

W. 3. a.

AGENDA COVER MEMORANDUM

AGENDA DATE: Wednesday, June 20, 2007

PRESENTED TO: Board of County Commissioners

PRESENTED BY: Christine Moody, Management Analyst

AGENDA TITLE: PUBLIC HEARING AND ORDER/IN THE MATTER OF ADOPTING THE FY 2006-2007 SUPPLEMENTAL BUDGET #3, MAKING, REDUCING AND TRANSFERRING APPROPRIATIONS

I. MOTION

MOVE APPROVAL OF THE ORDER ADOPTING THE FY 2006-2007 SUPPLEMENTAL BUDGET #3 MAKING, REDUCING AND TRANSFERRING APPROPRIATIONS.

II. AGENDA ITEM SUMMARY

The Board is being asked to adopt the FY 2006-2007 Supplemental Budget #3. 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. BACKGROUND/IMPLICATIONS OF ACTION

A. Board Action and Other History

The Board adopted the FY 2006-2007 budget on June 21, 2006, in Board Order #06-06-21-1. Lane County typically processes three supplemental budgets per year. This is the third supplemental budget requested for FY 2006-2007. Supplemental #1 was previously approved by the Board on December 13, 2006, Board Order #06-12-13-1 and Supplemental #2 was approved by the Board on April 4, 2007, Board Order #07-4-4-2.

This supplemental budget was advertised in The Register-Guard on June 11, 2007.

The publication form used for the supplemental budget process is available under state budget law. Separate rules apply to proposed changes above or below 10%. Because this supplemental contains changes greater than 10% for two funds (Capital Improvement Fund and Self Insurance Fund), the Board of Commissioners is required to hold a public hearing before taking final action.

B. Policy Issues

The supplemental budget is in compliance with state budget law. It is County policy to hold a Public Hearing when processing each supplemental budget, whether or not it is required by state budget law. That policy is being followed here.

C. Board Goals

Lane County's budget and financial management policies support the County's strategic goal of ensuring stability in service delivery to promote the efficient use of public funds.

D. Financial and/or Resource Considerations

The supplemental budget submitted for approval represents a balanced budget.

E. Analysis

Analysis and detail on the proposed changes are found on Board Order Attachment A and should be referred to.

F. 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.

V. RECOMMENDATION

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

VI. TIMING/IMPLEMENTATION

There is no specific deadline for adopting the supplemental budget other than if it is delayed, a second public hearing would have to be held and if more than 30 days passes since the advertisement date stated above, a new legal ad would have to be placed at least five days prior to adoption.

VII. FOLLOW-UP

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

VIII. ATTACHMENTS

Board Order

Board Order Attachment A – Analysis and detail of requested adjustments

IN THE BOARD OF COUNTY COMMISSIONERS OF LANE COUNTY, OREGON

RESOLUTION AND ORDER)
07-06-20- __)
)
) IN THE MATTER OF ADOPTING THE FY2006-
) 2007 SUPPLEMENTAL BUDGET #3 MAKING,
) REDUCING AND TRANSFERRING
) APPROPRIATIONS

WHEREAS, Supplemental Budget #3 for Fiscal Year 2006-2007 was advertised in The Register-Guard on June 11, 2007, 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 FY2006-2007 Supplemental Budget #3 was held in the Public Service Building, Lane County on June 20, 2007; 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, 2006 and for the purposes as outlined on Attachment A be additionally appropriated, reduced or transferred as follows:

Fund 124 General Fund

Youth Services	<u>Amount</u>	<u>FTE</u>
Resources	\$3,500	0.00
Expenditures	\$3,500	
District Attorney	<u>Amount</u>	<u>FTE</u>
Resources	\$0	0.00
Expenditures	\$0	
Public Safety	<u>Amount</u>	<u>FTE</u>
Resources	(\$144,508)	0.00
Expenditures	(\$144,508)	

Fund 216 Parks & Open Spaces Fund

Public Works	<u>Amount</u>	<u>FTE</u>
Resources	\$12,000	0.00
Expenditures	\$12,000	

