

Council Communication

December 16, 2014, Business Meeting

A Resolution Adopting a Supplemental Budget and Increasing Appropriations within the FY 2013-2015 Biennium Budget

FROM:

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

SUMMARY

An additional amount beyond the current budget is available from the Department of Housing and Urban Development to reimburse administrative time spent on the Community Development Block Grant Fund program. A supplemental budget is needed to recognize the grant funds and adjust Personal Services in the CDBG Fund.

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 the paper 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 identifies and authorizes increased appropriations (Item #2 above) in the following funds:

Community Development Block Grant Fund	<u>\$6,933</u>
TOTAL APPROPRIATIONS FROM SUPPLEMENTAL	\$6,933

FISCAL IMPLICATIONS:

Supplemental Budgets are an accepted means to adjust the budget recognizing the need for additional appropriations. In most cases the primary cause for a supplemental budget is unanticipated revenue that is beneficial to spend in the current year. Sometimes an internal loan is needed to create appropriations to achieve an unanticipated benefit or to provide cash for unforeseen shortfalls.

Council action will increase the total budget as indicated by the resolution. Doing so is within the limitations of Oregon Budget Law and provides compliance when meeting the identified needs.



Per the attached memo an additional amount is available to the city from the Department of Housing and Urban Development to pay for administrative costs.

STAFF RECOMMENDATION AND REQUESTED ACTION:

Staff recommends Council approve the proposed resolution.

SUGGESTED MOTION:

I move to adopt a resolution titled “A Resolution Adopting a Supplemental Budget Increasing Appropriations within the 2013-2015 Biennium Budget” as presented.

ATTACHMENTS:

Proposed Resolution 2014-_____ - Adopting a Supplemental Budget
Supplemental Budget Request Memo – Community Development
Legal Notice of a Supplemental Budget



RESOLUTION NO. 2014-

**A RESOLUTION ADOPTING A SUPPLEMENTAL BUDGET
INCREASING APPROPRIATIONS WITHIN THE
2013-2015 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:

Community Development Block Grant Fund

Appropriation: Personal Services \$6,933

Resource: Intergovernmental Revenues \$6,933

To appropriate an additional funds from the Department of Housing and Urban Development (HUD) for additional administration costs.

TOTAL ALL FUNDS \$6,933 \$6,933

SECTION 2. All other provisions of the adopted 2013-2015 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 December, 2014, and takes effect upon signing by the Mayor.

Barbara Christensen, City Recorder

SIGNED and APPROVED this ____ day of December, 2014:

John Stromberg, Mayor

Reviewed as to form:

David Lohman, City Attorney

Memo

TO: Lee Tuneburg, Administrative Services Director
FROM: Bill Molnar, Community Development Director
DATE: November 18, 2014
RE: **Community Development Block Grant Supplemental Budget Request**

The City of Ashland is an annual recipient of Department of Housing and Urban Development (HUD) Community Development Block Grant funds. The CDBG program allows the City to apply up to 20% of the annual grant amount toward administrative costs associated with the CDBG program including staff time, travel and training costs, and supplies.

CDBG Admin funds budgeted (Acct#s 250.09.00.00.520100-.520400)

The City submitted a proposed budget CDBG Personal Services costs based on grant estimates from prior years as follows: FY14 = \$30,550; FY15 = \$30,550

Combined for the biennium this allocation anticipated, and budgeted for, \$61,100 in funds that would be available for CDBG administration over the biennium.

CDBG Admin funds available

The actual award of CDBG funds has been higher than anticipated in each of the two covered Fiscal Years, and therefore the 20% administrative allowance is also increased as follows:

FY 2013-14: CDBG allocation \$169,591 * 20% = \$33,918 admin cap

FY 2014-15: CDBG allocation \$170,078 * 20% = \$34,015. admin cap

CDBG Personal Services administrative allocation available over the two year biennium = \$67,933

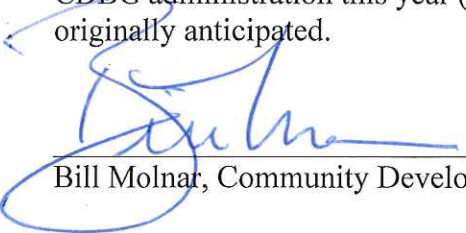
CDBG Admin funds spent

FY 2013-14: = \$33,918 (Drawn June 2014)

FY 2014-15: (not yet drawn down – to be \$34,015)

In order to realize the reimbursement of the remaining grant funds available in the current fiscal year, a budget amendment is needed from Council to increase the CDBG Personal Services amount by **\$6933**.

This supplemental budget amendment will enable the City to spend the eligible \$34,000 on CDBG administration this year (FY15) due to the award of higher annual CDBG allocations than was originally anticipated.



Bill Molnar, Community Development Director



Public Notice of Supplemental Budget

A resolution adopting a supplemental budget for the City of Ashland, Jackson County, State of Oregon, for the biennium July 1, 2013 to June 30, 2015, will be considered at the Civic Center, 1175 East Main Street, Ashland, Oregon as part of the City's regular business on December 16, 2014, at 7:00 p.m. A copy of the supplemental budget document may be inspected or obtained on or after December 9, 2014, at the Administrative Services Department, 20 East Main, Ashland, Oregon 97520 between 8:30 a.m. and 4:30 p.m.

A summary of the supplemental budget is presented below.

Community Development Block Grant Fund	Resources	Requirements
Intergovernmental Revenues	<u>\$ 6,933</u>	
	<u>\$ 6,933</u>	
Personel Services		<u>\$ 6,933</u>
		<u>\$ 6,933</u>

To recognize the reimbursement in FY 2014-15 in intergovernmental revenue of \$6,933 in additional Housing and Urban Development funds for administrative costs in this budget period.

TOTAL ALL FUNDS	Resources	Requirements
	<u>\$ 6,933</u>	<u>\$ 6,933</u>