

**BENTON COUNTY
NOTICE OF BUDGET & PUBLIC HEARING**

A Public Hearing before the Benton County Board of Commissioners will be held June 30, 2009 at 12 Noon, or immediately thereafter as the matter may be heard, in the Benton Plaza Meeting Room 408 SW Monroe, Corvallis. The purpose of this Public Hearing is to receive citizen comments on the budget for the 2009-11 biennium that begins July 1, 2009 and ends June 30, 2011 as approved by the County Budget Committee on June 10, 2009. A summary of that budget is presented below. Additional information may be obtained at the Benton County Budget Office, telephone 541-766-6257 or 6771, weekdays between the hours of 8 a.m. and 5 p.m. The Proposed Budget Document and a summary of Budget Committee adjustments can be found on the Benton County Internet site at <http://www.co.benton.or.us>. Any person may attend the public hearing to discuss the budget or any part thereof.

The budget was prepared on a basis of accounting that is consistent with the preceding biennia.

Jay Dixon
Chair, Board of Commissioners

Budget Summary – All Funds

	<u>Modified</u> <u>Adopted</u>	<u>Approved</u>
	2007-09	2009-11
Expenditures Summary:		
Personal Services	63,311,064	68,060,159
Materials and Services	63,060,408	60,061,412
Capital Outlay	8,438,348	8,108,386
Other: Internal Fund Transfers	7,220,553	11,650,695
Other: Loans	213,650	103,000
Other: Debt Principle	237,500	362,500
Other: Debt Interest	2,284,000	2,210,000
Total Expenditures	144,765,523	150,556,152
Other: Contingency	12,225,468	13,398,538
Other: Debt Reserve	1,220,500	1,415,932
Total Appropriated Budget	158,211,491	165,370,622
Other: Unappropriated Balance	4,200,000	5,900,000
Total	162,411,491	171,270,622
Revenue Summary:		
General Revenues	41,911,155	44,735,912
Charges for Services	45,248,888	45,040,799
Operating Grants/Contributions	41,437,588	38,067,261
Capital Grants/Contributions	6,327,204	5,903,754
Internal Fund Transfers	7,155,847	11,650,695
Loans	286,134	110,127
Current Revenues	142,366,816	145,508,548
Unrestricted Beginning Balance	6,700,000	14,200,000
<u>Dedicated Beginning Balance</u>	<u>13,344,675</u>	<u>11,562,074</u>
Total Revenue	162,411,491	171,270,622
Personnel Summary - Full Time Equivalent (FTE)		
Regular Positions	393.34	389.05
Temporary Hire	25.57	27.92
Total FTE	418.91	416.97

PROGRAM DESCRIPTION AND MAJOR CHANGES FROM THE PREVIOUS BIENNIA

General Government Program

The General Government program includes all or portions of the Non-departmental budget and departments of Community Development, Assessment, Public Works, Board of Commissioners and Administrative Services. Services include land use and building inspection administration, elections, document recording, dog licensing, property valuation and tax collection, cemetery operations, organization wide administrative functions such as payroll, accounting, and human resources, and intra-governmental services, including photocopy, mail, workers' compensation and certain other employee benefit programs, computer and telephone systems, motor pool and facilities maintenance.

This program contains nearly all budgeted inter-fund transfers and loan activity, the general contingency and unappropriated balance accounts for the General and Local Option Levy Funds, and contingency/reserves for motor pool, facilities, technology replacement, workers' compensation and unemployment.

Voters approved a five-year local option levy in November 2007 that will support services through the 2011-13 biennium. The levy was incorporated into the 2007-09 biennium budget essentially at mid-biennium. As a result of the mid-biennium adjustment, 2007-09 budgeted expenditures in the Local Option Levy Fund, are for one year instead of two for a normal biennium.

The water policy project in the Board of Commissioners Department will be phased out by mid-biennium reducing FTE by one. Clerical support to the Administrative Services Department Director will be eliminated and work requirements shared with the Board of Commissioners staff. One FTE will be eliminated. One FTE in Records will be eliminated. Remaining staff can handle the current reduced level of recording activity.

Building permit revenue is down significantly but staffing will be supported by general revenue. Permit revenue will be monitored regularly and if activity does not meet revenue targets staffing levels will be re-evaluated.

