

W. B. A.

AGENDA COVER MEMORANDUM

AGENDA DATE: Wednesday, June 18, 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 #3, MAKING, REDUCING AND TRANSFERRING APPROPRIATIONS

- I. MOTION
MOVE APPROVAL OF THE ORDER ADOPTING THE FY 2007-2008 SUPPLEMENTAL BUDGET #3 MAKING, REDUCING AND TRANSFERRING APPROPRIATIONS.

II. AGENDA ITEM SUMMARY

The Board is being asked to adopt the FY 2007-2008 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 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 and a second supplemental was adopted on April 9, 2008, Board Order 08-4-9-1. Lane County typically processes three supplemental budgets per year. This is the third supplemental budget requested for FY 2007-2008.

This supplemental budget was advertised in The Register-Guard on June 8, 2008, which is not less than 5 days or more than 30 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 contains a greater than 10% change for the Law Library and Capital Improvement funds and therefore 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

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-
08-06-18- ____) 2008 SUPPLEMENTAL BUDGET #3 MAKING,
) REDUCING AND TRANSFERRING
) APPROPRIATIONS

WHEREAS, Supplemental Budget #3 for Fiscal Year 2007-2008 was advertised in The Register-Guard on June, 8, 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 June 18, 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	(\$64,866)	0.00
 District Attorney	 <u>Amount</u>	 <u>FTE</u>
Expenditures	\$0	0.00
 Public Safety	 <u>Amount</u>	 <u>FTE</u>
Expenditures	\$391,277	0.00
 General Expense	 <u>Amount</u>	 <u>FTE</u>
<u>Expense Detail:</u>		
Material & Services	\$334,136	0.00
Fund Transfers	\$0	
Operational Contingency	<u>(\$334,136)</u>	
Total Expenditures	\$0	

Fund 216 Parks & Open Spaces Fund

Public Works	<u>Amount</u>	<u>FTE</u>
Expenditures	\$0	0.00

Fund 222 Law Library Fund

	<u>Amount</u>	<u>FTE</u>
County Counsel Expenditures	\$42,500	0.00

Fund 241 County School Fund

	<u>Amount</u>	<u>FTE</u>
General Expense		
Expense Detail:		
Material & Services	\$70,000	0.00
Fund Transfers	\$0	
Operational Contingency	\$0	
Total Expenditures	\$0	

Fund 260 Special Revenue Fund

	<u>Amount</u>	<u>FTE</u>
Youth Services Expenditures	(\$57,449)	0.00

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

	<u>Amount</u>	<u>FTE</u>
Public Safety Expenditures	\$560,430	0.00

	<u>Amount</u>	<u>FTE</u>
Children & Families Expenditures	\$78,000	0.00

	<u>Amount</u>	<u>FTE</u>
Public Works Expenditures	\$0	0.00

	<u>Amount</u>	<u>FTE</u>
General Expense		
Expense Detail		
Materials & Services	\$90,000	0.00
Fund Transfers	\$	
Operational Reserves	(\$90,000)	
Total Expenditures	\$0	

Fund 286 Health & Human Services Fund

	<u>Amount</u>	<u>FTE</u>
Health & Human Services Expenditures	\$407,035	0.00

Fund 435 Capital Improvement Fund

	<u>Amount</u>	<u>FTE</u>
Management Services Expenditures	\$1,000,000	0.00

Fund 539 Corrections Commissary Fund

Public Safety

Expenditures

Amount

\$27,000

FTE

0.00

Fund 570 Land Management Fund

Public Works

Expenditures

Amount

\$0

FTE

0.00

Fund 619 Motor & Equipment Pool Fund

Public Works

Expenditures

Amount

\$0

FTE

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 June, 2008.

Chair

Lane County Board of Commissioners

APPROVED AS TO FORM

Date 6/10/08 lane county
Teresa J. Smith
OFFICE OF LEGAL COUNSEL

ATTACHMENT A – IN THE MATTER OF ADOPTING THE FY2007-2008 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>
Expenditures	(\$64,866)	0.00

Administration: Received unexpected \$5,871 in refunds from vendor for overpayment and from staff reimbursing county for travel funds. Revenue to cover cost of professional consultant providing service of determining youth eligibility for Oregon Medical Plan.

