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COUNTY PROFILE

Marion County, Oregon is located south of the Portland metropolitan area, and stretches from the Willamette River to the Cascade Mountains.

Quick Facts

- Capital: Salem
- Area: 1,194 square miles
- Established: July 5, 1843
- Population: 315,335 (Census 2010)
- Cities: 20 incorporated, 38 unincorporated
- Elevation: 154 feet at Salem and 1,595 feet at Detroit Lake
- Average Temperature: January 39.3 F; July 66.3 F
- Annual Precipitation: 40.35 inches
- Principal Industries: Agriculture, education, food processing, government, lumber, manufacturing, and tourism.

Points of Interest

Oregon State Capital, Champoeg State Park, The Oregon Garden, Silver Falls State Park, Detroit Dam and the North Santiam River, Breitenbush Hot Springs, Willamette River, Mt. Angel Abbey, Willamette University, Chemeketa Community College, Marion County Historical Society, Wheatland and Buena Vista Ferries, Mission Mill Museum and historic Bush House, Deepwood Estates House and Gilbert House Children's Museum, are just a few of the attractions Marion County has to offer.

History

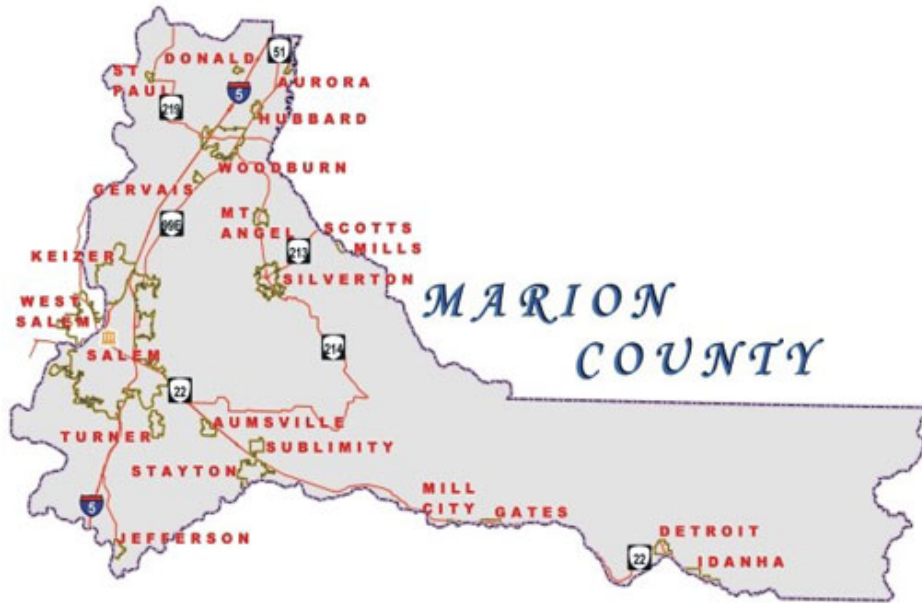
Marion County, first called Champoick District (later Champoeg), was created in 1843 by the Provisional Government, 16 years before Oregon gained statehood on February 14, 1859. In 1849 the name was changed to Marion County honoring American Revolutionary General Francis Marion. Early settlers to the county were trappers and farmers, with Methodist missionaries arriving in the early 19th century. In 1843, with the mapping of the Oregon Trail, larger groups of settlers began to arrive and populate the Willamette Valley.

The City of Salem was designated the county seat in 1849. The territorial capital was moved from Oregon City to Salem in 1852. After an ensuing controversy over the location of the capital was settled, Salem was confirmed as the state capital in 1864.

Marion County's present geographical boundaries, established in 1856, are the Willamette River and Butte Creek on the north, the Cascade Range on the east, the Santiam River and North Fork of the Santiam on the south, and the Willamette River on the west.

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Marion County Cities



There are 20 incorporated cities and 37 unincorporated communities in Marion County. As reported by the 2010 Census, the total population of Marion County was 315,335, a 10% increase over 2000.

