

Council Communication

August 16, 2016, Business Meeting

Public Hearing and Resolution Adopting a Supplemental Budget Establishing Appropriations within the Biennium 2015-17 Budget

FROM:

Lee Tuneberg, Finance Director, Administrative Services Department tuneberl@ashland.or.us

SUMMARY

This is a supplemental budget to address several conditions impacting over all appropriations and to correct for an error in the original adopting resolution. The city has been notified of additional grant funds available for the Fire Department, Forest Interface Division programs to be spent in the BN 2015-2017 budget. It also corrects for an error where two appropriation categories were combined in the adopting resolution. Separating them better aligns with the departmental request and segregation provides for better accounting. The Forest Interface grants will increase the overall budget whereas the correction does not.

BACKGROUND AND POLICY IMPLICATIONS:

There are three ways in which to change appropriations after the budget is adopted.

1. A transfer of appropriations decreases an appropriation and increases another. This is the simplest budget change allowed under Oregon Budget Law. This does not increase the overall budget. This is approved by a City Council resolution.
2. A supplemental budget of less than 10 percent of total appropriations within an individual fund follows a process similar to the transfer of appropriations. This process includes a notice in a newspaper of record prior to Council taking action.
3. A supplemental budget in excess of 10 percent of total appropriations requires a longer process. This process includes a notice in the paper and a public hearing prior to the Council taking action.

The proposed resolution authorizing the transfer and supplemental budget is less than 10 percent of the total appropriations of any affected fund but does create a new expenditure category so a public hearing is required (item #3). The adjustments in the resolution total \$3,906,224 as summarized below:

- General Fund, Fire Department – to appropriate for added temporary staff (a combined 1.0 full time equivalent short-duration position) in the Forest Resiliency Program \$79,780
- General Fund, Fire Department – to appropriate for a new Jackson County Title III Grant in FY 2017 to assist neighborhoods to prepare for wildfire \$75,000
- General Fund, Fire Department – to appropriate for a new Jackson County Title III Grant in FY 2017 to fund Community Wildfire Protections Plan expenses \$10,000
- General Fund, Fire Department – to appropriate for a new Oregon Watershed Enhancement Board grant to fund technical assistance in this biennium (first year of five years) \$64,800



- Wastewater Fund, Public Works Department, SDC Improvements – to correctly segregate appropriations for SDC Improvements from SDC Reimbursements expenditure categories, incorrectly combined in error in the adopting resolution \$3,676,644

TOTAL APPROPRIATIONS INCREASED/CHANGED **\$3,906,224**

FISCAL IMPLICATIONS:

Supplemental budgets recognize increased revenues as well as increases in corresponding appropriations in the fund(s) where they occur. This supplemental budget also includes a correction segregating SDC appropriations between categories to create another which, by Oregon budget law, requires a supplemental budget hearing.

STAFF RECOMMENDATION AND REQUESTED ACTION:

Staff recommends council approve the proposed resolution.

SUGGESTED MOTION:

I move to adopt the resolution titled, “A resolution adopting a supplemental increasing appropriations, and correcting an error within the 2015-2017 biennium budget”.

ATTACHMENTS:

Proposed Resolution
Supplemental Budget Memo, Fire Department
Finance Budget Transfer Request
Fire Supplemental Request



RESOLUTION NO. 2016-_____

**A RESOLUTION ADOPTING A SUPPLEMENTAL BUDGET
INCREASING APPROPRIATIONS WITHIN THE
2015-2017 BIENNIUM BUDGET**

Recitals:

ORS 294.480 permits the governing body of a municipal corporation to make a supplemental budget for the fiscal year for which the regular budget has been prepared under 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.
- d. Other reasons identified per the statutes.

THE CITY OF ASHLAND RESOLVES AS FOLLOWS:

SECTION 1. Because of the circumstances stated below, the Mayor and City Council of the City of Ashland determine that it is necessary to adopt a supplemental budget, establishing the following additional appropriations:

General Fund

Appropriation: Fire Department	\$229,580
Resource: Intergovernmental Revenue	\$229,580

To recognize additional grant monies from the Ashland Forest Resiliency program of \$79,780; from Jackson County Title III Grant of \$75,000 for the Firewise project and \$10,000 for wildlife protection; and \$64,800 from the Oregon Watershed Enhancement Board. The \$229,580 additional appropriations will fund staff, materials and services to perform work identified in the grant award documents.

Wastewater Fund

Appropriation: Public Works - Improvements SDCs	\$3,676,644
Appropriation: Public Works - Reimbursements SDCs	\$3,676,644

To create an appropriation category for SDC improvements by transferring appropriations from SDC reimbursements to provide better accounting for expenditures and to correct an error in the adopting resolution. This adjustment does not change the total amount budgeted.

TOTAL APPROPRIATIONS INCREASED/CHANGED \$3,906,224 \$3,906,224

SECTION 2. All other provisions of the adopted 2015-2017 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 _____ day of August, 2016, and takes effect upon signing by the Mayor.

