

W. L. U.

**AGENDA COVER MEMORANDUM**

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AGENDA DATE: Wednesday April 5, 2006

PRESENTED TO: Board of County Commissioners

PRESENTED BY: Christine Moody, Management Analyst I  
County Administration

AGENDA TITLE: PUBLIC HEARING AND ORDER/IN THE MATTER OF ADOPTING THE  
FY2005-2006 SUPPLEMENTAL BUDGET #2, MAKING, REDUCING AND  
TRANSFERRING APPROPRIATIONS

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I. MOTION

MOVE APPROVAL OF THE ORDER ADOPTING THE FY2005-2006 SUPPLEMENTAL  
BUDGET #2 MAKING, REDUCING AND TRANSFERRING APPROPRIATIONS.

II. ISSUE

Under Oregon's local budget law, a supplemental budget is required to appropriate unanticipated revenues and expenses that could not have been foreseen at the time of budget preparation for the current year. A supplemental budget adjustment is also required where transfers create a new appropriation category or where there are reductions in appropriations.

III. DISCUSSION

A. Background

Submitted for the Board's consideration and approval is Supplemental Budget #2 for Fiscal Year 2005-2006. This supplemental budget was advertised in The Register-Guard on March 26, 2006.

We use the publication form of supplemental budget process available under state budget law. Separate rules apply to proposed changes above or below 10%. This supplemental does not contain changes greater than 10% for any funds however, it is past practice to hold a public hearing regardless, before taking final action.

B. Analysis

Please refer to the analysis and description of proposed changes in Board Order Attachment A.

C. Alternatives/Options

Within local budget law, the Board of Commissioners may amend the supplemental budget as published, with any increases limited to \$5,000 or 10% per fund, whichever is greater.

D. Recommendation

Budget staff recommends the Board adopt the supplemental budget and make the necessary appropriations, transfers and reductions as requested.

IV. IMPLEMENTATION/FOLLOW-UP

Upon approval of the supplemental, County Administration budget staff will adjust the appropriations on the general ledger.

V. ATTACHMENT

Board Order  
Board Order Attachment A

**IN THE BOARD OF COUNTY COMMISSIONERS OF LANE COUNTY, OREGON**

**RESOLUTION AND ORDER**                    ) **IN THE MATTER OF ADOPTING THE FY2005-**  
**06-04-05- \_\_**                                ) **2006 SUPPLEMENTAL BUDGET #2 MAKING,**  
                                                       ) **REDUCING AND TRANSFERRING**  
                                                       ) **APPROPRIATIONS**

**WHEREAS**, Supplemental Budget #2 for Fiscal Year 2005-2006 was advertised in The Register-Guard on March 26, 2006, which is not less than 5 days nor more than 30 days in advance of the public hearing date as required by local budget law; and

**WHEREAS**, after due notice, a public hearing on the FY2005-2006 Supplemental Budget #2 was held in the Public Service Building, Lane County on April 5, 2006; and

**WHEREAS**, in accordance with ORS 294.480, the governing body of any municipal corporation may make a supplemental budget for the fiscal year for which the regular budget has been prepared; and

**WHEREAS**, the Board having fully considered the matters discussed at the public hearing; now, therefore,

**IT IS HEREBY RESOLVED AND ORDERED** that the amounts for the fiscal year beginning July 1, 2005 and for the purposes as outlined on Attachment A be additionally appropriated, reduced or transferred as follows:

Fund No.	Fund Name/Department Name	Amount	FTE
<u>Fund 124</u>	<u>General Fund</u>		
	Youth Services		
	Resources	517,870	
	Expenditures	517,870	0.00
	District Attorney		
	Resources	0	
	Expenditures	-25,164	0.00
	Assessment & Taxation		
	Resources	20,750	
	Expenditures	20,750	0.00
	County Administration		
	Resources	(185,949)	
	Expenditures	25,000	0.00
	Legal Counsel		
	Resources	83,563	
	Expenditures	0	0.00

