	eral R	evenu	es		526,211
	Eq	uity Transfe	rs				(2,253)
	Ch	ange in Net	Positi	on			280,518
	Net Position, July 1, 2022			(450,203)			
	Ne	et Position,	June	30, 2	023		\$ (169,685)

BASIC FINANCIAL STATEMENTS

Fund Financial Statements

(A Component Unit of the City of Harrisburg)

BALANCE SHEET

GOVERNMENTAL FUNDS

For the Fiscal Year Ended June 30, 2023

	Urban Renewal General Fund
ASSETS:	
Cash and Investments	\$ 2,029,847
Property Taxes Receivable	19,107
Loans Receivable	228,643
Total Assets	\$ 2,277,597
DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:	
LIABILITIES:	
Accounts Payable	\$ -
Total Liabilities	
DEFERRED INFLOWS OF RESOURCES:	
Deferred Property Tax Revenue	15,125
Unavailable Revenue from Loans	38,719
Total Deferred Inflows of Resources	53,844
FUND BALANCES:	
Restricted for:	
Urban Renewal Projects	2,223,753
Total Fund Balances	2,223,753
Total Liabilities, Deferred Inflows	
of Resources & Fund Balances	\$ 2,277,597

(A Component Unit of the City of Harrisburg)

RECONCILIATION OF THE BALANCE SHEET -- GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION

For the Fiscal Year Ended June 30, 2023

Total Fund Balances - Governmental Funds

\$2,223,753

Amounts reported for governmental activities in the Statement of Net Position are different because:

Some revenues will not be collected for several months after the City's fiscal year end and are therefore not considered "available" revenues in the governmental funds, instead these funds are shown as deferred revenue. However, these funds are recorded as revenue in the Statement of Activities.

Property Taxes \$ 15,125

Unavailable Revenue from Loans 38,719

53,844

Interest payable that is not recognized in the governmental fund is accrued in the Statement of Net Position.

(8,021)

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds.

(2,439,261)

Net Position of Governmental Activities

\$ (169,685)

(A Component Unit of the City of Harrisburg)

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE GOVERNMENTAL FUNDS

For The Fiscal Year Ended June 30, 2023

	Urban Renewal General Fund
REVENUES:	
Taxes and Assessments	\$ 459,303
Interest and Investment Earnings	60,171
Total Revenues	519,474
EXPENDITURES:	
Current Operating:	
Materials and Supplies	160,981
Debt Service	
Principal	120,000
Interest	89,847
Capital Outlay	2,253
Total Expenditures	373,081
Excess (Deficiency) of Revenues Over Expenditures	146,393
Net Change in Fund Balance	146,393
Fund Balance - July 1, 2022	2,077,360
Fund Balance - June 30, 2023	\$2,223,753

(A Component Unit of the City of Harrisburg)

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For The Fiscal Year Ended June 30, 2023

Net changes in fund balances - total governmental funds

\$146,393

Amounts reported for governmental activities in the Statement of Activities are different because:

Some revenues will not be collected for several months after the City's fiscal year end and are therefore not considered "available" revenues in the governmental funds, instead these funds are shown as deferred revenue. However, these funds are recorded as revenue in the Statement of Activities.

The changes in amounts deferred are as follows:

Property Taxes

6,737

Expense accruals in the governmental funds do not include all accrued interest expense payable.

The change in payables from prior to current year is reconciled here:

7,388

Repayment of long-term debt principal amounts are expenditures in the governmental funds, but the repayment reduces long-term debt liabilities in the Statement of Net Position.

Retirement of debt principal is as follows:

Notes

120,000

Changes in net position of governmental activities

\$280,518

BASIC FINANCIAL STATEMENTS

Notes to the Basic Financial Statements

(A Component Unit of the City of Harrisburg)

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2023

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Reporting Entity

The Urban Renewal Agency of the City of Harrisburg, Oregon (Agency) was established on November 10, 1992. The Agency is organized under general laws pertaining to urban renewal agencies in the State of Oregon. The governing body is comprised of the Mayor and the Agency Board of the City of Harrisburg.

The Agency is a separate legal entity, governed by the City of Harrisburg. The Agency Board can impose its will over the Agency as determined based on budget adoption, taxing authority, and funding for the Agency. Therefore, under the criteria set by the Governmental Accounting Standards Board, the Agency is considered a component unit of the City of Harrisburg, and the Agency's financial activities are included as a blended component unit in the basic financial statements of the City of Harrisburg.

Although a component unit of the City of Harrisburg, the Agency exists and operates separately from the City of Harrisburg. Accordingly, the Agency's financial statements will also be included in the financial statements of the City of Harrisburg.

The Agency has no potential component units.

Basis of Presentation

The financial statements of the Urban Renewal Agency (Agency) of the City of Harrisburg have been prepared in accordance with Generally Accepted Accounting Principles (GAAP). GAAP statements include all relevant Governmental Accounting Standards Board (GASB) pronouncements. The financial statements have incorporated all applicable GASB pronouncements as well as Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee on Accounting Procedures issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

Basic financial statements are presented at both the government-wide and fund financial level. The Agency's activities are governmental and are normally supported by taxes and intergovernmental revenues.

Government-wide financial statements display information about the reporting government as a whole. The effect of interfund activity has been removed from these statements. These statements focus on the sustainability of the Agency as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. These aggregated statements consist of the Statement of Net Position and the Statement of Activities.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Fund financial statements display information at the individual fund level. Each fund is considered to be a separate accounting entity. The Agency has only governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

(A Component Unit of the City of Harrisburg)

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2023

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

Basis of Presentation (Cont.)

The financial transactions of the Agency are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues, and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The GASB 34 model sets forth minimum criteria (percentage of the assets, liabilities, revenues, or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The Agency has elected to report on its only fund, the General Fund, as a major fund to assist in compiling a complete and accurate picture of the financial position of the Agency.

<u>General Fund</u> - The General Fund is the general operating fund of the Agency. It is used to account for all the financial resources. The principal sources of revenue are tax increment revenues and interest on investments. Primary expenditures of the General Fund were made for the Agency's capital outlay.

Measurement Focus/Basis of Accounting

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the city receives value without giving equal value in exchange, include property taxes, grants, entitlements, and donations. On the accrual basis of accounting revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Under terms of grant agreements, the city funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the city's policy to first apply cost-reimbursement grant resources to such programs and then general revenues.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (when they are measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. The city considers property taxes as available if they are collected within 60 days after year-end. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt, which is recognized when the obligations are expected to be liquidated with expendable available financial resources. Property taxes, interest and special assessments are susceptible to accrual. Other receipts and taxes become measurable and available when the cash is received by the government and are recognized as revenue at that time. Entitlements and shared revenues are recorded at the time of receipt or earlier if the "susceptible to accrual" criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. Capital asset acquisitions are reported as expenditures in the governmental funds and proceeds from general long-term debt and acquisitions under capital leases are reported as other financing sources.

(A Component Unit of the City of Harrisburg)

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2023

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

Measurement Focus/Basis of Accounting (Cont.)

Similar to the way revenues are recorded, governmental funds only record those expenditures that affect current financial resources. Principal and interest on general long-term debt are recorded as fund liabilities only when due, or when amounts have been accumulated in the debt service fund for payments to be made early in the following year. In the government-wide financial statements, however, with a full accrual basis of accounting, all expenditures affecting the economic resource status of the government must be recognized. Thus, the expense and related accrued liability for long-term portions of debt must be included.

Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental column, a reconciliation is necessary to explain the adjustments needed to transform the fund-based financial statements into the governmental column of the government-wide presentation. This reconciliation is part of the financial statements.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the Agency's practice to use restricted resources first, then unrestricted resources as they are needed.

Cash and Investments

For purposes of the statement of cash flows, cash, and cash equivalents include cash on hand, checking, savings, and money market accounts, and any short-term, highly liquid investments with initial maturity dates of three months or less.

