

MARION COUNTY FY 2010-11 BUDGET
SUMMARIES

BUDGET OVERVIEW

The fiscal year 2010-2011 proposed budget totals \$350,626,714. This is a \$7,618,001 increase from the total fiscal year 2009-2010 final budget of \$343,008,713. Oregon local budget law requires a balanced budget to be adopted by the governing body. Therefore, total resources and total requirements are both equal to this amount.

The budget includes a \$77,518,080 General Fund and \$273,108,634 for all other funds. Some county departments are funded partially or entirely through the General Fund which includes property tax revenues and fees. The majority of non-General Fund revenues are federal, state and other agencies' contracts and grants that must, by law, be spent for specific purposes.

Resources

In addition to revenues expected to be collected during the fiscal year, local budget law requires other available resources to be disclosed in the budget, including beginning net working capital, internal transactions, and transfers. These together are referred to as resources. Revenues are those funds received during the course of the fiscal year from outside sources. Beginning net working capital is that portion of the prior fiscal year ending fund balance available to finance the succeeding fiscal year's budget. Marion County's internal transactions are transactions between funds resulting from one department providing a service to another. On the resources side, they are called administrative cost recoveries. The sum of revenues, working capital, internal transactions and transfers are the total resources. The total resources budget is \$350,626,714.

FY 2010-2011 Resources					
Fund	Net Working Capital	Administrative Cost Recoveries	Transfers In	Current Revenues	Total Resources
General Fund	7,260,198	-	4,240,914	66,016,968	77,518,080
All Other Funds	78,464,592	23,847,151	17,598,482	153,198,409	273,108,634
total	85,724,790	23,847,151	21,839,396	219,215,377	350,626,714
% of total	24%	7%	6%	63%	100%

Requirements

The amount planned for expenditure during the fiscal year is considerably less than the total budget. Oregon local budget law requires reporting of expenditures, internal transactions between funds, transfers, contingencies, and unappropriated ending fund balance in the total budget. These together are referred to as requirements.

The total budget includes internal transactions and transfers that are counted twice. Internal transactions are transactions between funds resulting from one department providing a service to another. On the expenditure side they are referred to as internal service ("administrative") charges. Transfers are a special type of internal transaction that involves transferring resources out of one fund into another fund. For example, funds are transferred out of the General Fund into the Capital Improvement Projects Fund. In the General Fund, the transfer out is an expenditure, and in the Capital Improvement Projects Fund the incoming transfer is a resource which is in turn allocated to expenditures. The total budget includes an allocation for contingency. A subsequent budget amendment is required to transfer appropriation authority from this category into expenditure categories. The total budget also includes unappropriated reserves and unappropriated ending fund balance (collectively, unappropriated balance) that cannot be expended during the year while they are budgeted in those categories.

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The total requirements budget is \$350,626,714. This is the sum of the expenditures, administrative charges, transfers out, contingency, reserves, and ending fund balance.

The expenditures budget is \$283,019,959. This is the total of direct expenditures, administrative charges (internal service) and transfers out. Expenditures equal true appropriation authority, e.g., authority to expend. Contingency, reserves, and ending fund balance which total \$67,606,755 is excluded from the expenditures total.

Total direct expenditures are \$237,992,338. This is the direct expenditure (resulting in cash outlays) for personal services, materials and services, capital outlay and special payments.

FY 2010-2011 Requirements

Fund	Total Direct Expenditures	Administrative Charges *	Transfers Out	Contingency	Reserves and Ending Fund Balance	Total Requirements
General Fund	51,844,857	9,862,420	9,957,632	790,579	5,062,592	77,518,080
All Other Funds	186,147,481	13,301,537	11,906,032	15,679,415	46,074,169	273,108,634
total	237,992,338	23,163,957	21,863,664	16,469,994	51,136,761	350,626,714
% of total	68%	7%	6%	5%	15%	100%

* Internal service charges.

