

MEMORANDUM

TO: Mayor and City Council

FROM: Roberta Likens, Finance Director

SUBJECT: RESOLUTION ADOPTING A SUPPLEMENTAL BUDGET FOR FISCAL YEAR 2023-24 AND MAKING APPROPRIATIONS.

DATE: June 14, 2024

Background

ORS 294.471 permits the governing body to create a supplemental budget for the fiscal year in which the regular budget has been adopted for certain and specific reasons. In this case, an occurrence or condition that was not known at the time the budget was prepared requires a change in financial planning as well as additional resources in the General Fund for payment of restitution. When a supplemental budget adjusts a fund expenditures by more than 10 percent or creates a new line item, a public hearing before the governing body is required to be held and public comment taken before adoption of the supplemental budget.

Not less than five days before the hearing, a notice of hearing and summary of the changes proposed in the funds that differ by more than 10 percent or create additional line items must be published using the same method used to publish the notice of the original budget hearing. The Budget Committee is not required to be involved.

Notice of the supplemental budget consideration was included on the Council's agenda for this date, and advertised in the Cottage Grove Sentinel on June 19th, using the same methods as the original budget, and met the notice requirement of at least 5 days.


The supplemental budget is necessary at this time to appropriate funds for costs associated with the January 2024 Ice Storm and to appropriate additional funds for the payment of restitution.


Recommendation

After consideration of any public comment, make any necessary adjustments and adopt the resolution.

Cost

If adopted, the supplemental budget increases the General Fund appropriations by \$288,500; Street Fund appropriations are increased by \$1,140,000; Water Fund appropriations by \$9,775; Wastewater Fund appropriations are increased by \$578,330, and the Industrial Park Operations Fund reduces the Contingency Line item and creates the Transfer to Water Reserve Fund in the same amount, no increase in the fund.


Mike Sauerwein, City Manager


Roberta Likens, Finance Director

RESOLUTION NO. _____

A RESOLUTION ADOPTING A SUPPLEMENTAL BUDGET FOR FISCAL YEAR 2023-24 AND
MAKING APPROPRIATIONS

WHEREAS, ORS 294.471 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 if one or more of the following circumstances exist:

- a. An occurrence or condition that was not known at the time the budget was prepared requires a change in financial planning.
- b. A pressing necessity creates a need for prompt action.
- c. Unexpected funds are made available by another unit of federal, state, or local government.
- d. A request for services or facilities is received and the cost will be paid for by a private individual, corporation, or company, or by another governmental unit, and the amount of the request could not have been known for certain at the time the budget was prepared.
- e. Proceeds from the involuntary destruction, involuntary conversion, or sale of property have necessitated the immediate purchase, construction, or acquisition of different facilities to carry on governmental operations.
- f. A sufficiently greater amount of ad valorem taxes than estimated are received during the fiscal year such that the difference will significantly affect the level of government operation to be funded by those taxes for the current year.
- g. A local option tax, as described in ORS 294.476 is approved by the voters and certified for extension on the tax roll for the current tax year.
- h. Available resources are reduced requiring the governing body to reduce appropriations.
- i. Other reasons identified per the statutes, and

WHEREAS, the supplemental budget proposed meets one or more requirements of ORS 294.471, specifically items "a, b, and h" and listed above.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Cottage Grove hereby adopts a supplemental budget for fiscal year 2023-2024, increasing Interfund Loan Proceeds in the General Fund, Street Fund, Water Fund, Wastewater Fund, and Industrial Park Fund revenue and increasing appropriations in the same funds related to ice storm damages, as well as recognizing unanticipated revenue for Restitution in the General Fund, increasing the appropriation for Restitution, and allowing appropriations to service debt in the Industrial Park Operations Fund, now on file at City Hall.

BE IT FURTHER RESOLVED that the amounts for the fiscal year beginning July 1, 2023 and for the purposes stated below are hereby appropriated as follows:

General Fund

Municipal Court Department
Materials and Services:
Restitution
001-022-75040-000

\$ 3,500

Building Maintenance Department –
Material Services:
Contractual Services
001-031-71000-000

\$285,000

The General Fund increases a total amount of \$288,500. The Municipal Court Department – Materials and Services line item is increased \$3,500 to be used for expenses associated with the payment of restitution. The Building Maintenance Department – Materials and Services – Contractual Services line item is increased for costs associated with the 2024 Ice Storm.

Street Fund

Street Maintenance Department –
Materials and Services:
Contractual Services
004-410-71000-000

\$1,140,000

Water Fund

Water Production Department –
Materials and Services:
Fuel and Lubricants
202-240-71540-000

\$ 9,775

Wastewater Fund

Wastewater Treatment Department –
Materials and Services:
Fuel and Lubricants
302-324-71540-000

\$ 12,830

Middlefield Golf Course Department-
Materials and Services:
Contractual Services
302-326-71000-000

\$ 565,500

The Street Maintenance Department, Water Production Department, Wastewater Treatment Department, and Middlefield Golf Course Department will receive funds from the Storm Drain Reserve Fund in the amounts listed above to provide for payment of increased costs associated with the 2024 Ice Storm.

Industrial Park Operations Fund

Transfer to Water Reserve Fund
Contingency

\$151,000
-\$151,000

The Industrial Park Operations Fund will receive an interfund loan from the Storm Drain Reserve, with a corresponding reduction in resources from the Sale of Property. The contingency line item is being reduced, and the Transfer to Water Reserve Fund is being created, the net difference in the appropriations is zero.

BE IT FURTHER RESOLVED that this resolution shall be effective immediately upon its passage.

PASSED BY THE COUNCIL AND APPROVED BY THE MAYOR THIS 24th DAY OF JUNE, 2024.

Candace Solesbee, Mayor

Dated: _____

ATTEST:

Mindy Roberts, City Recorder

Dated: _____