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TASSI O'NEIL
COUNTY CLERK

MINUTES – TILLAMOOK COUNTY BUDGET COMMITTEE MEETING MINUTES
May 1, 2012
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BUDGET COMMITTEE PRESENT:

Doug Olson, Chair
Charles J. Hurliman
Mark Labhart
Tim Josi
Geoffrey Davey
Shirley Kalkhoven

STAFF PRESENT FOR PORTIONS OF THE MEETING: Tassi O'Neill, Clerk; Denise Vandecoevering, Assessor; Karen Dye, Sheriff's Office; David Dickman, Director, Human Resources; Michael Soots, Director, Information Services; Lorrie McKibbin, Assessment and Taxation; Chris Chiola, Sanitarian; Christine Arthur, District Attorney's Office; William Porter, District Attorney; Sara Charlton, Librarian; Barbara Billstine, Victims Assistance; Neal Lemery, Justice of the Peace; Paul Levesque, Facilities, Fleet and Contracts Director; Liane Welch, Director, Public Works; Kathy Lewis, Chief Deputy Treasurer; Paula Arthur, Assessment and Taxation; Deb Clark, Treasurer and Valerie Soilihi, Director Community Department.

GUESTS: Steve Forester, Dan Biggs, Val Folkema and Justin Aufdermauer.

CALL TO ORDER: Chair Olson called the meeting to order at 9:00 a.m. in Commissioners' Meeting Rooms A and B. He reported on the preceding Compensation Board meeting where it was decided to provide the same COLA to elected officials as all the other employees received.

Chair Olson asked everyone to sign in.

APPROVE BUDGET COMMITTEE WORKSHOP MINUTES: Chair Olson entertained a motion to approve the workshop meeting minutes. A motion was made by Shirley Kalkhoven to approve the minutes of April 3, 4, 5 and 6, 2012. Geoffrey Davey seconded the motion. Chair Olson confirmed the April 3rd comments by Jerry Underwood. The motion carried with six aye votes. The committee signed the minutes.

Chair Olson outlined the order of business.

FY 12-13 BUDGET MESSAGE: Deb Clark read the budget message (see attached). Commissioner Josi asked about the library debt service levy. The reflected amount in the message is the amount needed this year.

PUBLIC QUESTIONS AND COMMENTS: Chair Olson opened the meeting for comments from the general public.

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Dan Biggs, Economic Development Committee, thanked the Budget Committee for hearing him. He spoke about the plan for economic development and how those funds have leveraged other revenues. They already have almost \$500,000 so far this year. He hopes to reach \$1,500,000 this year. They will be looking at a transient room tax (TRT). He is asking to have the \$3,000 restored to his budget.

Chair Olson asked for county staff comments.

Liane Welch thanked the Budget Committee for the \$333,000 in matching funds for the Lommen bridge.

Valerie Soilihi, Community Development Director, said she appreciates the challenges. She said the \$275,000 in additional cuts in Community Development is substantial for her department. She said the budget now shows her revenues will exceed expenses. She doesn't feel this was an equitable budget cut. They don't have enough money to pay the heat bill. She felt the vehicle donated to an outside entity could have been given to them. She was concerned about losing Vic Eagan. She wondered what will happen when building activity picks up. She needs another \$28,500 at a minimum. If they were to contract out the plumbing inspector it will cost more. Chair Olson felt if fees pick up, these can be responded to.

Andy Long said the vehicle he gave to the Tillamook Animal Shelter was very old and he had offered it to other departments.

BUDGET COMMITTEE DELIBERATIONS: Commissioner Labhart read his comments into the record (see attached). He suggested taking \$3,000 from Video Lottery contingency to add back to economic development. He supported a midyear budget review. He suggested we look at reinforcing Community Development's heating bill and look at the department midyear. We are addressing that department in graduated steps.

Commissioner Josi was concerned that we are starting to lose our way as a county. He expressed concern about failure of the road levy and now the library is in jeopardy. This is the 11th operating levy. He discussed the decreasing funds even if the library levy passes as well as consequences if it fails. He said libraries are important.

Commissioner Josi supports a midyear look as part of an annual strategic plan. He felt we ought to address the Community Development heating bill now and look at a position replacement soon. He supports the budget as proposed. He said we can't afford to not come up with the balance of the match for Lommen bridge next year.

