

TABLE OF CONTENTS

SUMMARY

Total Budget	57
Total County Resources	57
Total County Resources Chart	58
Major County Resources	59
Net Working Capital	59
Taxes	60
Intergovernmental Federal	60
Intergovernmental State	61
Intergovernmental Local	61
Charges for Services	62
Licenses and Permits	63
Financing Proceeds	64
Transfers from Other Funds	64
Administrative Cost Recoveries	64
All Other Revenue	64
Major County Requirements	65
Personnel Services	67
Materials and Services	68
Budget by Fund and Department	69
Programs Funded in Part by State Resources	71

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MARION COUNTY FY 2016-17 BUDGET
SUMMARY

TOTAL BUDGET

The fiscal year 2016-17 budget totals \$387,985,501. This is a \$3,786,357 and 1% **decrease** from the total fiscal year 2015-16 current budget of \$391,771,858. Oregon local budget law requires a balanced budget to be adopted by the governing body. Therefore, total resources and total requirements must be equal.

The budget includes \$88,473,600 General Fund and \$299,511,901 for all other funds. Some county departments are funded partially or entirely through the General Fund whose primary revenue is property taxes. The majority of non-General Fund revenues are federal, state, and other agencies' contracts and grants that by law must be spent for specific purposes. In this Summary section and throughout the remainder of this book, all current fiscal year 2016-17 budget amounts include changes during three supplemental budgets.

TOTAL COUNTY RESOURCES

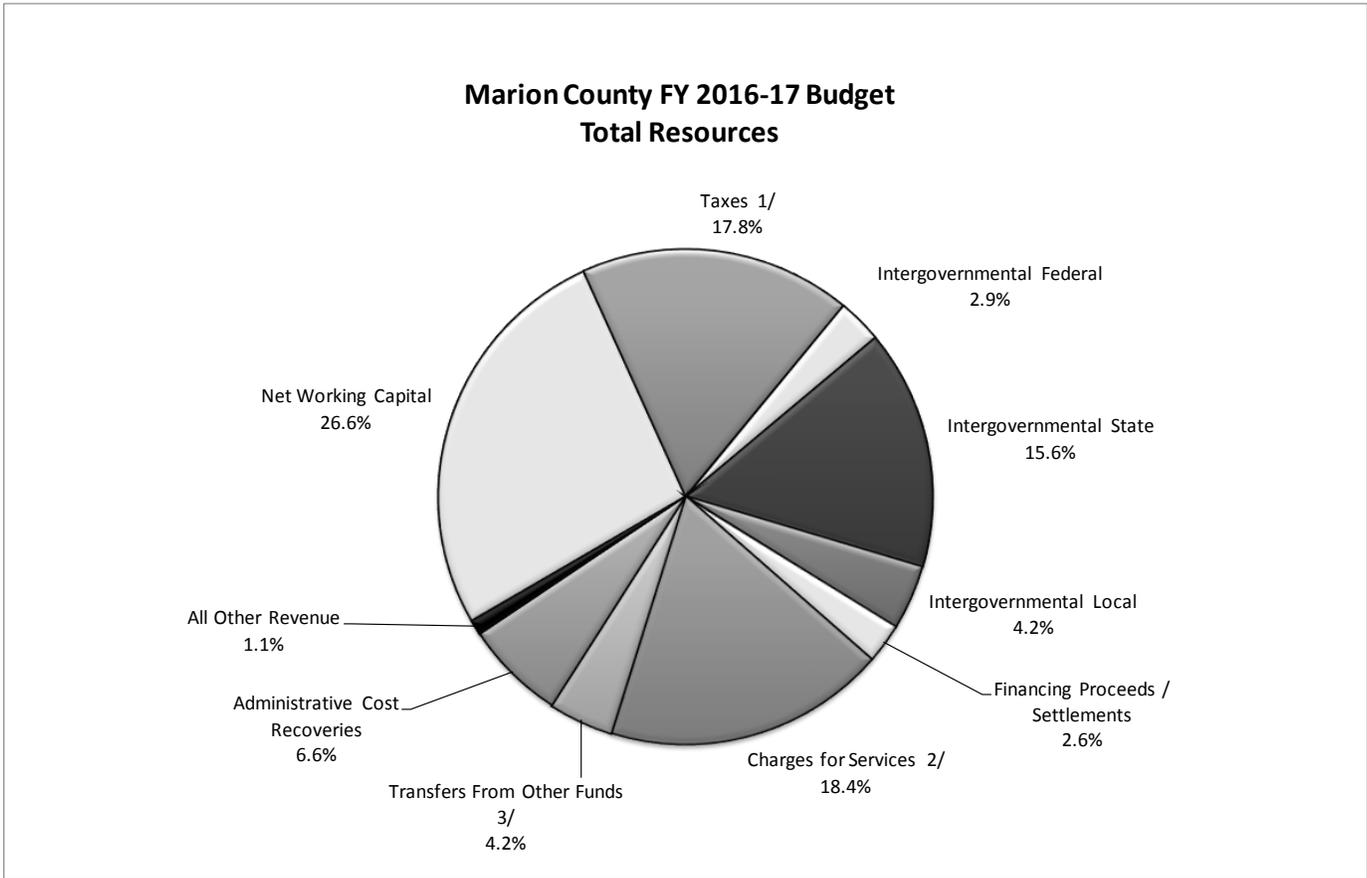
The county's revenue and other available resources are shown in major categories on the following schedules. In addition to revenues expected to be collected during the fiscal year, local budget law requires other available resources to be disclosed in the budget, including beginning net working capital, internal transactions, and transfers. These together are referred to as resources. Beginning net working capital is the prior fiscal year ending fund balance. Marion County's internal transactions are transactions between funds resulting from one department providing a service to another. On the resources side, they are called administrative cost recoveries. The sum of revenues, net working capital, internal transactions, and transfers are the total resources. The total resources budget is \$387,985,501.