Fund 222 Law Library Fund

	<u>Amount</u>	<u>FTE</u>
County Counsel		
Resources	\$26,000	0.00
Expenditures	\$26,000	

Fund 241 County School Fund

	<u>Amount</u>	<u>FTE</u>
Resources	\$144,000	0.00
Expenditures	\$144,000	

Fund 260 Special Revenue Fund

	<u>Amount</u>	<u>FTE</u>
Youth Services (subfund 260)		
Resources	\$54,000	0.00
Expenditures	\$54,000	

	<u>Amount</u>	<u>FTE</u>
District Attorney (subfund 261)		
Resources	\$0	0.00
Expenditures	\$0	

	<u>Amount</u>	<u>FTE</u>
Public Safety (subfund 263)		
Resources	\$1,261,469	0.00
Expenditures	\$1,261,469	

	<u>Amount</u>	<u>FTE</u>
Public Works (subfund 266)		
Resources	\$0	0.00
Expenditures	\$0	

	<u>Amount</u>	<u>FTE</u>
General Expense (subfund 269)		
Resources	(\$41,000)	
Materials & Services	\$35,000	
Fund Transfers	(\$41,000)	
Operational Reserves	(\$35,000)	
Total	\$0	0.00

Fund 286 Health & Human Services Fund

	<u>Amount</u>	<u>FTE</u>
Health & Human Services		
Resources	\$57,516	(.30)
Expenditures	\$57,516	

Fund 435 Capital Improvement Fund

	<u>Amount</u>	<u>FTE</u>
Management Services		
Resources	\$6,759,840	0.00
Expenditures	\$6,759,840	

Fund 454 Juvenile Justice Construction Fund

General Expense	<u>Amount</u>	<u>FTE</u>
Resources	\$0	
Materials & Services	\$40,000	
Fund Transfers	\$0	
Operational Reserves	<u>(\$40,000)</u>	
Total	\$0	0.00

Fund 539 Corrections Commissary Fund

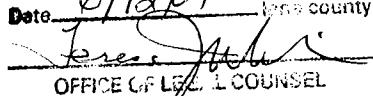
Public Safety	<u>Amount</u>	<u>FTE</u>
Resources	\$22,000	0.00
Expenditures	\$22,000	

Fund 612 Self Insurance Fund

General Expense	<u>Amount</u>	<u>FTE</u>
Resources	\$1,670,293	
Materials & Services	\$100,000	
Fund Transfers	\$0	
Operational Reserves	<u>\$1,570,293</u>	
Total	\$0	0.00

Dated this ____ day of June, 2007.

Chair
Lane County Board of Commissioners

APPROVED AS TO FORM
Date 6/12/07 Lane County

OFFICE OF LANE COUNTY COUNSEL

ATTACHMENT A – IN THE MATTER OF ADOPTING THE FY2006-2007 SUPPLEMENTAL BUDGET #3 MAKING, REDUCING AND TRANSFERRING APPROPRIATIONS

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

Fund 124 General Fund

Youth Services	<u>Amount</u>	<u>FTE</u>
Resources	\$3,500	0.00
Expenditures	\$3,500	

Receipt of one time reimbursement for training of two personnel to attend state conference \$2,068. Receipts from vending machines higher than originally budgeted \$1,432, funds will be used to cover unanticipated expenditures in business travel.

District Attorney	<u>Amount</u>	<u>FTE</u>
Resources	\$0	0.00
Expenditures	\$0	

The Child Advocacy Center (CAC) has been in the General Fund for many years. Beginning in FY 06-07 the CAC was moved to a Special Revenue Fund since the majority of the funding came from outside sources. This year the amount of other local revenue will be approximately \$75,000 less than anticipated. This adjustment sets up a \$75,000 transfer from the Criminal Prosecution Division within the General Fund to make up the revenue shortfall. Funding is available within Criminal Prosecution due to multiple position vacancies (\$75,000) for a net zero change in the overall appropriation.

