



City of Bandon

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Bandon by the Sea

AGENDA REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Torrey Contreras, City Manager *TC*

INITIATED BY: Paula Burris, Finance Director *PB*

DATE: May 13, 2024

SUBJECT: **Item Number 2.1: RESOLUTION NO. 24-06 OF THE BANDON CITY COUNCIL ADOPTING A SUPPLEMENTAL BUDGET FOR FISCAL YEAR 2023-24**

BACKGROUND:

Local Budget Law allows for changes to an adopted budget via the supplemental budget process in certain cases (ORS 294.471). Additionally, if the amended estimated expenditures contain an individual fund that is being changed by more than 10 percent, the governing body shall hold a public hearing on the supplement budget (ORS 294.473). After the hearing, the governing board may approve the expenditures by adopting an appropriating resolution authorizing the expenditures. The resolution must state the need, purpose, and amount of the appropriations.

ANALYSIS OF THE ISSUES:

For Fiscal Year (FY) 2023-24, the funds requiring a Supplemental Budget are the General Fund (100), the Water Fund (940), and the Sewer Fund (950).

General Fund (100)

A \$265,503 increase is being requested for the General Fund, primarily due to costs in contractual services, salary costs including retirement payouts, and carpet installation at the Sprague Theater. Funding is being provided from Transient Occupancy Tax collections that exceeded the budget estimate, a higher than estimated beginning fund balance, and a generous donation from the Bandon Arts Council for new carpeting at the Sprague Theater. The Adopted Budget was \$5,106,607 and the recommended Amended Budget is \$5,372,110.

Water Fund (940)

A \$104,000 increase is being requested for the Water Fund, primarily due to a one-time purchase of radio adaptors for water meters as required for software updates. The purchase is being funded by a transfer of General Fund contingency funds. Other increases

are related to user and in-lieu fees, salary costs, and an increase in insurance costs. The Adopted Budget was \$1,373,545 and the recommended Amended Budget is \$1,477,545.

Sewer Fund (950)

A \$10,500 increase is being requested for the Sewer Plant Fund, primarily due to transfers related to user and in-lieu fees, salary costs, and an increase in insurance costs. The Adopted Budget was \$1,345,003 and the recommended Amended Budget is \$1,355,503.

FISCAL IMPACT:

The adjustments are accounted for in the Fiscal Year 2023-24 Supplemental Budget.

RECOMMENDATION:

The following is recommended to the City Council:

1. Review and discuss the information provided;
2. Adopt Resolution No. 24-06, which is captioned as follows:

**RESOLUTION NO. 24-06 OF THE BANDON CITY COUNCIL ADOPTING A
SUPPLEMENTAL BUDGET FOR FISCAL YEAR 2023-24**

Attachments: Resolution No. 24-06

RESOLUTION NO. 24-06

**A RESOLUTION ADOPTING THE
SUPPLEMENTAL BUDGET FOR FY 2023-24**

WHEREAS, the City of Bandon budget for Fiscal Year (FY) 2023-24 was adopted by the City Council at its regular meeting on June 26, 2023, by Resolution No. 23-14, and

WHEREAS, on December 4, 2023, Resolution No. 23-36 was adopted which clarified funds and program appropriations; and

WHEREAS, Oregon Revised Statutes (ORS) Chapter 294 requires a supplemental budget to appropriate funds when certain conditions occur; and

WHEREAS, it is necessary to recognize revenues and transfer appropriations within several funds to different expenditure categories in accordance with local budget law.

NOW, THEREFORE, BE IT RESOLVED that the budget transfers and appropriation adjustments itemized in this Resolution are hereby adopted.

Fund: 100 General Fund

	Adopted Budget	Budget Adjustment	Amended Budget
Resources:			
1. Beginning Fund Balance	\$1,635,183	\$32,500	\$1,667,683
2. Transient Occupancy Tax	\$738,948	\$200,000	\$938,948
3. Miscellaneous (donation)	\$153,190	\$33,003	\$186,193
4. All Other Resources (unchanged)	\$2,579,286	\$0	\$2,579,286
Total Resources	\$5,106,607	\$265,503	\$5,372,110
Requirements:			
1. Administration	\$355,482	\$69,500	\$424,982
2. Municipal Court	\$53,873	\$4,500	\$58,373
3. Police	\$1,518,442	\$158,500	\$1,676,942
4. Sprague Theater	\$116,000	\$33,003	\$149,003
5. All Other Requirements (unchanged)	\$3,062,810	\$0	\$3,062,810
Total Requirements	\$5,106,607	\$265,503	\$5,372,110

EXPLANATION: Budget adjustments are primarily due to (1) increases in contractual services and salary costs, (2) salary increase, (3) retirement payout and contractual services, and (4) donation for carpet replacement.

Fund: 940 Water Fund

	Adopted Budget	Budget Adjustment	Amended Budget
Resources:			
1. Beginning Fund Balance	\$136,632	\$14,000	\$150,632
2. Transfer from Other Funds	\$0	\$90,000	\$90,000
3. All Other Resources (unchanged)	\$1,236,913	\$0	\$1,236,913
Total Resources	\$1,373,545	\$104,000	\$1,477,545
Requirements:			
1. Administration	\$66,143	\$3,500	\$69,643
2. Accounting and Billing	\$41,859	\$2,500	\$44,359
3. Distribution	\$366,722	\$90,000	\$456,722
4. Non-Departmental (transfers to other fund)	\$398,754	\$8,000	\$406,754
5. All Other Requirements (unchanged)	\$500,067	\$0	\$500,067
	\$1,373,545	\$104,000	\$1,477,545

EXPLANATION: Budget adjustments are primarily due to (1, 2 and 4) transfers related to user and in-lieu fees, salary costs, and increase in insurance costs, and (3) transfer from other fund to purchase radio adaptors for meters as required for updated software.

Fund: 950 Sewer Fund

	Adopted Budget	Budget Adjustment	Amended Budget
Resources:			
1. Beginning Fund Balance	\$150,298	\$10,500	\$160,798
2. All Other Resources (unchanged)	\$1,194,705	\$0	\$1,194,705
Total Resources	\$1,345,003	\$10,500	\$1,355,503
Requirements:			
1. Administration	93,927	\$6,500	100,427
2. Accounting and Billing	40,617	\$4,000	44,617
3. All Other Requirements (unchanged)	\$1,210,459	\$0	1,210,459
Total Requirements	\$1,345,003	\$10,500	\$1,355,503

EXPLANATION: Budget adjustments are primarily due to (1 and 2) transfers related to user and in-lieu fees, salary costs, and an increase in insurance costs.

ADOPTED by the City Council on this 13th day of May 2024.

Mary Schamerhorn, Mayor

ATTEST:

June Hinojosa, City Recorder