

MARION COUNTY FY2007-08 BUDGET FOUNDATION, STRUCTURE AND PROCESS

A solid foundation exists on which to build Marion County's budget each fiscal year. A clear mission, vision, and a strategic plan guide us. The organizational structure is well designed to deliver essential services. Committed leaders work together to manage operations and skilled and dedicated staff members make sure that services are professionally provided. Citizen budget committee members offer a community perspective while examining budget requests. Citizens participate in public hearings and otherwise communicate their points of view on county government priorities.

Mission Statement

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

Vision Statement

Marion County is a healthy, safe and vibrant place to live and work.

Strategic Plan

Marion County's Strategic Plan was adopted by the Board of Commissioners on April 5, 2006. Fiscal Year 2006-2007 represents the first full-year execution of the plan. A summary of Strategic Plan values, issues, and goals follows.

Values

- Customer Service -- We treat our customers and one another with courtesy, respect, dignity, fairness, and understanding. We work to make Marion County accessible and responsive to a wide range of individual and community needs and interests. We promote flexible, creative, solutions-oriented approaches to resolving customer problems and meeting customer needs.
- Professionalism -- We hire, train, and develop our employees to be knowledgeable and expert in their respective roles. We strive for the highest level of accuracy and quality in carrying out our responsibilities to the public.
- Integrity -- We are honest, forthright, and ethical in our dealings with others and on behalf of the public trust. We follow through on our commitments and we hold one another and ourselves personally accountable for doing what we promise.
- Stewardship -- We seek to make the most efficient and effective use of public resources, and we work to continuously improve our services through collaboration, innovation, and competence. We strive to create and maintain a fair, transparent and open process of government that actively seeks citizen participation and recognizes the diverse and competing interests of all of the county's constituencies.

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Strategic Issues

- Growth and Infrastructure -- Develop adequate infrastructure to provide needed services and support growth and economic development.
- Public Safety -- Increase the overall balance and capacity of the county's public safety system to ensure the safety and security of all citizens.
- Economic Development -- Create a business-friendly economic environment with the goal of retaining and attracting businesses with family-wage jobs.
- Transportation -- Build and maintain an efficient system of roads to support growth and to preserve the existing transportation infrastructures.
- Health and Community Services -- Expand and enhance available supports and services to ensure the health of individuals, families and the wider community.

Strategic Goals

- Growth and Infrastructure
 1. Assess and evaluate current service delivery and explore alternative funding strategies to sustain and maximize resources for future generations.
 2. Develop a communication plan to educate the public regarding critical infrastructure needs.
 3. Develop a long-term infrastructure plan that is inclusive of communities and interest groups to balance urban and rural perspectives.
- Public Safety
 1. Design an initiative to reduce addiction and criminal activity driven by methamphetamine.
 2. Conduct an assessment of the public safety system to identify gaps and needs.
 3. Develop a long-term public safety strategy that anticipates and responds to changes in the dynamic drivers and predictive indicators.
- Economic Development
 1. Review strategies already identified.
 2. Inventory present county resources.
 3. Assess gaps.
 4. Develop and implement a coordinated strategy with cities and economic development organizations.
- Transportation
 1. Continue collaboration with federal, state and local jurisdictions in developing a list of priorities for urban and rural transportation projects.
 2. Develop and implement a communication strategy to educate residents on the status and costs to improve the transportation system.
 3. Select financing strategies to increase revenue and propose to citizens.
 4. Implement improvements resulting from increased funding.
- Health and Community Services
 1. Engage key business and community leaders, public and non-profit agencies, and faith-based organizations in a collaborative process that leverages support and resources to assist in strategically

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delivered, evidence-based programs and practices that mitigate substance abuse, addiction and mental illnesses and support recovery.

2. Develop and deliver evidence-based prevention services that promote and strengthen the health of communities, individuals and families, reduce the costs of health care, public safety, and other social services, safeguard public health, enhance the effectiveness of other social services, and increase school success and school readiness.

