



## REQUEST FOR COUNCIL ACTION

<b>DATE ACTION REQUESTED: February 27, 2024</b>			
<b>Ordinance</b> <input type="checkbox"/>	<b>Resolution</b> <input type="checkbox"/>	<b>Motion</b> <input type="checkbox"/>	<b>Information</b> <input checked="" type="checkbox"/>
<b>Date Prepared: 2/22/2024</b>		<b>Dept.: City Manager's Office</b>	
<b>SUBJECT: Expenditure Budget</b>		<b>Contact Person for this Item: Melissa Bethel, City Manager, <a href="mailto:bethelm@grantcounty-org.gov">bethelm@grantcounty-org.gov</a> 541 575 0028 ex 4224</b>	

**SUBJECT: Budget to actual review**

**BACKGROUND:** The City's accounting department completely turned over on or before August 22<sup>nd</sup>, 2023. The City hired Gaslin Accounting CPAs PC to assist with certain accounting functions, however, due to inadequate City staffing significant delays occurred in bringing the City's accounting records to a point where they were sufficiently accurate to present to council. The focus of those involved in the City's accounting function were to maintain operations, specifically, keep the bills and payroll being paid. Revenue recording and non-utility billing functions were placed at a lower priority in order to keep the city functioning. This directive was given by the then acting city manager. The City is still not properly staffed in the accounting function.

The accompanying document presents the City's expenditures on their appropriation level summary. This is important as providing line item detail would likely overwhelm all who try to use the document and because the legal authority to expend City funds is limited at the appropriation level. Revenues are not presented at this time as City staff needs additional time to ensure that the information being presented for revenues is reasonably accurate. The actual expenditures presented may require some modifications and reclassifications before they are final, but we believe that the information presented is reasonably accurate, though we must remind council that these are unaudited amounts and no assurance is provided.

As this is the first budget to actual report that has been presented to Council in some time, it is important to remind readers of the limitation of a budget. A budget, while a legal requirement, is nothing more than a documented plan of revenues and expenditures under a certain set of assumptions. Additionally, due to the legal requirements of a budget, specifically that a budget balances, often expenditures plan for the complete exhaustion of all City resources in a particular fund, thereby balancing revenues to expenditures. This allows the City to legally expend more than is prudent. In the current year budget, certain expenditure amounts were budgeted along with their associated revenues, despite the revenues not being likely to be received. An example of this can be found on page 3, where \$16,230,000 was budgeted for Sewer Construction even

though the associated revenue that balanced that portion of the budget likely won't be received in the current year. It should be understood that budgetary authority to expend must also be balanced with the realities of available cash.

**FINANCIAL IMPACT:** Here follow the areas of the budget to actual report that I would like to draw council's attention to:

- As a base line for understanding this report, the "Total Budget" column is the entire budget for that appropriation for the entire year. Therefore, as we are 7 months into the fiscal year, we would expect to have 42% (5/12) of the budget remaining.
- Page 1:
  - o Personnel Services – Administration – 63% of the budget is remaining due to no paid City Manager for the year. Note that there is \$59,763 remaining in the budget.
  - o Materials and Services – Administration – 23% or \$36,206 over-expended. This is due to the use of legal and other professional services during the year. Amounts that were general in nature and not specifically charged to another fund were charged here during the year.
- Page 2:
  - o Personnel Services – Water – 14% of the budget remaining. The budget is based on an expectation of where hours are charged and the actual is calculated from actual time charged to a specific department. In this case water was charged to more frequently than sewer and the corresponding line item for Sewer still has 66% of budget remaining.
  - o Debt Service – Water – 22% remaining – items such as debt service don't follow a pro rata curve in this case, payments are made semi annually in different amounts. This account is moving as expected. Similar situation with the corresponding Sewer debt account on page 3.
- Page 5:
  - o Materials & Services – Streets – 22% or \$20,921 over-expended. This is the result of project remnants and administration costs being charged in the current year, beyond expectation.
- Summary of Loans Outstanding
  - o A common question of the residents of John Day historically has been how much debt does the City have. It is important for City leadership to be aware of the current debt burden especially as new projects are being considered for financing.
  - o Please note that the Y21006 loan and the new URA loan have not yet gone into repayment.