The Agency has adopted an investment policy requiring compliance with Oregon statutes, which authorizes the Agency to invest in obligations of the United States, the agencies and instrumentalities of the United States and the State of Oregon, and numerous other investment instruments.

The Agency's investments may consist of time certificates of deposit, banker's acceptances, commercial paper, U.S. Government Agency securities, and the State of Oregon Treasurer's Local Government Investment Pool (LGIP). The Agency's investments are reported at fair value at year-end. Changes in the fair value of investments are recorded as investment earnings. The LGIP is stated at cost, which approximates fair value. The fair value of the LGIP is the same as the Agency's value in the pool shares.

The Oregon State Treasury administers the LGIP. It is an open-ended, non-load diversified portfolio offered to any agency, political subdivision, or public corporation of the State that by law is made the custodian of, or has control of, any fund. The LGIP is included in the Oregon Short-Term Fund (OSTF) which was established by the State Treasurer. In seeking to best serve the local governments of Oregon, the Oregon legislature established the Oregon Short-Term Fund Board. The purpose of the Board is to advise the Oregon State Treasury on the management and investment options of the LGIP.

(A Component Unit of the City of Harrisburg)

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2023

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

Property Taxes

The assessment date for the tax year is July 1. Personal and real property taxes are a lien on July 1. Total personal property tax becomes due and is delinquent when any installment is not paid by its due date. Real property tax is due and payable on November 15. However, a taxpayer may pay real property taxes in three equal installments, due the 15th day of November, February, and May. Real property taxes become delinquent if not paid by May 15.

Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "inter-fund receivables/payables". All other outstanding balances between funds are reported as "due to/from other funds."

Deferred Inflows of Resources:

In the governmental funds, property taxes that have not been collected within sixty days subsequent to year-end are not considered measurable and available and are therefore not recognized as revenue, but rather as deferred inflows of resources.

Capital Assets

All capital assets which include property and infrastructure assets (e.g. roads, bridges, sidewalks, etc.) become City of Harrisburg's (primary government) capital assets and therefore are not reported on the Agency's Statement of Net Position.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are treated as period costs in the year of issue and are shown as other financing uses.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Equity Classifications

Government-Wide Statements - Equity is classified as net position, which represents the difference between assets and liabilities. Net position is displayed in two components:

- 1. Restricted net position Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- 2. Unrestricted net position All other net position that does not meet the definition of "restricted".

The Agency's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

(A Component Unit of the City of Harrisburg)

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2023

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

Equity Classifications (Cont.).

Fund Financial Statements

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the Agency is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- <u>Nonspendable</u>: This classification includes amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints. The Agency did not have any nonspendable resources.
- Restricted: This classification includes fund balance amounts that are constrained for specific purposes that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. The Agency has restricted funds for urban renewal projects.
- <u>Committed</u>: This classification includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through resolution of the highest level of decision-making authority, the Agency Board, and does not lapse at year-end. The Agency does not have committed resources.
- <u>Assigned</u>: This classification includes fund balance amounts that are intended to be used for specific purposes that are neither restricted nor committed. This intent can be expressed in several ways, by the Agency Board, through the Agency Board delegating this responsibility to selected staff members, or through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.
- <u>Unassigned</u>: This classification includes positive fund balance within the General Fund which has not been classified within the above-mentioned categories, and negative fund balances of other governmental funds.

The City's policy is to use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise but reserves the right to selectively spend unassigned resources first to defer the use of the constrained fund balances.

Use of Estimates

In preparing the Agency's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(A Component Unit of the City of Harrisburg)

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2023

STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

Annual budgets for all funds are adopted on a basis consistent with Oregon Revised Statutes (ORS 294 -Local Budget Law). The Agency is required to budget all funds. The budget is prepared for each fund on the modified accrual basis of accounting. For all fund types, inter-fund loans are budgeted as sources and used in accordance with state budget laws. Estimated receipts and expenditures are budgeted for by fund and object. Information on the past two years' actual receipts and expenditures and current-year estimates are included in the budget document. The process under which the budget is adopted is described in the following paragraphs.

In early spring a preliminary budget calendar, budget preparation manual, and budget worksheets are distributed to appropriate department directors. The City Administrator (Agency Director) and the Finance Director develop a proposed budget, after which the Agency Director publishes two notices of Budget Committee meetings. No less than five days, or more than thirty days after the notices are published, the Budget Committee (consisting of the Agency Board and an equal number of citizens of the City of Harrisburg) meets to consider the proposed budget. The Budget Message is delivered, explaining the proposed budget and any significant changes in the Agency's financial position.

The Budget Committee conducts public meetings to obtain citizens' comments, deliberates on, and subsequently approves the proposed budget, which includes any additions or deletions from the one presented by the Agency Director originally. The Budget Committee then submits the approved budget to the Agency Board for final adoption. The approved expenditure for each fund may not be increased by more than 10% by the board without returning to the Budget Committee for a second approval. After the board adopts the budget and certifies the total of ad valorem taxes to be levied, as approved by the budget committee, no additional tax levy may be made for that fiscal year.

The Agency Board legally adopts the budget by resolution before July 1. The resolution establishes appropriations for each fund and expenditures cannot legally exceed these appropriations. The level of control established by the resolution for each fund is the object group level (i.e. personal services, materials and services, capital outlay, and other expenditures). Appropriations lapse at the end of the year.

The Agency Board may change the budget throughout the year by resolution and by adopting supplemental budgets as authorized by Oregon Revised Statutes. Unexpected additional resources may be added to the budget through the use of a supplemental budget. A supplemental budget requires hearings before the public, publications in newspapers, and approval by the board. Expenditure appropriations may not be legally over-expended except in the case of grant receipts that could not be reasonably estimated at the time the budget was adopted, and for debt service on new debt issued during the budget year.

CASH AND INVESTMENTS:

For a discussion of deposit and investment policies and other related information, see the Cash and Investments note under the Summary of Significant Accounting Policies.

The Agency follows the practice of aggregating the cash assets of various funds to maximize cash management efficiency and returns. Various restrictions on deposits and investments are imposed by state statutes. The Cash and Investments note summarizes these restrictions under the Summary of Significant Accounting Policies.

Investments, including amounts held in pool cash and investments, are stated at fair value. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 31, Accounting and Financial Reporting for Certain

(A Component Unit of the City of Harrisburg)

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2023

Investments and for External Investment Pools, investments with a remaining maturity of more than one year at the time of purchase are stated at fair value. Fair value is determined at the quoted market prices, if available; otherwise, the fair value is estimated based on the amount at which the investment could be exchanged in a current transaction between willing parties, other than a forced liquidation sale. Investments in the State of Oregon Local Government Investment Pool (LGIP) are stated at fair value.

<u>Deposits</u> - All cash is deposited in compliance with Oregon statutes. The insurance and collateral requirements for deposits are established by banking regulations and Oregon law. FDIC insurance of \$250,000 applies to the deposits in each depository. Where balances continually exceed \$250,000, ORS 295 requires the depositor to verify that deposit accounts are only maintained at financial institutions on the list of qualified depositories found on the state treasurer's website.

Qualifying depository banks must pledge securities with a particular value based on the bank's level of capitalization. The balances above the FDIC insurance are considered exposed to custodial credit risk.

Custodial Credit Risk for Deposits - Custodial credit risk for deposits exists when, in the event of a depository failure, the Agency's deposits may not be returned to it. The Agency does not have a deposit policy for custodial credit risk.

As of June 30, 2023, the agency's reported deposits were \$2,029,846 and the bank balance was \$2,029,846. Of the bank balance, the entire amount was covered by federal depository insurance or by pledged securities with the qualifying depository banks.

<u>Investments</u> - Oregon statutes authorize the Agency to invest in obligations of the U.S. Treasury and U.S. agencies, banker's acceptances, repurchase agreements, commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, and the Local Governmental Investment Pool. The Agency has no credit risk policy or investment policy that would further limit its investment choices.

