

STAFF REPORT

For Meeting of May 9, 2016

MAYOR AND MEMBERS OF THE CITY COUNCIL

NO. 2016-

SUBJECT: 2015-16
Supplemental
Budget

Subject

Resolution to supplement the 2015-16 annual budget.

Summary and Background

Resolution number 2025 is being presented tonight for Council approval.

Resolution 2025 supplements the City's 2015-16 annual budget and authorizes additional expenditures in three funds. The Sewer Department in the Utility Fund is being supplemented by \$1,000,000 to pay for additional costs to drain the sludge lagoon. The Reserve Fund is being supplemented by \$437,333 to pay for additional Airport improvement costs, and the Energy Services Fund is being supplemented by \$260,000 to pay for additional capital improvement costs. The resolution includes Exhibit A, which provides additional detail on the requests.

Fiscal Information

The total supplement to the budget is \$1,697,333 and new appropriations of the same amount are being requested. The funding source for the Utility Fund and the Energy Services Fund's requests is Reserve for Future Expenditure. The funding source for the Reserve Fund request is \$342,000 in additional grant revenue from the FAA and \$95,333 from cash on hand. The reserve for future expenditure is being reduced by \$1 million in the Utility Fund and \$260,000 in the Energy Services Fund. Cash on hand is being reduced by \$95,333 in the Reserve Fund.

Alternatives and Recommendation

Alternatives

1. Do not supplement the budget.
2. Supplement the budget for a different amount

Recommendation

I recommend that Resolution 2025 be adopted.

Requested Action/Motion

Motion to adopt resolution 2025.

Reviewed by:

Department Head: Amy Palmer

City Manager Approval



City of Hermiston

RESOLUTION NO. 2025

WHEREAS, ORS 294.471 permits the governing body of a municipal corporation to adopt a supplemental budget for the fiscal year for which the regular budget has been prepared if an occurrence or condition that was not known at the time the budget was prepared requires a change in financial planning or creates a pressing necessity for prompt action; and

WHEREAS, the conditions requiring a change in financial planning are listed in Exhibit A attached to and made a part of this resolution, now, therefore,

BE IT RESOLVED that due to the conditions listed in Exhibit A that were not known at the time the budget was prepared, the total budget for the City of Hermiston for the fiscal period beginning July 1, 2015 is hereby supplemented in the amount of **\$1,697,333**. The amounts for the purposes shown below are hereby appropriated:

UTILITY FUND

Requirements:

Sanitary Sewer	<u>1,000,000</u>
Total Utility Fund Requirements	1,000,000

RESERVE FUND

Requirements:

Capital Outlay	<u>437,333</u>
Total Reserve Fund Requirements	437,333

HES FUND

Requirements:

Capital Outlay	<u>260,000</u>
Total HES Fund Requirements	260,000

This resolution shall become effective immediately upon its passage as of the date and year set out below.

PASSED by the Common Council this 9th day of May, 2016
SIGNED by the Mayor this 9th day of May, 2016

MAYOR

ATTEST:

ASSISTANT CITY RECORDER

Fund No.	Description	2015-16 Adopted Budget	Budget Supp Res 2007	Budget Supp Res 2008	Budget Supp Res 2020	Budget Supp Res 2025	2015-16 Amended Budget
2	Bonded Debt Fund	3,767,354					3,767,354
3	General Fund	12,715,355			963,379		13,678,734
4	Street Fund	2,017,500			101,900		2,119,400
5	Transient Room Tax Fund	573,335					573,335
6	Utility Fund	8,480,520			197,871	1,000,000	9,678,391
7	Recreation Fund	239,000			1,070		240,070
8	Reserve Fund	7,090,060	2,916,000		(68,740)	437,333	10,374,653
10	Muni Court Fund	281,900			4,215		286,115
11	Misc Spec Rev Fund	30,000			7,500		37,500
12	Conference Ctr Fund	249,975			32,570		282,545
13	Energy Services Fund	11,435,765			300,000	260,000	11,995,765
15	Regional Water Fund	1,437,800		664,200	550,000		2,652,000
16	RWTP Construction Fund	-					0
18	EOTEC Grant Fund	5,400,000					5,400,000
20	Law Enforcement Fund	71,500			6,045		77,545
21	Library Fund	58,000					58,000
31	Water & Sani Sewer Rev Bonds	1,300,000					1,300,000
32	Sr Center Const Fund	2,073,360					2,073,360
	Total	57,221,424	2,916,000	664,200	2,095,810	1,697,333	64,594,767

