

W.2.a.

**AGENDA COVER MEMORANDUM**

---

**AGENDA DATE:** Wednesday, March 30, 2005

**PRESENTED TO:** Board of County Commissioners

**PRESENTED BY:** Dave Garnick, Budget/Financial Planning Mgr  
County Administration

**AGENDA TITLE:** PUBLIC HEARING AND ORDER/IN THE MATTER OF ADOPTING THE FY 2004-2005 SUPPLEMENTAL BUDGET #2, MAKING, REDUCING AND TRANSFERRING APPROPRIATIONS

---

**I. MOTION**

MOVE APPROVAL OF THE ORDER ADOPTING THE FY2004-2005 SUPPLEMENTAL BUDGET #2 MAKING, REDUCING AND TRANSFERRING APPROPRIATIONS.

**II. ISSUE**

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. DISCUSSION**

**A. Background**

Submitted for the Board's consideration and approval is Supplemental Budget #2 for Fiscal Year 2004-2005. This supplemental budget was advertised in The Register-Guard on March 21, 2005.

We use the publication form of supplemental budget process available under state budget law. Separate rules apply to proposed changes above or below 10%. Because this supplemental contains changes greater than 10% for one fund (LaneCare Fund), the Board of Commissioners is required to hold a public hearing before taking final action.

**B. Analysis**

Please refer to the analysis and description of proposed changes in Board Order Attachment A.

C. 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.

D. Recommendation

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

IV. IMPLEMENTATION/FOLLOW-UP

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

V. ATTACHMENT

Board Order

Board Order Attachment A – Budget Changes and Explanations

Excerpts from Board Order 02-6-26-1

**IN THE BOARD OF COUNTY COMMISSIONERS OF LANE COUNTY, OREGON**

**RESOLUTION AND ORDER**            ) **IN THE MATTER OF ADOPTING THE FY 2004-**  
   ) **2005 SUPPLEMENTAL BUDGET #2 MAKING,**  
**05-**  ) **REDUCING AND TRANSFERRING**  
   ) **APPROPRIATIONS**

**WHEREAS**, Supplemental Budget #2 for Fiscal Year 2004-2005 was advertised in The Register-Guard on March 21, 2005, 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 2004-2005 Supplemental Budget #2 was held in the Public Service Building, Lane County on March 30, 2005; 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, 2004 and for the purposes as outlined on Attachment A be additionally appropriated, reduced or transferred as follows:

| <u>Fund 124</u> | <u>General Fund</u>                      | <u>Amount</u>   | <u>FTE</u> |
|-----------------|--|-----------------|------------|
|                 | Youth Services                           |                 |            |
|                 | Resources                                | 376,083         |            |
|                 | Expenditures                             | 376,083         | 0.00       |
|                 | District Attorney                        |                 |            |
|                 | Resources                                | 15,500          |            |
|                 | Expenditures                             | 15,500          | 0.00       |
|                 | General Expense                          |                 |            |
|                 | Fund Transfers                           | 89,315          |            |
|                 | Operational Contingency(Reserves)        | <u>(89,315)</u> |            |
|                 | Total                                    | 0               | 0.00       |
| <u>Fund 216</u> | <u>Parks and Open Spaces Fund</u>        |                 |            |
|                 | Public Works                             |                 |            |
|                 | Resources                                | 70,000          |            |
|                 | Expenditures                             | 70,000          | 0.00       |
| <u>Fund 228</u> | <u>Special Revenue and Services Fund</u> |                 |            |
|                 | Management Services                      |                 |            |
|                 | Resources                                | 23,542          |            |
|                 | Expenditures                             | 23,542          | 0.00       |

|                                   |           |      |
|-----------------------------------|-----------|------|
| General Expense                   |           |      |
| Materials & Services              | 93,900    |      |
| Fund Transfers                    | 70,000    |      |
| Operational Contingency(Reserves) | (163,900) |      |
| Total                             | 0         | 0.00 |

Fund 283    Animal Regulation Authority Fund

|                     |        |      |
|---------------------|--------|------|
| Management Services |        |      |
| Resources           | 10,000 |      |
| Expenditures        | 10,000 | 0.00 |