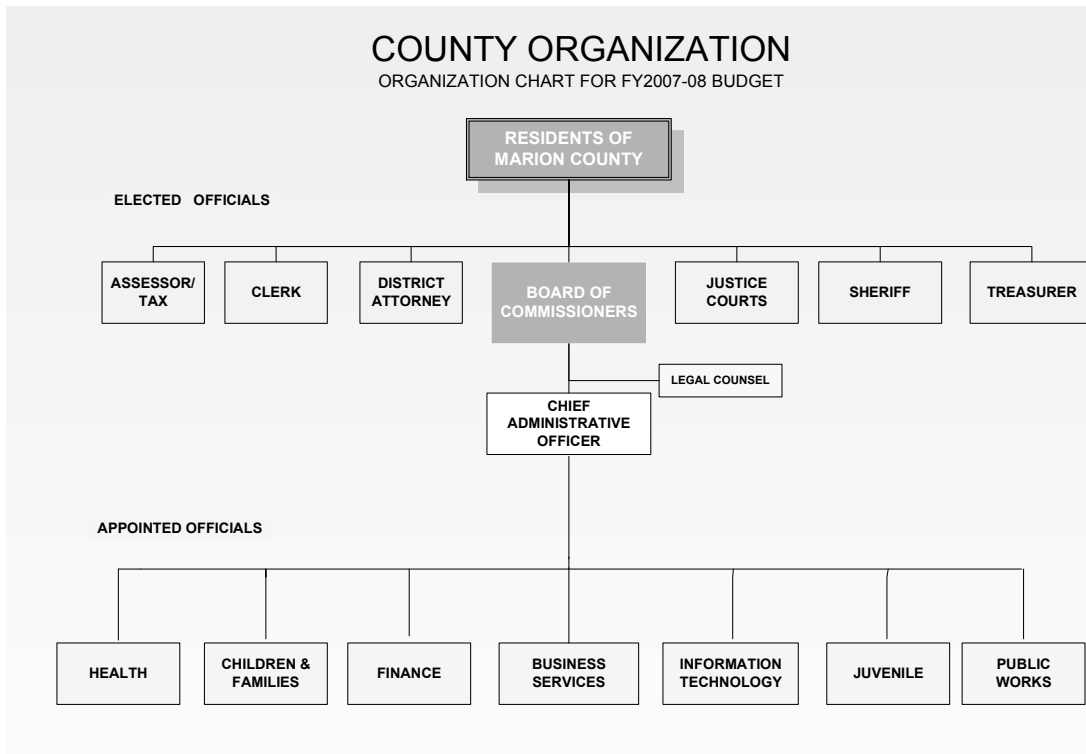
3. Develop community understanding, education and supports that assist in increasing access to effective mental health, substance abuse, and other health and social services that protect vulnerable populations, reduce disparity, promote choice and determination, and enable people to live in the least restrictive environment.

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Organizational Structure

Organization Chart

The Marion County government organization is headed by an elected Board of Commissioners and has 15 departments. In addition to the board of commissioners department, six other departments are headed by elected officials: assessor/tax, clerk, district attorney, justice courts, sheriff, and treasurer. The remaining eight departments are headed by appointed officials who report to the chief administrative officer: children & families, business services, finance, health, information technology, juvenile, legal counsel and public works.



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Department Heads and Elected Officials

DEPARTMENT	DIRECTOR	STATUS
Assessor/Tax	Richard Kreitzer	Elected
Board of Commissioners	Sam Brentano	Elected
Board of Commissioners	Janet Carlson	Elected
Board of Commissioners	Patricia Milne	Elected
Business Services	Gayle Horton	Appointed
Children & Families	Dan Murphy	Appointed
County Clerk	Bill Burgess	Elected
District Attorney	Walt Beglau	Elected
Finance	Jeff White	Appointed
Health	Roderick Calkins	Appointed
Information Technology	vacant	Appointed
Justice Courts	Judge Steven Summers Judge Janice Zyryanoff	Elected
Juvenile	Faye Fagel	Appointed
Legal Counsel	Jane Ellen Stonecipher	Appointed
Public Works	James Sears	Appointed
Sheriff	Raul Ramirez	Elected
Treasurer	Laurie Steele	Elected

Employees

Including the department heads and elected officials, there are more than 1,300 full-time regular, full-time temporary and part-time regular employees working for Marion County. As many as 300 part-time temporary employees are also employed during peak seasons.

With the exception of a downturn in fiscal year 2003-04 when state funds were reduced for health and several other programs, total county employment has stayed very stable over the past ten-years period. This is remarkable in the face of a significant increase in the number of clients and other customers in most programs.

Marion County 10 Year History of Full Time Equivalent Positions

FY98-99	FY99-00	FY00-01	FY01-02	FY02-03	FY03-04	FY04-05	FY05-06	FY06-07	FY07-08
1185	1210	1309	1258	1263	1162	1233	1298	1298	1338

Excludes temporary employees, volunteers, students, interns, and contract workers.

Additional information about Marion County's employees is found in the appendices. Appendix D provides a complete full-time equivalent (FTE) positions history. Salary listings of both exempt and non-exempt positions are found in appendixes E and F. The decision on whether a job is exempt or non-exempt is determined by a series of tests contained in the Fair Labor Standards Act (FLSA). The most widely recognized provision of the FLSA is overtime pay. Employees who work in non-exempt positions receive overtime pay; those who work in exempt positions do not.

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Government Services

Programs and services delivered or managed by Marion County touch the lives of virtually all residents of the county, whether they live in incorporated cities or in unincorporated rural areas. Marion County is a general law county, acting as an agent of the state. The county performs functions on behalf of the state as well as specific county services. Discussed below are some of the roles county government fulfills.

Board of Commissioners

This office consists of three county commissioners, elected at large, who constitute the county governing body. The board appoints a chief administrative officer who is responsible for carrying out directives, policies, and ordinances of the board. This office directly manages projects funded with the state lottery and federal grant dollars.