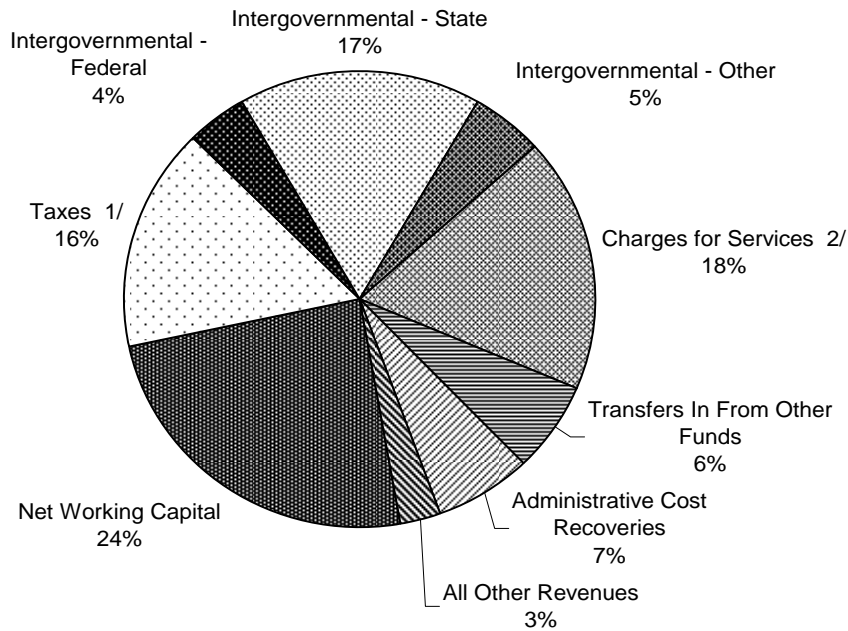
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WHERE THE MONEY COMES FROM

Total County Resources

The county's \$350,626,714 revenues and other available resources are shown in major categories as follows.

**Marion County FY 2010-11 Budget
Total Resources**



Net Working Capital	\$	85,724,790
Taxes 1/		55,472,401
Intergovernmental - Federal		15,044,229
Intergovernmental - State		58,005,640
Intergovernmental - Other		17,288,559
Charges for Services 2/		63,767,849
Transfers From Other Funds		21,839,396
Administrative Cost Recoveries		23,847,151
All Other Revenues 3/		9,636,699
TOTAL	\$	<u>350,626,714</u>

1/ Total taxes include property tax collections (current year collections, delinquent taxes anticipated to be collected in the current year, and interest and penalties on delinquent tax), and cable television franchise taxes.

2/ Includes licenses, permits, fees, other charges for services.

3/ Includes fines, interest, financing proceeds and miscellaneous revenue.

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PRINCIPAL EXPENDITURES

Personal Services

The County's personnel regulations allow for an annual 5 percent step increase for satisfactory service (merit). However, the county has a high percent of employees who have worked enough years to have reached the last step (i.e., 7) in their grade level, or are at longevity pay steps for 10 or 15 years of service. There are no merit pay increases between longevity steps. The number of employees in the step 7 and longevity steps tends to keep overall percentage pay increases down.

A policy of requiring vacant positions to be budgeted no higher than a step 1 has had a significant effect in some funds and programs in lowering the personal services budget. This is particularly true for positions that became vacant at the time the incumbent was being paid at step 7 or longevity, and departments were not allowed to budget at the same level for replacements. If any such positions are ultimately allowed to be filled at a higher step than budgeted, savings from the turnover and hiring lag must be used to offset the higher actual cost compared to budgeted cost. All positions requested to be filled at a step higher than a step 2 requires human resources and personnel officer approval.

A normal increase in the cost of personal services for FY 10-11 is in the range of two to five percent for funds, departments and programs. This percent depends on the number of employees in step 7 and longevity, the number of vacant positions budgeted to be filled at lower steps, the amount budgeted for temporary wages and overtime pay, and the number of employees in bargaining units that received a cost-of-living allowance (COLA) increase. Percents that are higher are usually the result of additional personnel positions.

County Wide Personal Services Summary

	FY 07-08 ACTUAL	FY 08-09 ACTUAL	FY 09-10 BUDGET	FY 10-11 PROPOSED	Change 4 Years
Personal Services					
Salaries and Wages	72,574,952	74,225,842	79,110,379	79,837,646	10%
Fringe Benefits	28,970,680	34,714,663	35,394,477	36,612,693	26%
Total Personal Services	101,545,632	108,940,505	114,504,856	116,450,339	15%

Note: The FY 09-10 amount has been adjusted to remove a separate category for vacancy savings, which is a negative \$1,633,158 that reduces the appropriation to \$112,871,698.

