



City of McMinnville FY2024-25 Proposed Budget Amendments

Report in Brief:

Every year new information comes up in the period between the time the proposed budget data is balanced for the proposed budget document and the time of the Budget Committee meeting itself. These updates are typically included in the motion made for the approved budget. The following describes the updates made this cycle.

Proposed Budget Amendments for consideration by the Budget Committee:

This year's updates include:

1. Shifting existing contracts from the current year to FY2024-25; these actions have no impact on the bottom line of the fund in question. The beginning FY2024-25 fund balance budget is increased, the fund's budgeted program expenditures are likewise increased and the FY2024-25 ending fund balance remains the same. Wastewater Capital Fund is pushing out \$6.5 million in contracts with General Fund at \$20,000.
2. Shifting \$216,250 for five authorized capital projects funded by internal borrowing from FY2023-24 to FY2024-25, affecting General Fund and Wastewater Capital Funds:
 - a. one patrol vehicle
 - b. community center carpeting
 - c. senior center exterior signage
 - d. community development building HVAC replacement
 - e. one park restroom partition

The proposed budget as published already includes two additional capital project timing pushes. In these cases, the loan proceeds in to the General Fund and internal loan out from Wastewater Capital Fund for FY2024-25 increases by the budget amount for each capital investment. The amount of the loan payment itself has a net zero impact on both funds' FY 2024-25 ending fund balance.

Another budgetary consequence of these actions is related to the repayments for these internal loans. When a project is pushed back a year, the corresponding first loan payment for the projects also moves by a year, thus reducing the budget for loan payment out (in the transfer out expenditure category) from General Fund to Wastewater Capital Fund in FY2024-25. The decreased outlay and corresponding revenue totaling \$49,329 for these loan payments do move the ending fund balance for both funds by this amount but at the end of the five-year loan period, the impact of this change on both funds nets to zero.

3. A scope change for community development building capital investments allows the City to get more “bang for the buck” from its FY2023-24 entrance way/security budget as well as FY2024-25 proposed budget’s capital investments in the building. The net impact of \$2,500 in added program category costs across appropriations in the engineering department and community development department of the General Fund and the Building Fund results in achieving two phases of the HVAC replacement next year.
4. A new grant was awarded to the Senior Center, increasing program expense by \$50,000 in the Park and Recreation budget, offset by revenue of the same amount.
5. Two clerical corrections affecting the General Fund and Insurance Services Fund (ISF). One is to apply the correct actual cost of living increase to members of the police department’s collective bargaining agreement, a net savings of \$99,032 for the General Fund. This correction also impacts the ISF by reducing its budgeted revenue in and equivalent workers compensation expense amount by \$1,777. A clerical error of \$669 was identified during this process as these workers compensation revenue and expense numbers should offset each other. This secondary correction reduced the ISF’s ending fund balance.
6. After consulting with our certified public accountant, a change in the treatment for ongoing bank deposits received by the City associated with ambulance transports is recommended. For transports made during the time frame of the City’s license, payers are required to continue remitting those invoiced amounts to the City, which is then paid to the McMinnville Fire District (MFD). Because we are collecting the funds on MFD’s behalf as established in our intergovernmental agreement, the proposed change is to remove these revenues and outlays from the budget. From an accounting perspective, the receipts will be classified as a funds-due-other-organization liability account, which will clear to zero when the dollars are passed over to MFD.

The total impact of these updates on the City’s budget appropriation is an increase of \$2.8 million in appropriations and \$128,000 in higher unappropriated ending fund balance across all funds.

A table outlining in three columns the proposed budget document’s appropriation totals, the net change in each appropriation category and the updated proposed budget follows.

In addition, a list of the detailed line-item updates is also provided.