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Commissioner Hurliman said the wheels have to stay on the bus. State and federal funding is unlikely. He recommended reducing positions including the Human Resource director. It may involve a .5 FTE in that department. He disagreed that elected officials should receive the cost of living adjustment (COLA). He said we are higher than surrounding counties. It will create compression but that will be needed in union negotiations.

Geoff Davey apologized for not attending the budget workshops. He has reviewed all the materials and met with the Budget Officer. Concerning the \$800,000 transfer from revenue stabilization, he noticed that there would be no transfer this year. It is an escalation over last year. We are burning through that fund but next year will be very difficult. He also noticed the \$100,000 difference in the revenue/expenses in Community Development and wanted to hear about that. He supported a midyear review and \$3,000 to Economic Development.

Shirley Kalkhoven said Ms. Clark had a great teacher. She supported the \$3,000 restoration to economic development. She was not clear how planning was going to take place in Community Development. We need to make sure the bills are paid in Community Development. She supports a midyear review. At least we are not in desperate circumstances.

Chair Olson saw no significant issues in special funds. As to the general fund, it increased by \$861,000. It came from cash balances. He reviewed the reduced expenses of \$623,000. He said this is one of the more troubling budgets he has seen. Revenue stabilization is at \$2,000,000, which is substantially more than recommended by the Leadership Team. He was concerned about the \$666,000 for Lommen bridge next year but it has to be done. No vehicle resources and other funds have been drawn down. This is an unsustainable path. Personal services has increased by 6% in recent years at the expense of materials and services. This can't continue. Revenues are up 4% but expenses are up 13%. He complimented Marlene Putman in the Health Department, Tassi O'Neil in the Clerk's Department, Dave Dickman and Liane Welch. He supports what has been presented but this budget needs to be monitored closely. The heat bill in Community Development will be paid and should be adjusted. He also supported a \$3,000 increase to economic development.

Commissioner Josi also said we have premier administrators. Commission Labhart said he met yesterday with the Oregon Department of Forestry (ODF) about next year and there are nine sales waiting to be harvested. Those were sold at higher prices. He felt revenue should be higher than forecasted. Commissioner Josi said ODF missed its estimate this year so they will increase this year as Commissioner Labhart said. Commissioner Josi reflected on how the ODF management plan evolved but now ODF is going to be out of operating funds. He spoke about ODF's two working groups and

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about increasing revenues. He is resisting any changes to the formula. He said all counties face the problem of Measures 5/50, which are slowly killing cities and counties. Lincoln County lost 30 to 40% of their personnel.

Commissioner Hurliman said revenue growth of about 5% is from new construction. He said ODF revenue has enabled revenue stabilization. He supported building up our building and motorpool funds and stemming growth in personnel services.

BUDGET COMMITTEE APPROVAL OF BUDGET & TAX LEVIES: A motion was made by Commissioner Labhart to approve the budget as presented except to restore the economic development request from video lottery contingency and \$28,500 to Community Development for Vic Egan, heat and janitorial services.

During the motion there was discussion about funding for Vic Egan. Ms. Soilihi said funding for him is not now in the budget. Dave Dickman felt it would be difficult to recruit for a .5 FTE for a part time plumbing inspector. Ms. Clark suggested as we move forward, if holes occur, these minor fixes can be addressed. Ms. Soilihi felt \$28,500 was proposed to address Vic Egan, heat and janitorial services. Mr. Egan is paid out of 5600 but Ms. Soilihi contemplated replacing him with an FTE that has now been cut so there are no funds to pay for Mr. Egan. He costs about \$22,000 per year. Mr. Dickman felt it needs to be addressed now. Chair Olson suggested adding \$23,000. Ms. Soilihi said that wouldn't cover it. She needs \$28,500. Chair Olson suggested adding that in.

Commissioner Hurliman felt the position is needed and he said the funds should be found in his prior suggestions or no COLA for elected officials.

The motion carried with six aye votes.

Chair Olson reported on the Compensation Board's recommendation for a 2.5% COLA for elected officials.

A motion was made by Geoffrey Davey to approve the recommendation. The motion was seconded by Shirley Kalkhoven. Commissioner Hurliman felt we should not pass it. We need to send a message loud and clear to reduce personnel expenses during future negotiations. Commissioner Josi said he doesn't care about the increase but is thinking about the other elected officials and compression, so he will be voting yes. Commissioner Hurliman compared this to other counties.