The greater increase in fringe benefits than in salaries and wages reflects both the relative higher cost of benefits such as health insurance and a conversion of compensation credits pay to an equal value public employee retirement system (PERS) employer contribution. The County took over payment of an employee 6% contribution to the PERS.

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Materials and Services

Departments are not allowed to budget for across-the-board increases in materials and services. High inflation items such as construction materials and petroleum oil products, as well as some contracted services, have put a strain on some program budgets. Non-General Fund programs have been allowed to reflect these inflationary increases to the extent that available resources allow. Such inflationary increases are reviewed and allowed on a case-by-case basis. General Fund and Central Services Fund program budgets have been required to absorb inflationary increases by reducing whatever line items are considered lower priority than the inflation-driven line items, or simply do with less. Expenditures by subcategories are shown below.

County Wide Materials and Services Summary

	FY 07-08 ACTUAL	FY 08-09 ACTUAL	FY 09-10 BUDGET	FY 10-11 PROPOSED	Change 4 Years
Supplies	4,302,690	3,830,307	4,210,858	4,206,423	-2%
Materials	3,030,282	3,734,155	3,434,512	3,632,447	20%
Communications	1,704,031	1,191,764	671,546	1,303,459	-24%
Utilities	1,911,968	2,026,946	2,206,431	2,283,286	19%
Repairs and Maintenance	2,660,526	2,835,242	2,868,605	3,095,511	16%
Rentals	1,572,121	3,288,990	3,541,077	3,766,899	140%
Insurance	16,834,774	18,095,839	20,287,407	22,175,183	32%
Miscellaneous	2,183,800	1,964,589	2,369,333	2,297,281	5%
Subtotal	34,200,192	36,967,833	39,589,769	42,760,489	25%
Contracted Services	40,671,802	44,165,820	53,362,083	53,212,905	31%
<i>Environmental Services Fund</i>	<i>12,968,799</i>	<i>13,104,878</i>	<i>14,357,550</i>	<i>16,260,690</i>	<i>25%</i>
<i>Health Fund</i>	<i>16,888,617</i>	<i>18,519,051</i>	<i>23,850,494</i>	<i>21,729,952</i>	<i>29%</i>
<i>Public Works Fund</i>	<i>506,336</i>	<i>1,368,195</i>	<i>1,973,550</i>	<i>3,174,057</i>	<i>527%</i>
<i>All Other Funds</i>	<i>10,308,050</i>	<i>11,173,696</i>	<i>13,180,489</i>	<i>12,048,206</i>	<i>17%</i>
Total Materials and Services	74,871,994	81,133,653	93,951,852	95,973,394	28%

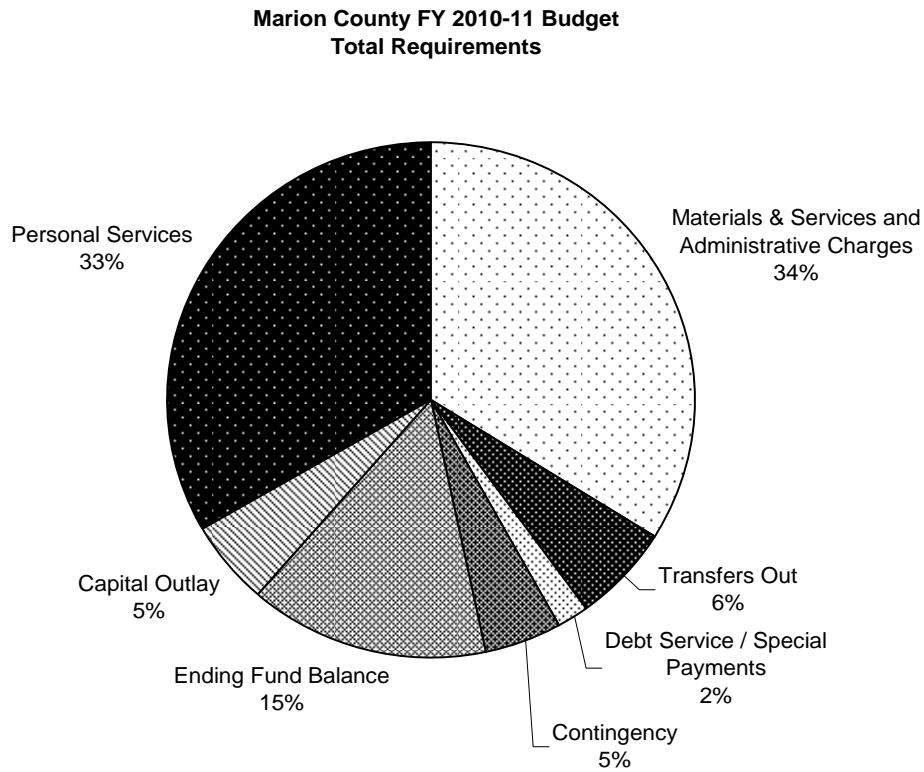
The majority of the increase over the four year period is in contractual services. The funds with the largest increase are shown in italics under total contractual services. The next largest dollar increase is in the insurance subcategory; this includes the cost of health insurance for employees. The largest percent increase is in rentals. This is a result of institution in FY 08-09 of a vehicle fleet program in which vehicles are leased to departments.