City of McMinnville
FY25 Proposed Budget Update
 (5/16/2024 update)

Fund, Dept and Budget Category	Proposed Budget Book	Changes	Updated Proposal
General Fund			
Administration	2,671,023	2,963	2,673,986 ¹
Finance	1,012,444		1,012,444
Engineering	1,622,801	950	1,623,751 ²
Community Development	2,679,035	20,925	2,699,960 ^{2,3}
Police	11,544,176	(32,743)	11,511,433 ^{4,5}
Municipal Court	716,572		716,572
Park and Recreation	3,941,747	154,500	4,096,247 ^{6,7}
Park Maintenance	2,871,953	17,500	2,889,453 ⁸
Library	2,936,653		2,936,653
Non-departmental	164,830		164,830
Debt	611,508		611,508
Transfers	2,000,827	(49,329)	1,951,498 ^{2,5,6,8}
Special Payments	0		0
Contingency	1,962,400		1,962,400
General Fund Total	34,735,969	114,766	34,850,735
Grant and Special Assessment Fund			
Program	314,000		314,000
Transfers	12,282		12,282
Contingency	0		0
Grant and Spec Assess Total	326,282	0	326,282
Transient Lodging Tax Fund			
Program	1,442,286		1,442,286
Transfers	660,117		660,117
Transient Lodging Fund Total	2,102,403	0	2,102,403
Affordable Housing Fund			
Program	1,774,989		1,774,989
Transfers	18,000		18,000
Contingency	6,062		6,062
Affordable Housing Fund Total	1,799,051	0	1,799,051

Fund, Dept and Budget Category	Proposed Budget Book	Changes	Updated Proposal
Telecommunications Fund			
Program	190,150		190,150
Contingency	1,500		1,500
Telecommunications Fund Total	191,650	0	191,650
Emergency Communications Fund			
Program	591,358		591,358
Debt	37,173		37,173
Transfers	2,397		2,397
Contingency	50,000		50,000
Emergency Comms Fund Total	680,928	0	680,928
Street Fund			
Program	2,829,892		2,829,892
Transfers	817,347		817,347
Contingency	500,000		500,000
Street Fund Total	4,147,239	0	4,147,239
Airport Maintenance Fund			
Program	1,873,298		1,873,298
Transfers	62,260		62,260
Contingency	300,000		300,000
Airport Maint Fund Total	2,235,558	0	2,235,558
Transportation Fund			
Program	1,567,920		1,567,920
Debt	201,249		201,249
Transfers	138,261		138,261
Contingency	500,000		500,000
Transportation Fund Total	2,407,430	0	2,407,430
Park Development Fund			
Program	600,530		600,530
Transfers	71,145		71,145
Contingency	500,000		500,000
Park Development Fund Total	1,171,675	0	1,171,675

<u>Fund, Dept and Budget Category</u>	<u>Proposed Budget Book</u>	<u>Changes</u>	<u>Updated Proposal</u>
Debt Service Fund			
Debt	2,997,900		2,997,900
Debt Service Total	2,997,900	0	2,997,900
Building Fund			
Program	894,713	625	895,338 ²
Transfers	81,645		81,645
Contingency	200,000		200,000
Building Fund Total	1,176,358	625	1,176,983
Wastewater Services Fund			
Program	6,641,817		6,641,817
Transfers	6,791,347		6,791,347
Contingency	900,000		900,000
WW Services Fund Total	14,333,164	0	14,333,164
Wastewater Capital Fund			
Program	22,746,190	6,500,000	29,246,190 ⁹
Transfers	1,106,120	191,875	1,297,995 ^{2,5,6,8}
Special Payments	0		0
Contingency	2,500,000		2,500,000
WW Capital Fund Total	26,352,310	6,691,875	33,044,185
Information Services Fund			
Program	1,925,224		1,925,224
Contingency	75,000		75,000
Info Services Fund Total	2,000,224	0	2,000,224
Insurance Services Fund			
Program	1,415,945	(1,108)	1,414,837 ^{4, 10}
Transfers	82,776		82,776
Contingency	150,000		150,000
Insurance Services Total	1,648,721	(1,108)	1,647,613
Fire District Transition Fund			
Program	0		0
Special Payments	4,000,000	(4,000,000)	0 ¹¹
Contingency	0		0
Fire District Transition Total	4,000,000	(4,000,000)	0

