

**Marion County
Council of Economic Advisors
(COEA)**

MINUTES

March 16, 2018

2:30 p.m. – 4:30 p.m.

555 Court Street NE, Salem
Commissioners' Board Room

Attendees: Bill Burgess, Marion County Clerk
Byron Hendricks, Real Estate Professional
Patrick O'Connor, Regional Economist
Harvey Rogers, Municipal Bond Attorney
Tom Rohlfling, Marion County Assessor
Laurie Steele, Marion County Treasurer
Chris Allanach, Acting Legislative Revenue Officer
Jan Fritz, Deputy County Administrative Officer

Absent: David Christoff, Real Estate Professional
Chad Freeman, President of Strategic Economic Development Corporation
(SEDCOR)
Kenneth Jundt, Banking Professional
Chuck Swank, Certified Public Accountant

Staff: John Lattimer, Chief Administrative Officer
Jeff White, Chief Financial Officer
Debbie Gregg, Budget and Grants Manager
Daniel Adatto, Budget Analyst 2
Jodi Field, Department Specialist 4
Connie Higgins, Elections and Recording Manager
Rosa Alvarez, Department Specialist 4
Van Khieu, Sales Data Analyst 3
Lynne Coburn, Recorder

I. Welcome and Introductions

Chief Administrative Officer John Lattimer called the meeting to order at 2:30 p.m.

ACTION ITEM

- Nominate and Elect Chair

MOTION: Bill Burgess nominated Laurie Steele to serve as COEA Chair. Seconded by Jan Fritz; motion carried. A voice vote was unanimous.

II. Economic Condition Discussion

Council discussion:

- Marion County revenues continue to recover; however, county officials remain cautious;
- Municipal bond attorneys experienced a rush at the end of the calendar year due to changes in the tax code and continue to be busy in 2018;
- Housing:
 - Prices have risen dramatically in almost all of Marion County;
 - Acute shortage;
 - Average sales price in Marion County ranges from \$260,000 to \$330,000;
 - National Association of Realtors (NAR) is forecasting that mortgage rates could increase to 5 percent by the end of the year;
 - The housing industry is concerned about affordability;
 - Oregon Urban Growth Boundaries (UGB);
 - Representative Kurt Schrader supports legislation to change the flood insurance renewal time from 6 months to 5 years;
 - The public may see housing finance reform legislation; and
 - Price increases should slow.
- Employment:
 - Construction has been growing at 10 to 11 percent per year;
 - Unemployment rate is below 4 percent;
 - Healthcare industry continues to grow; and
 - Hiring in a tight labor market.
- Affordable housing:
 - Difficult for Amazon seasonal workers to afford conventional housing;
 - It is still possible to purchase a house with a median income of \$48,000 and \$10,000 down;
 - The labor shortage is contributing to the cost of housing;
 - Construction trade jobs left Oregon in 2007 for robust construction states;
 - Not as profitable for builders; and
 - Land entitlement process.

III. State Revenue Forecast

State of Oregon Economist

Summary of presentation:

- Oregon's Fiscal Situation (Attachment A) is a summary of the March 2018 Oregon Economic and Revenue Forecast (Released February 2018):
 - Economic Outlook – Concerns:
 - Inflation and monetary policy; and
 - The new federal tax plan overheating the economy and triggering a recession.
 - State Revenue:
 - 20 percent corporate income tax reduction is related to the federal tax package and repatriation:
 - Legislation was passed in the February session to address the revenue decrease.
 - Corporate income and capital gains taxes are an area of uncertainty; and
 - There is a potential grocers' initiative to ban gross receipts tax on groceries.

Council discussion:

- Personal Income (% Change):
 - More growth at the top 5 to 20 percent;
 - Much of the growth comes from capital gains or other business profits; and
 - Labor supply constraints lead to median wage increases.

IV. Property Tax Projection

Marion County Assessor

Summary of presentation:

- The Marion County Assessor's Office estimates a 4.25 percent increase in assessed value and a corresponding increase in property tax revenue for Marion County in the FY 2018-19 tax year:
 - Overestimated FY 2017-18; and
 - Marion County Assessor's Office Executive Summary (Attachment B).

Council discussion:

- COEA approved a 4.6 percent increase in FY 2017-18; however, the new estimate is 4.1 percent:
 - Henningsen Cold Storage applied and received an "Enterprise" exemption;
 - A Keizer retirement center is maintaining a "Construction-in-Process" exemption; and
 - The SAIF building has a "Construction-in-Process" exemption.
- The FY 2018-19 estimate does not include a potential refund to Panasonic which would be a loss of 0.1 percent. A more conservative estimate would be 4.15 percent:
 - Refund would be in FY 2018-19; and
 - Money would not be deposited into the General Fund, therefore less revenue.
- Marion County is usually a little higher than the state average which is 3.8 percent (Attachment A).

ACTION ITEM

- Recommend and Approve
Property Tax Revenue Projection

MOTION: Bill Burgess moved to accept the recommendation of the Marion County Assessor and approve the 4.15 percent increase over the current year estimated property tax revenues. Seconded by Patrick O'Connor; motion carried. A voice vote was unanimous.

V. Recording Fees

County Clerk

Summary of presentation:

- Marion County Clerk Presentation (Attachment C).

Council discussion:

- Mortgage Electronic Registration System (MERS):
 - Created by the mortgage banking industry;
 - Eliminated transparency regarding current mortgage holders;
 - Resulted in abandoned or "zombie" houses/loans;

- Counties have lost revenue because mortgage documents are no longer filed in county offices; and
- The legislation that would have prohibited counties from filing claims against MERS did not pass.

VI. Review Major Revenue Projections

- **General Fund**
- **Other Funds**

Budget and Grants Manager

Summary of presentation:

- Marion County General Fund Revenue (Attachment D):
 - The numbers are based on a 4.25 percent increase. Adjustments may be made.
- Major Sources of Revenue Other Than General Fund (Attachment E).

