



MULTNOMAH COUNTY AGENDA PLACEMENT REQUEST

(Revised: 6/9/2014)

APPROVED: MULTNOMAH COUNTY
BOARD OF COMMISSIONERS
AGENDA # R. 1 DATE 4/27/17
MARINA BAKER, ASST BOARD CLERK

Board Clerk Use Only

Meeting Date: 4/27/17
Agenda Item #: R.1
Est. Start Time: 9:40 am
Date Submitted: 4/20/17

Agenda Title: **Approval of the FY 2017 Supplemental Budget Modification #1 to Appropriate Beginning Working Capital, Transient Lodging Tax Revenue, and Various Other Revenues**

Note: Title should not be more than 2 lines but sufficient to describe the action requested. Title on APR must match title on Ordinance, Resolution, Order or Proclamation.

Requested Meeting Date: April 27, 2017 **Time Needed:** 15 minutes
Department: Dept. of County Management **Division:** Budget
Contact(s): Michael Jaspin, Budget Director, and Adam Brown, Senior Budget Analyst
Phone: 503-988-3312 **Ext.** 87689 **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?

The Budget Office requests approval of Supplemental Budget #1 to appropriate \$5,873,588 in unplanned beginning working capital; intergovernmental, property tax, and service reimbursement revenues; 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. Oregon Budget Law prescribes this pared down budget process, to include public noticing, whenever a modification to the budget increases a fund by more than 10%, transfers more than 15% from contingency, or establishes a new fund.

This supplemental budget addresses unplanned beginning working capital and makes a

variety of other fund level adjustments.

Appropriating Beginning Working Capital

Beginning Working Capital (BWC) 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 2017 Adopted Budget included *estimated* BWC, but there was a difference between the amount that was budgeted and the amount remaining at year-end. As shown in the following table, the total BWC being appropriated is \$2,139,535. This is explained in more detail in the paragraphs below.

Fund Name	Fund	FY 2017 BWC
Federal/State Program Fund	1505	898,567
Willamette River Bridge Fund	1509	1,240,968
Total Change		2,139,535

Federal/State Fund 1505

- **\$587,611 of Oregon Measure 57 funds in the Department of Community Justice (\$235,461) and the Sheriff's Office (\$326,767).** Measure 57 provides local funding for treatment-based programs for people convicted of specific drug and property crimes. At the close of FY 2016, the unspent balance of Measure 57 revenue was more than anticipated due to limitations on the clients and services for which the funds can be used. This action increases the Fiscal Year 2017 beginning working capital budget, which will fund treatment in the Department of Community Justice and jail overtime and related expenses for population-based Measure 57 sanctions in the Sheriff's Office.
- **\$175,090 of SB 1145 funds in the Local Public Safety Coordinating Council (\$30,557) and the Sheriff's Office (\$144,533).** This action appropriates continued funding for a 1.00 Limited Duration project manager in the Local Public Safety Coordinating Council and jail overtime and related expenses in the Sheriff's Office.
- **\$16,370 of HB 3194 funding in the Local Public Safety Coordinating Council.** This action appropriates pass through funding for victim's services.
- **\$144,879 of Weatherization Rebate funding in the Department of County Human Services.** This action appropriates unspent funds from FY 2016 for 60 – 80 whole house weatherizations.

Willamette River Bridge Fund – 1509

- The Willamette River Bridge Fund receives its revenue from gasoline tax, a portion of the County's State Motor Vehicle fee, dedicated State and Federal project funds, and grants. Projects in this fund are limited to the Sellwood, Hawthorne, Morrison, Burnside, Broadway, and Sauvie Island bridges. This action appropriates \$2,240,968 in the Department of Community Services with \$1,240,968 from BWC and an additional \$1,000,000 in state Motor Vehicle funds. This funding will support additional work that was added to the ongoing the Broadway Bridge Rail Wheel project. The initial project analysis allowed for many of the electrical and mechanical components to be refurbished, but, as work got underway, it was determined that many of these components would have to be replaced at increased costs.

Appropriating Other Revenues

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 General Fund – 1000 – This action appropriates \$350,735 of additional Business Income Tax revenue in Nondepartmental. As noted in the March General Fund Forecast, Business Income Tax (BIT) revenues are higher than budgeted. This action will allow the County to legally pass through the funds to East County cities per the BIT intergovernmental agreement.