Assessment and Taxation

This office assesses the value of all commercial, industrial and residential property subject to tax; collects all property taxes levied by local school districts, cities, special districts and the county; and distributes these revenues to more than 70 taxing districts to support their operations.

County Clerk

This office is responsible for recording, maintaining, and archiving all county records. This office also conducts all elections within Marion County, whether they are for school districts, city councilors, mayors, county commissioners, property tax levies, statewide measures, legislative candidates, or candidates for president of the United States.

District Attorney

This office prosecutes individuals accused of committing crimes in the county. This office also collects child support payments ordered by the courts and provides assistance to crime victims.

Justice Courts

The Justice Courts hear minor traffic offenses, some misdemeanors and small civil claims (\$5,000 or less. For citizen convenience, these courts have three locations within the county, East Salem, Stayton, and Woodburn.

Sheriff

This office is responsible for patrol duties, traffic enforcement, criminal investigations, search and rescue, marine patrol and law enforcement contracts throughout the entire county. In addition, the Sheriff's Office, in partnership with the Board of Commissioners, manages the county jail. Those arrested for crimes in the cities as well as the unincorporated areas of Marion County are booked and held at the county jail. Once criminals are convicted, those with sentences of no more than one year serve their sentences in the jail; those with longer sentences serve their time in state prisons. The Sheriff's Office also manages parole and probation offenders in Marion County.

Treasurer

This office is responsible for controlling the flow of money to and from the county and for maintaining records for the receipt and payment of county funds. The treasurer is also the investment manager for the county, investing funds in accordance with Oregon law and the county's investment policy, and ensuring adequate cash is available to meet county obligations.

Legal Counsel

The legal counsel office staff are the civil lawyers and counselors for Marion County and its officials. The county Law Library serves attorneys, judges, litigants and the public. It is authorized and mandated by the state, and operates solely on revenue derived from filing fees in the circuit court.

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Health

The health department inspects and licenses all restaurants, school cafeterias and other food vendors. It provides immunizations for children; tracks and works to control infectious diseases. It records birth and death certificates. It provides case management for those with developmental disabilities; maintains programs for those with chronic and acute mental illness; and provides treatment for those with substance and gambling addictions.

Children and Families

This department is responsible for developing and recommending to the Board of Commissioners a Marion County Children and Families Coordinated Comprehensive Plan, and related policies, strategies and investments. In addition, the department has responsibility for mobilizing communities to improve family wellness and for building a comprehensive family support system. Marion County has been recognized locally, regionally and nationally for its leadership in county/community collaboration and development of a healthy family support system to improve access to services and outcomes for families.

Business Services

This department provides services that support departments in delivering their services to customers and clients. This involves functions such as employment, employee benefits, labor relations, risk management, and building maintenance.

Finance

This department also provides services that support departments in delivering their services to customers and clients. This involves functions such as processing and maintaining the county's payroll and accounting records, accounts payable and receivable, purchasing, contract management, property management, and budget preparation.

Information Technology

This department provides supporting services to county departments by operating and maintaining the county's information technology and telecommunications systems.

Juvenile

The juvenile department operates a juvenile detention center, restitution and education programs, and probation services for juvenile offenders. The department monitors juveniles who are under court order in schools, educational and vocational programs, and under supervision.

Public Works

The public works department is responsible for road and bridge maintenance, construction, dog licensing and control, management of the regional emergency operations center, county parks, the Buena Vista and Wheatland ferries, and disposal of solid waste while protecting the environment and promoting recycling. Land use planning and building inspection are also divisions within the department. The department also manages the Marion County Fair, which provides a venue for 4-H and FFA members in Marion County to become eligible to show their animals or to exhibit their projects at the Oregon State Fair.

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Budget Development Participants

Budget Committee

Oregon local budget law requires that the governing body of each local government must establish a budget committee. Budget committees are composed of the governing body and an equal number of electors appointed by the governing body. Marion County, with three elected commissioners, appoints three elector members to the budget committee. The committee meets publicly to review the budget document as proposed by the budget officer. The committee receives the budget and the budget message and provides an opportunity for public comment on the budget. The committee makes adjustments based on input and then approves the budget.

Citizen Members

Johnnie Jordan, Sr.
Dave Kinney
Patrick Vance, Chair

Commissioner Members

Sam Brentano
Janet Carlson, Vice-Chair
Patti Milne

Qualified voters who have the right to vote for the adoption of any measure may be appointed to the budget committee. Citizen members serve staggered terms of four years and may be appointed for multiple terms. Public announcements are published in local newspapers whenever the Board of Commissioners is recruiting new members. The budget committee meets in May and early June of each year to consider the upcoming budget, and may meet at other times during the year to be brought up to date on current budget developments.

Budget Development Team

The county used a team approach for the development of the FY2007-08 budget. At each phase of the budget process, team members contributed expertise as required.