Incorporated Cities	Population
Aumsville	3,584
Aurora	918
Detroit	202
Donald	979
Gates	471
Gervais	2,464
Hubbard	3,173
Idanha	134
Jefferson	3,098
Keizer	36,478
Mill City	1,855
Mt. Angel	3,286
St. Paul	421
Salem	154,637
Scotts Mills	357
Silverton	9,222
Stayton	7,644
Sublimity	2,681
Turner	1,854
Woodburn	24,080

Unincorporated Communities	
Breitenbush	Mehama
Broadacres	Monitor
Brooks	Niagara
Butteville	North Howell
Central Howell	North Santiam
Clear Lake	Orville
Concomly	Pratum
Crestwood	Roberts
Downs	Rockie Four Corners
Drakes Crossing	Rosedale
Elkhorn	St. Louis
Fargo	Shaw
Hazel Green	Sidney
Hopmere	Skunkville
Labish Center	Sunnyside
Little Sweden	Talbot
Lone Pine Corner	Waconda
Macleay	West Stayton
Marion	

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FORM OF GOVERNMENT

Marion County had a county court form of government for the first century of its existence and was presided over by the Marion County Court. In 1961, the Legislative Assembly enabled a county court with no judicial functions to reorganize as a board of county commissioners. With court approval, the Marion County Court was abolished and replaced by the Marion County Board of Commissioners on January 1, 1963. Today, Marion County is one of the 27 general law counties in the state. The 9 remaining counties are home rule counties.

CHARACTERISTICS OF THE PEOPLE

The following are selected census data that compare characteristics of the people of Marion County to those of the United States collectively. The characteristics selected show that there are significant variances between the County and the U.S. for some items, for others there is only a small variance. The interpretation of the data will be left to the reader.

ECONOMIC CHARACTERISTICS

	Marion County		U.S.
Population 16 years and over	237,827	75.4%	79.0%
In Civilian Labor Force	150,391	63.2%	64.4%
Employed	135,269	56.9%	57.0%
Unemployed	15,122	6.4%	6.9%
Commute to Work - drove alone	94,875	71.5%	76.6%
<i>Industry - Employment (top 5):</i>			
Educational services, and health care and social assistance	27,195	20.1%	23.2%
Retail Trade	15,610	11.5%	11.7%
Manufacturing	15,008	11.1%	10.4%
Public Administration	12,302	9.1%	5.2%
Construction	11,340	8.4%	6.2%
Class of Worker - Government	25,781	19.1%	15.3%
Persons Below Poverty Level	N/A	16.0%	13.8%
Medium Household Income	\$46,069		\$51,914

Source: U.S. Census Bureau, 2010 Census

Note: The U.S. Census Bureau categories of industry are somewhat different from those utilized by the state as reported in a Principal Employers and Employment by Industry table that is presented later in this section.

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POPULATION AND HOUSING CHARACTERISTICS

	Marion County		U.S.
Total Population	315,335	100.0%	100.0%
15 years and under	73,974	23.5%	21.2%
16 years through 64 years	200,812	63.6%	65.8%
65 years and older	40,549	12.9%	13.0%
Male Population	157,117	49.8%	49.2%
Female Population	158,218	50.2%	50.8%
Vacant housing units	7,991 / 120,948	6.6%	11.4%
Homeownership Rate		61.0%	66.6%
<i>Residence 1 year ago:</i>			
Same house		81.3%	84.6%
Different house, same county		12.2%	9.4%

Source: U.S. Census Bureau, 2010 Census

SOCIAL CHARACTERISTICS

	Marion County	U.S.
Family households (families)*	68.2%	66.4%
Average household size	2.45	2.58
<i>Educational Attainment:</i>		
Percent high school graduate or higher	82.2%	85.6%
Percent bachelor's degree or higher	20.9%	28.2%
Civilian Veterans	9.3%	11.7%
Born in the United States	84.8%	85.7%
Institutionalized population	2.1%	1.3%
Language spoken at home - English only	75.7%	79.4%

* Out of total number of households

Source: U.S. Census Bureau, 2010 Census

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ECONOMIC FORECAST

The Budget Officer has addressed local economic conditions and concerns in his transmittal, i.e., budget message, of the fiscal year 2013-14 budget to the Budget Committee. An additional perspective comes from the following excerpt from the Oregon Office of Economic Analysis executive summary of its most recent economic forecast for Oregon. The Office of Economic Analysis recognizes in the larger, more in-depth report, that economic growth is not expected to be at the same pace in the spectrum between larger metropolitan areas and rural areas, with many variables from county-to-county such as prevalent industries. An executive summary of the Office of Economic Analysis March 2013 economic forecast follow.

