

CITY OF COOS BAY CITY COUNCIL
Agenda Staff Report

MEETING DATE August 4, 2015	AGENDA ITEM NUMBER
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TO: Mayor Shoji and City Councilors

FROM: Susanne Baker, Finance Director

THROUGH: Rodger Craddock, City Manager

ISSUE Public Hearing and Adoption of Resolution 15-13

BACKGROUND

At the recommendation of the Streets Task Force on July 7, 2015, the City Council enacted Ordinance 468 whereby increasing the electric franchise fee 2% for the specific purpose of providing additional resources for street maintenance. During the FYE 16 budget process, this action was yet unknown; and the estimated increase in the electric franchise fee of \$316,000 was not budgeted. Subsequently, the additional allocation is proposed to be budgeted through the supplemental budget process for FYE16 to provide flexibility in scheduling construction projects. The increase in the franchise fee will increase the General Fund, transferred to the Gas Tax Fund, and then transferred to the Street Improvement Fund where the larger street maintenance and capital projects are budgeted. ORS 294.473 allows appropriation of additional funds through the public hearing and supplemental budget process with approval of a resolution by the governing body.

Street Improvement Fund

	<u>Appropriation as Budgeted</u>	<u>Resolution 15-13</u>	<u>New Total Appropriation</u>
Resources	\$522,344	\$316,000	\$838,344
Capital	522,344	316,000	838,344
Total Fund	522,344	316,000	838,344

ADVANTAGES

The City will be in compliance with ORS 294.473 with sufficient expenditure appropriations.

DISADVANTAGES

None.

BUDGET

The appropriation 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 15-13 a Supplemental Budget Appropriating the Increase in PacifiCorp Franchise Fee in the Street Improvement Fund.

City of Coos Bay

Resolution 15-13

A RESOLUTION OF THE CITY OF COOS BAY, COOS COUNTY, OREGON, SUPPLEMENTAL BUDGET APPROPRIATING THE INCREASE IN PACIFICORP FRANCHISE FEE IN THE STREET IMPROVEMENT FUND.

WHEREAS, 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 City Council of the City of Coos Bay by ordinance increased the electric utility franchise fee with Pacific Power and Light to 9%; and

WHEREAS, the intention of the increase in electric utility franchise fee was to offset the State Gas Tax Fund 2 electrical cost of operating city street and traffic lights within the city limits of Coos Bay through Resolution 15-08; and

WHEREAS, the City of Coos Bay recognizes the importance of street maintenance and is appropriating the \$316,000 estimated increase in the electrical franchise fees into the General Fund which will be transferred into Gas Tax Fund for street maintenance for minor repairs and into the Street Improvement Fund for capital improvements

General Fund

Resources	Electric Franchise Fee	\$316,000	
Requirements	Transfer to Gas Tax Fund	316,000	
	New Total Transfers		\$547,629
	New Total General Fund Requirements		\$11,298,875

Gas Tax Fund

Resources	Transfer in from General Fund	\$316,000	
Requirements	Transfer to Street Improvement Fund	316,000	
	New Total Transfers		\$317,000
	New Total Gas Tax Fund Requirements		\$1,347,783

Street Improvement Fund

Resources	Transfer in from Gas Tax Fund	\$316,000	
Requirements	Capital	316,000	
	New Total Capital Requirements		\$838,344
	New Total Street Improvement Fund Requirements		\$838,344

NOW, THEREFORE, BE IT RESOLVED THAT, the City of Coos Bay, Coos County Oregon hereby adopts the FY 2015-2016 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 4th day of August 2015.

Crystal Shoji, Mayor

ATTEST:

Susanne Baker, City Recorder