



Marion County Budget Committee  
Marion County  
555 Court St. NE  
Salem, OR 97301

Chief Administrative Officer's  
Fiscal Year 2023-2024 Budget Message  
May 23, 2023

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*Investing in Our Community*

Members of the Budget Committee, County Commissioners, and Residents of Marion County.

The purpose of county government lies in the multitude of ways it touches the lives of our residents on a daily basis. A new baby's birth certificate is filed with our Health and Human Services Department. We explore the county while driving on roads, bridges, and ferries maintained by Public Works. We file deeds, register to vote, and participate in elections through our Clerk's Office. We receive assistance from county law enforcement during difficult moments. Marion County employees provide services that protect and enhance our residents' lives.

Last year I spoke about the *Marion County Way*. How the county's values of Customer Service, Professionalism, Integrity, and Stewardship, are threaded throughout the way we do business and deliver essential services. Today, I want to talk about the why. Why do we undertake the work we do?

The answer to that question is fundamental. We are here to serve our residents. To invest in the individuals, families, and businesses that make up our community. They work hard and place their trust in local government, to keep the peace, to protect their health and provide public services that are vital to their families, assist their businesses, and enhance their communities. The people of Marion County are why we are here.

A county budget translates the strategic plan goals and objectives into funding for programs and services invested in our community. Accordingly, a budget has a dual purpose, it is a financial document that represents how much money the county has, where it comes from, and how the county intends to spend it. But a budget is also a policy document, and this budget demonstrates our continued financial commitment to fundamental services that touch the lives of our residents and improve our community's safety, health, and livability.

After dealing with the global pandemic, the devastating wildfires, winter ice storms, and record breaking heat, this year's budget renews our commitment to *Investing In Our Community*. Our citizens are why we are here. The 2023-24 Proposed Budget is built on a strong financial foundation, funds our core programs, and strategically invests in our community for our residents to live and thrive in Marion County.

***Fiscal Year 2023-2024 Proposed Budget***

I am pleased to present the Fiscal Year 2023-24 Proposed Budget. The countywide proposed budget for all departments and all funds totals \$688,873,465. The General Fund budget is \$133,922,701 and with all Other Funds totaling \$554,950,764. As noted in the chart below, the countywide budget is \$26.8 million or 3.7% less than the 2022-23 current budget.

This budget includes 1,672.75 authorized positions, which has increased by 13.50 FTE.

**Fiscal Year 2023-24 PROPOSED BUDGET SUMMARY**

	FY 2022-23 Budget*	FY 2023-24 Proposed	\$ Change	% Change
General Fund	\$ 132,344,985	\$ 133,922,701	\$ 1,577,716	1.19%
All Other Funds	\$ 583,348,188	\$ 554,950,764	\$ (28,397,424)	-4.87%
<b>Total Proposed Budget</b>	<b>\$ 715,693,173</b>	<b>\$ 688,873,465</b>	<b>\$ (26,819,708)</b>	<b>-3.75%</b>

*\*Includes 2nd Supplemental*

***Significant Changes in Resources and Requirements***

***Changes in Countywide Resources*** include Total Taxes budgeted at \$92.6 million for an increase of \$5.8 million or 6.7%, Federal Resources decreased \$16 million or -13.6% due to less American Rescue Plan Act (ARPA) revenue budgeted compared to 2022-23. State Resources increased \$1.6 million or 1.4%. Administrative Cost Recovery increased \$1.1 million, and Interest Income increased \$1.9 million. Charges for Services decreased \$3.8 million, Financing Proceeds increased \$7.5 million for a new capital loan, Transfers between funds decreased \$10.3 million, and there is a significant decrease in Net Working Capital of \$14.2 million or 6.9%.

The county received \$12 million from Oregon Housing and Community Services in March of 2023 to implement a Wildfire Recovery Housing Program. The commissioners have set aside \$8 million for the housing program designed to provide funding for primary homeowners who lost their home during the 2020 Beachie Creek and Lionshead wildfires and have not been able to rebuild. Those homeowners in the wildfire area still without permanent housing may apply for grant funding to be used to repair, replace, build, or rebuild a dwelling or a structure that existed pre-fire.

The commissioners and county departments continue to provide support to help rebuild the Santiam Canyon communities. Ongoing work on wildfire projects in the Santiam Canyon includes ARPA funding received from Business Oregon for interim and permanent sewer upgrades in Mill City/Gates and residential and commercial septic system improvements in Detroit.

***Significant Changes in Countywide Requirements*** include Personnel Services budgeted at \$215,910,746 which increased \$13.4 million or 6.6% over last year’s budget. Materials & Services

decreased \$11.8 million to \$144,970,670. Administrative Charges increased \$2.5 million and each of the following categories decreased by the amount listed, Capital Outlay \$5.3 million, Special Payments \$1.4 million, Transfers Out \$10.4 million, Contingency \$5.2 million and Ending Fund Balance decreased by \$8.7 million or 10.5%.

