

BOARD OF COMMISSIONERS

MINUTES OF THE BOARD SESSION – Regular Session

Wednesday, June 18, 2014  
9:00 a.m.

Senator Hearing Room  
555 Court Street NE  
Salem, OR 97301

**PRESENT:** Commissioner Sam Brentano, Commissioner Janet Carlson, and Commissioner Kevin Cameron. Also present were John Lattimer as chief administrative officer, Gloria Roy as county counsel and Kim Hulett as recorder.

**PRESENTATION**

CAO Teamwork Award – John Lattimer and Rod Calkins

**Summary of presentation:**

- Presented to Health Department Accreditation Team members Lyndsie Schwarz, Carol Stegall, and Jennifer Eskridge for their work on the accreditation process:
  - Marion County Health Department is the only Health Department in Oregon to be accredited by the Public Health Accreditation Board (PHAB).

Vision Award – Rod Calkins

**Summary of presentation:**

- Presented to Public Health Division Director Pamela Hutchinson for her visionary leadership and work on the Health Department accreditation.

Volunteer Appreciation Award – Bill Burgess, Tom Rohlfling

- Presented to Susan Thompson for over 20 years of service with the Board of Property Tax Appeals.

**PUBLIC COMMENT**

None.

**MOTION:** Commissioner Carlson moved to take the three Treasurer's items under the consent calendar and move them to the action agenda. Seconded by Commissioner Cameron; motion carried. A voice vote was unanimous.

## CONSENT

### BOARD OF COMMISSIONERS

Approve renewal of memorandum of understanding with the Oregon Garden Foundation for \$100,000 for foundation administration and capital equipment purchases.

### HEALTH DEPARTMENT

Approve amendment #14 to the intergovernmental agreement with the Oregon Health Authority for \$424,475 for community addictions and mental health services.

### PUBLIC WORKS

Approve an order appointing Bill Brauer as vice chair of the Marion County Solid Waste Management Advisory Council to a term ending June 30, 2015.

Approve an order reappointing Bonnie Sullivan to the Marion County Solid Waste Management Advisory Council to a term ending June 30, 2018.

### SHERIFF'S OFFICE

Approve amendment #2 to the intergovernmental agreement with the Oregon Department of Corrections to add \$10,960,126 for the second year of the 2014/15 biennial plan.

Approve amendment #1 to the intergovernmental agreement with the Oregon Department of Corrections to add \$511,335 for Measure 57 Community Corrections and extend agreement until June 30, 2015.

Approve amendment #1 to the three contracts with Bridgeway Recovery Services to increase funding for Reentry Initiative and prison diversion services and extend contracts until June 30, 2015:

Contract #1 - \$114,300

Contract #2 - \$38,685

Contract #3 - \$46,260

Approve amendment #1 to the intergovernmental agreement with Chemeketa Community College to add \$90,000 to the SOAR Program and extend the agreement until June 30, 2015.

**MOTION:** Commissioner Carlson moved to approve the consent calendar as amended. Seconded by Commissioner Cameron; motion carried. A voice vote was unanimous

## ACTION

### FINANCE

1. Consider approval of a resolution to adopt the third supplemental budget for fiscal year 2013-14 (**TO BE ACTED ON FOLLOWING PUBLIC HEARING**). – Jeff White, Richard Minaker

2. Consider approval of a resolution to adopt the fiscal year 2014-15 budget, make related appropriations, and impose and categorize property taxes **(TO BE ACTED ON FOLLOWING PUBLIC HEARING)**. – John Lattimer, Jeff White, Richard Minaker

*Video Time (00:15:33)*

### HEALTH

3. Consider approval of an order appointing Sierra Nelson as a student member to the Marion County Health Advisory Board to a term ending June 30, 2015. – Cathy Crocker, Rod Calkins

#### **Summary of presentation:**

- Marion County Public Health Advisory Board (HAB):
  - Exists under Oregon law; and
  - Provides advice from community to Board of Commissioners on public and mental health issues.
- HAB Chair Patrick Vance endorses appointment;
- Sierra Nelson:
  - Junior at Western Oregon University;
  - Plans to become an anesthesiologist; and
  - Would like to serve on HAB to become a better healthcare provider.