EXECUTIVE SUMMARY

May 2013

Oregon Economic Forecast

Current Conditions and Outlook

Oregon's economy continues to improve with each passing month and quarter, although the pace of improvement remains slow from a historical point of view. However, the rate of growth may now finally be picking up. Some of the major drags that have been weighing on Oregon's economic recovery are now being lifted, setting the stage for faster growth. Sentiment has improved among both businesses and households, with economic forecasters beginning to highlight upside risks to the outlook. With firms and workers having repaired much of the damage done to their balance sheets, many are in a position to spend should they remain confident about their future prospects.

So far during Oregon's recovery, private sector employment has expanded at approximately a 2 percent annualized rate, far below the 3.0-3.5 percent growth experienced in past expansions. Two primary reasons for this slower rate of growth have been large cutbacks among housing-related industries and government. As the housing rebound continues, and state and local governments stabilize, these two weights are being lifted. Furthermore, as these two sectors continue to improve, medium sized cities and rural areas of the state are beginning to take part in the expansion. With the housing market and public sector no longer holding us back, the baseline outlook calls for a pickup in job growth to 2.6 percent on an annualized basis over the next two years.

The housing rebound is now in full swing with sales, starts and prices all increasing at strong rates. New residential investment positively contributed to GDP growth in 2012 and in the first quarter of 2013, following 6 years of decline. Given the depth of the housing bust, the industry has at least two more years of strong growth before reaching even average levels of new construction.

Balance sheets for corporations remain very strong, particularly so for large businesses, but credit conditions are improving for small businesses as well. Household liabilities continue to decline and asset holdings continue to grow, putting consumers on a more solid footing. Stock markets are reaching all-time highs and home prices are rising briskly from recessionary lows. Even so, homeowners' equity remains a fraction of pre-recession levels, making a mortgage-financed spending boom unlikely. Given strong fundamentals, all signs point toward continued expansion.

MARION COUNTY FY 2013-14 BUDGET ABOUT MARION COUNTY

Oregon's Employment Trends

Getting a handle on the health of Oregon's labor market is being somewhat complicated by technical issues within the underlying payroll jobs data. Technical issues aside, employment in Oregon continued to increase through the end of 2012 and into 2013, approximately in line with the gains seen at the U.S. level. While the gains continue to be slower than in previous expansions, they are gathering a little bit of steam and growth has picked up somewhat when compared with a year ago. In the past three quarters in Oregon, year-over-year employment has increased by 1.3 percent in the third quarter of 2012, 1.5 percent in the fourth quarter and 1.6 percent in the first quarter of 2013. Gains in the private sector are even stronger with the corresponding growth rates being 1.7 percent, 2.1 percent and 2.2 percent. Even with this pickup it still is not strong enough to bring the unemployment rate down quickly – at least not yet. The unemployment rate in the first quarter of the year was 8.3 percent, down 0.1 percentage points from the fourth quarter of 2012 and lower than the 8.9 percent unemployment rate in early 2012.

In terms of Oregon's regional labor markets, job growth is spreading beyond the Portland Metro in the past year, for the first time since the onset of recession. Even as the statewide numbers began to improve in early 2010, all counties outside the Portland metropolitan area lost jobs on net; however that has changed since the summer of 2012. . . . Additional jobs are being created in the Willamette Valley, Northern Coast and Northeast Oregon. Even though there remains a long way to go before these local economies become healthy or approach what they once were in terms of job counts, the increasing geographic diversity of job creation is an encouraging sign.

Demographic Forecast (omitted)

Revenue Forecast

Expectations for near-term General Fund revenue growth have become somewhat stronger since the last forecast. In recent months, both personal and corporate income tax collections have been coming in larger than was expected. In particular, the April tax filing season brought with it a big jump in personal income tax payments relative to last year.