Detention: Received \$510 from State of Oregon Department of Education for support of Detention youth community garden. M&S increased by \$510 to pay for support services for youth.

Food & Nutrition: More youth served meals in Detention kitchen qualifying for state reimbursement from lunch program. Increase of \$15,000 over budgeted amount. Increased M&S \$10,000 for youth support services and food expenditures for \$5,000.

Counseling: State reimbursements in amount of \$8,066 not received as expected. Decrease M&S by \$8,066 to balance.

Pathways: State reimbursements in amount of \$8,066 not received as expected. Decrease M&S by \$8,066 to balance.

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

Amount of Other Local Revenue from the Friends of the Child Advocacy Center will be approximately \$10,000 less than anticipated. \$10,000 is being transferred out of the Criminal Division General Fund and into the CAC Division Special Revenue Sub-Fund. The Materials & Services budget in the Criminal Division is being reduced by \$10,000, and Other Local Revenue in the CAC Division is being reduced by \$10,000

Public Safety	<u>Amount</u>	<u>FTE</u>
Expenditures	\$391,277	0.00

Increase a total of \$37,429 in the special revenue fund programs transfer in from the general fund for 2% COLA for LCPOA bargained contract (\$5,665 in the Veneta contract, \$3,842 in the Creswell contract and \$27,922 in the Traffic Team program) with an equal increase in salary offset in the respective programs. Decrease the salary offset in the fiscal program \$37,429 with an equal increase in transfer to the special revenue fund.

Increase revenue total of \$391,277 with an equal increase in expenses. Increase Community Corrections (CCA) revenue \$251,277 per anticipated approved plan modification with an equal increase in salary offset for county approved LCPOA contract salary increase. ESP increase \$5,000, Jail Security \$218,777, Community Service \$2,500 and Community Corrections Center \$25,000. Increase Forest Work Camp revenue \$140,000 (Title III \$100,000 and Title II

\$40,000) with an equal increase in expense accounts (personnel \$100,000, and \$40,000 for utilities/janitorial/ structural maintenance which are presently over budget).

General Expense	<u>Amount</u>	<u>FTE</u>
<u>Expense Detail:</u>		
Material & Services	\$334,136	0.00
Fund Transfers	\$0	
Operational Contingency	<u>(\$334,136)</u>	
Total Expenditures	\$0	

The AIRS Conversion Project is still underway. The next phase involves in-house program development using Regional Information System (RIS) employees since off-the-shelf software is not available. Each of the other RIS partners have paid their share of this project. Due to the lack of funding, Lane County has been making ongoing payments as the project has developed.

The county's share of this next phase is \$3.2 million over a four year period with this year's payment being \$1.1 million. We are using the remaining balance from a prior bond sale to pay down \$533,146 of this cost along with \$182,849 from carryover held by the Information Services Department. This leaves a balance of \$334,136 that must be taken out of the General Fund reserves. The reserves are currently greater than the required minimum 10% due to the first transfer in of Justice Court revenue which resulted from transferring National Forest Timber revenue to support the Sheriff's Office Traffic Team.

The balance of the payments will be made using a one-year interfund loan and a long-term bond to spread the remaining \$2.1 million out over a much longer period so as to avoid a large hit on the General Fund over the remaining three years.

Fund 216 Parks & Open Spaces Fund

Public Works	<u>Amount</u>	<u>FTE</u>
Expenditures	\$0	0.00

Decrease contingency and Increase Professional Services by \$25,000 to Parks Improvements Infrastructure for Wildish Property Working Group - Consulting work.

Fund 222 Law Library Fund

County Counsel	<u>Amount</u>	<u>FTE</u>
Expenditures	\$42,500	0.00

Court fee revenues exceeded projections by \$42,500 due to changes made by Legislature, effective September 2007. Placed into operational reserves.

Fund 241 County School Fund

General Expense	<u>Amount</u>	<u>FTE</u>
<u>Expense Detail:</u>		
Material & Services	\$70,000	0.00
Fund Transfers	\$0	
Operational Contingency	<u>\$0</u>	
Total Expenditures	\$0	

Increased revenue to County School Fund by \$70,000 for timber dollars, in lieu of taxes, and investment earnings are used to increase pass-through payments to Lane County schools through the Lane ESD.

