



MULTNOMAH COUNTY AGENDA PLACEMENT REQUEST

(Revised: 6/9/2014)

APPROVED: MULTNOMAH COUNTY
BOARD OF COMMISSIONERS
AGENDA # R.3 DATE 2/8/18
MARINA BAKER, ASST BOARD CLERK

Board Clerk Use Only

Meeting Date: 2/8/18
Agenda Item #: R.3
Est. Start Time: 10:10 am approx
Date Submitted: 1/17/18

Agenda Title: **FY 2018 Supplemental Budget Modification #1 to Appropriate Beginning Working Capital and Authorize Cash Transfer Between Funds**

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:	<u>February 8, 2018</u>	Time Needed:	<u>15 minutes</u>
Department:	<u>Dept. of County Management</u>	Division:	<u>Budget</u>
Contact(s):	<u>Michael Jaspin, Budget Director, and Adam Brown, Senior Budget Analyst</u>		
Phone:	<u>503-988-3312</u>	Ext.	<u>87689</u>
	I/O Address: <u>503/531</u>		
Presenter Name(s) & Title(s):	<u>Adam Brown, Senior Budget Analyst</u>		

General Information

1. What action are you requesting from the Board?

The Budget Office requests approval of Supplemental Budget #1 to appropriate \$990,153 in additional beginning working capital and authorize cash transfers 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 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 not anticipated at the time the budget was adopted. As defined by Oregon Budget Law, all budget modifications ("BudMods") that go before the Board are supplemental budgets, but the majority of budgetary adjustments qualify for exemptions that allow the changes to be adopted by simple resolution. When those 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.

This supplemental budget addresses unplanned beginning working capital and authorizes two cash transfers.

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 2018 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 \$917,062. This is explained in more detail in the paragraphs below.

Fund Name	Fund	FY 2018 BWC
Federal/State Program Fund	1505	751,758
General Fund	1000	122,045
General Obligation Bond Sinking Fund	2003	25,000
Inmate Welfare Fund	1513	66,350
Road Fund	1501	(48,091)
Total Change		917,062

General Fund – 1000

- **\$73,954 of BWC for the Office of Sustainability's diesel bus retrofit program.** This action increases the appropriation of BWC in the General Fund due to contract delays at the Oregon Department of Transportation. Appropriation of this funding will allow for completion of the Office of Sustainability's diesel bus retrofit program in FY 2018.
- **\$48,091 of BWC to allow for cash transfer to the Road Fund.** This action increases the appropriation of BWC in the General Fund and authorizes cash transfer to the Road Fund. Prior to the sale of a County asset (the "Pig Farm"), the Road Fund covered survey and engineering work to support the sale of the asset, with the understanding that sale proceeds would be transferred from the General Fund to reimburse those costs following the sale. That cash transfer did not take place in FY 2017, resulting in a higher than anticipated BWC balance in the General Fund. Appropriation of this funding will allow for cash transfer to the Road Fund in FY 2018. (See the following item for additional information).

Road Fund – 1501

- **Reduces by \$48,091 the BWC balance and increases Cash Transfer revenue by the same amount.** This action reduces the balance of BWC budgeted in the road fund. As explained above, prior to the sale of a County asset (the "Pig Farm"), the Road Fund covered survey and engineering work to support the sale of the asset, with the understanding that sale proceeds would be transferred from the General Fund to reimburse those costs following the sale. That cash transfer did not take place in FY 2017, resulting in a lower than anticipated BWC balance. This action

reduces the appropriation of BWC in the Road Fund and increases Cash Transfer revenue due to the timing of this accounting cleanup.

Federal/State Fund – 1505

- **\$569,098 of weatherization rebate funding in the Department of County Human Services for whole-house weatherizations.** This action appropriates the remaining rebate funds from FY 2017 in the Weatherization program, which will fund 50–60 whole house weatherizations.
- **\$68,603 of non-medical-related transportation services funding in the Department of County Human Services.** This action appropriates the remaining FY 2017 State contract revenue for Long Term Service & Support Medicaid program participants, which will fund transportation services.
- **\$83,399 of equitable sharing funding for supplies and equipment in the Sheriff's Office.** This action appropriates asset forfeiture revenue from law enforcement operations conducted alongside Federal agencies that was received in FY 2017. This revenue will fund supplies and equipment for controlled-substance-related enforcement operations.
- **\$17,398 of HB3194 funding for victims services in the Local Public Safety Coordinating Council.** This action appropriates the remaining FY 2017 Justice Reinvestment revenue from the State to fund victim services.
- **\$13,260 of SB1145 funding in the Local Public Safety Coordinating Council.** This action appropriates the remaining FY 2017 SB1145 funding from the State, which will support the work of the LPSCC subcommittees.

