



MEMORANDUM

Finance Department

To: Mayor Jackola & Lebanon City Councilors
Ron Whitlatch, City Manager & Budget Officer

Date: October 8, 2025

From: Brandon Neish, Finance Director

Subject: FY25 Budget Amendments

I. INTRODUCTION

Oregon Local Budget Law, ORS 294, allows for either the transfer of appropriations or a supplemental budget to increase expenditure authority after a budget has been adopted. The 2025 fiscal year budget was adopted by the City Council on June 12, 2024. ORS 294.463(1) allows for the City Council to transfer existing expenditure authority from one budget line to another.

II. CURRENT REPORT

There are several adjustments outlined in Resolution No. 2025-19 necessary to cover expenditures related to collective bargaining agreements, benefit changes, and unanticipated expenditures in the current year.

The first adjustment seeks to cover additional costs in Municipal Court related to collective bargaining agreement (CBA) changes for the 2025 fiscal year. An additional \$9,500 is needed to cover the additional payroll expenses and cashouts. The same is true in the Library budget which needs an additional \$10,200. Included with the CBA changes for the Library is the need to cover unanticipated health care benefits for part-time employees that opted to use the City's insurance. This provision of the contract was new for 2025 and unanticipated at the time the budget was adopted.

In the Police department, CBA changes which yielded increases beyond the adopted budget have pushed that budget beyond its capacity. The transfer resolution seeks \$250k to cover salary changes for the year and related increases in retirement costs as salary increases elevated the amounts paid to the Public Employees Retirement System (PERS). These adjustments, along with those for the Court and Library would come from available funds set aside in the General Fund's operating contingency, a budget line established to cover unanticipated expenditures during a fiscal year. This does not impact the General Fund's 17% contingency which is projected to remain whole at the conclusion of the 2025 fiscal year.

In the water and wastewater funds, development services lines also need adjustment for the 2025 fiscal year. A new provision in the City's health care allowed those with registered domestic partners to add

THE CITY THAT FRIENDLINESS BUILT

them to their health insurance. A few people across the City chose this option and the result is an additional \$1,800 in each fund needed to cover these expenses. Similar to the General Fund, this adjustment would be covered by each fund's available contingency.

III. RECOMMENDATION

- Adopt Resolution No. 2025-19 authorizing a transfer in budget appropriations.