Fund, Dept and Budget Category	Proposed Budget Book	Changes	Updated Proposal	
Total City of McMinnville				
Program	74,969,546	6,663,612	81,633,158	
Debt	3,847,830	0	3,847,830	
Transfers	11,844,524	142,546	11,987,070	
Special Payments	4,000,000	(4,000,000)	0	
Contingency	7,644,962	0	7,644,962	
City of McMinnville	102,306,862	2,806,158	105,113,020	
Unappropriated Ending Fund Balance				
General Fund	2,417,923	121,561	2,539,484	1,2,4,5,6,8
Grant and Assessment Fund	173,952		173,952	
Affordable Housing Fund	922		922	
TLT, Telco, Emerg Comm Funds	121,157		121,157	
Street Fund	1,003,806		1,003,806	
Airport Maintenance Fund	409,084		409,084	
Transportation Fund	5,437,905		5,437,905	
Park Development Fund	2,067,734		2,067,734	
Debt Service Fund	274,250		274,250	
Building Fund	1,582,332	8,125	1,590,457	
Wastewater Services + Capital	15,613,913	(1,116)	15,612,797	2,5,6,8
Internal Service Funds	326,508	(669)	325,839	10
	29,429,486	127,901	29,557,387	
Total City of McMinnville Budget	131,736,348	2,934,059	134,670,407	

¹ Increase Yamhill County Transit contribution to \$30,000, reduces ending fund balance

² Community Development building's capital improvement timing and scope changes

³ Long-term planning: move part of contract from FY24 to FY25, will increase beginning fund bal

⁴ PD: personnel cost of living adjustment correction, increases Gen Fund ending fund balance

⁵ PD: vehicle roll-over from FY24*

⁶ Park and Rec: move community center carpeting and senior center signage from FY24 to FY25*

⁷ Park and Rec: new \$50,000 senior center grant

⁸ Park Maint: one park bathroom partition capital project move to FY25*

⁹ WW Capital: move incomplete contracts from FY24 to FY25; increases beginning fund balance

¹⁰ Insurance Services: \$669 correction to balance workers comp rev to expense

¹¹ Fire Transition: treat FY25 funds in and payment out as non-budgetable balance sheet activity

* Moving capital projects funded with interfund loans from FY24 to FY25 increases General Fund's ending fund balance and decreases Wastewater Capital Fund's EFB because first year's payments shift from FY25 to FY26.

