

RESOLUTION NO. 2022-07

A Resolution adopting a supplemental budget for fiscal year 2021-2022 and making supplemental appropriations.

RECITALS:

Whereas, Oregon Local Budget Law allows a local government to prepare a supplemental budget when an occurrence or condition was not known at the time the budget was prepared thus requiring a change in financial planning (ORS 294.471). The governing body must adopt a resolution to adopt the supplemental budget and make any necessary appropriations; and

Whereas, the results of the Classification and Compensation study were delayed significantly and the scope of the differentials between market wages and city wages for each department and fund was not fully understood at the time the FY2021-22 budget was adopted; and

Whereas, this resolution proposes a supplemental budget for the General Fund, Street Fund, Building Fund, Wastewater Services Fund and Information Services Fund for personnel services costs. A supplemental budget is necessary to allow for the initial implementation of the Classification and Compensation study that brings City of McMinnville wages and salaries to levels consistent with the local labor market to attract and retain a high-quality workforce; and

Whereas, five funds will see Transfer In revenue increases associated with the Classification and Compensation implementation. The General, Street, Building, Wastewater Services and Information Services Funds either provide support services to other funds or will see an increased offset for the cost of supporting the HR manager; and

Whereas, the General Fund, Street Fund, Building Fund and Wastewater Services Fund increases in personnel category expenses will be funded by unanticipated beginning fund balance levels that exceed each fund's expense associated with the Classification and Compensation implementation; and

Whereas, the increase in support services salaries impacts additional funds because the Transfer Out to cover the personnel costs supporting them during FY2021-22 also went up; and

Whereas, for the General Fund, Street Fund, Building Fund and Wastewater Services Fund, the higher Transfer Out appropriation will also be funded by unanticipated beginning fund balance levels that exceed each fund's additional Transfer Our appropriation; and

Whereas, the Grants and Assessment, Transient Lodging Tax, Emergency Communications, Airport, Transportation, Park Development, Wastewater Capital and Insurance Services Funds' Transfers Out category in this supplemental budget action see small cost increases that will be offset with Contingency Transfers; and

Whereas, the Information Services Fund's increase in personnel category expenses will be covered by a Contingency Transfer; and

Whereas, contingency transfers are limited to 15% of the total appropriation in the fund; this action does not exceed this statutory limit (ORS 294.463(2)) for any of the funds that include a Contingency Transfer; and

Whereas, because the supplemental budget for the General, Street, Building, Wastewater Services, Information Services, Grants and Assessment, Transient Lodging Tax, Emergency Communications, Airport, Transportation, Park Development, Wastewater Capital and Insurance Services Funds' expenditures are not changed by more than 10%, a public hearing is not required.

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

1. **Adopt the following Supplemental Budget:** The Common Council of the City of McMinnville adopts the following Supplemental Budget for 2021-2022 in the General, Street, Building, Wastewater Services, Information Services, Grants and Assessment, Transient Lodging Tax, Emergency Communications, Airport, Transportation, Park Development, Wastewater Capital and Insurance Services Funds.
2. **Make Supplemental Appropriations:** The additional appropriations for fiscal year 2021-2022 are hereby appropriated as detailed in Exhibit A.
3. That this resolution shall take effect immediately upon passage and shall continue in full force and effect until modified, revoked, or replaced.

Adopted by the Common Council of the City of McMinnville at a regular meeting held the 8th day of March 2022 by the following votes:

Ayes: _____ Drabkin, Menke, Peralta, _____


Nays: _____ Garvin, Chenoweth _____

Approved this 8th day of March 2022.



MAYOR

Approved as to form:



City Attorney

Attest:



City Recorder

EXHIBITS:

- A. Option 1: Supplemental Budget Appropriations Classification and Compensation Full Year FY2021-22 Implementation 2% minimum.

Option 1 (Staff Recommendation)