GENERAL FUND	2015-16 Adopted Budget	Approp Res 2007	Approp Res 2008	Budget Supp Res 2020	Budget Supp Res 2025	2015-16 Amended Budget
Taxes & Assessments	5,265,000					5,265,000
Licenses & Franchises	774,200					774,200
Fines & Penalties	582,600					582,600
Interest	49,500					49,500
From Other Agencies	496,985			51,985		548,970
Service Charges	1,262,755					1,262,755
Other	113,100					113,100
Transfers	350,000			360,149		710,149
Cash Forward	3,813,200			551,245		4,364,445
Total Resources	12,707,340	-	-	963,379	-	13,670,719
City Council	32,150					32,150
Manager/Planning	402,398			4,889		407,287
Finance	54,964					54,964
Legal	187,700					187,700
Court	251,904					251,904
Transportation	188,375					188,375
Airport	241,640					241,640
Building Inspection	343,262					343,262
Parks	477,440			5,000		482,440
Landscaping	-			38,188		38,188
Pool	389,229					389,229
Municipal Building	12,900					12,900
Library	689,266			3,500		692,766
Recreation	537,300			16,799		554,099
Public Safety Building	92,000			14,280		106,280
Police Operations	4,237,982			26,985		4,264,967
Transfers:	-					0
Bonded Debt Fund	190,750					190,750
Reserve Fund	200,000			90,000		290,000
Conference Center Fund	95,975					95,975
Capital Outlay	12,140			619,223		631,363
Non-Departmental	401,700			142,015		543,715
Unappropriated Ending Fund Bal	-					0
Reserve for Future Expenditure	3,676,280			2,500		3,678,780
Total Requirements	12,715,355	-	-	963,379	-	13,678,734

	2015-16 Adopted Budget	Approp Res 2007	Approp Res 2008	Budget Supp Res 2020	Budget Supp Res 2025	2015-16 Amended Budget
BONDED DEBT FUND						
Taxes & Assessments	261,890					261,890
Transfers	3,205,464					3,205,464
Cash Forward	300,000					300,000
Total Resources	3,767,354	-	-	-	-	3,767,354
Debt Service	3,527,354					3,527,354
Unappropriated	240,000					240,000
Total Requirements	3,767,354	-	-	-	-	3,767,354

	2015-16 Adopted Budget	Approp Res 2007	Approp Res 2008	Budget Supp Res 2020	Budget Supp Res 2025	2015-16 Amended Budget
STREET FUND						
From Other Agencies	1,317,500					1,317,500
Cash Forward	700,000			101,900		801,900
Total Resources	2,017,500	-	-	101,900	-	2,119,400
Personal Services	561,320			(27,000)		534,320
Materials & Services	149,090			47,754		196,844
Transfers:						-
General Fund	-			1,146		1,146
Reserve Fund	638,375			80,000		718,375
Reserve for Future Expenditure	668,715					668,715
Total Requirements	2,017,500	-	-	101,900	-	2,119,400

	2015-16 Adopted Budget	Approp Res 2007	Approp Res 2008	Budget Supp Res 2020	Budget Supp Res 2025	2015-16 Amended Budget
TRANSIENT ROOM TAX FUND						
Service Charges	533,335					533,335
Cash on Hand	40,000					40,000
Total Resources	573,335	-	-	-	-	573,335
Materials & Services	70,000					70,000
Transfers:						-
General Fund	350,000					350,000
Reserve Fund	100,000					100,000
Reserve for Future Expenditure	53,335					53,335
Total Requirements	573,335	-	-	-	-	573,335

	2015-16 Adopted Budget	Approp Res 2007	Approp Res 2008	Budget Supp Res 2020	Budget Supp Res 2025	2015-16 Amended Budget
UTILITY FUND						
Taxes & Assessments	20,000					20,000
Interest	7,500					7,500
Service Charges	5,110,000					5,110,000
Transfers	527,000					527,000
Cash Forward	2,816,020			197,871		3,013,891
Total Resources	8,480,520	-	-	197,871	-	8,678,391
Sewer	1,661,066			99,067	1,000,000	2,760,133
Water	1,786,464			49,923		1,836,387
Capital outlay	143,010			(7,622)		135,388
Transfers:						-
Bonded Debt Fund	2,190,765					2,190,765
General Fund	-			56,503		56,503
Reserve Fund	40,000					40,000
Reserve for Future Expenditure	2,659,215				(1,000,000)	1,659,215
Total Requirements	8,480,520	-	-	197,871	-	8,678,391