Fund 260 Special Revenue Fund

Youth Services	<u>Amount</u>	<u>FTE</u>
Expenditures	(\$57,449)	0.00

Community Justice: State reimbursements for Behavioral Rehabilitative Services was \$13,327 less than expected due to community partner not qualifying for residential care services. Private insurance reimbursed program \$695 for medications. Net decrease of \$12,632 caused reduction in M&S.

Community Service: Increased community requests for community service youth crew resulted in \$4,400 in unexpected revenue. Increase M&S in same amount to purchase tools and equipment for program.

Special Projects: Increase revenue by \$5,000 due to renting more parking spaces for football season than expected. Supervision payments received from clients \$8,000 more than projected for the year. Increase of M&S by \$13,000 for support services to clients who do not qualify for other programs or grants.

MLK, Jr. Ed Center: \$5,716 expected from Lane Educational Service District not received as projected. Reduce M&S by \$5,716 as a result. \$2,359 in training and \$3,357 in support services.

Treatment & Assessment: Bridges program closed last September. State reimbursement money for Behavior Rehabilitative Services less than expected by \$67,666. Reduced salaries by this amount to balance due to not as many staff hours being used for this program.

Title II & III Projects: Title II money carried over from FY07 at end of year in amount of \$11,165. Extra help increased by \$11,165 to pay for youth on Title II forest youth crew.

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

Amount of Other Local Revenue from the Friends of the Child Advocacy Center will be approximately \$10,000 less than anticipated. \$10,000 is being transferred out of the Criminal Division General Fund and into the CAC Division Special Revenue Sub-Fund. The Materials & Services budget in the Criminal Division is being reduced by \$10,000, and Other Local Revenue in the CAC Division is being reduced by \$10,000

Public Safety	<u>Amount</u>	<u>FTE</u>
Expenditures	\$560,430	0.00

Increase a total of \$37,429 in the special revenue fund programs transfer in from the general fund for 2% COLA for LCPOA bargained contract (\$5,665 in the Veneta contract, \$3,842 in the Creswell contract and \$27,922 in the Traffic Team program) with an equal increase in salary offset in the respective programs. Decrease the salary offset in the fiscal program \$37,429 with an equal increase in transfer to the special revenue fund.

Increase revenue \$603,001 with an equal increase in expense. Increase ODOT revenue for the 7-county communication project \$660,000 with the communication equipment expense an equal increase and decrease Title III funds in the Forestland Deputy program \$60,000 with an equal decrease in personnel costs due to eliminating the program end of May 2008. Increase Title III reimbursement revenue & equipment & supplies by \$3,001 to match amount allocated by Board of Commissioners for FY 07-08.

Forest Federal Work Crews: Decrease revenue (Title II \$40,000 and Title III \$40,000) for total of \$80,000 from Federal Forest Crew program due to shutting down the Forest Work Camp end of May 2008. Decrease expenses equal amount (personnel \$40,000 and M&S \$40,000).

Children & Families	<u>Amount</u>	<u>FTE</u>
Expenditures	\$78,000	0.00

The Oregon Commission on Children and Families has amended their contract with the Lane County Department of Children and Families to increase the amount of Medicaid earnings for the biennium from \$66,000 to \$144,000, an increase of \$78,000. The contract amendment will be submitted to County Administration for execution upon approval of this supplemental request. The Department of Children and Families' Healthy Start Program earns Medicaid funds through its home visiting program for first birth families. The earnings are used to supplement core service area needs other than Medicaid earnings wages and benefits. Materials and Services will increase by \$78,000.

Public Works	<u>Amount</u>	<u>FTE</u>
Expenditures	\$0	000

Reduce operational contingency by \$60,000 and increase professional services by same amount to Parks and Recreation System Development - Infrastructure for Wildish Property Working Group Appraisal work.

General Expense	<u>Amount</u>	<u>FTE</u>
<u>Expense Detail</u>		
Materials & Services	\$90,000	0.00
Fund Transfers	\$	
Operational Reserves	<u>(\$90,000)</u>	
Total Expenditures	\$0	

Board Order 06-23-8-3 authorized the use of \$250,000 in Tourism Special Projects dollars for the Olympic Trials via a contract with the Oregon Track Club. The first payment of \$150,000 was made in February of 2006. On May 15, 2008 the Oregon Track Club submitted an invoice for the remaining \$100,000 balance due. This budget adjustment moves \$90,000 out of the project contingency up into Materials & Services to go along with the \$10,000 already budgeted to allow the final payment to be made. With this adjustment there will still be nearly \$100,000 remaining in Special Project contingency funds.