County Resources Summary

FY 2016-17

FY 13-14 ACTUAL	FY 14-15 ACTUAL		FY 15-16 BUDGET	FY 16-17 BUDGET	INCREASE / (DECREASE)	+/- % Prior Budget
RESOURCES						
60,142,958	62,670,315	Taxes	65,114,845	68,949,000	3,834,155	3.7%
3,004,659	3,041,717	Licenses and Permits	3,090,350	3,275,350	185,000	15.8%
11,930,158	12,864,158	Intergovernmental Federal	14,395,742	11,329,675	(3,066,067)	-20.8%
61,056,926	53,944,248	Intergovernmental State	56,719,321	60,700,010	3,980,689	4.2%
24,352,054	28,169,791	Intergovernmental Local	17,483,690	16,472,065	(1,011,625)	-43.6%
63,969,122	61,245,953	Charges for Services	67,431,155	67,914,358	483,203	5.6%
22,149,340	22,630,941	Admin Cost Recovery	25,240,326	25,673,158	432,832	4.2%
2,701,520	3,076,921	Fines and Forfeitures	2,791,920	2,425,271	(366,649)	9.6%
805,121	982,820	Interest	860,167	1,054,211	194,044	14.6%
5,432,153	300,595	Other Revenues	375,728	362,973	(12,755)	-13.7%
8,878,134	12,258,975	General Fund Transfers	15,429,212	11,166,497	(4,262,715)	-5.8%
12,640,240	6,853,752	Other Fund Transfers	7,890,957	5,288,974	(2,601,983)	9.6%
229,870	1,026,036	Settlements	616,974	235,000	(381,974)	-38.4%
9,950,000	0	Financing Proceeds	0	9,950,000	9,950,000	n.a.
94,076,937	103,210,200	Net Working Capital	114,331,471	103,188,959	(11,142,512)	2.4%
381,319,192	372,276,422	TOTAL RESOURCES	391,771,858	387,985,501	(3,786,357)	0.4%

MARION COUNTY FY 2016-17 BUDGET
SUMMARY



1/ Total taxes include property tax collections (current year collections, delinquent taxes anticipated to be collected in the current year, and interest and penalties on delinquent tax), and cable television franchise taxes.

2/ Includes licenses, permits, fees, tolls, certain reimbursements, and other charges for services.

3/ Includes General Fund transfers to other funds as well as other transfers between funds.

MARION COUNTY FY 2016-17 BUDGET
SUMMARY

MAJOR COUNTY RESOURCES

County resources may be categorized according to like characteristics as shown on the total county resources pie chart on the previous page. Net Working Capital is a resource although it is not classified as revenue. The resources shown in the table on the previous page include the General Fund. The remainder of this section about resources will exclude General Fund data, which is discussed in another section of this book.

County Resources Excluding the General Fund

Before a discussion of total county resources, it may be helpful to see what resources are outside the General Fund. Later in this section of the book General Fund major resources will be discussed separately.

Total County Resources Excluding the General Fund			
	FY 15-16 Budget	FY 16-17 Budget	Change FY 16-17 Over FY 15-16
Net Working Capital	103,521,969	95,665,610	(7,856,359)
Taxes 1/	285,000	300,000	15,000
Intergovernmental Federal	13,806,362	11,108,075	(2,698,287)
Intergovernmental State	53,081,991	57,095,110	4,013,119
Intergovernmental Local	17,483,690	16,472,065	(1,011,625)
Charges for Services 2/	62,735,156	64,353,189	1,618,033
Transfers From Other Funds	19,287,587	12,457,889	(6,829,698)
Administrative Cost Recoveries	25,240,326	25,673,158	432,832
Settlements	616,974	235,000	(381,974)
Financing Proceeds	-	9,950,000	9,950,000
All Other Revenue 3/	6,249,155	6,201,805	(47,350)
TOTAL	302,308,210	299,511,901	(2,796,309)

1/ Taxes outside the General Fund are cable television franchise fees.

2/ Includes licenses, permits, fees, reimbursements, and other charges for services.

3/ Includes interest, intrafund loan payments, and miscellaneous revenue.

County Resources Including the General Fund

A discussion of each total county major resource follows. Budget amount references are to total county resources shown on page 19. Comparative budgets for resources are stated for fiscal years 2016-17 and 2015-16. The reasons for year-to-year budget changes are not discussed here, with some high level exceptions. The reasons for changes are found in the departmental and non-departmental program budgets discussed in other parts of this book. Amounts discussed in this section are rounded.

Net Working Capital

The terms “net working capital” and “beginning fund balance” are interchangeable in budgeting. Marion County uses the term net working capital. Beginning fund balance is the ending fund balance of prior year funds and programs that has carried over to begin a new fiscal year. A fund balance is the accumulation of revenues over expenditures throughout the life of the fund. It may include the unexpended portion of any or many of the categories of revenues for any given fund, and multiple revenues may have been comingled to the extent that individual revenues have lost their identity.

MARION COUNTY FY 2016-17 BUDGET SUMMARY

Net Working Capital **decreased \$7.9 million** compared to the prior fiscal year budget for all funds. All except five of the county's 35 budgeted funds have Net Working Capital budgeted for FY 2016-17. The internal services Central Services Fund by rule has no ending fund balance as it charges administrative charges to other funds in an amount equal to its total expenditures. Other funds simply do not anticipate any year-end savings to carry forward. One is required by law to transfer out to taxing districts all revenue received.