Although the revenue forecast has become somewhat stronger in the near term, the overall flavor of the outlook has not changed. Along with underlying job growth, personal income taxes paid out of wages and salaries are expected to accelerate during the 2013-15 biennium.

Despite an improving economy, overall revenue growth will remain modest from an historical perspective. Underlying job gains, while improved, will not match the pace seen during previous periods of economic expansion. Also, personal income taxes based on investment income will grow slowly in the near term since many Oregonians cashed out gains in 2012 in anticipation of a scheduled federal tax rate increase. Tax revenue growth is expected to fall in between the rates Oregon has become accustomed to during past periods of economic expansion, and the slow gains we have seen in recent years.

Although the baseline revenue forecast has not changed significantly, risks to the forecast are becoming skewed to the upside. Despite a relatively weak long-term outlook, a year or two of strong growth remains possible. In particular, if Oregon's traditionally strong migration trends and labor force gains reappear, additional jobs and tax revenue can be expected.

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The primary downside risk facing the near-term revenue forecast is the uncertain future of the nationwide economic expansion. Should federal government austerity or economic weakness abroad derail the U.S. economy, the expected growth in Oregon's tax collections will not materialize.

Revenue growth in Oregon and other states will face considerable downward pressure over the 10-year extended forecast horizon. As the baby boom population cohort works less and spends less, traditional state tax instruments such as personal income taxes and general sales taxes will become less effective, and revenue growth will fail to match the pace seen in the past.

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COUNTY FINANCIAL POSITION

The County will manage fiscal year 2013-14 with an acceptable financial position and a low ratio of outstanding debt to the real market value of taxable property within the County. Major long-term budget concerns include reductions in federal and state funding, decelerating property tax revenues, rising employee benefit costs, and pressing capital needs. The county prepares a five year capital improvements project document identifying infrastructure items and supporting equipment needing upkeep and replacement.

County Debt

Debt Policy

Marion County has no formal debt policy, primarily because the county is not a regular issuer of debt. The most recent debt issue for the county was in 2005. In practice, the county seeks to use internal financing sources or cash when possible. Although a significant amount of statutory debt authority exists for Marion County, budgetary constraints limit the county's ability to provide for expanded debt service.

Legal Debt Limits

State statutes limit the amount of bonded debt a county may issue to a percentage of the real market value of the County's taxable property; the limit is 2 percent for general obligation bonds and 1 percent for limited tax obligations. Based on the County's real market value for fiscal year 2012, the current limitation is \$668 million for general obligation bonds and \$334 million for limited tax obligations. As of June 30, 2012, the County's total outstanding debt represents 0.17 percent of real market value.

Long-Term Debt

At the end of the current fiscal year, the County had total debt outstanding of \$55,722,485, a decrease of 4 percent from the previous fiscal year. This amount includes \$2,219,860 in revenue bonds (Oregon Garden), \$12,688,614 in refunding bonds (Courthouse Square), \$40,118,810 in limited tax pension obligations (PERS) and \$695,201 in notes payable (service districts). The County received an AA- rating from Standard & Poor's for its issuance of refunding bonds in fiscal year 2005. The County currently has no outstanding general obligation bonds.

Marion County's Outstanding Debt (thousands)

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
	Revenue bonds	\$ 2,219	\$ 2,651	\$ -	\$ -	\$ 2,219
Refunding bonds	12,689	13,655	-	-	12,689	13,655
Limited tax pension obligations	40,119	40,783	-	-	40,119	40,783
Notes payable	-	-	695	761	695	761
Total	\$ 55,027	\$ 57,089	\$ 695	\$ 761	\$ 55,722	\$ 57,850

Debt Payments

Principal and interest payments on Oregon Garden revenue bonds are budgeted in the Lottery Distribution Service Fund. Principal and interest payments on Courthouse Square revenue bonds are budgeted in the Debt Service Fund. Principal and interest payments on the PERS obligations are budgeted in the Debt Service Fund.