Ms. Kalkhoven said compression is a major issue with cities. Local governments are on a path to destruction. Increases are unsustainable. Commissioner Labhart and Ms. Kalkhoven said it will take some cities and counties going under. Commissioner

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Hurliman said we can either do layoffs or reduce other costs. He reported on 149 counties in Georgia where 14 counties have gone insolvent. We have a spending problem. Ms. Kalkhoven said that in Lane County they are talking about the domino effect. Chair Olson talked about the numbers of comparable counties from December so no adjustments would put us lower. He didn't want to see compression.

The motion carried with five votes. Commissioner Hurliman voted nay.

Chair Olson read the tax levies. A motion was made by Commissioner Labhart to approve the levies as read into the record. The motion was seconded by Commissioner Josi. The motion carried with six aye votes.

Ms. Clark said she appreciated everyone's work. Commissioner Labhart said it is their role to ask the tough questions. Our budget compared to some other counties is in much better shape. He said we will survive but need to watch it. Commissioner Josi reflected on the woes of Curry County.

There being no further business Chair Olson adjourned the meeting at 10:52 a.m.

RESPECTFULLY SUBMITTED this 2nd day of May, 2013.

County Clerk: Tassi O'Neil

Susan D. Becraft
Susan Becraft, Recording Secretary
& Special Deputy

APPROVED BY BUDGET COMMITTEE:

Doug Olson
Doug Olson, Chair

Shirley Kalkhoven
Shirley Kalkhoven

Geoffrey Davey
Geoffrey Davey

Charles J. Hurliman
Charles J. Hurliman, Commissioner

Tim Josi
Tim Josi, Commissioner

Mark Labhart
Mark Labhart, Commissioner

**TILLAMOOK COUNTY BUDGET
COMMITTEE
BUDGET MEETING
May 1, 2012
9:00 A.M.
COMMISSIONER'S CONFERENCE ROOM**

AGENDA

- 9:00 a.m.
1. Call to Order Doug Olson, Chairperson
 2. Approve Budget Committee Workshop Minutes
 3. FY12-13 Budget Message Debbie Clark, Budget Officer
 4. Public Questions and Comments
 5. Department & Other Funding Agencies Comments Regarding Proposed Budget
 6. Budget Committee Deliberations
 7. Budget Committee Approval of Budget & Tax Levies
 8. Adjourn

BUDGET COMMITTEE MEETING

Tuesday, May 1, 2012

PLEASE PRINT

Name Address Item of Interest

Jason Owell Clerk all

Henry Vandy Assessor all

Karen [unclear] Retiree News

[unclear]

David Dickman HR

Dan Biggs ECD

Michel Scotts I.S.

Lorrie McKibbin Tax Assessment

Chris Chioda DCU

[unclear]

W. L. Parke PA " "

Sara Charlton Library

Barbara Buisson DHCAP

NEAC LEWERY Justice of the Peace

Val McKim all

(Please use reverse if necessary)

BUDGET COMMITTEE MEETING

Tuesday, May 1, 2012

PLEASE PRINT

Name Address Item of Interest

Don Steg EDC

Justin Aufermaver Till Chamber of Com

Lane Welch ped

Happy Lewis Treasura

Paula Arthur Ass

Deb Clark

VALERIE SOWIHI DCU

(Please use reverse if necessary)



Land of Cheese, Trees and Ocean Breeze

TILLAMOOK COUNTY BUDGET MESSAGE FISCAL YEAR 2012-2013

As budget officer, I present the proposed budget to the budget committee portraying the expected financial performance of Tillamook County. The budget format is consistent with that of previous years and all funds are presented as balanced between revenues and expenditures as required by Oregon Revised Statutes, Chapter 294.

I am taking this opportunity to mention the retirement of three (3) elected officials during the current fiscal year; County Assessor Tim Lutz, County Treasurer Karen Dye and County Sheriff Todd Anderson. Their combined service to Tillamook County totaled eighty-one (81) years. Their leadership, commitment and dedication to the people are notable.

Tillamook County uses the cash basis of accounting for all budgets. Revenues are recorded at the time they are received in cash and expenditures are accounted for when paid. The historic information includes actual revenues and expenditures that have been audited and adjusted to the modified accrual basis of accounting which is required by Generally Accepted Accounting Principles (GAAP).

