

W. 10. B. 1.

Memorandum Date: 11/17/06  
Order Date: 12/13/06

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**TO:** Board of County Commissioners  
**DEPARTMENT:** Fair Board  
**PRESENTED BY:** Warren G. Wong, Managing Director  
**AGENDA ITEM TITLE:** **ORDER/IN THE MATTER OF AMENDING BOARD ORDER NO. 06-6-21-5**

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**I. MOTION**

Move to adopt Board Order No. 06-12-13-\_\_, IN THE MATTER OF AMENDING ORDER 06-6-21-5 APPROVING THE USE OF TRANSIENT ROOM TAX FUNDS FOR OPERATIONAL PURPOSES FOR THE FAIRGROUNDS FOR FY 06-07

**II. AGENDA ITEM SUMMARY**

The proposed Board Order will amend and replace Board Order No. 06-6-21-5 adopted by the Commission as part of the FY07 Budget process.

Since the initial FY07 Budget was prepared early this year, the actual collection rate of Transient Room Tax has proven to be significantly higher than projected and budgeted. In the adopted FY07 Budget, the Board had budgeted Excess Transient Room Taxes at \$850,000; but, based on five months of actual receipts, the projected Excess TRT for FY07 appears to be closer to \$1,050,000. In Supplemental Budget #1, an increase in the budget authority to \$1,050,000 is being processed.

The proposed Board Order increases the transfer authority to the Operating Budget to \$700,000 from the initial transfer authority of \$500,000 in Board Order No., 06-6-21-5. The Fair Board has passed a motion that the marginal amount of the Operating Transfer will first be used to pay the outstanding PERS Board Liability of \$172,559; and, if there is Excess TRT beyond that amount, it will be placed in a Capital Reserve account for future capital projects or equipment replacement. For the current fiscal year and beyond, the Board is paying the PERS Bond Liability assessment as a current year expense.

**III. BACKGROUND/IMPLICATIONS OF ACTION**

**A. Board Action and Other History**

Board Order No. 06-6-21-5 authorizing the transfer of up to \$500,000 of Excess Transient Room Tax to the Fair Board's Operating Budget adopted as part of the FY07 Budget process.

**B. Policy Issues**

None

**C. Board Goals**

Financial stability for the Fair Board is a guiding principle of the Commission and this proposed Board Order will assist in achieving that goal.

**D. Financial and/or Resource Considerations**

Approval of this proposed Board Order will enable the Fair Board to payoff a long standing liability, strengthen the Board's financial position by eliminating this liability, and add resources to the County's Debt Service Fund.

**E. Analysis**

None.

**F. Alternatives/Options**

If the Proposed Board Order is not approved, the additional Excess TRT can be applied to capital projects or equipment replacement needs at the Lane Events Center. However, the outstanding PERS Bond Liability remains and the Board is unable to pay it off out of the Operating Budget in an expeditious manner.

**IV. RECOMMENDATION**

Recommend approval of proposed Board Order.

**V. TIMING/IMPLEMENTATION**

By the end of the current fiscal year; as TRT is received and allocated to the Fair Board.

**VI. FOLLOW-UP**

Report to Budget Committee as part of the FY08 Budget process.

**VII. ATTACHMENTS**

A. Board Order

IN THE BOARD OF COUNTY COMMISSIONERS  
OF LANE COUNTY, OREGON

ORDER NO. 06-

- ) IN THE MATTER OF AMENDING ORDER 06-6-21-5
- ) APPROVING THE USE OF TRANSIENT ROOM TAX
- ) FUNDS FOR OPERATIONAL PURPOSES FOR THE
- ) FAIRGROUNDS FOR FY 06-07

WHEREAS, in January, 2002 (Order No. 02-1-9-4), the Board of County Commissioners approved the transfer of excess transient room tax revenues, per Lane Code 4.175(5), to the Fair Board through June 30, 2007 for capital improvements pursuant to the Fairgrounds Capital Improvements Plan, and

WHEREAS, in June, 2005 (Order No. 05-6-22-9), the Board of County Commissioners approved the use of up to \$450,000 of the excess transient room tax revenues described in Order No. 02-1-9-4 for operating purposes of the Fairgrounds, and required the Fair Board report to the Budget Committee in the FY 06-07 budget process on the impact the use of room tax monies had on the Fairgrounds Capital Improvement Plan, and

WHEREAS, in December, 2005 (Order No. 05-12-7-2), the Board of County Commissioners expressed an intent to make excess room tax monies available to the Fair Board for capital projects pursuant to the Fairgrounds Capital Improvement Plan for the period July 1, 2007 to June 30, 2015, working from a base not to exceed \$900,000 in FY 07-08, and

WHEREAS, after making the required report to the Budget Committee, the Fair Board sought approval of the use \$500,000 of the excess transient room tax revenues described in Order No. 02-1-9-4 for operating purposes of the Fairgrounds, which the Board of County Commissioners authorized in June, 2006 (Order No. 06-6-21-5), and

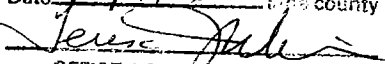
WHEREAS, it now appears that the excess transient room tax revenues will be larger than initially estimated, such that the Fair Board has requested the County Commissioners increase the permitted use of those funds for operational purposes from \$500,000 to \$700,000, with an intent on the part of the Fair Board to use the increase to payoff PERS bond liability and place what is left of the increase in a capital reserve account,

WHEREAS, pursuant to LC 4.175(5) the Board of Commissioners may authorize such uses through the annual budget process, and the Board has duly considered this expenditure as part of the supplemental budget process, and

WHEREAS, these uses are consistent with ORS 320.350 in that the Fairgrounds is a tourism-related facility,

NOW, THEREFORE IT IS HEREBY ORDERED that the Board of County Commissioners approves amending Order No. 06-6-21-5 to increase the authority to use excess transient room tax revenues for operating purposes of the Fairgrounds from \$500,000 to \$700,000, consistent with the Fair Board's intended purposes described above.

DATED this \_\_\_\_\_ day of December, 2006.

APPROVED AS TO FORM  
Date 12/4/06 Lane County  
  
OFFICE OF LEGAL COUNSEL

\_\_\_\_\_  
Bill Dwyer, Chair,  
Lane County Board of Commissioners