Credit Risk - Credit risk exists when there is a possibility the issuer or other counterparty to an investment may be unable to fulfill its obligations. As of June 30, 2023, the Agency's investment in the Oregon State Treasurer's Local Government Investment Pool (LGIP) was unrated.

As of June 30, 2023, the Agency's investments in financial institutions are as follows:

Type of Investment	Fair Value	Credit Rating
Oregon State Treasurer's Local Government Investment Pool (LGIP)	\$ 2,016,260	N/A
Total Investments	\$ 2,016,260	

Investments in the LGIP and federal agency notes do not require disclosure of credit rating quality.

Concentration of Credit Risk - An increased risk of loss occurs as more investments are acquired from one issuer. This results in a concentration of credit risk. The Agency places no limit on the amount that may be invested in any one issuer. More than 5 percent of the Agency's investments are in the Oregon State Treasurer's Local Government Investment Pool (LGIP). This investment is 100% of the Agency's total investment.

(A Component Unit of the City of Harrisburg)

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2023

LOANS RECEIVABLE:

The Harrisburg Redevelopment Agency offers a Property Improvement Loan Program and a Property Improvement Grant Program to carry out the goals and objectives outlined in the Harrisburg Urban Renewal Plan.

The Property Improvement Loan Program provides funding for eligible projects for up to 25 percent (25%) of the total cost of a project, with a maximum loan award of \$150,000. The Agency will not award more than a total of \$150,000 for all projects in a fiscal year. Debt forgiveness of up to 40% of the loan may apply. The Property Improvement Grant Program provides funding for eligible projects for up to 50 percent (50%) of the total cost of a project, with a maximum grant award of \$50,000.

Projects must be approved by Agency personnel before any work is performed. The loan and grant proceeds are disbursed as cost reimbursements when the HRA has presented a receipt and after the project has been inspected by a City of Harrisburg employee.

For the fiscal year ending June 30, 2023, the Agency issued a total of three loans to two businesses that met the eligibility requirements.

The amount of loan receivable as of June 30, 2023, is \$193,611.

LONG-TERM DEBT:

Long-term debt transactions for the year ended June 30, 2023, were as follows:

CITY OF HARRISBURG

SCHEDULE OF LONG-TERM DEBT TRANSACTIONS

For the Fiscal Year Ended June 30, 2023

Governmental Long-Term Debt	Outstanding Balance July 1, 2022	New Issues	Principal Paid	Interest Paid	Outstanding Balance June 30, 2023	Due Within One Year
Bonds Payable:						
Full Faith and Credit Project Bond, Series						
2017 - HRA Development Projects	\$ 2,405,000	\$ -	\$ 120,000	\$ 93,800	\$ 2,285,000	\$ 125,000
Total Bonds Payable	2,405,000		120,000	93,800	2,285,000	125,000
Notes Payable:						
KS State Bank Government Finance Dept						
HRA Development Loan						
Total Notes Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Governmental Long-Term Debt	\$ 2,405,000	\$ -	\$ 120,000	\$ 93,800	\$ 2,285,000	\$ 125,000

(A Component Unit of the City of Harrisburg)

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2023

LONG-TERM DEBT (Cont.):

Unamortized premiums on long-term debt of \$2,314,261 are reflected in the balances of bonds payable on the Statement of Net Position.

On August 24, 2017, the Agency issued a Full Faith and Credit Project Bond, Series 2017, entered into with US Bank for HRA development projects. The original amount is \$2,405,000 with an interest rate between 2% and 4%.

The future debt service requirements on the above debt are as follows:

Full Faith and Credit Bonds:

Ended June 30,	Principal	Interest	Total
2024	120,000	93,800	213,800
2025	125,000	91,400	216,400
2026	130,000	86,400	216,400
2027	135,000	81,200	216,200
2028	140,000	75,800	215,800
2029 - 2033	790,000	290,400	1,080,400
2034 - 2038	965,000	118,800	1,083,800
Total	\$2,405,000	\$ 837,800	\$ 3,242,800

For further detail on debt service, see the 'Schedule of Long-Term Debt Transactions' in the Other Supplementary Data section of this report.

RISK MANAGEMENT:

The Agency is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the Agency carries commercial insurance. There has been no significant reduction in insurance coverage from the prior years and the Agency has not been required to pay any settlements above insurance coverage during the past three fiscal years. The Agency's insurance is provided in combination with the City of Harrisburg.

TRANSFERS:

Assets purchased by the Agency are property of the primary government, the City of Harrisburg. This is recorded as an equity transfer on the statement of activities. The amount of equity transferred to the City at the end of the fiscal year was \$(2,253).

EXPENDITURES OVER APPROPRIATIONS:

The Agency Expended over Appropriations as follows:

Fund	Budget	Actual
Redevelopment Agency Fund/Materials and Supplies	\$23,400	\$116,848

REQUIRED SUPPLEMENTARY INFORMATION

(A Component Unit of the City of Harrisburg)

Schedule of Revenues, Expenditures, and Changes In Fund Balance - Budget and Actual URBAN RENEWAL GENERAL FUND

For the Year Ended June 30, 2023

	Budgeted Original	Amounts Final	Actual Amounts	Variance with Final Budget Over (Under)
REVENUES:				
Taxes and Assessments	\$ 232,625	\$ 232,625	\$ 459,303	\$ 226,678
Investment Revenue	9,980	9,980	60,171	50,191
Total Revenues	242,605	242,605	519,474	276,869
EXPENDITURES:				
Materials and Supplies	23,400	23,400	116,848	93,448
Capital Outlay	2,177,955	2,177,955	90,218	(2,087,737)
Debt Service:	213,800	213,800	213,800	
Total Expenditures	2,415,155	2,415,155	420,866	(1,994,289)
Excess (Deficiency) of Revenues				
Over Expenditures	(2,172,550)	(2,172,550)	98,608	2,271,158
OTHER FINANCING SOURCES / (USES):				
Loan Repayment Proceeds	9,000	9,000	8,801	(199)
Total Other Financing Sources (Uses)	9,000	9,000	8,801	(199)
Net Change In Fund Balance	(2,163,550)	(2,163,550)	107,409	2,271,357
Fund Balance - July 1, 2022	2,163,550	2,163,550	2,072,366	(91,184)
Fund Balance - June 30, 2023	\$ -	\$ -	\$2,179,775	\$ 2,179,775
Reconcliation to GAAP Basis Fund Balance				
Loan Receivable			43,978	
Ending Fund Balance - GAAP Basis			\$ 2,223,753	

OTHER INFORMATION

(Additional Supporting Schedules)

HARRISBURG REDEVELOPMENT AGENCY

(A Component Unit of the City of Harrisburg)

SCHEDULE OF LONG-TERM DEBT TRANSACTIONS

For the Fiscal Year Ended June 30, 2023

Full Faith and Credit Project Bond, Series 2017 - HRA Development Projects

Total

HRA Loan from the City of Harrisburg. Original amount \$2,405,000 with an interest rate of 2.00% to 4.00%. This is the Urban Renewal Agency's share of Full Faith and Credit Refunding Bond, Series 2017 entered into with US Bank for refinancing of USDA Revenue Bonds for Sewer Projects.

