



**Marion County Annual Budget
Fiscal Year 2013-2014
Budget Officer's Message**

Mission Statement

We serve the public to protect, promote, and enhance a positive quality of life in Marion County.

May 29, 2013

Members of the Budget Committee, Board of Commissioners, and citizens of Marion County:

The Unique Culture of Marion County

Integrated throughout Marion County government is a culture of cooperation, collaboration, and excellence. Commissioners Sam Brentano, Janet Carlson, and Patti Milne have fostered within the county a commitment to quality customer service, transparent and responsive government, and responsible financial stewardship.

We encourage citizen participation in our decision-making processes and seek input from varying constituencies. Keeping citizens informed, providing opportunities for public input, and communicating decisions affecting the community are some of the commissioners' priorities. The board televises regular board meetings, participates in numerous events, public meetings and presentations, write newspaper columns, host local television programs, sponsor annual events, and meet regularly with leaders in cities throughout Marion County.

Working together with our citizens, communities, businesses, state courts and other agencies has cultivated a unique culture that has produced innovative partnerships and programs benefitting our residents and visitors alike.

The Evolving State-County Relationship

For decades, counties have acted as administrative units for the state. The state and counties have long shared the management of key public services in health and human services, public safety, and transportation. The relationship between the county and state government is evolving dramatically as the state consolidates and centralizes more of its programs and services. This change is having an affect on the services historically provided at the local level. The major changes in our relationship, as well as funding levels have been in health care, children and families, public safety, and transportation. Each of these changes will affect our budget with the possibility of fewer resources and less service delivered at the local level and being supervised by locally elected officials.

Health and Human Services—In June of 2011, the legislature passed House Bill 3650 that created a statewide system of Coordinated Care Organizations (CCOs). These organizations were established to manage all health care (physical, mental, dental and addiction services) for individuals under the Oregon Health Plan. The CCO for Marion

and Polk counties is incorporated as a limited liability partnership of several medical providers in the area called Willamette Valley Community Health (WVCH). Unlike other CCO's, both Marion and Polk counties are represented on the board of directors. The commissioners in both counties felt strongly that, if the system was to change, the county interests should be represented on the board. The Marion County Health Department has been providing physical health, mental health and addiction services to clients of the Oregon Health Plan along with the multi-county Behavioral Care Network (BCN) for many years. With the development of WVCH, it is not entirely clear what the long-term role for Marion County's Health Department will be. But in the meantime, the county is providing health services through contracts with WVCH, BCN and the Oregon Health Authority.

The 2011 legislature enacted Senate Bill 909 creating a state-level Early Learning Council to develop and align an early learning system for at-risk children and their families. In the 2012 session, the legislature adopted House Bill 4165 creating community-based coordination of early learning services known as "Early Learning Hubs." The Marion and Polk County commissioners played a critical role in bringing together community service providers and the proposed regional hub that includes Marion County is now being organized as an incorporated non-profit.

The bill also eliminated the State Commission on Children and Families and sunsets the local commission statutes on January 1, 2014, eliminating funds for county commissions at the end of June, 2013. The county's Community Services Department will lose nearly \$1.7 million in state and federal funding along with 3.67 FTE. The department will continue to staff the county's Commission on Children and Families with minimal funding. Pending legislation this session may revise the timelines and payments to local commissions. This will be discussed during the department's presentation to the budget committee.

Public Safety: Adults— The public safety system in Oregon inextricably links the state, counties and cities. The county's deputy district attorneys prosecute offenders and the county jail holds offenders awaiting trial or given less than one year jail terms. The ability to hold offenders in the jail is dependent on the time it takes for the courts to hold their trials and the support we receive from the state to maintain a sufficient number of jail beds. While Marion County has the fifth largest jail in the state, we still have insufficient beds to hold all state, county, and city offenders and must release prisoners according to a matrix that assesses their likelihood of reoffending or the severity of their crimes. The cost to hold an inmate in jail continues to rise with the largest increase in medical costs.

House Bill 2712, passed at the end of the 2011 legislative session, reduced traffic fines and increased the amount of the fine going to the state. This substantially reduced revenues for the jail, Juvenile Department, Sheriff's Office, and Justice Courts. Pending legislation could rectify some of the funding problem.

Public Safety: Juveniles—In 2012, House Bill 4165 created a Youth Development Council and incorporated the Juvenile Crime Prevention Advisory Committee. Last biennium Marion County received \$413,821 through the State Commission on Children and Families for Juvenile Crime Prevention. Roughly \$5.3 million is allocated statewide to counties and tribes through a juvenile population based formula to prevent the imminent involvement of youth in the juvenile justice system or prevent troubled youth from becoming more involved in crime. The Juvenile Department uses Juvenile Crime Prevention funding for our Family Support Program. Referrals are made from law enforcement, schools, and the community on medium and high risk youth ages 9-13 identified with behavioral issues. Interventions support positive youth development, enhance family support, and promote educational stability and success. With the elimination of the State Commission on Children and Families, Juvenile Crime Prevention funding is currently included in the newly formed Youth Development Council Budget. The Youth Development Council has discussed allocating the funding through competitive grants instead of a direct population based allocation. The continuity and ongoing viability of the Family Support Program in Marion County is tied to the allocation of funds through the population based formula.

Transportation— In the past, the Oregon Department of Transportation (ODOT), which administers federal highway funds, had allowed local agencies to design and oversee construction of federal-aid projects if they were able to deliver projects on time and to federal standards. That has changed; to continue doing federal-aid projects, agencies must either be certified by ODOT or rely on qualified and expensive consultants for federal-aid work. Our public works department is now conditionally certified and currently designing demonstration projects whose successful completion will lead to full certification.

