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MARION COUNTY FY 2018-19 BUDGET OVERVIEW

OVERVIEW

The Budget Officer's adopted budget is represented in the following sections. The Budget Officer's message at the beginning of this book discussed why county services matter, the primary budget drivers, and highlights of the adopted budget overall by major program areas and capital outlays. There were no Budget Committee changes to the Budget Officer's adopted budget.

About Marion County provides a county profile and information about its people and its economy, the form of county government, and the county financial position.

The **Strategic Direction** section discusses the county's strategic plan, with priorities, goals, and key indicators, and an overview of the government services provided by the county.

The **Budget Overview** section describes the budget constraints and requirements via the budget parameters, an outline of the statutory budget process in Oregon, a list of the budget participants and the budget calendar for FY 2018-19.

The **Summary** section is about the total county budget. Resources and requirements are summarized by category and pie charts display allocations to these categories. Key revenues and principal expenditures are discussed. There are tables showing the amount of state revenue dedicated to specific county services.

The **Departments** section displays tables and discusses each department's budget by program and category and a summary of funds as well as fund line items. Detailed key indicators are presented, as are department key accomplishments.

The **Non-Departmental** section covers programs and activities that are not a part of any department's budget. They serve a variety of purposes, and often reflect the type of fund of which they are part. These programs and funds encompass debt service, reserves, insurance, and other non-departmental activities that provide support to departments, and special revenues that are distributed to departments or outside agencies.

The **Capital Budget** section discusses capital improvements by program. Several capital programs go across more than one capital fund. A summary table is provided for capital funds and all other capital projects.

The **Detail** section presents both resources and requirements line item detail for the General Fund, the Central Services Fund, and overall county totals. These details are not found elsewhere in this book except as parts of department, non-departmental, and capital budgets.

The **Appendices** contain information that is required by state law to be included in a county budget as well as supplemental information for the reader's interest.

BUDGET PARAMETERS

Budget parameters are budget officer requirements with which departments must comply when preparing their budget requests. They accompany the budget instructions and can remain the same in the long-term, or change annually. A budget parameter may be changed after the budget process begins, particularly one that is subject to employee bargaining agreements.

1. Adopt the recommendation of the Treasurer that investment income be calculated at a rate of return of 1.5% for all funds. All funds are charged an investment fee of .025% charged by the Treasurer for management of the funds. The net interest accruing to funds is 1.475%; this is the rate departments will use in calculating interest revenue to budget.

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2. Cost-of-living allowances (COLA) are to be budgeted for all units at 1.5% with the following exceptions: Unit 7, Federation of Parole and Probation Officers (FOPPO) and Unit 5, Marion County Law Enforcement Association (MCLEA), should be budgeted at 2.5%, and Marion County Juvenile Employees Association (MCJEA), should be budgeted at 0%.
3. Health insurance (medical and dental) is budgeted at rates per FTE, including FTE of 0.5 or greater. The rates are determined from known cost per plan elements. The rate for all units except units 5 (MCLEA) and 7 (FOPPO), will be \$1,438 monthly (\$17,256 year). The rate for unit 5 will be \$1,608 monthly (\$19,296 year). The rate for unit 7 will be \$1,525 monthly (\$18,300 year).
4. Public Employees Retirement System (PERS) expenses will be budgeted at 19.30% for all positions. This is a composite rate of the PERS, Oregon Public Service Requirement Plan (OPSRP) General Services, and OPSRP Police and Fire participants.
 - a. An additional 6.00% assessment for debt service on PERS bonds will also be applied to all positions.
5. Work with the Council of Economic Advisors to develop estimated property tax revenues, with a recommended percent increase or decrease compared to the current fiscal year. Present other major General Fund revenues and major non-General Fund revenue forecasts to the Council for their judgment on reasonableness of assumptions given county economic conditions.
6. Departments must fully justify the use of temporary workers for each department program.
7. Vacant positions will be eliminated in accordance with current county administrative policy and procedures. All requested and approved new positions will be budgeted for 22 pay periods (there are 26 pay periods in a year). Budgeting of new positions for less than a full year recognizes the time needed for recruitment and hiring; elimination of vacant positions also addresses over-budgeting for Personnel Services. All new positions must be budgeted at step 1.
8. No inflationary increases in Materials and Services (M&S) will be allowed in the budget for either the General Fund or the Central Services Fund. Total M&S amounts for General Fund and Central Services Fund programs that are in excess of the current year budget require a decision package. The current year budget is not a base budget that is automatically repeated. M&S, as well as Personnel Services, for **any fund** and program is subject to reduction at any time budget analysis and financial circumstances indicate such action is prudent.
9. One-time Materials and Services appropriations in the current fiscal year adopted budget shall be removed from the budget request (i.e., contractual services for a specific project, startup costs, etc.).
10. All light duty vehicles belong to the Marion County fleet. For departments assigned light duty vehicles, lease, repair and maintenance will be charged to departments in accordance with fleet management policy and procedures. Pool vehicle program charges are also established by fleet management.
11. Purchases or leases of all computer desktop, laptop and other computer equipment, printers, copiers, scanners, digital cameras, multi-media machines, and other electronic devices that require network access must be approved by the Information Technology Department before inclusion in departmental budgets.