Current Year Activity:

	O	utstanding	Ne	w Issues	P	rıncıpal	O	utstandıng		Due
	Balance July 1, 2022		and	d Interest	and Interest		Balance			Within
			Matured		Retired		June 30, 2023		One Year	
Principal	\$	2,405,000	\$	-	\$	120,000	\$	2,285,000	\$	125,000
Interest		_		93,800		93,800		_		91,400
Total	\$	2,405,000	\$	93,800	\$	213,800	\$	2,285,000	\$	216,400

Future Requirements:

Fiscal Year				
Ended June 30,	Principa1	Interest	Total	Interest Rate
2024	\$ 125,000	\$ 91,400	\$ 216,400	4.00%
2025	130,000	86,400	216,400	4.00%
2027	140,000	75,800	215,800	4.00%
2028	145,000	70,200	215,200	4.00%
2029	150,000	64,400	214,400	4.00%
2030	160,000	58,400	218,400	4.00%
2031	165,000	52,000	217,000	4.00%
2032	170,000	45,400	215,400	4.00%
2033	180,000	38,600	218,600	4.00%
2034	185,000	31,400	216,400	4.00%
2035	190,000	24,000	214,000	4.00%
2036	200,000	16,400	216,400	4.00%
2037	210,000	8,400	218,400	4.00%
	\$ 2,285,000	\$ 744,000	\$ 3,029,000	

REPORTS ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Harrisburg Redevelopment Agency

(A component unit of the City of Harrisburg) MANAGEMENT REPRESENTATION OF FISCAL AFFAIRS REQUIRED BY OREGON STATE REGULATIONS

June 30, 2023

The Harrisburg Redevelopment Agency (a component unit of the City of Harrisburg) is subject to, and responsible for, compliance with various laws, rules, and regulations relating to its operation and finances. Among such laws, rules, and regulations are the requirements prescribed in Municipal Audit Law (ORS Chapter 297) and the Minimum Standards for Review of Oregon Municipal Corporations (OAR 162, division 40) including, but not limited to:

- Deposit of public funds with financial institutions (ORS Chapter 295).
- Indebtedness limitations, restrictions, and repayment.
- Budgets legally required (ORS Chapter 294).
- Insurance and fidelity bonds in force or required by law.
- · Programs funded from outside sources.
- Authorized investment of surplus funds (ORS Chapter 294).
- Public contracts, purchasing, and improvements (ORS Chapters 279A, 279B, and 279C).

The management of the Harrisburg Redevelopment Agency (a component unit of the City of Harrisburg) is aware of the requirements of Oregon laws and administrative rules concerning each of the above requirements and has complied, in all material respects, with such requirements, with the following exceptions:

- The Agency over expended appropriations in one fund

Further, we are not aware of any violations or possible violations of laws, rules, or regulations, whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.

Signed:

Name: Cathy Webser

Title: Finance Officer

Date: 3/21/24

Agenda Bill Harrisburg Redevelopment Agency

Harrisburg, Oregon

THE MATTER OF CONSIDERATION OF AN HRA GRANT REQUEST FOR A \$11,333 PROPERTY IMPROVEMENT GRANT FROM THE OWNERS OF THE JB WOODWORKS BUILDING, ALSO KNOWN AS THE MOODY BUILDING LOCATED AT 206 S. 3RD ST

STAFF REPORT:

Exhibit A: Property Improvement Grant Application

Exhibit B: Pictures

Exhibit C: HRA 'Program Guidelines and Overview'

ACTION "TBD – (MOTION TO APPROVE THE PROPERTY IMPROVEMENT GRANT APPLICATION FOR JIM AND BRENDA HOILAND IN THE AMOUNT OF \$11,333 UPON COMPLETION OF THE WORK DESCRIBED IN THE GRANT APPLICATION FOR THE MOODY BUILDING CURRENTLY KNOWN AS JB WOODWORKS)."

THIS AGENDA BILL IS DESTINED FOR: Regular Agenda – May 14, 2024

BUDGET IMPACT						
COST BUDGETED? SOURCE OF FUNDS						
\$11,333	YES	HRA – 2024/2025 fiscal year				

STAFF RECOMMENDATION:

Staff recommends discussion, and approval of the attached grant application

BACKGROUND INFORMATION:

Jim & Brenda Hoiland are still the owners of the JB Woodworks Building, located at 206 S. 3rd St.; although the business itself has been sold to new owners who lease the building. This structure is on the City's Historical Resource List as the Moody (Hardware) Building. The Hoilands previously applied for a Property Improvement Grant in 2019, for roughly \$19,000 worth of work, which included exterior painting, and restoration work of the front of the building that included the upper windows, doors, and awnings, as well as a new sign. The Hoilands also applied for a Diamond in the Rough grant, which is one of those used for the preservation of historic buildings through the Main Street Grant Program. Previous work resulted in a RMV increase of \$72,710 for a total of \$40,980 invested.

The Grant Application is shown in **Exhibit A**; narrative describes that they are cleaning, repairing, and recoating the roof surface of the building, as well as replacing 9 windows that are showing damage, in which the insulating argon gas has failed. The total work planned will cost \$22,666; this grant covers 50% of the eligible costs and is a reimbursement grant—

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Therefore, the grant request is for \$11,333. **Exhibit B** has pictures which show damage to the roof, both from above, as well as a picture of a leak inside the building. The windows show damage from the weather, including condensation, which continues to degrade the integrity of the window. While the defects in the roof aren't visible, they are still important for the HRA Board to consider as eligible for the grant, because they have the ability to affect the long-term structural integrity of the building. The windows are definitely something that needs to be repaired, and in their current state, could be considered blight, and therefore are eligible for funding.

As noted above, this building is listed in HMC 18.55.030, on the historical resource list as No. 2(I) Moody (Hardware) Building. The owners are not changing any design features on the building, and instead, are performing ordinary maintenance and repairs for the building. This therefore doesn't fall under any of the historic resource alteration and demolition requirements of the municipal code.

Exhibit C. The Building is located within the HRA boundary and is zoned C-1. The changes to the building comply with all city development standards, is largely visible from the public right-of-way, and with the current state of the windows on the exterior of the structure, the work being done demonstrates that the project cures blight. The property is not tax exempt, and all municipal taxes, fees and liens are paid. Staff therefore feels that the property meets the criteria of eligibility as defined in **Exhibit C**.

Ultimately, the repairs being made to the building will improve the appearance of the building, uphold its structural integrity into the future, and will contribute to the goals of the HRA, by improving conditions and appearances of private properties in the downtown area. This building is very prominent, and is seen by thousands of people who regularly drive by on 3rd St. This structure will continue to contribute to the upgraded appearance of the street improvements nearby, and other structures in this same vicinity which have also been improved by utilizing the HRA property improvement grant funds.

Program funds budgeted in the HRA for 2023/2024 are still fully funded at \$50,000, as the only application received this last year was for a property located just outside of the HRA Program Boundaries. The HRA proposed budget for 2024/2025 is also \$50,000 for the Property Improvement Grants. Staff feels that this project is a fitting and eligible use of the funds in the program. As always, the HRA Board has complete discretion to approve all, some, or none of even those grant applications that are in compliance with all guidelines and requirements. If the HRA Board agrees with Staff's analysis, then the motion is located at the top of the staff report. If approved, Staff will return with the development agreement at a future HRA Board meeting.

REVIEW AND APPROVAL:

Michile Eldridge

Michele Eldridge, City Administrator Date



PROPERTY IMPROVEMENT GRANT

Section	
Date of A	pplication: 5/08/2024
Applican	t Name: Jim + Brenda Hoiland
Mailin	g Address: 28755 Jager Lane Junction City, OR 97448
Phone	9 Number: 541 - 953 - 6844
Signat	ture: Breuch Hoiland
Subject F	Property
Addre	ess: 206 S. 3rd
Asses	ssor's Map & Tax Lot: 15804W16 - AA - 08000
Prope	erty Owner (If different from Applicant):
Ma	ailing Address:
Ph	none Number:
X Pi	ease complete the Property Owner Consent Form attached to the application.
I have rev	viewed the following document(s), as it pertains to my application:
NA	Sign Code - Chapter 18.70 of Harrisburg Municipal Code
NA	Historic Design Guidelines in the Harrisburg Community Action Plan
X	Harrisburg Redevelopment Agency Plan
X	C-1 Zoning Ordinance - Chapter 18.30 of Harrisburg Municipal Code
Please su	ubmit the following information with your application:
X	Photographs clearly showing existing conditions of the building / land to be improved.
X	A written description of the proposed work.
	A cost estimate from a contractor (if used), including contact information for the contractor.
	Drawings or sketches showing the proposed improvements. If applicable, exact products and materials, paint color, etc.