**Non-Departmental Operations** - Budgeted in Non-Departmental Operations are continuing studies, such as the Buildable Lands Inventory and Housing Needs Analysis Study, the Human Resources Department assessment, and the Business Services Department assessment. Funding for a consultant firm to guide the procurement and implementation of the new countywide Enterprise Resource Planning (ERP) system, a complex, multi-year project that is the fundamental backbone of the county's financial and human resource system. Other studies budgeted include an update of the county's Cost Allocation Plan and Indirect Cost Rate Proposal and funding for the analysis of a body worn camera system for the Sheriff's Office. The budget also includes the continuation of funding for department and program audits and assessments.

The ten major funds budgeted in the Non-Departmental Operations section include the General Fund at \$34.7 million, American Rescue Plan \$26.6 million, Non-Departmental Grants \$14.6 million, Tax Title Land Sales \$641,258, Criminal Justice Assessment \$1.5 million, County Schools \$1 million, Rainy Day \$2.4 million, Debt Service \$13.7 million, Central Services \$2.3 million, and the Self- Insurance Fund at \$48.2 million. Debt Service payments are budgeted in accordance with scheduled payments and in compliance with required obligations.

**Capital Improvement Projects** - The Capital Improvement Projects budget includes three funds: Capital Building & Equipment Program, Facility Renovation Fund, and Capital Improvement Project Fund. Approved Capital Improvement Projects include 10 continuing projects from prior years totaling \$4 million and 15 new capital projects totaling \$5.9 million, which includes the Courthouse Parking Garage refurbishment at \$3.6 million, the Jail Waterline Improvement for \$783,035, and small facilities projects. Major building projects in the Capital Budget include \$2.1 million for final completion of the new Health and Human Services Building, and \$9.6 million for the new Evidence Building at the Sheriff's Office Aumsville Campus. The Equipment Program and IT Replacement Program are budgeted at \$10.7 million and \$907,780, respectively. In the Public Works Department budget includes \$69.6 million in capital projects. In addition, the county has invested \$3.6 million for Information Technology cyber security upgrades and enhancements.

**Reserve Policy** - The county's General Reserves Policy requires a minimum of one percent Contingency and a minimum of five percent in Ending Fund Balance of the adjusted General Fund Resources. The 2023-24 Proposed Budget's reserves meet the required minimums and include a General Fund Contingency of \$3,261,436 or 3% and an Unappropriated Ending Fund Balance of \$12,309,436 or 11.3% for a total of 14.3 % of the Adjusted General Fund Resources. Total county reserves also include the Rainy-Day Fund reserves of \$2.4 million or 2.2%. The County's General Fund Reserves for unexpected emergencies total \$18.7 million or 16.5% and meets the county's General Reserves Policy.

**American Rescue Plan Act (ARPA) Community Investments** - The 2023-24 ARPA Fund is \$26.6 million reduced from \$59.4 million due to local projects spending down in fiscal year 2022-

23 and \$31 million transferred to the specific department responsible for project implementation. The Board of Commissioners approved projects that invested in our cities and county sewer and water infrastructure projects, funding for the City of Salem Homeless Transition Center, investments in public health, non-profits for food, shelter, prenatal care, parks, and soccer fields, and \$1million to Santiam Hospital for emergency room upgrades, allocations for administrative costs, the county's emergency radio system, and upgrades to information technology systems and investment in cyber security.

***Investing in Our Community***  
***Marion County Strategic Plan Goals***

Marion County's Strategic Plan outlines the county's goals and objectives, and this budget directs where to invest resources to achieve the desired outcomes. Our financial investment, and the number of employees dedicated to delivering the services, as well as the percentage of total budget outlined below.

**Transportation, Infrastructure & Emergency Management – \$181,768,122 Investment  
26.4% of total budget and 236.60 FTE**

The events of recent years underscored the need for continued investment in county emergency management. We created an emergency management director position and are building a new countywide radio system and investing in infrastructure designed to withstand daily use and catastrophic events. We are paving county roads, shoring up bridges, monitoring wastewater, and making our traffic corridors safer through new signals and other traffic control devices. We have streamlined our review process, issue land use decisions in 30 days or less, provide immediate zoning review and inspect and issue building permits. We manage a nationally recognized solid waste management system and are rebuilding our six parks destroyed in the wildfires for community members to enjoy again.

**Public Safety - \$125,427,172 Investment  
18.2% of total budget and 592.95 FTE**

One of the county's primary and most essential functions is public safety. We provide the highest level of public safety services in partnership with our communities. Our deputies protect our community, and our investment supports the essential work they do. This year, our budget continues funding for increased jail capacity, construction of a long overdue evidence building and additional funding for an armored vehicle to protect our officers during public unrest or dangerous situations.

We are investing in the sheriff's office dispatch services, Law Enforcement Assisted Diversion program, and a new case management system for the Justice Court. The District Attorney's Office prosecutes violent and person-to-person crimes including child abuse, juvenile prosecution, advocates for victims of crime, and oversees the medical examiner program. Through our juvenile department we ensure accountability, provide education, and restitution opportunities. We are investing in a culinary program that will provide youth in our care life skills for a better future.

