



Resolution 2025-07

Authorizing Transfers of Appropriations for FY24-25

Meeting Date	Staff Contact	Email
June 24, 2025	Adam Hanks, City Administrator	Adam.Hanks@ci.coburg.or.us

SUMMARY AND REQUESTED COUNCIL ACTION

Staff requests Council consideration and approval of Resolution 2025-07 to ensure budgetary compliance with the transfer of appropriations within each of the City's four funds. The transfers detailed below and within the draft resolution total \$150,000 in the General Fund, \$15,000 in the Street Fund, \$100,000 in the Water Fund and \$40,000 in the Sewer Fund. No new appropriations are requested or required.

Suggested Motion

I move to adopt Resolution 2025-07, "A Resolution Authorizing the Transfers of appropriations in the City of Coburg's 2024-2025 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. Resolution 2024-07 sets 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 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.

Personnel Related Transfers

As the development of the FY26 budget began in earnest, staff identified and notified Council of a staffing expense budgeting error found in the FY25 budget. The expense of a staff position that is allocated across all funds (as part of the cost allocation model) was inadvertently removed from the final position costing data causing actual personnel costs to exceed budget estimates in all four of the City's funds. This was noted in the monthly financial report review with Council in the February and March Council meetings with an understanding that the budget transfer to address the matter would occur at or near the end of the fiscal year as other, unrelated budget transfers

may arise before the end of the fiscal year and are best addressed as a whole in June as most financial expenditures are known.

Because the calculation error occurred with a staff position with primary allocations to both the water and sewer funds, larger transfers (\$40,000) are requested in those fund versus the general and street funds (\$15,000)

Capital and Operations Related Transfers

General Fund – As presented, discussed and approved by Council at its September 24, 2024 Council meeting, the Pavilion Park Phase II improvements bid award exceeded the initial capital budget in the General Fund for this project resulting in a need to transfer \$135,000 from operations to Capital. Grant revenues for FY25 have been booked with approximately \$43,000 to be received in FY26 as retainage for verification of completion of all required grant deliverables as the fountain, a bench and picnic tables remain to receive full grant reimbursement.

Water Fund – Several unanticipated major maintenance/repair projects were required to be completed in the second half of the fiscal year which require a \$60,000 transfer from capital 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.

RECOMMENDATION

Staff recommends Council approval of the budget transfers to maintain compliance with Oregon budget law and ensure that the City's financials accurately reflect the use of funds for FY25.

BUDGET / FINANCIAL IMPACT

The budget transfers proposed will have an impact on the estimated beginning fund balances (carry forward) in the recently adopted FY26 Budget, but provide Council and staff with an accurate baseline to further plan and implement strategies to "recover" from the capital investments made in the park system over the past four years with the expansion of Pavilion Park.

PUBLIC INVOLVEMENT

As noted above, both the staffing and the capital transfer needs have been highlighted by staff to Council in a number of prior meetings in monthly financial statement review and in Parks and Water Fund bid award deliberations.

CITY COUNCIL

STAFF REPORT

NEXT STEPS

Upon approval, staff will make the transfers 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 FY25 to prepare for the FY25 audit that is currently scheduled to begin August 14.

ATTACHMENTS

1. Draft Resolution 2025-07