Notable increases in Net Working Capital by fund are: (1) Capital Improvement Projects Fund increased \$1,222,171 (+64%), (2) Building Inspection Fund increased \$406,279 (+31%), and (3) Community Corrections Fund increased \$224,208 (+18%).

Notable decreases in Net Working Capital by fund are: (1) Environmental Services Fund decreased \$3,339,306 (-25%), (2) General Fund decreased \$3,286,163 (-30%), (3) Health Fund decreased \$2,985,943 (-12%), (4) Fleet Management Fund decreased \$2,285,933 (-61%), (5) Public Works Fund decreased \$1,280,183 (-5%), and (6) Traffic Safety Team decreased \$465,976 (-42%).

Taxes

Property Taxes

More than ninety-nine percent (99%) of tax revenue in the County is from **property taxes** and these are recorded in the General Fund. The property taxes, interest, and penalties total budget for FY 2016-17 is \$68.4 million.

Franchise Fees on Trash Collectors

Franchise fees are classified as a tax by local government financial rule. Franchise fees are paid by trash collectors and allocated to solid waste management activities. They are managed by the Environmental Services program of the Public Works Department. The franchise fees are budgeted at \$300,000.

Intergovernmental Federal

Intergovernmental federal revenue is estimated based on current information provided by state agencies for pass-through federal funds and provided by federal grantor agencies for direct grants. In some cases departments use their knowledge of federal statutory funding requirements or what discretionary funding is available, and at what level.

Secure Rural Schools

The Secure Rural Schools and Community Self-Determination Act appropriates in three parts to non-General Fund funds. Due to lack of U.S. Congressional legislation to reauthorize funding for this Act, no revenue is budgeted in FY 2016-17. There was a total \$1.9 million budgeted in FY 2015-16 for all titles. Title I funds were provided to the Public Works Fund for road work and to a County Schools Fund; Title II funds were passed through Resource Advisory Councils (RAC) federal forest improvement projects; and Title III funds were allocated to sheriff forest patrol and search and rescue.

Oregon Department of Justice Child Support Subsidies

These are federal child support revenues passed through the Oregon Department of Justice, Division of Child Support to maintain child support enforcement activities, which is a 66% federal match on qualified expenses for support enforcement activities pursuant to federal statute under Title IV of the Social Security Act. There is \$1,112,663 budgeted for FY 2016-17 which is a \$62,648 and 6% increase over FY 2015-16.

Health Contracts

These are federal funds passed through the Oregon Department of Human Services for public health \$1.9 million and mental health \$1.7 million for FY 2016-17 services. These are decreases of \$0.2 million for each type of revenue, or -11% and -10%, respectively. However, additional funding is typically received during the course of the fiscal year.

MARION COUNTY FY 2016-17 BUDGET SUMMARY

Federal Aid Highway Program

The Public Works Fund is budgeted to receive \$3.5 million from the Federal Highway Administration for roads and bridges repairs. Amounts vary substantially from year-to-year as major projects are funded intermittently with a wide range of project costs.

Other Federal Revenues

A wide variety of other federal funding and their amount is received by the county each year for purposes ranging from emergency management to ferry operations to Sheriff's services to a federal Bureau of Indian Affairs school contract and many more, all totaling about \$500,000.

Intergovernmental State

State revenue is estimated based on current information provided by state grant and contract officials, reinforced by quarterly state economic forecasts, trend analysis examining whatever number of years appears to best characterize a trend, and state statutory requirements to provide funding. There are numerous state grants of all sizes going to twelve funds excluding the General Fund in FY 2016-17; only the major grants are discussed.

Gas Tax (Motor Vehicle Fuel Tax)

The gas tax is a state fuel tax calculated on a per gallon basis. Oregon's constitution is the legal authority for imposing and collecting the gas tax, and dedicates the tax revenue to transportation funding. The Oregon Department of Transportation (ODOT) is responsible for distribution of the tax revenues. Revenues must be used exclusively for the construction, reconstruction, improvement, repair, maintenance, operation and use of public highways, roads, streets, roadside rest areas, and some of the cost of administration. The Department of Public Works is the recipient of all gas tax. FY 2016-17 gas tax revenue is budgeted at \$19.5 million, an increase of \$1.5 million over FY 2015-16.

Mental Health Grants and Contracts

Mental health, alcohol and drug, and developmental disabilities contract and grant revenues are received from the Oregon Health Authority, Oregon Department of Human Resources, and other agencies. The funds are used for both Health Department in-house programs and for contracting with outside non-governmental organization providers of similar services. The FY 2016-17 budget of \$17.0 million is an increase \$1.5 million over FY 2015-16.

Community Corrections Grant-in-Aid

This revenue is distributed from the Oregon State Department of Corrections to the Sheriff's Office as payment for the county's assumption of responsibility for felons on parole, on probation, on post-prison supervision, sentenced to 12 months or less incarceration, and other purposes. The Sheriff's Office allocates the funding for parole and probation programs and care of county jail inmates. FY 2016-17 revenue is budgeted at \$11.4 million which is the same amount as FY 2015-16.

Video Lottery

The Oregon State Lottery Commission transfers an amount equal to 2.5% of net receipts from video lottery games, similar to casino slot machines, from the State Lottery Fund to counties, with ninety percent distributed to each county in proportion to the gross receipts from the games in each county. Funds are required to be expended on economic development activities. Economic development programs or projects are recommended by the county's Economic Development Advisory Board and approved by the Board of Commissioners. The revenue and expenditures are recorded in a non-departmental fund. Video Lottery revenue is budgeted at \$1.6 million in both FY 2016-17 and FY 2015-16.