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12. Capital acquisitions must be requested on the Capital Acquisition Request (CAR) form. This is not a budget form. The amount requested is entered in BUD directly. Capital improvement projects must be contained in the five year plan and must be approved by the Budget Officer for inclusion in the budget request. Approved capital improvement projects budgets are to be entered directly in BUD through GL View.
13. Departments must submit requests to carry forward capital improvement project appropriations from FY 2017-18. If a project has not been started, a new request must be submitted for prioritization against other new requests. Capital outlay and capital improvement project policies and procedures must be followed.
14. The Budget Officer will recommend the amount of General Fund resources to be set aside for Capital Outlay appropriations. These amounts will be managed in appropriate capital funds.
15. Central services departments will be required to prepare their budgets prior to other departments to ensure that the amount of Administrative Charges to be allocated to the other departments is firm. Central Services departments may **not** budget for Contingency.
16. The Budget Officer will recommend an amount to be budgeted for General Fund Contingency that meets the General Reserves policy. General Fund departments may **not** budget for Contingency.
17. Departments may not budget contingency amounts of more than 10% of the total fund requirements in those funds with a majority of non-General Fund revenue, without Budget Officer approval. Available amounts in excess of the 10% must be budgeted in ending fund balance.
18. All requests for new programs and program enhancements must be submitted as individual decision packages. Departments must carefully consider submitting decision packages requests. Decision packages are not meant to reflect a department's entire wish list and few General Fund decision packages will be approved due to financial constraints.
19. Departments that propose to continue programs, projects or special activities no longer supported by outside funding or requiring a shift in funding from the prior year, must submit a decision package to do so, clearly identifying new or proposed financing sources. This must be done within the conditions of the restrictions on backfills policy regarding General Fund resources.
20. Decision packages will be included in the total department requested budget. They will be removed from the budget if the budget officer does not approve their inclusion in the budget at the budget officer proposed stage. Departments may not submit two or more decision packages that are for similar purposes as alternatives.

BUDGET MANUAL FY 2018-19

The Finance Department maintains a budget manual that is the guideline for planning, preparing and executing a budget. The manual is updated annually to reflect current requirements for both form and content of department budgets, and budget execution requirements. The manual is available on the county intranet at the Finance Department website.