Project Start Date:	June or July 2024
Expected Completion	Date: Aug. 2024
Total Estimated Cost	of Project: 22,665.68
Grant Amount Reque	sted: 11, 332.84

Disclaimer: By signing above, I agree that the information provided above and within is accurate and correct to the best of my knowledge. I also assure that my person and business are in compliance with all laws, ordinances, rules and regulations of the State of Oregon, Linn County, and the City of Harrisburg.

Property Owner Consent Form

1, Brenda Ho	iland ("Propert	y Owne	er"), certify that I own the property
located at 206 S.	Sra		("Adddress") in Harrisburg,
Oregon and that I have	reviewed the application by	Sau	ne
	stand that the proposal includ		ent Agency's Property Improvement following changes and/or
I am the pro	pperty owner.		
	·		
I feelly a company their and the		41. a. A	
	cation and further certify that	tne App	olicant holds a valid lease for
months, expi	ring on		-
Property Owner		-	
Signature:	ender Horland		
Printed Name:	Brenda Hoiland		
Mailing Address:	28755 Jager Ln.	Jun	ction City, OR 97448
Phone:	541-953-6844		

To the City of Harrisburg,

Jim: I are planning to resurface the roof on our building at 206 S. 3rd. The roof has shown a break down of the product in some areas. This has created leaks inside the building. We need to maintain the integrity of the building. This will be a complete recoating of the roof.

We are also planning to replace of some of the windows in the building that have failed. There are to windows that need repair.

we appreciate the City taking this into consideration for the grant.

Sincerely,

Breude Horland



Discount Windows 1635 Juniper St Junction City OR 97448 541-998-8984

ADMINISTRATION OF THE PROPERTY					ASSESSMENT STATES
I ISSUE HER HER	BHIST NAME	I STAN LETTE	**********	118181	1181 1081

QUOTE

2405-699281

PAGE 1 OF 1

SOL	D TO
Cash	F

JOB ADDRESS	
Hoiland	
541-953-6844	

ACCOUNT	JOB
CASH	0
CREATED ON	05/02/2024
EXPIRES ON	06/01/2024
BRANCH	1000
CUSTOMER PO#	541-953-6844
STATION	C06
CASHIER	KYLMIT
SALESPERSON	KYLMIT
ORDER ENTRY	KYLMIT
MODIFIED BY	

Thank you for your business!

Item	Description	D	Quantity	UM	Price	Per	Amount
COMMENT	Cascade QT004174						
SOCASCADE	SO CASCADE NET WIDTH=38.5x34.5 XO WHT		1	EA	174.1300	EA	174.13
SOCASCADE	SO CASCADE 6060 (72" x 72" RO) OX WHT EC ARGON		1	EA	392.1200	EA	392.12
SOCASCADE	SO CASCADE 5060 (60" x 72" RO) XO WHT EC ARGON		1	EA	355.6800	EA	355.68
SOCASCADE	SO CASCADE 3636 (42" x 42" RO) WHT EC ARGON REGULAR 5/8" GRIDS CUSTM-COL-GRD LITES WIDE=4 LITES HIGH=		1	EA	143.2600	EA	143.26
COMMENT	IGU's						
SOCASCADE	SO CASCADE -INSULATED GLASS UNIT 33.25x69.25 3/4 OA EC Argon Super spacer		1	EA	166.5500	EA	166.55
SOCASCADE	SO CASCADE -INSULATED GLASS UNIT 28.125x68.875 1" OA EC ARGON Super Spacer		3	EA	149.4200	EA	448.26
SOCASCADE	SO CASCADE -INSULATED GLASS UNIT 27.25x67.1875 1" OA EC Argon Super spacer		1	EA	137.6800	EA	137.6
INSTLABOR	Installed Labor		1	EA	1000.0000	EA	1,000.0
					4		
					Subtotal		2,817.68
contract between parties.	s vary based on market conditons. This is NOT a legally Customer is responsible for quantity, specifications, coorns, and lead times. PLEASE EXAMINE CAREFULLY.			OR 0.00%	Sales Tax		0.00
. 5 quil Strictio, priority offe	The second secon				Total		2,817.68

Buyer:

Contract # 24042

PROPOSAL & CONTRACT

CHASE

PO Box 8501 Coburg, OR 97408 Phone (541) 914-7949 DATE: April 30, 2024

of

Pages

RECOAT

SYSTEM

License # 147014

8,400 square feet of roof

TO:

JB Woodworks

Jim Hoiland 206 S. 3rd Street

Harrisburg, OR 97446 PHONE: (541) 995-6515

EMAIL:

JOB NAME: Cabinet Shop

LOCATION: Harrisburg, OR 97446

Harrisburg, OR 97446

JOB PHONE: (541) 995-6515

Page #

We hereby submit specifications and estimates for:

applying EVERCOAT top coat.

- 1. Clean the entire roof surface using a pressure washer.
- 2. Connect metal roof with EVERCELL foam.
- 3. Repair damaged areas.
- 4. Apply EVERCOAT HT base and top coat to the entire roof surface.

Install the above system in accordance with manufacturer's specifications.

WARRANTY:

10 year service warranty.

RENEWABLE WARRANTY: An additional

10 year warranty can be obtained at the end of the first

10 year period with an

inspection and re-coat. The roof should be re-coated between the

8 th year and the

12 th year. The warranty can

be renewed after each re-coat, and if it is re-coated on a regular basis, the roof may never need to be re-roofed again.

All material to be as specified by the manufacturer. All work to be completed in a workmanlike manner according to standard practices and specifications in the estimate. Any alteration or deviation from the specifications that involve extra cost will be executed only upon written change orders, and will be in addition to the estimate. Except as contained herein, Chase Roofing disclaims any representations or warranties, expressed or implied. The Owner represents that the roof structure is sound and agrees that Chase Roofing has no liability and will indemnify Chase Roofing from any liability arising out of any defect in the structural components in the roof system. Chase Roofing shall be responsible only for defects in our applied roofing materials and its liability shall be limited to the replacement and repair of the applied materials. Chase Roofing shall in no event be liable for consequential damages.

We hereby propose to furnish material and labor - in accordance with the above specifications, for the sum of:

NINETEEN THOUSAND EIGHT HUNDRED FORTY-EIGHT DOLLARS AND 00 CENTS

\$19,848.00

Payment to be made as follows: 50% upon signing the contract. 50% after job is completed. Delinquent payment, upon any work completed, shall bear interest at 1.5% per month after 30 days from job completion.

1st payment

9,924

2nd payment

9,924

conditions are sat	roposal. The above prices, specifications and sfactory and are hereby accepted. You are work as specified. Payment will be made as outlined above.	We agree to furnish the above items an All agreements contingent upon strikes, beyond our continuous continuous descriptions.	, Acts of God, or oth	
Date of Accep	otance:	This contract price is void after	30 <u>days</u>	
Purchaser		Contractor		regional scriptures
	Page# 1 of 1 Pages			Page 48