Other Significant Issues—State mandated requirements also are creating budget issues. As we began developing this budget, our 2013-2015 composite rate increase of 4.1% for the Public Employees Retirement System (PERS) added substantial cost to the budget. With the passage of SB 822, we will not have to increase the PERS rate, thus easing our budget problems. But, this is a short term reprieve. In two years, the increased costs for PERS eligible employees will return. There is also a statutory requirement that we maintain retirees and current employees in the same risk pool for health insurance adding an actuarially estimated \$852,000 to our health benefit costs. At this time, legislation to rectify this problem has failed to pass in the current session of the legislature. We are service providers and these additional costs of doing business are making it difficult to maintain a full complement of staff for providing the services citizens expect. Another effect of the PERS debate in the legislature is that we are losing many senior employees who have the training and expertise to provide many of our complex services. In the last two months we have lost seven senior deputies from the Sheriff's Office and highly trained and experienced employees in finance, IT and the Health Department. These individuals are difficult to replace and training new employees is costly.

During the 2012 interim between legislative sessions, a task force looking into the future of county law libraries could not arrive at a consensus on a new structure and/or funding

levels. Several bills in the 2013 legislature would have affected the funding of the law library, but the latest legislative update indicates continued funding at current levels.

Budgetary and Policy Issues for FY 2013-14

The following section provides a brief synopsis of the budgetary and policy issues specific to the FY 2013-14 budget.

Consolidated Justice Court—Since the early 1980’s when Justice Courts were established, Marion County has had three justice court locations with two part-time elected justices. As the state continues to reduce the percentage of ticket revenues to the counties, the cost of these courts is unsustainable with current revenues.

Justice Court Budgets FY 2010-11 to FY 2013-14

Year	FY 2010-11	FY 2011-12	FY 2012-13 Estimated	FY 2013-14 Budget
Court Fees & Fines	\$1,490,789	\$1,427,395	\$804,000	788,960
Total Expenditures	777,855	843,777	872,000	919,392
Net Income	712,934	583,618	-68,000	-130,432
Net Income Percent	48%	41%	-8%	-17%

I am recommending that we combine the three court locations into one in order to save lease and staff costs. Beginning in FY 2013-14, we will identify and lease a central location and begin the transition targeted for completion in FY 2014-15 when the current Justice’s term ends in 2014. Combining these courts into one could save as much as \$200,000 per year.

Infrastructure Renewal— Marion County's capital infrastructure is aging and in need of significant remediation (Health Building-1974, Juvenile Administration-1976, Jail-1989, Work Center-1990). The FY 2013-14 budget includes a proposal to borrow \$15 million to address some of the highest priority capital needs. At a time when interest rates are at historic lows, current lease payments can be used for future debt service payments. It is fiscally prudent to invest in and preserve our existing facilities that provide the foundation of our service delivery. When departments return to Courthouse Square, we propose to use the funds, which are no longer necessary for lease costs, to finance the debt service. We propose securing a "line of credit" to borrow funds only as needed to match the project work schedule. Once all projects have been completed over a two to three year period, we intend to convert the final total debt into a long-term note to achieve the best financing terms. With current interest rates at the lowest they have been in years, we can now finance capital needs arising from deferred maintenance and preserve our existing assets.

Administrative Charge Methodology—When we left Courthouse Square (CH2), some of the costs and basis within our administrative charge cost allocation plan had to be changed due to new lease costs and utilities for central service departments. When those departments move back to CH2, changes in their budgets will affect the costs that are allocated to departments in FY 2014-15. Examples include: square footage, utilities,

custodial, and maintenance costs that will need to be factored into department budgets. Along with these technical adjustments to the allocations, we will consider other changes to alleviate spikes in costs due to reductions in grant funds or the elimination of programs. For example, the Sheriff and Juvenile departments have lost grant funds, but did not see the reduction in allocation costs until the following year. The FY 2013-14 proposed budget for the Community Services Department reflects significant reductions in state revenues for the Children and Families program, but administrative charges are based on the previous fiscal year's funding. We will also consider options to assess charges to departments for accumulating resources to pay for long-term building maintenance and information technology equipment and life-cycle renewals in the future.

Covanta Marion, Inc.—The solid waste burner in Brooks is owned and managed by Covanta Corporation. Our 25-year contract with Covanta terminates in June of 2014 and we have been negotiating a new contract for the past two years. We continue to have one of the best solid waste programs in the country as attested to by a national Silver Award from the Solid Waste Association of North America. We share electrical revenues with Covanta, 90% to the county and 10% to Covanta. While the burner generates enough electricity to provide power to a city the size of Woodburn, the revenues from selling that electricity to PGE will be reduced in the next Power Purchase Agreement. PGE has now switched to natural gas from coal, and electricity costs have been cut by a third. This means that they will not pay as much to purchase power from other providers.

Oregon Garden—The Board of Commissioners has agreed that the Oregon Garden Foundation will receive \$100,000 in Lottery dollars each year for five years to make capital improvements and program investments in the garden. In addition, the county and City of Silverton are negotiating a new management agreement with Moonstone Garden Management to operate and maintain the garden. These are important policy choices to maintain the viability of the garden in order to ensure the payment on the bonded debt continues.

Courthouse Square (CH2)— The FY 2013-14 combined budgets for remediation, tenant improvements, and the move back to Courthouse Square will approximate \$17.5 million and is funded by a combination of \$11 million from legal settlements, savings, electrical revenues, transit reimbursements, and a small loan included in the long-term Capital Renewal Plan. The legal settlements were higher than anticipated, so the amount borrowed for CH2 is \$2.5 million instead of the anticipated \$6 million.

