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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 (located primarily within Marion County)
- Land Area: 1,194 square miles
- Established: July 5, 1843
- Population: 336,316 (2016 estimate)*
- Persons Per Square Mile: 267 (Oregon average: 40)
- Housing units, 2015: 120,948**
- Mean travel time to work (minutes): 21.8
- Cities: 20 incorporated
- 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.

* U.S. Census Bureau, American Fact Finder, Annual Estimates of the Resident Population, July 1, 2016 (<https://factfinder.census.gov>)

** U.S. Census Bureau, American Fact Finder, ACS Demographic and Housing Estimates, 2015 (<https://factfinder.census.gov>)

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 Champooick 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. Incorporated cities population data is from 2016 Oregon Blue Book. As reported by the 2010 Census, the total population of Marion County was 315,335, a 10% increase over 2000. The United States Census Bureau population estimate for July 1, 2016 is 336,316.

Incorporated Cities	Population	Unincorporated Communities	
Aumsville	3,965	Breitenbush	Mehama
Aurora	970	Broadacres	Monitor
Detroit	210	Brooks	Niagara
Donald	985	Butteville	North Howell
Gates	485	Central Howell	North Santiam
Gervais	2,565	Clear Lake	Orville
Hubbard	3,225	Concomly	Pratum
Idanha	140	Crestwood	Roberts
Jefferson	3,195	Downs	Rockie Four Corners
Keizer	37,505	Drakes Crossing	Rosedale
Mill City	1,860	Elkhorn	St. Louis
Mt. Angel	3,375	Fargo	Shaw
St. Paul	430	Hazel Green	Sidney
Salem	162,060	Hopmere	Skunkville
Scotts Mills	365	Labish Center	Sunnyside
Silverton	9,725	Little Sweden	Talbot
Stayton	7,745	Lone Pine Corner	Waconda
Sublimity	2,775	Macleay	West Stayton
Turner	1,945	Marion	
Woodburn	24,795		

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 three-member 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.

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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 18 years and over	240,334	74.3%	79.0%
In Civilian Labor Force	150,391	62.6%	64.4%
Employed	135,269	56.3%	57.0%
Unemployed	15,122	6.3%	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.

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

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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 in his transmittal, i.e., budget message, to the Budget Committee for the fiscal year 2017-18 budget. 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.

EXECUTIVE SUMMARY

May 2017

The U.S. economic expansion marches on, as does Oregon's. Next month marks the eight anniversary since the end of the Great Recession, making the current expansion the third longest since World War II. The good news is nearly all signs point toward continued growth in the near-term. Even so, there do remain significant risks to the outlook, particularly the uncertainty of federal policy.

In recent years Oregon's economy has been among the ten fastest growing states nationwide. That said, Oregon job growth has slowed considerably in recent quarters. While this slowdown has been built into our office's outlook for years, the severity of the slowing has been more than expected. No longer is the state adding jobs at nearly twice the national rate. Over the course of the 2017-19 biennium, Oregon is expected to continue to see healthy jobs gains – a bit more than 3,000 per month – and enough to keep pace with a growing population.

It is quite clear Oregon's growth has slowed, however, the rest of the economic and revenue data suggest the employment numbers may overstate any weakness. Oregon's economy is hitting the sweet spot, which only happens at or near full employment. Wages for workers are rising faster. In a tight labor market, firms must cast a wider net to fill openings. As such, job candidates who were previously passed over when unemployment was high are now finding work, this includes middle-aged Oregonians, the long-term unemployed, and the like. Importantly, these factors combine to generate strong household income gains in recent years. As such housing affordability has largely stopped getting worse, and poverty rates and needs-base caseloads are falling.

As the peak season for income tax collections winds down, it has become clear that Oregon has enjoyed a good year. Although revenue trends are not as strong as what was seen earlier in the economic expansion, Oregon and its Western neighbors continue to lead the way in terms of revenue growth. A large majority of states are dealing with disappointing revenue growth that has failed to match their budget projections. In Oregon, revenue growth has outstripped expectations, putting our unique kicker law into play.

Although revenue growth is still healthy, the slowing pace of Oregon's expansion has become evident in tax return data just as it is has in the jobs data. Income growth has been cut in half over the past two years, with slowing across a wide range of income types. While still growing for now, business, retirement, investment and labor income have all decelerated rapidly.

With increases in the outlook for personal income taxes, estate taxes and lottery sales, net General Fund resources are up \$370 million relative to the March forecast. Excluding corporate taxes, General Fund revenues are now 2.4% above the 2015 Close of Session estimate. If this holds through the end of the biennium, an income tax kicker of \$408 million would be triggered for tax year 2017.

Although the May outlook calls for a personal income tax kicker, it is not a sure thing. Large swings in the forecast between now and the end of June have been commonplace in past years. In fact, if revenue forecast errors are distributed on a bell curve, the forecast would be expected to decline by more than the \$70 million needed to fall below the kicker threshold in one out of every three years.

