

Wasco County 2015/16 Budget Message

Overview

I am pleased to present to you the Proposed Budget for Fiscal Year 2015-2016.

This budget has been prepared to satisfy the legal requirements of Wasco County and the State of Oregon local budget law. The value and purpose of a budget is to provide a financial plan for the next fiscal year, authorizes local government to spend and how much can be spent, justifies the levy of property tax and is a tool to communicate and inform.

The primary purpose of this budget is to recognize the cost of service approach, to develop, adopt and implement a fiscally sound and sustainable plan for accomplishing goals for the upcoming year. In addition, the budget must meet the principal objectives of maintaining a responsive local government, comparatively low taxes and fees, high service levels and a strong financial position. I am confident the Proposed Budget that was built by the management team of Wasco County meets those purposes.

There are two significant changes differentiating this budget from the prior year. First, the Household Hazardous Waste Program returns to the County and will be lodged with the Planning Department. Second, a new, special revenue fund titled Community Development Fund has been added. This is a result of partnering with Mid Columbia Center For Living to manage a large, federal, pass thru grant for the purpose of funding a capital project.

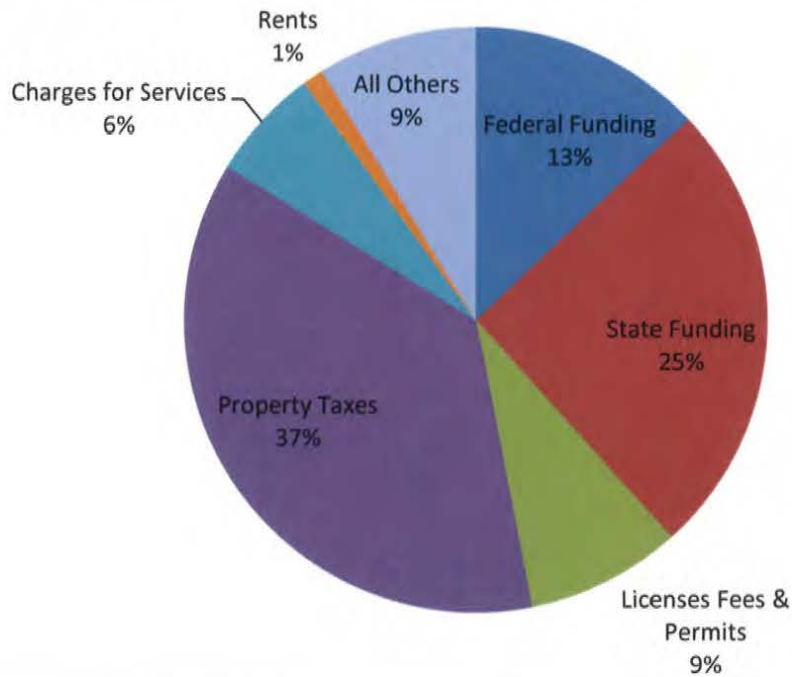
This proposed budget has 27 funds and totals \$42,614,174. Revenues are not changing much, as you will see in the following charts. There continues to be a lull in federal funding, other than the potentially new federal grant for Center for Living. State funding is currently holding strong as is local activity.

