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**Hubbard, Oregon**  
 Home to families young and old; memories and new adventures. Parks and memorials. A friendly place with a lively history and vibrant business community.  
 From top left: bike and skate park; Veterans Memorial; WWI volunteers; local business; hops; early ball team; new homes; one of many play parks; annual Hop Festival; historic

**HUBBARD**

# MARION COUNTY FY 2012-13 BUDGET

## ABOUT MARION COUNTY

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### County Profile

Marion County, Oregon is located south of the Portland metropolitan area, and stretches from the Willamette River to the Cascade Mountains.

#### Quick Facts

- Capital: Salem
- Area: 1,194 square miles
- Established: July 5, 1843
- Population: 315,335 (Census 2010)
- Cities: 20 incorporated, 38 unincorporated
- Elevation: 154 feet at Salem and 1,595 feet at Detroit Lake
- Average Temperature: January 39.3 F; July 66.3 F
- Annual Precipitation: 40.35 inches
- Principal Industries: Agriculture, education, food processing, government, lumber, manufacturing, and tourism.

#### Points of Interest

Oregon State Capital, Champoeg State Park, The Oregon Garden, Silver Falls State Park, Detroit Dam and the North Santiam River, Breitenbush Hot Springs, Willamette River, Mt. Angel Abbey, Willamette University, Chemeketa Community College, Marion County Historical Society, Wheatland and Buena Vista Ferries, Mission Mill Museum and historic Bush House, Deepwood Estates House and Gilbert House Children's Museum, are just a few of the attractions Marion County has to offer.

#### History

Marion County, first called Champoick District (later Champoeg), was created in 1843 by the Provisional Government, 16 years before Oregon gained statehood on February 14, 1859. In 1849 the name was changed to Marion County honoring American Revolutionary General Francis Marion. Early settlers to the county were trappers and farmers, with Methodist missionaries arriving in the early 19<sup>th</sup> century. In 1843, with the mapping of the Oregon Trail, larger groups of settlers began to arrive and populate the Willamette Valley.

The City of Salem was designated the county seat in 1849. The territorial capital was moved from Oregon City to Salem in 1852. After the ensuing controversy over the location of the capital was settled, Salem was confirmed as the state capital in 1864.

Marion County's present geographical boundaries, established in 1856, are the Willamette River and Butte Creek on the north, the Cascade Range on the east, the Santiam River and North Fork of the Santiam on the south, and the Willamette River on the west.

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**Marion County Cities**



There are 20 incorporated cities and 37 unincorporated communities in Marion County. As reported by the 2010 Census, the total population of Marion County was 315,335, a 10% increase over 2000.

Incorporated Cities		Population	Unincorporated Communities	
Aumsville	3,584	Breitenbush	Mehama	
Aurora	918	Broadacres	Monitor	
Detroit	202	Brooks	Niagara	
Donald	979	Butteville	North Howell	
Gates	471	Central Howell	North Santiam	
Gervais	2,464	Clear Lake	Orville	
Hubbard	3,173	Concomly	Pratum	
Idanha	134	Crestwood	Roberts	
Jefferson	3,098	Downs	Rockie Four Corners	
Keizer	36,478	Drakes Crossing	Rosedale	
Mill City	1,855	Elkhorn	St. Louis	
Mt. Angel	3,286	Fargo	Shaw	
St. Paul	421	Hazel Green	Sidney	
Salem	154,637	Hopmere	Skunkville	
Scotts Mills	357	Labish Center	Sunnyside	
Silverton	9,222	Little Sweden	Talbot	
Stayton	7,644	Lone Pine Corner	Waconda	
Sublimity	2,681	Macleay	West Stayton	
Turner	1,854	Marion		
Woodburn	24,080			

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Form of Government

Marion County had a county court form of government for the first century of its existence and was presided over by the Marion County Court. In 1961, the Legislative Assembly enabled a county court with no judicial functions to reorganize as a board of county commissioners. With court approval, the Marion County Court was abolished and replaced by the Marion County Board of Commissioners on January 1, 1963. Today, Marion County is one of the 27 general law counties in the state. The 9 remaining counties are home rule counties.