**ATTACHMENTS:**

Statement of Expenditures (budget to actual report)

Summary of Loans Outstanding

City of John Day  
Statement of Expenditures - Unposted Transactions Included In Report  
From 1/1/2024 Through 1/31/2024  
01 - General

	Current Period		Total Budget	Total Budget		Percent Budget Remaining
	Actual	Current Year Actual		Variance		
EXPENSES						
PERSONNEL SERVICES						
Administration	010	4,252.40	35,044.46	94,808.00	59,763.54	63%
Fire	050	2,949.86	24,318.19	44,028.00	19,709.81	45%
Total PERSONNEL SERVICES		7,202.26	59,362.65	138,836.00	79,473.35	57%
MATERIALS & SERVICES						
Administration	010	24,803.68	193,724.42	157,518.00	(36,206.42)	-23%
Fire	050	1,095.39	28,601.10	98,305.00	69,703.90	71%
Total MATERIALS & SERVICES		25,899.07	222,325.52	255,823.00	33,497.48	13%
CAPITAL OUTLAY						
Administration	010	0.00	2,348.80	32,200.00	29,851.20	93%
Fire	050	0.00	0.00	13,500.00	13,500.00	100%
Total CAPITAL OUTLAY		0.00	2,348.80	45,700.00	43,351.20	95%
INTERFUND TRANSFERS						
Administration	010	0.00	0.00	407,012.00	407,012.00	100%
Fire	050	0.00	0.00	67,992.00	67,992.00	100%
Total INTERFUND TRANSFERS		0.00	0.00	475,004.00	475,004.00	100%
CONTINGENCY						
Administration	010	0.00	0.00	22,470.00	22,470.00	100%
Total CONTINGENCY		0.00	0.00	22,470.00	22,470.00	100%
Total EXPENSES		<u>33,101.33</u>	<u>284,036.97</u>	<u>937,833.00</u>	<u>653,796.03</u>	70%

02 - Water

City of John Day  
 Statement of Expenditures - Unposted Transactions Included In Report  
 From 1/1/2024 Through 1/31/2024

	Current Period		Total Budget	Total Budget Variance	Percent Budget Remaining
	Actual	Current Year Actual			
EXPENSES					
PERSONNEL SERVICES					
Administration	6,000.48	31,065.29	117,615.00	86,549.71	74%
Water	14,333.97	121,129.02	140,353.00	19,223.98	14%
Total PERSONNEL SERVICES	20,334.45	152,194.31	257,968.00	105,773.69	41%
MATERIALS & SERVICES					
Administration	2,088.08	9,556.36	64,450.00	54,893.64	85%
Water	5,190.19	56,859.54	228,660.00	171,800.46	75%
Total MATERIALS & SERVICES	7,278.27	66,415.90	293,110.00	226,694.10	77%
CAPITAL OUTLAY					
Water	0.00	23,239.97	292,290.00	269,050.03	92%
Total CAPITAL OUTLAY	0.00	23,239.97	292,290.00	269,050.03	92%
INTERFUND TRANSFERS					
Water	0.00	0.00	62,000.00	62,000.00	100%
Total INTERFUND TRANSFERS	0.00	0.00	62,000.00	62,000.00	100%
DEBT SERVICE					
Water	0.00	185,028.29	237,750.00	52,721.71	22%
Total DEBT SERVICE	0.00	185,028.29	237,750.00	52,721.71	22%
CONTINGENCY					
Water	0.00	0.00	726,466.00	726,466.00	100%
Total CONTINGENCY	0.00	0.00	726,466.00	726,466.00	100%
Total EXPENSES	<u>27,612.72</u>	<u>426,878.47</u>	<u>1,869,584.00</u>	<u>1,442,705.53</u>	77%

City of John Day  
Statement of Expenditures - Unposted Transactions Included In Report  
From 1/1/2024 Through 1/31/2024