The General Fund is the County's main operating fund and is appropriated by various departmental levels. The remaining funds of the County are appropriated by categories: personal services, materials and services and capital outlay. Special Revenue Funds receive revenue from specific serial levies, fees, fines, grants or other governmental appropriations. In some cases, the General Fund will loan funds to a Special Revenue Fund to comply with State budget law mandates. Additionally, all funds include separate appropriations for debt service, transfers and contingency, where applicable. Special reserve balances and unappropriated ending balances are included where needed.

The County Leadership Team consisting of Elected Officials and Department Directors held a strategic planning meeting on February 2, 2012. The purpose of this meeting was to collaboratively develop priorities for the County budgeting process. The following recommendations were established to help guide the County in providing government services to the community:

- The general fund unappropriated ending fund balance needs to be maintained at a minimum of \$4 million or the amount needed to bridge the minimal operational costs from July until November of each fiscal year.
- Lommen Bridge matching funds need to be funded at \$333,000 in fiscal year 2012-2013 and \$666,000 in fiscal year 2013-2014. This is a one time event priority as this bridge is scheduled for a \$10 million replacement of which the County is required to match with \$1 million.
- The Revenue Stabilization Fund needs to be funded at a minimum of \$4 million with the goal of six (6) months of operating revenue for the General Fund.
- The Building Improvement Fund should be built up to a minimum of \$6.5 million to provide \$5 million in the event of a catastrophic building loss and \$1.5 million for ongoing capital improvement. A long term plan for replacement of the courthouse and other aging and inadequate facilities must be developed.
- Vehicle Reserve Fund should fund future vehicle purchases on an annual pro rata basis by department. Incremental funding must be commenced so as to replace end of life vehicles needed to conduct County business.

- Move the Department of Community Development back to the General Fund so long as a cost analysis is continued to move closer to a revenue neutral position on fee supported services.
- The Law Enforcement Fund should be allowed to build up to \$50,000 from Justice Court MIP funds. The concern raised is the funding of alcohol related prosecutions that may outstrip this fund's ability to pay.
- The Post Employment Liability Reserve Fund should remain as is. Insurance cost for retirees should remain departmental costs accounted for in the budget process as a pay as we go approach.

As a result of the strategic planning meeting, the Board of County Commissioners made a motion at a workshop on February 21, 2012, to move the Department of Community Development back to the General Fund. The proposed budget presented includes this decision. This could become problematic if and/or when the building program revenues exceed expenditures. It will be necessary to continue monitoring this program.

A major economic impact on the County's finances is the elimination of federal funding through the Secure Rural and Community Self Determination Act ("Safety Net Payments"). The Act was reauthorized by Public Law 110-343, but at reduced revenues for the County and ending in 2012. Historically, fifty percent (50%) of annual operating revenues for the Road Fund came from this source.

Local governments in Oregon continue to struggle with the impacts of Property Tax Limitation Measures that passed in the 1990's. With the passage of BM5 and in 1997 BM50, rates were capped at \$10 per thousand dollars of value for general government and phased in a limit of \$5 per thousand dollars for schools. Growth of property tax revenues is limited to three percent (3%) per year, except for new construction, which now results in new revenues rather than an adjustment in the tax rate.

State Forest Revenue provides about \$2.7 million in funding for the General Fund. This source will remain sluggish for fiscal year 2012-2013. The State Forestry uses a structured basis management strategy plan for timber harvests. Once the sales are held, they have three (3) years to produce income. This revenue source fluctuates annually based on economics, price and demand. Political factors also play an important role in the stability of these revenues. The budget continues to be determined by this revenue source.

Federal and State revenues partially or completely support many County services. These revenue sources will continue to decline as the Federal and State governments reduce spending.

Revenue from investments is expected to remain stagnant. The County allocates interest on month end balances and generally uses the Local Government Investment Pool for most investments. The General Fund bears the investment loss for operating funds that have negative balances and the County does not charge local taxing districts for investment services that are required by law. In addition, bank charges for credit card services, etc., create additional banking charges that offset interest earnings.