General Fund services are funded mostly with general revenues and charges for service. Services in the Management Services Fund are financed almost entirely through internal overhead charges to operating budgets. Services in the Intra-governmental Service Fund are supported by user charges. Employee Benefits Trust Fund is funded through payroll charges. Enterprise Operations Fund is financed through charges for services to private companies and governments that lease county owned building space, or subscribe to information or technology services. PL106-393 Title III Projects and Cemetery Operations Funds are self-financed through dedicated revenues. Debt Service payments for PERS pension obligation bonds are covered by charges against department payrolls.

	<u>2007-09</u>	<u>2009-11</u>
Personnel Requirements (FTE)	96.44	93.41
FUND ALLOCATION:		
General Fund	23,741,883	25,295,461
Local Option Levy Fund	3,735,427	11,108,716
PL106-393 Title III Projects Fund	437,800	682,583
Cemetery Operations Fund	241,424	238,480
Debt Services	3,742,000	3,988,432
Management Services Fund	5,605,204	6,056,805
Intra-governmental Service Fund	11,433,255	12,074,912
Enterprise Operations Fund	469,994	649,577
Employee Benefit Trust Fund	1,727,749	1,622,274
Total	50,134,556	61,717,510

Public Safety Program

This program includes law enforcement functions of patrol and investigations, marine patrol, and civil process. Also included are emergency services, correction facility, parole and probation, medical health services for inmates and the corrections work crew managed through the Natural Areas and Parks Department. Expenditures include support of the Willamette Criminal Justice Council that works to coordinate activities among local law enforcement agencies.

The Adult Correction Programs Fund was supported entirely by a dedicated local option tax levy that was replaced by the general public health and safety November 2007 levy. The budget supports rental of jail space in other county jails and an offender transition program.

The 2007 levy restored 24 hour seven day per week sheriff patrol by returning patrol staff to pre 2007-09 levels. About 3.5 FTE of extra-hire was added to patrol and corrections. Due to state budget reductions in the Community Corrections Program (CCA), the Parole and Probation Division will cut one Sergeant position and may leave open another vacancy until state funding levels are clear. With the passage of the local option levy CCA funds will return to exclusively support of parole and probation services. In 2007-09 some CCA funds were used to fund local jail operations.

Emergency Services will add a one FTE planner supported by federal grants, Corvallis and county general revenues. The position will create and maintain emergency operations plans for both jurisdictions. The VALIANT Fund, a multi-agency drug enforcement effort, is discontinued because assets have been transferred to other organizations for management.

General Fund services are funded mostly with general revenues. Local Option Levy Fund services are funded exclusively by property tax dollars. General Capital Improvements Fund is financed with grants and transfers from the General Fund. The primary project is an upgrade of communication systems paid by federal grants. Much of this project was originally budgeted in 2007-09 but will be carried forward into 2009-11 to complete.

New for 2009-11 will be the use of accounts in the Intra-governmental Services Fund to hold payments from the Law Enforcement operating budget for periodic replacement of radios and ballistic vests. The Trust Fund contains the budget for the Willamette Criminal Justice Council budget that is supported by member governments and a trust for private donations in support of search and rescue services.

	<u>2007-09</u>	<u>2009-11</u>
Personnel Requirements (FTE)	84.91	87.64
FUND ALLOCATION:		
General Fund	17,507,180	17,798,805
Local Option Levy Fund	797,557	2,185,620
VALIANT Operations Fund	17,483	0
Adult Correction Programs Fund	5,037,813	5,148,706
General Capital Improvements	3,398,403	1,956,971
Intra-governmental Services Fund	0	246,747
Trust Fund	101,652	107,497
Total	26,860,088	27,444,346

Public Works Program

This program includes road and roadside maintenance, engineering, survey and administrative support for the entire Public Works Department.

Income from services provided to other agencies is expect to decline by half a million dollars from the previous biennium. State shared fuel taxes and vehicle registration fees are declining due to the economy and high prices that have reduced fuel use, too. The 2009 legislature has passed an increase in fuel taxes and registration fees to boost real spending and offset inflation. However, the timing of the law is such that new income this biennium is likely only to offset the erosion of existing income. The main resource boost will come with the 2011-13 biennium.