John Lattimer, Budget Officer and Chief Administrative Officer
Jeff White, Chief Financial Officer
Jan Fritz, Senior Policy Advisor
Rich Minaker, Senior Budget Analyst
Jerry Woelke, Management Analyst
Cynthia Granatir, Chief Accountant

Public Hearings/Public Comment

The public is welcome to attend budget committee meetings and deliberations, and may share comments with the committee at designated public hearings. Members of the public may also discuss budget matters with the Board of Commissioners during regular board sessions throughout the year. For those unable to attend a board session or budget committee meeting, CCTV broadcasts all board and Budget Committee meetings, and the sessions can be viewed on the internet.

Boards and Commissions

County boards, committees and commissions make important contributions to public policy development in Marion County. The Board of Commissioners appoints members of the public and, in some cases, elected officials or staff also serve. The work of these boards, committees, and commissions often directly or indirectly impact budget decisions.

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Other Volunteers

In addition to members of boards, committees and commissions, there are many other volunteers serving the county. Volunteer services and accomplishments vary as greatly as the services provided by the county. Volunteers serve without compensation or receive small stipends. Volunteers bring their community prospective, ideas and energy to county boards, committees, commissions and programs. They are screened for verification of their expertise in the areas that they serve, and attend county orientation classes along with new employees. Contact Glenis Chapin, Volunteer Coordinator (503-588-7990; volunteer@co.marion.or.us) to find out about current and possible future openings

Marion County Web Site

To assist all participants in reviewing budget information, the entire proposed budget is available on the county Web site at www.co.marion.or.us.

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Fund Structure

Funds – Departments – Programs

Public budgets are often divided into a number of funds. A fund, as defined by Oregon Administrative Rule, is a fiscal and accounting entity of self-balancing accounts to record cash and other financial resources, related liabilities, balances and changes, funds are segregated for specific, regulated activities and objectives.¹ Each fund records resources and requirements for the purpose of controlling and accounting for the specific activities for which the fund was created. Therefore, each fund is a self-contained, independent financial entity with its own assets and liabilities. Oregon local budget law requires the use of funds. Therefore, Marion County organizes its finances accordingly and has 35 separate funds.

Marion County also organizes its accounting and budgeting by department. The county has 15 departments, as well as non-departmental activities. The county also budgets by program, i.e., type of service. The **Marion County Fund – Department – Program Structure** table on page 21 shows that some funds account for a single department, and other funds account for more than one department. In some cases, departments manage more than one fund. Some funds are used only for non-departmental activities. The General Fund provides funding to seven departments. Four departments are in the Central Services Fund.

General Fund

The general fund is used to account for all activities for which specific types of funds are not required. The general fund is one of the largest funds within the county. The general fund supports public safety and judicial activities, assessment and taxation, county clerk, and treasury within the fund, and transfers supplemental funding to land use planning, public and mental health, the Board of Commissioners Office, capital projects, debt service, public safety special grants, and other department activities

Special Revenue Funds

Special revenue funds account for revenue that by federal law, Oregon statutes, or other requirements must be dedicated to specific expenditure purposes. The majority of Marion County's funds are special revenue funds. This includes children and families, community corrections, health, and public works funds.

Reserve Fund

A reserve fund is a type of special revenue fund to hold moneys to be accumulated and expended for future purposes. The county has a rainy day reserve fund for providing services or acquiring, repairing or maintaining property or equipment that the county may lawfully provide or acquire to meet the needs of the county in the event of natural or manmade disasters, labor disputes or financial emergencies. It also holds moneys to be expended to offset excessive increases in the employer contribution rate the county may be required by law to pay into the Oregon Public Employees Retirement System or to otherwise reduce the county's obligations.

Debt Service Fund

A debt service fund accounts for payment of principal and interest on notes payable on general obligation long-term debt.

¹ p. 15, Local Budgeting Manual, Oregon Department of Revenue, Property Tax Division

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Enterprise Fund

An enterprise fund is used to report the same functions presented as business-type activities in the government-wide financial statements. Enterprise fund services are rendered to the general public. The FY07-08 adopted budget uses an enterprise fund to account for the environmental services division in Public Works, which provides solid waste management.

Internal Service Fund

An internal service fund is similar to an enterprise fund except services are not rendered to the public. Rather, services are rendered to other departments and activities. The county uses internal services funds to account for central services such as financial management, human resources, and facilities operations and maintenance, risk management, and information technology.

Capital Projects Fund

A capital projects fund accounts for the acquisition and improvement of capital facilities, which may be financed out of the General Fund, grants, transfers from other funds, and bond issues.

County Structure

The complete county structure is shown on the **Marion County Fund–Department–Program Structure** table on the following page.