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COUNTY FINANCIAL POSITION

The County will continue to manage the fiscal year 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, rising employee benefit costs, and continued capital project 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 bond debt issue was in 2005 and bank loan financing for major infrastructure projects in 2013, 2016 and planned for 2018. In practice, the county seeks to use internal financing sources or cash when possible. A significant amount of statutory debt authority exists for Marion County.

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 2016, the current limitation is \$734 million for general obligation bonds and \$367 million for limited tax obligations. As of June 30, 2016, the County's total outstanding debt represents 15.3% of real market value.

Long-Term Debt

At the end of the 2015-16 fiscal year, the County had total debt outstanding of \$57,481,486, a decrease of 5 percent from the previous fiscal year. This amount includes \$794,059 in revenue bonds (Oregon Garden), \$9,538,188 in refunding bonds (Courthouse Square), \$37,614,562 in limited tax pension obligations (PERS) and \$9,534,677 in loans & notes payable (capital loan & 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

	Governmental Activities		Business-type Activities		Total	
	2015	2016	2015	2016	2015	2016
Revenue bonds	\$ 1,292,413	\$ 794,059	\$ -	\$ -	\$ 1,292,413	\$ 794,059
Refunding bonds	10,640,837	9,538,188	-	-	10,640,837	9,538,188
Limited tax pension obligations	38,535,195	37,614,562	-	-	38,535,195	37,614,562
Loans & notes payable	9,662,966	9,075,343	541,932	459,334	10,204,898	9,534,677
Total	\$ 60,131,411	\$ 57,022,152	\$ 541,932	\$ 459,334	\$ 60,673,343	\$ 57,481,486

Debt Payments

Principal and interest payments on Oregon Garden revenue bonds are budgeted in the Lottery and Economic Development 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. Principal and interest payments on loans and notes payable are budgeted in the Debt Service Fund.

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**COUNTY EMPLOYMENT BY INDUSTRY
AND PRINCIPAL PROPERTY TAXPAYERS**

EMPLOYMENT BY INDUSTRY

	2016			2006		
	Units	Employment	% of Employment	Units	Employment	% of Employment
Government Employers:						
Federal government	58	1,269	0.87%	55	1,473	1.11%
State government	211	20,344	14.01%	205	17,814	13.38%
Local government	330	13,726	9.45%	194	13,992	10.51%
	<u>599</u>	<u>35,339</u>	<u>24.34%</u>	<u>454</u>	<u>33,279</u>	<u>25.00%</u>
Private Employers:						
Natural resources and mining	476	10,393	7.16%	417	9,180	6.90%
Construction	1,020	7,682	5.29%	1,133	7,239	5.44%
Manufacturing	378	10,666	7.35%	399	12,261	9.21%
Trade, transportation and utilities	1,651	23,422	16.13%	1,565	22,445	16.86%
Information services	110	934	0.64%	110	1,443	1.08%
Financial activities	874	5,392	3.71%	906	5,793	4.35%
Professional and business services	1,336	11,832	8.15%	1,124	12,026	9.04%
Education and health services	1,046	21,171	14.58%	737	13,772	10.35%
Leisure and hospitality	803	12,754	8.78%	677	10,728	8.06%
Other services	1,676	5,601	3.86%	1,019	4,931	3.70%
	<u>9,370</u>	<u>109,847</u>	<u>75.66%</u>	<u>8,087</u>	<u>99,818</u>	<u>75.00%</u>
Total County Employment	<u>9,969</u>	<u>145,186</u>	<u>100.00%</u>	<u>8,541</u>	<u>133,097</u>	<u>100.00%</u>

Source: Oregon Employment Department

Notes:

- (1) Information is presented for the prior calendar year.
- (2) Includes full-time and part-time employees.

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PRINCIPAL PROPERTY TAXPAYERS

Taxpayer	2016			2006		
	Rank	Taxable Assessed Value	Percentage of Total Taxable Assessed Value	Rank	Taxable Assessed Value	Percentage of Total Taxable Assessed Value
Portland General Electric Co	1	\$ 305,584,619	1.36%	1	\$ 200,535,150	1.28%
Northwest Natural Gas Co	2	141,012,700	0.63%	2	103,281,800	0.66%
Winco Foods LLC	3	90,605,362	0.40%	3	70,210,850	0.45%
Woodburn Premium Outlets LLC	4	60,616,550	0.27%			
Lancaster Development Company	5	58,833,290	0.26%	5	45,174,760	0.29%
CenturyLink (Qwest Corporation)	6	64,019,190	0.28%	3	91,454,440	0.58%
Wal-Mart Real Estate	7	49,338,240	0.22%	8	34,536,530	0.22%
Norpac Foods Inc	8	58,848,031	0.26%	5	57,584,100	0.37%
Metropolitan Life Insurance Co	9	45,385,410	0.20%	10	33,364,250	0.21%
Donahue Schriber Realty Group	10	51,968,800	0.23%			
Craig Realty Group Woodburn				7	37,028,760	0.24%
Food Services of America Inc				9	33,435,860	0.21%
Total for principal taxpayers		\$ 926,212,192	4.12%		\$ 706,606,500	4.51%
Total taxable assessed value		\$ 22,490,480,722			\$ 15,665,803,695	

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.