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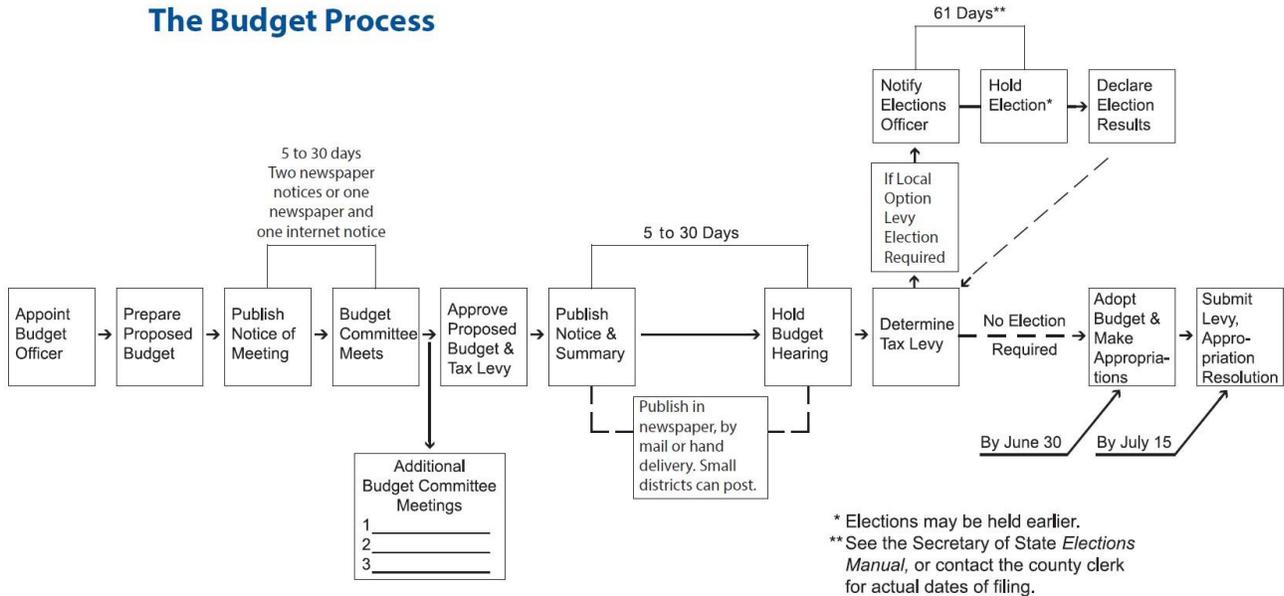
BUDGET PROCESS

The Marion County budget is a financial plan with estimates of resources (revenues) and requirements (expenditures), for a single fiscal year. The fiscal year begins on July 1 and ends on June 30.

According to Oregon’s local budget law, each county must have a budget officer appointed by the governing body. Marion County’s chief administrative officer also serves as the budget officer. The budget officer is responsible for preparing, or supervising, the preparation of a proposed budget that will be presented to the county’s budget committee. A budget committee is another legal requirement of Oregon’s local budget law. The Marion County Budget Committee is comprised of three citizens of the county, who are not county employees, and the three county commissioners. The make-up of the budget committee ensures that citizens/electors are involved in the budget process.

In Marion County, the budget development process begins in late fall and ends with adoption of the budget by the Board of Commissioners by June 30 of each year. Budgeting is a continuous cycle. After the budget is adopted, revenues and expenditures are monitored in order to ensure that expenditures do not exceed budgeted amounts, by categories specified by Oregon’s local budget law. Necessary adjustments to the budget are made during the fiscal year through the supplemental budget process. Marion County typically has one to three supplemental budget actions during the fiscal year.

Budgets for the General, Special Revenue, Debt Service, and Capital Project Funds are adopted on a modified accrual basis of accounting, the same basis used in the county’s financial statements. Budgets for the Enterprise and Internal Service Funds are also adopted on a modified accrual basis, which differs from financial reporting in that depreciation and accrued vacation pay are not budgeted. The budget is prepared in accordance with the basis of accounting used during the preceding year.



Source: Local Budgeting in Oregon, Oregon Department of Revenue

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Outline of the Budget Process According to Local Budget Law

The following overview is taken from the Oregon Department of Revenue Local Budgeting Manual. ORS is the Oregon Revised Statutes and Chapter 294 is the Local Budget Law, e.g., ORS 294.

