



City of Tualatin

CITY OF TUALATIN Staff Report

TO: Honorable Mayor and Members of the City Council
THROUGH: Sherilyn Lombos, City Manager
FROM: Don Hudson, Assistant City Manager/Finance Director
DATE: June 24, 2024

SUBJECT:

Consideration of **Resolution No. 5787-24**, Authorizing Changes to the FY 2023-2024 Adopted Budget.

RECOMMENDATION:

Staff recommends adopting the attached resolution.

EXECUTIVE SUMMARY:

Local Budget Law allows for transfer of appropriations within a fund when authorized by a resolution of the City Council; and allows for a supplemental budget to be prepared when an occurrence or condition that is not ascertained when preparing the original budget and that requires a change in financial planning. Appropriations can be increased after conducting a public hearing.

In the General Fund, the appropriation transfers are two-fold. The first is moving personal services appropriations from the Finance budget to the Administration budget. When the budget was put together, the Economic Development Manager position was budgeted in the Finance Department. That position was repurposed and placed in the Administration Department, necessitating the proposed transfer. The other type of appropriation transfer is a transfer from contingency to the Engineering and Information Services budgets. The increased costs in Engineering are personal services expenditures for an engineering position that replaced the Transportation Engineer previously funded in the Road Operating Fund and is now being paid for in the General Fund. The Information Services budget requires an adjustment for unforeseen overages for Police Department laptop replacements, the replacement of the badge access system in the Police building and taking advantage of significant software savings by paying for multi-year licenses.

In the Building Fund, personnel changes and the costs related to these changes require adjustments to the personal services budget. Additionally, with the increased development and more permits being paid for on-line with credit cards, our merchant discount fees (the fees charged by credit card processors on each transaction) have come in higher than budgeted. There are sufficient funds available in the contingency appropriation to cover these adjustments.

Related to the increase in the merchant discount fees, proposed changes to the Transportation Development Tax Fund, Park Development Fund, Stormwater Development Fund, Water Development Fund and the Sewer Development Fund require adjustments for their share of the increased merchant discount fees paid for by the Building Fund. Contingency transfers are being made in all funds, except the Water and Sewer Development Funds. These funds require increased appropriations from the reserve funds and can be approved by the Council, after conducting a public hearing.

A Contingency transfer is also being proposed in the Road Utility Fee Fund for additional revenue that was received in this fund and a portion of that revenue is required to be transferred to the Road Operating Fund. The Road Operating Fund received additional vehicle license fees from both counties and is to be transferred to the Road Utility Fee Fund, also requiring a contingency transfer.

Lastly, in the Parks Utility Fee Fund, additional costs related to mailing of utility bills and the utility bill assistance program require an increase to the materials and services category and appropriations in the capital outlay account are proposed to be transferred for this change.

All proposed changes to the adopted budget are included in the attached Resolution.

FINANCIAL IMPLICATIONS:

The net effect in all funds is zero, as the resolution transfers existing appropriations from one account to another, or increases appropriations from existing reserve funds.

ATTACHMENTS:

- Resolution No. 5787-24