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ABOUT MARION COUNTY

MARION COUNTY – INVESTING IN OUR COMMUNITY

At its core, Marion County is a service organization dedicated to delivering excellence every day to make a positive impact on the lives of our residents. Marion County is served by 15 departments with more than 1,500 dedicated full-time and part-time employees who are responsible for delivering essential services such as public safety, road and bridge maintenance, public and mental health services, property assessment, building inspections, elections, and more.

Ensuring that services are accessible and convenient to county residents and businesses is vital. Over the past several years, the county has made significant strides in infrastructure upgrades. This provides individuals seeking services, as well as employees, professional and comfortable environments to conduct business. Since 2016, the county has renovated the Health and Human Services Center Street building, opened a new Juvenile Courtroom and Public Safety Building, opened a new facility to house alcohol and drug treatment programs and outpatient behavioral health services, and a new Juvenile Administration Building is under construction.



Public Safety Building

The new facilities promote improved interoperability, provide needed additional space, and consolidate services for the convenience of consumers. Together, these projects provide suitable facilities to meet the needs of county residents now and into the future.



Health and Human Services – Silverton Rd. campus

Modern, efficient facilities protect the community's investment in county services. Marion County has worked diligently to ensure maximum value for the funds invested. Infrastructure improvements have been largely financed through low interest loans. Total debt service for renovations and new construction are well below the county's statutory debt limit.

Whether capital investments include facility renovations, new buildings, equipment or information technology upgrades, Marion County's priority remains consistent, high quality services and making the most of available funds.

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 which consisted of a judge and two commissioners. In 1961, the Legislative Assembly enabled a county court with no judicial functions to reorganize as a three-member 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.

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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 (located primarily within Marion County)
- Land Area: 1,182.33 square miles
- Established: July 5, 1843
- Population: 346,868 (2018 estimate)*
- Persons Per Square Mile: 266.7 (Oregon average: 40)
- Housing units, 2018: 126,133**
- Mean travel time to work (minutes): 23.2
- Cities: 20 incorporated
- Elevation: 154 feet at Salem and 8,294 feet at Detroit Lake
- Average Temperature: January 35.6 F; July 80.5 F
- Annual Precipitation: 40.7 inches
- Principal Industries: Arts, construction, education, entertainment, government, health care and social assistance, lumber, manufacturing, public administration, recreation, and retail trade.

* U.S. Census Bureau, American Fact Finder, Annual Estimates of the Resident Population, July 1, 2018 (<https://factfinder.census.gov>)

** U.S. Census Bureau, American Fact Finder, ACS Demographic and Housing Estimates, 2018 (<https://factfinder.census.gov>)

Marion County Cities

Incorporated Cities	Population	Unincorporated Communities	
Aumsville	3,975	Breitenbush	Mehema
Aurora	985	Broadacres	Monitor
Detroit	210	Brooks	Niagara
Donald	985	Butteville	North Howell
Gates	485	Central Howell	North Santiam
Gervais	2,585	Clear Lake	Orville
Hubbard	3,305	Concomly	Pratum
Idanha	140	Crestwood	Roberts
Jefferson	3,245	Downs	Rockie Four Corners
Keizer	38,505	Drakes Crossing	Rosedale
Mill City	1,865	Elkhorn	St. Louis
Mt. Angel	3,415	Fargo	Shaw
St. Paul	435	Hazel Green	Sidney
Salem	165,265	Hopmere	Skunkville
Scotts Mills	375	Labish Center	Sunnyside
Silverton	10,325	Little Sweden	Talbot
Stayton	7,810	Lone Pie Corner	Waconda
Sublimity	2,890	Macleay	West Stayton
Turner	2,085	Marion	
Woodburn	24,760		

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There are 20 incorporated cities and 37 unincorporated communities in Marion County. Incorporated cities population data is from 2018 Oregon Blue Book. As reported by the 2010 Census, the total population of Marion County was 315,335, a 10% increase over 2000. The United States Census Bureau population estimate for July 1, 2017 is 341,286.

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.

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 18 years and over	231,954	73.6%	76.0%
In Civilian Labor Force	137,321	63.6%	63.4%
Employed	126,682	58.7%	59.7%
Unemployed	10,639	4.9%	3.7%
Commute to Work - drove alone	90,914	72.8%	75.7%
<i>Industry Employment (top 5):</i>			
Educational services, and health care and social services	24,092	19.0%	19.9%
Manufacturing	16,574	13.1%	14.1%
Retail Trade	14,658	11.6%	11.7%
Public Administration	12,099	9.6%	4.8%
Construction	9,358	7.4%	6.8%
Class of Worker - Government	24,862	19.6%	14.6%
Persons Below Poverty Level	N/A	21.0%	26.5%
Medium Household Income	\$ 46,202	N/A	\$ 50,046