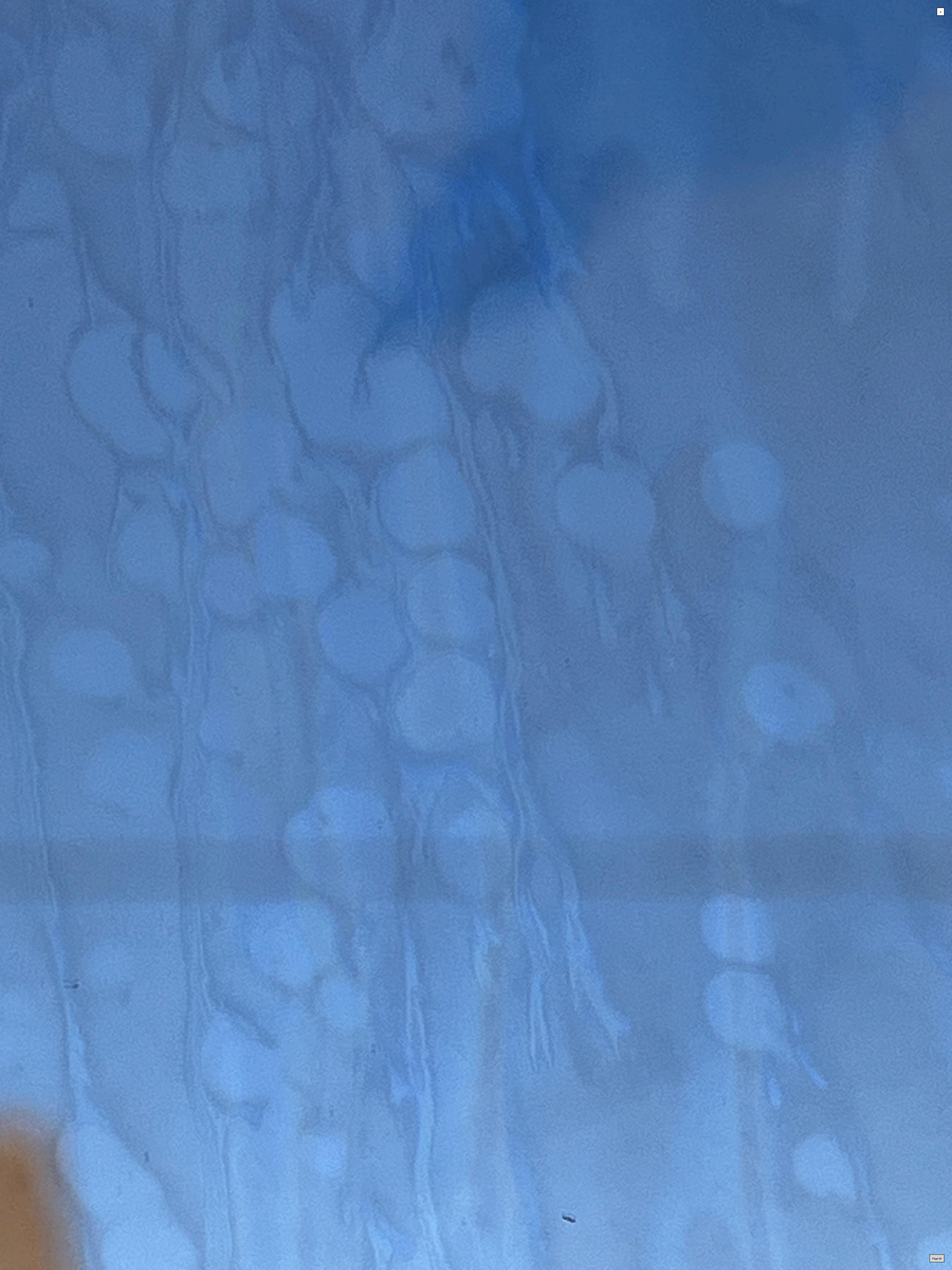


















Harrisburg Redevelopment Agency Property Improvement Grant Program

Program Guidelines and Overview

Purpose:

The Redevelopment Agency has developed a Property Improvement Grant Program to carry out the goals and objectives outlined in the Harrisburg Urban Renewal Plan. Financial assistance is available for projects within the Urban Renewal District that meet the following goals of the Plan:

Goal 1: Develop downtown and Third Street as an historic, specialty

business market.

Goal 2: Develop commercial and industrial sites within the City limits,

urban growth boundary and planning area.

Goal 3: Improve conditions and appearances of public and private

properties in the downtown and on Third Street.

Goal 4: Create funding opportunities for renovation of properties and

construction of new structures in downtown and on Third Street,

consistent with an historic theme.

Grant Funds:

The Property Improvement Grant Program provides funds for eligible projects. Property Improvement Grants may provide funding for up to 50 percent (50%) of the total cost of a project, with a maximum grant award of \$50,000.

The Redevelopment Agency shall have the power to determine the amount of grant funding to be issued, based on the project's relation to the goals and objectives of the Harrisburg Urban Renewal Plan.

The Redevelopment Agency shall provide written record of funding decisions. The record shall include a description of the required uses of the approved funds. Grant funds must be used for the purposes defined by this record.

Eligible Applicants:

Eligible properties must be within the Urban Renewal District as defined by Exhibit A of the Harrisburg Urban Renewal Plan. Business owners who are tenants of a building must provide written consent from the building owner for all proposed improvements.

Eligible Projects:

Enhancements to new or existing buildings within the Urban Renewal District may be eligible for funding. Projects must specifically address one (1) or more of the goals defined in the Harrisburg Urban Renewal Plan

In addition to meeting one or more of the goals of the Harrisburg Urban Renewal Plan, eligible projects must meet the following criteria:

- Is located inside the Urban Renewal District Boundary, and is on property zoned C-1 (Commercial);
- The project cures blight;
- The project complies with all city adopted codes and ordinances;
- The project is visible from the public right-of-way, or if an interior project is limited to patron areas;
- The property and/or project are not tax-exempt; and,
- All municipal taxes, fees, and liens are paid.

Application Process:

In order to receive a Property Improvement Grant the building owner, or tenant with building owner approval, shall complete all of the following:

- If in Historic District, review historic design guidelines in the Harrisburg Community Action Plan;
- Complete and submit a Property Improvement Grant Application form;
- Submit a drawing of proposed improvements (plans need not be done by a professional architect unless the project includes structural improvements);
- Submit a specific description of each part of the proposed improvement (e.g. paint color, material type, etc.); and,
- Submit cost estimates for the proposed improvements. Bids shall be provided if the work will be done by a contractor.

Approval Procedures:

- Upon receipt of all application materials described above, City staff will review the application and refer it to the Agency.
- The Agency will then make a decision based upon the approval criteria. The Agency may impose conditions of approval, which shall be included in the Property Improvement Grant Agreement.
- If approved, City staff will contact the applicant and construction may begin after the Property Improvement Grant Agreement is signed by the applicant.

Award Reimbursement and Timing Procedures:

• Construction may begin only after the application is approved and the Property

- Improvement Grant Agreement is signed by the applicant and City. Any materials purchased or work performed prior to the agreement being signed will not be eligible for reimbursement.
- Grants will be issued only after construction is complete. Projects must be completed within twelve (12) months of approval by the Agency. Upon completion of the project, City staff must be contacted for a site inspection. City staff will then inspect the property to determine compliance with the pre-approved plans. If the inspection finds that the project complies with all standards and conditions above and with the pre-approved plans submitted with the application, the project will be eligible for reimbursement.
- Reimbursable costs include materials and labor (for licensed contracted work only). Receipts must be provided to the City for reimbursement. Proof of payment for all receipts must be provided (e.g. cancelled check).
- Funds will be dispersed within 30 days from the date of invoice receipt.

Further Information:

The applicant must discuss their project with City staff prior to submitting an application. Questions and applications will be accepted at:

City of Harrisburg 120 Smith Street Harrisburg, OR 97446 (541) 995-6655

Agenda Bill Harrisburg Redevelopment Agency Board

Harrisburg, Oregon

THE MATTER OF APPROVING THE HARRISBURG REDEVELOPMENT AGENCY 2ND AND 3RD QUARTER 2023/2024 EXPENSE REPORT

STAFF REPORT:

Exhibit A: 2nd Quarter HRA Expense Report Ending December

31, 2023

Exhibit B: 3rd Quarter HRA Expense Report Ending March

31, 2024

ACTION: MOTION TO APPROVE THE HRA 2ND AND 3RD QUARTER

2023/2024 EXPENSE REPORT.

THIS AGENDA BILL IS DESTINED FOR: Regular Agenda – May 14, 2024

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

STAFF RECOMMENDATION:

Staff recommend the HRA Board reviews and approves the HRA 2nd and 3rd Quarter 2023/2024 Expense Report.

BACKGROUND INFORMATION:

The HRA's Finance Officer has prepared the 2nd and 3rd Quarter 2023/2024 Expense Report for review by the HRA Board. The report shows all revenues and expenditures for the 2nd and 3rd quarter for fiscal year 2023-2024. We will review the 2nd Quarter and address the 3rd Quarter reports.

