



Gregory L. Geist  
Director

June 7, 2018

Board of County Commissioners  
Clackamas County

Members of the Board:

Approval of a Resolution for a Clackamas County Service District No. 1 Supplemental Budget  
(Greater Than Ten Percent) for Fiscal Year 2017-2018

Purpose/Outcome	Approval of a Supplemental Budget Change for FY 2017-2018.
Dollar Amount and Fiscal Impact	The effect is an increase in appropriations of \$28,490,713.
Funding Source	No General Funds involved. Includes Net Working Capital and Miscellaneous Income.
Duration	July 1, 2017 - June 30, 2018
Previous Board Action/Review	Budget Adopted June 29, 2017; Appropriation Transfer Approved May 10, 2018.
Strategic Plan Alignment	Build public trust through good government.
Contact Person	Greg Geist, Director – Water Environment Services – 503-742-4560

**BACKGROUND:**

This supplemental budget for Clackamas County Service District No. 1 (“District”) is necessary to accomplish the integration of the District into the municipal partnership Water Environment Services (“WES”) by the end of this fiscal year. No request for additional operating expenditures is being made; this supplemental budget simply allows the budgetary transfer of the District’s anticipated end-of-year reserves into WES in accordance with Oregon Budget Law. The attached resolution reflects the changes requested by the department in keeping with a legally accurate budget. These changes are in compliance with ORS 294.473, which allows for governing body approval of supplemental budget changes for items ten percent or greater of the qualifying expenditures of the budget fund(s) being adjusted. The required notices have been published.

The Sanitary Sewer Operating Fund is requesting to recognize additional net working capital and miscellaneous income. This fund is also transferring from contingency and appropriating all of the additional revenues to allow for a special payment constituting the entirety of fund reserves remaining at the end of fiscal year 2017-18 to be made to WES’ Sanitary Sewer Operating Fund.

The Sanitary Sewer System Development Charge Fund is requesting to recognize additional net working capital and miscellaneous income. This fund is also transferring from contingency and appropriating all of the additional revenues to allow for a special payment constituting the entirety of fund reserves remaining at the end of fiscal year 2017-18 to be made to WES’ Sanitary Sewer System Development Charge Fund.

The Sanitary Sewer Construction Fund is requesting to recognize additional net working capital and miscellaneous income. This fund is also transferring from contingency and appropriating all of the additional revenues to allow for a special payment constituting the entirety of fund reserves remaining at the end of fiscal year 2017-18 to be made to WES' Sanitary Sewer Construction Fund.

The Surface Water Operating Fund is requesting to recognize additional net working capital and miscellaneous income. This fund is also transferring from contingency and appropriating all of the additional revenues to allow for a special payment constituting the entirety of fund reserves remaining at the end of fiscal year 2017-18 to be made to WES' Surface Water Operating Fund.

The Surface Water System Development Charge Fund is requesting to recognize additional net working capital and miscellaneous income. This fund is also transferring from contingency and appropriating all of the additional revenues to allow for a special payment constituting the entirety of fund reserves remaining at the end of fiscal year 2017-18 to be made to WES' Surface Water System Development Charge Fund.

The Surface Water Construction Fund is requesting to recognize additional net working capital and miscellaneous income. This fund is also transferring from contingency and appropriating all of the additional revenues to allow for a special payment constituting the entirety of fund reserves remaining at the end of fiscal year 2017-18 to be made to WES' Surface Water Construction Fund.

The State Loan Fund is requesting to recognize additional net working capital and miscellaneous income. This fund is also appropriating all of the additional revenues to allow for a special payment constituting the entirety of fund reserves remaining at the end of fiscal year 2017-18 to be made to WES' State Loan Fund.

The Revenue Bond Fund is requesting to recognize additional net working capital and miscellaneous income. This fund is also appropriating all of the additional revenues to allow for a special payment constituting the entirety of fund reserves remaining at the end of fiscal year 2017-18 to be made to WES' Revenue Bond Fund.

**RECOMMENDATION:**

Staff respectfully recommends approval of the attached Supplemental Budget Resolution and Attachment A in order to maintain a legally accurate budget during the integration of Clackamas County Service District No. 1 into Water Environment Services.