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County Principal Employers and Taxpayers

MARION COUNTY, OREGON						
PRINCIPAL EMPLOYERS AND EMPLOYMENT BY INDUSTRY						
Current Fiscal Year and Nine Years Ago						
Employer	2012			2003		
	Number of Employees	Rank	Percentage of Total County Employment	Number of Employees	Rank	Percentage of Total County Employment
State of Oregon	19,000-19,499	1	14.71%	16,500-16,999	1	13.09%
Salem/Keizer School District	4,000-4,499	2	3.25%	3,500-3,999	2	2.93%
Salem Hospital	4,000-4,499	3	3.25%	2,500-2,999	3	2.15%
Chemeketa Community College	1,500-1,999	4	1.34%	1,500-1,999	4	1.37%
Marion County	1,000-1,499	5	0.95%	1,000-1,499	7	0.98%
US Government	1,000-1,499	6	0.95%	1,000-1,499	6	0.98%
City of Salem	1,000-1,499	7	0.95%	1,500-1,999	5	1.37%
Norpac Foods Inc	1,000-1,499	8	0.95%	1,000-1,499	9	0.98%
SAIF Corporation	500-999	9	0.57%			
T-Mobile	500-999	10	0.57%	1,000-1,499	8	0.98%
Mitsubishi Silicon America				1,000-1,499	10	0.98%
Total for Principal Employers	33,500-38,499		27.50%	30,500-35,499		25.78%
	2012			2003		
Employment by Industry						
Government	34,460		26.33%	31,317		24.47%
Trade, Transportation & Utilities	22,161		16.93%	22,504		17.59%
Education & Health Services	18,624		14.23%	15,037		11.75%
Professional & Business Services	9,818		7.50%	11,036		8.62%
Manufacturing	9,616		7.35%	11,521		9.00%
Leisure & Hospitality	10,682		8.16%	10,845		8.48%
Natural Resources & Mining	9,417		7.19%	9,103		7.11%
Construction	5,414		4.14%	6,098		4.77%
Financial Activities	5,747		4.39%	5,590		4.37%
Other Services	4,963		3.79%	4,912		3.84%
Total County Employment	130,902		100.00%	127,963		100.00%

Sources:

Oregon Employment Department.
SEDCOR - Strategic Economic Development Corporation.

Notes:

- (1) Information is presented for the prior calendar year.
- (2) All numbers include full-time and part-time employees.
- (3) Percentage of total county employment is based on the midpoints of the ranges given.

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MARION COUNTY, OREGON

PRINCIPAL PROPERTY TAXPAYERS

Current Fiscal Year and Nine Years Ago

Taxpayer	Rank	2012		Rank	2003	
		Taxable Assessed Value	Percentage of Total Taxable Assessed Value		Taxable Assessed Value	Percentage of Total Taxable Assessed Value
Portland General Electric Co	1	\$ 244,609,320	0.96%	2	\$ 184,283,150	1.32%
Northwest Natural Gas Co	2	119,721,600	0.47%	4	78,875,100	0.57%
Winco Foods LLC	3	89,105,529	0.35%	5	66,855,857	0.48%
Qwest Corporation	4	70,743,800	0.28%	3	124,093,858	0.89%
Lancaster Development Co	5	60,195,480	0.24%	7	39,954,840	0.29%
Craig Realty Group Woodburn	6	49,024,540	0.19%	10	27,683,120	0.20%
Wal-Mart Real Estate Business	7	45,007,070	0.18%			
Norpac Foods Inc	8	55,760,329	0.22%	6	81,242,650	0.58%
Donahue Schriber Realty Group	9	49,049,190	0.19%			
HD Salem OR Landlord LLC	10	40,422,290	0.16%			
Mitsubishi Silicon America				1	254,689,970	1.83%
Metropolitan Life Insurance Co				9	27,408,720	0.20%
Boise Cascade Corp				8	33,558,890	0.24%
Total for principal taxpayers		<u>\$ 823,639,148</u>	3.24%		<u>\$ 918,646,155</u>	6.60%
Total taxable assessed value		<u>\$ 25,397,332,998</u>			<u>\$ 13,915,187,057</u>	

Sources:

Marion County Assessor, Marion County Tax Collector.

Notes:

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