Moving forward, the County Leadership Team will need to respond to the continued economic crisis and reevaluate the impact this downturn has on the County's complex financial portfolio of discretionary and dedicated revenues. Preserving the General Fund balance reserve, focusing on financial sustainability and stability, and actively manage and monitor mid year spending needs to be a key element in the County's financial strategy.

The cost allocation plan continues to be prepared in accordance with OMB A-87 standards. The Board of County Commissioners remain supportive of the Special Revenue Funds paying for their indirect costs.

The proposed budget contains a 2.5% wage increase for all employees. AFSCME represented employees negotiated a new "5x5" salary table, replacing the previous nine (9) step table to a six (6) step table with five percent (5%) increases between steps and ranges. Also included on the new AFSCME pay table are Steps L1 and L2. After completion of ten (10) consecutive years of service, the salary range will be Step L1. After completion of fifteen (15) consecutive years of service and at Step L1, the salary range will be

Step L2 The AFSCME contract includes a 2.5% wage increase effective July 1, 2012 and July 1, 2013 with a 1% wage increase effective July 1, 2014. This contract will expire on December 31, 2014. The Teamster contract was "rolled over" for two (2) years with the exception of wage increases of 2.5% effective July 1, 2012 and July 1, 2013. This contract expires June 30, 2014. The Salary Adjustment Panel has recommended a 2.5% wage increase for non-represented employees. Elected Officials compensation requires a recommendation from the Compensation Board and approval of the budget committee.

A seventeen percent (17%) increase has been budgeted for health insurance benefits. This seventeen percent (17%) increase is a secure flat rate of increase through December 31, 2013. With this agreement, the County will be re-rated in January 2014 instead of January 2013 which could have resulted in a potentially greater increase. Employees continue to pay ten percent (10%) of the health insurance premium and the County pays ninety percent (90%). The County will contribute twenty percent (20%) of salaries to the retirement program. This is a two percent (2%) increase from eighteen percent (18%) used the current fiscal year to fund the Retirement Plan. The actuarial valuation suggested a funding contribution of 22.8%.

The proposed General Fund transfers to other funds totals \$511,000 an increase of \$328,000 from fiscal year 2011-2012. This includes a transfer of \$333,000 for the \$10 million Lommen Bridge Project. The County is required to provide a \$1 million match. The County Leadership Team supported this transfer and suggested the remaining \$666,000 be transferred next year. It is my opinion that this transfer will not be feasible next fiscal year.

The proposed General Fund unappropriated ending fund balance is \$4,810,831 a decrease of \$499,684, or 9.41%, from fiscal year 2011-2012. The proposed General Fund budget reduces cash by \$1,439,169. The County's proposed General Fund budget totals \$21,751,834. This is a \$1,481,894 or 6.81% increase from fiscal year 2011-2012 adopted level. The foremost cause for this increase is moving the Department of Community Development budget back into the General Fund. A chart showing the comparison of the proposed 2012-2013 General Fund budget and fiscal year 2011-2012 adopted General Fund budget is shown below:

GENERAL FUND BUDGET			
FY 2011-2012 vs. 2012-2013			
RESOURCES	ADOPTED 2011-12	PROPOSED 2012-13	INCREASE/(DECREASE)
Operating Revenue	14,069,940	15,251,834	1,181,894
Other Funding Sources	6,200,000	6,500,000	300,000
TOTAL	20,269,940	21,751,834	1,481,894
EXPENDITURES			
Personal Services	10,846,005	12,535,512	1,689,507
Materials & Services	3,362,990	3,397,391	34,401
Capital Outlay	267,430	247,100	(20,330)
Transfers Out	183,000	511,000	328,000
Contingency	300,000	250,000	(50,000)
Unappr Fund Balance	5,310,515	4,810,831	(499,684)
TOTAL	20,269,940	21,751,834	1,481,894

The proposed General Fund budget does not include the 2 FTE's requested by the Department of Community Development or the .5 FTE requested by Human Resources. The Department of Community Development did realize a 1 FTE this fiscal year. These position requests should be reviewed mid year after a careful analysis of received and projected revenue.

The proposed General Fund budget eliminates the vehicle request for the Department of Community Development and reduces the Sheriff Department vehicle request from \$235,000 to \$150,000. This should provide the Sheriff's Department funding to purchase five (5) vehicles and the associated equipment instead of the requested seven (7). Hopefully the Department of Community Development can

successfully work with the motorpool committee to determine if there is an existing County vehicle that can meet their needs.

