

## **RESOLUTION NO. 15-05**

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### **A RESOLUTION TO CLOSE UNNECESSARY FUNDS WITHIN THE OREGON CITY FINANCIAL ACCOUNTING STRUCTURE AND TO ADOPT A SUPPLEMENTAL BUDGET TO THE 2013 - 2015 ADOPTED BIENNIAL BUDGET TO ESTABLISH NEW FUNDS**

#### **Close Unnecessary Funds**

**WHEREAS**, the City of Oregon City is committed to the highest standards for financial reporting and stewardship of public resources; and

**WHEREAS**, Generally Accepted Accounting Principles state that unnecessary funds result in inflexibility, undue complexity, and inefficient financial administration (NCGA Statement 1), and the Oregon Department of Revenue advises that unnecessary funds complicate the budget, making it more difficult to understand and work with (Budgeting Manual); and

**WHEREAS**, the City's current accounting structure contains several funds which are unnecessary. Closing the funds will reduce the complexity of the financial reporting structure, resulting in greater transparency; and

**WHEREAS**, ORS 294.353 provides the legal basis for the City Commission to declare by resolution the elimination of unnecessary funds, and requires the disposition of residual balances to the General Fund; and

**WHEREAS**, the Oregon Department of Revenue advises that closing funds does not require a supplemental budget, however the City desires to establish a budget adjustment to guide the accounting for closing the funds and to reallocate restricted resources into separate divisions and accounts to ensure proper segregation.

#### **NOW, THEREFORE, OREGON CITY ORDAINS AS FOLLOWS:**

Funds shall be closed in accordance with the attached document titled *Oregon City, Request for Budget Adjustment, 2013-2015 Budget Adjustment 4*, and be made a part hereof and authorized.

#### **Supplemental Budget**

**WHEREAS**, the City Commission adopted a budget for the 2013-2015 Biennium and made appropriations by Resolution No. 13-17; and

**WHEREAS**, through the course of routine operations, conditions that were not known at the time the budget was prepared have occurred and require a change in financial planning; and

**WHEREAS**, ORS 294.471 provides the legal basis for the City Commission to adopt a supplemental budget by resolution and the Oregon Budgeting Manual (Rev. 05-12, page 65) requires a supplemental budget to establish new funds; and

**WHEREAS**, ORS 294.473 requires a public hearing on supplemental budgets that change estimated expenditures in a fund by more than ten percent, including any expenditures in a new fund. The City Commission held a public hearing on March 18, 2015 after notice of the hearing was published in *Oregon City News*, a newspaper of general circulation, on March 11, 2015; and

**WHEREAS**, a supplemental budget is needed to establish new funds, and the City desires to create two new funds for the reallocation of residual balances that were closed to the General Fund pursuant to the preceding section (Close Unnecessary Funds). Additional resources will be reallocated to existing funds as well to ensure that committed and restricted City resources are properly segregated.

**NOW, THEREFORE, OREGON CITY RESOLVES AS FOLLOWS:**

The Supplemental Budget as attached and titled *Oregon City, Request for Budget Adjustment, 2013-2015 Budget Adjustment 4*, shall be made a part hereof and authorized.

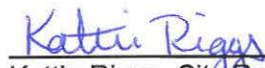
Approved and adopted at a regular meeting of the City Commission held on the 18th day of March, 2015.



DAN HOLLADAY, Mayor

Attested to this 18th day of March, 2015:

Approved as to legal sufficiency:



Kattie Riggs, City Recorder

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City Attorney