Characteristics of the People

The following are selected census data that compare characteristics of the people of Marion County to those of the United States collectively. The characteristics selected show that there are significant variances between the County and the U.S. for some items, for others there is only a small variance. The interpretation of the data will be left to the reader.

ECONOMIC CHARACTERISTICS

	Marion County		U.S.
Population 16 years and over	237,827	75.4%	79.0%
In Civilian Labor Force	150,391	63.2%	64.4%
Employed	135,269	56.9%	57.0%
Unemployed	15,122	6.4%	6.9%
Commute to Work - drove alone	94,875	71.5%	76.6%
<i>Industry - Employment (top 5):</i>			
Educational services, and health care and social assistance	27,195	20.1%	23.2%
Retail Trade	15,610	11.5%	11.7%
Manufacturing	15,008	11.1%	10.4%
Public Administration	12,302	9.1%	5.2%
Construction	11,340	8.4%	6.2%
Class of Worker - Government	25,781	19.1%	15.3%
Persons Below Poverty Level	N/A	16.0%	13.8%
Medium Household Income	\$46,069		\$51,914

Source: U.S. Census Bureau, 2010 Census

Note: The U.S. Census Bureau categories of industry are somewhat different from those utilized by the state as reported in a Principal Employers and Employment by Industry table presented later in this section.

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POPULATION AND HOUSING CHARACTERISTICS

	Marion County		U.S.
Total Population	315,335	100.0%	100.0%
15 years and under	73,974	23.5%	21.2%
16 years through 64 years	200,812	63.6%	65.8%
65 years and older	40,549	12.9%	13.0%
Male Population	157,117	49.8%	49.2%
Female Population	158,218	50.2%	50.8%
Vacant housing units	7,991 / 120,948	6.6%	11.4%
Homeownership Rate		61.0%	66.6%
<i>Residence 1 year ago:</i>			
Same house		81.3%	84.6%
Different house, same county		12.2%	9.4%

Source: U.S. Census Bureau, 2010 Census

SOCIAL CHARACTERISTICS

	Marion County	U.S.
Family households (families)*	68.2%	66.4%
Average household size	2.45	2.58
<i>Educational Attainment:</i>		
Percent high school graduate or higher	82.2%	85.6%
Percent bachelor's degree or higher	20.9%	28.2%
Civilian Veterans	9.3%	11.7%
Born in the United States	84.8%	85.7%
Institutionalized population	2.1%	1.3%
Language spoken at home - English only	75.7%	79.4%

\* Out of total number of households

Source: U.S. Census Bureau, 2010 Census

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Economic Forecast

The Budget Officer has addressed local economic conditions and concerns in his transmittal, i.e., budget message, of the fiscal year 2012-13 budget to the Budget Committee. An additional perspective comes from the following excerpt from the Oregon Office of Economic Analysis executive summary of its most recent economic forecast for Oregon. The Office of Economic Analysis recognizes in the larger, more in-depth report, that economic growth is not expected to be at the same pace in the spectrum between larger metropolitan areas and rural areas, with many variables from county-to-county such as prevalent industries.

**EXECUTIVE SUMMARY**

**March 2012**

**Oregon Economic Forecast**

*Current Conditions*

The recent performance of Oregon's economy has been encouraging. Although the pace of job creation remains glacial, improvements have been broad-based across a wide range of industries and occupations.

Growth remains slow in the aftermath of the housing crisis since households are spending cautiously, banks are lending cautiously and businesses are investing cautiously. Despite being frustratingly slow, Oregon's recovery is playing out according to script so far, led by gains in business investment and exports. Weakness persists in the public sector and across many housing-related industries, including wood product firms.

Although Oregon's economy is recovering, it has not recovered. A considerable amount of talent and productive capacity are sitting idle. The number of workers suffering from long-term unemployment, which is defined as a span of more than a month or two, remains far higher than anything we have seen since the Great Depression. This is true both in Oregon and in most other U.S. states. As our resources sit idle they become less competitive, and the damage done by the recession becomes more permanent. The problem of long-term unemployment is most severe across much of rural Oregon, where many communities have yet to share in the recovery.