Exhibit A: Supplemental Budget Appropriations

Classification and Compensation Full Year FY2021-22 Implementation 2% minimum

	Original Appropriation	Class and Comp Change	Supplemental Appropriation
General Fund			
Administration	1,443,624	34,900	1,478,524
Finance	657,173	35,200	692,373
Engineering	1,057,828	29,000	1,086,828
Planning	1,373,531	14,800	1,388,331
Police	9,073,617	24,900	9,098,517
Municipal Court	505,812	16,600	522,412
Fire	9,400,338	28,300	9,428,638
Parks & Recreation	3,133,535	51,400	3,184,935
Park Maintenance	1,389,713	20,200	1,409,913
Library	1,835,005	213,100	2,048,105
Not Allocated to Organizational Unit or Program:			
Unemployment	51,097		51,097
Debt Service	748,674		748,674
Transfers Out To Other Funds	1,437,784	13,338	1,451,122
Operating Contingencies	1,000,000		1,000,000
Total General Fund	\$ 33,107,731	481,738	33,589,469
Revenue Budget Adjustment: General			
Fund Unrestricted Beginning Balance	4,280,177	481,738	4,761,915
Transfer In	1,926,913	51,778	1,978,691
Grant and Special Assessment Fund			
Community Assessments	7,466,800		7,466,800
Transfers Out To Other Funds	7,702	299	8,001
Operating Contingencies	35,000	-299	34,701
Total Special Assessment Fund	\$ 7,509,502	-	7,509,502
Transient Lodging Tax Fund			
Tourism Promotion and Programs	818,771	-1,156	817,615
Transfers out to Other Funds	380,429	1,156	381,585
Total Transient Lodging Tax Fund	\$ 1,199,200	-	1,199,200
Emergency Communications Fund			
911 Emergency Communications	838,906		838,906
Debt Service	37,172		37,172
Transfers out to Other Funds	1,429	102	1,531
Operating Contingencies	45,000	-102	44,898
Total Emergency Communications Fund	\$ 922,507	-	922,507

Option 1 (Staff Recommendation)

Exhibit A: Supplemental Budget Appropriations

Classification and Compensation Full Year FY2021-22 Implementation 2% minimum

	Original Appropriation	Class and Comp Change	Supplemental Appropriation
Street Fund			
Street Maintenance and Improvements	2,142,281	23,500	2,165,781
Transfers Out To Other Funds	492,055	8,953	501,008
Operating Contingencies	500,000		500,000
Total Street Fund \$	3,134,336	32,453	3,166,789
Revenue Budget Adjustment: Street			
Fund Beginning Balance	1,364,613	32,453	1,397,066
Transfer In	5,777	239	6,016
Airport Fund			
Airport Maintenance and Operations	1,751,807		1,751,807
Transfers Out To Other Funds	101,582	3,105	104,687
Operating Contingencies	300,000	-3,105	296,895
Total Airport Fund \$	2,153,389	-	2,153,389
Transportation Fund			
Street Capital Improvements	1,083,500		1,083,500
Debt Service	201,248		201,248
Transfers Out To Other Funds	109,194	5,343	114,537
Project Contingencies	500,000	-5,343	494,657
Total Transportation Fund \$	1,893,942	-	1,893,942
Park Development Fund			
Park Acquisition and Improvements	21,700		21,700
Transfers Out To Other Funds	47,035	1,871	48,906
Project Contingencies	500,000	-1,871	498,129
Total Park Development Fund \$	568,735	-	568,735
Building Fund			
Building Plan Review and Inspection	736,148	2,000	738,148
Transfers Out To Other Funds	29,482	1,341	30,823
Operating Contingencies	75,000		75,000
Total Building Fund \$	840,630	3,341	843,971
Revenue Budget Adjustment: Building			
Fund Beginning Balance	1,417,473	3,341	1,420,814
Transfer In	2,888	120	3,008

Option 1 (Staff Recommendation)

Exhibit A: Supplemental Budget Appropriations

Classification and Compensation Full Year FY2021-22 Implementation 2% minimum

	Original Appropriation	Class and Comp Change	Supplemental Appropriation
Wastewater Services Fund			
Wastewater Services Program	4,832,961	50,400	4,883,361
Transfers Out To Other Funds	6,428,981	15,835	6,444,816
Operating Contingencies	900,000		900,000
Total Wastewater Services Fund \$	12,161,942	66,235	12,228,177
Revenue Budget Adjustment:			
Wastewater Services Fund Beginning Balance	3,600,859	66,235	3,667,094
Transfer In	14,442	598	15,040
Wastewater Capital Fund			
Sewer Capital Improvements	14,393,800		14,393,800
Transfers Out To Other Funds	204,847	9,252	214,099
Project Contingencies	1,500,000	-9,252	1,490,748
Total Wastewater Capital Fund \$	16,098,647	-	16,098,647
Information Services Fund			
Information Technology Services	1,294,349	13,200	1,307,549
Operating Contingencies	75,000	-13,200	61,800
Total Information Services Fund \$	1,369,349	-	1,369,349
Revenue Budget Adjustment:			
Information Services Fund Transfer In	532,039	15,951	547,990
Insurance Services Fund			
Property, Liability and Workers Compensation Insurance	1,449,600		1,449,600
Transfers Out To Other Funds	202,440	8,093	210,533
Operating Contingencies	250,000	-8,093	241,907
Total Insurance Services Fund \$	1,902,040	-	1,902,040
Total Appropriations, All Funds in Supplemental Budget \$	66,763,303	583,766	67,347,069