



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 26, 2023

SUBJECT:

Consideration of **Resolution No. 5709-23**, Authorizing Changes to the FY 2022-2023 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 an appropriation for pass through payments that are made to another organization to be increased by resolution, if the actual amount collected exceeds the budgeted estimate.

In the Water Operating Fund, additional overtime was required during the year for unexpected water system incidents, as well as weather related instances, necessitating a one-time increase in the personal services category from the fund's Contingency.

In the Building Fund, a vacancy in the department was filled at a slightly higher position than the one that was vacated, due to the needs of the department and a candidate that had inspections certifications that are needed for the current and upcoming workload. 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. These changes require adjustments to the personal services and materials and services categories in the Building Fund.

A Contingency transfer is also being proposed in both the Parks Project Fund for a land acquisition that was not anticipated to be funded from the Parks Bond before the end of the current fiscal year, and the American Rescue Plan Act Fund for increased premium pay expenditures. There are sufficient contingency dollars available for both of these transfers.

Lastly, in the General Fund, three budgets require contingency transfers. First, in the City Council budget, with the beginning of in-person meetings in the Tualatin City Services Building, chairs for the City Council were purchased. Second, in the Municipal Court, a shift in the timing of court times to accommodate flow of arraignments, as well as an increased number of mail correspondence, has increased the number of hours worked by the Judge. Additionally, during the year there was an increase in the cost of court interpreter services. Lastly, in the Information Services budget, the mobile data terminals used in the Police Department, originally scheduled for replacement in fiscal year 2023-2024, needed to be moved up into the current fiscal year. Advancing the funds into fiscal year 2022-2023 will require a transfer from contingency. Again, there are sufficient funds in the General Fund Contingency account to accommodate these changes.

The budget adjustment proposed in the Sewer Development Fund falls under the pass through payments made to another organization statute. The City collects sewer system development charges for Clean Water Services (CWS), and transmits 96% of the fee to CWS. During the year, larger payments from Autumn Sunrise and Plambeck Gardens were received, exceeding the estimated revenues and corresponding pass through payment to CWS. Therefore, the materials and services budget will need to be increased for these additional payments to CWS. We will be changing the accounting method in the upcoming fiscal year, so this type of adjustment will not be needed in future years.

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 additional revenues that were received in FY 2022-2023.

ATTACHMENTS:

- Resolution No. 5709-23