The FY 2013-14 Proposed Budget

In 2009, we began right sizing Marion County government to fit within declining revenues due to the 2008 recession. During the intervening years, the County has focused on consolidating programs and becoming more efficient. Except for PERS and health benefits, we have not only stabilized our budget, but ensured a fiscally responsible budget year after year.

In January of 2013, the Board of Commissioners adopted budget parameters to be used by departments in preparing their budgets for submission to the Budget Officer. The

established budget parameters and financial policies guided our management and budget decisions. The budgets have been grouped together by the county's strategic goals and by department, program, and fund. Additional schedules, spreadsheets, key indicators, and detailed documentation are also provided to ensure a comprehensive review of the entire budget. This proposed budget continues our long-term commitment to sustainable programs and except for the loss of state funds and the corresponding reduction in staff, other program staffing levels of the FY 2012-13 budget are maintained.

The Marion County **Fiscal Year 2013-14 Proposed Budget is \$372,286,950**. The General Fund totals **\$78,188,996** and all other funds total **\$294,097,954**. The proposed budget funds **1,305.96 FTE**. This is a reduction of -5.43 FTE from FY 2012-13. In the coming year, we will continue to closely monitor vacancies and eliminate positions, not people. However, Marion County is a service enterprise and it takes people to provide those services. Our employees provide high-quality services to our citizens and the community at large. They are both the means of service delivery and the source of many improvements and innovations. We appreciate their dedication to public service through the past difficult years.

The total budget increased 1.77% or by \$6.5 million compared to the prior year. Our General Fund resources are down for the second consecutive year decreasing by -0.71%, with a decrease in net working capital of -9.3%. Due to fewer General Fund resources, we chose a reduced ending fund balance to preserve services. Therefore, the budget has an ending fund balance of \$3,544,382 or -17.9% less than FY 2012-13.

There are 37 separate dedicated and other funds that are budgeted separately from the General Fund and cannot be used for general purposes. Dedicated and other funds comprise 79% of the total budget or \$294,097,954. State law or prudent financial planning requires the establishment of these funds.

A \$942,899 General Fund contingency amount is budgeted to mitigate unforeseen expenses and our unappropriated ending fund balance of \$3.5 million is 5% of operating revenues per board policy. The ending fund balance, Rainy Day Fund, and contingency totaling \$6.68 million equates to 9.4% of adjusted General Fund resources.

**Resources and Requirements FY 2012-13 and FY 2013-14
And Percent Change**

Resources			
	2012-13*	2013-14	%
	Budget	Proposed	Change
General Fund			
Revenue	\$70,698,597	\$70,887,632	+ .27%
Net Working Capital	8,049,705	7,301,364	-9.30%
Total GF Resources	\$78,748,302	\$78,188,996	- .71%
All Funds			
Resources	\$271,716,285	\$282,023,287	+3.79%
Net Working Capital	94,085,389	90,263,663	-4.06%
Total Funds Resources	\$365,801,674	\$372,286,950	+1.77%
Requirements			
	2012-13*	2013-14	%
	Budget	Proposed	Change
General Fund			
Requirements	\$73,771,237	\$73,701,715	- .09%
Contingency	661,352	942,899	+42.57%
Ending Fund Balance	4,315,713	3,544,382	-17.87%
Total GF Requirements	\$78,748,302	\$78,188,996	- .71%
All Funds			
Requirements	\$289,473,589	\$303,879,755	+4.97%
Contingency	17,106,805	16,128,934	-5.72%
Reserves	5,362,337	5,284,640	-1.45%
Ending Fund Balance	53,858,943	46,993,621	-12.75%
Total Funds Requirements	\$365,801,674	\$372,286,950	+1.77%

*Includes 2nd supplemental

Investment in County Goals

Marion County has and will continue to provide the building blocks for a safe, healthy, resilient community while ensuring a fiscally sound budget. Our investments and accomplishments show the type and breadth of county activities and services.

1. Operational Efficiency and Quality Service—\$45,007,840 and 220.50 FTE

Provide efficient, effective and responsive government through stewardship and accountability.

The Assessor's Office has a newly elected Assessor, Tom Rohlring, and is implementing a new assessment and taxation software package. The Clerk's Office has implemented a new elections system. These changes will cut processing costs and enhance these functions.

Central service departments have been involved in a year-long project to upgrade our Oracle financial management system. I would like to thank those employees from IT, Finance, Human Resources, and the Treasurer's Office who have spent many long hours to ensure the transition to the Oracle upgrade works flawlessly.

2. Growth and Infrastructure—\$38,284,734 and 54.11 FTE

Provide leadership that addresses the continual growth and increasing diversity of Marion County's population and focus resources on best meeting the needs of residents and supporting businesses.

This goal is designed to enhance community development and natural resources. The budgeted programs include Environmental Service, county parks, land use planning, and building inspection, all under the Department of Public Works. The county has one of the best programs in Oregon's recycling effort for a cleaner environment. It achieved a 60.8% recycling rate in our solid waste program and expects to increase to 62 % in 2013.

3. Public Safety—\$80,344,131 and 536.80 FTE

Pursue a safe and secure community by protecting the people, property, and economy of Marion County.

In August 2012, we held the 7th annual "Striking Out Meth in Marion County" at Volcanoes Stadium. The event provided tickets to the baseball game, meal vouchers, t-shirts, and baseballs to nearly 600 youth and their chaperones. Collaboration between all of the law enforcement agencies throughout the county is part of a culture that provides a safer environment for our citizens.