City of McMinnville

FY25 Proposed Budget Update Detail

Line Item Detail	Proposed Budget Book	Changes	Updated Proposal	Notes
Fund 01 - General Fund				
Revenue				
<u>Beginning Fund Balance</u>				
4090 Beginning Fund Balance	4,501,569	20,000	4,521,569	Long term planning contract from FY24 to FY25
<u>Intergovernmental</u>				
<u>01-11-046-574 Police Department Investigations and Support School Resource</u>				
5020-05 McMinnville School District #40 - SRO - High School	68,760	(920)	67,840	Correction of Police Union cost of living is reduction of personnel cost and therefore reimbursement for School Resource Officers
5020-10 McMinnville School District #40 - SRO - Middle School	57,250	(790)	56,460	
<u>01-17-099-501 Park and Recreation Senior Center</u>				
4780 Grant Revenue	0	50,000	50,000	New Vehicle Grant Senior Center
<u>01-99 Non-departmental Transfers In</u>				
6901-77 Transfers In - Interfund Debt Wastewater Capital	855,135	191,875	1,047,010	Delayed FY24 interfund loans to FY25 (PD vehicle, CDC bldg's timing and scope change, Park and Rec building improvements and one FY24 park bathroom partition) increase interfund loan transfers
General Fund Revenue Total Change		260,165		
Expenses				
<u>01-01-011 Administration - Community Development</u>				
8025 Yamhill Co - YCTA	27,037	2,963	30,000	Increase YCTA contribution
<u>01-05 Engineering</u>				
8800 Building Improvements	19,000	950	19,950	CDC bldg's timing and scope change
<u>01-07-001 Community Development - Administration</u>				
8800 Building Improvements	18,500	925	19,425	CDC bldg's timing and scope change
<u>01-07-028 Community Development - Long Range Planning</u>				
7750 Professional Services	524,000	20,000	544,000	FY24 contract will be moved to FY25
<u>01-11-040-580 Police Chief's Office Records</u>				
7000-05 Salaries & Wages Regular Full Time	211,153	(3,472)	207,681	
7300-05 Fringe Benefits FICA - Social Security	12,836	(211)	12,625	
7300-06 Fringe Benefits FICA - Medicare	3,076	(50)	3,026	Correct Cost of Living adjustment to reflect McMinnville Police Association contract
7300-15 Fringe Benefits PERS - OPSRP - IAP	64,497	(1,056)	63,441	
7300-35 Fringe Benefits Workers' Compensation Insurance	259	(4)	255	
7300-45 Fringe Benefits Paid Family Leave City Share	166	(3)	163	
<u>01-11-043-553 Police Department Field Operations Patrol</u>				
7000-05 Salaries & Wages Regular Full Time	2,978,023	(46,827)	2,931,196	
7000-15 Salaries & Wages Temporary	59,784	(1,015)	58,769	
7300-05 Fringe Benefits FICA - Social Security	214,035	(2,894)	211,141	
7300-06 Fringe Benefits FICA - Medicare	51,296	(691)	50,605	Correct Cost of Living adjustment to reflect McMinnville Police Association contract
7300-15 Fringe Benefits PERS - OPSRP - IAP	1,156,954	(15,806)	1,141,148	
7300-35 Fringe Benefits Workers' Compensation Insurance	94,103	(1,270)	92,833	
7300-45 Fringe Benefits Paid Family Leave City Share	2,755	(33)	2,722	
8850 Vehicles	163,635	68,000	231,635	Delayed FY24 PD vehicle outlay
<u>01-11-046-501 Police Department Investigations and Support Admin</u>				
7000-05 Salaries & Wages Regular Full Time	281,777	(1,968)	279,809	
7300-05 Fringe Benefits FICA - Social Security	18,430	(119)	18,311	
7300-06 Fringe Benefits FICA - Medicare	4,418	(29)	4,389	Correct Cost of Living adjustment to reflect McMinnville Police Association contract
7300-15 Fringe Benefits PERS - OPSRP - IAP	102,091	(728)	101,363	
7300-35 Fringe Benefits Workers' Compensation Insurance	8,103	(52)	8,051	
7300-45 Fringe Benefits Paid Family Leave City Share	238	(2)	236	
<u>01-11-046-559 Police Department Investigations and Support Parking Enforcement</u>				
7000-05 Salaries & Wages Regular Full Time	64,609	(1,108)	63,501	
7300-05 Fringe Benefits FICA - Social Security	3,928	(67)	3,861	
7300-06 Fringe Benefits FICA - Medicare	942	(16)	926	Correct Cost of Living adjustment to reflect McMinnville Police Association contract
7300-15 Fringe Benefits PERS - OPSRP - IAP	19,738	(338)	19,400	
7300-35 Fringe Benefits Workers' Compensation Insurance	1,727	(30)	1,697	

