

W. 3. a.

AGENDA COVER MEMORANDUM

AGENDA DATE: Wednesday, April 9, 2008
PRESENTED TO: Board of County Commissioners
PRESENTED BY: Christine Moody, Sr. Management Analyst
AGENDA TITLE: PUBLIC HEARING AND ORDER/IN THE MATTER OF ADOPTING THE FY 2007-2008 SUPPLEMENTAL BUDGET #2, MAKING, REDUCING AND TRANSFERRING APPROPRIATIONS

I. MOTION
MOVE APPROVAL OF THE ORDER ADOPTING THE FY 2007-2008 SUPPLEMENTAL BUDGET #2 MAKING, REDUCING AND TRANSFERRING APPROPRIATIONS.

II. AGENDA ITEM SUMMARY

The Board is being asked to adopt the FY 2007-2008 Supplemental Budget #2. 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 2007-2008 budget on June 27, 2007, in Board Order #07-6-27-3. The first supplemental budget of FY 07-08 was adopted on January 2, 2008, in Board Order 08-1-2-1. Lane County typically processes three supplemental budgets per year. This is the second supplemental budget requested for FY 2007-2008.

This supplemental budget was advertised in The Register-Guard on April 2, 2008 which is not less than 5 days prior to the scheduled public hearing.

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%. This supplemental does not contain greater than 10% for any funds and therefore the Board of Commissioners is not required to hold a public hearing before taking final action – although it is normal County policy for a public hearing to be held regardless of this requirement.

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

Board Order Attachment B – List of Contracts - County Administrator Delegated Authority

IN THE BOARD OF COUNTY COMMISSIONERS OF LANE COUNTY, OREGON

RESOLUTION AND ORDER) **IN THE MATTER OF ADOPTING THE FY2007-**
08-04-09- __) **2008 SUPPLEMENTAL BUDGET #2 MAKING,**
) **REDUCING AND TRANSFERRING**
) **APPROPRIATIONS**

WHEREAS, Supplemental Budget #2 for Fiscal Year 2007-2008 was advertised in The Register-Guard on April 2, 2008, 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 FY 2007-2008 Supplemental Budget #2 was held in the Public Service Building, Lane County on April 9, 2008; 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, 2007 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>
Expenditures	\$52,524	0.00
Public Safety	<u>Amount</u>	<u>FTE</u>
Expenditures	\$446,768	0.00
General Expense	<u>Amount</u>	<u>FTE</u>
<u>Expense Detail:</u>		0.00
Material & Services	\$0	
Fund Transfers	\$0	
Operational Contingency	(\$446,768)	
Total Expenditures	(\$446,768)	

Fund 250 Title III Projects Fund

General Expense	<u>Amount</u>	<u>FTE</u>
<u>Expense Detail</u>		0.00
Material & Services	(\$138,373)	
Operational Contingency	\$63,479	
Total Expenditures	(\$74,894)	

Fund 260 Special Revenue Fund

Youth Services	<u>Amount</u>	<u>FTE</u>
Expenditures	\$77,982	0.00
Children & Families	<u>Amount</u>	<u>FTE</u>
Expenditures	\$0	1.00
Public Works	<u>Amount</u>	<u>FTE</u>
Expenditures	\$0	0.00
General Expense	<u>Amount</u>	<u>FTE</u>
<u>Expense Detail</u>		0.00
Materials & Services	\$0	
Fund Transfers	\$100,000	
Operational Reserves	\$0	
Total Expenditures	<u>\$100,000</u>	

Fund 285 Intergovernmental Human Services Fund

Health & Human Services	<u>Amount</u>	<u>FTE</u>
Expenditures	\$329,390	(.40)

Fund 286 Health & Human Services Fund

Health & Human Services	<u>Amount</u>	<u>FTE</u>
Expenditures	(\$18,463,250)	2.27

Fund 287 LaneCare Fund

Health & Human Services	<u>Amount</u>	<u>FTE</u>
Expenditures	\$0.00	0.00

Fund 521 FairBoard Fund

FairBoard	<u>Amount</u>	<u>FTE</u>
Expenditures	\$100,000	0.00

Fund 614 Employee Benefit Fund

General Expense	<u>Amount</u>	<u>FTE</u>
<u>Expense Detail:</u>		0.00
Materials & Services	\$458,528	
Fund Transfers	\$153,626	
Operational Contingency	(\$531,054)	
Total Expenditures	<u>\$81,100</u>	

Fund 615 Pension Bond Fund

General Expense	<u>Amount</u>	<u>FTE</u>
<u>Expense Detail:</u>		0.00
Debt Service	<u>\$153,626</u>	
Total Expenditures	<u>\$153,626</u>	

Fund 654 Information Services Fund

Information Services	<u>Amount</u>	<u>FTE</u>
Expenditures	(\$1,768,832)	0.00

and it is further **ORDERED** that the Board hereby delegates authority to the County Administrator to sign contracts as shown on Attachment B.