Special Excise Tax Fund – 1511 – The Special Excise Tax Fund, in part, accounts for a the County's Transient Lodging Taxes (TLT) collected from all hotels and motels operating within the county and motor vehicle rental tax collected from rental companies. Expenditures are restricted to the Convention Center, Visitor's Facilities Trust, Regional Arts and Cultural Council (RACC), and other purposes pursuant to Multnomah County Codes 11.300 and 11.400. This action appropriates an additional \$2,000,000 in revenue, which will be passed through to other jurisdictions.

Oregon Historical Society Levy Fund – 1518 – The Oregon Historical Society (OHS) is a private, not-for-profit entity founded in 1898 that operates the Oregon Historical Museum, the Davies Family Research Library, and educational programs for adults, families, and school groups. It also serves as the Multnomah County history repository. Measure 26-118 provides the Oregon Historical Society (OHS) with a 5 year property tax levy at the rate of \$0.05 per thousand dollars of assessed value.

Property taxes are anticipated to increase in FY 2017 resulting in higher tax revenue collected in the Oregon Historical Society (OHS) Levy Fund. This action appropriates an additional \$300,000 in revenue, 100% of which will be passed through to the OHS for operations.

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

Adding BWC: There is an increase in one-time revenues and expenditures of \$2,139,535 in the Federal/State Fund (1505) and the Willamette River Bridge Fund (1509). Once the funds are expended, services will return to their original level.

Adjustments to Various Funds – In addition to appropriating BWC, this action affects four funds, as detailed above.

For additional detail please see supporting documents: SUPP01-NOND-01-17, SUPP01-DCHS-01-17, SUPP01-MCSO-01-17, SUPP01-DCJ-01-17, and SUPP01-DCS-01-17.

The following table summarizes the changes by fund.

Fund Name	Fund	FY 2017 Change
General Fund	1000	390,915
Federal/State Program Fund	1505	898,567
Willamette River Bridge Fund	1509	2,240,968
Special Excise Taxes Fund	1511	2,000,000
Oregon Historical Society Levy Fund	1518	300,000
Risk Management Fund	3500	43,138
Total Change		5,873,588

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 April 19th, 2017. 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 by \$2,139,535 to appropriate unbudgeted amounts in FY 2017.

Business Income Tax revenue is increasing by \$350,735 in the County General Fund.

Intergovernmental revenue is increasing by \$1,000,000 in the Federal/State Fund.

Service Reimbursement revenue is increasing by \$40,180 in the General Fund and \$15,786 in the Fed/State Fund from Central and Department indirect. It is also increasing by \$27,352 in the Risk Fund from personnel insurance budget adjustments.

Property Tax revenue is increasing by \$300,000 in the Oregon Historical Society Levy Fund.

Transient Lodging Tax revenue is increasing by \$2,000,000 in the Special Excise Tax Fund.

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

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

Department Name	Program	Program Name	FY 2017 Change
NonDepartmental	10009A-17	Local Public Safety Coordinating Council	30,557
NonDepartmental	10009B-17	LPSCC - HB3194 Justice Reinvestment	16,370
NonDepartmental	10022-17	Pass-Through Payments to East County Cities	350,735
NonDepartmental	10023-17	OHS Local Option Levy	300,000
NonDepartmental	10025-17	Convention Center Fund	2,000,000
County Human Services	25121-17	Weatherization	144,879
Community Justice	50030-17	Adult Property Crimes Programs	235,461
Sheriff	60010-17	Business Services Admin	28,799
Sheriff	60041A-17	MCIJ Dorms 10, 11 & 18	471,300
County Assets	72020-17	Central HR Employee Benefits	43,138
Community Services	91018-17	Transportation Capital	2,240,968
Overall County	95000-17	Fund Level Transactions	11,381
Total Change			5,873,588

- **What do the changes accomplish?**

The changes appropriate unbudgeted BWC in FY 2017 and brings the County into compliance with Oregon Budget Law

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

There are no FTE changes, but there is \$461,677 budgeted in personnel costs for temporary and overtime staff costs.

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

Indirect is recovered where applicable.

- **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 Beginning Working Capital is one-time-only funding. The functions that it funds are not identified as ongoing.

Changes in Transient Lodging Tax Revenue, Property Tax revenue, and Business Income Tax revenue will be analyzed annually to determine the appropriate funding levels. These funds are pass through funds and have no direct impact to County operations.