Fund 286    Health & Human Services Fund

|                         |         |      |
|-------------------------|---------|------|
| Health & Human Services |         |      |
| Resources               | 895,504 |      |
| Expenditures            | 895,504 | 1.80 |

Fund 287    LaneCare Fund

|                         |           |      |
|-------------------------|-----------|------|
| Health & Human Services |           |      |
| Resources               | 5,288,768 |      |
| Expenditures            | 5,288,768 | 0.00 |

Fund 435    Capital Improvement Fund

|                     |        |      |
|---------------------|--------|------|
| Management Services |        |      |
| Resources           | 34,315 |      |
| Expenditures        | 34,315 | 0.00 |

Fund 619    Motor and Equipment Pool Fund

|               |        |      |
|---------------|--------|------|
| Public Safety |        |      |
| Resources     | 19,979 |      |
| Expenditures  | 19,979 | 0.00 |

Fund 627    Intergovernmental Services Fund

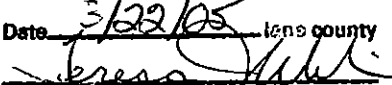
|                     |       |      |
|---------------------|-------|------|
| Management Services |       |      |
| Resources           | 5,500 |      |
| Expenditures        | 5,500 | 0.00 |

Fund 654    Information Services Fund

|                      |        |      |
|----------------------|--------|------|
| Information Services |        |      |
| Resources            | 55,000 |      |
| Expenditures         | 55,000 | 0.00 |

Dated this \_\_\_\_ day of March 2005.

APPROVED AS TO FORM

Date 3/22/05 Leas county  
  
 OFFICE OF LEGAL COUNSEL

\_\_\_\_\_  
 Anna Morrison, Chair  
 Board of County Commissioners

**ATTACHMENT A – IN THE MATTER OF ADOPTING THE FY 2004-2005 SUPPLEMENTAL BUDGET #2 MAKING, REDUCING AND TRANSFERRING APPROPRIATIONS**

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

| <u>Fund 124 General Fund</u> | <u>Amount</u> | <u>FTE</u> |
|------------------------------|---------------|------------|
| Youth Services               |               |            |
| Resources                    | 376,083       |            |
| Expenditures                 | 376,083       | 0.00       |

The Juvenile Breaking the Cycle grant ended June 30, 2004. An amount of \$204,606 was unspent and the grantor has agreed to allow the Department of Youth Services to carry over this unspent amount into this budget year 2004/2005. This money can be used to offset salaries and benefit expenditures that have been higher than expected due to the increase in the cost of benefits this year as well as in other areas.

The Workforce Partnership program has granted the Department of Youth Services an award in the amount of \$120,000 beginning March 1, 2005 through June 30, 2006 from the Federal Workforce Initiative Act. These funds will expand MLK Jr. Education Program support of youth training for jobs and internships. The amount expected to be spent this fiscal year is \$24,000. The balance will be budgeted in the FY 05-06 budget.

The Oregon Youth Authority has granted the Department of Youth Services \$147,477 for Gang Intervention Services. This grant will provide funding for three programs; Graffiti Removal Team, Enhanced Supervision, and Community Education/Mobilization. The breakdown of costs for each program is as follows: Graffiti Removal Team \$56,393 (1.5 FTE); Enhanced Supervision \$38,600 (1.0 FTE); Community Education/Mobilization \$52,484 (1.0 FTE). These are all current employees who will be moved from other programs into this grant for the remainder of the year.

|                   |        |      |
|-------------------|--------|------|
| District Attorney |        |      |
| Resources         | 15,500 |      |
| Expenditures      | 15,500 | 0.00 |

Transfer of excess Fleet Replacement Fund Reserves of \$15,500 to DA's office - replacement funds earned on vehicle 96005 turned into Fleet Services on September 15, 2004.

|                      |                 |      |
|----------------------|-----------------|------|
| General Expense      |                 |      |
| Fund Transfers       | 89,315          |      |
| Operational Reserves | <u>(89,315)</u> |      |
| Total                | 0               | 0.00 |

In Supplemental Budget #3 for FY2001-2002 (B.O. 02-6-26-1, excerpts attached) the Board increased tax penalty revenue within the A&T budget to.. " be used as a payment to RIS to start a replacement fund for the ASIX tax software upgrade/replacement." However, due to a clerical error, the payment was never made after the supplemental was approved and the money returned to the General Fund's fund balance.