<u>Line Item Detail</u>	<u>Proposed Budget Book</u>	<u>Changes</u>	<u>Updated Proposal</u>	<u>Notes</u>
<u>01-11-046-568 Police Department Investigations and Support Investigations</u>				
7000-05 Salaries & Wages Regular Full Time	750,111	(11,382)	738,729	
7300-05 Fringe Benefits FICA - Social Security	53,322	(688)	52,634	
7300-06 Fringe Benefits FICA - Medicare	12,780	(164)	12,616	Correct Cost of Living adjustment to reflect
7300-15 Fringe Benefits PERS - OPSRP - IAP	306,580	(4,043)	302,537	McMinnville Police Association contract
7300-35 Fringe Benefits Workers' Compensation Insurance	23,352	(303)	23,049	
7300-45 Fringe Benefits Paid Family Leave City Share	688	(9)	679	
<u>01-11-046-574 Police Department Investigations and Support School Resource</u>				
7000-05 Salaries & Wages Regular Full Time	203,051	(3,147)	199,904	
7300-05 Fringe Benefits FICA - Social Security	12,678	(192)	12,486	
7300-06 Fringe Benefits FICA - Medicare	3,039	(46)	2,993	Correct Cost of Living adjustment to reflect
7300-15 Fringe Benefits PERS - OPSRP - IAP	73,389	(1,108)	72,281	McMinnville Police Association contract
7300-35 Fringe Benefits Workers' Compensation Insurance	5,574	(84)	5,490	
7300-45 Fringe Benefits Paid Family Leave City Share	164	(2)	162	
<u>01-11-046-583 Police Department Investigations and Support Evidence</u>				
7000-05 Salaries & Wages Regular Full Time	77,585	(1,270)	76,315	
7300-05 Fringe Benefits FICA - Social Security	6,250	(77)	6,173	
7300-06 Fringe Benefits FICA - Medicare	1,498	(18)	1,480	Correct Cost of Living adjustment to reflect
7300-15 Fringe Benefits PERS - OPSRP - IAP	31,400	(386)	31,014	McMinnville Police Association contract
7300-35 Fringe Benefits Workers' Compensation Insurance	2,748	(34)	2,714	
7300-45 Fringe Benefits Paid Family Leave City Share	81	(1)	80	
<u>01-17-090-501 Park and Recreation Community Center</u>				
8800 Building Improvements	10,000	92,000	102,000	Cmty Center carpet project delayed from FY24 to FY25
<u>01-17-099-501 Park and Recreation Senior Center</u>				
8800 Building Improvements	266,400	12,500	278,900	Senior Center outdoor sign project delayed from FY24 to FY25
8850-15 Vehicles Grants	0	50,000	50,000	Senior Center new vehicle grant
<u>01-19 Park Maintenance</u>				
9300-05 Park Improvements	15,000	17,500	32,500	One FY24 park bathroom partition moved to FY25
<u>01-99 Non-departmental Transfers Out</u>				
9701-77 Transfers Out - Interfund Debt Wastewater Capital	442,284	(49,329)	392,955	Delayed FY24 PD vehicle outlay, CDC bldg's timing and scope change, Park and Rec capital building improvement delays and one FY24 park bathroom partition moved to FY25
<u>01-99 Non-departmental Ending Fund Balances</u>				
9999 Unappropriated Ending Fd Balance	343,620	145,399	489,019	PD's CoLA adjustment and lower loan payments in FY25 due to delayed capital loan internal funded activity (PD vehicle, CDC bldg's timing and scope change, Park and Rec building improvements and one park bathroom partition) increases EFB; the higher YCTA contribution lowers EFB
General Fund Expense Total Change		260,165		