	Management Services		
	Resources	10,413	
	Expenditures	0	0.00
	General Expense		
	Resources	116,372	
	Operational Contingency	24,563	0.00
<u>Fund 228</u>	<u>Special Revenue and Services Fund</u>		
	Youth Services		
	Resources	12,000	
	Expenditures	12,000	0.00
	District Attorney		
	Resources	(17,780)	
	Expenditures	(17,780)	0.00
	General Expense		
	Materials & Services	12,495	
	Operational Contingency	( 12,495)	
	Total	0	0.00
<u>Fund 250</u>	<u>Title III Projects Fund</u>		
	General Expense		
	Materials & Services	( 1,586)	
	Operational Contingency	1,586	0.00
	Total	0	
<u>Fund 285</u>	<u>Intergovernmental Human Services Fund</u>		
	Health & Human Services		
	Resources	316,334	
	Expenditures	316,334	0.00
<u>Fund 286</u>	<u>Health &amp; Human Services Fund</u>		
	Health & Human Services		
	Resources	(4,530,508)	
	Expenditures	(4,530,508)	0.00
<u>Fund 287</u>	<u>LaneCare Fund</u>		
	Health & Human Services		
	Resources	0	
	Expenditures	0	0.00
<u>Fund 435</u>	<u>Capital Improvement Fund</u>		
	Management Services		
	Resources	(14,399)	
	Expenditures	(14,399)	0.00



**ATTACHMENT A – ANALYSIS AND DESCRIPTION OF PROPOSED BUDGET CHANGES**

Budget changes and their explanations are listed below by Fund and department:

<u>Fund # and Name</u>	<u>Amount</u>	<u>FTE</u>
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**Fund 124 General Fund**

**Youth Services**

<b>Resources</b>	<b>517,870</b>	
<b>Expenditures</b>	<b>517,870</b>	<b>0.00</b>

Additional funds were received in the amount of \$19,000 from HH&S BSOM Grant to be used for support services for the Youth under the Community Juvenile Justice Act along with additional BRS State Money in the amount of \$88,000 for youth in treatment foster care. The State funding Phoenix program in detention came in higher than budgeted by \$391,363 and state revenue funds also come in higher than anticipated in the MLK Jr., Education Center by \$14,507. Lane Workforce Partnership also increased their workforce initiative grant by \$5,000 in order to increase services to the youth.

**District Attorney**

<b>Resources</b>	<b>0</b>	
<b>Expenditures</b>	<b>-25,164</b>	<b>0.00</b>

District Attorney is transferring funds to the Public Information Office in County Administration to pay a share of the public information initiative. There is also an adjustment of \$164 to correct the department's indirect rate.

**Assessment & Taxation**

<b>Resources</b>	<b>20,750</b>	
<b>Expenditures</b>	<b>20,750</b>	<b>0.00</b>

In June 2005, A&T contracted with the Engineering Services Unit of Oregon Prison Industries to convert assessor tax maps to digital format as part of the larger effort to reduce the backlog of tax account updates. The work was completed by June 30 and the invoice (for \$10,750) was received and submitted for payment in July. As part of the year end close out process, this payment should have been charged back to A&T's 04-05 budget. However, finance posted the payment to the 05-06 accounting year. As part of reconciling the year end cash in the General Fund, this transaction was identified as non-discretionary funds to be carried forward into FY05-06 to pay for the expense. This is basically just a housekeeping issue with accounting.

Per Facilities Subcommittee of the BCC on February 9th, authorized to use \$10,000 of additional Tax Penalty revenue toward remodel of Appraisal area to accommodate new work areas for 2 new appraisal positions that will be effective in July 2005. This appropriates the additional revenue for A&T as well as transfers the money out of the A&T where it is then transferred to the Capital Projects Fund 435 to pay for costs associated with the remodel.

**County Administration**

<b>Resources</b>	<b>(185,949)</b>	
<b>Expenditures</b>	<b>25,000</b>	<b>0.00</b>

The Countywide indirect plan is designed to pay for support services provided to the direct service departments. A review of the plan indicated that by making a change in how the revenue is allocated, it will more closely match up with the expenses incurred by the support service department providing service. The total amount of indirect charges is not changing, and this new formula for allocation among the support service departments will be used from this point forward. County Administration's indirect revenue goes down by \$184,949 as a result of the reallocation. There is no change in expenses due to this revenue decrease as there is a net zero change when comparing all support service departments together.

