



Multnomah County Agenda Placement Request Budget Modification

(FY 2019)

APPROVED: MULTNOMAH COUNTY
BOARD OF COMMISSIONERS
AGENDA # 12.2 DATE 8/30/18
TAJA NELSON, ASST. BOARD CLERK

Board Clerk Use Only

Meeting Date: 8/30/18
Agenda Item #: R.2
Est. Start Time: 9:45 a.m.
Date Submitted: 8/17/18

Agenda Title: BUDGET MODIFICATION # SUPP01-DCA-01-19: Appropriates \$4.65 Million of Existing Resources in the ERP Project Fund for the Multco Align Project Due to a Change in the "Go-Live" Date

Requested Meeting Date: 8/30/18 **Time Needed:** 5 Minutes

Department: 78 - County Assets **Division:** _____

Contact(s): Michael Jaspin, Budget Director, and Lisa Whedon, DCA Budget & Planning Finance Manager

Phone: 503-988-7687 **Ext.** 87687 **I/O Address** 503/531

Presenter Name(s) & Title(s): Adam Brown, Senior Budget Analyst

General Information

1. What action are you requesting from the Board?

On behalf of the Department of County Assets, the Budget Office requests approval of this supplemental budget to appropriate \$4.65 million of existing resources in the ERP Project Fund. This \$4.65 million was anticipated to be spent in FY 2018, but changes to the project timeline affected the timing of project deliverables and spending, so this money will now be spent in FY 2019. The overall project budget remains unchanged.

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.

The FY 2019 Adopted budget was built based on an assumed July 1, 2018, go-live date for the Workday Enterprise Resource Planning (ERP) system, which is part of the Multco Align project. With the updated project timeline and a new go-live date for Workday of January 1, 2019, some project deliverables and the related spending that were originally scheduled to take place in FY 2018 will now happen in FY 2019. This budget action adds the \$4.65 million to the FY 2019 ERP Project Fund budget, increasing the FY 2019 appropriation from \$19.9 million to \$24.5 million. The overall project budget remains unchanged. The increase of \$4.5 million exceeds 10% of the total

appropriation, so a supplemental budget is required.

As a reminder, a supplemental budget is the mechanism by which Oregon Budget Law (ORS Chapter 294) allows the Board to make changes to the County's adopted budget to address changes in financial conditions that were not anticipated at the time the budget was adopted. As defined by Oregon Budget Law, all budget modifications that go before the Board are supplemental budgets, but the majority of those budget modifications qualify for exemptions that allow the changes to be adopted by simple resolution.

When exemptions are not applicable, such as when increasing a fund by more than 10%, transferring money between funds, transferring more than 15% from contingency, or establishing a new fund, a more involved process of public noticing and a public hearing is required. Public noticing and a public hearing are required in this case because we are increasing the ERP Project Fund by 23% (from \$19.9 million to \$24.5 million), meaning that the 10% exemption does not apply.

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

This action increases ERP Project Fund (2513) revenues and expenditures by \$4,650,000. The overall ERP project budget remains unchanged.

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

This action allows the County maintain compliance with Oregon Budget Law.

5. Explain any citizen or other government participation.

This supplemental budget modification was noticed in the Oregonian on Wednesday, August 22, 2018. This met the notification requirements of Oregon Budget Law, which requires publication at least 5 days before, but not more than 30 days before, the hearing.

Budget Modification

6. 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 increased by \$4,650,000 in the ERP Project Fund (2513) due to changes to the project timeline.

7. What budgets are increased/decreased?

Department of County Assets program offer 78320 - IT ERP Program budget is increased by \$4,650,000 in Professional Services to allow for costs that will now be incurred in FY 2019 based on the new project timeline.

8. What do the changes accomplish?

The changes allow for vendor payments to be made based on the new project timeline and for the County to maintain compliance with Oregon Budget Law.

9. Do any personnel actions result from this budget modification?

No.

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

N/A

11. 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?

This revenue is one-time-only.

12. 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 (e.g. cash match, in kind match, reporting requirements, etc)?

N/A

Required Signature

Elected Official or Marissa Madrigal
Dept. Director:

Date: 8/17/2018

Budget Analyst: Adam Brown

Date: 8/17/2018

Department HR: _____

Date: _____

Countywide HR: _____

Date: _____

Exp/Rev/FTE - Budget Modification

Budget Year: 2019

Budget Modification: SUPP01-DCA-01-19

Expenditures & Revenues

An increase in revenue is shown as a negative value and a decrease as a positive value for consistency with SAP.

Line No.	Program Offer Number	Fund Code	Fund Center	Func. Area	Cost Object	Cost Element	Current Amount	Revised Amount	Change Increase/ (Decrease)	Subtotal
1	78320-19	2513			ITERP.ERP PROGRAM	50000 - Beg Working Capital	(19,849,934)	(24,499,934)	(4,650,000)	
2	78320-19	2513			ITERP.ERP PROGRAM	60170 - Professional Svcs	17,976,678	22,626,678	4,650,000	
2513 Total										0
Total										0
Program Offer Number 78320-19 Total										0

Exp/Rev/FTE - Budget Modification

Budget Year: 2019

Budget Modification: SUPP01-DCA-01-19

Annualized Personnel Changes

Change is shown on a full year basis even though this action affects only a part of the fiscal year (FY).

No positions were affected by this Budget Modification.

Current Year Personnel Changes

Cost/savings that will take place in this FY; these explain the actual dollar amounts being changed by this BudMod.

No positions were affected by this Budget Modification.