



MEMORANDUM

Finance Department

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

From: Brandon Neish, Finance Director

Subject: FY24 Budget Amendments

Date: June 12, 2024

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 2024 fiscal year budget was adopted by the City Council on June 14, 2023. 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 three adjustments outlined in Resolution No. 2024-21; an adjustment to the Finance budget in the General Fund and an adjustment for Community Development in the Water and Wastewater funds due to changes in benefit costs during the fiscal year.

The Finance adjustment seeks to add \$6,500 to the Municipal Court budget to cover additional costs associated with appeals and the contract for the defense attorney. While the City's attorney covers appeals that may be filed with the Linn County Court, they are outside the the retainer and are billed at an hourly rate of \$200/hr. Increased appeals during the fiscal year cost the City \$6,000. For the defense attorney contract, the City Council approved a new contract in February 2024 which increased the overall cost \$4,000 per year for the first time since 2020. These two items have put additional stress on the Municipal Court budget above and beyond the anticipated expenditures. The proposal requests a transfer of appropriations to come from the General Fund contingency to cover the unanticipated expenditures for the current fiscal year.

In the Water and Wastewater funds, staff is requesting additional budget resources to cover additional health reimbursement account expenditures incurred during the fiscal year. First, a new employee was hired at the beginning of the fiscal year resulting in two contributions to their HRA in compliance with the AFSCME contract. In a typical fiscal year, only one distribution of HRA funds is seen per employee in January. The second adjustment is due to overall insurance changes that resulted in additional HRA funds being distributed to employees. These changes strained the limited budget for Community Development in these two funds (personnel expenses is all that is budgeted so there is no ability to

reduce other expenses to offset). The requested adjustment asks for \$1,700 in each fund to come from the Public Works budget (which has available resources) to cover the necessary expenditures.

III. RECOMMENDATION

- Adopt Resolution No. 2024-21 authorizing a transfer in budget appropriations.