

RESOLUTION
BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

In the matter of accepting the Supplemental)
1995-96 Budget and preparing the Approved) RESOLUTION
Supplemental Budget for submittal to the) 96-50
Tax Supervising and Conservation Commission)

WHEREAS, the above-entitled matter is before the Board sitting as the Budget Committee under ORS 294 to consider approval of the Multnomah County Supplemental Budget for the fiscal year July 1, 1995 to June 30, 1996; and

WHEREAS, on , March 21, 1996, the Board of County Commissioners, sitting as the Budget Committee, received the proposed supplemental budget document in compliance with ORS 294.480; and

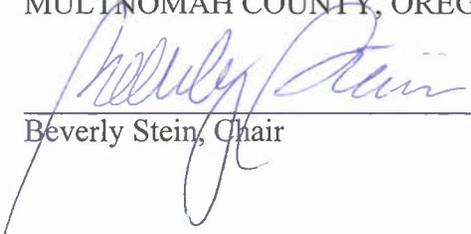
WHEREAS, this supplemental budget is required to account for the financing of a mainframe computer system for the County (\$1,786,520);

THEREFORE IT IS RESOLVED, that the 1995-96 Supplemental Budget is approved and the Budget & Quality Division shall forward the approved 1995-96 Supplemental Budget to the Tax Supervising and Conservation Commission.



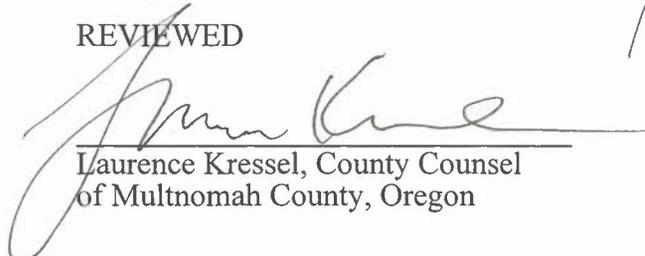
Adopted this 21st day of March, 1996

BOARD OF COUNTY COMMISSIONERS
MULTNOMAH COUNTY, OREGON



Beverly Stein, Chair

REVIEWED



Laurence Kressel, County Counsel
of Multnomah County, Oregon

SUPPLEMENTAL BUDGET

**MULTNOMAH COUNTY
SUPPLEMENTAL BUDGET
1995-96**

March, 1996

SUPPLEMENTAL BUDGET

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SUPPLEMENTAL BUDGET

Supplemental Budget Message

SUPPLEMENTAL BUDGET MESSAGE

SUPPLEMENTAL BUDGET

Supplemental Budget Message

THE DOCUMENT

The document consists of three sections:

1. The budget message explaining the reasons for the changes proposed,
2. A section of detailed estimate sheets and descriptions for those actions resulting in changes in expenditures,
3. A financial summary showing the resources and requirements being changed by fund.

REASONS FOR CHANGES

A Supplemental Budget is the vehicle allowed by ORS 294. for the Board to deal with changes in financial conditions not determined at the time the budget was adopted. In cases where no fund's expenditures are increased by more than 10 percent of the adopted budget figure, the law allows the Board to make additional appropriations after advertising a hearing on the Supplemental Budget. However, this action increases the Data Processing Fund more than 10 percent of the adopted budget. As a result, the process for the supplemental budget action is to:

1. convene as the budget committee and approve the supplemental budget,
2. submit the approved supplemental budget to Tax Supervising,
3. attend a Tax Supervising hearing on the supplemental budget,
4. adopt the supplemental budget after Tax Supervising has certified that it is legal.

This 1995-96 Supplemental Budget, the second of the year, is proposed to account for and authorize the expenditure of proceeds from a lease/purchase arrangement.

The action proposed is to record the proceeds from the lease/purchase arrangement to purchase a replacement for the County's mainframe computer. The 1995-96 Budget includes authorization to replace the existing mainframe. However, ISD proposes a lease/purchase arrangement for an enterprise server. To procure to the new mainframe, the Data Processing Fund will record \$1,786,520 of lease purchase revenue, \$1,786,520 of capital outlay appropriations to purchase the new system, \$140,035 to make the first principal payment and \$19,180 to make the first interest payment required by the contract. Because the proceeds from the lease/purchase arrangement are more than 10% of the \$8.9 million budget for the Data Processing Fund, the Board must adopt a supplemental budget to allow the purchase to be made.

SUPPLEMENTAL BUDGET

Descriptions and Detail Estimate Sheets

SUPPLEMENTAL BUDGET

Information Services Division

Support Services

Many of the County's most complicated and legally important computer systems run on the mainframe computer located at 47th and Burnside and operated by the Information Services Division (ISD). These systems include all the tax collection and property valuation records, Corrections and other public safety systems, and the County's financial accounting and purchasing system.

