

Briefing Sheet

To: Board of County Commissioners
Hannes Zacharias, County Manager

From: Scott Neufeld, Budget Director

Date: June 11, 2015

Issue: Authorize the reallocation and expenditure of fund balances (reserves) for Fiscal Year 2015 for the Park & Recreation General Fund in the amount of \$2,500,000; for Public Health fund in the amount of \$626,318; for County General Fund for a total of \$3,422,882 to be used to pay off the King Louie capital lease for \$2.9 million and to provide authority in the amount of \$522,882 for the transfer of 6.0 Mental Health FTES and related contractual expenditures to the Department of Technology and Innovation; and for the Mental Health fund, authorize the reclassification of \$522,882 expenditures related to the transfer of the FTEs and related contractual expenditures.

Background: Certain reallocation of fund balance (reserves) from the Park & Recreation General Fund, Public Health fund, County General Fund have been requested to provide authority for expenditures to be funded by revenues not originally included in the FY 2015 budget. Mental Health has also requested reclassification of expenditures within its fund. Four requests have been received for the use of reserves or reclassification of expenditures. As required by Section 120.11 of the County's financial policies, these requests are submitted for the Board's review and consideration. A summary of the requests is provided below:

Park & Recreation General Fund: The reclassification of fund balance (reserves) within the P&R General Fund's budget in the amount of \$2,500,000 is requested to provide authority to record transfer to the P&R Capital Projects fund. The proceeds of these Certificate of Participation (COPS) will be used to fund the building of the Park Police/Visitor Services building. Closing for the COPS is scheduled for July 10th.

Public Health Fund: The reclassification of fund balance (reserves) within the Public Health fund in the amount of \$626,318 is requested to provide the Department of Health & Environment authority to record additional grant revenue and expenditures. The majority of this funding is the result of a new contract to support Kansas Department of Health & Environment's implementation of the CDC 1422 grant that will address population-wide and priority population approaches to prevent obesity, diabetes, and heart disease and stroke and reduce health disease and stroke and reduce health disparities in these areas among adults. This grant was approved by the BOCC on December 18, 2014 and was not included in the adopted FY 2015 budget.

County General Fund (Countywide): The reclassification of fund balance (reserves) within the County General Fund's budget in the amount of \$2,900,000 is needed to provide authority to pay off the short term lease with UMB Bank for 8788 Metcalf. Bond proceeds will be transferred to County General fund from the PBC 2015A Bonds, which will occur at the closing of the PBC 2015A Lease Purchase Revenue Bonds on June 30th.

Mental Health to General Fund (Department of Technology and Innovation): Mental Health requests the reclassification of expenditures within its budget in the amount of \$522,882 so that funding can be transferred to the Department of Technology and Innovation. It has been determined that the six (6.0) information technology positions currently in Mental Health would provide increased efficiency and service to Mental Health from within the Department of Technology and Innovation. The Department of Technology and Innovation requests the increased budget authority in the amount of \$522,882 to cover the increased expenditures with the transfer of these positions from Mental Health for the 2015 fiscal year. Beginning in FY 2016, these positions will be budgeted within General Fund and included in cost allocation calculations for Mental Health.

Analysis: Sufficient budget authority and fund balances (reserves) are available for the transactions listed above.

Alternatives:

1. Authorize the use of reserves from the General Fund and the reallocation of expenditures within Mental Health Fund.

Non-Recommended alternatives:

1. Authorize only a portion of the requests for use of reserves at this time.
2. Do not authorize the reallocation of reserves from the P&R General Fund, Public Health Fund, County General fund and reclassification of expenditures for Mental Health.

Legal Review: Chief Legal Counsel reviewed the briefing sheet.

Funding Review: The Budget and Financial Planning Department verified the requested amounts.

Budget Approval: Scott A. Neufeld, Budget Director (by lmf)

Suggested motion: I move to authorize the reallocation and expenditure of fund balances (reserves) for Fiscal Year 2015 for the Park & Recreation General Fund in the amount of \$2,500,000; for Public Health fund in the amount of \$626,318; for County General Fund for a total of \$3,422,882 to be used to pay off the King Louie capital lease for \$2.9 million and to provide authority in the amount of \$522,882 for the transfer of 6.0 Mental Health FTES and related contractual expenditures to the Department of Technology and Innovation; and for the Mental Health fund, authorize the reclassification of \$522,882 expenditures related to the transfer of the FTEs and related contractual expenditures.

Summary of Requested Use of Reserves and Reclassifications

Park & Recreation General Fund - Use of Reserves

Certificates of Participation	<u><u>\$2,500,000</u></u>
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Public Health - Use of Reserves

Additional grant authority	<u><u>\$626,318</u></u>
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County General- Use of Reserves

Capital Lease Pay-off	\$2,900,000
MNH to DTI FTES/Contractual	<u>\$522,882</u>
	<u><u>\$3,422,882</u></u>

Mental Health - Reclassification of Expenditures

Personal & Contractual	(\$522,882)
Transfer to General Fund	<u>\$522,882</u>
	<u><u>\$0</u></u>