Public Safety	<u>Amount</u>	<u>FTE</u>
Resources	(\$144,508)	0.00
Expenditures	(\$144,508)	

Decrease revenue and expense budget in the general fund by (\$144,508) due to decreasing the COPS Meth Grant budget by \$197,446 to move it to Special Revenue Fund; increase in Community Corrections Act funds in the amount of \$40,938, and increase in Marine Board contract funds of \$12,000. Equal decrease/increase in expense budget.

Fund 216 Parks & Open Spaces Fund

Public Works	<u>Amount</u>	<u>FTE</u>
Resources	\$12,000	0.00
Expenditures	\$12,000	

Increase Commemorative Medal Sales revenue line item by \$8,000 to reflect Lowell and Office Covered Bridges coin sale actuals; increase Private Donations revenue line item \$4,000 for unanticipated private donations made on behalf of covered bridge maintenance; increase Professional & Consulting expense line item \$3,000 for original artwork expenditures associated with production of the covered bridge prints. Increase Special Supplies expense line item \$9,000 for silver purchases associated with commemorative medal coin production to include the Earnest Covered Bridge coin sale scheduled for July, 2007.

Fund 222 Law Library Fund

	<u>Amount</u>	<u>FTE</u>
County Counsel		
Resources	\$26,000	0.00
Expenditures	\$26,000	

Revenues are increasing due to change in court fees. Books and materials expenditures increased to include grant from Lane County Bar Association; remainder of additional revenue placed into the reserves.

	<u>Amount</u>	<u>FTE</u>
<u>Fund 241 County School Fund</u>		
Resources	\$144,000	0.00
Expenditures	\$144,000	

Actual revenues for state forest timber sales and In Lieu of Taxes have exceeded the current budget. This adjustment will increase revenue and expense budget authority by \$144,000 to allow 100% of the revenue received to be passed through the Lane Education Service District and the local school districts.

Fund 260 Special Revenue Fund

	<u>Amount</u>	<u>FTE</u>
Youth Services (subfund 260)		
Resources	\$54,000	0.00
Expenditures	\$54,000	

Receipt of payments (\$15,000) from clients for Formal Supervision fees. Funds to be used to cover costs of emergency issues/requests for youth and families not covered by grants or specific programs. \$29,000 in new revenue from our new catering program and plan to use to offset costs of running program including food and dining supplies/equipment. Also have new internship agreement (\$10,000) with the Workforce Partnership Program who will provide pass-through money to pay for interns in our Workforce Initiative Program.

	<u>Amount</u>	<u>FTE</u>
District Attorney (subfund 261)		
Resources	\$0	0.00
Expenditures	\$0	

The Child Advocacy Center (CAC) has been in the General Fund for many years. Beginning in FY 06-07 the CAC was moved to a Special Revenue Fund since the majority of the funding came from outside sources. This year the amount of other local revenue will be approximately \$75,000 less than anticipated. This budget adjustment sets up a \$75,000 transfer from the Criminal Prosecution Division within the General Fund to make up the revenue shortfall. Funding is available within Criminal Prosecution due to multiple position vacancies. The revenue transfer in is offset by the same amount of local revenue coming in less than expected.

	<u>Amount</u>	<u>FTE</u>
Public Safety (subfund 263)		
Resources	\$1,261,469	0.00
Expenditures	\$1,261,469	

Increase revenue and expense budgets due to an increase in the City of Veneta Law Enforcement Contract \$17,616, increase Communication Consortium program \$1,000,000 due to ODOT reimbursement for High Priority Transportation Communication Project, increase revenue by \$197,446 in COPS Meth Grant due to moving the Meth Grant out of the

general fund, increase budget \$38,665 from Oregon Parks & Recreations Department for purchase of Dunes Patrol Vehicles, and increase budget \$7,742 for Homeland Security Emergency Exercise Grant. Equal increase in expense budgets.

Public Works (subfund 266)	<u>Amount</u>	<u>FTE</u>
Resources	\$0	0.00
Expenditures	\$0	

Increase Professional Services expense line item \$15,000 to reflect Wildish Property agreements; Decrease Operational Contingency \$15,000 for additional expenditures associated with Wildish Property agreements for a net zero change overall.