	Current Period		Total Budget	Total Budget		Percent Budget Remaining
	Actual	Current Year Actual		Variance		
<b>EXPENSES</b>						
PERSONNEL SERVICES						
Administration	010	6,000.35	31,064.39	116,590.00	85,525.61	73%
Sewer	070	8,711.27	59,383.26	174,071.00	114,687.74	66%
<b>Total PERSONNEL SERVICES</b>		14,711.62	90,447.65	290,661.00	200,213.35	69%
MATERIALS & SERVICES						
Administration	010	2,057.28	9,371.46	57,800.00	48,428.54	84%
Sewer	070	1,360.21	18,107.56	111,743.00	93,635.44	84%
<b>Total MATERIALS &amp; SERVICES</b>		3,417.49	27,479.02	169,543.00	142,063.98	84%
CAPITAL OUTLAY						
Sewer	070	0.00	0.00	273,000.00	273,000.00	100%
Project Construction	075	58,030.53	977,150.69	16,230,000.00	15,252,849.31	94%
<b>Total CAPITAL OUTLAY</b>		58,030.53	977,150.69	16,503,000.00	15,525,849.31	94%
INTERFUND TRANSFERS						
Sewer	070	0.00	0.00	381,428.00	381,428.00	100%
<b>Total INTERFUND TRANSFERS</b>		0.00	0.00	381,428.00	381,428.00	100%
DEBT SERVICE						
Sewer	070	0.00	96,983.94	106,300.00	9,316.06	9%
<b>Total DEBT SERVICE</b>		0.00	65,009.94	106,300.00	9,316.06	9%
CONTINGENCY						
Sewer	070	0.00	0.00	193,748.00	193,748.00	100%
<b>Total CONTINGENCY</b>		0.00	0.00	193,748.00	193,748.00	100%
<b>Total EXPENSES</b>		<u>76,159.64</u>	<u>1,160,087.30</u>	<u>17,644,680.00</u>	<u>16,452,618.70</u>	<u>93%</u>

04 - Joint Sewer

City of John Day  
Statement of Expenditures - Unposted Transactions Included In Report  
From 1/1/2024 Through 1/31/2024

	Current Period		Total Budget	Total Budget		Percent Budget Remaining
	Actual	Current Year Actual		Variance		
EXPENSES						
PERSONNEL SERVICES						
Administration	010	2,888.53	12,915.00	69,943.00	57,028.00	82%
Sewer	070	15,373.60	110,961.39	200,186.00	89,224.61	45%
Total PERSONNEL SERVICES		18,262.13	123,876.39	270,129.00	146,252.61	54%
MATERIALS & SERVICES						
Administration	010	645.94	2,237.64	24,350.00	22,112.36	91%
Sewer	070	5,692.38	42,671.97	130,200.00	87,528.03	67%
Total MATERIALS & SERVICES		6,338.32	44,909.61	154,550.00	109,640.39	71%
INTERFUND TRANSFERS						
Sewer	070	0.00	0.00	30,000.00	30,000.00	100%
Total INTERFUND TRANSFERS		0.00	0.00	30,000.00	30,000.00	100%
Total EXPENSES		<u>24,600.45</u>	<u>168,786.00</u>	<u>454,679.00</u>	<u>285,893.00</u>	<u>63%</u>

06 - Street Fund

City of John Day  
 Statement of Expenditures - Unposted Transactions Included In Report  
 From 1/1/2024 Through 1/31/2024