When the budget was originally adopted, ISD had planned to upgrade the existing mainframe with a straight purchase of a second-hand computer. As a result of this expectation, the 1995-96 Budget appropriated \$350,000 in object code 8400 - Equipment for a Central Processing Unit (CPU) upgrade and offset this cost with an estimated \$350,000 of proceeds from issuing Certificates of Participation. Through the competitive bid process, a proposal was chosen for migration to an Enterprise Server capable of supporting our current software applications while also performing server functions. The cost of such a mainframe server is \$1.4 million more than the original appropriation.

The manufacturer has been amenable to a lease/purchase contract. The supplemental budget authorizes the Data Processing Fund to lease/purchase a new Enterprise Server, and records the value of the lease/purchase proceeds to cover the cost. The payments can be financed within the existing rate structure charged by the Data Processing Fund so that no rate change is contemplated.

This action adds \$1,436,520 to capital outlay for the purchase of the system (the net difference between the \$350,000 originally budgeted and the \$1,786,520 for the current proposal) and adds \$1,786,520 to lease/purchase proceeds revenue. Principal payments totaling \$140,035 and interest payments of \$19,180 are also appropriated. The Data Processing Fund Contingency Account is reduced by \$159,215 to cover the first principal and interest payments. The estimated Certificates of Participation revenue, \$350,000, for the mainframe upgrade is deleted.

SUPPLEMENTAL BUDGET

Equipment Lease/Purchase Fund

Nondepartmental

SUPPLEMENTAL BUDGET

Detailed Expenditures

DATA PROCESSING FUND	1995-6 Current Budget	This Action	1995-96 Revised
5100 Permanent	2,666,640	0	2,666,640
5200 Temporary	0	0	0
5300 Overtime	91,184	0	91,184
5400 Premium	6,448	0	6,448
5500 Salary Related	483,601	0	483,601
Total External	3,247,873	0	3,247,873
5550 Insurance	360,017	0	360,017
Total Personal Services	3,607,890	0	3,607,890
6050 County Supplements	0	0	0
6060 Pass-through Payments	0	0	0
6110 Professional Svcs	816,602	0	816,602
6120 Printing	16,557	0	16,557
6130 Utilities	0	0	0
6140 Communications	196,828	0	196,828
6170 Rentals	0	0	0
6180 Repairs and Mtce	21,632	0	21,632
6190 Maintenance Contracts	467,667	0	467,667
6200 Postage	5,000	0	5,000
6230 Supplies	112,052	0	112,052
6270 Food	0	0	0
6310 Education and Training	86,151	0	86,151
6330 Local Travel and Mileage	2,645	0	2,645
6520 Insurance	0	0	0
6530 External Data Processing	1,258,557	0	1,258,557
6550 Drugs	0	0	0
6580 Claims Paid	0	0	0
6610 Awards and Premiums	0	0	0
6620 Dues and Subscriptions	11,125	0	11,125
6700 Library Materials	0	0	0
7810 Principal	299,252	140,035	439,287
7820 Interest	38,095	19,180	57,275
Total External	3,332,163	159,215	3,491,378
7100 Indirect Costs	304,561	0	304,561
7150 Telephone	56,361	0	56,361
7200 Data Processing	0	0	0
7300 Motor Pool	2,476	0	2,476
7400 Building Management	147,192	0	147,192
7500 Other Internal	36,950	0	36,950
7550 Capital Lease Retirement	0	0	0
7560 Distribution / Postage	9,875	0	9,875
Total Internal	557,415	0	557,415
Total Materials and Services	3,889,578	159,215	4,048,793
8100 Land	0	0	0
8200 Buildings	0	0	0
8300 Other Improvements	0	0	0
8400 Equipment	476,990	1,436,520	1,913,510
Total Capital	476,990	1,436,520	1,913,510
Direct Budget	7,057,026	1,595,735	8,652,761
Total Budget	7,974,458	1,595,735	9,570,193

SUPPLEMENTAL BUDGET

FINANCIAL SUMMARY

FUND 403 DATA PROCESSING FUND

<i>Resource Description</i>	1995-96 Current	This Action	1995-96 Revised
030 Support Services			
7740 Certificate Proceeds	350,000	(350,000)	0
7740 Lease/Purchase Proceeds	0	1,786,520	1,786,520
All Other Revenues	7,818,059	0	7,818,059
TOTAL RESOURCES - FUND 403	8,168,059	1,436,520	9,604,579

<i>Requirements Summary</i>	1995-96 Current	This Action	1995-96 Revised
EXPENDITURES			
030 Support Services			
Personal Services	3,607,890	0	3,607,890
Materials & Services	3,889,578	0	3,889,578
Capital Outlay	476,990	1,436,520	1,913,510
Total Support Services	7,974,458	1,436,520	9,410,978
Lease/Purchase Principal	0	140,035	140,035
Lease/Purchase Interest	0	19,180	19,180
Contingency	193,601	(159,215)	34,386
TOTAL REQUIREMENTS - FUND 40	8,168,059	1,436,520	9,604,579