

RESOLUTION NO. 2016-56

**RESOLUTION AUTHORIZING THE EXPENDITURE OF ADDITIONAL FUNDS
IN THE SEWER FUND AND WATER FUND BUDGETS FOR
FOR FISCAL YEAR 2016-17**

WHEREAS, Oregon Local Budget Law allows supplemental budgets for many purposes (ORS 294.471) including when a pressing necessity creates a need for prompt action and to allow transfer of resources between funds (ORS 293.463(1)); and

WHEREAS, the contractually-required debt service payment to Clean Water Services was omitted from the Fiscal Year 2016-17 Sewer Fund Budget; and

WHEREAS, the regular transfer from the Water Fund to the City Utility Fund was omitted from the Fiscal Year 2016-17 Water Fund Budget; and

WHEREAS, the expenditure of these funds are necessary and need to be appropriated before the funds can be expended.

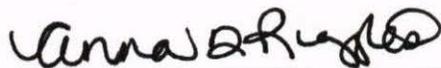
**NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF FOREST GROVE
AS FOLLOWS:**

Section 1. In the Sewer Fund, Principal – appropriations expenditure for Principal - City Phase III Rehab (expenditure line item 620-54-10-562001) will be increased by \$45,402 and appropriations expenditure for Interest – City Phase III Rehab (expenditure line item 620-54-10-562041) will be increased by \$838 for the payment of the debt service to Clean Water Services. Contingency (expenditure line item 620-54-10-580206) will be reduced by \$46,240. Total Sewer Services appropriations in the Sewer Fund remain unchanged at \$6,093,455.

Section 2. In the Water Fund, Transfers to Other Funds (expenditure line item 630-53-10-570127) is increased by \$60,236 to fund the transfer to the City Utility Fund to reimburse the payment of water charges billed to City departments in the General Fund. Water Fund Contingency (630-53-10-580206) is reduced by \$60,236 to fund the transfer. Total Water Fund Appropriations remain unchanged at \$6,164,752.

Section 3. This resolution is effective immediately upon its enactment by the City Council.

PRESENTED AND PASSED this 26th day of September, 2016.



Anna D. Ruggles, City Recorder

APPROVED by the Mayor this 26th day of September, 2016.



Peter B. Truax, Mayor



A place where families and businesses thrive.

CITY RECORDER USE ONLY:	
AGENDA ITEM #:	9
MEETING DATE:	9/26/16
FINAL ACTION:	RESO 2016-86

CITY COUNCIL STAFF REPORT

TO: City Council

FROM: Jesse VanderZanden, City Manager

MEETING DATE: September 26, 2016

PROJECT TEAM: Paul Downey, Administrative Services Director
Rob Foster, Public Works Director

SUBJECT TITLE: Budget Resolution – Authorizing Expenditure of Funds in Sewer and Water Funds

ACTION REQUESTED:	<input type="checkbox"/> Ordinance	<input type="checkbox"/> Order	<input checked="" type="checkbox"/> X	<input type="checkbox"/> Resolution	<input type="checkbox"/> Motion	<input type="checkbox"/> Informational
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X all that apply

ISSUE STATEMENT: The City prepared the FY 2016-17 Budget and the City Council appropriated expenditures based on the budget presented by staff. At times, errors are made during budget preparation that are not discovered during review of the budget. Sometimes the errors do not need to be corrected and staff manages the error within the approved appropriations. At other times, the error causes appropriations not to be made but the expenditures are still required to be made. The City has two such errors that need to be corrected for the Fiscal Year 2016-17 Budget: 1) the required debt payment of \$46,240 to Clean Water Services in the Sewer Fund and 2) the transfer of \$60,236 from the Water Fund to the City Utility Fund to pay for water used by General Fund Departments. Staff has prepared a resolution to correct the appropriation for the expenditures of the funds.

BACKGROUND: The transfers of funds within the Sewer Fund are allowed under Oregon Local Budget Law (ORS 294.471) where a pressing necessity creates a need for prompt action. The timely debt service payment to Clean Water Services is required by contract. Staff preparing the FY 2016-17 Budget thought the final payment was due in June 2016 when the payment was actually due in August 2016 so the payment was not budgeted in FY 2016-17.

The transfer of funds from the Water Fund to the City Utility Fund is permitted by Oregon Budget Law (ORS 294.463) and the resolution must state the need, purpose, and the amount of the transfer. The City has been transferring funds from the Water Fund to the City Utility Fund to pay for water used by General Fund Departments up to the amount of the transfer since 2008. Staff did not budget this payment for FY 2016-17 and it was not discovered in the review of the budget.

FISCAL IMPACT: There is no fiscal impact to the Sewer Fund as the correct debt payment had been included in the Sewer Fund financial projections. There is no fiscal impact to the Water Fund for the transfer to the City Utility Fund as the transfers have been included in the long-term financial and rate plan for the Water Fund. If the transfer to the City Utility Fund is not made, General Fund departments will need to adjust their budgets by a total of \$60,236 as they will have to pay for the water bills as they are incurred. The Aquatics and Parks Departments will have to absorb the major portion of that amount as they as the largest users of water in the General Fund.

STAFF RECOMMENDATION: Staff recommends the City Council approve the attached resolution.

ATTACHMENT(s): Resolution Authorizing the Expenditure of Additional Funds in the Sewer and Water Fund Budgets for Fiscal Year 2016-17