Fund	Description	2014/15	2015/16	Difference	%
General Fund		\$14,757,716	\$16,820,164	\$2,062,448	14%
	<i>The main operating fund for Wasco County</i>				
Health Grants Fund		\$0	\$0	\$0	0%
	<i>State funding for Public Health</i>				
Public Works Fund		\$6,831,698	\$6,729,808	(\$101,890)	-1%
	<i>Road operating fund</i>				
County Fair Fund		\$228,000	\$277,550	\$49,550	22%
	<i>County Fair operating fund</i>				
County School Fund		\$314,190	\$314,690	\$500	0%
	<i>Tax in lieu of payments pass through</i>				
Land Corner		\$159,000	\$127,600	(\$31,400)	-20%
	<i>Dedicated to locating and remarking of land corners</i>				
Forest Health		\$193,000	\$231,000	\$38,000	20%
	<i>Federal dollars to fund search and rescue operations on federal lands</i>				
Household Hazardous Waste		\$452,450	\$542,663	\$90,213	20%
	<i>Fee paid as part of garbage collection bill dedicated to recycling</i>				
Special Econ Dev Fund		\$968,532	\$445,693	(\$522,839)	-54%
	<i>Revenue committed for economic development.</i>				
Law Library Fund		\$146,600	\$146,600	\$0	0%
	<i>Dedicated revenue from citations that goes to maintaining law libraries</i>				
District Attorney Fund		\$48,200	\$29,250	(\$18,950)	-39%
	<i>Forfeiture dollars and donations to victims of crimes</i>				
Museum Fund		\$246,948	\$261,993	\$15,045	6%
	<i>Operations and donations for Wasco County Historical Museum</i>				
Weed & Pest Fund		\$317,092	\$392,500	\$75,408	24%
	<i>Operating fund for weed and pest control within the County</i>				
911 Communications		\$1,037,117	\$980,570	(\$56,547)	-5%
	<i>Operating fund for 911 services made up of City/ County/ Fire and state tax revenue</i>				
Parks Fund		\$86,100	\$139,400	\$53,300	62%
	<i>Operating fund for Hunt Park</i>				
Community Corrections		\$1,469,408	\$1,252,470	(\$216,938)	-15%
	<i>Operating fund for parole and probation services</i>				
Court Facilities		\$69,710	\$83,750	\$14,040	20%
	<i>State funded established to provide courthouse security</i>				
Comm on Child & Family		\$401,994	\$200,750	(\$201,244)	-50%

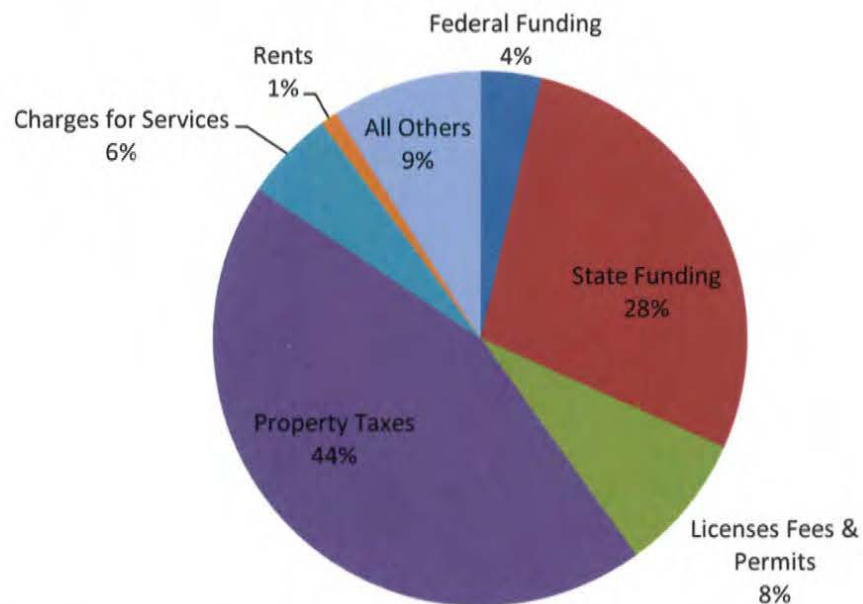
Fund	Description	2014/15	2015/16	Difference	%
Kramer Field Fund		\$32,800	\$32,950	\$150	0%
	<i>Private donation to upgrade Kramer Field</i>				
Clerks Records Fund		\$33,100	\$40,550	\$7,450	23%
	<i>Funded by recording fees to cover archival costs.</i>				
Community Develop		\$0	\$4,000,000	\$4,000,000	100%
Capital Acquisitions		\$1,365,996	\$2,072,000	\$706,004	51%
	<i>The main capital fund for Wasco County</i>				
911 Equipment Reserve		\$270,000	\$271,200	\$1,200	0%
	<i>To save for 911 equipment replacements</i>				
Road Reserve Fund		\$2,792,700	\$3,293,000	\$500,300	18%
	<i>Reserve fund for Public Works</i>				
Facilities Capital Reserve		\$1,158,800	\$1,862,223	\$703,423	61%
	<i>Fund established to save for large capital projects</i>				
General Operating Reserve		\$1,460,800	\$2,065,800	\$605,000	41%
	<i>Fund to save for unanticipated revenue shortfalls</i>				
Crates Point Debt Service		\$0		\$0	0%
	<i>Bonded debt payment for Discovery Center</i>				
Total Budget					
Change		\$34,841,951	\$42,614,174	\$8,020,654	-22%