Sincerely,



Greg Geist  
Water Environment Services Director

**BEFORE THE BOARD OF COUNTY COMMISSIONERS  
OF CLACKAMAS COUNTY, STATE OF OREGON**

In the Matter of Providing Authorization to  
Clackamas County Service District No. 1  
Regarding Adoption of a Supplemental Budget  
for Items Greater Than 10 Percent  
of the Total Qualifying Expenditures and  
Making Appropriations for Fiscal Year 2017-18

Resolution No. \_\_\_\_\_  
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WHEREAS, during the fiscal year changes in appropriated expenditures may become necessary and appropriations may need to be increased, decreased or transferred from one appropriation category to another;

WHEREAS, a supplemental budget is necessary to accomplish the integration of Clackamas County Service District No. 1 into the municipal partnership Water Environment Services by the end of fiscal year 2017-18;

WHEREAS, a supplemental budget of \$28,490,713 for the period of July 1, 2017 through June 30, 2018, inclusive, has been prepared and published in accordance with local budget law for Clackamas County Service District No. 1;

WHEREAS, a hearing to discuss the supplemental budget was held before the Board of County Commissioners on June 7, 2018;

WHEREAS, the funds being adjusted are the Sanitary Sewer Operating Fund, Sanitary Sewer System Development Charge Fund, Sanitary Sewer Construction Fund, Surface Water Operating Fund, Surface Water System Development Charge Fund, Surface Water Construction Fund, State Loan Fund and the Revenue Bond Fund; and

WHEREAS, it is in the best interest of Clackamas County Service District No. 1 to approve this greater than 10 percent change in appropriations for the period of July 1, 2017 through June 30, 2018.

BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS ACTING AS THE GOVERNING BODY OF CLACKAMAS COUNTY SERVICE DISTRICT NO. 1 THAT:

Pursuant to its authority under ORS 294.473, 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 \_\_\_\_\_, 2018.

**BOARD OF COUNTY COMMISSIONERS**  
Acting as governing body of Clackamas County  
Service District No. 1

\_\_\_\_\_  
Chair

\_\_\_\_\_  
Recording Secretary

**SUMMARY OF SUPPLEMENTAL BUDGET  
 CLACKAMAS COUNTY SERVICE DISTRICT NO. 1  
 Exhibit A  
 CHANGES OF GREATER THAN 10% OF BUDGET  
 June 7, 2018**

**SANITARY SEWER OPERATING FUND**

Revenues:	
Net Working Capital	\$ 1,052,456
Miscellaneous Income	3,941,382
Total Revenue	<u>\$ 4,993,838</u>
Expenditures:	
Not Allocated to Organizational Unit	
Special Payments	\$ 7,332,838
Contingency	(2,339,000)
Total Expenditures	<u>\$ 4,993,838</u>

Sanitary Sewer Operating Fund is requesting to recognize additional Net Working Capital and Miscellaneous Income. The fund is also transferring from contingency and appropriating all of the additional revenues to allow for a special payment constituting the entirety of fund reserves remaining at the end of FY 2017-18 to be made to the municipal partnership Water Environment Services' Sanitary Sewer Operating Fund.

**SANITARY SEWER SYSTEM DEVELOPMENT CHARGE FUND**

Revenues:	
Net Working Capital	\$ 294,891
Miscellaneous Income	3,005,458
Total Revenue	<u>\$ 3,300,349</u>
Expenditures:	
Not Allocated to Organizational Unit	
Special Payments	\$ 4,292,349
Contingency	(992,000)
Total Expenditures	<u>\$ 3,300,349</u>

Sanitary Sewer System Development Charge Fund is requesting to recognize additional Net Working Capital and Miscellaneous Income. The fund is also transferring from contingency and appropriating all of the additional revenues to allow for a special payment constituting the entirety of fund reserves remaining at the end of FY 2017-18 to be made to the municipal partnership Water Environment Services' Sanitary Sewer System Development Charge Fund.