Intergovernmental Local

Although local government revenue is occasionally received from city and foundation grants, the far greater amount of the revenue in this category comes from the Mid-Valley Behavioral Care Network (MVBCN).

MARION COUNTY FY 2016-17 BUDGET SUMMARY

Mid-Valley Behavioral Care Network (MVBCN or more commonly “BCN”)

Mid-Valley Behavioral Care Network is a managed behavioral healthcare organization directed by a partnership of consumer-advocates and service providers who provide mental health and chemical dependency services. The Health Department receives state health capitation funds passed to the BCN. The primary revenues are for specific mental health services. BCN contracts with the Health Department to provide Community and Provider Services (CAPS) and special crisis and respite services are provided additional funding. There are also small discretionary grant revenues which are used for purposes defined by agreement with the BCN, including, but not limited to, Health Department administration and Psychiatric Crisis Center operations. FY 2016-17 budgeted revenues total \$16.5 million which is a decrease of \$1.0 million from FY 2015-16.

Charges for Services

There is a great diversity of services provided by Marion County countywide and Charges for Services reflect that diversity. Charges for services outside the General Fund include fees for health, public safety, environmental health, surveyor, building inspection, land use planning, solid waste disposal, and dog services, as well as county fair sales, insurance assessments, various reimbursements, street assessments, ferry tolls, property leases, fleet rentals, and more.

Waste-to-Energy Tipping Fees

The Public Works Department Environmental Services Program earns solid waste disposal tipping fees collected at the Waste-to-Energy Facility located in Brooks. The plant is privately owned and operated under a contract with Marion County, with the county receiving a share of the gross receipts. Tipping revenue is relatively finite and stable because there is a limit to capacity and the plant generally operates at capacity. The \$11.3 million FY 2016-17 budget is a \$2.2 million increase over FY 2015-16.

SKRTS (Salem-Keizer Recycling and Transfer Station) Tipping Fees and North Marion Tipping Fees

Customers who are not commercial garbage haulers bring garbage to SKRTS in southeast Salem or North Marion Recycling and Transfer Station in Woodburn and pay a tipping fee. The garbage is subsequently transported to the Waste-to-Energy Facility and incinerated. Compostable material goes to a commercial composting facility. Recyclable items are hauled to recycling markets. The fees are part of Environmental Services Fund general operating revenues. FY 2016-17 budgeted revenues of \$4.1 million are a \$0.8 million increase over FY 2015-16.

Electricity Generation Fees

The Waste-to-Energy Facility burns waste at high temperature, generating steam that in turn drives turbines that generate electrical power. This electrical power is sold to Portland General Electric (PGE). Part of the fees earned from the sale of electricity goes to the county under the terms of the contract with the plant owner. The FY 2016-17 budget of \$1.5 million is a \$0.9 million decrease from FY 2015-16 as demand for the electricity by PGE has decreased. The funds are allocated to Environmental Services Fund operations.

Ferrous Metals Fees

This is revenue generated from the sale of ferrous metals that are recovered from the ash after waste is incinerated at the Waste-to-Energy Facility. The funds are allocated to Environmental Services Fund operations. The fees are collected as part of the terms and conditions for services with a contractor who recovers the metal. Cost of the recovery was deemed too expensive especially given the metals market. The \$157,860 FY 2016-17 budget is substantially less than the \$1.7 million FY 2015-16 budget.

Medicaid Fees

The Health Department bills the state for federal Social Security Act Title XIX (“19”) Medicaid fees for services. Behavioral health services for Medicaid are billed under an Office of Mental Health and Addiction Services (OMHAS) contract. Other billings occur under Department of Human Services, Office of Medical Assistance Program (OMAP)

MARION COUNTY FY 2016-17 BUDGET SUMMARY

for services provided to clients covered by the Oregon Health Plan. Health Department charges are based on unit cost; however the actual reimbursement is set per the payer's reimbursement schedule. The Juvenile Department also bills federal Medicaid through the state. The fees are for provision of a standardized program of rehabilitation services to qualified youth. The Guaranteed Attendance Program (GAP) also provides these services. The \$4.2 million FY 2016-17 budget is a slight increase over the \$4.0 million FY 2015-16 budget.

Supervision Fees (Probation and Parole)

A state regulated supervision fee is assessed each adult parole and probation client. The Sheriff's Office allocates these fees to offset a portion of the cost of supervision of parole and probation clients. The FY 2016-17 and FY 2015-16 budgets are both at \$0.8 million consistent with the last several years.

Public Works Services to County Departments

The Public Works Department provides vehicle maintenance and minor other services, e.g., radio repair, to Marion County Sheriff's Office, Juvenile Department, and Business Services Department. Public Works also provides the same services to the county pool car and light duty fleet which it manages. The FY 2016-17 \$1.4 million budget is a decrease of \$0.2 million from the FY 2015-16 budget.

Public Works Fleet Rentals

The Public Works Department collects for rental of motor pool cars and for fleet vehicle leases to departments. The FY 2016-17 budget of \$1.6 million is a little less than the FY 2015-16 budget.

Insurance

Charges for Services includes insurance charges budgeted in the Self-Insurance Fund. County departments and quasi-governmental agencies including the Marion County Housing Authority, the Mid-Valley Behavioral Care Network and several service districts that employ personnel are charged for a share of several types of county insurance costs. The FY 2016-17 budget for the major insurance is: medical and dental health insurance \$22.9 million; liability insurance \$1.4 million; workers' compensation insurance \$0.8 million; and group life, long-term disability and unemployment insurance total \$0.7 million.

Licenses and Permits

(the dollar amounts are included in Charges for Services on the schedule at the beginning of this subsection)

Licenses and permits revenue is estimated based on trend analysis covering five years, including review of each of the types of fees collected. State quarterly economic forecasts are also reviewed with attention to the housing industry specifically and the construction industry generally.

