

Council Business Meeting

June 19, 2018

Title: 2017/19 Supplement Budget & Resolution
From: Mark Welch Director of Administrative Services
Mark.Welch @ashland.or.us

Summary:

During the course of the Biennium there are times that budget adjustments are required. The proposed budget amendments do not increase appropriations by more than 10 percent.

Actions, Options, or Potential Motions:

I move to adopt a Resolution authorizing a 2017/19 supplement budget.

Staff Recommendation:

The Council adopt the attached resolution to authorize proposed changes as defined within this report for a 217/19 supplemental budget

Policies, Plans and Goals Supported:

Administrative/Governance goal:

"To ensure on-going fiscal ability to provide desired and required services at an acceptable level"

Background and Additional Information:

Oregon budget law (ORS 294.471) provides for a mid-year amendments to the budget through the supplemental budget process.

This supplement budget contains two types of amendments: the first is merely a transfer of appropriations from one category to another which does not increase nor decrease the original budget; and the second is an additional appropriation of revenue which will increase the total budget. Because these proposed changes consist of transfer and additional appropriation of less than 10% of the budgeted fund, Oregon budget law allows adoption by Council Resolution with no public hearing requirement.

The budget amendments reflect several previous actions of the City Council. The Briscoe School purchase was not included in the budget and the amendment reflects the rent payments received from the tenants. With the change from being self-funded health insurance to CIS, the City Council authorized the transfer from the Reserve Fund to the Health Benefit Fund in the amount of the outstanding loan.

The \$1 million transfer from the Water Fund to the Health Benefits Funds is a one day loan to ensure that the Health Benefit Fund ends the Fiscal Year with a positive net position. Since the Health Benefit Fund has a negative fund balance currently, the Water Fund Loan demonstrate

where the money is being utilized to pay claims. Staff anticipates that over the course of the next year that funds will be available for run out costs and also build a reserve.

The following illustrates the proposed budget changes:

<u>Transfer of appropriation only:</u>		
Reserve Fund	To transfer to the Health Benefits Fund	525,000
Parks CIP Fund	To transfer to the City for land purchases	132,843
Water Fund	To transfer to health benefits for interfund loan	1,000,000
<i>Total transfer of appropriation needed</i>		<i>\$ 1,657,843</i>
<u>Increase In appropriation:</u>		
Fire and Rescue/Fire Revenue	Fire Sprinkler Grant	18,130
Fire and Rescue/Fire Revenue	Sonoma Fire Reimbursement	64,959
Public Works	Rental income for Biscoe School	221,000
Finance	Increase from investments returns	25,000
<i>Total Increased Appropriation</i>		<i>\$ 329,089</i>

Summary of proposed Amendments:

1. Transfer to the Health Benefits Fund pursuant to City Council motion forgiving the Reserve Fund and Health Benefits Fund Loan.
2. Transfer Food and Beverage Funds to fund the Purchase of Briscoe, 345 Clinton Street, and 249 Coventry. The purchase if made by the City and requires a transfer from the Parks Fund to pay for the purchase.
3. Transfer funds from the Water Fund the Health Benefits Fund to ensure a positive year end fund balance. Government Accounting Standards Board (GASB) requires that no fund end the year negative and that a revenue source is identified to pay for the expenses incurred. This is a one day loan and does not impact the cash of the Water Fund. Staff anticipates with the premium increases that the Health Benefits Fund will become positive and build a reserve.
4. Recognize funds for the FEMA Fire & Life Safety Grant.
5. Recognize reimbursement from the Sonoma Fire.
6. Recognize the rent payments being received for Briscoe.
7. Recognize the increased revenue received from investments in the Cemetery TrustFund and transfer the increase to the General Fund for Cemetery operations.

Attachments:

Resolution adopting the supplemental budget
Staff Budget transfer requests

RESOLUTION NO. 2018-_____

A RESOLUTION ADOPTING A SUPPLEMENTAL BUDGET FOR CHANGES TO THE 2017/19 BIENNIAL BUDGET

Recitals:

ORS 294.471 permits the governing body of a municipality to make a supplemental budget for one or more of the following reasons:

- a. An occurrence or condition which had not been ascertained at the time of the preparation of a budget for the current year which requires a change in financial planning.
- b. A pressing necessity which was not foreseen at the time of the preparation of the budget for the current year which requires prompt action.
- c. Funds were made available by another unit of federal, state or local government and the availability of such funds could not have been ascertained at the time of the preparation of the budget for the current year.

THE CITY OF ASHLAND RESOLVES AS FOLLOWS:

Section 1.