Inmate Welfare Fund – 1513

- **\$66,350 of inmate welfare funding in the Sheriff's Office.** This action appropriates revenue from the sale of commissary to fund commissary operations and enhance inmate activities and programs.

GO Bond Sinking Fund – 2003

- **\$25,000 of residual property tax revenue to allow for closure of the GO Bond Sinking Fund.** This action appropriates the remaining balance in the GO Bond Sinking Fund, which will allow for cash transfer to the General Fund and closure of the GO Bond Sinking Fund. These funds will be added to General Fund contingency.

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

Appropriating BWC: There is an increase in one-time revenues and expenditures of \$917,062 in the General Fund (1000), Road Fund (1501), Federal/State Fund (1505), Inmate Welfare Fund (1513), and the GO Bond Sinking Fund (2003). Once the funds are expended, services will return to their original level.

Appropriating Other Revenue and Technical Fixes – This action appropriates cash transfer revenue in the General Fund (1000) and the Road Fund (1501). These are one-time-only actions that allow for technical adjustments consistent with Oregon Budget Law.

For additional detail please see supporting documents: SUPP01-NOND-01-18, SUPP01-LPSCC-01-18, SUPP01-DCHS-01-18, SUPP01-MCSO-01-18, and SUPP01-DCS-01-17.

The following table summarizes the changes by fund.

Fund Name	Fund	FY 2018 Change
Federal/State Program Fund	1505	751,758
General Fund	1000	147,045
General Obligation Bond Sinking Fund	2003	25,000
Inmate Welfare Fund	1513	66,350
Road Fund	1501	0
Total Change		990,153

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 maintain compliance with 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 January 17, 2018. 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 a total of \$917,062 to appropriate unbudgeted amounts in FY 2018.

Cash Transfer revenue is increasing by a total of \$73,091 to allow for technical adjustments

- **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 2018 Change
County Human Services	25037-18	ADVSD Transportation Services	68,603
County Human Services	25121-18	YFS - Weatherization	569,098
Local Public Safety Coordinating Council	10009A-18	Local Public Safety Coordinating Council	13,260
Local Public Safety Coordinating Council	10009B-18	HB3194 Justice Reinvestment	17,398
Overall County	10018A-18	Office of Sustainability	73,954
Community Services	91013A-18	Road Services	0
Overall County	95000-18	Fund Level Transactions	73,091
Overall County	95001-18	General Fund Revenues	25,000
Sheriff	60019-18	Commissary	66,350
Sheriff	60067-18	Special Investigations Unit	83,399
Total Change			990,153

- **What do the changes accomplish?**

The changes appropriate unbudgeted BWC and authorizes cash transfers in FY 2018 and keeps the County in compliance with Oregon Budget Law.

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

There are no personnel actions resulting from this budget modification.

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

N/A

- **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?**

All revenue associated with this budget modification is one-time-only. Once the funds are expended, services will return to their original level.

- **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: Travis Graves /s/

Date: 1/17/2018

Budget Analyst: Adam Brown /s/

Date: 1/17/2018

Exp/Rev/FTE - Budget Modification

Budget Year: 2018

Budget Modification: SUPP01-DCHS-01-18

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	25037-18	90000	30-45	0040	ADSDIVCS201 BWC MCT	50000 - Beg Working Capital	0	(68,603)	(68,603)	
2	25037-18	90000	30-45	0040	ADSDIVCS201 BWC MCT	60155 - Direct Client Asst.	0	68,603	68,603	
90000 Total										0
30-45 Total										0
Program Offer Number 25037-18 Total										0
3	25121-18	90000	22-10	0040	SCPCESRR.MULTCOWX.PG.BWC	50000 - Beg Working Capital	0	(569,098)	(569,098)	
4	25121-18	90000	22-10	0040	SCPCESRR.MULTCOWX.PG.BWC	60155 - Direct Client Asst.	0	566,464	566,464	
5	25121-18	90000	22-10	0040	SCPCESRR.MULTCOWX.PG.BWC	60160 - Pass-Thru & Pgm Supt	0	2,298	2,298	
6	25121-18	90000	22-10	0040	SCPCESRR.MULTCOWX.PG.BWC	60170 - Professional Svcs	0	336	336	
90000 Total										0
22-10 Total										0
Program Offer Number 25121-18 Total										0