1. **Appoint budget officer** (ORS 294.331).
2. **Appoint electors to the budget committee** (ORS 294.414). The budget committee consists of the governing body of the local government and an equal number of electors appointed by the governing body.
3. **Prepare proposed budget** (ORS 294.426). The budget officer prepares or supervises the preparation of a proposed budget to present to the budget committee.
4. **Publish notice of budget committee meeting** (ORS 294.401). After the proposed budget is prepared, the budget officer publishes a “*Notice of Budget Committee Meeting*.” The notice must contain the date, place and time of the budget committee’s first formal meeting, and of the meeting in which public comment will be heard. It may contain notice of several meetings, if the budget officer anticipates that more than one meeting will be needed.
 - If the sole form of notice is publication in a newspaper, it must be published at least twice, five to 30 days before the scheduled budget committee meeting date.
 - If the notice is published both in a newspaper and online, it need only be published once in the newspaper, but the publication must include the website address for the online publication, and it must be published online for at least 10 days before the meeting.
 - If the notice is hand delivered or mailed, only one notice is required, not later than 10 days before the meeting.
5. **Budget committee meets** (ORS 294.426). The budget message is delivered at the first budget committee meeting. The budget message explains the proposed budget and any significant changes in the local government’s fiscal policy or financial position. After the initial meeting, the budget committee may meet as many times as needed to revise and complete the budget. At least one meeting must provide the opportunity for questions and comments from any interested person. The budget committee is allowed to meet for training and advisory reviews throughout the year, but the budget may not be deliberated before the first meeting for which notice is published. All meetings are subject to Oregon’s Public Meetings Law (ORS Chapter 192).

The budget officer may make the proposed budget available to the members of the budget committee at any time before the first meeting, or may distribute the budget at the first meeting. At the time the budget is given to the committee, a copy must be filed in the administrative office of the district. The budget becomes a public record at this point and must be made available to anyone who is interested in viewing it.
6. **Budget committee approves budget** (ORS 294.428). The budget committee considers the budget proposed by the budget officer and comments made by the public and may make additions or deletions. When the budget committee is satisfied, it approves the budget. The budget approved by the committee specifies the amount or rate of each ad valorem tax levy. Approval of the budget and of the amount or rate of tax should be by motion and be recorded in the minutes of the meeting.
7. **Publish budget summary and notice of budget hearing** (ORS 294.448). After the budget is approved, the governing body of the local government must hold a budget hearing. The governing body must publish

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a “*Notice of Budget Hearing and Financial Summary*” five to 30 days before the scheduled hearing. This information must either appear in a newspaper of general circulation, be mailed or hand delivered.

8. **Hold budget hearing** (ORS 294.453, renumbered from 294.430). The governing body must hold the budget hearing on the date specified in the public notice. The purpose of the hearing is to listen to citizens’ testimony on the approved budget. Additional hearings may be held. All hearings must be open to the public.
9. **Adopt budget, make appropriations, impose taxes, and categorize taxes** (ORS 294.456). The governing body may make changes in the approved budget before it is adopted. Before the beginning of the fiscal year to which the budget relates, the governing body can also make changes to the adopted budget. However, if the governing body wants to make any of the following changes, they must first publish a revised “*Notice of Budget Hearing and Financial Summary*” and hold another public hearing:
 - If the governing body increases taxes over the amount approved by the budget committee.
 - If the governing body increases estimated expenditures in a fund over the amount approved by the budget committee by more than \$5,000 or 10 percent, whichever is greater.

After the budget hearing, and after considering public testimony, the governing body prepares a resolution or ordinance that formally adopts the budget, makes appropriations and, if property taxes are needed, levies and categorizes each tax. The budget is the basis for making appropriations and certifying the taxes. The resolutions or ordinances adopting the budget and making appropriations must be adopted no later than June 30.

10. **Certify taxes** (ORS 294.458, renumbered from 294.555). The next step in the budget cycle is to certify any property taxes to the county assessor. Taxes must be certified every year, even if the local government operates on a biennial budget.