#### **Board discussion:**

- Experience:
  - Works with special needs adults;
  - Completed Certified Nursing Assistant (CNA) program;
  - Plans to work with Oregon State Hospital;
- Hopes to provide a different perspective to HAB;
- Student member appointed to one-year term; and
- Board thanked Ms. Nelson for being willing to serve.

**MOTION:** Commissioner Cameron moved approval of an order appointing Sierra Nelson as a student member to the Marion County Health Advisory Board to a term ending June 30, 2015. Seconded by Commissioner Carlson; motion carried. A voice vote was unanimous.

*Video Time (00:23:18)*

### TREASURER

4. Approve an order authorizing the investment of surplus funds by the Marion County Treasurer. **MOVED TO ACTION BY MOTION**

#### **Summary of presentation:**

- Board order presented every fiscal year;
- Surplus funds are funds that will not be needed in the next 12-18 months to cover cash flow needs; and
- Investment of Public Funds Policy:

- Board reviews annually;
- Governs how and what the county can invest in.

**Board discussion:**

None.

**MOTION:** Commissioner Cameron moved approval of an order authorizing the investment of surplus funds by the Marion County Treasurer. Seconded by Commissioner Carlson; motion carried. A voice vote was unanimous.

*Video Time (00:25:29)*

5. Approve a resolution redistributing the following change funds for Public Works Silverton Road campus: **MOVED TO ACTION BY MOTION**

- Surveyor Division – Eliminate a \$50 change fund;
- Building Inspection Division – Reduce existing change fund from \$350 to \$200; and
- Administration Division – Create a second change fund in the amount of \$100 for a second work station at the reception desk. – Laurie Steele

**Summary of presentation:**

- Administrative policy relating to petty cash and change funds updated;
- Currently auditing petty cash and change funds at departments to ensure:
  - Funds are still necessary for doing business;
  - Dollar amount is appropriate;
  - Dollar amount matches board order; and
  - General Ledger accurately reflects amount in board order.
- Treasurer’s Office working with Finance Department on audits;
- Public Works Accounting Supervisor Dennis Mansfield initiated review at Public Works and is making changes that improve accountability and controls; and
- Resolution will decrease the amount of money Public Works has on hand and allow fewer employees to have access to the funds.

**Board discussion:**

None.

**MOTION:** Commissioner Carlson moved approval of a resolution redistributing the following change funds for Public Works Silverton Road campus. Seconded by Commissioner Cameron; motion carried. A voice vote was unanimous.

- Surveyor Division – Eliminate a \$50 change fund;
- Building Inspection Division – Reduce existing change fund from \$350 to \$200; and
- Administration Division – Create a second change fund in the amount of \$100 for a second work station at the reception desk.

*Video Time (00:28:36)*

6. Approve a three-year contract with Elavon, Inc. to provide payment processing services to Marion County. **MOVED TO ACTION BY MOTION**

**Summary of presentation:**

- Existing payment processing services contract expired;
- Metro recently completed RFP process and selected Elavon, Inc.:
  - Metro received lower rate than Marion County could receive due to their transaction volume; and
  - Metro's RFP and contract contains cooperative procurement language that allows Marion County to participate.
- Elavon, Inc. is an expert in the field of payment card industry compliance; and
- Contract is with Elavon, Inc. through U.S. Bank.

**Board discussion:**

None.

**MOTION:** Commissioner Cameron moved approval of a three-year contract with Elavon, Inc. to provide payment processing services to Marion County. Seconded by Commissioner Carlson; motion carried. A voice vote was unanimous.

**PUBLIC HEARINGS  
9:30 A.M.**

*Video Time (00:30:27)*

FINANCE

A. Public hearing to consider adopting the third supplemental budget for fiscal year 2013-14. – Jeff White, Richard Minaker

**Summary of presentation:**

- Senior Budget Analyst Rich Minaker presented the third supplemental budget for fiscal year 2013-14 (Attachment A).

**Testimony:**

None.

**Board discussion:**

- Adjustments in third supplemental budget results in fewer audit exceptions; and
- Finance Department staff commended for their work.

**MOTION:** Commissioner Carlson moved to close the public hearing and approve a resolution adopting the third supplemental budget for fiscal year 2013-14. Seconded by Commissioner Cameron; motion carried. A voice vote was unanimous.

