



**Multnomah County
Agenda Placement Request
Budget Modification**

(Revised 9/23/13)

APPROVED: MULTNOMAH COUNTY

BOARD OF COMMISSIONERS

AGENDA # R-3 DATE 7/27/16

MARINA BAKER, ASST BOARD CLERK

Board Clerk Use Only

Meeting Date: 9/29/16

Agenda Item #: R.3

Est. Start Time: 9:55 am approx

Date Submitted: 9/13/16

Agenda Title: BUDGET MODIFICATION # NOND-13-16: RETROACTIVE BUDGET MODIFICATION - Increases appropriation for Transient Lodging Tax

Requested Meeting Date: 9/29/16 Time Needed: 5 Minutes

Department: 1000 - Nondepartmental - All Other Division: _____

Contact(s): Eric Arellano, Deputy CFO Christian Elkin, Budget and Finance Manager

Phone: 988-7689 Ext. _____ I/O Address 167/1/105

Presenter Name(s) & Title(s): Eric Arellano, Deputy CFO

General Information

1. What action are you requesting from the Board?

Approval of retroactive Budget Modification NOND-13-16 to increase the FY 2016 appropriation for the Transient Lodging Tax in the Special Excise Tax Fund by \$2,300,000. This is a retroactive action that only affects FY 2016.

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.

Under nearly all circumstances, prior year budgets cannot be modified. The exception to the rule is if the budget is for money that is collected by one jurisdiction and passed through to another, found in statute at ORS 294.466. Overspending a budget is against the law, as is failing to pass through the entire amount collected on another agency's behalf. In FY 2016, the Special Excise Taxes exceeded budgeted revenues and appropriations by just under \$2,300,000.

The 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.

The Transient Lodging Tax has supported the Oregon Convention Center since 1986. The tax is

set at 12.5% on all hotel and motel room rentals in Multnomah County. The tax is distributed as follows:

- 5.0% - Cities retain 5% of the tax generated within their boundaries
- 1.0% - Regional tourism promotion
- 5.5% - Programs associated with the Oregon Convention Center, the Regional Arts & Culture Council (RACC) and the Visitors Development Board.
- 1.0% - State Tourism Commission

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

There is no fiscal impact to current or future years. This action increases the FY 2016 appropriation in the Special Excise Tax Fund (Fund 1511) so that taxes collected on METROs behalf can be passed through to the agency without overspending the appropriation.

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

This action allows the County to comply with our intergovernmental agreement and avoid violating Oregon Budget Law.

5. Explain any citizen or other government participation.

N/A.

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).

The FY 2016 Transient Lodging Tax revenues are being increased by \$2,300,000 to accurately reflect tax collections that were higher than budgeted.

7. What budgets are increased/decreased?

The Transient Lodging Tax pass-through appropriation is increased by \$2,300,000.

8. What do the changes accomplish?

The changes fulfill our fiscal duty to pass along the tax proceeds to the appropriate agencies without a budget violation in our FY 2016 audit.

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?

The fund estimates were increased for the FY 2017 budget and will be monitored closely over the year.

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 Travis Graves /s/ **Date:** 9/13/2016
Dept. Director:

Budget Analyst: Adam Brown **Date:** 9/12/16

Department HR: _____ **Date:** _____

Countywide HR: _____ **Date:** _____

Exp/Rev/FTE - Budget Modification

Budget Year: 2016

Budget Modification: NOND-13-16

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	10025-16	1511	10-02	0020	108501	60160 - Pass-Thru & Pgm Supt	37,146,403	39,446,403	2,300,000	
	1511 Total									2,300,000
	10-02 Total									2,300,000
2	10025-16	1511	19	0020	108501	50120 - Trnsient Lodging Tax	(32,033,442)	(34,333,442)	(2,300,000)	
	1511 Total									(2,300,000)
	19 Total									(2,300,000)
	Program Offer Number 10025-16 Total									0