Council discussion:

- New recycling rules may impact tipping fees; and
- Traffic fine distribution.

VII. Other

None.

VIII. Adjourned 4:30 p.m.

Attachments: (A) Oregon's Fiscal Situation
 (B) Marion County Assessor's Office Executive Summary &
 2018-19 Marion County Property Tax Projection
 (C) Marion County Clerk Presentation
 (D) Marion County General Fund Revenue
 (E) Marion County Major Sources of Revenues Other Than General Fund

ATTACHMENT A

Oregon's Fiscal Situation					
Economic Outlook*	2017	2018	2019	2020	2021
Payroll Employment (% Change)	2.1%	2.1%	2.1%	1.1%	0.6%
Personal Income (% Change)	3.7%	5.5%	5.7%	5.3%	4.9%
U.S. CPI (% Change)	2.1%	1.7%	1.9%	2.8%	2.6%
Housing Starts (thousands)	19.0	20.5	22.1	23.7	24.6
* March 2018 Economic and Revenue Forecast					
Economic Issues					
Economic Cycle / Global Economy					
Federal Trade Policy / Tariffs					
Monetary and Federal Fiscal Policy (TCJA)					
Housing Affordability					
State Revenue (\$M)	2015-17	2017-19	% CH	2019-21	% CH
Personal Income Tax	\$ 16,056	\$ 17,175	7.0%	\$ 19,164	11.6%
Corporate Income Tax	\$ 1,211	\$ 978	-19.2%	\$ 1,164	19.0%
General Fund	\$ 18,556	\$ 19,491	5.0%	\$ 21,644	11.0%
Lottery Resources	\$ 1,265	\$ 1,442	14.0%	\$ 1,413	-2.0%
2015-17 Reserve Position (\$M)	2017-19				
Projected General Fund Ending Balance	\$ 345				
Rainy Day Fund	\$ 595				
Education Stability Fund	\$ 608				
Total Reserves	\$ 1,548				
State Budget Totals (\$M)	2015-17	2017-19	Percent Change		
General Fund	\$ 18,012	\$ 19,856	10.2%		
Lottery	\$ 957	\$ 1,071	11.9%		
All Funds	\$ 71,821	\$ 74,390	3.6%		
State Revenue Issues					
2018 Legislative Actions					
Corporate Income and Capital Gains Taxes					
Potential Initiatives					
Potential for State Tax Reform					
Statewide Property Tax Assumptions	2017-18	2018-19	2019-20	2020-21	
K-12 Formula Property Tax Collections (% CH)	4.0%	4.0%	3.9%	3.8%	



Marion County
OREGON
ASSESSOR'S OFFICE

Tom Rohlfig, Assessor
Steve Miner, Chief Deputy Assessor
555 Court St. NE, Salem, OR 97301
PO Box 14500, Salem, OR 97309
Telephone: (503) 588-5144
Fax: (503) 588-7985
www.co.marion.or.us/ao

March 16, 2018

Marion County Assessor's Office

Executive Summary:

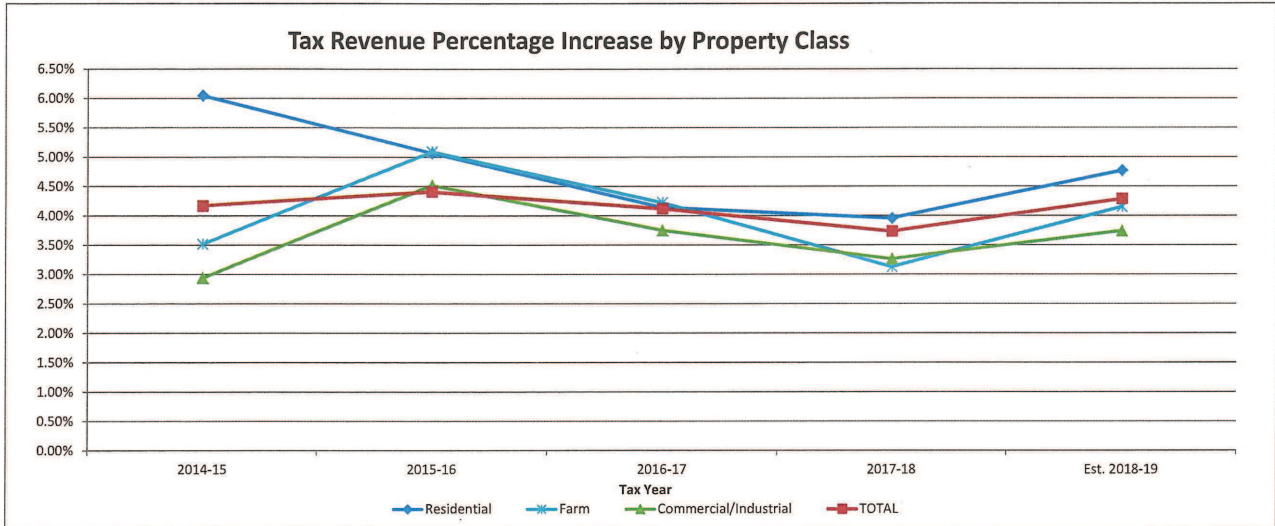
The Marion County Assessor's Office is estimating a **4.25% increase** in assessed value and a corresponding increase in property tax revenue for Marion County in the 2018-19 tax year. We have projected this increase based on the following factors or assumptions:

- Expect a general market value increase over the 2018-19 tax year by an average of 8% for properties in Marion County.
- Corrected for urban renewal estimates.
- Corrected for Measure 5 tax rate compression estimates.
- Estimated an increase of 5% for business personal properties and central assessment accounts.