*Video Time (00:39:44)*

B. Public hearing to consider adopting the fiscal year 2014-15 budget, make related appropriations, and impose and categorize property taxes. – John Lattimer, Jeff White, Richard Minaker

**Summary of presentation:**

- Marion County Budget Committee approved budget for adoption; and
- “Budget Committee’s FY 2014-2015 Approved Budget” PowerPoint presentation (Attachment B):
  - Property tax revenues have increased;
  - PERS and other benefits important drivers in budget;
  - Administrative charge methodology changed due to no longer paying lease costs;
  - Marion County 80 percent under statutory limit on debt service; and
  - Chief Administrative Officer proposed 18 decision packages for various operational needs;
  - Recommended Capital Improvement Projects:
    - Health Department building;
    - Jail Complex; and
    - Courthouse parking garage.
- Government Finance Officers Association (GFOA) recommends at least 10 percent of contingencies and ending fund balance in reserves. FY 2014-15 budget is 10.9 percent;
- Board policy requires that the county have a general fund contingency no less than 1 percent of adjusted general fund resources. FY 2014-15 budget 1.8 percent;
- Board policy requires an unappropriated ending fund balance no less than 5 percent of adjusted general fund resources. FY 2014-15 budget 6.1 percent;
- Chief Financial Officer Jeff White reviewed the Rainy Day Reserve Fund as required by Oregon Revised Statute 294.346.

**Testimony:**

None.

**Board discussion:**

- Rainy Day Reserve Fund created in 2004 by resolution:
  - No target dollar amount in resolution;
  - FY 2012-13 \$2 million used to offset Public Employee Retirement System (PERS) increases:
    - Board’s goal to replenish fund.
- General Reserves:

- Policy revised in 2009. General fund unappropriated fund balance reserve which was required to be 8 percent of the general fund revenues, was reduced to 5 percent of general fund revenues;
- Public Hearing properly noticed in Statesman Journal on June 11, 2014.
- Revised resolution reflects minor adjustments made by the Budget Committee;
- Resolution attachment includes Oregon Department of Revenues opinion that statute requires:
  - Columns for both the appropriated budget and unappropriated budget; and
  - Non-departmentally identified lines.
- Board thanked members of the Budget Committee and Budget Development Team.

**MOTION:** Commissioner Cameron moved to close the public hearing and approve a resolution adopting the fiscal year 2014-15 budget, make related appropriations, and impose and categorize property taxes. Seconded by Commissioner Carlson; motion carried. A voice vote was unanimous.

Commissioner Brentano read the weekly calendar.

Commissioner Brentano adjourned the meeting at 10:15 a.m.

Attachments: (A) FY 2013-14 Third Supplemental Budget presentation.  
 (B) Budget Committee's FY 2014-15 Approve Budget PowerPoint presentation.

CHAIR

COMMISSIONER

COMMISSIONER





**Board Session Presentation Notes  
June 18, 2014**

I am Rich Minaker of the Finance Department.

I'm here to present the 3rd Supplemental Budget request for the Marion County FY 2013-14 budget. Oregon Revised Statutes requires that increases to appropriation authority from the original adopted budget must be adopted by the governing body. In addition, any changes to the original adopted budget for expenditures that exceed 10% must be published in a local newspaper and a public hearing must be held to allow for public input on the proposed changes to the budget. Public notice of this supplemental budget was published in the Statesman Journal newspaper in accordance with statutory requirements. The budget information is available on the Marion County website and at the Board's Office reception desk.

Note: >10% County Schools, Facility Renovation, and Non-Departmental Grants funds

Details of the third supplemental budget were reviewed with the Board of Commissioners at Management Update on June 9. The third supplemental budget increases the total budget by **\$5,594,398**. I will discuss **highlights** of the supplemental budget. All amounts will be stated to the nearest one thousand dollars.

The **General Fund** total budget will increase by \$4,000 due to a transfer in from the Children and Families Fund. Both Community Services Department and Justice Court budgets are increased to avoid potential small over-expenditures, \$22,000 and \$10,000, respectively. Contingency is reduced to cover the increases. The Sheriff's Office is decreasing personnel services and increasing materials and services contracted services by \$125,000 to cover increased inmate hospital costs. Contingency is reduced by \$120,000 for a special payment in the form of an operating loan to the Marion County Housing Authority.