Dated this ____ day of April, 2008.

Chair
Lane County Board of Commissioners

APPROVED AS TO FORM

Date 4/1/08 Lane County

[Signature]
OFFICE OF LEGAL COUNSEL

ATTACHMENT A – IN THE MATTER OF ADOPTING THE FY2007-2008 SUPPLEMENTAL BUDGET #2 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>
Expenditures	\$52,524	0.00

Detention: Increase Martin Luther King Jr. Educational Center Catering program revenue by \$48,000 due to increased success. Increase M&S \$48,000 to cover expenses of Catering program.

Intake & Supervision: Juvenile Accountability Block Grant moved funds in Supplemental #1 to pay for personnel located in the general fund. Inadvertently forgot to transfer M&S expenses of \$4,524. Revenue is transferred from Fund 260 to cover additional expense.

Two positions in Counseling and Intake were not filled for a portion of the year allowing salary savings in the amount of \$77,982. Personnel expenditures are decreased by this amount and funds are transferred to Fund 260 as described under Fund 260 below

Public Safety	<u>Amount</u>	<u>FTE</u>
Expenditures	\$446,768	0.00

2% COLA funds pursuant to LCPOA bargained contract transferred from General Fund reserves pursuant to Financial Plan budget. COLA amount over the 2% to be absorbed by the Department.

General Expense	<u>Amount</u>	<u>FTE</u>
<u>Expenditure Detail:</u>		0.00
Materials & Services	\$0.00	
Fund Transfers	\$0.00	
Operational Reserves	<u>(\$446,768)</u>	
Total Expenditures	<u>(\$446,768)</u>	

Decrease reserves by \$446,768 for 2% COLA budgeted in Financial Plan pursuant to the LCPOA bargained contract.

Fund 250 Title III Projects Fund

General Expense	<u>Amount</u>	<u>FTE</u>
<u>Expenditure Detail:</u>		0.00
Materials & Services	(\$138,373)	
Fund Transfers	\$0.00	
Operational Reserves	<u>\$63,479</u>	
Total Expenditures	<u>(\$74,894)</u>	

Decrease Title 3 revenue by \$79,765 due to change in calculation at federal level for one year extension, Increase investment earnings by \$4,871 to match current year performance, Decrease M&S by \$138,373 to match projects approved by BCC and increase reserves by \$63,479 to keep fund balanced. Revisions are anticipated to leave just over \$1 million year end balance.

Fund 260 Special Revenue Fund

Youth Services (subfund 260)	<u>Amount</u>	<u>FTE</u>
Expenditures	\$77,982	0.00

Community Juvenile Justice Act: Transfer \$77,982 in funds from vacant positions within General Fund to apply \$43,914 to overspending in the Juvenile Justice Act program due to reimbursements that the State previously allowed but disallowed this year and \$34,068 to Shelter and Assessment Center program for overspending of a contract to a community partner.

Children & Families (subfund 265)	<u>Amount</u>	<u>FTE</u>
Expenditures	\$0	1.00

Administration: Request 1.0 FTE Sr. Office Assistant restored. Paid from existing funds due to increase in revenue through other sources. Total cost of position for FY 07-08 is \$16,850.

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

Moving Board approved SDC appropriations totaling in amount of \$200,000 from CIP Contingency (\$183,800) and Operational Contingency (\$16,200). M&S increased for construction for the Armitage Park Campground Development Project detailed as: Increase Professional & Consulting (\$17,500) for services that include sanitation and water design and installation, and electrical design and infrastructure. Increase Operating Licenses & Permits by \$2,500 for all required licenses & permits. Increase Dept. Support/Direct by \$75,000 for department support that includes Analyst work, Engineering & Construction Services work, Transportation Planning work, and any other assignments by other divisions that might be necessary for the completion of the Project. Increase Professional Services by \$15,000 for a variety of small miscellaneous projects that will be completed by one or multiple vendors. Increase General Construction by \$90,000 that will include infrastructure installation, road design and construction, pads construction, and utilities and campground construction.

General Expense (subfund 269)	<u>Amount</u>	<u>FTE</u>
<u>Expenditure Detail:</u>		0.00
Materials & Services	\$0	
Fund Transfers	\$100,000	
Operational Reserves	\$0	
Total Expenditures	\$100,000	

Transient Room Tax revenue is projected to exceed the current budget amount by \$100,000. Since all other revenues are programmed for expenditure, the additional revenue is budgeted for transfer to the Fairgrounds. This adjustment will bring the total transfer amount up to \$1.0 million.