2018 - 19 Marion County Property Tax Projection

MARION COUNTY REVENUE AFTER URBAN RENEWAL & COMPRESSION LOSS BY PERCENTAGE

Tax Year	Residential	%Δ Tax Imposed	Farm	%Δ Tax Imposed	Commercial/Industrial	%Δ Tax Imposed	TOTAL	%Δ Collected
2013-14	30,674,474.69		10,127,659.39		19,265,241.77		59,555,018.68	
2014-15	32,529,331.66	6.05%	10,483,786.80	3.52%	19,831,430.00	2.94%	62,037,121.78	4.17%
2015-16	34,177,646.30	5.07%	11,017,611.11	5.09%	20,727,098.58	4.52%	64,769,939.56	4.41%
2016-17	35,594,075.45	4.14%	11,483,070.53	4.22%	21,504,316.80	3.75%	67,435,521.06	4.12%
2017-18	37,002,111.74	3.96%	11,842,084.45	3.13%	22,205,857.07	3.26%	69,951,581.77	3.73%
Est. 2018-19	38,765,709.26	4.77%	12,333,368.57	4.15%	23,036,059.73	3.74%	72,946,434.81	4.28%

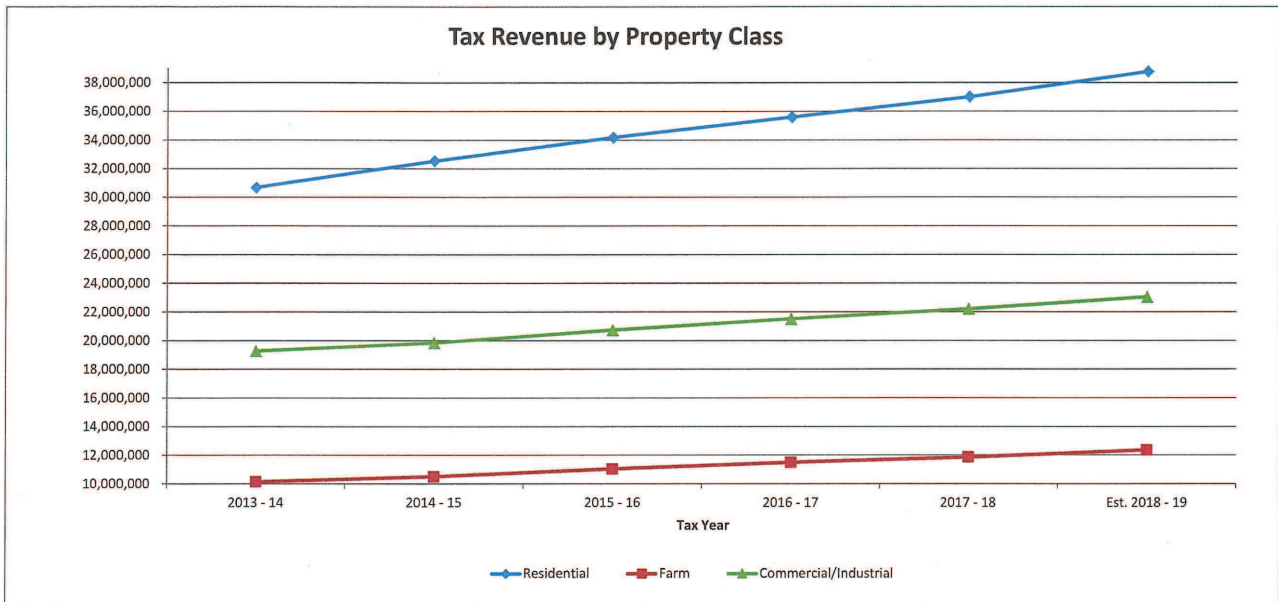


NOTE:

1. **Deferred Billing Credits:**
 - a. Comcast: Total deferred Assessed Value of \$622,894,220 with a potential tax liability of \$12,374,893 since 2009-10 tax year.
 - b. Wave Division LLC: Total deferred Assessed Value of \$121,440,280 with a potential tax liability of \$1,711,203 since 2014-15 tax year.
2. Estimated revenue does not include interests and fees collected.
3. Pending appeal with an industrial property with a possible refund of about \$380,000 in fiscal year 2018-19. The possible revenue loss for Marion County District 50 is about \$69,000 or about 0.1% of current projected 2018-19 revenue.

MARION COUNTY REVENUE AFTER URBAN RENEWAL & COMPRESSION LOSS

	2013-14	2014-15	2015-16	2016-17	2017-18	Estimated 2018-19*
Residential	30,674,474.69	32,529,331.66	34,177,646.30	35,594,075.45	37,002,111.74	38,765,709.26
Farm	10,127,659.39	10,483,786.80	11,017,611.11	11,483,070.53	11,842,084.45	12,333,368.57
Commercial/Industrial	19,265,241.77	19,831,430.00	20,727,098.58	21,504,316.80	22,205,857.07	23,036,059.73
Additional Taxes/Penalties	376,162.85	284,709.48	304,576.09	363,963.11	329,111.81	300,000.00
Sub-Total	60,443,538.70	63,129,257.94	66,226,932.07	68,945,425.89	71,379,165.07	74,435,137.56
Collection Percentage	99%	98%	98%	98%	98%	98%
TOTAL	59,555,018.68	62,037,121.78	64,769,939.56	67,435,521.06	69,951,581.77	72,946,434.81