Exp/Rev/FTE - Budget Modification

Budget Year: 2018

Budget Modification: SUPP01-NOND-01-18

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	10018A-18	1000	10-01		900300	60160 - Pass-Thru & Pgm Supt	0	73,954	73,954	
	1000 Total									73,954
	10-01 Total									73,954
2	10018A-18	1000	19		9500001000	50000 - Beg Working Capital	(76,429,853)	(76,503,807)	(73,954)	
	1000 Total									(73,954)
	19 Total									(73,954)
					Program Offer Number 10018A-18 Total					0
3	95000-18	1000	19		9500001000	60470 - Contingency	12,167,251	12,192,251	25,000	
	1000 Total									25,000
4	95000-18	2003	19		9500002003	50000 - Beg Working Capital	(125,000)	(150,000)	(25,000)	
5	95000-18	2003	19		9500002003	6056a - General Fund	125,000	150,000	25,000	
	2003 Total									0
	19 Total									25,000
					Program Offer Number 95000-18 Total					25,000
6	95001-18	1000	19		9500001000	50320 - Cash Trnsfr Revenue	(125,000)	(150,000)	(25,000)	
	1000 Total									(25,000)
	19 Total									(25,000)
					Program Offer Number 95001-18 Total					(25,000)

Exp/Rev/FTE - Budget Modification

Budget Year: 2018

Budget Modification: SUPP01-LPSCC-01-18

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-18	90000	10-80	0020	LPSCC.SB1145.BWC	50000 - Beg Working Capital	0	(13,260)	(13,260)	
2	10009A-18	90000	10-80	0020	LPSCC.SB1145.BWC	60240 - Supplies	0	13,260	13,260	
90000 Total										0
10-80 Total										0
Program Offer Number 10009A-18 Total										0
3	10009B-18	90000	10-80	0020	LPSCC.32620.BWC	50000 - Beg Working Capital	(200,250)	(217,648)	(17,398)	
4	10009B-18	90000	10-80	0020	LPSCC.32620.BWC	60160 - Pass-Thru & Pgm Supt	200,250	217,648	17,398	
90000 Total										0
10-80 Total										0
Program Offer Number 10009B-18 Total										0

Exp/Rev/FTE - Budget Modification

Budget Year: 2018

Budget Modification: SUPP01-MCSO-01-18

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	60019-18	1513			601380	50000 - Beg Working Capital	0	(66,350)	(66,350)	
2	60019-18	1513			601380	60250 - Food	367,420	433,770	66,350	
1513 Total										0
Total										0
Program Offer Number 60019-18 Total										0
3	60067-18	90000			SOSIU3.5.BWC	50000 - Beg Working Capital	(100,000)	(183,399)	(83,399)	
4	60067-18	90000			SOSIU3.5.BWC	60550 - Capital Equipment	0	83,399	83,399	
90000 Total										0
Total										0
Program Offer Number 60067-18 Total										0

Exp/Rev/FTE - Budget Modification

Budget Year: 2018

Budget Modification: SUPP01-DCS-01-18

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	91013A-18	1501	19		9500001501	50000 - Beg Working Capital	(3,794,128)	(3,746,037)	48,091	
2	91013A-18	1501	19		9500001501	50320 - Cash Trnsfr Revenue	0	(48,091)	(48,091)	
1501 Total										0
19 Total										0
Program Offer Number 91013A-18 Total										0
3	95000-18	1000			104100	50000 - Beg Working Capital	0	(48,091)	(48,091)	
1000 Total										(48,091)
Total										(48,091)
4	95000-18	1000	19		104100	6056v - Road Fund	0	48,091	48,091	
1000 Total										48,091
19 Total										48,091
Program Offer Number 95000-18 Total										0