The Marion County Reentry Initiative (MCRI) was selected as one of eight sites to participate in a national demonstration project evaluation. The US Bureau of Justice provided funds for prison reach-ins, educational opportunities, housing, employment assistance, and cognitive and treatment programming for adults leaving prison.

The Marion County Juvenile Department developed a partnership with the State of Oregon's Child Welfare Office, the District Attorney, state courts and local defense attorneys to put in place policies that recognize the impacts of abuse and neglect on youth who may "crossover" into the juvenile justice system. These policies help to reduce the numbers of youth participating in illegal behavior.

The Sheriff's Office Parole and Probation Division continued its trend of reducing recidivism from the previous year in both post-prison supervision and probation populations. This reduction in criminal activity directly translates into a safer community, substantial savings in the criminal justice system, and fewer victims.

The Sheriff's Office also took over the management of the Code Enforcement program last year as it is closely aligned with their community policing philosophy.

4. Economic Development—\$3,180,343 and .51 FTE

Demonstrate a supportive attitude toward employers, business, and property owners that promotes economic development and high standards of livability in Marion County.

The Board of Commissioners adopted a resolution declaring that “agriculture and commercial activities in conjunction with farm use hold a high priority in economic development in Marion County.” Marion County is a leader in producing farm revenue in the state at \$618.8 billion in 2011, the board will continue to support the agricultural economy.

5. Transportation—\$ 56,168,376 and 129.24 FTE

Provide a safe, efficient and reliable transportation system and maintain vital infrastructure in the best condition available resources allow.

The Public Works Department resurfaced 22.7 miles of county roads, assisted the City of Turner with flood mitigation, and received funding to replace the Whipper Bridge damaged in the 2012 Turner flood. The department is continuing to work on ODOT certification for federal-aid projects.

6. Health and Community Services—\$ 69,071,263 and 361.55 FTE

Promote the overall health of people in Marion County by improving the delivery of quality health services and supporting community-based prevention efforts.

The Health Department established a Crisis Outreach Response Team (CORT) with the Sheriff’s Office. This is an innovative project designed to channel persons with mental illness away from the criminal justice system and into treatment. CORT partners a sheriff’s deputy with a mental health specialist providing outreach to persons who have had multiple contacts with law enforcement. The Health Department also implemented a pilot project that will allow healthcare providers to exchange client information securely within the department and with their partners, including state healthcare agencies. In the coming year the Health Department is seeking accreditation for its public health division from the National Health Accreditation Board. This board is attempting to enhance public health performance, but only eleven public health departments are accredited nationwide.

The Community Services Department manages Children and Families, Dog Services, the Marion County Fair and OSU Extension. This change in 2012 provided a single home for all of these services and will create administrative efficiencies. The Community Services Department continues with resource development for the “Reading for All” program and has assisted with the development of the “DrxugSafe” program with the Public Safety Coordinating Council. The department will continue to staff the Commission on Children and Families and will work to improve dog licensure for the dog shelter.

7. Emergency Management—\$748,121 and 3.25 FTE

Proactively plan, review, and maintain a comprehensive emergency management program.

The few staff in the Emergency Management Division of the Public Works Department can mobilize many more employees during an emergency. For example, along with the Sheriff's Office and Health Department, Public Works and many other agencies assisted the city of Turner with their flood mitigation.

Non-Operating Budgets

In addition to the program investments made by individual goals, the county proposed budget also include the following non-operating budgets:

Non-Operating—\$44,871,506 These programs and projects are not assigned to specific departments. Payments include self-insurance, county schools, and contributions to outside agencies working in Marion County,

The budget contains an appropriation of \$1,549,300 from the General Fund for debt service on refunding obligations for the Courthouse Square bonds. In addition, we pay \$4.3 million as a department payroll cost for two Limited Tax Pension Obligations issued by the county to provide for the county's unfunded actuarial liability with PERS.

FY 2013-14 Capital Improvements Projects

Capital Improvement Projects (CIP's)—\$34,610,636 With the increasing reliance on information technology for every day enterprise activities, the Information Technology Department has created a strategic plan along with a life-cycle replacement methodology for all technical equipment—servers, desk top and mobile devices, software as well as network systems and phone switches. In order to implement the plan, we have appropriated funding for “enterprise advanced authentication” in order to secure remote access into the county network and provided for enhanced disaster recovery capabilities along with expanded storage providing protection for our county's mission critical systems. With this budget, we are funding Phase II of our web content and management software. Our current system will be de-supported in 2014 and the new system will provide the ability to tightly integrate with existing county products and give us the ability to modernize access to the Web as well as improve the public look and feel of our internet presence in the community.

Capital improvement projects totaling \$34,610,636 include:

- Projects carried forward from FY 2012-13, \$19,065,636;
- General Fund CIP's for FY 2013-14, \$545,000;
- Long-term Capital Renewal Plan loan, \$15,000,000.

Projects begun in the current fiscal year and not complete will be carried forward into FY 2013-14 as outlined below.

PROJECTS CARRIED FORWARD FROM FY 2012-13

DEPARTMENT/FUNDS	PROJECT	AMOUNT
Assessor	Assessment-Taxation System	\$ 1,404,705
Board of Commissioners	CH2 Remediation	15,174,934
Facilities	Sheriff Court Annex	98,197
Finance	Contract Management	150,000
Information Technology	Sheriff's Office – Mobile Data Units	225,000
	Web Design	100,000
Non-General Reserves		1,429,240
Contingency/Other		483,560
TOTAL		\$19,065,636

We are recommending an appropriation of \$545,000 in General Funds for FY 2013-14 to accomplish several IT projects and purchase equipment for the jail.

