



Resolution 2026-14

Authorizing a Supplementaion Budget and Transfers of Appropriations for FY25-26

Meeting Date	Staff Contact	Email
June 9, 2026	Adam Hanks, City Administrator	adam.hanks@coburgoregon.gov

SUMMARY AND REQUESTED COUNCIL ACTION

Staff requests Council consideration and approval of Resolution 2026-14 to ensure budgetary compliance utilizing both a supplemental budget (new revenue and new appropriations) and transfer of appropriations in the General Fund and transfer of appropriation in the Water Fund. The transfers detailed below and within the draft resolution total \$225,000 overall across the four funds.

Suggested Motion

I move to adopt Resolution 2026-14, "A Resolution Authorizing a Supplemental Budget and Transfers of appropriations in the City of Coburg's 2025-2026 Fiscal Year Budget."

BACKGROUND

The annual budget process concludes with Council's adoption of the budget via a resolution that includes the setting of the property tax rate, its use and the appropriation of funds via resolution. This appropriation level become the maximum spending authority by assigned and authorized by the City Council.

Monthly Financial Reports are prepared and utilized by both staff and Council to monitor the financial condition of the City throughout the fiscal year. The final two pages of the Monthly Financial Report display the Budgetary Compliance table. As the end of the fiscal year nears, typically in April and May, staff closely monitors monthly expenditures against the appropriation levels and makes necessary operational adjustments as feasible to ensure the expenditure trendline stays below the total appropriation level set in the budget process.

Operations Related Transfers

The primary driver of the transfers relate to forecasts and prior structure of the cost allocations that occur between the general fund and the three operating funds. Many citywide costs are housed within the General Fund and allocated out on a percentage basis, typically using staff counts as a means of establishing an equitable share of the use of the goods or services by the operating funds. Examples of these costs include Citywide financial software, IT network support,

insurance, banking, city website, etc.

The Budget has contained a baseline transfer of \$150,000 from the operating funds to the General Fund to account for these goods and services (\$30,000 for Street Fund, \$60,000 each for the Water and Wastewater Funds)

This allocation has not kept pace with the shared expenses, and this budget transfer request addresses the additional costs rightfully attributable to the operating funds.

Water Fund – In addition to the cost allocation based transfers, the Water Fund experienced several unanticipated major maintenance/repair projects were required to be completed resulting in a \$60,000 transfer from contingency to operations to account for the expenditures.

It is important to note that both of these capital/operations transfers are required only because of the budget policy change made when the FY25 budget was developed, presented and adopted. Prior to FY25, the appropriations for the operations and maintenance budget and the capital budget were combined which allowed funds to be moved between operations and capital without the need for Council approval of budget transfers. The objective of the policy change was to clearly delineate annual operating costs from capital costs as each are calculated and funded differently within the City's rate models and only capital expenditures relate to loans/grants/debt service.

Supplemental Budget

A supplemental budget request differs from budget transfers as it increases the appropriation level that was originally established with the approval of the annual budget. This can only be done with a corresponding increase in revenue to fund the increased appropriation level.

The proposed supplemental budget resulted from a grant funded project within the fiscal year that staff originally anticipated would be housed, expended and reimbursed by Lane Council of Governments, who identified and assisted the City in the grant award for new and greatly enhanced network back-up hardware and software (immutable back-ups ensure nearly zero downtime associated with a cyber attack).

Ultimately the grant award was required to go directly through the City rather than LCOG. The payment of the invoice of just over \$18,000 (additional appropriation request) is accompanied by a reimbursement of the same amount (increase in revenue to the budget).

RECOMMENDATION

Staff recommends Council approval of the supplemental budget and the budget transfers to maintain compliance with Oregon budget law and ensure that the City's financials accurately reflect the use of funds for FY26.

BUDGET / FINANCIAL IMPACT

The budget transfers proposed will have an impact on the estimated beginning fund balances (carry forward) in the adopted FY27 Budget, but provide Council and staff with an accurate

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baseline to further plan and implement updated methodologies for the Cost Allocation Plan that has already been initially discussed with the Finance/Audit Committee who will review and provide recommendations to Council in the coming months when it is brought forward for Council review and approval via resolution.

PUBLIC INVOLVEMENT

The need for budget transfers and a supplemental budget was discussed in prior Council meetings, most recently the May meeting when reviewing the March Financial Reports. The Finance/Audit Committee also had an in-depth agenda item discussion on the transfers and supplemental budget at its May 27, 2026 meeting.

NEXT STEPS

Upon approval, staff will make the transfers and supplemental budget within the City's general ledger software and will begin the process of balancing/closing the final month of the fiscal year (June) and concurrently close FY26 to prepare for the FY26 audit that is currently scheduled to begin in late August.

ATTACHMENTS

1. Draft Resolution 2026-14