

W. 2.b.

## AGENDA COVER MEMO

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**AGENDA DATES:** June 14, 2006 Work session  
June 21, 2006 Public Hearing and Adoption (9:00 a.m.)

**TO:** Board of County Commissioners

**DEPT.:** County Administration

**PRESENTED BY:** William Van Vactor, County Administrator  
David Garnick, Budget & Financial Planning Manager

**AGENDA TITLE:** **IN THE MATTER OF ADOPTING THE 2006-2007 LANE COUNTY BUDGET, MAKING APPROPRIATIONS AND LEVYING TAXES**

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### I. MOTION

**MOVE TO ADOPT THE 2006-2007 LANE COUNTY BUDGET, MAKING APPROPRIATIONS AND LEVYING TAXES**

### II. ISSUE OR PROBLEM

The Board of County Commissioners must adopt a FY 2006-2007 budget prior to July 1, 2006 (ORS 294). After the scheduled public hearing, the Board may adopt the budget.

### III. DISCUSSION

#### A. Background

The County Administrator presented the Proposed FY 2006-2007 budget to the Lane County Budget Committee on May 2, 2006. The committee held a required public hearing and deliberated for several weeks, approving the budget and the taxing authority on May 16, 2006.

The notice and financial summary of the approved budget was published on June 11, 2006, in the Register Guard as required by state budget law for the June 21, 2006, public hearing.

**B. Analysis**

**BUDGET ADJUSTMENTS (Attachment A)**

Lane County departments have requested a series of budget adjustments since the Budget Committee approved the budget. These adjustments have been reviewed by County Administration budget staff and were presented to the Board at its June 14<sup>th</sup> work session. Those items approved by the Board are now included in the adoption resolution.

The Board can make additional changes following the public hearing if desired. Any combined changes in excess of the \$5,000 or 10 percent, whichever is greater, would require another legal notice and public hearing prior to adoption. The Board may also determine, make and declare tax levies equal to or less than that approved by the Budget Committee. The deadline for adoption remains June 30, 2006.

The approved adjustments, summarized on Attachment A, are classified into several different groupings depending upon the level of review and analysis required, and whether or not they involve a policy issue. These groups include routine HOUSEKEEPING items and REBUDGETS, GRANT RELATED items, and POLICY ISSUES (new Adds, Reductions, or controversial items).

**HOUSEKEEPING** (no material provided except Attachment A)

These are technical adjustments that are the result of:

- recent Board actions,
- personnel reclassification/adjustments,
- updated information or corrections of errors or omissions in the Approved Budget.

**REBUDGETS** (no material provided except Attachment A)

These are FY 2005-2006 expenditures or projects with dedicated funding that will not be completed by June 30<sup>th</sup> as originally planned. The funding is therefore carried forward to complete the project or pay for the expense in the new fiscal year.

**GRANT-RELATED** (no material provided except Attachment A)

These adjustments are the result of notification from granting sources of revised or final funding awards.

**POLICY ISSUES**

The Board reviewed several policy issues at its June 14<sup>th</sup> work session. The issues reviewed were the four Add Packages summarized below. These requests were approved and have been included in the final budget adoption order.

There are four add packages are:

Health & Human Services - Fund 285

**Community Health Center Expansion:** Transfer of family Planning Program from Public Health to Community Health Centers, increased 3.0 FTE for a cost of \$248,380. Revenue to support program includes federal Title X funds in amount of \$103,808 and Federal Family Planning Expansion funds of \$144,542. Already budgeted physician will require support of 1.0 Medical Assistant 2 (\$58,788) and .40 FTE Accounting Clerk 2 (\$10,625). Positions will be paid for with additional billings generated from the previously unfilled provider position. CHC Pharmacy Program implementation will require 1.0 FTE Office Assistant 2 (\$53,934). Position covered with grant revenue from United Way 100% Access Initiative. In order to increase staff support during winter virus season surge, Extra Help budget and .50 FTE Admin Assistant reduced. Additions are temporary .50 FTE Medical Asst 2 (\$18,464) and .50 Temporary OA2 (\$15,806). Total Add Package \$855,271 revenue & expense for net cost of \$0.00 and addition of 5.9 FTE.