The **Capital Improvement Projects Fund** budget will increase \$139,000. The total resource increase is comprised of the following transfers in: \$20,000 transfer in from the Community Corrections Fund, \$112,000 from the Traffic Safety Team Fund, and \$7,000 from the Sheriff Grants Fund. Capital Outlay is increased by \$151,000 by utilizing the transfers in plus a \$12,000 reduction in Contingency. \$131,700 will be used to increase the budget for the Sheriff's Office mobile data system and \$19,000 is allocated to purchase X-Ray security equipment at the county jail.

The **CH2 Redevelopment Fund** has no change in total budget. However, there are major shifts between categories. Utilizing savings, Materials and Services Contracted Services are decreased by \$675,000 and Capital Outlay is decreased by \$650,000. The resultant total \$1,325,000 is reallocated to Transfers Out to the Facility Renovation Fund for the Parking Garage Construction Program.

The **County Schools Fund** budget will increase by \$319,000 from Secure Rural Schools Title II funding not anticipated earlier in the budget process. . The funds will be distributed to county school districts in accordance with state statute requirements.

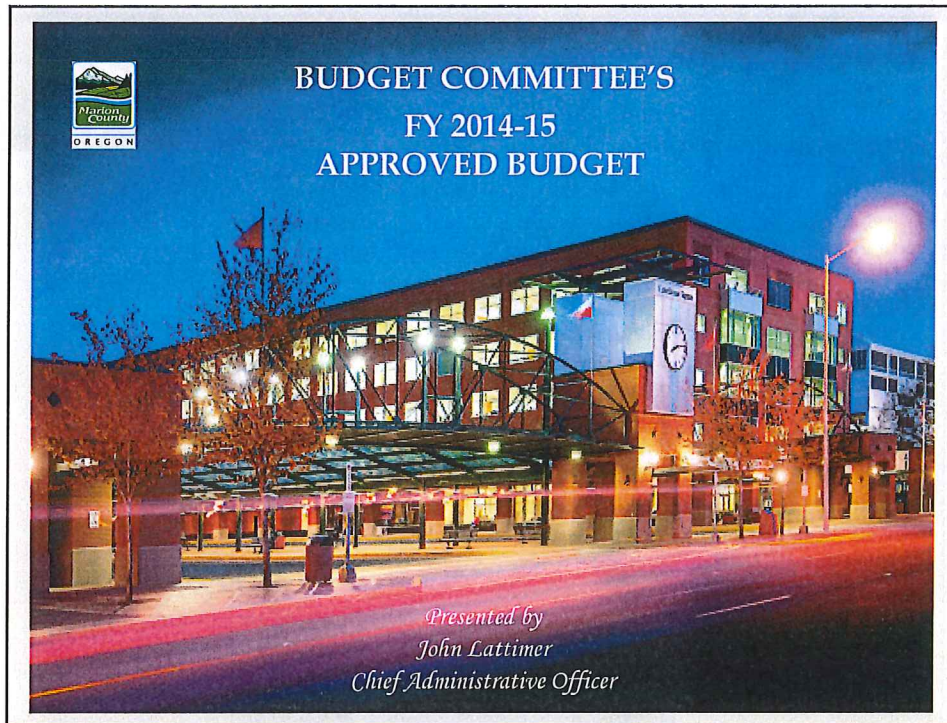
The **Courthouse Square Remediation Fund** budget will not increase but it will have major category shifts. Capital outlay is increased \$250,000 and there is a \$950,000 transfer out to the Facility Renovation Fund for allocation to the Parking Garage Construction Program. Contingency is reduced \$1,200,000 to fund these items.

The **District Attorney Grants Fund** budget will increase by \$145,000 due to an increase in intergovernmental grant funds. \$19,000 is allocated to personnel services to fund a Deputy District Attorney 1 hire March 31 to staff the intergovernmental agreement with the Oregon State Hospital. \$9,000 is allocated to materials and services for various purposes; the balance is allocated to ending fund balance to carry over to next fiscal year.

The **Facility Renovation Fund** will increase by \$2,275,000. The increase is from a \$950,000 transfer in from the Courthouse Square Remediation Fund and a \$1,325,000 transfer in from the CH2 Redevelopment Fund. These amounts are savings in the transfer out funds that are allocated to the Parking Garage Construction Program.