Fund 285 Intergov Human Services Fund

Health & Human Services	<u>Amount</u>	<u>FTE</u>
Expenditures	\$329,390	(.40)

Increase additional expected revenue from the State by \$329,390 and increase expenditures: Agency Payments \$42,704 and Client Support Fund \$286,686. Decreasing Position # 47150 by

.4 FTE, which should have been done in Supplemental #1 when transferring FTE from Fund 285 to new fund 288.

Fund 286 Health & Human Services Fund

Health & Human Services	<u>Amount</u>	<u>FTE</u>
Expenditures	(\$18,463,250)	2.27

Decrease to State funding in MH Grant by \$19,005,965 due to reduced pass through funds, state agency pays directly to providers through new state express system.

State Mental Health Grant increase of \$1,310,586. Increase M&S by \$1,315,193 and decrease Other Expenditures \$46,900 due to changes in Amendments in the MH Grant. Increase personnel expense by \$42,293. Net Expenditure increase of \$1,310,586. FTE changes: increase .5 FTE for temporary accounting clerk position. Will access feasibility of filling permanent position once budget cuts are known.

Decrease total revenue \$786,137 due to shortfall of funds received from federal grant received via UofO and OHD grant amendment #4-6. Decrease personnel expenditure by \$26,050 and decrease FTE by .25. Decrease M&S by \$760,087 due to decrease in contracts related to federal grant. Total Expenditure reduction of \$786,137.

Add 2.0 FTE consisting of 1.0 Medical Assistant and 1.0 Office Assistant for medical services at Lane County Mental Health. Increase of .02 FTE in other positions to balance position changes. Increase in Personnel Expenditures of \$18,266 – funding from Increase to LaneCare OHP Revenue of \$2,740 and Title XIX Revenue \$15,526

Fund 287 Lane Care Fund

Health & Human Services	<u>Amount</u>	<u>FTE</u>
Expenditures	\$0	0.00

Year 9 of close out of LaneCare as directed by LaneCare Executive Board. Decrease Agency Payments (271,727) decrease State Payback (13,513) and Increase Operational Contingency \$285,240.

Fund 521 Fair Board fund

Fair Board	<u>Amount</u>	<u>FTE</u>
Expenditures	\$100,000	0.00

Transient Room Tax revenue is projected to exceed the current budget amount by \$100,000. Since all other revenues are programmed for expenditure, the additional revenue is budgeted for transfer to the Fairgrounds. This adjustment will bring the total transfer amount up to \$1.0 million.

Fund 614 Employee Benefit Fund

General Expense	<u>Amount</u>	<u>FTE</u>
Resources	\$81,100	0.00

Expense Detail:

Materials & Services	\$458,528
Fund Transfers	\$153,626
Operational Reserves	<u>(\$531,054)</u>
Total Expenditures	\$81,100

Employee Benefits: Increase and decrease fund balances in individual benefits to match actual year end amounts. Increase materials & services by \$458,528 and decrease contingency by \$531,054 to keep fund balanced.

PERS Bond Reserve: Increase investment earnings by \$81,100 to match actuals; transfer balance of \$153,626 to Fund 615 to close out reserve.

Fund 615 Pension Bond Fund

General Expense	<u>Amount</u>	<u>FTE</u>
<u>Expense Detail:</u>		0.00
Materials & Services	\$0	
Debt Service	\$153,626	
Fund Transfers	\$0	
Operational Reserves	<u>\$0</u>	
Total Expenditures	\$153,626	

Increase fiscal transactions by \$153,626 for bond expense as a result of transfer from Fund 614 for balance in PERS Bond Reserve.

Fund 654 Information Services fund

Information Services	<u>Amount</u>	<u>FTE</u>
Expenditures	(\$1,768,832)	0.00

Decrease enterprise payments by \$1,768,832 to remove Lane County regional payments and expenses from IS budget to reflect how actual transfers are processed.

FY 07-08 Supplemental #2

New Contracts						
Contractor Name	Contract Title	Type	Amount	Begin Date	End Date	
HEALTH & HUMAN SERVICES						
ShelterCare	Supported Employment	E	\$103,758	1/1/2008	6/30/2009	
Laurel Hill Center	Supported Employment	E	\$225,000	1/1/2008	6/30/2009	
Amendments						
Contractor Name	Contract Title	Type	Amendment Amount	New Contract Total	As Amended	
					Begin Date	End Date
NONE						