Fund 286 Health & Human Services Fund

Health & Human Services	<u>Amount</u>	<u>FTE</u>
Expenditures	\$407,035	0.00

Increase of \$353,340 in revenues and expenses due to amendments of OHD & MH Grants. This includes a new grant notification with Pacificsource and March of Dimes and for Environmental Health bringing their revenues in line with actual collections. Moving funds from Misc payments to Vehicles that had been set aside to travel to Deschutes County for clients.

Increase of \$53,695 in revenues and expenses due to amendments in the Mental Health Grant, and moving 1.0 FTE, revenue and expenses for position #50254 from 3427412 to 3427421 for tracking purposes for grant.

Fund 435 Capital Improvement Fund

Management Services	<u>Amount</u>	<u>FTE</u>
Expenditures	\$1,000,000	0.00

Loan from Fleet Reserves in Fund 619 (Motor & Equip Pool Fund) to Fund 435 (Capital Improvement fund) for improvements to the Public Health Building. Approved by Finance & Audit on May 22, 2008. Loan will be repaid, including any interest that would have been earned had it remained in reserves, with revenue bond proceeds that will be issued within the next 12-18 months.

Fund 539 Corrections Commissary Fund

Public Safety	<u>Amount</u>	<u>FTE</u>
Expenditures	\$27,000	0.00

Increase revenue in the Commissary \$27,000 (Video Lottery \$8,000 based on awarded amount, Commissary Sales \$15,000 - already at 100% of budget, and Investment Earnings \$4,000 based on presently at 141%). Equal increase of \$27,000 in expense accounts (Salary \$3,000 projected to go over budget, Furniture \$16,000 due to purchasing furniture for inmate education - approved cost for portion of the video lottery funds, and Stores Inventory \$8,000 - projected to go over budget).

Fund 570 Land Management Fund

Public Works	<u>Amount</u>	<u>FTE</u>
Expenditures	\$0	0.00

Move \$126,888. in Operational Contingency to cover operational expenses. Revenues have been lower than expected due to slow-down in housing market and building starts. Added expense to Compensatory Time for Planning program; Professional Services for pass through payment to Dexter Rural Fire Department; for payments to LCOG for IGA regarding Boundary Change; and for higher than expected costs for LMD Fee Structure analysis by Maximus. Added expense to Advertising and Publishing for fire prevention public information ads, legal ads, hearing notices and publishing blueprints. Added expense to Department Direct charges to Planning program for Surveyors' Permits work and refund processing.

Fund 619 Motor & Equipment Pool Fund

Public Works	<u>Amount</u>	<u>FTE</u>
Expenditures	\$0	0.00

Reduce reserves by \$1,000,000 to grant interfund loan from Fleet Reserves in Fund 619 (Motor & Equip Pool Fund), to Fund 435 (Capital Improvement fund) for improvements to the Public Health Building. Approved by Finance & Audit on May 22, 2008. Loan will be repaid, including any interest that would have been earned had it remained in reserves, with revenue bond proceeds that will be issued within the next 12-18 months.

FY 07-08 Supplemental #3

New Contracts						
Contractor Name	Contract Title	Type	Amount	Begin Date	End Date	
PUBLIC WORKS						
State of Oregon - Dept of Transportation	Fund Exchange Agreement - Cottage Grove - Lorane Road and Sears Road	REC	\$810,723 exp	6/8/2008	6/7/2009	
			\$762,080 rev			
SHERIFF'S OFFICE						
US Army Corps of Engineers	Law Enforcement	R	\$65,200	5/23/2008	12/31/2011	
Amendments						
Contractor Name	Contract Title	Type	Amendment Amount	New Contract Total	As Amended	
					Begin Date	End Date
CHILDREN & FAMILIES						
Oregon Commission on Children & Families	OCCF 07-09 Healthy Start - Medicaid IGA	R	\$78,000	\$144,000	7/1/2007	6/30/2009

R
rec Revenue
Reciprocal