The documents submitted to the assessor’s office by a taxing district subject to Local Budget Law are:

- Two copies of the notice of levy and the categorization certification (Form LB-50, ED-50 or UR-50). This form authorizes the assessor to place the district’s taxes on the property tax roll.
 - Two copies of the resolution statements that adopt the budget, make appropriations, and impose and categorize taxes; and
 - Two copies of any successful tax ballot measures for new taxes being imposed for the first time.
11. **Post-adoption.** After the preceding steps have been completed, changes to the budget are restricted by statute:
 - ORS 294.338 authorizes certain appropriations as an exception to the budget process.
 - ORS 294.463 governs the transfer of appropriations within a fund or from the general fund to another fund.
 - ORS 294.481 provides for the expenditure of funds to repair or replace property that has been damaged or destroyed. It also allows funds to be expended because of a civil disturbance or natural disaster.
 - ORS 294.468 authorizes loans from one fund to another.
 - ORS 294.471 and 294.473 specifies the conditions under which a local government may adopt a supplemental budget, and explains the process.
 - ORS 294.338 provides exceptions to the budget process for certain debt service expenditures.

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BUDGET PARTICIPANTS AND INFORMATION

Budget Committee

Oregon local budget law requires that the governing body of each local government must establish a Budget Committee. Budget Committees are composed of the governing body and an equal number of electors appointed by the governing body. Marion County, with three elected commissioners, appoints three elector members to the Budget Committee. The committee meets publicly to review the budget document as proposed by the budget officer. The committee receives the budget and the budget message and provides an opportunity for public comment on the budget. The committee makes adjustments based on input and then approves the budget.

<u>Citizen Members</u>	<u>Commissioner Members</u>
Denyc Boles	Sam Brentano
Dave Kinney	Kevin Cameron
Patrick Vance	Janet Carlson

Qualified voters who have the right to vote for the adoption of any measure may be appointed to the Budget Committee. Citizen members serve staggered terms of up to four years. They may be appointed for multiple terms. The Budget Committee meets between late May and early June of each year to consider the upcoming budget, and may meet at other times during the year to be brought up to date on current budget developments.

Budget Development Team

The county uses a team approach to developing the county annual budget. At each phase of the budget process, team members contribute expertise as required.

<u>Name</u>	<u>Title</u>
John Lattimer	Budget Officer and Chief Administrative Officer
Jan Fritz	Deputy County Administrative Officer
Jeff White	Chief Financial Officer
Cynthia Granatir	Chief Accountant
Debbie Gregg	Budget and Grants Manager
Daniel Adatto	Budget Analyst 2
Alicia Henry	Management Analyst 2

Public Hearings/Public Comment

The public is welcome to attend budget committee meetings and deliberations, and may share comments with the committee at designated public hearings. Members of the public may also discuss budget matters with the board of commissioners during regular board sessions throughout the year. For those unable to attend a board session or budget committee meeting, Capital Community Television (CCTV) broadcasts all board and budget committee meetings, and the sessions can be viewed on the Internet.

Marion County Website

The budget is available on the county website at www.co.marion.or.us.

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BUDGET CALENDAR for FY 2018-19

The following pages are the budget calendar for budget preparation through budget adoption.