\$25,000 is being transferred from the District Attorneys office into the Public Information Office to help pay a share of the public information initiative.

**Legal Counsel**

<b>Resources</b>	<b>83,563</b>	
<b>Expenditures</b>	<b>0</b>	<b>0.00</b>

The Countywide indirect plan is designed to pay for support services provided to the direct service departments. A review of the plan indicated that by making a change in how the revenue is allocated, it will more closely match up with the expenses incurred by the support service department providing service. The total amount of indirect charges is not changing, and this new formula for allocation among the support service departments will be used from this point forward. County Counsel's indirect revenue goes up by \$83,563 as a result of the reallocation. There is no change in expenses as there is a net zero change when comparing all support service departments together.

**Management Services**

<b>Resources</b>	<b>10,413</b>	
<b>Expenditures</b>	<b>0</b>	<b>0.00</b>

The Countywide indirect plan is designed to pay for support services provided to the direct service departments. A review of the plan indicated that by making a change in how the revenue is allocated, it will more closely match up with the expenses incurred by the support service department providing service. The total amount of indirect charges is not changing, and this new formula for allocation among the support service departments will be used from this point forward. Management Service's indirect revenue goes up by \$10,413 as a result of the re-allocation. There is no change in expenses as there is a net zero change when comparing all support service departments together.

**General Expense**

<b>Revenue</b>	<b>116,372</b>	
<b>Operational Contingency</b>	<b>24,563</b>	<b>0.00</b>

The Countywide indirect plan is designed to pay for support services provided to the direct service departments. A review of the plan indicated that by making a change in how the revenue is allocated, it will more closely match up with the expenses incurred by the support service department providing service. The total amount of indirect charges is not changing, and this new formula for allocation among the support service departments will be used from this point forward. General Expense's indirect revenue goes up by \$116,372 as a result of the re-allocation. Operational contingency is increased by \$24,399, which is the amount of additional revenue the General Fund receives (from the Capital Improvements Fund) as a result of the reallocation. There is no other change in expenses.

**Fund 228 Special Revenue and Services Fund**

**Youth Services**

<b>Resources</b>	<b>12,000</b>	
<b>Expenditures</b>	<b>12,000</b>	<b>0.00</b>

Parking Revenue from football games has come in higher than originally budgeted by \$12,000. The expenditures appropriation is used for emergency funding for youth and/or their families when they do not fall into one of the grants or funded programs.

**District Attorney**

<b>Resources</b>	<b>(17,780)</b>	
<b>Expenditures</b>	<b>(17,780)</b>	<b>0.00</b>

Correcting an error in the fund balance budget. Expenses decreased to offset the resource decrease.

**General Expense**

<b>Materials &amp; Services</b>	<b>12,495</b>	
<b>Operational Contingency</b>	<b>( 12,495)</b>	
<b>Total</b>	<b>0</b>	<b>0.00</b>

Transfer from Operational Contingency to M&S to contribute \$12,500 in video lottery funding for county's share of the commercial lands inventory as approved by the Economic Dev. Standing Committee. Also a decrease of \$5 to the county indirect rate, increasing contingency by that amount.

**Fund 250 Title III Projects Fund**

**General Expense**

<b>Materials &amp; Services</b>	<b>( 1,586)</b>	
<b>Operational Contingency</b>	<b>1,586</b>	<b>0.00</b>
<b>Total</b>	<b>0</b>	

Adjustment of countywide overhead to correct amount, increase operational contingency to balance fund.

**Fund 285 Intergovernmental Human Services Fund**

**Health & Human Services**

<b>Resources</b>	<b>316,334</b>	
<b>Expenditures</b>	<b>316,334</b>	<b>0.00</b>

H&HS Human Services Commission revenue is increased by \$87,508 for Additional Federal Energy Assistance Funding being received and \$228,826 for New State Energy Assistance for a total increase in revenue of \$316,334. The offset for the increase in revenue is an increase in expenses of \$34,686 in Agency Payments and \$281,648 in Client Support Fund, for a total increase in expenses of \$316,334.