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WHERE THE MONEY GOES

Total County Requirements

The county's \$350,626,714 requirements budget is allocated to expenditures and other purposes as shown below.



Personal Services	\$ 116,450,339
Materials & Services and Administrative Charges	119,137,351
Transfers Out	21,863,664
Debt Service / Special Payments 1/	6,590,533
Capital Outlay	18,978,072
Contingency	16,469,994
Ending Fund Balance 2/	51,136,761
TOTAL	<u>\$ 350,626,714</u>

1/ Primarily debt service, with some distributions to taxing districts.

2/ Includes reserves.

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Resources and Requirements Compared to Prior Years

Total County Resources and Requirements

	FY 07-08 ACTUAL	FY 08-09 ACTUAL	FY 09-10 BUDGET	FY 10-11 ADOPTED	+/- % Prior Budget
RESOURCES					
Taxes	49,993,242	51,944,139	53,620,909	55,472,401	3.45%
Licenses and Permits	3,147,025	2,454,711	2,431,525	2,776,625	14.19%
Intergovernmental Federal	14,383,782	13,268,197	20,100,680	15,044,229	-25.16%
Intergovernmental State	54,344,609	53,804,469	55,132,777	58,005,640	5.21%
Intergovernmental Local	11,763,407	13,665,654	16,174,049	17,288,559	6.89%
Charges for Services	56,568,461	60,149,299	59,294,290	63,767,849	7.54%
Admin Cost Recovery	20,486,588	22,796,788	23,446,746	23,847,151	1.71%
Fines and Forfeitures	2,431,541	2,354,227	2,479,800	2,496,236	0.66%
Interest	4,511,483	2,815,542	1,527,187	1,602,132	4.91%
Other Revenues	442,588	199,141	177,271	151,306	-14.65%
General Fund Transfers	9,632,125	11,342,639	10,970,314	9,957,424	-9.23%
Other Fund Transfers	7,037,248	12,335,873	12,802,425	11,881,972	-7.19%
Settlements	295,247	167,057	0	198,400	n.a.
Financing Proceeds	78,283	1,636,000	0	2,412,000	n.a.
Net Working Capital	78,963,454	88,369,365	84,850,740	85,724,790	1.03%
TOTAL RESOURCES	314,079,085	337,303,101	343,008,713	350,626,714	2.22%
REQUIREMENTS					
Personal Services					
Salaries and Wages	72,574,952	74,225,842	79,110,379	79,837,646	0.92%
Fringe Benefits	28,970,680	34,714,663	35,394,477	36,612,693	3.44%
Vacancy Savings	0	0	(1,633,158)	0	-100.00%
Total Personal Services	101,545,632	108,940,505	112,871,698	116,450,339	3.17%
Materials and Services					
Supplies	4,302,690	3,830,307	4,210,858	4,206,423	-0.11%
Materials	3,030,282	3,734,155	3,434,512	3,632,447	5.76%
Communications	1,704,031	1,191,764	1,671,546	1,303,459	-22.02%
Utilities	1,911,968	2,026,946	2,206,431	2,283,286	3.48%
Contracted Services	40,671,802	44,165,820	53,362,083	53,212,905	-0.28%
Repairs and Maintenance	2,660,526	2,835,242	2,868,605	3,095,511	7.91%
Rentals	1,572,121	3,288,990	3,541,077	3,766,899	6.38%
Insurance	16,834,774	18,095,839	20,287,407	22,175,183	9.31%
Miscellaneous	2,183,800	1,964,589	2,369,333	2,297,281	-3.04%
Total Materials and Services	74,871,994	81,133,653	93,951,852	95,973,394	2.15%
Administrative Charges	19,692,412	21,652,063	22,433,272	23,163,957	3.26%
Capital Outlay	6,164,520	5,480,268	18,782,617	18,978,072	1.04%
Debt Service Principal	1,468,880	1,658,787	2,122,755	2,311,611	8.90%
Debt Service Interest	3,633,170	3,454,452	3,453,313	3,502,301	1.42%
Special Payments	1,663,740	3,103,659	1,140,823	776,621	-31.92%
Transfers Out	16,669,373	23,678,512	24,006,311	21,863,664	-8.93%
Contingency	0	0	18,816,670	16,469,994	-12.47%
Reserves	0	0	9,173,680	8,383,663	-8.61%
Ending Fund Balance	0	0	36,255,722	42,753,098	17.92%
TOTAL REQUIREMENTS	225,709,720	249,101,899	343,008,713	350,626,714	2.22%