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Marion County Fund - Department - Program Structure

Fund	Department and Programs
General Fund	Assessor/Tax Department
	Administration
	Tax Office
Central Services Fund	Board of Commissioners Department
	Board of Commissioners
Central Services Fund	Business Services Department
	Administration
	Facilities Operations
	Facilities Maintenance
	Liability and Workers Comp Mgt
	Benefits and Wellness
	HR Admin and Employee Relations
	Employee Recruitment and Develop.
Children & Families Fund	Children and Families Department
	Family Support Systems
	Mobilizing Communities
	Infrastructure
	Comprehensive Planning
General Fund	County Clerk Department
	Administration
	Board/Property Tax Appeals
	Licensing and Recording
	Elections
County Clerk Records Fund	Records
	District Attorney Department
General Fund	Criminal Prosecution
	Medical Examiner
Child Support Fund	Support Enforcement
Meth Strike Force	Law Enforcement
DA Grants Fund	Grants
Liquor Law Enforcement Fund	Liquor Law Enforcement
Central Services Fund	Finance Department
	Financial Services
	Payroll
Tax Title Land Sales Fund	Tax Title Land Sales
Health Fund	Health Department
	Developmental Disabilities
	Outpatient Behavioral Health
	Methadone/Alcohol & Drug
	Community and Provider Services

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Prevention/Rural/HIV
Acute/Residential/Forensic
Communicable Disease Services
Immunization
Environmental Health & Vital Statistics
Maternal Child Health & Women's Health
WIC
Health Administrative Services
Unappropriated Reserves
Gero-Psych

Central Services Fund	Information Technology Department
	Administration
	Infrastructure
	FIMS
	GIS
	Imaging
	Direct Services
	Telecommunications
	Support Services

General Fund	Justice Courts Department
	East Marion Justice Court
	North Marion Justice Court

	Juvenile Department
General Fund	
Juvenile Grants Fund	
	Alternative Programs (AP)
	Guaranteed Attendance Program (GAP)
	Probation
	Detention
	Family Support Program (FSP)
	Administration
	Market
	Co-Occurring Program Experience

	Legal Counsel Department
Central Services Fund	Legal Counsel
Law Library Fund	Law Library

	Public Works Department
Public Works Fund	
	PW Administration
	PW Engineering
	PW Operations
	PW Shops
	PW Communications
	PW Ferry Operations
	PW Emergency Management

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Dog Control Fund	Dog Control
Land Use Planning Fund	Planning
Parks Fund	County Parks
Surveyor Fund	Surveyor's Office
Building Inspection Fund	Building Inspection
Environmental Services Fund	Environmental Services
Fleet Management Fund	Fleet Management
County Fair Fund	
	Fair Administration
	Fair Operations

	Sheriff Department
General Fund	
Community Corrections Fund	
Sheriff Grants Fund	
Traffic Safety Team Fund	
Inmate Welfare Fund	
	Enforcement Operations
	Court Security
	Enforcement Records/Civil Unit
	School Resources Officer
	Enf/Inst Grants, Contr Work, Spec Accts
	Business Administration Unit
	Parole & Probation Operations
	Parole & Probation Special Programs
	Parole & Probation Grants
	Institution Operations
	Medical Unit
	Institution Records/warrants/Court Desk
	Work Center Operations
Traffic Safety Team Fund	Traffic Safety Team
Inmate Welfare Fund	Inmate Welfare
	K-9 Replacement

General Fund	Treasurer Department
	Treasurer

	Non-Departmental
Capital Improvement Projects Fund	All Projects
Juvenile Facility Construction Fund	Juvenile Market Construction

General Fund	
	Non-Departmental Programs
	Transfers to Other Funds
	Special Payments
	Contingency
	Discretionary (Unappropriated Ending Fund Bal.)
Non-Departmental Grants Fund	Title II and III

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Lottery Distribution Fund	Lottery Fund
Block Grant Fund	
	Block Grant
	Farm Rehab
Criminal Justice Assessment Fund	
	Court Security
	Criminal Justice Assessments
County Schools Fund	County School Fund
Rainy Day Fund	Rainy Day Reserve
PERS Liability Fund	PERS Liability Reserve
Debt Service Fund	
	PERS Limited Tax Revenue Obligations
	Courthouse Square Certificates of Participation
Central Services Fund	
	Utilities
	Unappropriated Reserves
Self-Insurance Fund	Self-Insurance Fund

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County Budget Process

The Marion County budget is a financial plan with estimates of resources (revenues) and requirements (expenditures), for a single fiscal year. The fiscal year begins on July 1 and ends on June 30.

According to Oregon’s local budget law, each county must have a budget officer appointed by the governing body. Marion County’s chief administrative officer also serves as the budget officer. The budget officer is responsible for preparing, or supervising the preparation of, a proposed budget that will be presented to the budget committee. A budget committee is another legal requirement of Oregon’s local budget law. The Marion County Budget Committee is comprised of three citizens of the county, who are not county employees, and the three county commissioners. The make-up of the budget committee ensures that citizens/electors are involved in the budget process.

In Marion County the budget development process begins in late fall and ends with adoption of the budget by the Board of Commissioners by June 30 of each year. Budgeting is a continuous cycle. After the budget is adopted, revenues and expenditures are monitored in order to ensure that expenditures do not exceed budgeted amounts as specified by Oregon’s local budget law. Necessary adjustments to the budget are made during the fiscal year through the supplemental budget process. Marion County typically has one to three supplemental budget actions during the fiscal year.