**Health and Human Services - \$103,909,254 Investment**  
**15.1% of total budget and 550.70 FTE**

Our health department provides children's and adult behavioral health services, mental health services, manages residential group homes, and supports the most vulnerable members of our community including clients with development disabilities. We provide maternal and child services, 24-hour crisis services, addiction treatment services, and public health prevention and communicable disease control. We test drinking water and conduct restaurant inspection to ensure the food you eat is safe. We are continuing to invest in community crisis navigators who accompany law enforcement defusing dangerous situations, we provide services to the unsheltered and mentally ill individuals ensuring they receive needed services and treatment. We are finding placements for clients released from the state hospital into community restoration services.

**Operational Efficiency & Quality Service - \$84,015,490 Investment**  
**12.2% of the total budget and 266.60 FTE**

The county commissioners provide leadership on public policy that touches each of our residents in some way. The county invests in general government services that record land sale transactions, provide fair elections, archive historical records, the assessor's office provides assessment and valuation of residential, commercial, farm, and industrial properties, and collects and distributes taxes to 138 taxing districts. Our internal service departments include finance, business services, human resources, information technology, and legal counsel, which all provide support and ensures compliance with laws, regulations, and policies.

**Economic and Community Development - \$60,587,157 Investment**  
**8.8% of total budget and 25.90 FTE**

Through funding sources such as lottery and other grant dollars, the community services department invests in county businesses, providing grant funding and youth wage programs so new businesses can take root and existing businesses can continue to grow. With new investments from funding sources such as Community Development Block Grant and HOME grant opportunities, the county is standing up new housing and providing access for rehabilitation of existing dwellings making housing and home ownership more achievable. Project investments are also occurring in the Santiam Canyon funded by the American Rescue Plan Act and other funding streams. We allocate resources to the Marion County Fair to promote agriculture and tourism. The dog shelter continues to receive and care for lost and stray dogs.

During the challenging times of the last three years, Marion County has never lost focus on why we do what we do. This year's budget continues our investments and provides continuity for our community's future.

### *A Look Toward the Future*

The Oregon Office of Economic Analysis released their May 2023 forecast stating that, “our office’s baseline forecast calls for an economic soft landing, but the recession risks remain real...and a moderate size recession starting in 2024 is possible.”

Oregon depends on new migration for its workforce which has historically been a strength. During the pandemic we lost population and that has not returned. Because our labor market is at full or near capacity, there are not enough workers, and the recruitment and retention of the county’s workforce will continue to get more difficult. There is already a severe nationwide shortage of qualified mental health workers and hiring new law enforcement and corrections personnel is also a challenge.

Last year’s 2022-23 Adjusted Budget of \$715,693,173 was the largest budget in our history. The influx of significant federal one-time funding should be used for one-time projects and should not be relied on for ongoing operational expenditures.

### *The Budget Document*

The budget document has been prepared in accordance with Oregon Budget Law, all 38 funds are balanced by resources and requirements, public notices have been published, and an official copy of the budget has been made available online and for inspection at the Board of Commissioners’ Office. The budget notebook is organized by budget overview, strategic direction, summary by funds, by department and program, non-departmental operations, capital program overview, account detail and appendixes and all funds with the required summary of resources and requirements, and a list of major programs that are funded in part by state resources. Additional schedules and tables, highlights of each department’s goals, objectives, and key indicators that link to the county’s strategic plan are also included.

A special thank you to the budget team of Chief Financial Officer Jeff White, Senior Budget Analyst Daniel Adatto, Budget Analyst 2 Zivile Sliosoraite, who have been phenomenal working with departments, attended dozens of budget team meetings, and created countless spreadsheets to ensure the budget is accurate. I also want to acknowledge the grants and accounting team in finance, as well as the budget staff in each department. A special thank you to Colleen Coons-Chaffins who returned part time and stepped in to assist me and others when needed. It takes months of work to deliver the complex county budget that accurately reflects the budget and financial condition of the county.

The two highest awards given by the national Government Finance Officers Association were once again presented to the Finance Department team in recognition of their work. This is the 12<sup>th</sup> consecutive year the budget team has received the *Distinguished Budget Presentation Award* and the entire finance team has once again proven they rank as one of the best by receiving the *Certificate of Achievement in Financial Reporting* for the 22<sup>nd</sup> year in a row.

### *In Closing*

My sincere appreciation goes once again to the county commissioners and citizen members on the budget committee for your knowledge and understanding of the county and the budget process. We have been fortunate to have Patrick Vance who has a background in health and has served eight terms since 1999. Dave Kinney joined the budget committee in 2007, has served six terms and has extensive city management experience. Denyc Bowles who has legislative budget experience as a state senator and has served on the budget committee since 2017. We could not ask for more knowledgeable and experienced budget committee members who have been willing to serve the county for so long. To the commissioners, I appreciate your knowledge of county operations and departmental programs and your deep connections with the many communities in our county.

I am also mindful of the trust placed in us by our residents. They are the why that drives our work.

As we move into the future, I am confident that we will continue to work in partnership with our communities and strategically invest our resources for the benefit of all. Our county is well-managed, financially strong, and our leaders are responsible stewards of county resources.

Respectfully submitted,



Jan Fritz

Chief Administrative Officer  
Budget Officer