The **Health Fund** budget will increase \$2,334,000. The major revenue increase is restored state funding of \$2,292,000 for adult residential services that had been expected to be transferred to Coordinated Care Organizations. Federal revenue of \$67,000 for a federal incentive for electronic medical record upgrades. The new revenue plus a \$597,000 reduction in contingency is primarily allocated to a \$2.5 million pass-through funding for Developmental Disabilities family support and adult residential services, and \$200,000 to capital outlay for tenant improvements and data connections for a new Beverly Avenue office.

The **Non-Departmental Grants Fund** budget will increase by \$306,000. Unanticipated Secure Rural Schools Title II and III funds received will be allocated \$163,000 to materials and services for pass through funds for Bureau of Land Management forest improvement projects recommended by Resource Advisory Committees, and \$143,000 is allocated to ending fund balance to save for future county search and rescue and forest patrol activities in expectation of no future Title III funding.



**FY 2014-15  
Approved Budget**

**BUDGET & POLICY ISSUES**

- Property Tax Revenue
- PERS and Other Benefits
- Administrative Charge Methodology
- Debt Service
- Decision Packages
- Capital Improvement Projects

2



FY 2014-15  
Approved Budget

**DEPARTMENT BUDGETS**

DEPARTMENT	APPROVED FY 2014-15
Assessor/Tax	\$ 5,535,129
Board of Commissioners	2,152,386
Business Services	6,407,615
Clerk's Office	2,582,392
Community Services	2,749,139
District Attorney's Office	10,413,409
Finance	2,397,711
Health	74,141,984
Informational Technology	8,440,533
Justice Courts	898,946
Juvenile	12,768,329
Legal	1,922,605
Public Works	93,024,335
Sheriff's Office	57,469,800
Treasurer's Office	452,365
<b>TOTAL</b>	<b>\$ 281,356,678</b>

3




FY 2014-15  
Approved Budget

**NON-DEPARTMENTAL & OTHER FUNDS**

FY 2014-15 APPROVED BUDGET	
General Fund	\$ 18,732,783
Central Services	326,907
Block Grant	46,318
CH2 Redevelopment	216,929
County Schools	166,650
Criminal Justice Assessment	1,336,358
Debt Service	6,863,656
Lottery Distribution	2,675,598
Non-Departmental Grants	450,780
Rainy Day	2,203,585
Self- Insurance	34,905,596
Tax Title Land Sales	397,026
<b>TOTAL NON-DEPARTMENTAL</b>	<b>\$ 68,322,186</b>


4



FY 2014-15  
Approved Budget

### CAPITAL PROJECTS 2014-15

PROJECT TITLE	AMOUNT
<b>Infrastructure Renewal Projects</b>	
Health Department	\$ 4,777,575
Sheriff's Jail Complex	\$ 2,161,190
Courthouse Parking Garage	\$ 10,070,265
<b>Total Infrastructure Renewal</b>	<b>\$ 17,009,030</b>
<b>Small Facility Projects</b>	<b>291,176</b>
<b>Equipment/Land &amp; Carryover Projects</b>	<b>866,900</b>
<b>Building/Reserves/Contingency &amp; Transfers</b>	<b>2,984,906</b>
<b>TOTAL CAPITAL PROJECTS FUNDS</b>	<b>\$ 21,152,012</b>
<b>Public Works Roads &amp; Bridges Projects</b>	<b>9,021,104</b>
<b>TOTAL ALL PROJECTS</b>	<b>\$ 30,551,411</b>



FY 2014-15  
Approved Budget

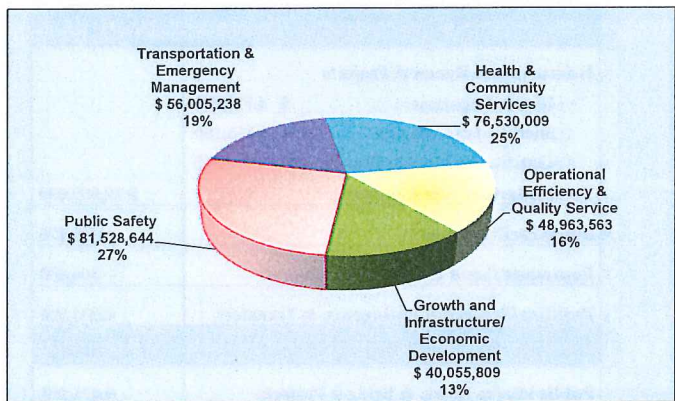
### CONTINGENCIES, RESERVES AND ENDING FUND BALANCE