Required Steps In the Budget Process According to Local Budget Law

Formal steps required by local budget law	Additional Marion County Information
A budget officer is appointed.	Marion County’s chief administrative officer.
The proposed budget is prepared for the Budget Committee.	Departments submit budget requests to the budget officer, who modifies requests as necessary to balance the budget and prepares and submits a proposed budget (with the Budget Officer’s Message) to the Budget Committee.
Budget officer publishes notice of Budget Committee meetings.	Published in local newspaper.
Budget Committee meets.	The committee conducts a series of budget meetings with the budget officer, department heads, and elected officials.
Budget Committee approves budget.	The committee makes desired changes to the proposed budget and approves the budget. It is then presented to the Board of Commissioners for adoption.
Budget summary and notice of budget hearing published.	Published in local newspaper.
Budget hearing held.	The Board of Commissioners conducts a budget hearing, allowing citizens to be heard as well as the budget officer, department heads, and elected officials.
Budget adopted, taxes declared.	The Board of Commissioners adopts the budget by formal resolution. The property tax rate (millage) is declared.
Taxes certified by county assessor.	The county assessor certifies the tax roll.
Post-adoption budget changes are done in accordance with state law.	Supplemental budget processes are followed.

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Budget Terminology

Budget terminology used in this document may be unfamiliar to those who do not deal with local budgeting on a regular basis. The county budget revolves around money sources, which are called resources, and uses, which are called requirements. The reader will have a better understanding of tables, graphs, charts and narratives in this document if key terms are understood.

Sources of funds are collectively entitled “**resources**”. The source of funds most commonly recognized by citizens is **revenue**, such as taxes and charges for services. However, there are other sources of funds available to the county. These include transfers, administrative cost recoveries, financing proceeds, and net working capital. **Transfers** are funds that one fund or department receives from another fund or department for special purposes; goods and services are not provided in return for these funds. **Administrative cost recoveries** are charges for services one department renders to another department. **Financing proceeds** are derived from the sale of general or special revenue bonds. **Net working capital** is the prior year savings of a fund.

Collectively, all uses of funds are entitled “**requirements**”. The use of funds most commonly recognized by citizens is an **expenditure**, such as payment of wages and benefits or purchasing of office supplies. Two other uses are **transfers out** and **administrative charges**. As stated above, incoming transfers are recorded as resources for the receiving fund or department, whereas outgoing transfers are uses of funds for the paying fund or department’s side. There are other uses of funds which do not allow funds to be expended. One such “use” is **contingency**. Amounts budgeted for contingency are not available for immediate expenditure. Rather, contingent funds are recognized as being available for unforeseen needs in the budget year, provided the governing body first authorizes the reallocation of budgeted contingency funds to an expenditure category(s). Another non-expendable “use” of funds is **unappropriated ending fund balance**. This is the estimated amount of budgeted year-end resources that are not allocated for any other uses and are not available in the budget year.

Oregon local budget law requires use of specific categories for requirements. These are **personal services, materials and services, capital outlay, transfers (out), debt service, special payments**, general operating **contingencies, reserves** (in reserve funds only), and **unappropriated ending fund balance**.

Under Oregon budget law, **administrative charges** and indirect costs are considered part of the materials and services budget category. Administrative charges in Marion County are internal service charges assessed by central services departments to other departments for central support services rendered. All tables and charts in this book refer only to materials and services, with administrative charges included in these totals.

The designation “FTE” refers to full time equivalent employee positions. An FTE may be one position budgeted for the full fiscal year, or it may be part of a position, one that is not budgeted for the full fiscal year. Therefore, the FTE count for each fund and department is the sum of all of the whole or partial FTE for each budgeted position. Temporary positions are not included in the FTE counts.

For a full list of budget terms see the Glossary in Appendix E.

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Budget Guidelines

General Budget

Adherence to Oregon State Local Budget Law

The letter and spirit of Oregon Local Budget Law shall be followed at all times and no County public official or member of any committee, commission or authority funded with County funds shall knowingly circumvent the law.

Budget Planning and Budget Parameters

In issuance of budget development instructions to departments, the budget officer shall consider the Marion County strategic plan and any other relevant long-term plans in planning for the budget and subsequent years and in setting budget parameters that shall be approved by the Board. The budget parameters shall cover annual budget restrictions and requirements not covered generally by budget policies or specifically by budget instructions.

Development of Budget by Fund, Department and Programs

In order to comply with Oregon Local Budget Law an annual budget shall be prepared and adopted for each fund. In order to provide necessary management information to department heads and elected officials, the county's annual budget shall also be prepared by each department and for non-departmental activities. Within each department, there shall be programs agreed to by department heads, elected officials and the budget committee. Programs shall be made up of services that are similar in nature. There shall be an annual budget for each program.