Please remember when looking at the percentage column that we are only 75% of the way through the budget year. We have currently received more than 91% of the budgeted property taxes. Our investment revenue will continue be higher than budgeted due to the increased interest rates over the last three months and not using the funds in the LGIP account. The HRA Board should review the document and raise any questions or concerns they may have to the HRA staff. Be aware that these numbers could change after fiscal year 2023-2024 is audited due to any auditor adjustments or reclassifications.

REVIEW AND APPROVAL:

cathy Nelson

Cathy Nelson, Finance Officer 05.08.24

HARRISBURG REDEVELOPEMENT AGENCY EXPENDITURES WITH COMPARISON TO BUDGET FOR THE 3 MONTHS ENDING DECEMBER 31, 2023

HRA GENERAL FUND

REVENUES (RESOURCES)

OBJECT CLASSIFICATION (DESCRIPTION)	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEARNED	PERCENTAGE
BEGINNING FUND BALANCE	2,179,995.00	2,179,995.00	2,179,995.00	0.00	100.00%
TAXES	199,403.98	201,764.60	229,556.00	(27,791.40)	87.89%
INVESTMENT REVENUE	26,377.71	48,738.09	36,000.00	12,738.09	135.38%
MISCELLANEOUS REVENUE	1,525.00	4,525.00	9,000.00	(4,475.00)	50.28%

TOTAL FUND REVENUE 2,407,301.69 2,435,022.69 2,454,551.00 (19,528.31) 99.20%

EXPENDITURES (REQUIREMENTS)

OBJECT CLASSIFICATION (DESCRIPTION)	PERIOD ACTUAL	YTD ACTUAL	BUDGET	REMAINING	PERCENTAGE
MATERIALS & SERVICE	3,000.05	6,000.05	26,730.00	20,729.95	22.45%
CAPITAL OUTLAY	0.00	0.00	2,161,421.00	2,161,421.00	0.00%
SPECIAL PAYMENTS	0.00	0.00	50,000.00	50,000.00	0.00%
DEBT SERVICES	45,700.00	45,700.00	216,400.00	170,700.00	21.12%

TOTAL FUND EXPENDITURES _	48,700.05	51,700.05	2,454,551.00	2,402,850.95	2.11%
NET REVENUES OVER EXPENDITURES	2.358.601.64	2.383.322.64	0.00		

HARRISBURG REDEVELOPEMENT AGENCY EXPENDITURES WITH COMPARISON TO BUDGET FOR THE 3 MONTHS ENDING MARCH 31, 2024

HRA GENERAL FUND

REVENUES (RESOURCES)

OBJECT CLASSIFICATION (DESCRIPTION)	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEARNED	PERCENTAGE
(DESCRIPTION)	I ENIOD ACTUAL	I I D ACTUAL	DODGET	UNLARNED	I ENGENTAGE
BEGINNING FUND BALANCE	2,179,995.00	2,179,995.00	2,179,995.00	0.00	100.00%
TAXES	8,422.12	210,186.72	229,556.00	(19,369.28)	91.56%
INVESTMENT REVENUE	28,499.69	77,237.78	36,000.00	41,237.78	214.55%
MISCELLANEOUS REVENUE	3,026.36	7,551.36	9,000.00	(1,448.64)	83.90%

TOTAL FUND REVENUE 2,219,943.17 2,474,970.86 2,454,551.00 20,419.86 100.83%

EXPENDITURES (REQUIREMENTS)

OBJECT CLASSIFICATION (DESCRIPTION)	PERIOD ACTUAL	YTD ACTUAL	BUDGET	REMAINING	PERCENTAGE
MATERIALS & SERVICE	9,301.31	15,301.36	26,730.00	11,428.64	57.24%
CAPITAL OUTLAY	0.00	0.00	2,161,421.00	2,161,421.00	0.00%
SPECIAL PAYMENTS	0.00	0.00	50,000.00	50,000.00	0.00%
DEBT SERVICES	0.00	45,700.00	216,400.00	170,700.00	21.12%

TOTAL FUND EXPENDITURES 9,301.31 61,001.36 2,454,551.00 2,393,549.64 2.49%

NET REVENUES OVER EXPENDITURES 2,210,641.86 2,413,969.50 0.00

Agenda Bill Harrisburg Redevelopment Agency

Harrisburg, Oregon

THE MATTER OF REVIEWING AND ACCEPTING THE ANNUAL REPORT OF THE HARRISBURG REDEVELOPMENT AGENCY (HRA)

STAFF REPORT:

Exhibit A: HRA Annual Report for 2022-2023 Fiscal Year

ACTION: MOTION TO APPROVE THE ANNUAL REPORT FOR THE HARRISBURG REDEVELOPMENT AGENCY

THIS AGENDA BILL IS DESTINED FOR: Agenda – May 14, 2024

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

STAFF RECOMMENDATION:

Staff recommends review and approval of the Annual Report

BACKGROUND INFORMATION:

Oregon State Law requires every urban renewal district (URD) in the state to develop a report indicating the financial status of the district and that URD's impact on the other property taxing entities included in the HRA area. The report covers the period of July 1, 2022 to June 30, 2023. The attached report does this, along with a quick overview of completed and pending HRA projects.

As noted on the last page of the report, the 2015 major amendment to the HRA raised the maximum indebtedness (estimated money required to complete the listed and approved projects) to just over \$8.1 million. As of June 30 of last year, the HRA had \$2,275,021 remaining in indebtedness. The priority for the City and HRA Board at this time is the Water Bond Project, therefore, the HRA Board is still in a holding pattern as to whether the program money of \$2.161M will be needed to make up the project funding gap. If those funds are needed, then the HRA Board will need to determine and apply the proportionality rule to use those funds at a future meeting.

After the use of those funds are determined, Staff will be reviewing all of the projects that were approved in Substantial Amendment No. 6, in the future, and will be determining which still need to be completed. If the HRA Board has not spent all the

funds available to it through the maximum indebtedness that was authorized, then additional projects that were approved can be scheduled for completion.

REVIEW AND APPROVAL:

05.08.24

Michele Eldridge City Administrator Date

ANNUAL REPORT FOR FISCAL YEAR ENDING JUNE 30TH, 2023

2022/2023 Harrisburg Redevelopment Agency

This report fulfills the requirements, prescribed in ORS. 457. 460, for the filing of an annual report detailing the financial activity of an urban renewal area established in Oregon.



URBAN RENEWAL AREA BACKGROUND

The Harrisburg Urban Renewal Plan (Plan) was adopted by the City of Harrisburg in December 1992. It was amended to increase the maximum indebtedness in 2014.

The frozen base assessed value ("Frozen Base") of the Urban Renewal Area is \$3,936,405. The FY 2021/2022 total assessed value is \$39,288,957. The excess value, or the value on which taxes are paid to the urban renewal agency in FY 2021/2022 is \$35,352,552.

The Harrisburg Redevelopment Agency (HRA) is a separate legal and financial entity, governed by the members of the Harrisburg City Council.

Urban Renewal Goals

The HRA's guiding document is the Harrisburg Urban Renewal Plan, which lists a series of goals and objectives to guide activities in the Area. Goals listed in the Plan are as follows:

Implement the Comprehensive Plan for the Urban Renewal Area, and to implement Goals 1 and 3 of the Harrisburg Strategic Plan. These goals make up the renewal area strategy discussed in part B of this section.

- 1. Improve conditions and appearance of public and private properties in the downtown and on Third Street.
- 2. Create funding opportunities for renovation of properties and construction of new structures in downtown and on Third Street consistent with an historic theme.
- 3. Make public infrastructure improvements necessary for the development of industrial and commercial sites.
- 4. Create new job opportunities.
- 5. Create new non-residential taxable values.
- 6. Improve the visual character of the area for visitors and residents.
- 7. Enhance the growth of local businesses.

The entire Harrisburg Urban Renewal Plan and Report can be found on Harrisburg Urban Renewal Agency's website, http://www.ci.harrisburg.or.us.

