

Klamath County Road Reserve Task Force

Recommendations

December 2, 2015

**Klamath County Road Reserve
Task Force
305 Main Street
Klamath Falls, Oregon 97601**

November 9, 2015

Re: Recommendations

After approximately three months of research and deliberations the “Road Reserve Task Force”, made up initially of 16 members (1 resigned for health reasons, 1 resigned for a work conflict) appointed by the Board of County Commissioners of Klamath County hereby make the following recommendations:

1. We recognize the Klamath County Finance has made vast improvements of accounting and financial processes and we encourage the Board of County Commissioners, County Budget Committee and County Finance to continue improving the financial processes. (ayes 11, nays 0, abstain 0)
2. Establish a “Road Reserve Fund” pursuant to ORS 294.346 for the purpose of Major Road, Bridge and unforeseen Road Projects. *Exhibit A* ((ayes 11, nays 0, abstain 0)
3. Recommend “General Operating Contingencies” be established and used pursuant to ORS 294.463. *Exhibit B* (ayes 11, nays 0, abstain 0)
4. Establish a policy of maintaining a minimum of \$60,000,000.00 in the Road Reserve Fund for the purposes of Major Road, Bridge and unforeseen Road Projects. (ayes 8, nays 3, abstain 0)
5. Recommend cash carryover monies from the Road Fund over the fiscal year requirements may be placed into the Road Reserve Fund at the discretion of the County Budget Committee. (ayes 11, nays 0, abstain 0)
6. Monies in the Road Reserve Fund that are over the established minimum may be used for the purposes established by Oregon and Federal Statutes and at the discretion of the Board of County Commissioners. (ayes 10, nays 0, abstain 1)

7. Recommend no monies from the Road Fund go to Sheriff's Patrol. As per the minutes of November 9, 2015 "the Sheriff should be not be funded from the Road Funds that the Commissioners should give the Sheriff's Office an adequate budget." (ayes 5, nays 4, abstain 0)
8. Recommend to place an advisory vote measure of the citizens of Klamath County on the May 2016 primary ballot; Question – "Should Road Fund monies be used for the purpose of funding Sheriff Patrol." (ayes 9, nays 2, abstain 0)

Presented to the Klamath County Board of Commissioners on December 2, 2015.

Dewaine Holster, Chairperson
Road Reserve Task Force

Exhibit "A"

294.346 Reserve fund established without vote; review of need for reserve fund; unexpended balances; application to system development charges. (1) Any municipal corporation, by ordinance or resolution of its governing body, may establish one or more reserve funds to hold moneys to be accumulated and expended for the purposes specified in ORS 280.050, without submitting the question of establishing the reserve fund to a vote of the electors. The municipal corporation may cause to be credited to any reserve fund all or any portion of the revenues derived from taxes levied under ORS 280.060 and any other taxes, charges or revenues as the governing body may determine. The municipal corporation may also limit the crediting of such taxes, charges or revenues to a reserve fund to a specific period of time designated by the governing body.

(2) Not less frequently than every 10th anniversary of the date upon which a reserve fund is established under subsection (1) of this section, the governing body of the municipal corporation shall review the reserve fund and determine whether the fund will be continued or abolished. When the governing body determines, by resolution, that it is no longer necessary to maintain such a reserve fund:

(a) Commencing with the next succeeding fiscal year, the political subdivision shall discontinue the levy of any taxes under ORS 280.060 that would otherwise be required to be credited to such fund; and

(b) There shall be transferred to the general fund or any other fund of the political subdivision that the governing body determines is appropriate:

(A) Any unexpended balance in the fund to be abolished that is not required to be held for subsequent expenditure for the purposes for which the fund was established; and

(B) Any subsequent receipts from tax levies that are otherwise required to be credited to such fund, together with any penalties and interest thereon.

(3) This section does not apply to system development charges imposed under ORS 223.297 to 223.314, and no system development charges shall be credited to any reserve fund established under this section. [Formerly 294.525]

294.347 [1953 c.715 §3; repealed by 1963 c.576 §44]

294.348 [1957 c.673 §2; repealed by 1963 c.576 §44]

294.350 [Amended by 1953 c.715 §2; 1957 c.673 §4; repealed by 1963 c.576 §44]

294.351 [1963 c.576 §8; 1965 c.451 §3; 1971 c.516 §1; 1979 c.310 §3; repealed by 1979 c.686 §2 (294.352 enacted in lieu of 294.351)]

294.352 [1979 c.686 §3 (enacted in lieu of 294.351); 2001 c.135 §6; 2011 c.473 §2; renumbered 294.388 in 2011]

294.353 Elimination of unnecessary fund; disposition of balance. Subject to the provisions contained in the charter of any city or county or in any law relating to municipal corporations, when the necessity for maintaining any fund of the municipal corporation has ceased to exist and a balance remains in the fund, the governing body shall so declare by ordinance or other order and upon such declaration such balance shall forthwith be transferred to the general fund of the municipal corporation unless other provisions have been made in the original creation of the fund. [Formerly 294.475]

280.050 Providing funds for financing cost of services, projects, property and equipment. Funds may be obtained as prescribed in ORS 280.040 to 280.145 for the purpose of financing the cost of any service, project, property or equipment which a subdivision has lawful power to perform, construct or acquire, and of repairs and improvements thereto and of maintenance and replacement thereof. [Amended by 1967 c.203 §4]

Contingency transfers (Oregon Local Budgeting Manual, 150-504-420, Rev 05-12, pg 67)

A common situation in which appropriations are transferred from one category to another within a fund is when a specific need is identified for money that was budgeted and appropriated as operating contingency. To make the expenditure, the appropriation authority must be transferred from the contingency category to the appropriation category from which it will be expended. The contingency appropriation is reduced and the receiving appropriation category is increased by the same amount so the fund remains in balance.

150-504-420 (Rev. 05-12)

The amount which may be transferred from contingency by resolution is limited to 15 percent of the total appropriations in the fund [ORS 294.463(2), renumbered from 294.450(2)]. Transfers of contingency which in total exceed 15 percent in a year may be made only after adopting a supplemental budget for that purpose. If there is no existing appropriation in the category in which the desired expenditure falls, a supplemental budget is required to create the new appropriation. Example of the 15 percent calculation: If the appropriations in a fund total \$100,000, including \$20,000 for general operating contingency, only 15 percent, or \$15,000, of the appropriations, may be transferred from the contingency appropriation by resolution or ordinance. The remaining \$5,000 of contingency can be transferred only through a supplemental budget.

294.463 Transfers of appropriations within fund or between funds. Subject to the provisions of the charter of a city or county or a law relating to municipal corporations:

(1) Except as provided in subsection (2) of this section, transfers of appropriations may be made within a fund when authorized by ordinance or resolution of the governing body of a municipal corporation. The ordinance or resolution must state the need for the transfer, the purpose for the authorized expenditure and the amount transferred.

(2) Transfers of general operating contingency appropriations that in aggregate during a fiscal year or budget period exceed 15 percent of the total appropriations of the fund contained in the original budget adopted by the governing body of the municipal corporation for the fiscal year or budget period may be made only after adoption of a supplemental budget prepared for the purpose.

(3) Transfers of appropriations or of appropriations and an equal amount of budget resources may be made between funds of the municipal corporation when authorized by ordinance or resolution of the governing body. The ordinance or resolution must state the need for the transfer, the purpose for the authorized expenditures in the appropriation and the amount transferred.

(4) This section applies only to transfers made after a budget has been approved and during the fiscal year or budget period for which the appropriations are made. [Formerly 294.450]