Line Item Detail	Proposed Budget Book	Changes	Updated Proposal	Notes
Fund 70 - Building				
Revenue				
<u>Beginning Fund Balance</u>				
4090 Beginning Fund Balance	2,025,096	8,750	2,033,846	Delayed HVAC project
Building Revenue Total Change		8,750		
EXPENSE				
<u>Program Expenses</u>				
8800 Building Improvements	12,500	625	13,125	
<u>Ending Fund Balance</u>				
9999 Unappropriated Ending Fd Balance	1,582,332	8,125	1,590,457	CDC bldg's timing and scope change capital project program expense and ending fund balance
Building Fund Expense Total Change		8,750		
Fund 77 - Wastewater Capital				
Revenue				
<u>Beginning Fund Balance</u>				
4090 Beginning Fund Balance	31,720,978	6,716,250	38,437,228	Increase due to WW capital contracts being moved to FY25 from FY24 as well as noted FY24 interfund loans for capital purposes delayed until FY25
<u>Transfers In</u>				
6901-01 Transfers In - Interfund Debt General Fund	442,284	(49,329)	392,955	Delayed FY24 interfund loans mean first year repayment is pushed from FY25 to FY26
Wastewater Capital Revenue Total Change		6,666,921		
EXPENSE				
<u>Program Expenses</u>				
7770-05 Professional Services - Projects Master Plan Update	600,000	400,000	1,000,000	
7770-41 Professional Services - Projects Solids Treatment Capacity improv	1,200,000	250,000	1,450,000	
7770-57 Professional Services - Projects I&I Reduction Design	500,000	200,000	700,000	Delayed FY24 contract activity moved to FY25
9120-25 Sewer Construction I&I Reduction Projects	2,500,000	1,750,000	4,250,000	
9120-41 Sewer Construction Solids Treatment Capacity Improv	0	3,900,000	3,900,000	
<u>Transfers Out</u>				
9701-01 Transfers Out - Interfund Debt General Fund	855,135	191,875	1,047,010	Delayed internal loans for capital activity from FY24 to FY25 (PD vehicle, CDC bldg's timing and scope change, Park and Rec building improvements and one park bathroom partition)
<u>Ending Fund Balance</u>				
9999 Unappropriated Ending Fd Balance	14,175,374	(24,954)	14,150,420	CDC bldg's timing and scope change increased EFB, delayed first year repayments in FY26, not FY25, for FY24 projects pushed to FY25 that are funded by internal borrowing reduced reduce EFB
Wastewater Capital Fund Expense Total Change		6,666,921		

Line Item Detail	Proposed Budget Book	Changes	Updated Proposal	Notes
Fund 85 - Insurance Services				
Revenue				
<u>Program Revenue</u>				
6070 Workers' Compensation Insurance	321,163	(1,777)	319,386	Correction of Police Union cost of living creates reduction for workers' compensation insurance
Insurance Services Total Change		(1,777)		
EXPENSE				
<u>Program Expenses</u>				
8350 Unappropriated Ending Fd Balance	320,494	(1,108)	319,386	Correction of Police Union + \$669 error as revenue and expense should be the same
<u>Ending Fund Balance</u>				
9999 Unappropriated Ending Fd Balance	185,691	(669)	185,022	\$669 error as WC revenue and expense should be the same
Insurance Services Fund Expense Total Change		(1,777)		
Fund 99 - Fire District Transition				
Revenue				
<u>Intergovernmental</u>				
<u>99-79 Ambulance Intergovernmental</u>				
4555 Ground Emergency Medical Transport (GEMT) Reimbursement	1,000,000	(1,000,000)	0	
<u>99-79 Ambulance Charges for Services</u>				
5700 Transport Fees	3,000,000	(3,000,000)	0	Treat FY25 funds in and payment out as non-budgetable balance sheet activity. Funds collected on behalf of McMinnville Fire District (MFD) will be a liability to the City of McMinnville and passing the funds through to MFD will clear the liability to zero
Fire District Transition Revenue Total Change		(4,000,000)		
EXPENSE				
<u>99-99 Non Departmental Special Payments</u>				
9394 Inter-Agency Payment Out	4,000,000	(4,000,000)	0	
Fire District Transition Fund Expense Total Change		(4,000,000)		
Total additional proposed appropriations		2,934,059		