

Council Business Meeting

Date: June 14, 2022

Agenda Item	Supplemental Budget and Resolution	
From	Alison Chan	Interim Finance Director
Contact	alison.chan@ashland.or.us 541-552-2003	

SUMMARY

Issues being addressed in this Council Communication:

1. Reversal of the April 5th supplemental budget which dealt with the PERs UAL and how it is recognized.
2. Change how Marijuana tax is recorded.
3. Recognition of greater than budgeted TLT revenue restricted to tourism related expenditures.
4. Reduce Expenditures and recognized greater than budgeted revenue in the 2021-2023 Biennium.
5. Recognize and appropriate a greater than budgeted beginning General Fund balance.

POLICIES, PLANS & GOALS SUPPORTED

Administrative/Governance goal:

“To ensure on-going fiscal ability to provide desired and required services at an acceptable level”

PREVIOUS COUNCIL ACTION

None

BACKGROUND AND ADDITIONAL INFORMATION

Item 1 – The resolution will reverse the supplemental budget that was approved on April 5, 2022. The supplemental budget only impacted two (2) funds. The Community Development Block Grant Fund and the Telecommunications Funds. The reversing entries are on the attached detail sheet. This will have any payments towards the PERs UAL as a personnel service expenditure.

Item 2 – The resolution will change how Marijuana is recorded in the fiscal year 2022-2023. The Marijuana tax the City of Ashland receives is unrestricted. It should be recorded in the General Fund and spent as directed by Council. Currently the Marijuana tax is being recorded in the Housing Fund. This supplemental budget will move the revenue to the General Fund and then add a transfer to the Housing Fund. There is no change to the appropriations.

Item 3- The resolution will recognize and appropriate \$100,000 of greater than budgeted revenue for the restricted portions of the TLT revenue. The corresponding recommended appropriations are as follows:

\$70,000 - funding for a portion of a Communications Program

\$20,000 – funding for a portion of a Diversity, Equity and Inclusion Program (D,E & I)

\$10,000 – funding for a portion of the maintenance of watershed trails

Item 4 – The resolution will reduce Expenditures in the 2021-2023 Biennium. The 2021-2023 had expenditures exceeding revenues by \$1 million. The Budget Committee directed City staff to reduce the budget during the biennium to reconcile the difference. This resolution will do that. The details are as follows:

Ongoing Expenditure Adjustments	
Budgeted General Fund deficit in the 2021-2023 biennial budget	(1,000,000)
General Fund revenue needed to replace Food & Beverage tax removed from the Parks General Fund	(2,390,000)
Revised General Fund deficit	(3,390,000)
Proposed Departmental cuts	715,000
Budgeted vacancy savings in year 2 of biennium - all departments	780,000
Reductions proposed for the 2021-2023 biennial budget	1,495,000
Estimated greater than budgeted revenues	1,350,000
Revised General Fund deficit	\$ (545,000)

Item 5 - Recognize and appropriate a greater than budgeted beginning fund balance for the General Fund and the Parks General Fund. This resolution will recognize and appropriate as follows:

One Time Funding	
Recognize and appropriate a greater than budgeted beginning General Fund & Parks General Fund balance	2,600,000
Amount needed to balance the General Fund deficit	(545,000)
Funding for an Emergency Operations position	(140,000)
Funding for D,E & I Assessment	(40,000)
Funding for Innovation & Technology position	(40,000)
Funding for Planning & Development Facilitation	(120,000)
Transfer to Reserve Fund	(1,715,000)
Remaining	\$ -

FISCAL IMPACTS

An increase in appropriations of \$100,000 in the Tourism Fund.

A reduction in appropriations of \$1,495,000 in the General Fund and Parks General Fund.

Recognize \$1.35 million of greater than budgeted General Fund revenue

Recognized and appropriated \$2.6 million of greater than budgeted beginning General Fund balance and Parks General Fund.

STAFF RECOMMENDATION

Staff recommends approval of reversing the Supplemental budget from April 5th, 2022.

Staff recommends changing how Marijuana tax is recorded.

Staff recommends approval of recognizing and appropriating greater than budgeted revenue in the Tourism Fund.

Staff recommends changes the General Fund and Parks General Fund as presented.