GENERAL FUND CIP's for FY 2013-14

DEPARTMENT	PROJECT	AMOUNT
Business Services: Facilities	Jail-Water Heater	\$ 20,000
	Jail-Cold Storage	71,000
	Jail-Two Washers	26,000
	Jail-Dryer	8,000
Information Technology	Web Content	125,000
	Authentication	105,000
	Disaster Recovery	190,000
TOTAL		\$545,000

Long-Term Capital Renewal Plan

In May of 2014, Marion County will move back into Courthouse Square. This move will end a nearly four-year hiatus driven by the need to remediate the office building and adjoining transit mall. We will be moving departments into the building currently paying nearly \$1 million a year in lease costs. While the remediation of Courthouse Square is a one-time cost, the lease savings will go forward in the future. Also, we are moving the

Clerk’s leased elections office into Courthouse Square. The elections office has been housed in very expensive leased space for many years and this move will save lease costs of \$200,716 per year.

The county has several aging buildings and, as we move forward, we have included a funding initiative for renewal of the county’s infrastructure. We upgraded the Courthouse in FY 2009-10 and FY 2010-11 and have remediated Courthouse Square. Now, I am recommending implementation of our long range plan for maintaining the remaining infrastructure. We have outlined a life-cycle renewal plan for our mechanical, electrical and plumbing equipment (MEP) as well as for our information technology. However, implementation of a long range plan will require bringing this infrastructure to current standards. Then we will be able to budget over time for maintaining the useful life of all our buildings and equipment as it is needed.

Beginning with this budget, we are recommending a system for funding the renewal of several aging heating, ventilating and cooling (HVAC) systems at the jail, work release center, and court annex. The Health Department is budgeting \$100,000 for the engineering design of a new mechanical system in the health building and the capital funding plan includes new boilers and energy efficient windows. We also provide funding for new roofs on various sections of the jail and sealing the walls of D and E pods.

Finally, I am recommending that we upgrade the parking garage behind the Courthouse. While in need of seismic repair and with the movement of the Elections Division downtown, it is too small for the needs of voters, jurors, and others attending court proceedings or county meetings.

PROPOSED LOAN FY 2013-14

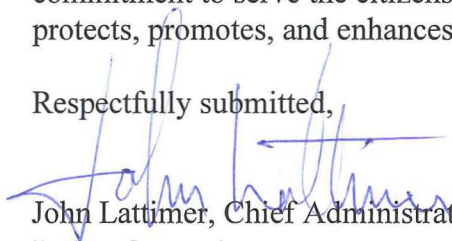
PROJECT TITLE	PROJECT DETAILS	AMOUNT
CH2 Remediation:		\$ 2,500,000
Heating/Cooling Systems:		
	Work Release Center	1,200,000
	Jail	1,565,000
	Health	1,300,000
Health:	Boilers & Windows	850,000
Jail:	Jail Roofs	1,155,000
	Paint D & E Pods in Jail	175,000
Courthouse Parking:	Parking Garage	6,255,000
TOTAL LOAN		\$ 15,000,000

In Closing

I am proud to announce that the Government Finance Officers Association of the United States and Canada (GFOA) has awarded Marion County its second Distinguished Budget Presentation Award for the FY 2012-13 budget document. To receive this award, the Finance Department had to satisfy nationally recognized guidelines for effective government budgets.

I would like to thank the entire budget team for their hard work and dedication and the Marion County Council of Economic Advisors who helped us develop our revenue estimates. As always, I thank the Board of Commissioners and the citizen members of the Budget Committee for maintaining high standards of fiscal responsibility and a commitment to serve the citizens of Marion County in a fiscally prudent manner that protects, promotes, and enhances a positive quality of life.

Respectfully submitted,



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MARION COUNTY FY 2013-14 BUDGET
BUDGET MESSAGE

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MARION COUNTY FY 2013-14 BUDGET
BUDGET COMMITTEE AND BOARD ACTIONS

BUDGET COMMITTEE ACTIONS

The Marion County Budget Committee made a number of changes to the Budget Officer's proposed budget. The changes affect several department budgets. They reflect Compensation Board recommendations for pay increases for two elected officials. Budget changes too late to incorporate into the Budget Officer's proposed budget are also included. The Budget Committee approved changes that reduced the proposed total county budget by \$759,050.

Budget Committee Changes by Program

	FY 13-14 PROPOSED BUDGET	BUDGET COMMITTEE ADJUSTMENTS	FY 13-14 APPROVED BUDGET
Department: Clerk's Office			
Program: Clerk Administration			
RESOURCES			
General Fund Transfers	204,209	4,816	209,025
TOTAL RESOURCES	204,209	4,816	209,025
REQUIREMENTS			
Personnel Services			
Salaries and Wages	99,213	3,539	102,752
Fringe Benefits	49,771	1,277	51,048
Total Personnel Services	148,984	4,816	153,800
Materials and Services			
Supplies	1,610	0	1,610
Materials	0	0	0
Communications	150	0	150
Utilities	2,068	0	2,068
Contracted Services	100	0	100
Rentals	9,832	0	9,832
Miscellaneous	9,140	0	9,140
Total Materials and Services	22,900	0	22,900
Administrative Charges	32,325	0	32,325
TOTAL REQUIREMENTS	204,209	4,816	209,025

The Clerk Administration Program change reflects a 4.66% pay increase for the County Clerk as recommended by the County Compensation Board. Additional General Fund support was required to fund the Personnel Services increase.

