



CITY OF COOS BAY CITY COUNCIL
Agenda Staff Report

MEETING DATE November 20, 2012	AGENDA ITEM NUMBER
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TO: Mayor Shoji and City Councilors

FROM: Susanne Baker, Finance Director 

THROUGH: Rodger Craddock, City Manager 

ISSUE Adoption of Resolution 12-24

BACKGROUND

The FYE 13 State Gas Tax Fund budget anticipated a carryover of \$59,000 wherein the actual carryover was \$228,604, an additional \$169,604. Staff proposes to appropriate the additional carryover to ensure a positive cash flow with the purchase and Federal Trade Commission (FTC) required upgrades to the Public Works radio infrastructure for approximately \$25,000. ORS 294.473 allows appropriation of additional carryover through the public hearing and supplemental budget process and approval by resolution of the governing body.

State Gas Tax Fund

	<u>Total Appropriation</u> <u>Before Resolution 12-24</u>	<u>Resolution 12-24</u>	<u>New Total Appropriation</u>
Carryover	\$ 59,000	\$169,604	\$ 228,604
Street Maintenance	1,070,122	30,000	1,110,122
Contingency	0	139,604	139,604
Total Fund	1,078,122	169,604	1,247,726

Funds began to be set aside in 1999 in the Insurance Reserve Fund specifically for a self-insurance wastewater environmental insurance fund as a hedge against potential liability due to a wastewater spill. In FYE 12, the Insurance Reserve Fund was closed to comply with governmental accounting standards and the funds were subsequently transferred to the Wastewater Fund. This supplemental budget action will complete the transaction and re-establish the self-insurance wastewater environmental insurance reserve from a separate fund into the Wastewater Fund Administration 03-350 department as a line item. The balance of the wastewater carryover will be placed in the contingency line item.

Wastewater Fund

	<u>Total Appropriation</u> <u>Before Resolution 12-24</u>	<u>Resolution 12-24</u>	<u>New Total Appropriation</u>
Carryover	\$1,700,000	\$804,992	\$2,504,992
WW Collection/Treatment	\$3,279,213	\$298,808	\$3,578,021
Contingency	\$631,051	\$506,184	\$1,137,235
Total Fund	\$6,416,635	\$804,992	\$7,221,627

During the course of the FYE 12 City timber sale there were several acres of Coos Bay – North Bend Water Board land that needed to be logged because the wind exposure to the remaining timber would have likely resulted in windfall and damage during winter storms. The revenue from this area, \$25,586.24, needs to be remitted to the Coos Bay – North Bend Water and was not included in the original budget as an expenditure. Additionally, the contract for the 2012 timber sale provided the contractor, Swanson, the opportunity to log the timber sections over the course of two summers to allow the contractor to speculate and provide the City the highest bid. To ensure a cash flow during this time period to fund capital improvements, the City required a large down payment upon contract signing. During the course of the timber sale the contractor remitted the timber receipts as the logs were delivered to the mill and did not draw down from the initial down payment. Subsequently, towards the end of the timber sale, the contractor paid the City an additional \$52,154.48, which needs to be remitted back to Swanson. This supplemental budget will allow for these expenditures within the current budget year.

Major Capital Fund

	Total Appropriation <u>Before Resolution 12-24</u>	<u>Resolution 12-24</u>	<u>New Total Appropriation</u>
Resources	\$150,000	\$77,741	\$227,741
Material & Services	\$113,500	\$77,741	\$191,241
Total Fund	\$1,789,500	\$77,741	\$1,867,241

ADVANTAGES

The City will be in compliance with ORS 294.473 and have sufficient funding for the projects listed.

DISADVANTAGES

None.

BUDGET

The appropriations will provide the resources needed to balance proposed expenditures.

RECOMMENDATION

It is staff's recommendation the City Council hold a public hearing to accept public comment and then adopt Resolution 12-24.

City of Coos Bay

Resolution 12 - 24

A RESOLUTION OF THE CITY OF COOS BAY, COOS COUNTY, OREGON, SUPPLEMENTAL BUDGET APPROPRIATING STATE GAS TAX AND WASTEWATER FUND CARRYOVER; AND APPROPRIATING FUNDS FOR THE MAJOR CAPITAL FUND.

WHEREAS, appearing to the City of Coos Bay that the City of Coos Bay has complied with the provisions of ORS 294.473 to appropriate funds to adjust one fund's expenditures by more than 10% of the fund's adopted expenditure total; a public hearing shall be held; the governing body at a regularly scheduled meeting shall adopt a supplemental budget by resolution stating the need, purpose, and amount of the appropriation; provide notice of the meeting by publishing not less than five days before the meeting; and the notice includes a summary of the changes proposed; and

WHEREAS, the State Gas Tax Fund requires additional appropriation of approximately \$30,000 for Material and Services for the purchase of Federal Trade Commission (FTC) required upgrades to the Public Works radio infrastructure at approximately \$25,000. The State Gas Tax Fund has sufficient unanticipated carryover from FYE 12 of \$169,604; and

WHEREAS, Resolution 12-17 in fiscal year 2011 – 2012 closed the Insurance Reserve Fund and transferred the balance, \$298,808, to the Wastewater Fund to re-establish the wastewater environmental self-insurance line item in the Wastewater Fund. The Wastewater Fund fiscal year 2011 – 2012 carryover included the funds from the closed Insurance Reserve Fund; and

WHEREAS, the FYE 12 City timber sale included several acres of Coos Bay – North Bend Water Board land that needed to be logged because the wind exposure to the remaining timber would have likely resulted in windfall and damage the timber during winter storms. These respective funds need to be remitted to the Coos Bay – North Bend Water Board, \$25,586. The contractor, Swanson, did not draw down the timber receipts from the initial down payment and \$52,154 needs to be remitted to Swanson; and

State Gas Tax Fund

Resources	Carryover	\$169,604	
Requirements	Contingency	139,604	
Requirements	Streets Maintenance	30,000	
	New Total Street Maintenance		\$1,110,122
	New Total Contingency		139,604
	New Total State Gas Tax Fund		1,247,726

Wastewater Fund

Resources	Carryover	804,992	
Requirements	WW Collection / Treatment	298,808	
Requirements	Contingency	506,184	
	New Total WW Collection / Treatment		3,578,021
	New Total Contingency		1,137,235
	New Total Wastewater Fund		7,221,627

Major Capital Fund

Resources	Miscellaneous Revenue	77,741	
Requirements	Material & Services	77,741	
	New Total Material & Services		191,241
	New Total Major Capital Fund		1,867,241

NOW THEREFORE, BE IT RESOLVED THAT, the City of Coos Bay, Coos County Oregon hereby adopts the FY 2012-2013 Resolution as set forth above and appropriates the sums as shown above.

The foregoing resolution was duly adopted by the City of Coos Bay, Coos County, Oregon this 20th day of November 2012.

Crystal Shoji, Mayor

ATTEST:

Susanne Baker, City Recorder