Structural (Building) Permits

Building inspection revenues are generated from fees for structural, mechanical, plumbing, and electrical inspections, and from permits. These are revenues managed by the Department of Public Works. The \$2.6 million FY 2016-17 budget is an increase of \$0.2 million over FY 2015-16.

MARION COUNTY FY 2016-17 BUDGET SUMMARY

Financing Proceeds

Financing proceeds are infrequently budgeted. However, there is \$9,950,000 budgeted in FY 2016-17 for a bank loan for construction of a new parole and probation building and a sheriff central district office.

Transfers from Other Funds

In Marion County's governmental budgeting system, resources are sometimes moved from one fund to another or others by means of transfer accounts. The fund receiving the transfer shows it as a fund resource. The result is that revenue is counted twice. Once when revenue is initially recorded in fund "A", and a second time after transferring out of fund "A" into fund "B". One of the most common situations is a transfer from the General Fund to other funds, including capital funds, debt service funds, and operating funds that are primarily funded by non-General Fund resources but require either temporary or permanent additional funding in order to pay the full cost of providing a service or services. Other funds are budgeted to receive a total of \$11.2 million from the General Fund in FY 2016-17. Another \$5.3 million is budgeted for transfers between other funds, such as transfers from the Criminal Justice Assessment Fund to the Sheriff's Grant Fund and the Juvenile Grant Fund, a transfer from the Lottery Distribution Fund to the Land Use Planning Fund, a transfer from the Traffic Safety Team Fund to the Capital Improvement Projects Fund, and an annual transfer from the Community Corrections Fund to the General Fund Sheriff's Office operations.

Administrative Cost Recoveries

Administrative cost recoveries result from one department or program billing other departments or programs for services rendered. Internal services departments, grouped in the Central Services Fund, and the Self-Insurance Fund provides services or insurance coverage to all other departments and funds. Services given are county administration, information technology, financial management, payroll, human resources, risk management, facilities management, legal counsel, and a Public Employee Retirement System debt service assessment.

Administrative cost recoveries are unique revenue. The maximum that can be earned is a fixed amount based on a cost allocation plan. For example, the Information Technology Department knows how much it will be allowed to charge other departments and programs for its services based on its budget approved by the budget officer; in this case revenue is matched to expenditures. If the department expends less than budgeted, other departments will be charged accordingly and the actual revenue will be matched to actual expenditures at fiscal year-end. The FY 2016-17 budget of \$25.7 million is an increase of \$0.5 million over FY 2015-16.

Settlements

Settlement revenue comes from settling financial claims against outside parties either through legal proceeding or outside of court, and tend to be one-time. There is a total of \$235 thousand settlement revenue budgeted in FY 2016-17 in two funds.

All Other Revenues

The revenue categories remaining are fines and forfeitures, interest (from loans or investment earnings) and miscellaneous revenue that includes inter-fund loan principal payments, donations and private foundation grants, reimbursements, and a further variety of other small revenues. Most of these are often one-time or otherwise varies substantially from year to year.

MARION COUNTY FY 2016-17 BUDGET
SUMMARY

MAJOR COUNTY REQUIREMENTS

Major categories of requirements are shown on the schedule below for the purpose of presenting data discussed in the section immediately following.

FY 2016-17 Requirements by Major Categories

Fund	Total Direct Expenditures	Administrative Charges *	Transfers Out	Contingency	Reserves and Ending Fund Balance	Total Requirements
General Fund	60,876,807	9,567,230	11,166,497	1,229,798	5,633,268	88,473,600
All Other Funds	208,366,441	14,427,856	5,209,414	16,802,598	54,705,592	299,511,901
total	269,243,248	23,995,086	16,375,911	18,032,396	60,338,860	387,985,501

* Internal service charges.

The amount planned for expenditure during a fiscal year is always less than the total budget. Oregon local budget law requires reporting of expenditures, internal transactions between funds, transfers, contingencies, and unappropriated ending fund balance in the total budget. These together are referred to as requirements.

The total budget includes internal transactions and transfers that are counted twice. Internal transactions are transactions between funds resulting from one department providing a service to another. On the expenditure side they are referred to as internal service (“administrative”) charges. Transfers are a special type of internal transaction that involves transferring resources out of one fund into another fund. For example, funds are transferred out of the General Fund into the Capital Improvement Projects Fund. In the General Fund, the transfer out is an expenditure, and in the Capital Improvement Projects Fund the incoming transfer is a resource which is in turn allocated to expenditures.

The total requirements budget is \$387,985,501. This is the sum of the expenditures, administrative charges, transfers out, contingency, reserves, and ending fund balance.

The expenditures budget is \$309,614,245. This is the total of direct expenditures, administrative charges (internal service), and transfers out. Expenditures equal true appropriation authority, e.g., authority to expend. Contingency, reserves, and ending fund balance totaling \$78,371,256 are excluded from the expenditures total.

Total direct expenditures are \$269,243,248. This is the direct expenditure (resulting in cash outlays) for Personnel Services, Materials and Services, Capital Outlay, Debt Service Principal, Debt Service Interest, and Special Payments.