This budget adjustment is to request that the Board again approve the movement of the original \$55,000 from the General Fund to Information Services (former RIS) in order to carry out the intent of the prior supplemental budget. This action is accomplished by transferring the funds from the reserve into the Fund Transfers line where it can then be transferred to the IS Dept.

**ATTACHMENT A – IN THE MATTER OF ADOPTING THE FY 2004-2005 SUPPLEMENTAL BUDGET #2 MAKING, REDUCING AND TRANSFERRING APPROPRIATIONS**

The Board approved the used of the Sheriff's Office lapse funds from FY 03-04 that were in excess of the two percent lapse for remodeling the Defendant Offender Management Center (DOMC) as per B.O. 04-7-28-9. A preliminary transfer of \$505,713 was made in Supplemental #1 for this year. The final amount needed to complete the project and stay within the two percent lapse is \$34,315. This supplemental adjustment moves the \$34,315 from excess reserves to the Fund Transfers line where it will be transferred to the Capital Improvement Fund 435.

**Fund 216 Parks and Open Spaces Fund**

|              |        |      |
|--------------|--------|------|
| Public Works |        |      |
| Resources    | 70,000 |      |
| Expenditures | 70,000 | 0.00 |

This adjustment receives \$70,000 from Transient Room Tax Special Projects for an eCommerce project to implement an online reservation system approved in B.O. 05-2-9-2 as described below.

**Fund 228 Special Revenue and Services Fund**

|                     |        |      |
|---------------------|--------|------|
| Management Services |        |      |
| Resource            | 23,542 |      |
| Expenditures        | 23,542 | 0.00 |

This adjustment appropriates the additional cash balance for the Tax Foreclosed Property Sales program carried forward from the prior year which was over and above the original estimate. All funds are placed in the Operational Contingency.

|                      |                  |      |
|----------------------|------------------|------|
| General Expense      |                  |      |
| Materials & Services | 93,900           |      |
| Fund Transfers       | 70,000           |      |
| Operational Reserves | <u>(163,900)</u> |      |
| Total                | 0                | 0.00 |

This adjustment moves \$70,000 from the Transient Room Tax Special Projects Reserve to the Fund Transfers line for transfer to the Lane County Parks Division for an eCommerce project to implement an online reservation system already approved in B.O. 05-2-9-2.

B.O. 05-2-16-3 directed that funding for a B.R.I.N.G. Recycling Plan Improvement Center project costing \$100,000 and a Land Management Division e-Permit project totaling \$80,000 shall come first from the \$200,000 video lottery strategic investment projects line. The Board further directed that the balance of funds to cover the remaining project costs should come from video lottery economic development operational reserves. After spending out the strategic investments line, an additional \$93,900 is required. This adjustment moves the required funding from operational reserves to Materials & Services to fully fund all approved projects.

**Fund 283 Animal Regulation Authority Fund**

|                     |        |      |
|---------------------|--------|------|
| Management Services |        |      |
| Resources           | 10,000 |      |
| Expenditures        | 10,000 | 0.00 |

Return of excess Fleet funds to Management Services to cover the purchase of two (2) vehicles by LCARA from Sheriff's Office.

**ATTACHMENT A – IN THE MATTER OF ADOPTING THE FY 2004-2005 SUPPLEMENTAL BUDGET #2 MAKING, REDUCING AND TRANSFERRING APPROPRIATIONS**

Fund 286 Health & Human Services Fund

Health & Human Services

|              |         |      |
|--------------|---------|------|
| Resources    | 895,504 |      |
| Expenditures | 895,504 | 1.80 |

Health & Human Services is adjusting revenue and expenses appropriations to match the Mental Health Grant, Oregon Health Division grant and miscellaneous grant allocations in addition to correcting appropriations that were estimated at budget time. The total increase in revenue and expense is \$895,504 and includes an additional 1.8 FTE.