Note 1: Expenditures are not allowed in contingency, reserves or ending fund balance; these are budget items only.

Note 2: FY 2009-10 amounts reflect the final budget, e.g., they include three supplemental budgets.

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PROGRAMS FUNDED IN PART BY STATE RESOURCES

The State of Oregon recently passed legislation that requires county governments to provide in their annual budget summary revenue and expenditure information for major programs funded in part by the state. The law stipulates the government functions covered, e.g., public health. Total expenses for each program and revenue broken down in prescribed categories are required for each of the corresponding years presented in the annual budget.

The amounts shown are at a summary level as set forth in the law. Detail information about these functions and programs is presented in the department budget.

ASSESSMENT AND TAXATION FUNCTIONS FUNDED IN PART BY STATE RESOURCES

Fiscal Year 2007-08 Actual	Fiscal Year 2008-09 Actual	Fiscal Year 2009-10 Budget	Fiscal Year 2010-11 Budget
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ASSESSMENT AND TAXATION

General Resources	5,508,328	5,876,710	5,685,129	5,684,355
Total Resources	\$ 5,508,328	\$ 5,876,710	\$ 5,685,129	\$ 5,684,355
Total Requirements	\$ 5,508,328	\$ 5,876,710	\$ 5,685,129	\$ 5,684,355

All assessment and taxation programs are funded by the county general fund.

COMMUNITY CORRECTIONS PROGRAM FUNDED IN PART BY STATE RESOURCES

Fiscal Year 2007-08 Actual	Fiscal Year 2008-09 Actual	Fiscal Year 2009-10 Budget	Fiscal Year 2010-11 Budget
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COMMUNITY CORRECTIONS

General Resources	1,531,280	2,598,324	2,346,071	2,683,019
State Grants	8,145,613	7,498,353	8,481,661	8,473,486
Federal Funds	-	10,246	-	-
Total Resources	\$ 9,676,893	\$ 10,106,922	\$ 10,827,732	\$ 11,156,505
Total Requirements	\$ 7,996,490	\$ 8,843,511	\$ 10,827,732	\$ 11,156,505

General Resources include charges for services, interest, non-General Fund transfers, and net working capital.

DISTRICT ATTORNEY PROGRAM FUNDED IN PART BY STATE RESOURCES

Fiscal Year 2007-08 Actual	Fiscal Year 2008-09 Actual	Fiscal Year 2009-10 Budget	Fiscal Year 2010-11 Budget
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DISTRICT ATTORNEY

State Funds	\$ 265,303	\$ 249,019	\$ 197,817	\$ 330,209
Federal Funds	1,321,450	1,419,440	1,495,719	1,351,113
General Resources	7,948,415	8,428,784	8,098,599	8,110,813
Total Resources	\$ 9,535,168	\$ 10,097,243	\$ 9,792,135	\$ 9,792,135
Total Requirements	\$ 9,056,168	\$ 9,737,122	\$ 9,792,135	\$ 9,792,135

General Resources include charges for services, fines and forfeitures, interest, General Fund transfers, and net working capital.