Balanced Budget

Marion County shall adopt a statutorily balanced budget. This applies to all funds and any department components of the general fund and the central services fund. A budget is statutorily balanced when total estimated resources equal total requirements.

Non-Recurring Revenues

The budget will not use non-recurring (one-time) revenues to fund recurring (continuing) uses beyond the ensuing budget year or life of a grant program or project. To the greatest extent possible, current operating revenues will be used to fund ongoing programs. Current operating revenues may in most situations be supplemented by existing net working capital resulting from an excess of cumulative recurring revenues over cumulative recurring expenditures. Non-recurring revenues should be allocated to non-recurring expenditures or become part of the permanent fund balance.

General Fund Transfers

All funds transferred from the general fund to departments other than general fund departments and to other funds shall not lose their identity through commingling of funds. The allocation of general fund monies to specific expenditures must be identified in program narratives and supplemental worksheets as requested by the budget officer. Some expenditure items may be identified as a percent general fund funded out of a total.

Limitations on Replacing Reduced or Eliminated Grant Revenues

If a program experiences or expects to experience a reduction or elimination of federal, state, foundation or other grant or contract funding, other program revenues or general fund monies will not be used to supplant ("backfill") this funding except under strict conditions.

The following criteria will be applied as to whether a department may request to supplant (backfill) reduced or eliminated grant or contract funding. More than one criterion may be valid. This policy is a guideline for identifying backfills that may be requested; there is no assumption that any backfill request will be approved.

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- If grant funds were used for a pilot or model program, and there was a prior expectation that the County would continue the program with non-grant resources if the results are judged successful and desirable.
- If most or all of the locally generated revenue required to replace grant funds will be derived from newly imposed charges for services provided.
- If there is (proposed) a dollar reduction in another program that can replace most or all of the grant funds, and if that other program is agreed by the board of commissioners to have a lower priority funding.
- If the backfill requested is for the ensuing budget year only, and the board of commissioners has approved a funding plan that includes either alternate funding sources or discontinuance of the program or project in the following fiscal year.

Personal Services

Vacant Positions Termination (existing county policy)

Personnel positions that have not been filled or are not currently under recruitment during a current fiscal year shall not be included in a department's requested annual budget for the ensuing fiscal year. Elimination of vacant positions must be done in accordance with Marion County Personnel Rules. (Marion County administrative Policies and Procedures, Human Resources number 306).

New Positions

No new positions will be considered unless there is new revenue for the position. There must also be a reasonable expectation that there will be an ongoing funding stream for any new position, including covering future administrative charges as well. For enterprise and special revenue funds, new grants and net working capital may be considered new revenue under certain circumstances. These circumstances will generally involve a portion of net working capital that should or must be utilized in the ensuing budget year, or a grant that requires hiring positions that cannot be filled by transfers and is for a period of more than one fiscal year. Except, the deletion of a vacant position and concurrent addition of a position of the same or lower cost is allowed within programs.

Administrative Charges

Administrative Charges on Grants (existing county policy)

Administrative charges must be budgeted as a reimbursable cost or in-kind cost to maintain consistency in the application of administrative charges. (Marion County Administrative Policies and Procedures, Financial Management number 404.)

Administrative Charges (existing county policy)

It is the policy of Marion County to identify the full cost of delivering programs and services that benefit the county as a whole. Administrative charges provide a useful means of accounting for such centralized activities as human resources, financial services, risk and facilities management, information technology, and Board of Commissioners' oversight. It is the intent of the Board of Commissioners that all departments, agencies, and funds help support the central service operations of Marion County. (Marion County Administrative Policies and Procedures, Financial Management number 409.)

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Capital Outlays

Capital Outlay Appropriations (existing county policy)

Capital outlay items will be budgeted and appropriated during the annual budget process. A capital projects fund exists and all capital purchases supported by the general fund shall be expended from this fund. A contingency of 5% of the total estimated projects costs will be built into the fund to be available in the case of cost over-runs. Requests for capital items not submitted during the annual budget process may be considered during the year through the supplemental budget process. (Marion County Administrative Policies and Procedures, Financial Management number 411.)

Construction Capital Improvement Projects Estimates

All capital improvement project request cost estimates for construction, renovation or remodeling shall be prepared or reviewed by the business services department facilities management division manager. The facilities manager is not responsible for identifying the source(s) of funding for each project. The policy does not apply to public works department public infrastructure construction projects.

Reserve and Contingency

Unrestricted General Fund Balance (existing county policy)

It is the policy of the Marion County Board of Commissioners to maintain an unrestricted general fund balance of no less than ten percent (10%) of budget general fund revenues. (Marion County Administrative Policies and Procedures, Financial Management number 410.)

Contingencies

Prudent financial management allows that a contingency may be budgeted for any operating fund in order to have funding available in the event of unavoidable unexpected expenditures. Provided, however, that no program within a fund shall have budgeted at any time a contingency greater than ten percent (10%) of total program budgeted expenditures without budget officer approval. (Contingencies shall be budgeted in accordance with Oregon Administrative Rules 150-294-352[8]).

