



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 27, 2022

SUBJECT:

Consideration of **Resolution No. 5626-22**, Authorizing Changes to the FY 2021-2022 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 Sewer Operating Fund, work on the Martinazzi Sewer Upsize project began in FY 2021-2022, and will be partially funded by Clean Water Services. This project should have been budgeted in this fund (the remaining portion of the project is budgeted in this fund in FY 2022-2023), but was instead budgeted in the Sewer Development Fund. There are sufficient funds available in contingency in the Sewer Operating fund to transfer for the expenditures that have been occurred to date, so the attached resolution will do a contingency transfer to line up in the appropriate fund for these expenditures.

In the Sewer Development Fund, the City collected more Sewer System Development Charges than was projected when the budget was prepared. Since 96% of the SDC is passed through to Clean Water Services (CWS), the expenditure appropriation needs to be increased to account for the higher revenue and pass through payments. Additionally, additional pass-through revenue collected for CWS was received in the Sewer Operating Fund, necessitating the need to increase materials and services appropriations.

A Contingency transfer is also being proposed in both the Transportation Project Fund and the Transportation Development Tax Fund. Both transfers are due to projects being completed or further along than was projected when the FY 2021-2022 budget was prepared in the Spring of 2021. There is sufficient contingency dollars available for this transfer.

Lastly, in the General Fund, two budgets require contingency transfers. First, in the Municipal Court, the hybrid court model has created additional mail communications causing higher printing and postage costs and movement of staff between departments created higher personal services costs in this budget. Second, in the Information Services budget, additional hardware and software costs related to unexpected upgrades and equipment protections, requires a transfer from contingency.

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 2021-2022.

ATTACHMENTS:

- Resolution No. 5626-22