	2015-16 Adopted Budget	Approp Res 2007	Approp Res 2008	Budget Supp Res 2020	Budget Supp Res 2025	2015-16 Amended Budget
RECREATION FUND						
Transfers	4,000			1,070		5,070
Cash Forward	235,000					235,000
Total Resources	239,000	-	-	1,070	-	240,070
Capital Outlay	-					-
Transfers:						
Reserve Fund	57,086					57,086
Reserve for Future Expenditures	181,914			1,070		182,984
Total Requirements	239,000	-	-	1,070	-	240,070

	2015-16 Adopted Budget	Approp Res 2007	Approp Res 2008	Budget Supp Res 2020	Budget Supp Res 2025	2015-16 Amended Budget
RESERVE FUND						
Interest Earnings	40,000					40,000
From Other Agencies	740,000	2,916,000			342,000	3,998,000
Service Charges	45,000					45,000
Transfers	1,101,460			194,260		1,295,720
Cash Forward	5,163,600			(263,000)	95,333	4,995,933
Total Resources	7,090,060	2,916,000	-	(68,740)	437,333	10,374,653
Materials & Services	664,977			303,150		968,127
Capital Outlay	2,697,935	2,916,000		(133,150)	437,333	5,918,118
Transfers:						-
Utility Fund	790,000			(263,000)		527,000
HES Fund	600,000					600,000
Debt Service	130,000					130,000
Reserve for Future Expenditures	2,207,148			24,260		2,231,408
Total Requirements	7,090,060	2,916,000	-	(68,740)	437,333	10,374,653

	2015-16 Adopted Budget	Approp Res 2007	Approp Res 2008	Budget Supp Res 2020	Budget Supp Res 2025	2015-16 Amended Budget
MUNICIPAL COURT FUND						
Fines & Penalties	246,900			4,215		251,115
Cash Forward	35,000					35,000
Total Resources	281,900	-	-	4,215	-	286,115
Materials & Services	18,500					18,500
Transfers:						-
Recreation Fund	4,000			1,070		5,070
Law Enforcement Fund	12,000			3,145		15,145
Special Payments	212,400					212,400
Reserve for Future Expenditures	35,000					35,000
Total Requirements	281,900	-	-	4,215	-	286,115

	2015-16 Adopted Budget	Approp Res 2007	Approp Res 2008	Budget Supp Res 2020	Budget Supp Res 2025	2015-16 Amended Budget
MISCELLANEOUS FUND						
Service Charges	20,000			5,000		25,000
Cash Forward	10,000			2,500		12,500
Total Resources	30,000	-	-	7,500	-	37,500
Materials & Services	10,000					10,000
Transfers:						-
General Fund	-			2,500		2,500
Special Payments	20,000			5,000		25,000
Total Requirements	30,000	-	-	7,500	-	37,500

	2015-16 Adopted Budget	Approp Res 2007	Approp Res 2008	Budget Supp Res 2020	Budget Supp Res 2025	2015-16 Amended Budget
CONFERENCE CTR FUND						
Service Charges	154,350			(64,350)		90,000
Other	4,000					4,000
Transfers	31,625			64,350		95,975
Cash Forward	60,000			32,570		92,570
Total Resources	249,975	-	-	32,570	-	282,545
Materials & Services	190,475			8,310		198,785
Transfers:						-
Reserve Fund	2,000			24,260		26,260
Reserve for Future Expenditures	57,500					57,500
Total Requirements	249,975	-	-	32,570	-	282,545

	2015-16 Adopted Budget	Approp Res 2007	Approp Res 2008	Budget Supp Res 2020	Budget Supp Res 2025	2015-16 Amended Budget
HES FUND						
Interest	5,000					5,000
Service Charges	8,180,765					8,180,765
Transfers	600,000					600,000
Cash Forward	2,650,000			300,000		2,950,000
Total Resources	11,435,765	-	-	300,000	-	11,735,765
Personnel Services	254,050					254,050
Materials & Services	7,111,502			2,500		7,114,002
Capital Outlay	457,500			(2,500)	260,000	715,000
Transfers:						-
Bonded Debt Fund	823,950					823,950
General Fund	-			300,000		300,000
Reserve Fund	50,000					50,000
Reserve for Future Expenditures	2,738,763				(260,000)	2,478,763
Total Requirements	11,435,765	-	-	300,000	-	11,735,765