- **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

Required Signature

**Elected Official
or Dept Director:**

Marissa Madrigal /s/

Date: 4/20/17

Budget Analyst:

Adam Brown /s/

Date: 4/19/17

Exp/Rev/FTE - Budget Modification

Budget Year: 2017

Budget Modification: SUPP01-DCHS-01-17

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	25121-17	90000	22-10	0040	SCPCESRR.WX.ED.BWC	50000 - Beg Working Capital	(15,000)	(37,618)	(22,618)	
2	25121-17	90000	22-10	0040	SCPCESRR.WX.ED.BWC	60170 - Professional Svcs	0	6,000	6,000	
3	25121-17	90000	22-10	0040	SCPCESRR.WX.ED.BWC	60240 - Supplies	15,000	31,618	16,618	
4	25121-17	90000	22-10	0040	SCPCESRR.WXREB.PG.BWC	50000 - Beg Working Capital	(200,000)	(322,261)	(122,261)	
5	25121-17	90000	22-10	0040	SCPCESRR.WXREB.PG.BWC	60155 - Direct Client Asst.	0	122,261	122,261	
90000 Total										0
22-10 Total										0
Program Offer Number 25121-17 Total										0

Exp/Rev/FTE - Budget Modification

Budget Year: 2017

Budget Modification: SUPP01-DCHS-01-17

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.

Exp/Rev/FTE - Budget Modification

Budget Year: 2017

Budget Modification: SUPP01-MCSO-01-17

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	60010-17	1000			604020	50370 - Dept Indirect Rev	(987,752)	(1,016,551)	(28,799)	
2	60010-17	1000			604020	60240 - Supplies	297,936	326,735	28,799	
1000 Total										0
Total										0
Program Offer Number 60010-17 Total										0
3	60041A-17	90000			SOCOR.DOCM57.BWC	50000 - Beg Working Capital	0	(326,767)	(326,767)	
4	60041A-17	90000			SOCOR.DOCM57.BWC	60110 - Overtime	0	199,619	199,619	
5	60041A-17	90000			SOCOR.DOCM57.BWC	60130 - Salary Related Expns	0	80,326	80,326	
6	60041A-17	90000			SOCOR.DOCM57.BWC	60140 - Insurance Benefits	0	18,964	18,964	
7	60041A-17	90000			SOCOR.DOCM57.BWC	60350 - Central Indirect	0	7,891	7,891	
8	60041A-17	90000			SOCOR.DOCM57.BWC	60355 - Dept Indirect	0	19,967	19,967	
9	60041A-17	90000			SOSB1145.MCIJ.BWC	50000 - Beg Working Capital	0	(144,533)	(144,533)	
10	60041A-17	90000			SOSB1145.MCIJ.BWC	60110 - Overtime	0	88,294	88,294	
11	60041A-17	90000			SOSB1145.MCIJ.BWC	60130 - Salary Related Expns	0	35,529	35,529	
12	60041A-17	90000			SOSB1145.MCIJ.BWC	60140 - Insurance Benefits	0	8,388	8,388	
13	60041A-17	90000			SOSB1145.MCIJ.BWC	60350 - Central Indirect	0	3,490	3,490	
14	60041A-17	90000			SOSB1145.MCIJ.BWC	60355 - Dept Indirect	0	8,832	8,832	
90000 Total										0
Total										0
Program Offer Number 60041A-17 Total										0
15	72020-17	3500			705210	50316 - Svc Rmb Med/Dental	(78,414,582)	(78,441,934)	(27,352)	
16	72020-17	3500			705210	60330 - Claims Paid	12,963,235	12,990,587	27,352	
3500 Total										0
Total										0
Program Offer Number 72020-17 Total										0
17	95000-17	1000			9500001000	60470 - Contingency	11,071,620	11,083,001	11,381	
1000 Total										11,381

Exp/Rev/FTE - Budget Modification

Budget Year: 2017

Budget Modification: SUPP01-MCSO-01-17

	Total									11,381
					Program Offer Number 95000-17 Total					11,381
18	95001-17	1000			9500001000	50310 - Intl Svc Reimburse	(6,115,109)	(6,126,490)	(11,381)	
	1000 Total									(11,381)
	Total									(11,381)
					Program Offer Number 95001-17 Total					(11,381)

Exp/Rev/FTE - Budget Modification

Budget Year: 2017

Budget Modification: SUPP01-MCSO-01-17

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.

Exp/Rev/FTE - Budget Modification

Budget Year: 2017

Budget Modification: SUPP01-DCS-01-17

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	91018-17	1509			6700	50000 - Beg Working Capital	(3,283,478)	(4,524,446)	(1,240,968)	
2	91018-17	1509			6700RT5042O	50190 - IG-OP-Fed Thru St	0	(1,000,000)	(1,000,000)	
3	91018-17	1509			6700RT5042O	60170 - Professional Svcs	0	1,740,968	1,740,968	
4	91018-17	1509			6700RT5042O	60540 - Other Improvements	0	500,000	500,000	
1509 Total										0
	Total									0
					Program Offer Number 91018-17 Total					0

Exp/Rev/FTE - Budget Modification

Budget Year: 2017

Budget Modification: SUPP01-DCS-01-17

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.