To bridge the revenue gap while insuring adequate road maintenance workers a General Fund transfer is budgeted to provide up to \$330,000 to guarantee resources. The transfer will be executed only to ensure the target level. If state share revenues meet or exceed the target, the transfer will not occur. This will maintain up to 4 FTE in the Road Fund through this biennium on a one-time basis. Overall the program will reduce two FTE by re-organizing the engineering function following a retirement, and reducing staffing in the Corner Preservation Fund. The Corner Preservation Fund depends on a document recording fee for income and revenue is down due to lack of development activity.

The General Fund will also provide \$600,000 in project support for overlays using road grindings from local road projects and to match a grant for the Albany/Corvallis Multi-modal path. Details of these projects are in the Capital Improvement Plan.

Program income is mostly from dedicated sources (state and federal governments). Other program income is from service fees, and overhead charges assessed against service districts and other programs.

	<u>2007-09</u>	<u>2009-11</u>
Personnel Requirements (FTE)	40.28	37.99
FUND ALLOCATION:		
Road Fund	14,090,382	13,935,774
Land Corner Preservation Fund	658,010	316,150
Total	14,748,392	14,251,924

Health Program

The General Fund budget includes public health services of communicable and chronic disease prevention, school based nursing, health promotion and Woman, Infant, Children (WIC) nutrition. It also includes budgets for environmental health services which include septic and small water systems, restaurant and food service inspection and solid waste management. Mental health services in the General Fund include some adult outpatient and all developmental disabilities and subcontracted services.

The Local Option Levy Fund includes public and mental health services targeted primarily to children and youth.

Health Management Services Fund includes the budget for all administrative functions of the department and the health clinic including scheduling, billing, records, fiscal services and grant administration.

The Health Center Fund contains budgets for two major activities, the Community Health Centers of Benton and Linn Counties, and Benton County mental health services. The Federally Qualified Health Center (FQHC) provides primary health care through clinic sites located in Monroe, south Corvallis, and at the county's Public Service Building. A fourth clinic site opened in 2007-09 in Lebanon in cooperation with Linn County. Designation as a FQHC makes the county eligible for increased reimbursement rates for Medicaid and Medicare clients. The increase rates in turn help the clinic provide services to populations that are not covered by insurance or federal or state insurance programs. The clinic also service persons with private insurance or on a fee for service basis.

Mental health services include evaluation, case management and treatment services for adults, children and families in areas such as drugs and alcohol abuse prevention and treatment, and mental illness. Mental health provides drug and alcohol treatment for parole and probation division clients including services for adult and juvenile drug court. About 3 FTE overall of mental health staffing is reduced due to state financial issues. State resources remain somewhat uncertain since the legislature has not fully completed budget work.

Financing of health clinic services includes fee for services (Medicaid, Medicare, and private pay), federal and state grants and county general fund. All Health Management Services Fund support is through overhead charges to department operating divisions. General Fund services are supported by general revenues, charges for services and state or federal grants.

	<u>2007-09</u>	<u>2009-11</u>
Personnel Requirements (FTE)	137.21	136.52
FUND ALLOCATION:		
General Fund	15,028,537	14,754,270
Local Option Levy Fund	242,402	553,411
Health Management Services Fund	7,177,765	7,119,524
Benton County Health Center Fund	14,224,602	15,057,212
East Linn Health Center Fund	2,946,957	2,348,893
Total	39,620,263	39,843,310

Justice Services Program

This program includes law library, cost of building space for state courts, and the departments of District Attorney and Juvenile.

Staff of the District Attorney and Juvenile was increased with the local option levy and that increase will be sustained in the new biennium. A part-time Deputy Medical Examiner position will be added to the DA's office with funding from general revenues and local law enforcement agencies. The addition, previously contracted, was supported to provide stability to service availability and improve crime investigation capacity. The levy will maintain funding for four detention beds at the Linn County Oak Creek facility and provide additional resources for usage on a per day basis.

The Court Security Fund pays for one corrections deputy and the general fund funds a second position to screen courthouse visitors and provide other security services for the courts. Court Security Fund revenue is derived from a portion of court filing fees. Fee income has not kept pace with costs and the fund will run out of money about 18 months into the biennium. The county will provide up to \$55,000 in general revenue support to maintain two full FTE, but considers the support a one-time event with expectations the state will develop a solution in the 2011 legislature.

The Trust Fund contains funds collected by the state court and used to support mediation services in divorce and child custody matters. The county provides financial management on a fee for service basis.

General fund operations are highly dependent on general revenues for support, with some state and federal grants and a small percentage of charges for service. Court Security and Trust Funds are supported by dedicated revenues or fees.