Fund 287 LaneCare Fund

Health & Human Services

|              |           |      |
|--------------|-----------|------|
| Resources    | 5,288,768 |      |
| Expenditures | 5,288,768 | 0.00 |

This is the only adjustment in the entire supplemental that exceeds 10% of the total fund. This adjustment transfers \$316,528, the remaining administrative cash balance, from the Health & Human Services Fund 286 where LaneCare admin resided until it was split off into its own fund (LaneCare Fund 287). The administration and management of the LaneCare capitation payments was shifted from PeaceHealth to Lane County. The LaneCare Fund Balance adjustment is based on reallocation of funds from the sixth year of operation that had previously been held and managed by PeaceHealth. This adjustment also reflects Managed Care dollars based on Actuals-to-date. The total increase of revenue and expense is \$5,288,768.

Fund 435 Capital Improvement Fund

Management Services

|              |        |      |
|--------------|--------|------|
| Resources    | 34,315 |      |
| Expenditures | 34,315 | 0.00 |

This adjustment receives the \$34,315 from the General Fund and is the final amount needed to complete the remodeling of the Defendant Offender Management Center (DOMC) as per B.O. 04-7-28-9.

Fund 619 Motor and Equipment Pool Fund

Public Works

|              |   |      |
|--------------|---|------|
| Resources    | 0 |      |
| Expenditures | 0 | 0.00 |

\$25,500 is transferred from Operational Contingency to Fund Transfers within Public Works Fleet Fund's current appropriation to make refunds to the District Attorney's Office (\$15,00) and Animal Regulation Authority (\$10,000) for vehicles turned in to Fleet Services.

Public Safety

|              |        |      |
|--------------|--------|------|
| Resources    | 19,979 |      |
| Expenditures | 19,979 | 0.00 |

Increase revenue and expense appropriations by \$19,979 to reflect the actual FY 03-04 cash balance carry forward following final close-out of Fund 619 of Sheriff's Office funds with an equal increase to various expense line items to balance the fund programs.

**ATTACHMENT A – IN THE MATTER OF ADOPTING THE FY 2004-2005 SUPPLEMENTAL BUDGET #2 MAKING, REDUCING AND TRANSFERRING APPROPRIATIONS**

Fund 627 Intergovernmental Services Fund

Management Services

|              |       |      |
|--------------|-------|------|
| Resources    | 5,500 |      |
| Expenditures | 5,500 | 0.00 |

Banking fees are higher than anticipated due to more service requests by us of US Bank. This cost increase will be paid for by increased interest income in our investment pool due to a general improvement in the earnings markets.

Fund 654 Information Services Fund

Information Services

|              |        |      |
|--------------|--------|------|
| Resources    | 55,000 |      |
| Expenditures | 55,000 | 0.00 |

This adjustment is to receive General Fund dollars transferred in to be used as a payment for the ASIX tax software upgrade/replacement project as originally approved in Supplemental Budget #3 for FY2001-2002 (B.O. 02-6-26-1).



= Excerpts =

**PASSED**

**IN THE BOARD OF COUNTY COMMISSIONERS OF LANE COUNTY, OREGON**

**RESOLUTION AND ORDER** ) **IN THE MATTER OF ADOPTING THE FY2001**  
**02-6-26-1** ) **2002 SUPPLEMENTAL BUDGET #3 MAKING,**  
 ) **REDUCING AND TRANSFERRING**  
 ) **APPROPRIATIONS**

