



REQUEST FOR COUNCIL ACTION

Title: Supplemental Budget for Street Sweeper and Linn Shuttle Grants

Preferred Agenda: September 28, 2021

Submitted By: Brandon Neish, Finance Director

Reviewed By: Ray Towry, City Manager

Type of Action: Resolution X Motion Roll Call Other

Relevant Code/Policy: ORS 294.471(3)(a)
SH Financial Policy Section IX

Towards Council Goal: Goal 2: Be an effective and efficient government

Attachments: Resolution No. 23 for 2021

Purpose of this RCA:

To review Resolution No. 23 for 2021, authorizing a supplemental budget for the purchase of a street sweeper and additional expenditure authority for grants obtained by the Linn Shuttle program.

Background/Context:

The City Council is required annually to review the approved budget from the Budget Committee and adopt a budget prior to June 30 which becomes the City's operating budget. The budget for the 2020-2021 fiscal year was adopted by the City Council during its regularly scheduled meeting on June 26, 2020. Since then, supplemental budget resolutions have been adopted for operational needs and the City Council has approved the purchase of some equipment necessary for the City's operations.

During City Council meetings held on August 11 and 25, 2021 and October 27, 2020, the City Council heard from staff on the condition of the previous street sweeper. Purchased in 2009 by the City from the City of Lebanon, the 1997 street sweeper was past its useful life and required significant modifications and rehabilitations to restore the sweeper to working order. On October 27, 2020, the City Council authorized the purchase of a new sweeper using funds loaned to the Street Fund from the Street Maintenance & Improvement Fund. Resolution No. 28 for 2020 was adopted by the City Council implementing the interfund loan and authorizing the purchase. This resolution is a house-keeping item and authorizes the budget necessary by Oregon law.

Another adjustment which exceeds the statutory 10% maximum lands in the Public Transit fund. The Public Transit fund, a pass-through fund for monies from the Oregon Department of Transportation is then distributed to the Linn Shuttle program by way of the Sweet Home Senior Center (SHSC). While the SHSC manages the program, the City is the fiscal agent for the grants. At the end of fiscal year 2021, the City received grant funds in excess of the

adopted budget for the transit fund which requires authorization to distribute this to the Senior Center.

The Challenge/Problem:

Should the City authorize the supplemental budget resolution in compliance with Oregon Local Budget Law?

Stakeholders:

- Sweet Home citizens – The community benefits from the street sweeper (keeps streets clear of debris that can impact storm drains) and the public transportation which runs between Sweet Home and Albany.
- Sweet Home City Council – The Council must authorize any supplemental budget that increases expenditure authority after a budget has been adopted. The Council in this scenario has approved previously the purchase of the Street sweeper and the acceptance of funds from ODOT related to the Linn Shuttle grants.

Issues and Financial Impacts:

The supplemental resolution includes increasing both revenue and expenditures accounts for a net zero increase in fund balance. For the sweeper, the resolution proposes increasing transfers in to offset the expenditure authority requested. The overall fund balance change of this request is zero from the previously adopted budget.

Elements of a Stable Solution:

Cities and counties in Oregon must follow Local Budget Law. Non-compliance will be demonstrated in a notice included in the fiscal year audit.

Options:

1. Do Nothing – The City will be out of compliance for the Streets and Public Transit funds.
2. Move to approve Resolution No. 23 for 2021 – The sweeper and the public transit funds would be officially part of the fiscal year 2021 budget.
3. Select a portion of the budget to revise – The City Council could decide to accept only one of these adjustments.

Recommendation:

Staff recommends option 2, move to approve Resolution No. 23 for 2021. Seeing that the City Council has already approved the purchase (sweeper) and grants (Linn Shuttle), this house keeping merely checks a box in the eyes of the State.