Rainy Day Fund

A rainy day fund has been established to hold moneys to be accumulated and expended for purposes of providing services or acquiring, repairing or maintaining property or equipment, in response to natural or manmade disasters, labor disputes or financial emergencies as deemed necessary by the Board of Commissioners. The fund may also be used to offset excessive increases in the employer contribution rate the county may be required by law to pay into the Oregon Public Employees Retirement System or to otherwise reduce the county's obligations under any public employee retirement program. (Ref: Board of Commissioners Resolution No. 06-23R.)

Reserves Not Allowed

No fund other than the rainy day fund shall budget for reserves. All funds that are not planned for expenditure in the budget year shall be budgeted in either unappropriated ending fund balance or contingency, or both.

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Post-Adoption Budget Adjustments

Supplemental Budgets

Post-adoption budget adjustments requiring board action shall be submitted for board consideration at regularly scheduled supplemental budget hearings.

Post-adoption budget adjustments requiring board action are:

- Budget increases to appropriate new resources for expenditure in any fund in the current fiscal year,
- Budget decreases to reduce expenditures when resources are expected to be significantly less than originally budgeted, and
- Budget increases and decreases to the amount of requirements among the various categories within a particular fund to better reflect how that fund's resources will be expended or reserved.

Transfers of monies between departmental appropriation categories, using the object classifications of reserves, special payments, transfers, contingency, capital outlay, materials and services, and personal services, require prior authorization by the Board of Commissioners. (Marion County Administrative Policies and Procedures, Financial Management number 406.)

Public notice of proposed board supplemental budget actions must be published in accordance with Oregon Local Budget Law.

Post-adoption budget adjustments that do not require board action are

- Adjustment between cost centers within the same fund,
- Adjustment between expenditure accounts within the same fund and category, and
- Adjustment between revenue accounts within the same fund. Only the budget officer or his designee may approve these adjustments.

Turnover and Hiring Lag Savings

Current year department vacancy savings may either be left as budget savings or be reallocated to temporary wages and overtime pay during any current fiscal year. This may be done to the extent that the affect of vacant positions requires a department to hire temporary employees and/or pay employees overtime pay in order to maintain a minimum standard of delivery of services to department clients. Vacancy savings means wages and benefits unspent due to position turnover, hiring lag, reclassification, under-filling (appointment to a class at a lower pay or grade), and step savings (filling of a position at a lower step than budgeted). Supplemental budget approval is required.

Modification of Approved Capital Outlay Appropriations (existing county policy)

Capital outlay requests are reviewed and approved during the annual budget process each fiscal year, as described in the Capital Outlay Appropriations administrative policy and procedure. These requests are based on the best information known at the time the request is submitted. Due to price increases or other unknown factors, the estimated costs may change between the time the budget is adopted and the time the purchase is made or the work is actually done. Modifications to approved capital outlay amounts shall be submitted to the capital projects coordinator following the process outline below [in the combined policy and procedure]. (Marion County Administrative Policies and Procedures, Financial Management number 412.)

New Capital Outlay Appropriations – Post-Budget Adoption (existing county policy)

Capital outlay items are approved during the annual budget process, as described in the Capital Outlay Appropriations administrative policy and procedure. However, throughout the fiscal year emergency situations may arise that require additional capital expenditures. Requests for the purchase of capital items that were not included in the department's approved budget shall be submitted in accordance with procedures. These items must be approved before purchase through a supplemental budget or special resolution. If these

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items are not of an emergency nature, they should be requested as part of the budget for the next fiscal year. (Marion County Administrative Policies and Procedures, Financial Management number 413.)

Transfers Between Departmental Appropriation Categories (existing county policy)

Transfers of monies between departmental appropriation categories, using the object classifications of reserves, special payments, transfers, contingency, capital outlay, materials and services, and personal services, require prior authorization by the Board of Commissioners. (Marion County Administrative Policies and Procedures, Financial Management number 406.)

Budget Execution

Expenditure Restrictions

Within each fund of the county, actual annual expenditures may not exceed the adopted budget for personal services, materials and services (which include administrative charges), capital outlay, special payments, and transfers out. This includes departments within the general fund and central services fund. There shall be no expenditures charged against contingency, reserves, or unappropriated fund balance accounts.

Budget Monitoring, Control and Reporting

The finance department will maintain a system of monitoring Marion County's budget performance. This system will provide the Board of Commissioners with quarterly and other special reports regarding department level revenues and expenditures compared to budget, with an explanation of significant variances or trends that may indicate future over- or under-expenditures unless budget adjustments or spending controls are instituted.

Position Management

The total number of full time equivalent (FTE) positions in each fund, made up of permanent full-time and part-time positions in the adopted budget, may not be exceeded without approval by the Board in supplemental budgets. The budget officer may propose additions to the total adopted budget FTE, so long as those positions are consistent with new funding sources or increases to existing funding sources approved by the Board.