MARION COUNTY FY 2016-17 BUDGET
SUMMARY

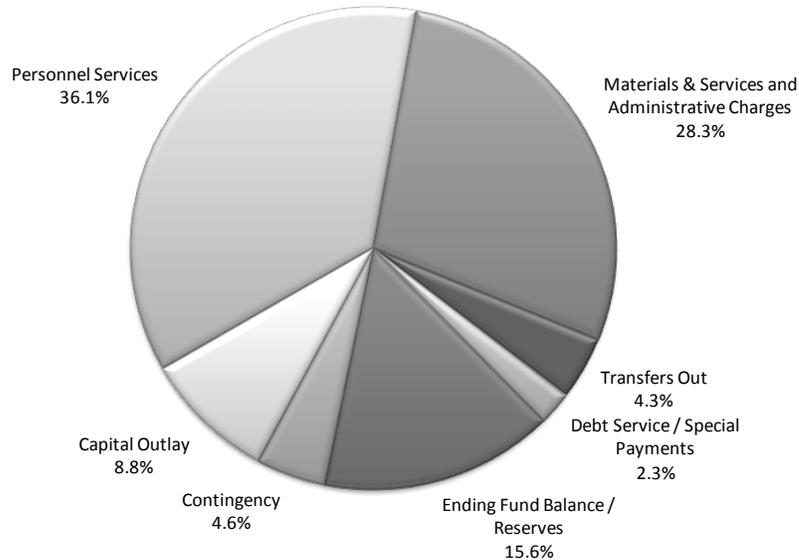
REQUIREMENTS CATEGORIES

County Requirements Summary

FY 2016-17

FY 13-14 ACTUAL	FY 14-15 ACTUAL		FY 15-16 BUDGET	FY 16-17 BUDGET	INCREASE / (DECREASE)	+/- % Prior Budget
115,269,104	121,056,644	Personnel Services	136,172,067	140,373,214	4,201,147	3.1%
88,716,640	80,222,698	Materials and Services	85,561,161	85,999,550	438,389	0.5%
20,451,621	20,263,992	Administrative Charges	23,336,504	23,995,086	658,582	2.8%
25,214,426	9,896,540	Capital Outlay	29,091,549	34,268,495	5,176,946	17.8%
3,070,348	3,271,933	Debt Service Principal	4,134,789	4,659,785	524,996	12.7%
3,332,532	3,382,600	Debt Service Interest	3,414,440	3,372,879	(41,561)	-1.2%
535,947	656,003	Special Payments	3,473,419	569,325	(2,904,094)	-83.6%
21,518,374	19,112,727	Transfers Out	23,590,997	16,375,911	(7,215,086)	-30.6%
0	0	Contingency	19,996,276	18,032,396	(1,963,880)	-9.8%
0	0	Reserves	2,506,844	2,525,900	19,056	0.8%
0	0	Ending Fund Balance	60,493,712	57,812,960	(2,680,752)	-4.4%
278,108,992	257,863,137	TOTAL REQUIREMENTS	391,771,758	387,985,501	(3,786,257)	-1.0%

**Marion County FY 2016-17 Budget
Total Requirements**



MARION COUNTY FY 2016-17 BUDGET
SUMMARY

Direct Operating Expenditures

The primary direct operating expenditure accounts are Personnel Services and Materials and Services..

Personnel Services

The county’s personnel regulations allow for an annual five percent step increase for satisfactory service (merit). The county has a high percent of employees who have worked enough years to have reached the last step in their grade level, or are at longevity steps. There are no merit pay increases between longevity steps. A high number of employees in the step 7 and longevity steps tend to keep overall percentage pay increases down.

A policy of requiring vacant positions to be budgeted no higher than a step 1 has had the effect, in some funds and programs, of lowering the Personnel Services budget. This is particularly true for positions that became vacant at the time the incumbent is being paid at step 7, or longevity, and departments are not allowed to budget at the same level for replacements. All positions requested to be filled at a step higher than a step 1 require Personnel Officer approval. Periodic changes in pay grades for specific positions to bring pay within comparative local government rates (“market”) also has an impact on the funds and programs involved. Over time, the mean personnel position cost has increased approximately 1.8% annually for step increases and pay adjustments.

The increase in total fringe benefits is attributable to health insurance and Public Employee Retirement System (PERS) rate increases.

The main factors that affect the total Personnel Services increase of \$4,201,147 for FY 2016-17 over FY 2015-16. Are:

- (1) An increase of 15 Full-Time Equivalent (FTE) positions.
- (2) Multiple positions added late in FY 2015-16 budgeted for two to six months then budgeted for the full year in FY 2016-17.
- (3) Multiple positions converted from 37.5 hours a week jobs to 40.0 hours a week (a five year project that is almost completed)
- (4) Normal step increases.
- (5) Cost-of-living allowances for settled union contracts include 20% of the total county positions.
- (6) Adjustment of wages to market for numerous positions.

Countywide Personnel Services Summary

FY 13-14 ACTUAL	FY 14-15 ACTUAL		FY 15-16 BUDGET	FY 16-17 BUDGET	Change FY 15-16 to FY 16- 17
		<u>Personnel Services</u>			
75,431,202	79,068,387	Salaries and Wages	88,069,990	91,428,983	3.8%
39,837,902	41,988,257	Fringe Benefits	48,102,077	48,944,231	1.8%
115,269,104	121,056,644	Total Personnel Services	136,172,067	140,373,214	3.1%
1,323	1,358	FTE	1,413	1,428	1.1%

The significant increases were for the Health Department, Sheriff’s Office, District Attorney’s Office, Information Technology Department, and Juvenile Department (given in order of highest to lowest dollar amount).

MARION COUNTY FY 2016-17 BUDGET
SUMMARY

Materials and Services

General Fund and Central Services Fund departments are not allowed to budget for across-the-board increases in Materials and Services. They are generally required to absorb inflationary increases by reducing whatever line items are considered lower priority than the inflation-driven line items, or simply do with less. There are exceptions, primarily in situations where departments are required to take on new types of expenditures, or for the non-departmental portion of either fund which are sometimes allocated funds for one-time projects that require contracted services. Other departments and programs have been allowed to reflect inflationary increases to the extent that available resources allow. Expenditures by subcategories are shown below.