In accordance with provisions stated above, the Mayor and City Council of the City of Ashland determine that it is necessary to adopt a supplemental budget, establishing the following amendments:

	<u>Transfers:</u>	
	<u>Appropriation</u>	<u>Resource</u>
<u>Reserve Fund</u>		
Transfer Out	525,000	
Interfund Loan		525,000
	\$ 525,000	\$ 525,000
<u>Parks CIP Fund</u>		
Transfer Out	132,843	
Parks Capital		132,843
	\$ 132,843	\$ 132,843
<u>Water Fund</u>		
Public Works - Operations	1,000,000	
Interfund Loan		1,000,000
	\$ 1,000,000	\$ 1,000,000

	Additional appropriations:		
	<u>Appropriation</u>		<u>Resource</u>
<u>General Fund</u>			
Fire and Rescue Department	83,089		
Grant Revenue			83,089
	\$ 83,089		\$ 83,089
<u>Capital Improvement Fund</u>			
Public Works - Facilities	111,000		
Public Works - Transfer Out	110,000		
Rental Income			221,000
	\$ 221,000		\$ 221,000
<u>Cemetery Trust Fund</u>			
Transfer Out	25,000		
Interest on Investment			25,000
	\$ 25,000		\$ 25,000

Section 2. All other provisions of the adopted 2017-2019 BIENNIUM BUDGET not specifically amended or revised in this Supplemental Budget remain in full force and effect as stated therein.

Section 3. This resolution was duly PASSED and ADOPTED this 19th day of June, 2018, and takes effect upon signing by the Mayor.

Melissa Huhtala, City Recorder

SIGNED and APPROVED this ____ day of June, 2018.

John Stromberg, Mayor

Reviewed as to form:

David Lohman, City Attorney

Transfer of appropriation only:

Reserve Fund	To transfer to the Health Benefits Fund	525,000
Parks CIP Fund	To transfer to the City for land purchases	132,843
Water Fund	To transfer to health benefits for interfund loan	1,000,000
<i>Total transfer of appropriation needed</i>		<u>\$ 1,657,843</u>

Increase In appropriation:

Fire and Rescue/Fire Revenue	Fire Sprinkler Grant	18,130
Fire and Rescue/Fire Revenue	Sonoma Fire Reimbursement	64,959
Public Works	Rental income for Biscoe School	221,000
Finance	Increase from investments returns	25,000
<i>Total Increased Appropriation</i>		<u>\$ 329,089</u>

pursuant

Transfers:

	<u>Appropriation</u>	<u>Resource</u>
<u>Reserve Fund</u>		
Transfer Out	525,000	
Interfund Loan		525,000
	<u>\$ 525,000</u>	<u>\$ 525,000</u>
<u>Parks CIP Fund</u>		
Transfer Out	132,843	
Parks Capital		132,843
	<u>\$ 132,843</u>	<u>\$ 132,843</u>
<u>Water Fund</u>		
Public Works - Operations	1,000,000	
Interfund Loan		1,000,000
	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>

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Additional appropriations:

	<u>Appropriation</u>	<u>Resource</u>
<u>General Fund</u>		
Fire and Rescue Department	83,089	
Grant Revenue		83,089
	<u>\$ 83,089</u>	<u>\$ 83,089</u>
<u>Capital Improvement Fund</u>		
Public Works - Facilities	111,000	
Public Works - Transfer Out	110,000	
Rental Income		221,000
	<u>\$ 221,000</u>	<u>\$ 221,000</u>
<u>Cemetery Trust Fund</u>		
Transfer Out	25,000	
Interest on Investment		25,000
	<u>\$ 25,000</u>	<u>\$ 25,000</u>

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Budget Transfer Request

Date: 6/7/2018

Department: Finance

Explanation of request:

Transfer to Health Benefits fund pursuant to council motion.

Transfer From

Account Number	Line Item Name	Amount
990255.	Intefund loan	\$ 525,000.00
Total Amount of Transfer		<u>\$ 525,000.00</u>

Transfer To

Account Number	Line Item Name	Amount
990255.	Transfer Out	\$ 525,000.00
Total Amount of Transfer		<u>\$ 525,000.00</u>

Requested By: Cynthia Istant

Approved By: [Signature]
Department Head



Budget Transfer Request

Date: 5/29/2018

Department: Parks

Explanation of request:

To transfer first and second payment for the purchase on Biscoe school park, paid by Food and Beverage Revenue.
To transfer remaining cost for 345 Clinton St, paid by Food and Beverage Revenue.
To transfer easement at 249 Coventry Place, paid by Food and Beverage Revenue.