	2015-16 Adopted Budget	Approp Res 2007	Approp Res 2008	Budget Supp Res 2020	Budget Supp Res 2025	2015-16 Amended Budget
REGIONAL WATER FUND						
From Other Agencies	-		664,200			664,200
Service Charges	587,800			550,000		1,137,800
Cash Forward	850,000					850,000
Total Resources	1,437,800	-	664,200	550,000	-	2,652,000
Personnel Services	155,730					155,730
Materials & Services	504,468					504,468
Capital Outlay	-		664,200	550,000		1,214,200
Reserve for Future Expenditures	777,602					777,602
Total Requirements	1,437,800	-	664,200	550,000	-	2,652,000

	2015-16 Adopted Budget	Approp Res 2007	Approp Res 2008	Budget Supp Res 2020	Budget Supp Res 2025	2015-16 Amended Budget
EOTEC GRANT FUND						
Cash Forward	5,400,000					5,400,000
Total Resources	5,400,000	-	-	-	-	5,400,000
Materials & Services	5,400,000					5,400,000
Total Requirements	5,400,000	-	-	-	-	5,400,000

	2015-16 Adopted Budget	Approp Res 2007	Approp Res 2008	Budget Supp Res 2020	Budget Supp Res 2025	2015-16 Amended Budget
LAW ENFORCEMENT FUND						
From Other Agencies	10,000			2,900		12,900
Misc Revenues	15,000					15,000
Transfers	12,000			3,145		15,145
Cash Forward	34,500					34,500
Total Resources	71,500	-	-	6,045	-	77,545
Personnel Services	5,000			1,100		6,100
Materials & Services	38,500			1,800		40,300
Reserve for Future Expenditures	28,000			3,145		31,145
Total Requirements	71,500	-	-	6,045	-	77,545

	2015-16 Adopted Budget	Approp Res 2007	Approp Res 2008	Budget Supp Res 2020	Budget Supp Res 2025	2015-16 Amended Budget
LIBRARY FUND						
Fines & Penalties	16,000					16,000
From Other Agencies	5,000					5,000
Service Charges	1,000					1,000
Other	4,000					4,000
Cash Forward	32,000					32,000
Total Resources	58,000	-	-	-	-	58,000
Materials & Services	28,500					28,500
Capital Outlay	17,500					17,500
Reserve for Future Expenditures	12,000					12,000
Total Requirements	58,000	-	-	-	-	58,000

	2015-16 Adopted Budget	Approp Res 2007	Approp Res 2008	Budget Supp Res 2020	Budget Supp Res 2025	2015-16 Amended Budget
2014 WATER & SEWER BOND FUND						
Cash Forward	1,300,000					1,300,000
Total Resources	1,300,000	-	-	-	-	1,300,000
Capital Outlay	1,300,000					1,300,000
Total Requirements	1,300,000	-	-	-	-	1,300,000

	2015-16 Adopted Budget	Approp Res 2007	Approp Res 2008	Budget Supp Res 2020	Budget Supp Res 2025	2015-16 Amended Budget
SR CTR CONST FUND						
From Other Agencies	2,000,000					2,000,000
Cash Forward	73,360					73,360
Total Resources	2,073,360	-	-	-	-	2,073,360
Capital Outlay	2,073,360					2,073,360
Total Requirements	2,073,360			-	-	2,073,360
Total Budget	57,213,409	2,916,000	664,200	2,095,810	437,333	63,326,752
Total Appropriations	43,885,952	2,916,000	664,200	2,064,835	1,697,333	34,894,855

UTILITY FUND

Authorize transfer of \$1,000,000 budget from Reserve for Future Expenditure to Sewer and authorize expenditure of \$1,000,000 for costs to drain sludge lagoon.

RESERVE FUND

Authorize expenditure of \$437,333 from FAA grant of \$342,000 and \$95,333 from Cash Forward for additional Airport Improvement costs.

HES FUND

Authorize transfer of budget of \$260,000 from Reserve for Future Expenditure to Capital Outlay and authorize expenditure of \$86,000 for ODOT projects along HWY 395 and \$174,000 in feeder reconstruction at Hermiston Industrial Park.