URBAN RENEWAL LOSS BY TAX YEAR

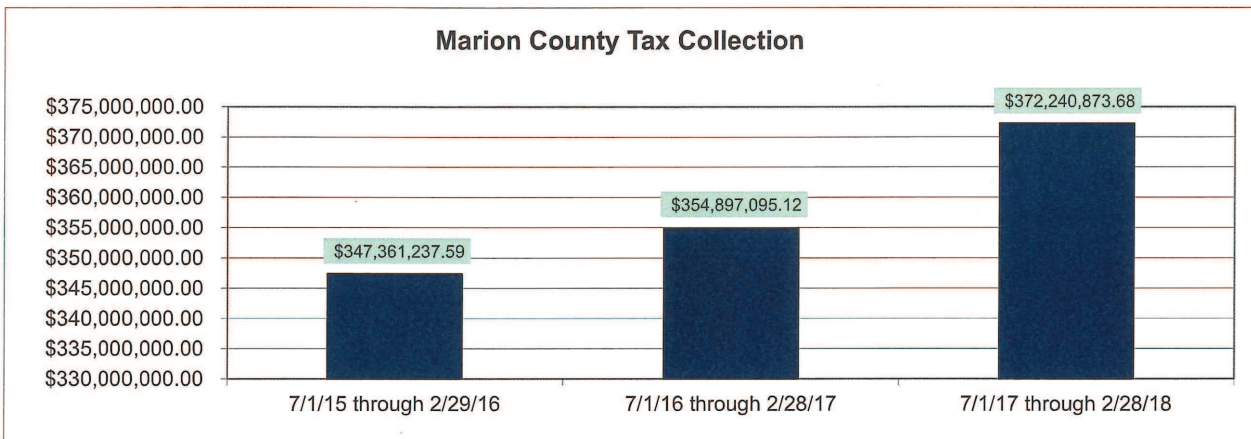
	2013-14	2014-15	2015-16	2016-17	2017-18	Estimated 2018-19*
NORTH RIVER ROAD (KEIZER)	246,347.97	280,762.76	-	-	-	-
NORTH GATEWAY (SALEM)	477,879.21	480,760.17	519,273.91	544,787.71	579,471.74	611,221.99
FAIRVIEW	-	-	-	-	-	-
RIVERFRONT	688,908.53	724,456.40	738,708.57	736,438.67	753,471.13	770,174.35
MILL CREEK	140,262.79	142,578.19	149,822.74	146,753.98	162,845.12	168,342.12
MCGILCHRIST	94,031.71	97,267.56	108,325.77	129,747.54	146,251.32	152,692.91
SOUTH WATERFRONT	29,734.99	44,408.45	43,721.68	54,307.32	55,647.04	57,668.47
WOODBURN	104,395.42	105,740.74	109,290.54	120,682.62	130,666.40	134,394.97
SILVERTON	79,420.29	88,428.80	81,334.15	93,067.82	109,835.65	115,315.46
TURNER DOWNTOWN UR	-	-	-	-	-	5,052.79
TOTAL	1,860,980.91	1,964,403.08	1,750,477.36	1,825,785.66	1,938,188.40	2,014,863.07

COMPRESSION

	2013-14	2014-15	2015-16	2016-17	2017-18	Estimated 2018-19*
Residential	422,991.35	290,445.62	189,426.64	153,767.56	146,777.40	140,865.66
Farm	139,657.24	93,606.90	61,064.15	49,607.24	46,974.36	44,816.62
Commercial/Industrial	265,661.62	177,069.49	114,878.15	92,899.35	88,084.65	83,707.73
TOTAL	828,310.21	561,122.01	365,368.94	296,274.15	281,836.41	269,390.01

MARION COUNTY TAX COLLECTION

	%Δ Tax	MC Distribution %	Marion County Share	%Δ Tax
7/1/15 through 2/29/16		0.180444541532	\$ 62,679,439.26	
7/1/16 through 2/28/17	2.17%	0.184760174425	\$ 65,570,849.20	4.61%
7/1/17 through 2/28/18	4.89%	0.182224079277	\$ 67,831,250.48	3.45%

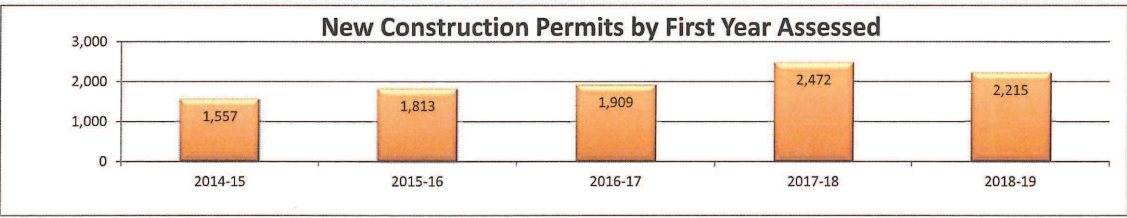
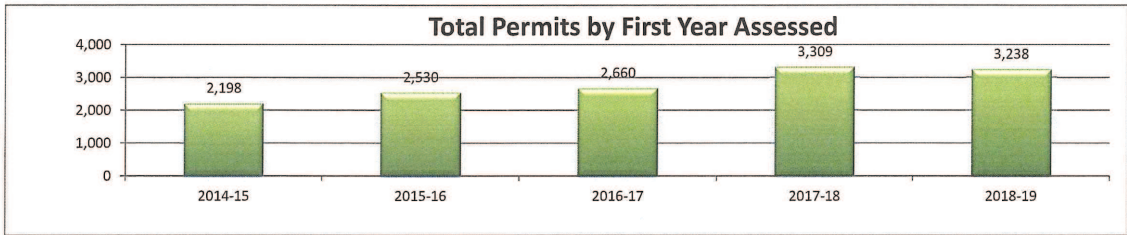
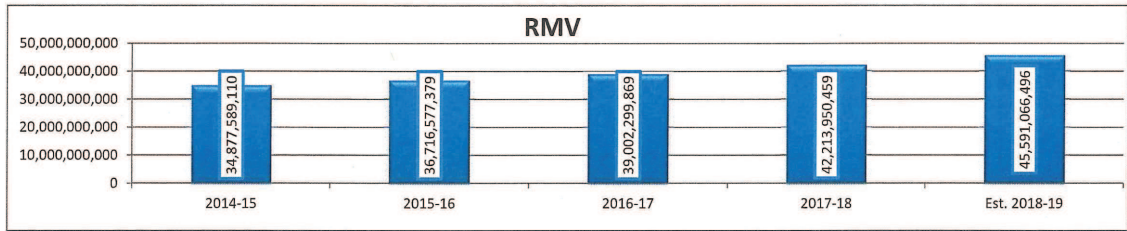