	<u>2007-09</u>	<u>2009-11</u>
Personnel Requirements (FTE)	40.29	40.59
FUND ALLOCATION:		
General Fund	7,355,897	8,078,697
Local Option Levy Fund	666,407	1,185,278
Court Security Fund	231,665	203,215
Trust Fund	201,290	187,000
Total	8,455,259	9,704,190

Community Services Program

Principle services in this program are Commission on Children and Families (CCF), special transportation for the elderly and disabled and contributions to a variety of community social service, and economic development related programs.

All FTE is associated with CCF programs. All of CCF is in the General Fund. It will not receive general revenue support in the biennium. Revenue from state lottery dollars dedicated to counties and economic development is expected to be about the same as the current biennium.

Only \$15,780 of the 2009-11 general fund budget is from general revenues. The majority of program funding comes from state and federal dedicated funds.

	<u>2007-09</u>	<u>2009-11</u>
Personnel Requirements (FTE)	3.00	3.00
FUND ALLOCATION:		
General Fund	1,955,879	1,998,439
HUD Block Grant Fund	1,210,264	1,274,450
Special Transportation Fund	3,094,431	2,506,573
Total	6,260,574	5,779,462

Cultural and Educational Program

This program pays for support services and office space of the Benton County-OSU Extension Service Office, fairgrounds, support of the Benton County Historical Museum, and County School Fund. Extension and museum support will be maintained at 2007-09 funding levels. School Fund resources will decline due to changes in the method of distribution of state common school funds initiated by the 2007 legislature. The Department of Education provides instructions to the county on the distribution of fund revenues.

All of the staffing (FTE) is in the Fair Fund. The legislature will reduce county fair support from lottery dollars by 15%. A combination of additional general revenue and other budget adjustments will maintain regular staff levels (4 FTE). Extra-hire staffing will increase by about .50 FTE. The General Fund will provide \$151,500 annually for operation support and \$110,000 annually to support a heavy maintenance program on fairgrounds facilities management by the county facilities division of Public Works.

General fund services are entirely supported by general revenues. About 23% of the Fair Fund budget is supported by general revenues. The school fund is supported entirely by state or federal resources.

	<u>2007-09</u>	<u>2009-11</u>
Personnel Requirements (FTE)	7.61	6.57
FUND ALLOCATION:		
General Fund	927,961	927,900
County School Fund	3,058,000	933,750
Fair Fund	2,152,700	2,290,924
Trust Fund	21,000	31,400
Total	6,159,661	4,183,974

Parks & Natural Resources Program

This program pays for operation and maintenance of county parks and open spaces under the Natural Areas & Parks Department. Most of the General Fund operations are supported by general revenues. The decrease in general fund budget is due to the end of a large federally funded habitat conservation planning grant. Extra-hire staff will be increased for park maintenance.

Enterprise Operations Fund is financed by a concessionaire lease of the Adair Clubhouse. Funds not required to maintain the clubhouse are used for park improvements, frequently as grant match.

	<u>2007-09</u>	<u>2009-11</u>
Personnel Requirements (FTE)	8.46	9.34
FUND ALLOCATION:		
General Fund	2,218,345	1,891,432
Enterprise Operations Fund	213,107	193,220
Total	2,431,452	2,084,652

Animal Control Program

This program appropriation has been discontinued. Dog licensing is now reported under the General Government Program and the enforcement function reported under the Public Safety Program. Program functions are unchanged from the 2007-09 biennium.

	<u>2007-09</u>	<u>2009-11</u>
Personnel Requirements (FTE)	1.75	0.00
FUND ALLOCATION:		

General Fund	476,310	0
Total	476,310	0

Trusts – Expendable Program

Resources in this program are held in trust for specific purposes by donor request, Board of Commissioner Order, state law, or agreement with a third party.

All revenues are dedicated to specific uses as stated in the resolution or order that created the cost center. One cost center is dedicated to acquisition of green space lands, one for donations to maintain the historic courthouse. The Beazell Memorial Forest Trust was created to account for revenues and operating costs of 600 acres of forestland in Kings Valley donated to Benton County. Selective, periodic timber harvests will finance the trust to pay for maintenance costs. Completion of construction on the Beazell Forest Education Center and other development activities account for all of the decrease in the Trust Fund.

