

RESOLUTION NO. 2018-37

A Resolution making a budgetary transfer of appropriation authority for fiscal year 2017-2018

RECITAL:

Oregon Revised Statute (ORS) 294.463 allows a governing body to authorize a transfer of appropriation authority after a budget has been adopted by passing a resolution or ordinance. Transfers may be made between appropriation categories in the same fund.

This resolution transfers appropriation authority from the General Fund, Fire Department to the General Fund, Library and Finance Departments, due to unanticipated personnel services expenditures in the Library and Finance Departments.

In April 2018, the decision was made to fund all general service employees' Voluntary Employees Beneficiary Association (VEBA) plan accounts in an amount equal to 100 percent of the employee's annual health insurance deductible. (A VEBA plan is a type of tax-exempt trust which is used by employees to pay eligible, out-of-pocket medical expenses.) Previously, general service employees' VEBA accounts were funded equal to 50 percent of the employees' deductible. Increasing VEBA contributions for general service employees provided equity between the VEBA benefit for non-represented general service employees and Fire union members.

The higher VEBA contributions were not anticipated when the 2017-2018 budget was adopted. Many departments were able to absorb the additional cost in their existing budgets with savings from position vacancies or lower than anticipated materials and services expenditures. However, in the Library and Finance Departments there may not be sufficient savings to absorb the additional VEBA contribution costs and, therefore, this resolution transfers additional appropriation authority to the personnel services categories in those Departments.

This resolution transfers appropriation authority from the General Fund, Fire Department in an amount equal to the additional VEBA expenditures in the Library and Finance Departments. Appropriation authority is available in the Fire Department due to the supplemental budget that was adopted by the City Council on May 22, 2018. The supplemental budget was necessary due to costs incurred by the Fire Department when responding to wildfire conflagrations in Oregon and California. The supplemental budget increased appropriations in the Fire Department to cover those unanticipated costs. The entire amount of the increase in appropriations was not needed to cover the additional conflagration costs.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF McMinnville, that the following transfer of appropriation authority under the fiscal year 2017-2018 City of McMinnville Amended Budget is hereby made, as follows:

The following emergency need exists in the **General Fund, Library and Finance Departments**:

1. Increase appropriation authority in the **General Fund, Library and Finance Departments** personnel services categories due to unanticipated cost of additional contributions to general services employees' VEBA accounts.
2. Decrease appropriation authority in the **General Fund, Fire Department** in the materials and services category from available appropriations.

<u>GENERAL FUND:</u>	<u>Amended Budget</u>	<u>Budget Adjustment</u>	<u>Amended Budget</u>
Requirements:			
Administration	1,173,438		1,173,438
Finance	764,389	6,500	770,889
Engineering	1,035,290		1,035,290
Planning	771,172		771,172
Police	8,246,883		8,246,883
Municipal Court	515,651		515,651
Fire	3,253,631	(15,000)	3,238,631
Parks and Recreation	2,714,181		2,714,181
Park Maintenance	1,176,863		1,176,863
Library	1,600,625	8,500	1,609,125
Non-Departmental (Not Allocated to Department or Program)			
Debt Service	423,775		423,775
Transfers Out to Other Funds	2,059,242		2,059,242
Operating Contingencies	900,000		900,000
Ending Fund Balance	2,663,147		2,663,147
Total Requirements	\$ 27,298,287	\$ ----	\$ 27,298,287

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 26th day of June 2018 by the following votes:

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

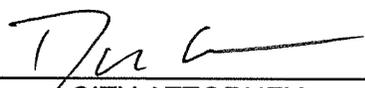
Nays: _____

Approved this 26th day of June 2018.



COUNCIL PRESIDENT

Approved as to form:



CITY ATTORNEY