Marion County Real Market Value

Year	RMV	%
2014-15	34,877,589,110	5.36%
2015-16	36,716,577,379	5.27%
2016-17	39,002,299,869	6.23%
2017-18	42,213,950,459	8.23%
Est. 2018-19	45,591,066,496	8.00%

**Marion County Number of Permits
By First Year Assessed**

Year	Number of Permits	%	New Construction	
			Projects	%
2014-15	2,198	9%	1,557	11%
2015-16	2,530	15%	1,813	16%
2016-17	2,660	5%	1,909	5%
2017-18	3,309	24%	2,472	29%
2018-19	3,238	-2%	2,215	-10%



**MARION COUNTY
COUNCIL OF ECONOMIC ADVISORS**

**Bill Burgess
Marion County Clerk**

March 2018



Revenue Source

The Licensing and Recording Division of the Marion County Clerk's office generates revenue by recording deeds, mortgages, liens and other property records.

It also issues Marriage Licenses and Declarations of Domestic Partnerships and accepts applications for Passports.

All functions contribute to the General Fund.



Improvement in Unemployment

**State of Oregon Unemployment Rate fell from
5.2% in December 2015 to
4.5% in December 2016 to
4.1% in December 2017**

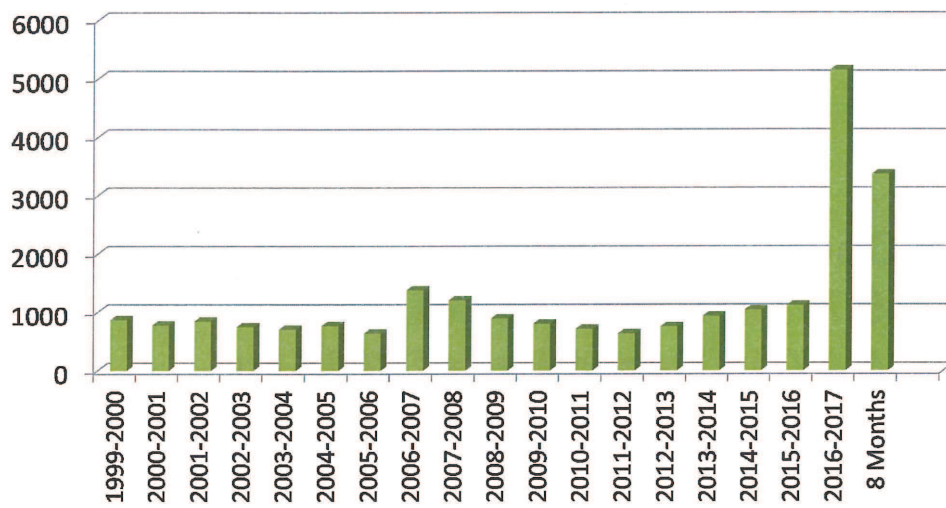
**Marion County Unemployment Rate fell from
5.7% in December of 2015 to
4.4% in December of 2016 to
3.8.% in December 2017**

Source: U.S. Bureau of Labor Statistics

**Council of Economic Advisors March 2018
Marion County Clerk Presentation**



Passports



Marion County Clerk Presentation



Passports

Passport applications are matching last year's rate of about 5,000, far exceeding past year's rate of about 800 by a factor of 6.

The agency assistance portion of the Application Fee will increase by \$10 to \$35 on April 2, 2018.

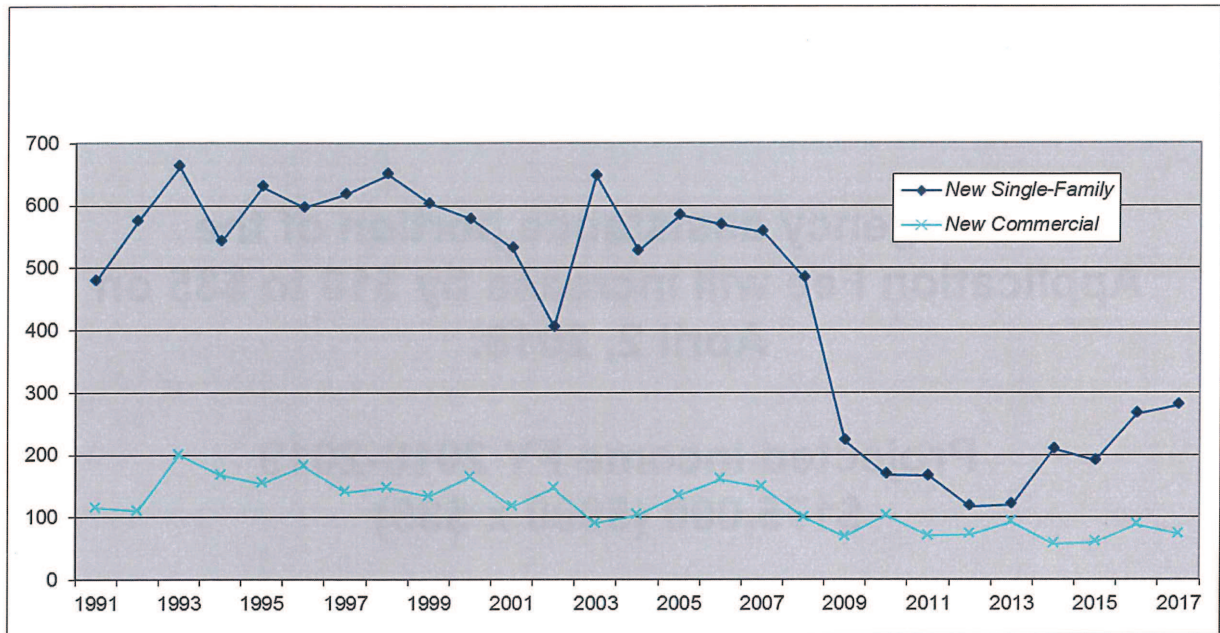
**Projected income FY 2018-2019
\$175,000 (5000 x \$35)**