Exp/Rev/FTE - Budget Modification

Budget Year: 2017

Budget Modification: SUPP01-DCJ-01-17

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	50030-17	90000	50-10	0050	CJASD.M57.RAIN.A&DOP.BWC	50000 - Beg Working Capital	(130,383)	(105,000)	25,383	
2	50030-17	90000	50-10	0050	CJASD.M57.RAIN.A&DOP.BWC	60160 - Pass-Thru & Pgm Supt	120,000	105,000	(15,000)	
3	50030-17	90000	50-10	0050	CJASD.M57.RAIN.A&DOP.BWC	60170 - Professional Svcs	5,931	0	(5,931)	
4	50030-17	90000	50-10	0050	CJASD.M57.RAIN.A&DOP.BWC	60246 - Med&Dental Supplies	4,452	0	(4,452)	
5	50030-17	90000	50-10	0050	CJASD.M57.RAIN.A&DRE.BWC	50000 - Beg Working Capital	(98,439)	(359,283)	(260,844)	
6	50030-17	90000	50-10	0050	CJASD.M57.RAIN.A&DRE.BWC	60160 - Pass-Thru & Pgm Supt	98,439	359,283	260,844	
90000 Total										0
50-10 Total										0
Program Offer Number 50030-17 Total										0

Exp/Rev/FTE - Budget Modification

Budget Year: 2017

Budget Modification: SUPP01-DCJ-01-17

Annualized Personnel Changes

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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.

Exp/Rev/FTE - Budget Modification

Budget Year: 2017

Budget Modification: SUPP01-NOND-01-17

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	10009A-17	90000	0020		LPSCC.90000	50000 - Beg Working Capital	(152,195)	(182,752)	(30,557)	
2	10009A-17	90000	0020		LPSCC.90000	60000 - Permanent	0	10,832	10,832	
3	10009A-17	90000	0020		LPSCC.90000	60130 - Salary Related Expns	0	3,939	3,939	
4	10009A-17	90000	0020		LPSCC.90000	60140 - Insurance Benefits	0	15,786	15,786	
90000 Total										0
0020 Total										0
Program Offer Number 10009A-17 Total										0
5	10009B-17	90000	0020		LPSCC.32620.BWC	50000 - Beg Working Capital	(224,494)	(240,864)	(16,370)	
6	10009B-17	90000	0020		LPSCC.32620.BWC	60160 - Pass-Thru & Pgm Supt	200,253	216,623	16,370	
90000 Total										0
0020 Total										0
Program Offer Number 10009B-17 Total										0
7	10022-17	1000			108650	60160 - Pass-Thru & Pgm Supt	8,221,858	8,572,593	350,735	
1000 Total										350,735
Total										350,735
Program Offer Number 10022-17 Total										350,735
8	10023-17	1518			108315	50100 - Prop Taxes-Current	(2,543,438)	(2,843,438)	(300,000)	
9	10023-17	1518			108315	60160 - Pass-Thru & Pgm Supt	2,596,778	2,896,778	300,000	
1518 Total										0
Total										0
Program Offer Number 10023-17 Total										0
10	10025-17	1511			108501	50120 - Trnsient Lodging Tax	(36,838,458)	(38,838,458)	(2,000,000)	
11	10025-17	1511			108501	60160 - Pass-Thru & Pgm Supt	42,177,226	44,177,226	2,000,000	
1511 Total										0
Total										0
Program Offer Number 10025-17 Total										0

Exp/Rev/FTE - Budget Modification

Budget Year: 2017

Budget Modification: SUPP01-NOND-01-17

12	72020-17	3500			705210	50310 - Intl Svc Reimburse	(37,948)	(53,734)	(15,786)	
13	72020-17	3500			705210	60330 - Claims Paid	12,945,971	12,961,757	15,786	
3500 Total										0
	Total									0
					Program Offer Number 72020-17 Total					0
14	95000-17	1000			9500001000	50160 - Business Income Tax	(79,623,954)	(79,974,689)	(350,735)	
1000 Total										(350,735)
	Total									(350,735)
					Program Offer Number 95000-17 Total					(350,735)

Exp/Rev/FTE - Budget Modification

Budget Year: 2017

Budget Modification: SUPP01-NOND-01-17

Annualized Personnel Changes

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