

COBURG CITY COUNCIL MONTHLY REPORTS



TOPIC: Transfer of Appropriations for Fiscal Year 2020-21

Meeting Date: May 11, 2021

Staff Contact: Tim Gaines, Finance Director

Contact: 541-682-7870, Tim.Gaines@ci.coburg.or.us

REQUESTED COUNCIL ACTION:

Approve Resolution 2021-06 transferring appropriations for fiscal year 2020-21

Suggested Motion for Resolution:

"I move to approve Resolution 2021-06 transferring appropriations for fiscal year 2020-21 in the general fund, street fund, water fund and sewer fund."

CITY COUNCIL GOAL

Fiscal Stewardship

BACKGROUND

Oregon revised statute allows for a transfer of appropriations when necessary in order to adjust the adopted budget.

Fiscal Year has been a very complicated year as far as some budgetary items. Capital projects that we anticipated would wrap up in the previous fiscal year, were not wrapped up until later in the summer season or even spring of this year. Some of this has to do with Covid-19, and some of it is just do to availability of our engineers and contractors to complete the projects.

In addition, staffing budgets for supervisors were changed by the City Council in February which allowed for the COLA and pay increases put on hold due to Covid-19 and the uncertainty of revenues to the City.

Staff brought most financial changes forward to City Council already under separate Council items and discussions. These are changes directly affecting the current 2020-21 fiscal year that ends on June 30, 2021.

This action can be completed by a resolution of the council as these are transfers within funds. Due to contingency in every fund available, transfers are allowed without a supplemental budget which becomes unnecessary.

These transfers within the funds do not change the total appropriations for any fund. Therefore, the overall budget amount for the City remains the same.

While the City did receive unexpected revenues and higher than budgeted revenues, it is not necessary to declare those amounts unless we can't cover budget shortages without increasing revenues. Therefore, the City can collect and record the revenues without the necessity of changing the budget so long as we have contingency funds to cover the changes. In the past, the City would not have been able to do a budget transfer as there were never contingency funds available. However, due to the ongoing policy of contingency reserves in every fund, it changes the requirements for adjusting the budget.

Contingency in all funds will be restored in the new budget year. For example, the General Fund contingency will be restored to \$250,000 for budget year 2022.

BUDGET APPROPRIATION CHANGES

The following are budget changes:

GENERAL FUND

Admin Personal Services – Increased for the COLA and Step Increases for Administrative Staff

Admin Materials & Services- Increased for the expenses associated with Covid-19

Police Capital Outlay – Increase to cover the cost of body camera purchases

Court Personal Services – Increased for the COLA and Step Increase of the Court Administrator

Park Capital Materials & Services – Increased for professional services related to Johnny Diamond park

Park Capital, Capital Outlay – Increased to cover the completion of Johnny Diamond Park

Personal Services – Public works – Increased to cover supervisor COLA and Step Increased as well as overtime hours associated with Covid-19 for Public Works Staff

STREET FUND

Personal Services Allocation – Increase transfer to reimburse General Fund for Street share of Public Works Personal Services.

Material & Services – Increase to cover the cost of the Roberts Road Project which was delayed

WATER FUND

Personal Services Allocation – Increase transfer to reimburse General Fund for Water share of Public Works Personal Services.

SEWER FUND

Personal Services Allocation – Increase transfer to reimburse General Fun for Sewer Fund share of Public Works Personal Services.

Materials & Services, Capital - Increased for professional services to cover engineering for preliminary design of public works shop.

ALTERNATIVES

Council may choose to not approve the transfer in appropriations which will result in over expenditure of department budgets which will result in a note in the audit and a violation of Oregon Budget Law.

RECOMMENDATIONS

Staff recommends that Council adopt the resolution as written.

NEXT STEPS

Staff will adjust the budget according to this adopted resolution

ATTACHMENTS

A. Draft Resolution 2021-06

REVIEWED BY:

Steve Teucherer, Auditor
Anne Heath, City Administrator
Sammy Egbert, City Recorder