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ECONOMIC DEVELOPMENT PROGRAMS FUNDED IN PART BY STATE RESOURCES

Fiscal Year 2007-08 Actual	Fiscal Year 2008-09 Actual	Fiscal Year 2009-10 Budget	Fiscal Year 2010-11 Budget
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ECONOMIC DEVELOPMENT

State Grants/Contracts	\$ 49,405	\$ 49,405	\$ 39,524	\$ 35,668
State Video Lottery Funds	1,521,182	1,391,254	1,312,698	1,141,148
Federal Funds	-	7,874	-	-
General Resources	2,480,864	2,719,919	2,316,018	2,049,432
Total Resources	\$ 4,051,450	\$ 4,160,577	\$ 3,668,240	\$ 3,226,248
Total Requirements	\$ 2,950,248	\$ 3,270,056	\$ 3,668,240	\$ 3,226,248

General Resources include transfers from the General Fund and from other funds, charges for services, interest, and net working capital.

HEALTH PROGRAMS FUNDED IN PART BY STATE RESOURCES

Fiscal Year 2007-08 Actual	Fiscal Year 2008-09 Actual	Fiscal Year 2009-10 Budget	Fiscal Year 2010-11 Budget
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PUBLIC HEALTH

State Grants/Contracts	\$ 807,047	\$ 1,100,323	\$ 762,401	\$ 955,706
Federal Funds	2,418,893	2,575,800	3,535,634	2,909,208
General Resources	7,881,252	8,722,758	7,660,785	7,117,337
Total Resources	\$ 11,107,192	\$ 12,398,881	\$ 11,958,820	\$ 10,982,251
Total Requirements	\$ 8,224,093	\$ 10,176,423	\$ 11,958,820	\$ 10,982,251

Fiscal Year 2007-08 Actual	Fiscal Year 2008-09 Actual	Fiscal Year 2009-10 Budget	Fiscal Year 2010-11 Budget
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MENTAL HEALTH AND CHEMICAL DEPENDENCY

State Grants/Contracts	\$ 16,880,901	\$ 18,287,353	\$ 19,395,525	\$ 19,599,986
Federal Funds	2,070,332	1,334,589	1,496,700	1,332,196
General Resources	25,392,859	29,131,481	29,862,794	30,620,608
Total Resources	\$ 44,344,092	\$ 48,753,423	\$ 50,755,019	\$ 51,552,790
Total Requirements	\$ 33,242,475	\$ 41,138,946	\$ 50,755,019	\$ 51,552,790

General Resources include charges for services, county general fund support, special program donations, and net working capital. Charges for services include Medicaid revenues such as Mid-Valley Behavioral Care Network/Oregon Health Plan capitation revenues and Division of Medical Assistance Programs fee-for-service billing.

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JUVENILE PROGRAM FUNDED IN PART BY STATE RESOURCES

Fiscal Year 2007-08 Actual	Fiscal Year 2008-09 Actual	Fiscal Year 2009-10 Budget	Fiscal Year 2010-11 Budget
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JUVENILE CORRECTIONS & PROBATION

State Funds	1,207,297	1,523,779	1,113,463	1,118,374
Federal Funds	40,843	173,375	48,977	38,055
General Resources	10,659,846	11,070,950	10,999,131	11,122,342
Total Resources	\$ 12,768,104	\$ 12,768,103	\$ 12,161,571	\$ 12,278,771
Total Requirements	\$ 11,748,853	\$ 12,609,213	\$ 12,161,571	\$ 12,278,771

General Resources consist of county general fund support, charges for services, interest, special program donations, transfers from other funds and net working capital.

ROAD PROGRAM FUNDED IN PART BY STATE RESOURCES

Fiscal Year 2007-08 Actual	Fiscal Year 2008-09 Actual	Fiscal Year 2009-10 Budget	Fiscal Year 2010-11 Budget
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ROADS

State Funds	13,627,202	13,516,265	11,881,000	15,415,927
Federal Funds	1,553	-	4,736,205	2,646,000
General Resources	18,070,193	19,369,951	17,647,069	18,810,587
Total Resources	\$ 31,698,949	\$ 32,886,216	\$ 34,264,274	\$ 36,872,514
Total Requirements	\$ 18,672,269	\$ 19,188,976	\$ 34,264,274	\$ 36,872,514

General Resources include federal payment-in-lieu of taxes (PILT), federal Secure Rural Schools Title I funds, licenses and permits, charges for services, General Fund transfers, fines and forfeitures, interest, financing proceeds, and net working capital.