The Jail's capital outlay request has been reduced in half, with the assumption that projects slated for fiscal year 2012-2013 will be completed this fiscal year.

Some savings were realized in Personal Services as the requested budget included salary projections built on assumptions that all non-represented/non-elected official employees would follow the AFSCME represented employees and be on a new "5x5" pay table. The Salary Adjustment Panel met and did not propose that change. The salaries were recalculated for this class of employees. This recalculation resulted in a reduction of FICA and retirement contributions, also.

The proposed budget requires an \$800,000 transfer from the Revenue Stabilization Fund. Fiscal year 2011-2012 was adopted with the assumption that \$500,000 would be transferred. Currently, no funds have been transferred from the Revenue Stabilization Fund to the General Fund. My goal is to not use any of the Revenue Stabilization Funds this fiscal year, but that may not be possible if the Department of Community Development remains cash negative on June 30. Their cash balance on March 31, 2012 was (\$137,664). The \$800,000 transfer would reduce the Revenue Stabilization Fund by 40%.

The County's proposed All-Funds budget totals \$64,411,930. This is a \$19,054,920 or 22.83% decrease from fiscal year 2011-2012 adopted level. The majority of this decrease is the failure of the Road Levy in November 2011. The fiscal year 2011-2012 adopted budget included the Road Debt Service Fund for repayment of the bond levy and the Road Improvement Construction Fund to expend the bond proceeds for road infrastructure construction. A chart showing the comparison of the proposed all funds 2012-2013 budget and the fiscal year 2011-2012 adopted budget is shown below:

ALL FUNDS BUDGET			
FY 2011-2012 vs. FY 2012-2013			
RESOURCES	ADOPTED 2011-12	PROPOSED 2012-13	INCREASE/(DECREASE)
Operating Revenue	66,673,670	47,223,507	(19,450,163)
Other Funding Sources	16,793,180	17,188,423	395,243
TOTAL	83,466,850	64,411,930	(19,054,920)
EXPENDITURES			
Personal Services	20,198,165	21,593,207	1,395,042
Materials & Services	24,295,715	24,452,048	156,333
Capital Outlay	23,969,192	3,350,710	(20,618,482)
Transfers Out	1,018,360	1,639,000	620,640
Contingency	2,298,050	2,111,936	(186,114)
Debt Service	1,795,180	1,803,625	8,445
Unappr Fund Balance	9,892,188	9,461,404	(430,784)
TOTAL	83,466,850	64,411,930	(19,054,920)

The County's other major funds consisting of the Library, Veteran's Services, Health Services, Road, Commission on Children and Families and Community Corrections continue to struggle with stable revenue streams.

Fiscal year 2011-2012 is the final year for the local option tax levies that fund the County's Library Services and the County's Veteran's Services. The County will seek voter approval for new operating levies for the aforementioned departments in May 2012. The Library levy is proposed to continue at 65 cents per \$1,000 of assessed valuation and the Veteran's Service levy is proposed to continue at 3 cents per \$1,000 of assessed valuation.

The Health Services Fund has improved their financial status and continues to make appropriate corrections. On June 30, 2011, the General Fund loaned the Health Services Fund \$431,000 to cover their negative fund balance. The Health Services Fund has a remaining balance of \$115,000 for a loan of

\$500,000 on June 30, 2005 from the General Fund. As of March 31, 2012, the Health Services Fund cash balance was \$35,104.

The Road Department resources continue to decline. Federal Forest Fees have decreased from \$1,462,012 in fiscal year 2009-2010 to a proposed fiscal year 2012-2013 amount of \$67,991; a four (4) year decline of \$1,394,021. The Board of County Commissioners and County Roads Advisory Committee continue to explore funding possibilities.

The Commission on Children and Families continues to be funded with diminishing Federal and State funding sources. The Community Corrections main funding source from the Oregon Department of Corrections grant has decreased by almost 25% in the last four years.

The County will levy additional taxes to pay the annual requirements for three Debt Service Funds. The Hospital Debt service levy is \$864,500. The Hospital General Obligation Bond was passed in 1996. This bond provided funding for a remodel and earthquake retrograde of the Tillamook County General Hospital. The bond will retire in fiscal year 2015-2016.

