



Where Life is Sweet

Mayor and Members of the City Council
STAFF REPORT
For the Meeting of February 26, 2024

Title/Subject

Resolution No. 2313 – A Resolution To Adopt an FY2023-24 Supplemental Budget

Summary and Background

The total supplemental budget is almost \$39 million. This includes the recently approved bonded projects as both revenue and expenses. That makes up the majority of the increase. All that shows up in the main portion of the resolution is increased expenses. All of those must be covered by an equal amount of increases in revenues. The higher level of detail is shown in the attachment. Following is a more detailed explanation of the proposed changes:

General Fund

- Made numerous decreases in expenses across many general fund departments
- Added back four months of council expenses
- Increased Planning to accommodate two large planning projects
- Increased Airport to account for increased fuel sales
- Returned two months of a Recreation Coordinator position
- Increased Police for three months of the first additional officer position
- Adjusted the transfer of Franchise Fees to Street Reserve Fund Account
- Increased Liability Insurance across all departments
- Removes Loans from water/sewer as a revenue source

Street Fund

- Made small adjustment to health insurance costs

TRT Fund

- Increases transfers out to the General Fund and other funds based on increased collections

Utility Fund

- Adjusts the recycled water department budget on a few expense items
- Removes the expense of a loan to the general fund
- Adds the expense of investing in land in the South Hermiston Industrial Park (SHIP)

Reserve Fund

- Decreases capital outlay to balance decrease in street revenue funds

Miscellaneous Fund

- Increases payments to the State building department based on increases in our permit revenue

Hermiston Energy Fund

- Increases liability insurance

Christmas Express Fund

- Increases budgeted expenses based on increases in costs

Enterprise Zone Fund

- Increases revenue and expenses based on anticipated payment from Amazon-PDX 245 agreement

EOTEC Fund

- Increases budgeted expenditures for barn expansion project
- Adjusts various cost categories to reflect the current revenues available

City Hall Construction Fund

- Allocates 2024 Bond funds to pay for IT space buildout

2024 Bond Fund

- Allocates 2024 Bond funds to pay for various projects (City Hall, HURA, EOTEC, General Fund Buildings)

General Fund Buildings Construction Fund

- Establishes a fund to pay for general fund building projects (Harkenrider, Library, Public Safety Center, Arc)

Tie-In to Council Goals

N/A

Fiscal Information

Total Supplemental Budget is \$38,808,870. This increases our total budget from \$97,034,369 to \$135,843,239.

Alternatives and Recommendation

Alternatives

1. Adopt Resolution No. 2313 without modification.
2. Adopt Resolution No. 2313 with specific modifications.
3. Direct staff to make major changes to Resolution No. 2313 and bring back at a later date.

Recommended Action/Motion

Adopt Resolution No. 2313 without modification.

Submitted By: Byron D. Smith