



MARC GONZALES
DIRECTOR

DEPARTMENT OF FINANCE

PUBLIC SERVICES BUILDING

2051 KAEN ROAD | OREGON CITY, OR 97045

September 29, 2016

Board of County Commissioners
Clackamas County

Members of the Board:

Approval of a Resolution to Eliminate Unnecessary Fund and Adopt Supplemental Budget
(Less Than Ten Percent and Budget Reduction) and Reorganize Public and Government Affairs
Department for Performance Clackamas

Purpose/Outcome	Eliminate Cable Administration Fund and move balance to Cable programs in General Fund; move cable franchise fee revenue to Cable program in General Fund and re-budget Public and Government Affairs Department in Performance Clackamas Format
Dollar Amount and fiscal Impact	None
Funding Source	Transfer of fund balance from Cable Administration Fund to General Fund
Duration	June 30, 2017
Previous Board Action/Review	Review with the Board of County Commissioners at Issues on September 27, 2016
Strategic Plan Alignment	Build public trust through good government.
Contact Person	Diane Padilla
Contract No.	503-742-5425

BACKGROUND:

The Governmental Accounting Standards Board (GASB) indicates that cable operations are properly accounted for within the General Fund. By doing so the County will eliminate unnecessary accounting and budgeting transactions to transfer franchise fee revenue back and forth between funds. Reducing the number of County funds also reduces audit costs.

Each year, the Public and Government Affairs Department, through its Cable Administration program, generates cable franchise fees which are currently being deposited in the Non-Departmental section of the General Fund. The General Fund then provides support for cable operations through interfund transfer. This transfer is about \$125,000 short of the amount needed to maintain video production services and owing to this shortfall several award-winning video programs and services have been eliminated. With the disincorporation of Damascus, the County should receive about \$214,000 in additional cable franchise fee revenue each year. Additionally, the General Fund provides \$875,000 in operating support to the Public and Government Affairs program.

To streamline both operations and accounting, the Finance Department proposes closing the Cable Administration Fund, moving its fund balance and operations into the General Fund, and moving cable franchise fee revenue to the Cable Administration program in the General Fund. This will eliminate the need for the interfund transfer and operating subsidy currently flowing to the Public and Government Affairs Department. Any remaining franchise fee revenue will remain in the General Fund as fund balance.

Oregon Local Budget Law provides for existing funds to be declared unnecessary and closed during the fiscal year by governing body resolution or ordinance with any remaining fund balance transferred to the General Fund (ORS 294.475)

Public and Government Affairs has finalized its Managing for Results structure and is ready to begin tracking transactions and performance in the new format. The Finance Department further proposes incorporating the new Performance Clackamas program structure in the General Fund, concurrent with the changes outlined above. This will adjust budget within existing programs and add one new program to the department.

RECOMMENDATION:

Staff recommends that the Board accept this proposal to move Cable operations to the General Fund, close the Cable Administration Fund, move cable franchise fee revenue to the Cable Administration program in the General Fund and incorporate PGA's Performance Clackamas structure in the current fiscal year.

Respectfully Submitted,

Diane Padilla
Budget Manager

In the Matter of Providing Authorization
Regarding Elimination of Unnecessary Fund
And Adoption of a Supplemental
Budget for Items Less Than 10
Percent of the Total Qualifying Expenditures
And Making Appropriations for Fiscal
Year 2016-17

WHEREAS, during the fiscal year a fund may need to be declared unnecessary and abolished and any remaining fund balance transferred to the General Fund, and appropriations increased, decreased or transferred from one appropriation category to another;

WHEREAS; the funds being abolished or changed are:

- . General Fund
- . General Fund – Public and Government Affairs
- . Cable Administration Fund;

It further appearing that it is in the best interest of the County to abolish the unnecessary fund, transfer its fund balance to the General Fund and approve this supplemental budget of less than 10 percent change in appropriations for the period of July 1, 2016 through June 30, 2017.

BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS THAT:

Pursuant to its authority under ORS 294.353, and 294.471 (3) the unnecessary fund be abolished and the supplemental budget be adopted and appropriations established as shown in the attached Exhibit A which by this reference is made a part of this Resolution.

Dated this ____ day of _____, 2016

CLACKAMAS COUNTY BOARD OF COMMISSIONERS

Chair

Recording Secretary

Public Government and Affairs Reorganization
Exhibit A
September 29, 2016

GENERAL FUND

Revenues:

Fund Balance	\$ 247,258	
Local Government and Other Agencies	325,000	
Charge for Services	250	
Miscellaneous Revenue	935	
Total Revenue	<u>\$ 573,443</u>	

Expenses:

Public and Government Affairs	\$ 1,302,612	
Total Expenditures	<u>\$ 1,302,612</u>	

Expenses:

Not Allocated to Organizational Unit		
Contingency	\$ (68,876)	
Interfund Transfer	(709,472)	
Total Expenditures	<u>\$ (778,348)</u>	\$ 49,179 reserve

Add Cable Administration Fund balance to General Fund and adjust Public and Government Relations Department and Nondepartmental budgets within General Fund.

CABLE ADMINISTRATION FUND

Revenues:

Fund Balance	\$ (247,258)	
Local Government and Other Agencies	\$ (325,000)	
Charge for Services	(250)	
Miscellaneous Revenue	(935)	
Interfund Transfer	(709,472)	
Total Revenue	<u>\$ (1,282,915)</u>	

Expenses:

General Government	\$ (1,233,736)	
Total Expenditures	<u>\$ (1,233,736)</u>	\$ (49,179) reserve

Close Cable Administration Fund and move balance to General Fund.