The Justice Facility General Obligation bond was passed in 1994 and will retire in fiscal year 2013-2014. The Jail Debt service levy is \$669,000. The Facility was dedicated on June 18, 1997. This facility continues to house the Tillamook County Sheriff's Office, Jail, Adult Parole and Probation and the Oregon State Police.

The Library Debt Service levy is \$279,000. The General Obligation bond funded the construction of the main library located at Stillwell and Third Street in Tillamook. This facility opened in 2006 and continues to be the nucleus for library services and community events. The bond will retire in fiscal year 2023-2024.

My goal as budget officer is to provide sustainable funding for all mandated and essential County government programs; provide services in a transparent, open and efficient manner to the citizens of Tillamook County; and ensure cost effective achievement of services to the County's citizens by providing an environment that fosters a highly qualified and a professional workforce.

The budget has been prepared based on the most accurate information provided at this time. As previously mentioned, this budget will need to be reviewed after the new budget year begins. The budget committee meeting has been noticed as required by ORS 294.311(35). The budget committee reviews the proposed budget and receives the budget message. Following budget approval by the budget committee, another public hearing is held. A budget summary and notice of hearing are published prior to the hearing, subject to strict legal requirements as to the time and method of publication.

The Board of County Commissioners is scheduled to adopt the County budget on June 13, 2012. After hearing testimony from the public, the Commissioners may adjust the budget, within certain parameters or adopt the approved budget sent to them by the budget committee.

I wish to thank the Elected Officials, Department Heads and County staff who have contributed to the preparation of this year's budget.

Respectfully submitted,



Debbie Clark
County Treasurer/Budget Officer

Budget Notes

May 1, 2012

Total **Proposed** All Funds budget by county departments went from \$83.5 million in FY 11-12 down to \$64.4 million or a decrease \$19.1 million. This is a 23% decrease in the All Funds **Proposed** budget from last year.

The General Fund **Proposed** budget though has increased from \$20.3 million to \$21.7 million or \$1.4 million. That includes the PS, M&S, CO, transfers out, contingency and unappropriated ending fund balance.

A large portion of this GF increase is moving the Community Development Department from a Special Revenue Fund previously supported by fees to the General Fund.

General fund personnel services budget has increased from 10.9 in FY 12 to 12.5 in FY 13. This \$1.6 million increase comes mainly from a 17% increase in health insurance over last year, union salary negotiated increases of 2.5%, retirement contributions, etc.

General Fund materials & services stayed about the same. Capital Outlay decreased about \$20,000 over last year.

Roads

- I appreciate you keeping in the \$330,000 match for Loeman Bridge replacement.
- Going from \$1.5 million in Federal funds in FY 10 to \$68,000 for this year. Total Rev. has gone from \$7.5 million to \$4.9 million in this projected budget. That's a decrease of \$2.6 million in four years.
- We have gone from 50 FTE's a few years ago to 20 in this proposed budget.
- Asphalt budget was \$402,000 in FY 10. Now it's \$75,000. No paving projects this year.
- Vehicles that need to be replaced will not be.

Economic Development

- The Lottery Funded budget was reduced by \$3,000. Dan Biggs is doing great work and it's very hard work because you work hard to bring in business and then someone backs out. You work very hard to keep our current businesses sound and some fail. But, some succeed and some new businesses to come.

This needs to be a priority for this Commission. We have \$6,000 in Contingency and I would recommend that we use \$3,000 of it to restore this cut and fund then at the \$93,000 level.

Justice Court

- I'm glad to see we moved the clerical staff up to full time in order to accommodate the increased workload we are picking up from the City court services. These costs should be offset by the increased revenue we will receive from city tickets.

Sheriff

- No layoffs in this largest GF Department
- He's not going to get all the vehicles replaced that he asked for but I believe what Deb proposed is reasonable.
- Some of the cuts continue to delay needed maintenance needs at the jail.

Buildings

- We still are not putting enough money into the courthouse building maintenance and replacement and this issue keeps getting pushed off into the future in an effort to keep our vital services funded.

Mid-year budget review

revenue up 2.2%
expenditures up 2.8%

Community development

- ~~you~~ you back to the S.F.
- gave you an additional job this year that was definitely needed
- fully understand your needs.
- maybe we can find enough money to pay the budget bill.

6 month review