Health & Human Services - Fund 286

**Family Planning Transition:** Family planning service to be transitioned from Public Health to Community Health Centers (CHC). Title X revenue and matching expenses are moved from Family Planning Budget within Public Health (Fund 286) to Community Health Centers (Fund 285). \$103,808 is then added back. Original reduction package reduced an Office Asst and Community Svcs Worker. As planning progressed, it was determined that these positions would move completely to CHC. Result is it enough remaining funds for Public Health to restore .45 FTE of a Bilingual Community Health Nurse and .10 FTE of a medical Lab Technician. Total Add Package increase of \$103,808 in revenue and expenses for net cost of \$0.00 and addition of .55 FTE.

**Mental Health Specialist:** City of Eugene has included \$100,000 in FY 06-07 for funding dedicated 1.0 FTE Mental Health Specialist at Lane County Mental Health (LMH) to provide primary mental health services to participants in Eugene Municipal Court MH Court program. City funding NOT included in initial budget submission but now appears to be secured. In addition, encouraged by Department of Justice to submit a proposal for another two years of federal funding for MH Court and that proposal has been approved by the BCC and is going forwarding. Adding this position allows restoration of MHS to serve regular clinic clientele. Total Add Package increase of \$69,084 in revenue and expenses for net cost of \$0.00 and addition of 1.0 FTE.

**Mental Health Associate:** Mental Health Associate position added to expand capacity to provide Extended Care Outreach Services to individuals either transitioning out of ECF or referred for additional community based supports. State has clearly indicated desire for Lane County to expand this service, but current MHA working with this population has completely full caseload. Funding for this position will come primarily from fee generation from the daily rate paid by OMAP of \$62.87/day generating \$14,000 per month, and State is very likely to raise the daily reimbursement rate to \$93.47/day which will generate \$6,500/mo in revenue, more

than adequately funding this position. Total Add Package increase of \$65,184 in revenue and expenses for net cost of \$0.00 and addition of 1.0 FTE.

### **SUMMARY**

All adjustments are self-funding, have offsetting reductions, or there is sufficient other revenue to cover the costs.

### **LIST OF CONTRACTS (Attachment B)**

Lane Manual 21.145(1) (l) permits the County Administrator to execute contracts that are specifically listed as part of the annual budget adoption order. Attachment B constitutes the required list. Included is a single letter indicating whether the contract is a Revenue (R) or Expense (E) contract, whether it is an Amendment (A) or is granting an agency authority to Bill (B), the name of each contractor, the nature of the contract, the term and the contract amount.

### **INTERGOVERNMENTAL AGREEMENTS/DUES (Attachment C)**

The list of Intergovernmental Agreements/Membership and Association Dues has traditionally been approved as a separate agenda item. Since this list has already been reviewed and approved by the budget committee, and since there are no further changes recommended, the list has been included as Attachment C for Board approval in a manner similar to the List of Contracts contained in Attachment B.

### **WORKSHEET OF BUDGET ADDITIONS/CHANGES APPROVED BY THE BUDGET COMMITTEE (Attachment D)**

A summary of budget changes approved by the Budget Committee is attached to complete the record in explaining all adjustments from the Proposed to the Adopted Budget.

#### **C. Alternative/Options**

At the time of Adoption, the Board may choose to make adjustments to the budget. The only limitations are that:

- 1) Cumulative changes in any single fund cannot exceed \$5,000 or a 10 percent increase, whichever is greater, and
- 2) Tax levies may not be certified in an amount greater than what was approved by the Budget Committee.

#### **D. Recommendation**

It is recommended that the Board adopt the budget as presented, which includes the attached adjustments, contracts and intergovernmental dues/agreements previously approved by the Board in work session.

If the Board chooses to make additional adjustments to the budget, staff will prepare a revised Order for the Board Chair's signature.

**E. Timing**

Final adoption must be completed prior to July 1, 2006, in order for the County to have the spending authority for the new fiscal year.

**IV. IMPLEMENTATION**

Upon final adoption, staff will prepare the forms required by ORS 294 and distribute accordingly.

**V. ATTACHMENTS**

Board Order: Adopted Budget Resolution and Order

Attachment A: Adjustments to the Approved FY 2006-2007 Budget

Attachment B: List of Contracts, FY 2006-07

Attachment C: Intergovernmental Agreements, Dues, and Association Costs

Attachment D: Adjustments to the Proposed FY 2006-07 Budget (as approved by the Budget Committee)