General Expense (subfund 269)	<u>Amount</u>	<u>FTE</u>
Resources	(\$41,000)	
Materials & Services	\$35,000	
Fund Transfers	(\$41,000)	
Operational Reserves	(\$35,000)	
Total	\$0	0.00

Reduce Operational Contingency in the Tourism Special Projects program by \$35,000 and move to Materials & Services to cover the Parks Tourism projects approved in BO 07-4-4-11. The funds are split between Parks Tourism (\$14,000) and Covered Bridge Tourism (\$21,000). Correct transfer & resources appropriations (\$41,000) due to error in Supplemental #1 which transferred funds from Econ Develop Projects to Youth Services & County Admin for funds previously approved by ED Standing Committee. Transfer codes were used in error rather than increase/decrease of revenue; thereby causing the transfer ledger to be out of balance. This adjustment corrects that problem and has a net zero affect on the overall budget.

Fund 286 Health & Human Services Fund

Health & Human Services	<u>Amount</u>	<u>FTE</u>
Resources	\$57,516	(.30)
Expenditures	\$57,516	

Adjusting revenue and corresponding expense appropriations to match grant allocations in Administration. In Developmental Disabilities increase revenue to reflect increase in Mental Health grant with appropriate increase in expense allocation. In Public Health update and adjust revenue and corresponding expense appropriations to match Oregon Health Dept. grant allocations thru Amendment #10. In Supervision Treatment Services adjust revenue and expense appropriations to reflect increased grant funds unknown at budget preparation. Reclass of existing position from .8 FTE permanent to .5 FTE temporary.

Fund 435 Capital Improvement Fund

Management Services	<u>Amount</u>	<u>FTE</u>
Resources	\$6,759,840	0.00
Expenditures	\$6,759,840	

\$175,000 per year approved by the Facilities Sub-Committee in FY 05/06 for Courthouse remodeling projects were not budgeted in error and therefore were not transferred in FY 05/06.

An additional \$9,610 is budgeted for Victims' Services remodeling cost collected from the DA's office.

Purchase of Public Health Building pursuant to Board direction; costs of purchasing and maintaining building budgeted now for rest of FY 0607; Remove revenue anticipated for building construction - new application must be filed to receive funding for remodeling building. High resource amounts represent the assumption of mortgage and although actual cash did not change hands beyond the down payment & closing costs of approximately \$2 million, it is necessary to show the entire amount of the building and loan to be in compliance with accounting standards.

Fund 454 Juvenile Justice Construction Fund

General Expense	<u>Amount</u>	<u>FTE</u>
Resources	\$0	
Materials & Services	\$40,000	
Fund Transfers	\$0	
Operational Reserves	<u>(\$40,000)</u>	
Total	\$0	0.00

A portion of the costs for remodeling the armory building on the Juvenile Justice Center campus were charged to the Materials & Services line to cover the costs of architectural work, permits, etc. while the funds were budgeted in Capital Projects. This adjustment transfers \$40,000 from Capital Projects to cover all associated remodeling costs for a net zero change overall. These line items are separate appropriations in General Expense so Board approval is necessary to transfer funds between appropriations.

Fund 539 Corrections Commissary Fund

Public Safety	<u>Amount</u>	<u>FTE</u>
Resources	\$22,000	0.00
Expenditures	\$22,000	

Increase Commissary revenue budget \$22,000 because the actual amount received is higher than budgeted, with an equal increase in expense budgets for salaries, benefits and stores inventory.

Fund 612 Self Insurance Fund

General Expense	<u>Amount</u>	<u>FTE</u>
Resources	\$1,670,293	
Materials & Services	\$100,000	
Fund Transfers	\$0	
Operational Reserves	<u>\$1,570,293</u>	
Total	\$0	0.00

Updating benefit receipts to match department budgets; increase claim amount in Workers Comp due to unanticipated increase in claims; account for fund balances being moved from balance sheet to general ledger to account for reserves in the fund required by the actuarial report; increase reserves to balance fund.