



# Staff Report

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**Meeting Date:** June 17, 2019  
**From:** Tyler Deems, Finance Director  
**SUBJECT:** Supplemental Budget BN 2017-19

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## **Background:**

Occasionally, it becomes evident that changes need to be made to the adopted budget. Additionally, Local Budget Law allows for changes to be made to the budget after adopt in certain circumstances. Changes that are less than 10% of the total fund can be adopted at a regularly scheduled Council meeting. Changes that over 10% of the total fund require a public hearing. The following changes are all less than 10% of the total fund, therefore no public hearing is required.

## **General Fund**

*Legal* - The Legal Department accounts for all the legal services and charges associated with the administration of the city. With newer staff and police negotiations occurring in recent months, legal expenses have increased. The supplemental budget increases total resources in this department by \$18,275 via an intrafund transfer from Non-Departmental contingency. Total appropriations for the Legal Department have been increased by the same amount to cover legal expenditures.

*Police* - As anticipated, the Police Department's budget needs a year end adjustment to increase appropriations due to overtime expenses. With the loss of the Estacada contract earlier this fiscal year, a supplemental budget was done to account for the decrease in revenue. At that time, overtime expenses were budgeted too low. The supplemental budget increases the total appropriations for the Police Department by \$100,000 to cover these expenditures via a transfer from Non-Departmental contingency. This adjustment does not impact the adopted BN 19-21 police department budget.

*Non-Departmental* - The Non-Departmental Department is tasked with accounting for all expenditures that cannot be allocated to a specific department (utilities, office supplies, etc.). Additionally, this department houses the contingency for the General Fund. To cover the increased costs associated with the city's legal and police expenditures, an intrafund transfer from contingency to the Legal Department in the amount \$18,275 is required, as well as \$100,000 to the Police Department.

While we propose using general fund contingency to make these adjustments, we are expecting general revenues will exceed our projections for the biennium to make up the difference.

**Sewer Fund**

With the onset of the Wastewater System Facilities Plan, a loan agreement has been executed in the amount of \$450,000. The original budget only included \$250,000 in loan proceeds for the work on the Plan. With the change in loan amounts, a supplemental budget is needed. Additionally, the operations and capital programs have been updated to account for project costs related to the treatment plant.

**Transit Fund**

With the understanding that the department was to receive STIF funds this fiscal year, new transit services were added. The release of STIF funds has been delayed, but it is expected that we will receive the funds in the upcoming fiscal year. Additionally, the department entered into an agreement to complete the transit master plan. Fortunately, revenue from the Employer Transit Tax has been greater than budgeted. As such, Fines, Fees, & Assessments been increased by \$81,580 and appropriations for operations and capital have been revised to \$3,527,706 and \$1,288,279, respectively.

**Recommendation:**

Adopt Resolution 2019-12, a Resolution Adopting a Supplemental Budget for BN 2017-19.

**Budgetary Impact:**

General Fund total appropriations increased by \$118,275; Sewer Fund total appropriations increased by \$200,000; Transit Fund total appropriations increased by \$81,580.



NO. 2019-12

**A Resolution Adopting a Supplemental Budget for BN 2017-19**

**Whereas,** the City of Sandy has adopted a biennial budget for the period July 1, 2017 to June 30, 2019. Local Budget Law (ORS Chapter 294) allows for changes to the adopted budget via supplemental budget in certain cases; and

**Whereas,** ORS 294.473 allows the governing body to adopt a supplemental budget at a regularly scheduled Council meeting if the changes are less than 10% of the current adopted fund total; and

**Whereas,** an intrafund transfer is needed from Non-Departmental Contingency to Legal and Police to cover higher than expected legal expenditures and personnel expenditures in the respective departments; and

**Whereas,** additional loan proceeds have been received in the Sewer Fund, and the operations and capital programs within the fund have been adjusted to reflect current expenditure trends; and

**Whereas,** the Transit Fund has received more revenue than budgeted, as well as increased service levels and entered into an agreement to complete a transit master plan.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Sandy that the following department/fund budgets be amended as follows:

FUND: General Fund				
Resource	Amount	Requirement (by program)		Amount
1 Intrafund Transfers	293,509	1 Legal		220,000
		2 Police		6,573,600
		3 Non-Departmental		1,498,100
<b>Revised Total Fund Resources</b>	<b>27,429,533</b>	<b>Revised Total Fund Requirements</b>		<b>27,429,533</b>
<b>Comments:</b>				
The Legal department has been increased to account for greater than expected expenses for our legal counsel. The Police Department has been increase to account for greater than expected expenses related to personnel services. Non-Departmental appropriations have been updated to reflect the transfer of \$118,275 from contingency to the legal and police departments to balance the programs.				
FUND: Sewer Fund				
Resource	Amount	Requirement (by program)		Amount
1 Loan Proceeds	462,489	1 Operations		2,705,300
		2 Capital		1,055,300
		3 Contingency		11,500
<b>Revised Total Fund Resources</b>	<b>3,772,234</b>	<b>Revised Total Fund Requirements</b>		<b>3,772,200</b>
<b>Comments:</b>				
Loans proceeds have increased by \$200,000 to account for the additional funding from a DEQ loan. Additionally, Operations and Capital have been updated to reflect the costs associated with the first phase on the new sewer treatment plant.				
FUND: Transit Fund				
Resource	Amount	Requirement (by program)		Amount
1 Fines, Fees, & Assessments	1,406,900	1 Operations		3,527,700
		2 Capital		1,288,200
		3 Contingency		992,800
<b>Revised Total Fund Resources</b>	<b>5,808,845</b>	<b>Revised Total Fund Requirements</b>		<b>5,808,800</b>
<b>Comments:</b>				
Fines, Fees, & Assessments have increased by \$81,580 to account for additional revenue from the employer tax. Additionally, additional service was added during the biennium, and the department entered into an agreement to complete a transit master plan.				

This resolution is adopted by the Common Council of the City of Sandy and approved by the Mayor this 17 day of June 2019

Stan Pulliam, Mayor

ATTEST:

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Karey Milne, City Recorder