



CITY OF SANDY

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STAFF REPORT

MEETING DATE: May 21, 2018
FROM: Tyler Deems, Interim Finance Director
SUBJECT: Supplemental Budget - Sewer Fund & Sewer Bond Reserve Fund

Background:

During the budget process in Spring 2017, two debt service payments were unintentionally omitted from the Sewer Fund (SF) budget. In addition, the beginning balance in the SF came in lower than budgeted, as we incurred expenses at the end of last fiscal year that were higher than anticipated. We are, however, expecting approximately \$100,000 more in revenue than budgeted. To offset the expense of the debt service payments, we have also made adjustments to all other expenses within the SF. Overall, the net change to the SF budget is \$(96,801).

The current budget planned for a \$200,000 transfer from the SF to the Sewer Bond Reserve Fund (SBRF). This transfer has been reduced to \$100,000. In addition, we have opted not to proceed with the \$500,000 loan from the SBRF to the Telecommunications Fund (additional information related to this will be presented to Council in the near future). This changes the total reserve for future use to \$1,726,002. Even with this change, we are still planning on paying off the USDA loan for our current Sewer Treatment Plant far ahead of schedule.

A summary of the changes can be seen in the attached Exhibit A. As the changes to these funds are less than 10% of the total fund, Oregon Budget Law allows for the supplemental budget to be approved at a regularly scheduled Council Meeting. A notice of supplemental budget consideration was published in the Sandy Post on May 16, 2018.

Recommendation:

Approve Resolution 2018-13, a resolution adopting the supplemental budget for the Sewer Fund and the Sewer Bond Reserve Fund.

Financial Impact:

Authorizing debt service payments totaling \$334,422 for the Sewer Fund.

Attachments:

[Exhibit A](#)

[Resolution 2018-13](#)