**Council of Economic Advisors March 2018
Marion County Clerk Presentation**



Increase in Building Permits

Marion County Building Permits 1990 through 2017

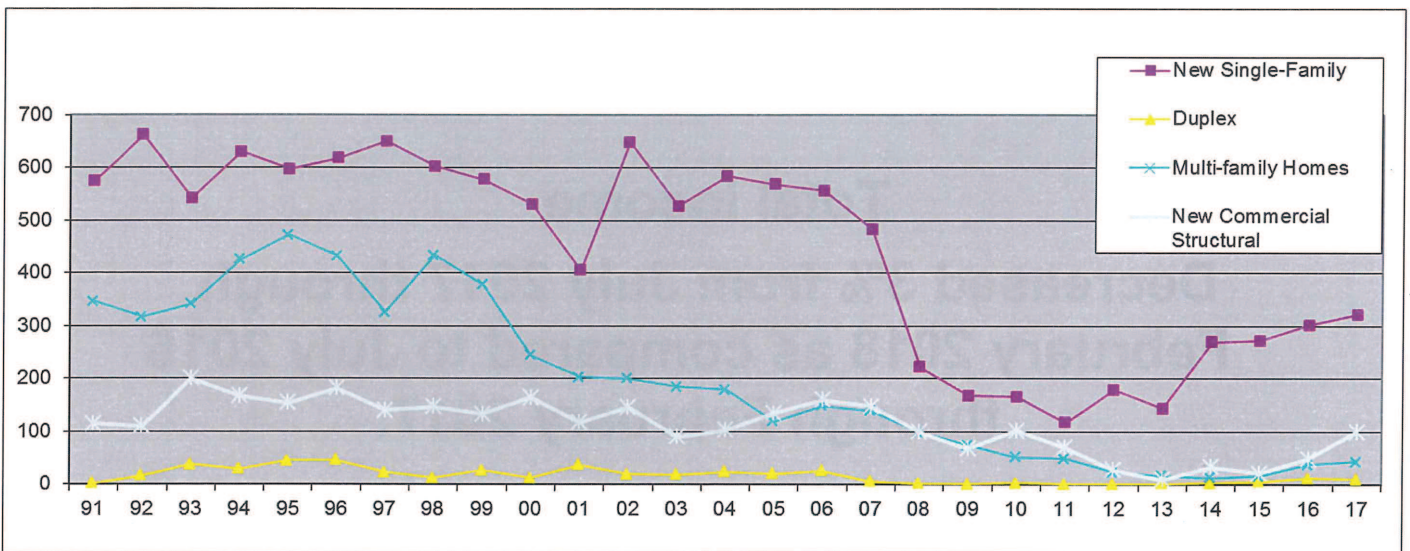


**Council of Economic Advisors March 2018
Marion County Clerk Presentation**



Slight Increase in New Construction CITY OF SALEM

City of Salem
Building Permits 1990 through 2017
New Construction



**Council of Economic Advisors March 2018
Marion County Clerk Presentation**



Decrease in Revenue

Recording revenue decreased 5.56% from July 2017 through February 2018 as compared to July 2016 through February 2017.

Total income

Decreased 3% from July 2017 through February 2018 as compared to July 2016 through February 2017.



Outlook

U.S. home prices continued to increase substantially in 2017 to the point where home affordability is an issue when combined with stagnant wages, limited availability and increasing interest rates.

**Council of Economic Advisors March 2018
Marion County Clerk Presentation**



Projections

It is anticipated that recording revenue for FY 2017-2018 will be \$1,584,000, a 3% decrease from FY 2016-2017.

It is anticipated that recording revenue for FY 2018-2019 will be \$1,664,000, a 5% increase in recording revenue from FY 2017-2018.

Based on HUD, Mortgage Bankers Association and National Realtor Association projections for our metro area, our county and national trends.

**Council of Economic Advisors March 2018
Marion County Clerk Presentation**



Projections

Surveyor's Land Corner Preservation Fund

FY 2017-2018 - \$467,530

FY 2018-2019 - \$490,900

Housing Authority Tax

FY 2017-2018 - \$1,038,892

FY 2018-2019 - \$3,168,622

**HB-4007 increased fee by \$40 from \$20 to \$60 per document
(about 90% of recordings affected)**

Department of Revenue CAAFA

FY 2017-2018 - \$586,910

FY 2018-2019 - \$616,250

**Council of Economic Advisors March 2018
Marion County Clerk Presentation**

**MARION COUNTY
General Fund Revenue ***

* Revenue greater than or equal to \$500,000 in at least one of the years that are shown