Barbara Christensen, City Recorder

SIGNED and APPROVED this _____ day of August, 2016.

John Stromberg, Mayor

Reviewed as to form:

David Lohman, City Attorney

Memo

DATE: July 22, 2016
TO: Lee Tuneberg, City Financial Officer
Cindy Hanks, Accounting Manager
FROM: Chris Chambers, Forest Division Chief
RE: Fire Department General Fund Budget Supplement Request for BN15-17

The following are budget supplement requests for the current biennial budget in the Fire Department (General Fund). These are items that are previously unbudgeted expenditures with corresponding revenues with the proposed continuation of one .5 FTE (AFR Project) and addition of one .5 FTE (OWEB Grant) that will be one combined Limited Duration Appointment 1.0 FTE position in the Fire Department Forest Division.

FOREST INTERFACE ACCOUNT (GENERAL FUND, FIRE DEPARTMENT)

ASHLAND FOREST RESILIENCY PROJECT

The City recently signed Supplemental Project Agreement #3 (SPA #3) in the AFR Project that allocates new money to the City for expenses including the second year of a previously funded .5 FTE project assistant. There are also operating funds for materials and expenses. This includes an allowable 16.17% administrative fee.

\$44,928.75 Personal Services Temp Employee
110.07.29.00.510200 for Personal Services

\$34,851 for Materials and Services
110.07.29.00.604160

\$79,779.75 TOTAL AFR PROJECT

JACKSON COUNTY TITLE III FIREWISE GRANT

This grant is a new FY2017 Title III grant from Jackson County for Firewise Communities program incentives that will allow new and ongoing neighborhoods to become better prepared for wildfire.

\$75,000
110.07.51.00.610355

JACKSON COUNTY TITLE III CWPP GRANT

This grant is a new FY17 Title III grant from Jackson County for Community Wildfire Protection Plan (CWPP) expenses. The Wildfire Mitigation Commission has begun the process of updating this document.

\$10,000
110.07.29.00.604160

OREGON WATERSHED ENHANCEMENT BOARD GRANT

This new grant source was awarded to the AFR partnership beginning this BN and lasting for two additional biennia. Each phase is a new sub-grant application and this amount is to fund capacity for outreach and setup (cumulatively “Technical Assistance”). The City has a .5 FTE earmarked for the duration of this OWEB grant (5 years given half the current BN has past) in addition to materials and services expenses. The total OWEB award is \$64,800 (including 10% overhead rate).

\$42,198.2 Personal Services Temp Employee
110.07.29.00.510200 for Personal Services

\$22,601.80 for Materials and Services
110.07.29.00.604160

SUMMARY (General Fund, Fire Department)

AFR Project SPA #3	\$ 79,779.75
Title III Firewise Grant	\$ 75,000.00
Title III CWPP Grant	\$ 10,000.00
OWEB Grant	\$ 64,800.00
TOTAL	\$229,579.75

**CITY OF
ASHLAND**

Budget Supplemental Request

Date: July 21st, 2016

Department: Fire

Explanation of request:

This supplemental brings in revenue from three external sources for work in the
Forest Division in the Fire Department. Title III grants from Jackson County
fund incentives in the Firewise program and wildfire plan update. Continued
funds from the AFR project support a .5 FTE, and the OWEB grant supports
expansion of wildfire mitigation work to private land, including a .5 FTE.

New Revenue

Account Number	Line Item Name	Amount
0110.430123	AFR Project	\$ 79,780
0110.430123	OWEB Grant	\$ 64,800
0110.430123	Title III Firewise Grant	\$ 75,000.00
0110.430123	Title III CWPP Grant	\$ 10,000.00
Total Amount of Transfer		\$ 229,579.75

Additional Appropriations (Expense)

Account Number	Line Item Name	Amount
110.07.29.00.604160	AFR Project/Other	\$ 79,779.75
110.07.29.00.604160	OWEB/Other	\$ 64,800.00
110.07.51.00.610355	Firewise Communities	\$ 75,000.00
110.07.29.00.604160	Title III CWPP Grant	\$ 10,000.00
Total Amount of Transfer		\$ 229,579.75

Requested By: _____

Approved By: *John Kame* _____

Department Head

Budget Transfer Request

Date: 8/5/2016

Department: Finance

Explanation of request:

To correct the water sdc's that were combined in error. The SDC's should be kept separate.

Transfer From

Account Number	Line Item Name	Amount
675.08.37.00.xxxxx		\$ 3,676,644.00
Total Amount of Transfer		<u>\$ 3,676,644.00</u>

Transfer To

Account Number	Line Item Name	Amount
675.08.38.00.xxxxx		\$ 3,676,644.00
Total Amount of Transfer		<u>\$ 3,676,644.00</u>

Requested By: *Cynthia A. Hank*

Approved By: *Ed Imelberg*
Department Head