Countywide Materials and Services Summary

FY 13-14 ACTUAL	FY 14-15 ACTUAL	CATEGORY	FY 15-16 BUDGET	FY 16-17 BUDGET	Change 15-16 to 16-17
4,089,137	3,873,112	Supplies	4,587,110	4,145,866	-10%
3,821,307	4,211,109	Materials	4,434,053	4,541,825	2%
998,558	1,012,538	Communications	1,207,793	1,225,249	1%
2,020,227	1,894,706	Utilities	1,967,266	1,991,382	1%
2,639,385	2,612,244	Repairs and Maintenance	3,055,029	3,002,869	-2%
4,814,967	4,212,649	Rentals	5,012,792	4,716,838	-6%
22,613,449	22,893,001	Insurance	25,201,406	26,188,799	4%
1,787,676	2,239,293	Miscellaneous	2,404,581	2,312,276	-4%
42,784,706	42,948,652	Subtotal	47,870,030	48,125,104	1%
Contracted Services					
480,923	459,211	<i>Central Services Fund</i>	863,171	685,729	-21%
1,535,886	1,661,101	<i>Community Corrections Fund</i>	2,137,442	2,269,635	6%
974,421	819,466	<i>Community Services Grants</i>	185,516	104,323	-44%
15,823,898	14,815,589	<i>Environmental Services Fund</i>	16,273,233	16,256,211	0%
183,313	179,376	<i>General Fund Non-Departmental</i>	784,504	1,304,120	66%
2,969,389	2,208,315	<i>General Fund Sheriff's Office</i>	2,559,442	2,619,702	2%
19,370,230	13,237,714	<i>Health Fund</i>	8,527,432	8,034,025	-6%
660,775	518,708	<i>Lottery and Economic Development Fund</i>	1,065,307	1,592,324	49%
524,685	293,465	<i>Public Works Fund</i>	1,608,866	1,299,370	-19%
559,938	503,338	<i>Sheiff Grants Fund</i>	475,185	446,348	-6%
2,848,476	2,577,763	<i>All Other Funds</i>	3,211,133	3,262,659	2%
45,931,934	37,274,046	Contracted Services Total	37,691,231	37,874,446	0%
88,716,640	80,222,698	Total	85,561,261	85,999,550	1%

TOTAL BUDGET BY FUND AND DEPARTMENT

The following page presents a schedule of funds by department.

MARION COUNTY FY 2016-17 BUDGET SUMMARY

FY 2016-17 Adopted Budget by Fund and Department

Fund	Department	Assessor's Office	Board of Commissioners' Office	Business Services	Clerk's Office	Community Services	District Attorney's Office	Finance	Health	Information Technology	Justice Court	Juvenile	Legal	Public Works	Sheriff's Office	Treasurer's Office	Capital	Non Departmental Operations	Fund Total	
DEPARTMENTAL																				
General Fund		5,796,173			2,533,372	641,368	8,611,359				883,244	10,184,698			38,853,496	420,760		20,549,130	88,473,600	
Building Inspection														4,281,554					4,281,554	
Central Services			2,445,028	6,862,205				2,420,228		9,213,619			1,388,214					159,632	22,488,926	
Child Support							1,619,612												1,619,612	
Community Corrections															16,011,023				16,011,023	
Community Services Grants						255,681													255,681	
County Clerk Records					136,157														136,157	
County Fair						465,744													465,744	
District Attorney Grants							1,411,660												1,411,660	
Dog Control						1,371,579													1,371,579	
Environmental Services														29,709,259					29,709,259	
Fleet Management														3,374,931					3,374,931	
Health								70,871,646											70,871,646	
Inmate Welfare															519,276				519,276	
Juvenile Grants												3,757,346							3,757,346	
Land Use Planning														958,409					958,409	
Law Library													859,325						859,325	
Lottery & Economic Development						3,184,631													3,184,631	
Parks														598,770					598,770	
Public Works														51,873,620					51,873,620	
Sheriff Grants															3,737,759				3,737,759	
Stormwater Management														1,281,863					1,281,863	
Surveyor														2,148,677					2,148,677	
Traffic Safety Team															2,195,506				2,195,506	
CAPITAL																				
Capital Building and Equipment																	292,900		292,900	
Capital Improvement Projects																	4,414,888		4,414,888	
Facility Renovation																	23,048,153		23,048,153	
NON-DEPARTMENTAL																				
Block Grant																			1,262	1,262
County Schools																			333,300	333,300
Criminal Justice Assessment																			1,580,188	1,580,188
Debt Service																			8,031,480	8,031,480
Non Departmental Grants																			633,983	633,983
Rainy Day																			2,233,000	2,233,000
Self Insurance																			35,457,430	35,457,430
Tax Title Land Sales																			372,363	372,363
GRAND TOTAL		5,796,173	2,445,028	6,862,205	2,669,529	5,919,003	11,642,631	2,420,228	70,871,646	9,213,619	883,244	13,942,044	2,247,539	94,227,083	61,317,060	420,760	27,755,941	69,351,768	387,985,501	
FTE		51.0	15.0	62.0	13.5	20.4	88.5	18.8	424.0	57.0	8.0	105.1	10.4	202.0	349.5	2.5			1,427.6	

MARION COUNTY FY 2016-17 BUDGET
SUMMARY

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MARION COUNTY FY 2016-17 BUDGET
SUMMARY

PROGRAMS FUNDED IN PART BY STATE RESOURCES

The State of Oregon requires that county government annual budgets must contain summary revenue and expenditure information for major programs funded in part by the state (ORS 294.444). The state stipulates the government functions covered by the report. The amounts for these functions are shown on the following table.