	Actual FY 2015-16	Actual FY 2016-17	Estimate FY 2017-18	Preliminary Budget FY 2018-19
PROPERTY TAXES				
Current Year Taxes	\$63,274,521	\$65,801,530	\$68,500,000 ^{2/}	\$71,411,250
The Council of Economic Advisors will recommend a percentage increase for Fiscal Year (FY) 2018-19. The revised estimate for FY 2017-18 is .5% lower than the adopted budget.	5.3%	4.0%	4.1%	4.25%
Prior Year Taxes; Interest & Penalties	\$1,422,940	\$1,533,568	\$1,431,000 ^{1/}	\$1,331,000
Prior Year Taxes are property tax payments delayed from prior assessed years. Interest and penalties revenue is on all years' assessments.	-28.9%	7.8%	-6.7%	-7.0%
INTERGOVERNMENTAL - STATE				
Chapter 530 Forest Rehabilitation	\$235,574	\$932,622	\$400,000 ^{1/}	\$700,000
Revenue is generated from timber sales within Marion County's district which are distributed to the county, county school fund, and other taxing districts on which the lands are situated. Estimates are based on information provided by the Oregon Department of Forestry.	-34.7%	295.9%	-57.1%	75.0%
Oregon Liquor Control Commission (OLCC) - General	\$1,633,287	\$1,761,377	\$1,819,545 ^{1/}	\$1,943,274
State revenue sharing of liquor sales, license fees and taxes on beer and wine. Estimates are based on the Oregon Economic and Revenue Forecast (Office of Economic Analysis).	0.7%	7.8%	3.3%	6.8%
County Assessment Funding (CAFFA)	\$1,107,943	\$1,052,874	\$1,099,096 ^{1/}	\$1,103,493
The County Assessment Function Funding Assistance annual grant program, administered through the Department of Revenue, helps cover county assessment and taxation costs. Funding comes from document recording fees and a portion of interest from delinquent property taxes. The amount the county receives is based on 1) the Assessor's Office FY18-19 budget and 2) the state's preliminary estimate for county distributions (which increased .4% over the prior year).	-0.7%	-5.0%	4.4%	0.4%
CHARGES FOR SERVICES				
Justice Court Fees	\$601,847	\$603,463	\$540,000 ^{3/}	\$540,000
The Justice Court assesses fines and fees mostly related to traffic violations. The revenue is primarily dependent on the number of citations, which in turn is primarily dependent on the number of infractions written by the Sheriff's traffic safety team. Estimated citations to be processed for FY18-19 appear to be consistent with prior year.	-13.5%	0.3%	-10.5%	0.0%

MARION COUNTY
General Fund Revenue *

* Revenue greater than or equal to \$500,000 in at least one of the years that are shown

	Actual FY 2015-16	Actual FY 2016-17	Estimate FY 2017-18	Preliminary Budget FY 2018-19
CHARGES FOR SERVICES (Continued)				
Clerk Recording Fees	\$1,371,709	\$1,577,626	\$1,503,000 ^{4/}	\$1,533,060
	<i>19.9%</i>	<i>15.0%</i>	<i>-4.7%</i>	<i>2.0%</i>
Filing fees established by the state for recording numerous types of documents, mostly related to deeds, liens, mortgages, and other property records, at the County Clerk's Office. After a drop in revenue primarily due to a sharp decline in refinance activity there was a significant recovery and now appears to be fairly stable. Revised estimate for FY17-18 is \$200,000 lower than adopted budget.				
ALL OTHER				
Other General Fund Revenue	\$10,079,457	\$8,743,194	\$9,410,818	\$8,631,663
	<i>20.5%</i>	<i>-13.3%</i>	<i>7.6%</i>	<i>-8.3%</i>
The All Other category has numerous small to medium revenues that comprise of approximately 10% of total General Fund revenue. One of the larger revenues is transfer of community corrections grant-in-aid from the Community Corrections Fund to support Sheriff's Office jail operations which is almost \$4M annually. FY 2015-16 revenue appears higher due to a one-time reimbursement from the Fleet Fund to the General Fund.				
Total General Fund Revenue	\$79,727,278	\$82,006,254	\$84,703,459	\$87,193,740
<i>Change from prior year</i>	<i>5.8%</i>	<i>2.9%</i>	<i>3.3%</i>	<i>2.9%</i>

1/ The adopted budget estimate remains a valid current estimate.

2/ The adopted budget estimate for FY17-18 was \$69,097,000 and has been revised downward to \$68,500,000, based on actual revenues received to date. Budget percentage increase from FY17-18 budget of \$69,097,000 to FY18-19 budget of \$71,411,250 would be a 3.35% increase (budget to budget). Percentage increase based on revised estimate for FY17-18 of \$68,500,000 to FY18-19 budget of \$71,411,250 would be a 4.25% increase over prior year (revised estimate to budget).

3/ The estimate has been revised downward from the adopted budget of \$585,000 to \$540,000 based on actual revenues received through February 2018.

4/ The estimate has been revised downward from the adopted budget of \$1,703,000 to \$1,503,000 based on actual revenues received through February 2018.

**MARION COUNTY
Major Sources of Revenue Other Than General Fund ***

* Revenue equal to or greater than \$500,000 in at least one of the years shown

	Actual FY 2014-15	Actual FY 2015-16	Actual FY 2016-17	Budget FY 2017-18 1/	Preliminary Budget FY 2018-19
LICENSES AND PERMITS					
Structural (Building) Permits	\$2,368,865	\$3,153,215	\$2,990,428	\$2,575,000	\$3,050,000
Building inspection revenues are generated from fees for structural, mechanical, plumbing, and electrical inspections, and various permits. Increase in revenue for FY18-19 is due to increased housing activity.	0%	33%	-5%	-14%	18%
INTERGOVERNMENTAL - FEDERAL					
Oregon Department of Justice Child Support	\$1,036,455	\$1,062,536	\$1,099,278	\$1,237,595	\$1,232,810
Child Support revenues received through the Oregon Dept. of Justice, Division of Child Support, to maintain child support enforcement activities. The county is reimbursed 66% of qualified expenses pursuant to the federal Social Security Act. This revenue has been provided for more than 30 years.	14%	3%	3%	13%	0%
INTERGOVERNMENTAL - STATE					
Gas Tax	\$17,963,000	\$19,198,172	\$19,614,691	\$19,100,000	\$23,244,500
State gas tax revenue passed through the Oregon Department of Transportation (ODOT) are dedicated to construction and maintenance of county road systems. Increased revenue is based on an additional gas tax imposed on January 1, 2018 as well as an increased revenue estimate from ODOT for FY18-19.	1%	7%	2%	-3%	22%
ODOT STP Exchange Revenue	\$940,000	\$940,000	\$940,000	\$782,000	\$821,000
The ODOT Fund Exchange Program is an extension of the Federal Surface Transportation Program (STP). The state provides these funds at a reduced rate for county projects. By using the funds through the state program, the funds can be used for a wider variety of projects and work can be completed by county crews or contracted out by the county.	-50%	0%	0%	-17%	5%
Video Lottery	\$1,392,465	\$1,634,262	\$1,632,657	\$1,777,890	\$1,865,897
Two and one-half percent of the net receipts from video lottery revenue generated in Marion County are received from the state. Funds must be expended on economic development related programs or projects recommended by the county's Economic Development Advisory Board and approved by the Board of Commissioners. The forecast is based on state Office of Economic Analysis Lottery resources estimates.	1%	17%	0%	9%	5%