MARION COUNTY FY 2013-14 BUDGET
BUDGET COMMITTEE AND BOARD ACTIONS

	FY 13-14 PROPOSED BUDGET	BUDGET COMMITTEE ADJUSTMENTS	FY 13-14 APPROVED BUDGET
Department: Sheriff's Office			
Program: Sheriff's Office Operations			
Support			
RESOURCES			
Intergovernmental Federal	11,500	0	11,500
Intergovernmental State	705,195	1,864	707,059
Charges for Services	280,250	0	280,250
Other Revenues	0	0	0
General Fund Transfers	3,909,682	5,898	3,915,580
Other Fund Transfers	0	0	0
Net Working Capital	231,186	0	231,186
TOTAL RESOURCES	5,137,813	7,762	5,145,575
REQUIREMENTS			
Personnel Services			
Salaries and Wages	1,752,784	5,703	1,758,487
Fringe Benefits	926,638	2,059	928,697
Total Personnel Services	2,679,422	7,762	2,687,184
Materials and Services			
Supplies	231,323	0	231,323
Materials	3,950	0	3,950
Communications	48,597	0	48,597
Utilities	32,230	0	32,230
Contracted Services	1,004,753	0	1,004,753
Repairs and Maintenance	61,598	0	61,598
Rentals	94,851	0	94,851
Insurance	300	0	300
Miscellaneous	147,301	0	147,301
Total Materials and Services	1,624,903	0	1,624,903
Administrative Charges	595,186	0	595,186
Capital Outlay	0	0	0
Contingency	238,302	0	238,302
TOTAL REQUIREMENTS	5,137,813	7,762	5,145,575

The Sheriff's Office Operations Support change reflects a 5% pay increase for the County Sheriff as recommended by the County Compensation Board. Additional General Fund support was required to fund that part of the whole position funded by General Fund, and additional state community corrections grant-in-aid was shifted from the Parole and Probation Support Program in order to consolidate the total increase to Personnel Services in one program.

MARION COUNTY FY 2013-14 BUDGET
BUDGET COMMITTEE AND BOARD ACTIONS

	FY 13-14 PROPOSED BUDGET	BUDGET COMMITTEE ADJUSTMENTS	FY 13-14 APPROVED BUDGET
Department: Sheriff's Office			
Program: Parole and Probation Support			
RESOURCES			
Intergovernmental State	5,762,579	(1,864)	5,760,715
Charges for Services	0	0	0
Other Fund Transfers	0	0	0
Net Working Capital	516,088	0	516,088
TOTAL RESOURCES	6,278,667	(1,864)	6,276,803
REQUIREMENTS			
Personnel Services			
Salaries and Wages	957,877	0	957,877
Fringe Benefits	557,870	0	557,870
Total Personnel Services	1,515,747	0	1,515,747
Materials and Services			
Supplies	84,862	0	84,862
Materials	23,630	0	23,630
Communications	65,706	0	65,706
Utilities	18,168	0	18,168
Contracted Services	61,154	0	61,154
Repairs and Maintenance	36,000	0	36,000
Rentals	254,097	0	254,097
Insurance	240	0	240
Miscellaneous	55,820	0	55,820
Total Materials and Services	599,677	0	599,677
Administrative Charges	392,234	0	392,234
Transfers Out	3,533,197	0	3,533,197
Contingency	237,812	(1,864)	235,948
TOTAL REQUIREMENTS	6,278,667	(1,864)	6,276,803

The change to the Parole and Probation Support Program is reduction of Intergovernmental State community corrections grant-in-aid funds revenue with a corresponding decrease in Contingency. The amount of revenue reduced was re-budgeted to the Sheriff's Office Operations Support Program.

MARION COUNTY FY 2013-14 BUDGET
BUDGET COMMITTEE AND BOARD ACTIONS

	FY 13-14 PROPOSED BUDGET	BUDGET COMMITTEE ADJUSTMENTS	FY 13-14 APPROVED BUDGET
Department: Public Works			
Program: Environmental Services			
RESOURCES			
Taxes	290,000	0	290,000
Intergovernmental Federal	4,500	0	4,500
Intergovernmental State	0	0	0
Charges for Services	20,378,500	0	20,378,500
Fines and Forfeitures	0	0	0
Interest	83,166	0	83,166
Other Revenues	329,800	0	329,800
Other Fund Transfers	0	0	0
Net Working Capital	13,451,582	0	13,451,582
TOTAL RESOURCES	34,537,548	0	34,537,548
REQUIREMENTS			
Personnel Services			
Salaries and Wages	1,546,140	0	1,546,140
Fringe Benefits	896,412	0	896,412
Total Personnel Services	2,442,552	0	2,442,552
Materials and Services			
Supplies	193,502	0	193,502
Materials	72,194	0	72,194
Communications	25,300	0	25,300
Utilities	45,300	0	45,300
Contracted Services	16,534,773	0	16,534,773
Repairs and Maintenance	342,100	0	342,100
Rentals	92,990	0	92,990
Insurance	0	0	0
Miscellaneous	318,370	0	318,370
Total Materials and Services	17,624,529	0	17,624,529
Administrative Charges	1,226,057	0	1,226,057
Capital Outlay	132,000	0	132,000
Debt Service Principal	0	85,000	85,000
Debt Service Interest	0	5,950	5,950
Special Payments	0	0	0
Transfers Out	0	0	0
Contingency	3,105,330	909,050	4,014,380
Ending Fund Balance	10,007,080	(1,000,000)	9,007,080
TOTAL REQUIREMENTS	34,537,548	0	34,537,548

The Environmental Services Program changes begin with Budget Committee approval to reduce Ending Fund Balance by \$1,000,000. This was done in order to appropriate funds for the Debt Service Principal and Debt Service Interest payments and for Contingency. The debt service is the first year payment on a ten-year loan received in FY 2012-13 from the Public Works Fund/Public Works Administration Program. Contingency is increased due to revenue and expenditures uncertainties regarding the recently implemented non-ferrous metal recovery operations and the recent turbine shutdown at the waste-to-energy facility.