SOURCE	FY 2014-15 BUDGETED
General Fund Contingency	\$ 1,249,437
General Fund Unappropriated Balance	4,503,262
Rainy Day Fund Unappropriated Reserves	2,203,585
<b>TOTAL</b>	<b>\$ 7,956,284</b>
Percent Of Adjusted General Fund Resources Meets County Policy	10.9%



### FY 2014-15 Approved Budget

#### MAJOR PROGRAM AREAS

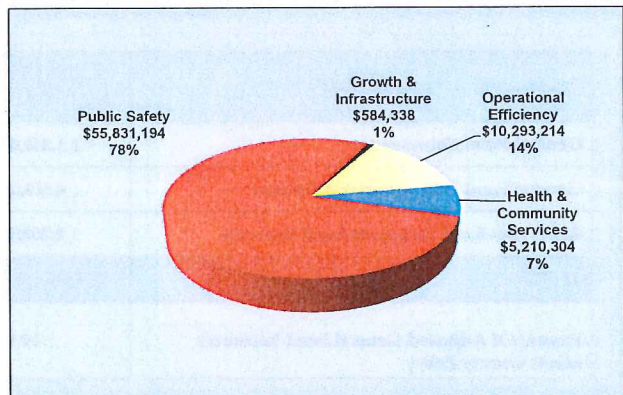


ALL FUNDS OPERATING BUDGETS




### FY 2014-15 Approved Budget


#### MAJOR PROGRAM AREAS



GENERAL FUND OPERATING BUDGETS

 FY 2014-15 Approved Budget			
<b>TOTAL COUNTY RESOURCES &amp; REQUIREMENTS</b>			
	BUDGET COMMITTEE APPROVED FY 2014-15	TECHNICAL ADJUSTMENT FY 2014-15	BOARD APPROVED FY 2014-15
General Fund	\$ 82,390,826		\$ 82,390,826
Other Funds	\$ 288,431,347	\$8,703	\$ 288,440,050
<b>Total County Resources</b>	<b>\$ 370,822,173</b>		<b>\$ 370,830,876</b>
Personnel Services	\$ 126,994,950	\$8,703	\$ 127,003,653
Materials & Services	89,810,651		89,810,651
Administrative Charges	22,113,606		22,113,606
Capital Outlay	30,551,411		30,551,411
Debt Service	7,557,473		7,557,473
Transfers Out	17,804,557		17,804,557
Contingency	18,805,671		18,805,671
Reserves	2,493,584		2,493,584
Ending Fund Balance	54,690,270		54,690,270
<b>Total County Requirements</b>	<b>\$ 370,822,173</b>		<b>\$ 370,830,876</b>

9

 FY 2014-15 Approved Budget	
<b>RESERVE FUNDS</b>	
ORS 294.346	
<ul style="list-style-type: none"> <li>• <b>REQUIRES 10 YEAR REVIEW BY GOVERNING BODY</b></li> <li>• <b>RAINY DAY RESERVE FUND</b> <ul style="list-style-type: none"> <li>◦ Date Established: 6/30/2004</li> <li>◦ Resolution: 04-27R</li> <li>◦ Purpose: Financial Emergencies</li> <li>◦ FY 2014-15 Budget \$2,203,585</li> </ul> </li> <li>• <b>CAPITAL BUILDING &amp; EQUIPMENT RESERVE FUND</b> <ul style="list-style-type: none"> <li>◦ Date Established: 7/25/2007</li> <li>◦ Resolution: 07-19R</li> <li>◦ Purpose: Major Capital Purchases/Projects</li> <li>◦ FY 2014-15 Budget \$289,999</li> </ul> </li> <li>• <b>HEALTH BUILDING RESERVE FUND</b> <ul style="list-style-type: none"> <li>◦ Date Established: 6/30/2008</li> <li>◦ Resolution: 08-20R</li> <li>◦ Purpose: Purchase/Construct Health Department Facility</li> <li>◦ FY 2014-15 Budget \$794,750</li> </ul> </li> </ul>	

10



FY 2014-15  
Approved Budget

**IN CLOSING**

**THANK YOU**

Marion County Budget Team  
Marion County Employees  
Marion County Budget Committee  
Marion County Economic Advisory Council



BUDGET COMMITTEE'S  
FY 2014-15  
APPROVED BUDGET



*Presented by  
John Lattimer  
Chief Administrative Officer*