MARION COUNTY
Major Sources of Revenue Other Than General Fund *

* Revenue equal to or greater than \$500,000 in at least one of the years shown

	Actual FY 2014-15	Actual FY 2015-16	Actual FY 2016-17	Budget FY 2017-18 1/	Preliminary Budget FY 2018-19
Mental Health Grants and Contracts	\$13,399,471	\$15,963,601	\$17,779,179	\$21,205,538	\$21,355,248
Mental health, alcohol and drug, and developmental disabilities programs contract revenue is received from the Oregon Department of Human Services.	-29%	19%	11%	19%	1%
Public Health Grants and Contracts	\$756,422	\$762,628	\$847,218	\$836,818	\$1,173,009
Communicable disease, environmental health, maternal child and women's health, prevention and rural services, and WIC (women, infants and children) programs revenue is received from the Oregon Department of Human Services. The increase reflects public health grants that were officially awarded in FY 17-18 and will carry forward to FY 18-19.	-4%	1%	11%	-1%	40%
Community Corrections Grant-in-Aid (SB 1145)	\$10,924,545	\$11,379,716	\$11,379,716	\$12,870,394	\$12,222,000
Revenue from the Oregon State Department of Corrections for SB 1145 inmates in the county jail facility and on probation and parole. Payments are received in the Sheriff's Office Community Corrections fund and about one-third is transferred to the General Fund for jail operations.	0%	4%	0%	13%	-5%
INTERGOVERNMENTAL LOCAL					
Mid Valley Behavioral Care Network ("BCN")	\$28,150,501	\$17,933,770	\$16,177,496	\$14,327,095	\$14,951,379
Health Department revenue from state behavioral health capitation funds passed through the BCN. Used for continuing mental health services, special grants, and contracts for specific targeted services. A different model for delivery of services shifted significant funding to the BCN and reduced the Health Department's share.	17%	-36%	-10%	-11%	4%
CHARGES FOR SERVICES					
Supervision Fees (Probation and Parole)	\$840,391	\$801,159	\$832,991	\$845,000	\$845,000
Sheriff's Office revenue from parole and probation clients for state regulated fees they are charged while under supervision. The estimate is based on caseload.	0%	-5%	4%	1%	0%
Health Inspection Fees	\$721,294	\$739,854	\$776,127	\$760,000	\$800,000
Received through charges for restaurant and pool inspection services of the Health Department Environmental Health and Vital Statistics Program.	3%	3%	5%	-2%	5%

MARION COUNTY
Major Sources of Revenue Other Than General Fund *

* Revenue equal to or greater than \$500,000 in at least one of the years shown

	Actual FY 2014-15	Actual FY 2015-16	Actual FY 2016-17	Budget FY 2017-18 1/	Preliminary Budget FY 2018-19
Medicaid Fees	\$3,997,787	\$4,288,196	\$4,826,795	\$5,083,980	\$5,508,236
	16%	7%	13%	5%	8%
<p>Mostly Health Department revenue for providing Medicaid Title 19 services to Medicaid eligible poor, elderly and disabled individuals. Some Juvenile Department revenue based on per day per youth for the Guaranteed Attendance Program (GAP). The Health Department share of the total revenue is 92% for FY 18-19, and has been increasing at slightly higher annual rate of collection than the Juvenile share.</p>					
Electricity Generation Fees	\$1,989,038	\$1,443,321	\$1,470,239	\$1,530,000	\$1,600,000
	-64%	-27%	2%	4%	5%
<p>Burning garbage at the waste-to-energy facility in Brooks produces electricity which is sold. Energy fees dropped in FY 14-15 because natural gas became the standard for determining the value of the kilowatt hours generated rather than coal. The facility has always operated at full capacity. The FY 18-19 estimate is based on the trend which has become relatively flat.</p>					
Waste-to-Energy Tipping Fees	\$8,994,284	\$8,564,007	\$9,886,520	\$11,836,510	\$12,893,216
	-2%	-5%	15%	20%	9%
<p>Environmental Services revenue generated from the fees that customers pay at disposal sites. Tipping revenues at the waste-to-energy facility are slightly increasing for FY18-19 due to changes in departmental internal process.</p>					
North Marion Tipping Fees	\$1,058,305	\$1,244,980	\$1,558,905	\$1,368,075	\$1,718,009
	21%	18%	25%	-12%	26%
<p>Environmental Services revenue from fees that customers pay at the North Marion disposal site. These funds are allocated to contracts for monitoring wells, engineering services, the recycling program, and other waste management services. The increase is attributed to the overall increase in activity at the site.</p>					
Salem/Keizer Recycling & Transfer Station (SKRTS)	\$3,486,233	\$3,982,109	\$4,946,884	\$4,593,450	\$5,646,654
	11%	14%	24%	-7%	23%
<p>Environmental Services revenue from fees that customers pay at the SKRTS disposal site. These funds are allocated to contracts for monitoring wells, the recycling program, engineering services, and other waste management services. The increase is attributed to the overall increase in activity at the site.</p>					
FINES					
Traffic Fines	\$1,914,002	\$1,681,965	\$1,753,792	\$1,525,091	\$1,815,822
	20%	-12%	4%	-13%	19%
<p>Received from traffic citations issued by the Sheriff's traffic safety team and used to fund its operations. The Sheriff's estimate is based on trends.</p>					

1/ The estimate is the current budget (including two supplementals); see narrative for exceptions.