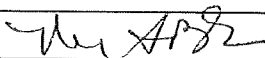
Transfer From

Account Number	Line Item Name	Amount
123000.704200	Capitalized Projects	\$ 50,578.00
123000.704200	Capitalized Projects	\$ 50,000.00
123000.704200	Capitalized Projects	\$ 29,394.00
123000.704200	Capitalized Projects	\$ 2,871.00
Total Amount of Transfer		<u>\$ 132,843.00</u>

Transfer To

Account Number	Line Item Name	Amount
990411.902410	Transfer out - CIP Fund	\$ 50,578.00
990411.902530	Transfer out - Debt Service	\$ 50,000.00
990411.902410	Transfer out - CIP Fund	\$ 29,394.00
990411.902410	Transfer out - CIP Fund	\$ 2,871.00
Total Amount of Transfer		<u>\$ 132,843.00</u>

Requested By: _____

Approved By: 
Department Head



Budget Transfer Request

Date: 5/29/2018

Department: Finance

Explanation of request:

To Transfer for an interfund loan for the Health Benefits fund to ensure positive ending fund balance at end of year. This is a GASB requirement to end the fiscal Year with a positive EFB. This will be repaid on July 1st, 2018

Transfer From

Account Number	Line Item Name	Amount
081800.704200	Capitalized Projects	\$ 1,000,000.00
Total Amount of Transfer		<u>\$ 1,000,000.00</u>

Transfer To

Account Number	Line Item Name	Amount
990670.902725	Interfund loan	\$ 1,000,000.00
Total Amount of Transfer		<u>\$ 1,000,000.00</u>

Requested By: Cynthia A. Hank

Approved By: [Signature]

Department Head



Budget Supplemental Request

Date: 05/01/2018

Department: Fire - Fire & Life Safety Division

Explanation of request:

This is the final payment from a FEMA Fire & Life Safety Grant that was not
previously accounted for in the 2017-2019 budget. Funds expended have been
used to promote and educate the public about the benefits of residential fire
sprinkler systems.

New Revenue

Account Number	Line Item Name	Amount
0110.430123	Fire Sprinkler Grant	\$ 18,130
Total Amount of Transfer		<u>\$ 18,130.00</u>

Additional Appropriations (Expense)

Account Number	Line Item Name	Amount
075100.610300	Fire Prevention	\$ 18,130.00
Total Amount of Transfer		<u>\$ 18,130.00</u>

Requested By: 

Approved By: 
Department Head



Budget Supplemental Request

Date: 05/01/2018

Department: Fire - Operations Division

Explanation of request:

The fire department sent firefighting apparatus and personnel to California to
help with the Sonoma Fire. The department has received a reimbursement
in the amount of \$64,959.25. We are requesting that this new revenue be
be added to our overtime budget and technical equipment line items.

New Revenue

Account Number	Line Item Name	Amount
0110.430123	Sonoma Fire Reimbursement	\$ 64,959
Total Amount of Transfer		<u>\$ 64,959.25</u>

Additional Appropriations (Expense)

Account Number	Line Item Name	Amount
071200.510310	Scheduled Overtime	\$ 49,492.25
071200.601400	Technical Supplies	\$ 15,467.00
Total Amount of Transfer		<u>\$ 64,959.25</u>

Requested By: 

Approved By: _____
Department Head



Budget Supplemental Request

Date: 5/29/2018

Department: Public Works

Explanation of request:

To recognize rental income from renting Biscoe School. As well as the second
debt payment in FY 19

New Revenue

Account Number	Line Item Name	Amount
0410.440075	Property	\$ 221,000
Total Amount of Transfer		<u>\$ 221,000.00</u>

Additional Appropriations (Expense)

Account Number	Line Item Name	Amount
082400.602400	Infrastructure	\$ 111,000.00
990410.902530	Transfer out - Debt Service	\$ 110,000.00
Total Amount of Transfer		<u>\$ 221,000.00</u>

Requested By: 

Approved By: 

Department Head

Budget Supplemental Request

Date: 6/7/2018

Department: Finance

Explanation of request:

Increase transfers due to higher than expected revenue from investment
earnings.

New Revenue

Account Number	Line Item Name	Amount
0810.470010	Int on Pooed Investments	\$ 25,000
Total Amount of Transfer		<u>\$ 25,000.00</u>

Additional Appropriations (Expense)

Account Number	Line Item Name	Amount
990810.902110	Transfer - General Fund	\$ 25,000.00
Total Amount of Transfer		<u>\$ 25,000.00</u>

Requested By: Cynthia A. Hanks

Approved By: [Signature]

Department Head