	Current Period		Total Budget	Total Budget		Percent Budget Remaining
	Actual	Current Year Actual		Variance		
<b>EXPENSES</b>						
PERSONNEL SERVICES						
Administration	010	3,588.63	16,271.49	79,312.00	63,040.51	79%
Streets	080	15,644.77	55,968.63	183,699.00	127,730.37	70%
<b>Total PERSONNEL SERVICES</b>		<b>19,233.40</b>	<b>72,240.12</b>	<b>263,011.00</b>	<b>190,770.88</b>	<b>73%</b>
MATERIALS & SERVICES						
Administration	010	849.32	12,337.15	31,550.00	19,212.85	61%
Streets	080	3,045.83	115,261.44	94,340.00	(20,921.44)	-22%
Integrated Park Sys	085	0.00	25,589.06	282,000.00	256,410.94	91%
<b>Total MATERIALS &amp; SERVICES</b>		<b>3,895.15</b>	<b>153,187.65</b>	<b>407,890.00</b>	<b>254,702.35</b>	<b>62%</b>
CAPITAL OUTLAY						
Streets	080	5,212.50	90,238.59	463,100.00	372,861.41	81%
<b>Total CAPITAL OUTLAY</b>		<b>5,212.50</b>	<b>90,238.59</b>	<b>463,100.00</b>	<b>372,861.41</b>	<b>81%</b>
INTERFUND TRANSFERS						
Streets	080	0.00	0.00	40,000.00	40,000.00	100%
<b>Total INTERFUND TRANSFERS</b>		<b>0.00</b>	<b>0.00</b>	<b>40,000.00</b>	<b>40,000.00</b>	<b>100%</b>
<b>Total EXPENSES</b>		<b>28,341.05</b>	<b>315,666.36</b>	<b>1,174,001.00</b>	<b>858,334.64</b>	<b>73%</b>

07 - IT Fund

City of John Day  
Statement of Expenditures - Unposted Transactions Included In Report  
From 1/1/2024 Through 1/31/2024

	Current Period		Total Budget	Total Budget		Percent Budget Remaining
	Actual	Current Year Actual		Variance		
EXPENSES						
PERSONNEL SERVICES						
IT	180.72	1,995.43	6,975.00	4,979.57	71%	
Total PERSONNEL SERVICES	180.72	1,995.43	6,975.00	4,979.57	71%	
MATERIALS & SERVICES						
IT	522.88	7,070.52	19,556.00	12,485.48	64%	
Seneca Cyber Mill	607.56	1,348.70	6,000.00	4,651.30	78%	
Total MATERIALS & SERVICES	1,130.44	8,419.22	25,556.00	17,136.78	67%	
CAPITAL OUTLAY						
IT	3,057.50	23,742.50	1,624,475.00	1,600,732.50	99%	
John Day Cyber Mill	0.00	14,347.50	490,000.00	475,652.50	97%	
Total CAPITAL OUTLAY	3,057.50	38,090.00	2,114,475.00	2,076,385.00	98%	
Total EXPENSES	<u>4,368.66</u>	<u>48,504.65</u>	<u>2,147,006.00</u>	<u>2,098,501.35</u>	<u>98%</u>	



09 - Debt Service

City of John Day  
 Statement of Expenditures - Unposted Transactions Included In Report  
 From 1/1/2024 Through 1/31/2024

	Current Period		Total Budget	Total Budget Variance	Percent Budget Remaining
	Actual	Current Year Actual			
EXPENSES					
DEBT SERVICE					
Administration	0.00	5,076.40	56,500.00	51,423.60	91%
Total DEBT SERVICE	0.00	5,076.40	56,500.00	51,423.60	91%
CONTINGENCY					
Administration	0.00	0.00	30,097.00	30,097.00	100%
Total CONTINGENCY	0.00	0.00	30,097.00	30,097.00	100%
Total EXPENSES	<u>0.00</u>	<u>5,076.40</u>	<u>86,597.00</u>	<u>81,520.60</u>	<u>94%</u>

10 - Community Development

City of John Day  
 Statement of Expenditures - Unposted Transactions Included In Report  
 From 1/1/2024 Through 1/31/2024

	Current Period		Total Budget	Total Budget		Percent Budget Remaining
	Actual	Current Year Actual		Variance	Remaining	
EXPENSES						
PERSONNEL SERVICES						
Administration	1,578.64	7,158.66	42,871.00	35,712.34	83%	
Total PERSONNEL SERVICES	1,578.64	7,158.66	42,871.00	35,712.34	83%	
MATERIALS & SERVICES						
Administration	395.19	11,337.34	31,850.00	20,512.66	64%	
Agri Business	245.00	3,544.00	5,920.00	2,376.00	40%	
Total MATERIALS & SERVICES	640.19	14,881.34	37,770.00	22,888.66	61%	
DEBT SERVICE						
Agri Business	0.00	21,075.00	21,300.00	225.00	1%	
Total DEBT SERVICE	0.00	21,075.00	21,300.00	225.00	1%	
CONTINGENCY						
Agri Business	0.00	0.00	22,000.00	22,000.00	100%	
Total CONTINGENCY	0.00	0.00	22,000.00	22,000.00	100%	
Total EXPENSES	<u>2,218.83</u>	<u>43,115.00</u>	<u>123,941.00</u>	<u>80,826.00</u>	<u>65%</u>	