The proposed budget is just over eight million more than the current budget. That increase is from the anticipated CDBG federal funds in the newly created Community Development Fund (\$4 million), increase in all the reserve funds (\$2.5 million) and all the other funds combined represent a net increase of the balance (\$1.5 million). County staff is cognizant of the available revenues and are aggressive in utilizing them as appropriate, meaning grant and reimbursement funds are utilized to the maximum availability.

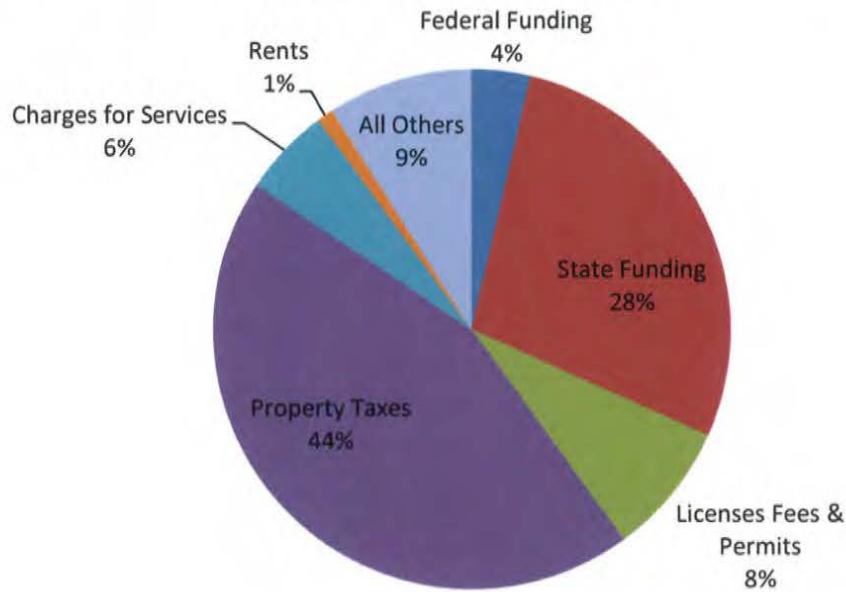
**2012/13 OPERATING REVENUE GOVT WIDE -
\$20,437,765**



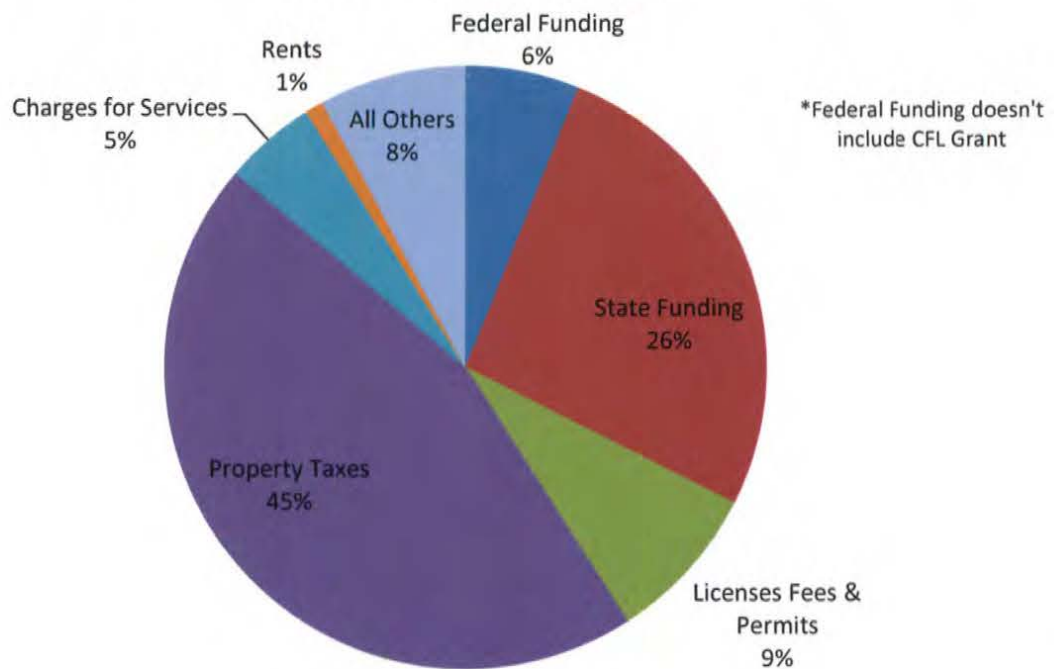
**2013/14 OPERATING REVENUE GOVT WIDE -
\$20,236,650**