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 that is 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%	19.8%
16 years through 64 years	200,812	63.6%	67.1%
65 years and older	40,549	12.9%	13.1%
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%	65.1%
<i>Residence 1 year ago:</i>			
Same house		83.4%	85.4%
Different house, same county		9.8%	8.4%

Source: U.S. Census Bureau, 2010 Census

SOCIAL CHARACTERISTICS

	County	U.S.
Family households (families)*	68.2%	66.4%
Average household size	2.70	2.58
<i>Educational Attainment:</i>		
Percent high school graduate or higher	84.9%	87.3%
Percent bachelor's degree or higher	22.6%	30.9%
Civilian Veterans	9.0%	7.7%
Born in the United States	86.1%	85.1%
Institutionalized population	2.1%	1.3%
Language spoken at home - English only	74.9%	78.7%

* 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 in his transmittal, i.e., budget message, to the Budget Committee for the fiscal year 2019-20 budget. 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 2019

The U.S. economy experienced strong economic growth in 2018. Unemployment remains near historic lows even as participation rates rise. Wage growth continues to pick up along with employment rates. The economy will set a new record for length of expansion this summer at ten years old. The next recession is not yet seen in the data. The outlook calls for ongoing, but slowing growth this year and next. The fading federal fiscal stimulus and business investment slowdown take the wind out of the sails, as does the impact of past interest rate increases. The key to the near-term forecast is the Federal Reserve and the U.S. consumer.

Right now the Fed is reassessing the economy given somewhat weaker U.S. data and ongoing international issues like trade tensions and slowing in China and Europe. Concerns over the U.S. consumer are higher today due to weak sales data at the end of 2018 and somewhat higher delinquency rates. However, given the ongoing, robust labor market gains, consumer spending is likely to hold up and is the key driver to growth in 2019.

Oregon's economy continues to hit the sweet spot. Job growth has tapered more than expected over the past year, but remains strong enough to hold the unemployment rate near historic lows. Local wage growth outpaces national figures due to the strong labor market. With more Oregonians working more hours and for higher pay, household incomes are reaching historic highs on an inflation-adjusted basis. Even as disparities remain, these gains are seen by all ages and racial or ethnic groups across the state. The feel good part of the economy is here.

With a little more than four months left in the 2017-19 biennium, Oregon's General Fund revenue picture remains uncertain. Given Oregon's dependence upon personal income tax revenues, the jury will remain out until the bulk of payments are received and processed in April and May.

The tax filing season has just begun. Refunds got off to a slow start and the average refund is 11% lower so far this year, in part due to no kicker being paid out. Most year-end tax payments won't arrive for at least another month. Although April surprises are commonplace, this year's outlook is particularly uncertain. Federal tax law changes, volatile equity markets, a nationwide dearth in recent estimated payments and strong growth in withholdings are all acting to muddy the outlook this tax season.

Corporate collections have surged to an all-time high in recent months, due in part to temporary factors. Repatriation of foreign earnings required by the new federal tax law have increased collections by around \$100 million. However, the temporary repatriated earnings alone cannot explain the full increase in corporate collections, suggesting that some of the change may be persist going forward. Federal tax law changes have likely expanded the corporate tax base in Oregon, which will lead to additional revenues in the years ahead.

While the revenue forecast is relatively unchanged in the currently 2017-19 biennium, our office is forecasting both a personal and corporate kicker. The personal kicker is projected to be \$748 million while the corporate is currently estimated at \$353 million. Given tax season has just begun, these figures could change by May 15th, the final forecast for the legislative session.

Heading into the next biennium, uncertainty about the performance of the regional economy will become paramount. Growth will certainly slow to a sustainable rate in the coming years, but the path taken is unknown. Capacity constraints, an aging workforce, monetary policy drags and fading fiscal stimulus will all act to put a lid on growth a couple of years down the road. However, the exact timing and steepness of this deceleration is difficult to predict, leading to a wide range of possible revenue outcomes for the 2019-21 budget period.

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COUNTY FINANCIAL POSITION

The County will continue to manage the fiscal year 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, rising employee benefit costs, and continued capital project needs. The county prepares a five year capital improvements project document identifying infrastructure items 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 bond debt issue was in 2005 and bank loan financing for major infrastructure projects in 2013, 2016 and 2018. In practice, the county seeks to use internal financing sources or cash when possible. A significant amount of statutory debt authority exists for Marion County.

Legal Debt Limits

State statute (ORS 287A.100) limits the amount of bonded debt a county may issue to a percentage of the Real Market Value (RMV) of the County's taxable property; the limit is 2% for general obligation bonds or \$844 million, 5% limited tax pension obligations or \$2.1 billion, and 1% for limited tax obligations or \$422 million. Based on the RMV for fiscal year 2018 of \$42 billion, the County's total outstanding debt of \$64 million represents 0.15% of RMV.