FY 2018-19 BUDGET DEVELOPMENT AND BUDGET PRESENTATION SCHEDULE				
2018				
January	3	Wed	All Departments Begin Budget Preparation - BUD Open	
January	12	Fri	Central Services Departments Preliminary Budgets Due: Board of Commissioners, Finance, Legal Counsel	4:00 PM
January	17	Wed	5 Year CIP Requests due from all departments	Noon
January	19	Fri	Central Services Departments Preliminary Budgets Due: Business Services & Information Technology	4:00 PM
February	8	Thu	Budget Officer Meets With Central Services Departments: Information Technology Business Services	CR - Mt. Angel 2:00 - 3:00 3:00 - 4:00
February	9	Fri	Final Central Services Meeting and Budget Decisions Finance Board of Commissioners Legal Counsel Budget Team Discussion	CR - Mt. Angel 9:00 - 9:15 9:15 - 9:30 9:30 - 9:45 9:45 - 3:00
February	13	Tue	Central Services Departments Notified of Final Budget Officer Decisions	4:00 PM
February	16	Fri	Central Services Revised Budgets Due to Finance	4:00 PM
February	20	Tue	Budget Committee Meeting - Senator Hearing Room	2:00 - 4:00 PM
February	23	Fri	Central Services Administrative Charges Allocations Given to Departments	4:00 PM
March	2	Fri	Central Services Departments Final Budget Narratives Due	4:00 PM
March	9	Fri	Preliminary Budgets Due From All Departments	Noon
March	16	Fri	Council of Economic Advisors Meeting - Commissioner's Board Room	2:30 - 4:30 PM
March	26	Mon	Budget Officer Meets With Department Heads and Elected Officials: District Attorney Community Services Public Works CIP and All Other Funds Justice Court	CR - Mt. Angel 1:00 - 2:00 2:00 - 2:30 2:30 - 3:30 3:30 - 4:30 4:30 - 5:00
March	27	Tue	Budget Officer Meets With Department Heads and Elected Officials: Reserved for Budget Team Discussion if Necessary	CR - Mt. Angel 10:30 - 2:30
March	28	Wed	Budget Officer Meets With Department Heads and Elected Officials: Juvenile Assessor / Tax Law Library (NA - discussed during Central Service meetings) Health Treasurer Break Sheriff Clerk and Clerk Records Budget Team Discussion	CR - Mt. Angel 9:00 - 9:45 9:45 - 10:00 10:00 - 10:15 10:15 - 11:15 11:15 - 11:25 11:25 - 1:30 1:30 - 2:30 2:30 - 3:00 3:00 - 4:00
March	29	Thu	Budget Officer Meets With Department Heads and Elected Officials: Reserved for Budget Team Discussion if Necessary	CR - Mt. Angel 2:45 - 5:00
April	4	Wed	Budget Team Discussions and Final Decisions	9:00 - 2:00
April	6	Fri	Departments Notified of Budget Officer Decisions	4:00 PM
April	23	Mon	Revised Budgets Due From All Departments	4:00 PM
May	1	Tue	Budget Validation by GL Team	4:00 PM
May	2 - 25		Budget Team - Review Budgets, Request Corrections From Departments, Prepare Summary Schedules, Assemble Budget Binders	
May	21	Mon	State of Oregon WH118 CIP Forms Due	5:00 PM

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FY 2018-19 BUDGET DEVELOPMENT AND BUDGET PRESENTATION SCHEDULE

MEETINGS ARE HELD IN THE SENATOR HEARING ROOM AT COURTHOUSE SQUARE

2018				
June	5	Tue	FY 2018-19 Opening Budget Session - Budget Committee Elect Chair & Vice Chair, Adopt Meeting Rules, Approve Minutes, Review Council of Economic Advisors Charter Budget Officer's FY 2018-19 Message Budget Structure and Overview Health and Community Services Community Services General Government Assessor Clerk Treasurer Compensation Board Report Celebrating 175 Years of Service Lunch Public Safety District Attorney Justice Court Juvenile Sheriff's Office Break Central Services Information Technology Business Services Legal Counsel / Law Library Board of Commissioners Finance Non-Departmental, Non-General Funds & Other Budget Committee Comments Break Public Comment Period	9:30 AM 9:30 - 9:40 9:40 - 10:30 10:30 - 10:45 10:45 - 11:00 11:00 - 11:15 11:15 - 11:30 11:30 - 11:35 11:35 - 11:45 11:45 - 12:00 12:00 - 1:00 1:00 - 1:35 1:35 - 1:45 1:45 - 2:15 2:15 - 3:15 3:15 - 3:30 3:30 - 3:50 3:50 - 4:00 4:00 - 4:05 4:05 - 4:10 4:10 - 4:15 4:15 - 4:30 4:30 - 5:00 5:00 - 5:15 5:15 PM
June	7	Thu	Public Comment Period Health and Community Services Health and Human Services Transportation & Natural Resources Public Works Break Capital Improvement Projects Budget Committee Comments Lunch FY 2018-19 Proposed Budget Recap Budget Committee Deliberations and Approval	8:45 AM 9:00 - 10:00 10:00 - 10:45 10:45 - 11:00 11:00 - 11:30 11:30 - 12:00 12:00 - 1:00 1:00 - 1:15 1:15 - 2:00
June	12	Tue	Budget Deliberations and Approval (if necessary)	9:15 - 11:15
June	27	Wed	Board of Commissioners Adopt FY 2018-19 Budget	9:00 AM

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