*Outlook*

The baseline employment forecast remains essentially unchanged over the last six months. Slow growth will continue to be the norm. Oregon is not expected to recover all of the jobs it has lost until the end of 2014—seven years after the recession began.

The flow of positive economic news continues to gather momentum and provide hope for a better 2012. In particular, a growing chorus of job market indicators suggests that Oregon's employment is heading in the right direction, albeit at a slow pace.

Filings for jobless claims have dropped to normal levels. Hiring plans have improved among small and large businesses alike. Manufacturers are stretching their current workforces thin, and will need to hire before they produce more.

Household expectations are becoming rosier as well. For the first time since the onset of recession, more households expect their income to rise than to fall next year.

Virtually all of the tea leaves used to predict the direction of the local economy are looking up. Although, very few signs point to strong growth, almost everything points to positive growth.

MARION COUNTY FY 2012-13 BUDGET  
ABOUT MARION COUNTY

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**COUNTY FINANCIAL POSITION**

The County will manage fiscal year 2012-13 with an acceptable financial position and a low ratio of outstanding debt to the real market value of taxable property within the County. Major long-term budget concerns include reductions in federal and state funding, decelerating property tax revenues, rising employee benefit costs, and pressing capital needs. The county prepares a five year capital improvements project document identifying items infrastructure and supporting equipment needing upkeep and replacement.

**County Debt**

Debt Policy

Marion County has no formal debt policy, primarily because the county is not a regular issuer of debt. The most recent debt issue for the county was in 2005. In practice, the county seeks to use internal financing sources or cash when possible. Although a significant amount of statutory debt authority exists for Marion County, budgetary constraints limit the county's ability to provide for expanded debt service.

Legal Debt Limits

State statutes limit the amount of bonded debt a county may issue to a percentage of the real market value of the County's taxable property; the limit is 2 percent for general obligation bonds and 1 percent for limited tax obligations. Based on the County's real market value for fiscal year 2011, the current limitation is \$700 million for general obligation bonds and \$350 million for limited tax obligations. As of June 30, 2011, the County's total outstanding debt represents 0.18 percent of real market value.

Long-Term Debt

At the end of the current fiscal year, the County had total debt outstanding of \$57,851,063, a decrease of 3 percent from the previous fiscal year. This amount includes \$2,651,109 in revenue bonds (Oregon Garden), \$13,655,469 in refunding bonds (Courthouse Square), \$40,783,125 in limited tax pension obligations (PERS) and \$761,360 in notes payable (service districts). The County received an AA- rating from Standard & Poor's for its issuance of refunding bonds in fiscal year 2005. The County currently has no outstanding general obligation bonds.

**Marion County's Outstanding Debt (thousands)**

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Revenue bonds	\$ 2,651	\$ 3,062	\$ -	\$ -	\$ 2,651	\$ 3,062
Refunding bonds	13,655	14,590	-	-	13,655	14,590
Limited tax pension obligations	40,783	41,363	-	-	40,783	41,363
Notes payable	-	-	761	824	761	824
Total	\$ 57,089	\$ 59,015	\$ 761	\$ 824	\$ 57,850	\$ 59,839

Debt Payments

Principal and interest payments on Oregon Garden revenue bonds are budgeted in the Lottery Distribution Service Fund. Principal and interest payments on Courthouse Square revenue bonds are budgeted in the Debt Service Fund. Principal and interest payments on the PERS obligations are budgeted in the Debt Service Fund.