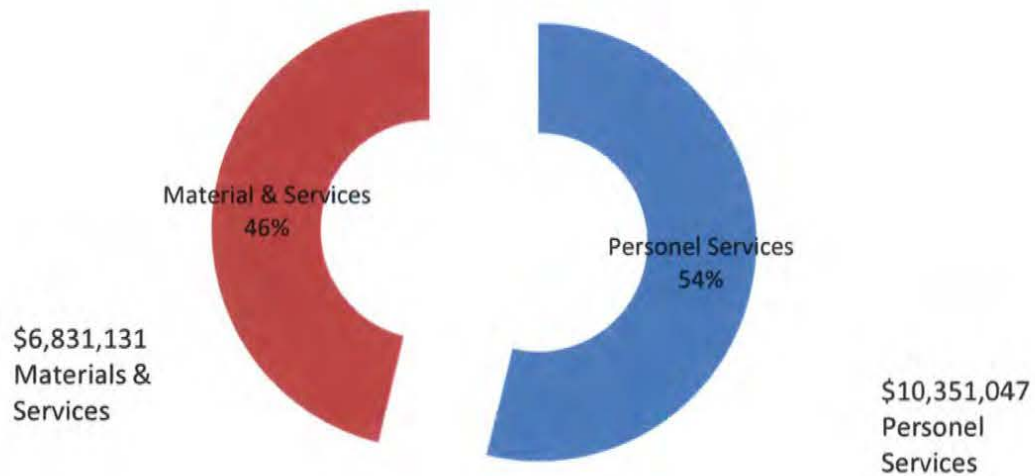
2014/15 BUDGETED OPERATING REVENUE GOVT WIDE - \$17,671,308



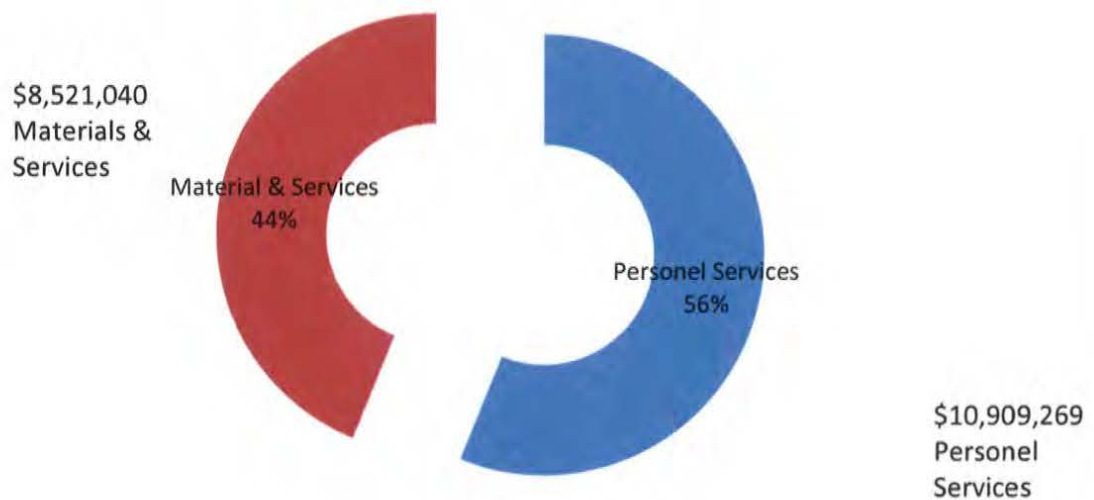
2015/16 BUDGETED OPERATING REVENUE GOVT WIDE - \$18,234,756