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¹ Source: Linn County Assessor SAL 4e FY 2022/2023

FINANCIAL REPORTING

Pursuant to ORS 457.460, a detailed accounting of the financial activity related to urban renewal areas is required to be reported on an annual basis. The following financial information responds to the requirements of this statute.

Previous Fiscal Year, FY 2022/2023

Money Received

In FY 2022/2023, the Harrisburg Redevelopment Agency received \$462,894 from division of taxes. ² The detailed earnings of the Harrisburg Redevelopment Agency can be seen in Table 1.

Table 1. Money Received During FY 2022/2023

Revenue Category	2022/2023 Amount
Division of Taxes	462,894
Investment Revenue	60,171
Miscellaneous	8,801
TOTAL:	531,866

Source: Harrisburg Redevelopment Agency Financial Statement FYE 2023, HRA Revenues with Comparison to Budget

Money Expended

Revenue received through urban renewal and spent on urban renewal activities is shown in Table 2.

Table 2. Expenditures During FY 2022/2023

Expenditure Category	2021/2022 Amount
Materials and Services	40,422
Revenue Sharing Payback	76,427
Capital Outlay	2,253
Special Payments	87,965
Debt Service Principal	120,000
Debt Service Interest	93,800
TOTAL:	420,867

Source: Harrisburg Redevelopment Agency Financial Statement FYE 2023, HRA Revenues with Comparison to Budget

² Harrisburg Redevelopment Agency Financial Statement FYE 2023, HRA Revenues with Comparison to Budget

Urban Renewal Projects

INFRASTRUCTURE IMPROVEMENTS:

The Smith, Macy & 2nd St. Rehabilitation Project, which includes Smith, from 1st to 3rd, Macy, from 2nd to 3rd, and 2nd St., from Smith to Macy, improved deficiencies in the infrastructure of Harrisburg's historic downtown core. It included utility upgrades, sidewalk improvements, ADA improvements, and replacement of random light poles and intermittent tree boxes. Street projects were budgeted at \$3,169,646 in the 2015 updated HRA plan. Improvements provided a safe and appealing network of pedestrian and vehicular travel, making it more attractive as a location for business/property owners. The improvements in the infrastructure will better support businesses in the downtown area, as well as improving the areas where events are held. Ultimately, these projects will help to drive tourism, and will be used to market the City's downtown and 3rd St. commercial cores.

The original HRA Plan, founded in 1992, was largely created to provide infrastructure improvements for industrial businesses. The S. 2nd St. Improvement Project created a true industrial zoned area, providing a street network and access to important industrial businesses, such as CHS, and Precision Prefinishing. What is now N&S Tractor was built in this area, the business that is now Legacy Metalworks was added, and Emerald Pools, (now Hot Tech Industries) was also built in this area. A parcel that was owned by AB Utilities was also developed in more recent years. Not counting some recent improvements that were made to existing buildings and businesses, those 4 parcels have resulted in \$3,768,810 in RMV Value in 2023.

HRA Targeted Improvement Grants:

Substantial Amendment No. 5 set aside \$500,000 for the Building Façade Program. The program originally provided both loans and grants; but the HRA changed to only grants, as they were more attractive for area businesses. Since 2020, the following improvements have been made:

- Doctor Office Addition to EZ Stop Building on 170 N. 3rd St. (Total of \$275,000 Invested)
- Magnuson Dental Building Corner of Macy & 2nd St. (Total of \$487,500 Invested)
- Grocery Deals Parking Lot Improvement (Total of \$195,454 Invested)
- 1890 Order of the Oddfellows Building Renovations (Total of \$445,454 invested between private and public partnerships and state grants). Restoration of one of the most wonderful buildings in Harrisburg, with mixed-use development - Priceless
- Moody Hardware Building 206 S. 3rd St. (Total of \$37,984 invested, RMV Increase of \$86,450).
- 1920's Commercial Warehouse Building 170 S. 3rd St. (Total of \$40,980 Invested, RMV Increase of \$72,710).
- 1950's Tavern & Retail Building (The Voo) @ 172 S. 2nd St. (Total of \$111,987 Invested, RMV Increase of \$117,020)
- Golden Chopstix 203 Smith St. Replacement of roof membrane, upper & lower sections of building, pressure washing, repair & repainting exterior walls. (Total of \$83,764 Invested, RMV Increase of \$155,280)

Impact on Taxing Districts

The revenues foregone by local taxing districts due to urban renewal are shown in Table 3. This information is from Linn County Assessor records, Tables 4a.

Urban renewal agencies do not create an additional tax. Instead, during the Agency's lifespan, overlapping taxing districts "forego" a portion of their permanent rate. Once the urban renewal area is

terminated, the taxing jurisdictions receive the full permanent rate of taxes. The School District and Education Service District are funded through the State School Fund on a per pupil allocation. There is no direct impact of urban renewal on their funding. The State School Fund is funded through property tax allocations, but also through other state resources.

In December of 2022, the HRA identified that revenue sharing with the impacted taxing districts was triggered in FYE 2019. Revenue sharing is triggered when the Plan area reaches annual tax increment revenues equal to 10% of the original Ml. The original Ml of the Plan was low, \$2,977,674 which means once the Agency begins receiving over \$297,767 in tax increment revenues, revenue sharing commences the following year. This threshold was met in 2018 which means that revenue sharing should have commenced in FYE 2019. The financial projections done in 2015 estimated revenue sharing would commence in FYE 2024. The earlier trigger date is due to increased assessed values in the urban renewal area beyond what was anticipated.

Revenue Sharing was enacted in 2009 as part of the statutory changes to ORS 457 and is described in ORS 457.470. The original Plan was not subject to revenue sharing as it was adopted prior to 2009. However, the substantial amendments in 2015 increased the MI, which made the Plan subject to those revenue sharing provisions. The taxing districts were notified of the revenue sharing issue and the FY 2022/2023 budget was amended to include a provision to pay the revenue sharing from FYE 2019 forward.

Revenue sharing provides that, in the future, the impacted taxing districts will have a lower impact due to the revenue sharing provisions. The revenue sharing provisions do not change the date the urban renewal area is expected to be able to terminate within the timeline set in the Plan: FYE 2036.

Table 3. Impact on Taxing Districts FY 2022/2023

Taxing Jurisdiction	Impact
Linn County	48,257
Linn Benton ESD	11.534
Lane Community College	23,448
Harrisburg School District	176,433
City of Harrisburg	120,586
Harrisburg RFD	42,812
4H Extension Service	2,639

Source: FY 2022/2023 Sal 4a from Linn County Assessor

Current Fiscal Year, FY 2023/2024

Estimated Revenues

The estimated tax revenues from the FY 2023/2024 adopted Harrisburg Redevelopment Agency budget are \$229,556. ³

Proposed Budget for Current Fiscal Year, FY 2023/2024

A compiled budget listing the money to be received due to urban renewal, money to be spent, and what projects/expenses the money will fund is shown in Table 4 and 5 below.

Table 4. Budget FY 2023/2024 Urban Renewal Fund Revenues

Budget Category (Revenues)	2023/2024 Amount
Beginning Fund Balance	2,179,995
Division of Taxes	229,556
Investment Revenue	36,000
Miscellaneous Revenue	9,000
TOTAL:	2,454,551

Source: the City of Harrisburg FY 2023/2024 Urban Renewal Budget, pgs. 3-4 as amended January 2024

Table 5. Budget FY 2023/2024 Urban Renewal Fund Expenditures

Budget Category (Expenditures)	2023/2024 Amount
Materials and Services	26,730
Capital Outlay	2,161,421
Special Payments	50,000
Debt Service	216,400
TOTAL:	2,454,551

Source: the City of Harrisburg FY 2023/2024 Urban Renewal Budget, pgs. 3-4 as amended January 2024

Maximum Indebtedness

The maximum indebtedness authorized for the Area is \$8,177,674. The amount of indebtedness remaining for the Plan Area after FYE 2023 is \$2,275,021.

³ City of Harrisburg FY 2023/2024 Urban Renewal Budget, pgs. 3-4