SUMMARY OF MAJOR PROGRAMS FUNDED IN PART BY STATE RESOURCES

	Fiscal Year 2013-14 Actual	Fiscal Year 2014-15 Actual	Fiscal Year 2015-16 Budget	Fiscal Year 2016-17 Budget
ASSESSMENT AND TAXATION				
General Resources	\$ 4,133,926	\$ 4,058,424	\$ 4,812,478	\$ 4,817,719
State Resources	1,250,275	1,115,352	1,044,602	1,045,000
Total Resources	\$ 5,384,201	\$ 5,173,776	\$ 5,857,080	\$ 5,862,719
Total Requirements	\$ 5,384,201	\$ 5,173,776	\$ 5,857,080	\$ 5,862,719
COMMUNITY CORRECTIONS				
State Resources	\$ 9,315,880	\$ 8,204,346	\$ 8,973,626	\$ 8,213,095
Other Revenue	2,359,401	2,932,282	2,403,290	4,040,617
Total Resources	\$ 11,675,281	\$ 11,136,628	\$ 11,376,916	\$ 12,253,712
Total Requirements	\$ 9,619,031	\$ 9,854,772	\$ 11,376,916	\$ 12,253,712
JAIL OPERATIONS				
General Resources	\$ 15,061,841	\$ 15,178,360	\$ 12,988,144	\$ 11,186,825
State Resources	4,651,904	253,046	4,332,631	3,669,805
Federal Resources	160,090	114,257	-	-
Other Revenue	1,108,700	5,088,826	4,082,995	1,633,990
Total Resources	\$ 20,982,535	\$ 20,634,489	\$ 21,403,770	\$ 16,490,620
Total Requirements	\$ 20,340,675	\$ 20,145,186	\$ 21,403,770	\$ 16,490,620
DISTRICT ATTORNEY				
General Resources	\$ 7,857,641	\$ 8,050,079	\$ 8,741,701	\$ 9,048,088
State Resources	482,314	479,772	446,014	452,210
Federal Resources	1,139,790	1,271,078	1,373,671	1,725,436
Other Revenue	144,553	279,832	350,609	416,897
Total Resources	\$ 9,624,298	\$ 10,080,761	\$ 10,911,995	\$ 11,642,631
Total Requirements	\$ 9,470,461	\$ 9,829,817	\$ 10,911,995	\$ 11,642,631
JUVENILE CORRECTIONS & PROBATION				
General Resources	\$ 9,921,040	\$ 10,153,874	\$ 10,910,765	\$ 11,108,568
State Resources	1,261,518	1,123,408	1,276,226	1,257,369
Federal Resources	230,776	83,095	105,000	203,800
Other Revenue	860,935	1,177,216	1,019,594	1,372,307
Total Resources	\$ 12,274,269	\$ 12,537,593	\$ 13,311,585	\$ 13,942,044
Total Requirements	\$ 12,171,829	\$ 12,246,972	\$ 13,311,585	\$ 13,942,044
PUBLIC HEALTH				
General Resources	\$ 2,248,746	\$ 2,073,980	\$ 2,328,577	\$ 2,372,586
State Resources	3,667,778	3,384,179	3,378,620	3,166,689
Federal Resources	155,797	155,468	132,482	118,251
Other Revenue	6,383,979	8,008,171	8,192,487	7,350,933
Total Resources	\$ 12,456,300	\$ 13,621,798	\$ 14,032,166	\$ 13,008,458
Total Requirements	\$ 9,117,864	\$ 8,676,253	\$ 14,032,166	\$ 13,008,458
MENTAL HEALTH AND CHEMICAL DEPENDENCY				
General Resources	\$ 1,190,936	\$ 1,143,360	\$ 1,226,508	\$ 1,357,804
State Resources	20,605,929	15,149,226	17,258,993	19,136,813
Federal Resources	175,288	135,452	70,125	70,125
Other Revenue	39,171,158	45,943,892	40,259,298	37,298,446
Total Resources	\$ 61,143,311	\$ 62,371,930	\$ 58,814,924	\$ 57,863,188
Total Requirements	\$ 44,998,398	\$ 42,918,722	\$ 58,814,924	\$ 57,863,188

MARION COUNTY FY 2016-17 BUDGET
SUMMARY

SUMMARY OF MAJOR PROGRAMS FUNDED IN PART BY STATE RESOURCES

	Fiscal Year 2013-14 Actual	Fiscal Year 2014-15 Actual	Fiscal Year 2015-16 Budget	Fiscal Year 2016-17 Budget
ROADS				
General Resources	\$ 4,000	\$ 4,000	\$ 88,753	\$ 92,692
State Resources	19,784,137	19,655,948	18,785,000	19,902,208
Federal Resources	3,009,730	2,777,442	5,456,367	4,190,910
Other Revenue	21,320,524	23,111,987	25,905,492	27,505,211
Total Resources	\$ 44,118,391	\$ 45,549,377	\$ 50,235,612	\$ 51,691,021
Total Requirements	\$ 22,300,553	\$ 24,846,997	\$ 50,235,612	\$ 51,691,021
ECONOMIC DEVELOPMENT				
General Resources	\$ 525,442	\$ 484,823	\$ 573,537	\$ 473,341
State Funds	50,964	50,594	50,694	50,964
Video Lottery Resources	1,384,365	1,392,465	1,823,323	1,618,323
Other Revenue	2,211,646	2,286,039	1,956,904	2,466,156
Total Resources	\$ 4,172,417	\$ 4,213,921	\$ 4,404,458	\$ 4,608,784
Total Requirements	\$ 3,602,061	\$ 4,213,921	\$ 4,404,728	\$ 4,608,784