**WHEREAS**, Supplemental Budget #3 for Fiscal Year 2001-2002 was advertised in the Register-Guard on June 21, 2002, 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 FY2001-2002 Supplemental Budget #3 was held in the Public Service Building, Lane County on June 26, 2002; 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, 2001 and for the purposes as outlined on Attachment A be additionally appropriated, reduced or transferred as follows:

| <u>Fund 124</u> | <u>General Fund</u>        | <u>Amount</u> | <u>FTE</u> |
|-----------------|----------------------------|---------------|------------|
|                 | (31) Assessment & Taxation |               |            |
|                 | Resources                  | 55,000        |            |
|                 | Expense                    | 55,000        | 0.00       |
|                 | (32) Children and Families |               |            |
|                 | Resources                  | (32,549)      |            |
|                 | Expense                    | (32,549)      | 0.00       |
|                 | (36) Public Works          |               |            |
|                 | Resources                  | 66,000        |            |
|                 | Expense                    | 81,000        | 0.00       |
|                 | (57) General Expense       |               |            |
|                 | Materials & Services       | 36,438        |            |
|                 | Capital Projects           | (75,000)      |            |
|                 | Operational Contingency    | 38,562        |            |
|                 | Operational Reserve        | (15,000)      |            |
|                 | (57) Total                 | (15,000)      | 0.00       |

Except from B.O  
026-26-1


|                 |                          |         |      |
|-----------------|--------------------------|---------|------|
| <u>Fund 521</u> | <u>Fair Board Fund</u>   |         |      |
|                 | (55) Management services |         |      |
|                 | Resources                | 890,500 |      |
|                 | Expense                  | 890,500 | 0.00 |

Dated this 26<sup>th</sup> day of June 2002.

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

APPROVED AS TO FORM

Date 6/26/02 In no county

  
\_\_\_\_\_  
OFFICE OF LEGAL COUNSEL

IN THE MATTER OF ADOPTING THE FY2001-2002 SUPPLEMENTAL BUDGET #3 MAKING,  
REDUCING AND TRANSFERRING APPROPRIATIONS

**ATTACHMENT A  
 IN THE MATTER OF ADOPTING THE FY2001-2002 SUPPLEMENTAL  
 BUDGET #3 MAKING, REDUCING AND TRANSFERRING APPROPRIATIONS**

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

**Fund 124 General Fund**

|                            |        |      |
|----------------------------|--------|------|
| (31) Assessment & Taxation | Amount | FTE  |
| Resources                  | 55,000 |      |
| Expense                    | 55,000 | 0.00 |

Resources and expenditures are being increased to recognize additional tax penalty revenue. The funds will be used as a payment to RIS to start a replacement fund for the ASIX tax software upgrade/replacement.

|                            |          |      |
|----------------------------|----------|------|
| (32) Children and Families | Amount   | FTE  |
| Resources                  | (32,549) |      |
| Expense                    | (32,549) | 0.00 |

As a result of changes in the department in the last few months of this fiscal year, adjustments have been made to the budget to more accurately reflect revenue and expenditures. Most of the changes are housekeeping moves between programs. There is a large adjustment in Community Safety Net (CSN) funding as the Federal Grant ended. Department allocated funds are acknowledged, as well as Lane ESD CSN Technical Assistance funds.

|                   |        |      |
|-------------------|--------|------|
| (36) Public Works | Amount | FTE  |
| Resources         | 66,000 |      |
| Expense           | 81,000 | 0.00 |

Land Management revenues and expenses are projected to exceed annual appropriations for fiscal year 01-02 primarily due to the following reasons:

- Salaries in Planning were under-estimated on the Reduction Adjustment in December 2001.
- Unanticipated extra-help expenses accrued to hire a temporary replacement field inspector within the building program. This was to cover for an employee who was absent for an extended disability leave. Extra-help was necessary to meet customer service needs.
- Overtime has been allowed for the Building Plans Examiners because: a) it helps get completed building permits to our customers faster and, b) it will generate more net permit revenue to the Division than it costs in overtime expense.
- Employees submitted requests for reimbursement of vacation liability in greater amounts than were anticipated.
- M&S cost overruns were experienced in Planning for copier charges, printing and binding, and postage. A significant component of these latter charges were associated with an unanticipated Measure 56 public notice campaign in conjunction with the Chapter 16 Zoning District code changes.
- Similarly, the anticipated decrease in M&S expenses did not fully occur following the January 1, 2002 LMD Reduction-in-Force.