26 - Motor Pool Fund

City of John Day  
Statement of Expenditures - Unposted Transactions Included In Report  
From 1/1/2024 Through 1/31/2024

	Current Period		Total Budget	Total Budget		Percent Budget Remaining
	Actual	Current Year Actual		Variance		
EXPENSES						
PERSONNEL SERVICES						
Motor Pool	2,767.54	17,746.84	101,437.00	83,690.16	83%	
Total PERSONNEL SERVICES	2,767.54	17,746.84	101,437.00	83,690.16	83%	
MATERIALS & SERVICES						
Fire	264.75	24,262.94	39,460.00	15,197.06	39%	
Motor Pool	1,164.37	34,481.14	104,610.00	70,128.86	67%	
Total MATERIALS & SERVICES	1,429.12	58,744.08	144,070.00	85,325.92	59%	
CAPITAL OUTLAY						
Fire	0.00	0.00	29,660.00	29,660.00	100%	
Motor Pool	0.00	0.00	23,243.00	23,243.00	100%	
Total CAPITAL OUTLAY	0.00	0.00	52,903.00	52,903.00	100%	
Total EXPENSES	<u>4,196.66</u>	<u>76,490.92</u>	<u>298,410.00</u>	<u>221,919.08</u>	<u>74%</u>	

33 - Unpaid Comp Fund

City of John Day  
 Statement of Expenditures - Unposted Transactions Included In Report  
 From 1/1/2024 Through 1/31/2024

	Current Period		Total Budget	Total Budget Variance	Percent Budget Remaining
	Actual	Current Year Actual			
EXPENSES					
PERSONNEL SERVICES					
Administration	0.00	0.00	127,374.00	127,374.00	100.00%
Total PERSONNEL SERVICES	0.00	0.00	127,374.00	127,374.00	100.00%
Total EXPENSES	<u>0.00</u>	<u>0.00</u>	<u>127,374.00</u>	<u>127,374.00</u>	<u>100.00%</u>

City of John Day  
 Statement of Expenditures - Unposted Transactions Included In Report  
 From 1/1/2024 Through 1/31/2024

	Current Period		Total Budget	Total Budget Variance	Percent Budget Remaining
	Actual	Current Year Actual			
EXPENSES					
MATERIALS & SERVICES					
Administration	395.66	265,395.76	1,464,902.00	1,199,506.24	81.88%
Total MATERIALS & SERVICES	395.66	265,395.76	1,464,902.00	1,199,506.24	81.88%
CONTINGENCY					
Administration	0.00	0.00	150,000.00	150,000.00	100.00%
Total CONTINGENCY	0.00	0.00	150,000.00	150,000.00	100.00%
Total EXPENSES	<u>395.66</u>	<u>265,395.76</u>	<u>1,614,902.00</u>	<u>1,349,506.24</u>	<u>83.57%</u>

City of John Day  
 2.1.2024  
 Summary of Loans Outstanding

GL Account #	Name	Fund	Balance at 6/30/22	Minimum Annual Payment
03-20152-000	L17011 Oregon Pine Loan	Sewer	\$ 440,327	\$ 31,794
10-20144-000	L18006 Greenhouse Loan	Community Development	326,322	21,075
02-45275-060	N21005	Water	506,655	32,700
03-44700-075	Y21006	Sewer	98,070	NA
02-20142-000	Consolidation Loan - Water	Water	993,784	199,877
03-20142-000	Consolidation Loan - Sewer	Sewer	349,167	70,227
09-20141-000	Fire Bond	Debt Service	387,000	55,561
34-20141-000	URA Loan	URA	924,699	NA
Totals			\$ 4,026,024	\$ 411,234