



MULTNOMAH COUNTY AGENDA PLACEMENT REQUEST BUDGET MODIFICATION

REVISED

Board Clerk Use Only

Meeting Date: 11/29/12
Agenda Item #: R.14
Est. Start Time: 10:25 am
Date Submitted: 11/14/12

Agenda Title: FY 2013 Supplemental Budget Modification #1 to Appropriate Beginning Working Capital and Adjust Various Other Funds

Note: For all other submissions (i.e. Notices of Intent, Ordinances, Resolutions, Orders or Proclamations) please use the APR short form.

Requested Meeting Date: November 29, 2012
Time Needed: 30 minutes
Department: Dept. of County Management
Division: Budget
Contact(s): Christian Elkin
Phone: 503-988-3312 **Ext.** 83312 **I/O Address:** 503/531
Presenter Name(s) & Title(s): Christian Elkin, Principal Budget Analyst

General Information

1. What action are you requesting from the Board?

The Budget Office requests approval of Supplemental Budget #1 to appropriate \$3.48 million in unplanned Beginning Working Capital and to make various fund adjustments to ensure the County's compliance with Oregon Budget Law.

2. Please provide sufficient background information for the Board and the public to understand this issue. Please note which Program Offer this action affects and how it impacts the results.

A supplemental budget is the vehicle allowed by ORS Chapter 294 (commonly known as "Oregon Budget Law") for the Board to address changes in financial conditions not anticipated at the time the budget was adopted. This supplemental budget adds beginning working capital (BWC) to six County funds.

Appropriating Beginning Working Capital

Beginning Working Capital represents the difference between revenues and expenditures in a fiscal year. When added to the following year's budget, BWC becomes a one-time resource for County programs. The FY 2013 Budget included estimated BWC, but there was a difference between the amount that was budgeted and the amount that remained at year-end. Total BWC being added is \$3.48 million. The six funds adding BWC are:

General Fund (1000)	53,754
Federal State Fund (1505)	2,027,436
Inmate Welfare (1513)	64,012
Justice Services Special Ops (1516)	165,647
Information Technology Fund (3503)	490,000
Facilities Management Fund (3505)	<u>680,000</u>
Total BWC	3,480,849

The BWC will be spent on the following services:

- \$490,000 (DCA -IT): finish the telephone replacement project (Convergence)
- \$680,000 (DCA -Facilities): Eastside Streetcar assessment (\$380k) and funding for a contract with a local environmental engineering firm to help the County obtain LEED-EB Silver certification for six County buildings (\$300k)
- \$314,717 (DCHS): Weatherization for single and multi family buildings
- \$181,881 (HD): used to pay claims for services provided from the Multicare Dental program prior to August, 1, 2012
- \$1,437,547 (HD): Electronic Dental Records implementation
- \$376,704 (MCSO, DCHS, HD, DCM): Various other services and programs

Adjustments to Various Other Funds

In addition to appropriating the BWC, this supplemental budget also adjust various funds to ensure compliance with Oregon Budget Law and align the budget with actual revenues and expenditures.

County School Fund (1508) – increases the fund by \$58,000 which is more than 10% of the adopted budget. At the time of adoption, the federal timber payments were expected to expire. Post adoption, the federal government approved a one-year extension to the Secure Rural Schools & Community Self-Determination Act in July, 2012. This action adds the new revenue to the County School Fund, all of which will be passed through to local schools for their operations.

Special Excise Tax Fund (1511) - accounts for a portion of the County's transient lodging taxes collected from all hotels and motels in the County and motor vehicle rental tax collected from rental agencies. Expenditures are restricted to the Convention Center, visitor development purposes, regional arts and culture purposes and other uses pursuant to Multnomah County Code 11.300 and 11.400. *100% of these funds are passed through to METRO.*

In recent years, we have waited until all the revenues were collected (through September) and *retroactively* adjusted the budget as necessary. In FY 2012, there was some growth in the Transient Lodging Tax which supports increasing the fund in FY 2013. To avoid retroactively adjusting the budget the appropriation will be increased by \$2.3 million.

3. Explain the fiscal impact (current year and ongoing)

Adding BWC: There is an increase in one-time revenues and expenditures of \$3.48 million. This increase takes place in a variety of programs and departments as detailed above. Once the funds are expended, services will return to their original level.