The Oregon Health Plan Fund receives capitation payments for eligible clients for mental health services. When services are provided payment is made to the appropriate mental health cost center or private providers. The supporting staff position is eliminated and management functions assume in the Health Program. Remaining staffing is for extra-hire workers in the Beazell Forest Trust.

The Tax Title Land Fund deals with disposal and maintenance of property the county acquires through tax foreclosure. The County is custodian of foreclosed property for all taxing districts. The fund records income, maintenance, and other costs associated with foreclosed property.

Dedicated revenues support all services.

	<u>2007-09</u>	<u>2009-11</u>
Personnel Requirements (FTE)	1.00	0.17
FUND ALLOCATION:		
Oregon Health Plan Fund	3,264,363	2,721,785
Trust Fund	548,942	345,918
Tax Title Land Fund	242,638	275,800
Total	4,055,943	3,343,503

Capital Improvements Program

This program accounts for miscellaneous capital improvement projects. Projects budgeted for the biennium that will received general revenue support include: Fairgrounds Arena renovations (\$100,000) which is expected to be match to \$100,000 in private fund raising. Natural Areas and Parks will use \$25,000 of general revenues to remove the old Fort Tavern building and prepare the area for trail access to Fort Hoskins Park. The county acquired the property late in the 2007-09 biennium.

The Health Center will receive about a half million dollars from federal stimulus legislation that will be used for renovations to the Public Service Building and upgrades to technology systems. A half-time position will coordinate these efforts.

The Building Development Reserve Fund was created to save money toward future development of central administrative office space in the downtown Law Enforcement Building block. The fund accumulates payments from various sources. The general fund will contribute \$200,000 in the biennium. The fund will continue to accumulate interest and net income from space rentals from business and residential property on the Law Enforcement Building block.

The Road Improvement Fund is inactive. All road related capital projects are budgeted in the Road Fund and the Public Works Program Appropriation.

All county capital improvements costing \$10,000 or more are detailed in the Capital Improvement Plan.

	<u>2007-09</u>	<u>2009-11</u>
Personnel Requirements (FTE)	0.00	0.50
FUND ALLOCATION:		
General Capital Improvements Fund	593,714	851,317
Road Improvement Fund	73,206	0
Building Development Reserve Fund	1,542,073	2,066,434
Total	2,208,993	2,917,751

Property Tax Levy Summary

Voters approved a new local option levy in November of 2007 which replaced the last year of the local option jail space rental levy which would have been in tax year 2008. In the 2007 measure the Board of Commissioners pledged to reduce the levy rate if the federal government restored forest payments during the life of the levy. In the fall of 2008 the federal government did restore federal forest payments for four years on an annual declining basis.

The tax rates approved by the Budget Committee reflect the “offset” provided by the forest payments. For taxes due in 2009 forest payments will offset \$0.31 of the \$0.90 rate. For taxes due in 2010, forest payments will offset \$0.23 of the local option rate.

The tax rates in the table below may be lowered by the Board of Commissioners in certifying the annual levy, but may not be increased anytime during the biennium.

Tax Rate (per \$1000 of Assessed Value)

	Adopted 2007	Adopted 2008	Approved 2009	Approved 2010
Permanent Tax Rate	\$2.2052	\$2.2052	\$2.2052	\$2.2052
Local Option (Jail Space Rental)	\$0.2600	\$0.0000	\$0.0000	\$0.0000
Local Option (Gen, Safety & Hlth.)	\$0.0000	\$0.9000	\$0.5900	\$0.6700
Total Tax Rate	\$2.4652	\$3.1052	\$2.7952	\$2.8752

Tax Dollar Estimate

2009-11

Estimate of taxes to be raised

Permanent Rate	28,451,817
Local Option Levy	8,135,980
Total	36,587,797

Estimate of taxes lost to payment discounts, delinquency and tax limitation

Permanent Rate	(1,278,817)
Local Option Levy	(439,980)
Total	(1,718,797)

Net taxes to budget

Permanent Rate	27,172,000
Local Option Levy	7,696,000
Total	34,868,000

Taxes from the permanent rate accrue to the General Fund. Taxes from the Local Option levy accrue to the Local Option Levy Fund. The local option levy supports both specific and general services which mean the taxes generated could be credited to the General Fund. However, to ensure transparency as to the uses and to account for forest payments that will be used to offset the levy, the Budget Committee determined the local option levy should be accounted for in its own fund.

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