MARION COUNTY FY 2013-14 BUDGET
BUDGET COMMITTEE AND BOARD ACTIONS

	FY 13-14 PROPOSED BUDGET	BUDGET COMMITTEE ADJUSTMENTS	FY 13-14 APPROVED BUDGET
Department: Public Works			
Program: Public Works Administration			
RESOURCES			
Licenses and Permits	0	0	0
Intergovernmental Federal	9,500	0	9,500
Intergovernmental State	272,820	0	272,820
Charges for Services	658,085	0	658,085
Interest	69,000	5,950	74,950
Other Revenues	2,000	85,000	87,000
General Fund Transfers	4,000	0	4,000
Other Fund Transfers	10,510	0	10,510
Net Working Capital	17,470,973	(850,000)	16,620,973
TOTAL RESOURCES	18,496,888	(759,050)	17,737,838
REQUIREMENTS			
Personnel Services			
Salaries and Wages	1,141,509	0	1,141,509
Fringe Benefits	632,939	0	632,939
Total Personnel Services	1,774,448	0	1,774,448
Materials and Services			
Supplies	39,127	0	39,127
Materials	29,294	0	29,294
Communications	6,000	0	6,000
Utilities	193,900	0	193,900
Contracted Services	90,625	0	90,625
Repairs and Maintenance	164,000	0	164,000
Rentals	43,396	0	43,396
Miscellaneous	10,910	0	10,910
Total Materials and Services	577,252	0	577,252
Administrative Charges	435,105	0	435,105
Capital Outlay	445,000	0	445,000
Contingency	385,557	90,950	476,507
Ending Fund Balance	14,879,526	(850,000)	14,029,526
TOTAL REQUIREMENTS	18,496,888	(759,050)	17,737,838

The Public Works Administration Program change is Budget Committee approval of an \$850,000 decrease in Net Working Capital to reflect a planned (and subsequently implemented) FY 2012-13 third supplemental budget adjustment in this program. The prior year adjustment provided for a ten year loan of \$850,000 to the Environmental Services Program. This meant that the Public Works Administration Program had \$850,000 less funds to carry forward into FY 2013-14. The Ending Fund Balance was reduced by a corresponding amount.

Another approved budget change was an increase to Resources to record the first year payment of interest of \$5,950 and principal \$85,000 to be received from the Environmental Services Program on the ten-year loan. This revenue was allocated to Contingency.

MARION COUNTY FY 2013-14 BUDGET
BUDGET COMMITTEE AND BOARD ACTIONS

	FY 13-14 PROPOSED BUDGET	BUDGET COMMITTEE ADJUSTMENTS	FY 13-14 APPROVED BUDGET
Non-Departmental			
Program: Lottery Distribution			
RESOURCES			
Intergovernmental State	1,432,553	0	1,432,553
Interest	2,856	0	2,856
Other Fund Transfers	0	0	0
Settlements	188,013	0	188,013
Net Working Capital	1,154,383	0	1,154,383
TOTAL RESOURCES	2,777,805	0	2,777,805
REQUIREMENTS			
Materials and Services			
Contracted Services	534,153	100,000	634,153
Miscellaneous	4,000	0	4,000
Total Materials and Services	538,153	100,000	638,153
Administrative Charges	9,344	0	9,344
Debt Service Principal	452,549	0	452,549
Debt Service Interest	99,515	0	99,515
Transfers Out	324,000	0	324,000
Contingency	250,116	0	250,116
Ending Fund Balance	1,104,128	(100,000)	1,004,128
TOTAL REQUIREMENTS	2,777,805	0	2,777,805

The adjustment to the Lottery Distribution Program was to shift funds from Ending Fund Balance to Contracted Services. This additional funding was requested by the Economic Development Advisory Board to enable expansion of funding of local economic development projects.

MARION COUNTY FY 2013-14 BUDGET
BUDGET COMMITTEE AND BOARD ACTIONS

	FY 13-14 PROPOSED BUDGET	BUDGET COMMITTEE ADJUSTMENTS	FY 13-14 APPROVED BUDGET
Non-Departmental			
Program: General Fund Non-Departmental			
RESOURCES			
Taxes	58,634,457	0	58,634,457
Licenses and Permits	60,000	0	60,000
Intergovernmental Federal	183,828	0	183,828
Intergovernmental State	4,065,042	0	4,065,042
Charges for Services	2,714,220	0	2,714,220
Fines and Forfeitures	0	0	0
Interest	450,150	0	450,150
Other Revenues	15,000	0	15,000
General Fund Transfers	(57,853,581)	(10,714)	(57,864,295)
Other Fund Transfers	75,000	0	75,000
Net Working Capital	7,301,364	0	7,301,364
TOTAL RESOURCES	15,645,480	(10,714)	15,634,766
REQUIREMENTS			
Materials and Services			
Materials	0	0	0
Utilities	439,221	0	439,221
Contracted Services	378,468	0	378,468
Repairs and Maintenance	23,366	0	23,366
Insurance	91,756	0	91,756
Miscellaneous	211,463	0	211,463
Total Materials and Services	1,144,274	0	1,144,274
Administrative Charges	736,867	0	736,867
Debt Service Principal	280,000	0	280,000
Debt Service Interest	3,080	0	3,080
Transfers Out	8,993,978	0	8,993,978
Contingency	942,899	(10,714)	932,185
Ending Fund Balance	3,544,382	0	3,544,382
TOTAL REQUIREMENTS	15,645,480	(10,714)	15,634,766

In the General Fund Non-Departmental Program, Contingency was reduced by \$10,714 in order to fund pay increases recommended by the Compensation Board. This allowed increases in General Fund Transfers to the Clerk's Office and the Sheriff's Office.