Adjustments to Various Funds – this action affects two funds as detailed above. Both actions have no financial impact to the County as 100% of the funds are passed through to other governmental entities. The increases in appropriations allow us to pass through 100% of the

funding without overspending the appropriation.

4. Explain any legal and/or policy issues involved.

It is especially important to account for and spend any BWC associated with grant funds, as County Financial Policies state a preference for spending grant funds prior to spending unrestricted resources on the same programs.

These actions allow the County to comply with our intergovernmental agreements and avoid violating Oregon Budget Law.

5. Explain any citizen and/or other government participation that has or will take place.

This supplemental budget modification was noticed in the *Oregonian* on November 21, 2012. This met the notification requirements per Oregon budget law of appearing in the *Oregonian* at least 5 days before, but not more than 30 days before this hearing.

Budget Modification

If the request is a **Budget Modification**, please answer **all** of the following in detail:

- **What revenue is being changed and why? If the revenue is from a federal source, please list the Catalog of Federal Assistance Number (CFDA).**

Beginning Working Capital is increasing \$3,480,849 to appropriate unbudgeted amounts in FY 2013. **Governmental Shared General Resources** are increasing \$58,000 due to one-time payments from Secure Rural Schools & Community Self-Determination Act for County schools. The **Transient Lodging Tax** is increasing by \$2,310,500.

Central and Departmental Indirect are increasing by a combined \$166,805.

Risk Fund revenue is increasing by \$11,820.

- **What budgets are increased/decreased?**

Below is a table showing the increases and decreases in budget by Program Offer:

Prog. #	Dept.	Program Name	Change Amount
10020	NOND	County School Fund	58,000
10022	NOND	Convention Center Fund	2,310,500
25000	DCHS	Director Office - Dept. Indirect	9,489
25020A	DCHS	ADS Access and Early Intervention Services	85,489
25065A	DCHS	Mental Health Services for Victims and Survivors of Domestic Violence	12,800
25068	DCHS	Multnomah Wraparound	-9,296
25090	DCHS	Addictions Detoxification and Post-Detoxification Housing	73,876
25121	DCHS	Weatherization	314,717
25145	DCHS	SUN Community Schools	44,821
40012	Health	Services for Persons Living with HIV	20,432
40017	Health	Dental Services	181,881
40017	Health	Dental Services - Electronic Dental Records	1,437,547
40040	Health	Business and Quality - Dept. Indirect	103,205
60010	MCSO	MCSO Business Services Admin - Dept. Indirect	9,676

60045	MCSO	MCSO Inmate Welfare	64,012
60063	MCSO	MCSO Patrol	6,828
60067	MCSO	MCSO Special Investigations Unit	14,781
60069	MCSO	MCSO Alarm Program	31,751
60070	MCSO	MCSO Concealed Handgun Permits	49,319
72020	DCM	Risk Fund	11,820
72025B	DCM	DCM DART County Clerk	53,754
78003	DCA	Facilities Operations and Maintenance	680,000
78024	DCA	IT Strategic Modernization Projects	490,000
95000	County	Overall County - Indirect	<u>44,435</u>
Total Change			6,099,837

- **What do the changes accomplish?**

The changes appropriate unbudgeted BWC in FY 2013 and bring the County into full compliance with Oregon Budget Law

- **Do any personnel actions result from this budget modification? Explain.**

There is no net increase or decrease in FTE as a result of this modification.

- **If a grant, is 100% of the central and department indirect recovered? If not, please explain why.**

Indirect is recovered for the BWC.

- **Is the revenue one-time-only in nature? Will the function be ongoing? What plans are in place to identify a sufficient ongoing funding stream?**

The BWC is one-time-only funding. The functions that it funds are not ongoing. The County School Fund and Special Excise Tax Fund payments are pass through with no ongoing impacts.

- **If a grant, what period does the grant cover? When the grant expires, what are funding plans? Are there any particular stipulations required by the grant (i.e. cash match, in kind match, reporting requirements etc)?**

N/A

NOTE: If a Budget Modification or a Contingency Request attach a Budget Modification Expense & Revenues Worksheet and/or a Budget Modification Personnel Worksheet.

Required Signature

**Elected Official
or Dept Director:**

Date:

Budget Analyst:

Julie Neburka

Date: 11/14/12