ACTIONS, OPTIONS & POTENTIAL MOTIONS

N/A

REFERENCES & ATTACHMENT

Resolution 2022-17

1 **RESOLUTION NO. 2022-17**

2 A RESOLUTION ADOPTING A SUPPLEMENTAL BUDGET FOR CHANGES TO THE
3 2021/23 BIENNIAL BUDGET

4 **RECITALS:**

5 ORS 294.471 permits the governing body of a municipality to make a supplemental budget for
6 one or more of the following reasons:

- 7 a. An occurrence or condition which had not been ascertained at the time of the preparation
8 of a budget for the current year which requires a change in financial planning.
- 9 b. A pressing necessity which was not foreseen at the time of the preparation of the budget
10 for the current year which requires prompt action.
- 11 c. Funds were made available by another unit of federal, state or local government and the
12 availability of such funds could not have been ascertained at the time of the preparation of the
13 budget for the current year.

14 **NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF ASHLAND, OREGON,**
15 **RESOLVES AS FOLLOWS:**

16 SECTION 1. In accordance with provisions stated above, the Mayor and City Council of the
17 City of Ashland determine that it is necessary to adopt a supplemental budget, establishing the
18 following amendments:

	<u>Debt</u>	<u>Credit</u>
<u>Tourism Fund</u>		
Personnel Services	80,000	
Materials and Services	20,000	
Taxes		100,000
	\$ 100,000	\$ 100,000
<u>Community Development Block Grant Fund</u>		
Personnel Services	5,394	
Materials and Services		5,394
	\$ 5,394	\$ 5,394
<u>Telecommunication Fund</u>		
Personnel Services	145,729	
Materials and Services		145,729
	\$ 145,729	\$ 145,729

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		Debt	Credit
General Fund			
Transfer to the Housing Fund		200,000	
Taxes			200,000
		\$ 200,000	\$ 200,000
Housing Fund			
Taxes		200,000	
Transfer from the General Fund			200,000
		\$ 200,000	\$ 200,000
Tourism Fund			
Personnel Services		80,000	
Materials and Services		20,000	
Taxes			100,000
		\$ 100,000	\$ 100,000
General Fund			
Transfer to the Reserve		1,415,000	
Transfer to Parks General Fund		1,900,000	
Funding for EOC position	Administration Department	140,000	
Funding for DEI Assessment	Administration Department	40,000	
Funding for IT position	IT - Computer Services Div.	40,000	
Funding for Planning & Development Facilitator	Comm Dev Department	120,000	
Fund balance		1,000,000	
Reduce Departments budget			* 1 365,000
Reduce Departments personnel for vacancy savings			* 2 640,000
Recognize greater than budgeted revenue			* 3 1,350,000
Recognize and appropriate a greater than budgeted beginning General Fund balance			2,300,000
		\$ 4,655,000	\$ 4,655,000
Parks General Fund			
Food & Beverage Taxes		2,005,000	
Transfer from the Parks CIP Fund		385,000	
Transfer to the Reserve Fund		300,000	
Reduce Department budget			* 1 350,000
Reduce Department personnel for vacancy savings			* 2 140,000
Transfer from the General Fund			1,900,000
Recognize and appropriate a greater than budgeted beginning Parks General Fund balance			300,000
		\$ 2,690,000	\$ 2,690,000
Parks CIP Fund			
Transfer to Parks General Fund			385,000
Fund balance		385,000	
		\$ 385,000	\$ 385,000
Reserve Fund			
Fund Balance		2,015,000	
transfer from the Parks General Fund			300,000
transfer from the General Fund			1,715,000
		\$ 2,015,000	\$ 2,015,000
* 1 - Reduce Departmental budgets			
Community Development			8,000
Administration Department			138,600
Finance Department			156,200
Parks & Recreation Division			350,000
Public Works Department			62,200
Total Department reductions			715,000
* 2 - Estimated Vacancy Savings			
Innovation and Technology Department			30,000
Finance Department			60,000
Police Department			200,000
Fire Department			220,000
Public Works Department			80,000
Community Development Department			50,000
Parks & Recreation Department			140,000
Total Estimated Vacany Savings			780,000
*3 - Greater than Budgeted Revenue			
Property Taxes			500,000
Transient Lodging Tax (TLT)			850,000
Total Revenue Greater than Budgeted			1,350,000

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SECTION 2. All other provisions of the adopted 2021-2023 BIENNIUM BUDGET not specifically amended or revised in this Supplemental Budget remain in full force and effect as stated therein.

SECTION 3. This resolution is effective upon adoption.

ADOPTED by the City Council this _____ day of _____, 20__.

ATTEST:

Melissa Huhtala, City Recorder

SIGNED and APPROVED this _____ day of _____, 20__.

Julie Akins, Mayor

Reviewed as to form:

Katrina Brown, City Attorney