



COBURG CITY COUNCIL

ACTION ITEM

Resolution 2024-08 Adopting a Supplemental Budget, Making Appropriations for the City of Coburg For the Fiscal Year Beginning July 1, 2023 and Ending June 30, 2024

Meeting Date	Staff Contact	Email
June 25, 2024	Adam Hanks, City Administrator Greg Peck, Finance Director	Adam.Hanks@ci.coburg.or.us Gregory.Peck@ci.coburg.or.us

REQUESTED COUNCIL ACTION

Staff requests Council approval of Resolution 2024-08 to transfer funds from contingency to the Administration and Public Works Departments within the General Fund totaling \$55,000.

Suggested Motion

I move approval of Resolution 2024-08 Adopting a Supplemental Budget, Making Appropriations for the City of Coburg For the Fiscal Year Beginning July 1, 2023 and Ending June 30, 2024

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. Resolution 2023-11 set appropriations that become the maximum spending authority by assigned appropriation levels.

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 is 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.

In the review of the May Financial Report, staff identified and notified Council of two appropriation levels that may exceed appropriation levels, both occurring in the General Fund. Because the primary expenditures in the two appropriation levels are personnel costs rather than discretionary goods and services purchases, it is difficult to reduce the expenditures over the final month of the fiscal year to ensure budgetary compliance.

For this reason, staff is recommending Council approval of a transfer of appropriations from

contingency to the Administration Department of \$40,000 and from contingency to the Public Works Department of \$15,000 for a total of \$55,000 all within the General Fund.

It is quite possible that only a very small increment of the transfer funds will actually be utilized, or possibly none, but any expenditure beyond the original appropriation levels require Council action to resolve to prevent a budget violation as detailed in Oregon Revised Statutes (ORS).

In both cases, the primary reason for the expenditures being so close to or possibly exceeding the appropriation is due to personnel costs exceeding original budgetary calculated estimates.

RECOMMENDATION

Staff recommends approval of the proposed supplemental budget making transfers from contingency to the Administration and Public Works budgets within the General Fund to ensure budgetary compliance for the 2023-24 Fiscal Year.

BUDGET / FINANCIAL IMPACT

The recommended transfer ensures budgetary compliance and incrementally reduce the fund balance carry forward to the upcoming fiscal year. The exact amount is dependent on the final expenditure totals for each appropriation level, which will be less than the total transfers for each.

PUBLIC INVOLVEMENT

While no specific public involvement has occurred with this budgetary/accounting transfer request, the City's budget process included multiple public meetings with the Citizen's Budget Committee and formal budget adoption by Council which included a public hearing.

NEXT STEPS

Transfers will be recorded via journal entry within the City's general ledger system and monitored to ensure budgetary compliance.

ATTACHMENTS

1. Resolution 2024-08 – Draft Supplemental Budget
2. Resolution 2023-11