

RESOLUTION NO. 2020-24

A Resolution authorizing the closure of one fund, the Ambulance Fund, and authorizing the change of the Building Fund from an enterprise fund to a special revenue fund.

RECITAL:

Oregon Local Budget Law allows a local government's governing body to eliminate unnecessary funds by order (ORS 294.353).

The Ambulance Fund is an unnecessary fund. It no longer meets the definition of an enterprise fund because it can no longer collect enough fees to cover operational costs. The funding model for municipal ambulance services in Oregon has changed over the years. The majority of ambulance runs are paid for by Medicare or Medicaid and are capped at a rate which does not cover the actual cost of delivering the service.

For the last fifteen fiscal years the City of McMinnville's General Fund has made annual contributions of unrestricted resources to the Ambulance Fund via transfer. In FY2019-2020, the amount of that transfer was \$1,150,000.

In the General Fund, direct program revenue for city services is accounted for within the relevant department, assuring that these dollars are utilized for the proper purpose.

Ambulance services are operationally integrated into the Fire Department. Including ambulance services within the Fire Department will align the financial management of the department with its operational management structure.

For these reasons the Ambulance Fund will be eliminated. An intra-fund appropriation transfer will be made to unify the current fiscal year's budgetary appropriations with those of the Fire Department in the General Fund.

Oregon Local Budget Law (ORS 294.388) and the Local Budgeting Manual written by the Department of Revenue define budgetary funds, including the fund types used for budgeting and accounting available for use by local governments.

The definition of a Special Revenue Fund is the most accurate description of the current fiscal activity of the Building Fund. Further, treatment of the fund as a governmental fund, not an enterprise fund, in the financial statements of the City is more consistent with the activities carried out by the Building Fund.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF McMINNVILLE, as follows:

1. The elimination of the Ambulance Fund is authorized.
2. The change in fund classification of the Building Fund from an enterprise fund to a special revenue fund is authorized.

This Resolution will take effect immediately upon passage and shall continue in full force and effect until revoked or replaced.

Adopted by the Common Council of the City of McMinnville at a regular meeting held the 14th day of April, 2020 by the following votes:

Ayes: Drabkin, Garvin, Geary, Menke, Peralta, Stassens

Nays: _____

Approved this 14th day of April 2020.



MAYOR

Approved as to form:



City Attorney

Attest:



City Recorder