**Fund 286 Health & Human Services Fund**

**Health & Human Services**

<b>Resources</b>	<b>(4,530,508)</b>	
<b>Expenditures</b>	<b>(4,530,508)</b>	<b>0.00</b>

H&HS Administration has revenue increases of \$50,000 for Title XIX Enhanced Care and \$7,489 in Mental Health Clinic Fees. Revenue decrease of \$1,489 for Investment Earnings which results in total increase in revenue of \$56,000. Expense increase of \$87,918 for Direct/Info Services and expense decrease of \$31,918 for Operational Contingency for a net expense increase of \$56,000.

H&HS Developmental Disabilities has revenue decrease of \$4,564,318 for Mental Health Division and expense decrease of \$4,564,318 for Agency Payments. This adjusts to the current State Mental Health grant.

H&HS Public Health Revenue is increased by \$50,601 for Bio-Terrorism grant, \$10,733 for Health Alert Network, \$32,500 Komen-OHD grant, \$11,964 for WIC program and \$1,897 for Prior Year Revenues. Revenue decreases of \$63,380 for Health Per Capita, \$98,140 for Family Planning and \$76 for Tobacco Prevention. This is a net decrease of \$53,901 in revenues. Expense increases in Extra Help, Salary Offset, and various M&S expenses and decreases in Permanent Operating Salaries, Employee Benefits and various M&S for a total decrease of \$53,901 in expenses.

H&HS Supervision Treatment Services has revenue increase of \$20,803 for Mental Health Division and expense increase of \$20,803 for agency payments.

Adjust grant revenue and agency payments to reflect actual grant award. Moved \$46,600 revenue and corresponding expenses from program Med Adult Outpatient Services to Mental Health Court in order to track expense for specific clients. Mental Health Division revenue is increased by \$10,908. Expenses are increased \$2,036 in Professional/Consulting, \$114,901 in Agency Payments and \$10,000 in client support fund. Expenses are decreased \$3,678 in Intergovernmental Agreements, \$1,500 in Business Expense and \$110,851 in Miscellaneous Payments. The expense net increase is \$10,908.

Move \$10,000 in general funds dollars from program Communicable Disease Services to program Women Infants & Children (WIC) to offset moving Health Per Capita from WIC to program Communicable Disease Services per grant requirements.

**Fund 287 LaneCare Fund**

**Health & Human Services**

<b>Resources</b>	<b>0</b>	
<b>Expenditures</b>	<b>0</b>	<b>0.00</b>

Lane Care Closeout and redistribution of Year 7 balances. Contingency Decrease of 506,346. and increase in M&S of Agency Payments \$507,030 and State Payback (\$684) for a net zero change.

**Fund 435 Capital Improvement Fund**

**Management Services**

<b>Resources</b>	<b>(14,399)</b>	
<b>Expenditures</b>	<b>(14,399)</b>	<b>0.00</b>

Transfer of \$10,000 from Assessment & Taxation per approval of Facilities Subcommittee to use additional Tax Penalty revenue toward remodel of Appraisal area to accommodate new work areas for 2 new appraisal positions. Expenses are appropriated to pay for costs associated with the remodel.

The Countywide indirect plan is designed to pay for support services provided to the direct service departments. A review of the plan indicated that by making a change in how the revenue is allocated, it will more closely match up with the expenses incurred by the support service department providing service. The total amount of indirect charges is not changing, and this new formula for allocation among the support service departments will be used from this point forward. The Capital Improvement Fund's indirect revenue is decreased by \$24,399 and operational contingency is decreased by that amount to balance the fund.

**Fund 539 Corrections Commissary Fund**

**Public Safety**

<b>Resources</b>	<b>32,179</b>	
<b>Expenditures</b>	<b>32,179</b>	<b>0.00</b>

Commissary Sales revenue is increased \$32,179 due to higher than anticipated receipts. Increased both Institutional Supplies and Stores Inventory expense budgets equal to the increased revenue based on spending projections.