Long-Term Debt

At the end of the 2017-18 fiscal year, the County had total debt outstanding of \$64,545,803, an increase of 1.7% from the previous fiscal year due to the issuance of a capital financing agreement. This amount includes \$7,180,800 in refunding bonds (Courthouse Square), \$21,514,235 in capital financing agreements, \$35,465,304 in limited tax pension obligations (PERS) and \$385,464 in notes payable (service districts). The County currently has no outstanding general obligation bonds. Standard & Poor's has given the County an issuer credit rating of AA.

Marion County's Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2017	2018	2017	2018	2017	2018
Revenue bonds	\$ 271,091	\$ -	\$ -	\$ -	\$ 271,091	\$ -
Refunding bonds	8,375,789	7,180,800	-	-	8,375,789	7,180,800
Capital financing agreements	17,775,756	21,514,235	-	-	17,775,756	21,514,235
Limited tax pension obligation:	36,595,471	35,465,304	-	-	36,595,471	35,465,304
Notes payable	-	-	441,388	385,464	441,388	385,464
Total	\$ 63,018,107	\$ 64,160,339	\$ 441,388	\$ 385,464	\$ 63,459,495	\$ 64,545,803

Debt Payments

Principal and interest payments on Courthouse Square revenue bonds, PERS obligations bonds, and loans on notes are payable through the Debt Service Fund located in the Non-Departmental section of this book.

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County Employment by Industry

EMPLOYMENT BY INDUSTRY

Current Fiscal Year and Ten Years Ago

	2018			2009		
	Units	Employment	% of Employment	Units	Employment	% of Employment
Government Employers:						
Federal government	55	1,253	0.82%	63	1,500	1.06%
State government	188	20,625	13.55%	200	18,768	13.32%
Local government	319	14,311	9.40%	261	14,828	10.52%
	562	36,189	23.78%	524	35,096	24.90%
Private Employers:						
Natural resources and mining	509	9,562	6.28%	428	10,477	7.43%
Construction	1,184	9,038	5.94%	1,222	8,115	5.76%
Manufacturing	398	11,006	7.23%	398	11,267	7.99%
Trade, transportation and utilities	1,713	25,266	16.60%	1,614	23,180	16.45%
Information services	125	1,123	0.74%	112	1,381	0.98%
Financial activities	519	4,066	2.67%	524	4,251	3.02%
Real estate, rental and leasing	391	1,398	0.92%	409	1,532	1.09%
Professional and business services	1,460	12,787	8.40%	1,192	11,895	8.44%
Education and health services	1,099	22,467	14.76%	966	17,185	12.19%
Leisure and hospitality	176	2,512	1.65%	149	2,103	1.49%
Accommodation and food services	680	10,755	7.07%	592	9,238	6.55%
Other services	1,791	6,010	3.95%	1,136	5,233	3.71%
	10,045	115,990	76.22%	8,742	105,857	75.10%
Total County Employment	10,607	152,179	100.00%	9,266	140,953	100.00%

Source: Oregon Employment Department

Notes:

- (1) Information is presented for the prior calendar year.
- (2) Includes full-time and part-time employees.

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County Principal Property Taxpayers

PRINCIPAL PROPERTY TAXPAYERS
Current Fiscal Year and Ten Years Ago

Taxpayer	2018			2009		
	Rank	Taxable Assessed Value	% of Total Taxable Assessed Value	Rank	Taxable Assessed Value	% of Total Taxable Assessed Value
Portland General Electric Co	1	\$285,829,420	1.18%	1	\$211,083,790	1.15%
Northwest Natural Gas Co	2	152,199,000	0.63%	2	119,123,900	0.65%
Winco Foods LLC	3	94,363,645	0.39%	3	82,178,100	0.45%
Woodburn Premium Outlets LLC	4	64,310,695	0.27%			
CenturyLink (Qwest Corp)	5	70,604,500	0.29%	4	82,405,860	0.45%
Norpac Foods Inc	6	66,930,189	0.28%	7	56,550,426	0.31%
Lancaster Development Co.	7	56,532,220	0.23%	5	55,056,770	0.30%
Wal-Mart Real Estate	8	52,342,870	0.22%	9	39,568,540	0.22%
Donahue Schriber Realty Group	9	61,182,830	0.25%	8	50,432,430	0.28%
Metropolitan Life Insurance Co.	10	46,887,770	0.19%	10	36,457,810	0.20%
Craig Realty Group Woodburn				6	42,483,190	0.23%
Total for principal taxpayers		\$951,183,139	3.93%		\$775,340,816	4.24%
Total taxable assessed value		<u>\$24,219,912,095</u>			<u>\$18,283,315,517</u>	

Sources: Marion County Tax Assessor and Tax Collector

Notes:

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