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**SANITARY SEWER CONSTRUCTION FUND**

Revenues:	
Net Working Capital	\$ 133,119
Miscellaneous Income	10,959,975
Total Revenue	<u>\$ 11,093,094</u>
Expenditures:	
Not Allocated to Organizational Unit	
Special Payments	\$ 14,525,831
Contingency	(3,432,737)
Total Expenditures	<u>\$ 11,093,094</u>

Sanitary Sewer Construction Fund is requesting to recognize additional Net Working Capital and Miscellaneous Income. The fund is also transferring from contingency and appropriating all of the additional revenues to allow for a special payment constituting the entirety of fund reserves remaining at the end of FY 2017-18 to be made to the municipal partnership Water Environment Services' Sanitary Sewer Construction Fund.

**SURFACE WATER OPERATING FUND**

Revenues:	
Net Working Capital	\$ 651,975
Miscellaneous Income	3,288,886
Total Revenue	<u>\$ 3,940,861</u>
Expenditures:	
Not Allocated to Organizational Unit	
Special Payments	\$ 4,718,861
Contingency	(778,000)
Total Expenditures	<u>\$ 3,940,861</u>

Surface Water Operating Fund is requesting to recognize additional Net Working Capital and Miscellaneous Income. The fund is also transferring from contingency and appropriating all of the additional revenues to allow for a special payment constituting the entirety of fund reserves remaining at the end of FY 2017-18 to be made to the municipal partnership Water Environment Services' Surface Water Operating Fund.

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**SURFACE WATER SYSTEM DEVELOPMENT CHARGE FUND**

Revenues:

Net Working Capital	\$ 11,973
Miscellaneous Income	1,109,422
Total Revenue	\$ 1,121,395

Expenditures:

Not Allocated to Organizational Unit	
Special Payments	\$ 1,171,395
Contingency	(50,000)
Total Expenditures	\$ 1,121,395

Surface Water System Development Charge Fund is requesting to recognize additional Net Working Capital and Miscellaneous Income. The fund is also transferring from contingency and appropriating all of the additional revenues to allow for a special payment constituting the entirety of fund reserves remaining at the end of FY 2017-18 to be made to the municipal partnership Water Environment Services' Surface Water System Development Charge Fund.

**SURFACE WATER CONSTRUCTION FUND**

Revenues:

Net Working Capital	\$ 90,108
Miscellaneous Income	1,800,003
Total Revenue	\$ 1,890,111

Expenditures:

Not Allocated to Organizational Unit	
Special Payments	\$ 2,547,611
Contingency	(657,500)
Total Expenditures	\$ 1,890,111

Surface Water Construction Fund is requesting to recognize additional Net Working Capital and Miscellaneous Income. The fund is also transferring from contingency and appropriating all of the additional revenues to allow for a special payment constituting the entirety of fund reserves remaining at the end of FY 2017-18 to be made to the municipal partnership Water Environment Services' Surface Water Construction Fund.

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**STATE LOAN FUND**

Revenues:

Net Working Capital	\$ 68,155
Miscellaneous Income	1,126,615
Total Revenue	\$ 1,194,770

Expenditures:

Not Allocated to Organizational Unit	
Special Payments	\$ 1,194,770
Total Expenditures	\$ 1,194,770

State Loan Fund is requesting to recognize additional Net Working Capital and Miscellaneous Income. The fund is also appropriating all of the additional revenues to allow for a special payment constituting the entirety of fund reserves remaining at the end of FY 2017-18 to be made to the municipal partnership Water Environment Services' State Loan Fund.

**REVENUE BOND FUND**

Revenues:

Net Working Capital	\$ 159,801
Miscellaneous Income	796,494
Total Revenue	\$ 956,295

Expenditures:

Not Allocated to Organizational Unit	
Special Payments	\$ 956,295
Total Expenditures	\$ 956,295

Revenue Bond Fund is requesting to recognize additional Net Working Capital and Miscellaneous Income. The fund is also appropriating all of the additional revenues to allow for a special payment constituting the entirety of fund reserves remaining at the end of FY 2017-18 to be made to the municipal partnership Water Environment Services' Revenue Bond Fund.