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**County Principal Employers and Taxpayers**

MARION COUNTY, OREGON

PRINCIPAL EMPLOYERS AND EMPLOYMENT BY INDUSTRY

Employer	2010			2001		
	Number of Employees	Rank	Percentage of Total County Employment	Number of Employees	Rank	Percentage of Total County Employment
State of Oregon	19,000-19,499	1	14.53%	16,500-16,999	1	13.16%
Salem/Keizer School District	5,000-5,499	2	3.96%	2,500-2,999	3	2.16%
Salem Hospital	4,000-4,499	3	3.21%	2,500-2,999	2	2.16%
Chemeketa Community College	1,500-1,999	4	1.32%	1,000-1,499	7	0.98%
Marion County	1,500-1,999	5	1.32%	1,500-1,999	5	1.37%
US Government	1,500-1,999	6	1.32%	1,500-1,999	4	1.37%
City of Salem	1,000-1,499	7	0.94%	1,000-1,499	6	0.98%
Norpac Foods Inc	1,000-1,499	8	0.94%	1,000-1,499	8	0.98%
T-Mobile	500-999	9	0.57%			
SAIF Corporation	500-999	10	0.57%			
Mitsubishi Silicon America				1,000-1,499	9	0.98%
State Farm Insurance				500-999	10	0.59%
<b>Total for Principal Employers</b>	<b>34,500-39,499</b>		<b>28.67%</b>	<b>27,500-32,499</b>		<b>24.74%</b>

  

Employment by Industry	2011		2002	
	Number of Employees	Percentage of Total County Employment	Number of Employees	Percentage of Total County Employment
Government	35,831	27.04%	31,902	25.06%
Trade, Transportation & Utilities	22,229	16.77%	21,965	17.25%
Education & Health Services	18,138	13.69%	15,067	11.83%
Professional & Business Services	10,620	8.01%	10,395	8.16%
Manufacturing	9,569	7.22%	11,907	9.35%
Leisure & Hospitality	10,614	8.01%	10,730	8.43%
Natural Resources & Mining	9,316	7.03%	8,924	7.01%
Construction	5,632	4.25%	6,034	4.74%
Financial Activities	5,343	4.03%	5,438	4.27%
Other Services	5,234	3.95%	4,958	3.89%
<b>Total County Employment</b>	<b>132,526</b>	<b>100.00%</b>	<b>127,320</b>	<b>100.00%</b>

Sources:

Oregon Employment Department.  
SEDCOR - Strategic Economic Development Corporation.

Notes:

- (1) Information is presented for the prior calendar year.
- (2) All numbers include full-time and part-time employees.
- (3) Percentage of total county employment is based on the midpoints of the ranges given.  
Updated information not yet compiled.

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MARION COUNTY, OREGON  
PRINCIPAL PROPERTY TAXPAYERS

Taxpayer	2011			2002		
	Rank	Taxable Assessed Value	Percentage of Total Taxable Assessed Value	Rank	Taxable Assessed Value	Percentage of Total Taxable Assessed Value
Portland General Electric Co	1	\$ 236,486,420	1.20%	1	\$ 179,905,610	1.36%
Northwest Natural Gas Co	2	119,965,100	0.61%	4	77,472,409	0.58%
Comcast Corporation	3	99,458,400	0.51%			
Winco Foods LLC	4	88,260,913	0.45%	5	62,228,215	0.47%
Qwest Corporation	5	69,675,580	0.35%	2	108,462,000	0.82%
Lancaster Development Co	6	58,442,260	0.30%	7	35,291,135	0.27%
Craig Realty Group Woodburn	7	47,178,080	0.24%	10	26,367,989	0.20%
Donahue Schriber Realty Group	8	53,197,870	0.27%			
Wal-Mart Real Estate Business	9	43,696,220	0.22%			
Norpac Foods Inc	10	53,345,097	0.27%	6	63,238,050	0.48%
Metropolitan Life Insurance Co				9	26,124,380	0.20%
Mitsubishi Silicon America				3	91,833,320	0.69%
Boise Cascade Corp				8	29,386,079	0.22%
<b>Total for principal taxpayers</b>		<b>\$ 869,705,940</b>	<b>4.43%</b>		<b>\$ 700,309,187</b>	<b>5.28%</b>
<b>Total taxable assessed value</b>		<b>\$ 19,627,632,200</b>			<b>\$ 13,252,913,836</b>	

Sources:

Marion County Assessor, Marion County Tax Collector.

Notes:

(1) Information in this schedule satisfies the County's annual disclosure requirements under SEC Rule 15c2-12.