MARION COUNTY FY 2013-14 BUDGET
BUDGET COMMITTEE AND BOARD ACTIONS

Budget Committee Changes by Fund

Countywide Summary FY 2013-14 Budget

	BUDGET COMMITTEE CHANGES						TOTAL CHANGES	BUDGET COMMITTEE APPROVED
	BUDGET OFFICER PROPOSED	GENERAL FUND CHANGES	COMMUNITY CORRECTIONS FUND CHANGES	LOTTERY DISTRIBUTION FUND CHANGES	PUBLIC WORKS FUND CHANGES	ENVIRONMENTAL SERVICES FUND CHANGES		
RESOURCES								
Taxes	58,924,457	0	0	0	0	0	0	58,924,457
Licenses and Permits	2,496,728	0	0	0	0	0	0	2,496,728
Intergovernmental Federal	16,215,530	0	0	0	0	0	0	16,215,530
Intergovernmental State	56,605,406	0	0	0	0	0	0	56,605,406
Intergovernmental Local	19,414,759	0	0	0	0	0	0	19,414,759
Charges for Services	64,960,777	0	0	0	0	0	0	64,960,777
Admin Cost Recovery	23,492,208	0	0	0	0	0	0	23,492,208
Fines and Forfeitures	2,526,892	0	0	0	0	0	0	2,526,892
Interest	755,334	0	0	0	5,950	0	5,950	761,284
Other Revenues	4,573,048	0	0	0	85,000	0	85,000	4,658,048
General Fund Transfers	8,953,205	0	0	0	0	0	0	8,953,205
Other Fund Transfers	7,876,930	0	0	0	0	0	0	7,876,930
Settlements	228,013	0	0	0	0	0	0	228,013
Financing Proceeds	15,000,000	0	0	0	0	0	0	15,000,000
Net Working Capital	90,263,663	0	0	0	(850,000)	0	(850,000)	89,413,663
TOTAL RESOURCES	372,286,950	0	0	0	(759,050)	0	(759,050)	371,527,900
REQUIREMENTS								
Personnel Services								
Salaries and Wages	79,778,128	7,873	1,369	0	0	0	9,242	79,787,370
Fringe Benefits	41,464,498	2,842	494	0	0	0	3,336	41,467,834
Total Personnel Services	121,242,626	10,715	1,863	0	0	0	12,578	121,255,204
Materials and Services								
<i>Supplies</i>	4,641,918	0	0	0	0	0	0	4,641,918
<i>Materials</i>	4,035,786	0	0	0	0	0	0	4,035,786
<i>Communications</i>	1,040,508	0	0	0	0	0	0	1,040,508
<i>Utilities</i>	2,094,189	0	0	0	0	0	0	2,094,189
<i>Contracted Services</i>	47,254,925	0	0	100,000	0	0	100,000	47,354,925
<i>Repairs and Maintenance</i>	3,181,312	0	0	0	0	0	0	3,181,312
<i>Rentals</i>	4,937,861	0	0	0	0	0	0	4,937,861
<i>Insurance</i>	23,588,201	0	0	0	0	0	0	23,588,201
<i>Miscellaneous</i>	2,333,457	0	0	0	0	0	0	2,333,457
Total Materials and Services	93,108,157	0	0	100,000	0	0	100,000	93,208,157
Administrative Charges	21,291,885	0	0	0	0	0	0	21,291,885
Capital Outlay	44,588,885	0	0	0	0	0	0	44,588,885
Debt Service Principal	2,984,599	0	0	0	0	85,000	85,000	3,069,599
Debt Service Interest	3,251,248	0	0	0	0	5,950	5,950	3,257,198
Special Payments	551,957	0	0	0	0	0	0	551,957
Transfers Out	16,860,398	0	0	0	0	0	0	16,860,398
Contingency	16,128,934	(10,715)	(1,863)	0	90,950	909,050	987,422	17,116,356
Reserves	5,284,640	0	0	0	0	0	0	5,284,640
Ending Fund Balance	46,993,621	0	0	(100,000)	(850,000)	(1,000,000)	(1,950,000)	45,043,621
TOTAL REQUIREMENTS	372,286,950	0	0	0	(759,050)	0	(759,050)	371,527,900

Budget Committee approved changes to funds shown above reflect the same changes that were made in the programs previously discussed. In fact, the Environmental Services Fund and the Environmental Services Program are identical operationally and financially, as are the Lottery Distribution Fund and the Lottery Distribution Program.

MARION COUNTY FY 2013-14 BUDGET
BUDGET COMMITTEE AND BOARD ACTIONS

BOARD OF COMMISSIONERS' ACTION

The Marion County Board of Commissioners met on June 19, 2013 and adopted the budget and tax rate as approved by the Budget Committee, with the exception of a technical adjustment. The technical adjustment was necessary to bring "Transfers Out" in balance with "Transfers In" among all funds. The net result is a reduction in General Fund "Transfers Out" by \$40,773 and an increase in General Fund Contingency by the same amount.

MARION COUNTY FY 2013-14 BUDGET
BUDGET COMMITTEE AND BOARD ACTIONS

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