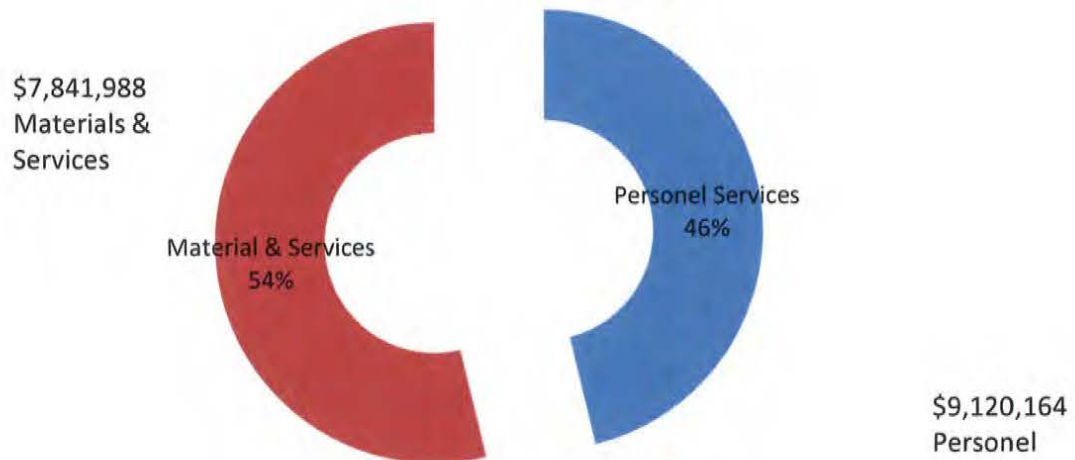
**2012/13 OPERATING EXPENSE GOVT WIDE -
\$17,182,178**



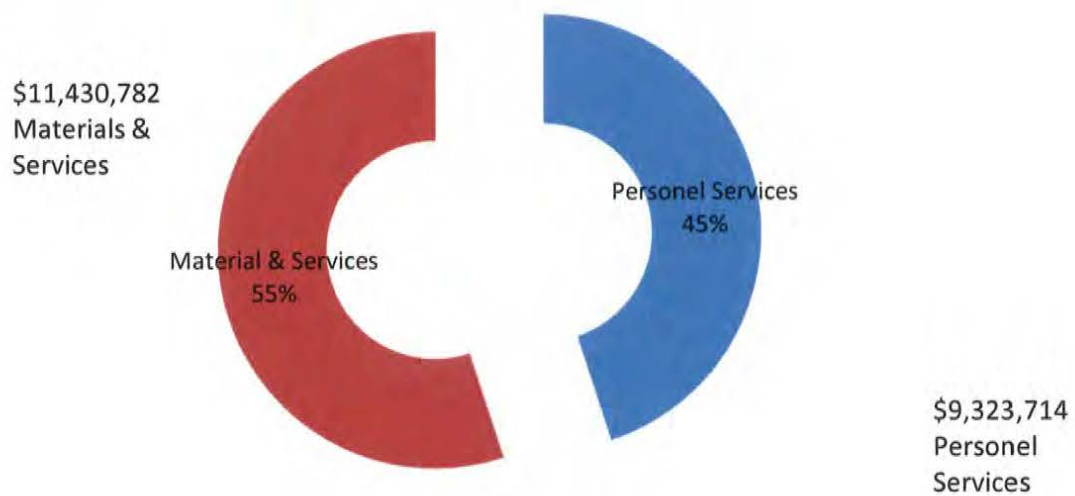
**2013/14 OPERATING EXPENSE GOVT WIDE -
\$19,430,309**



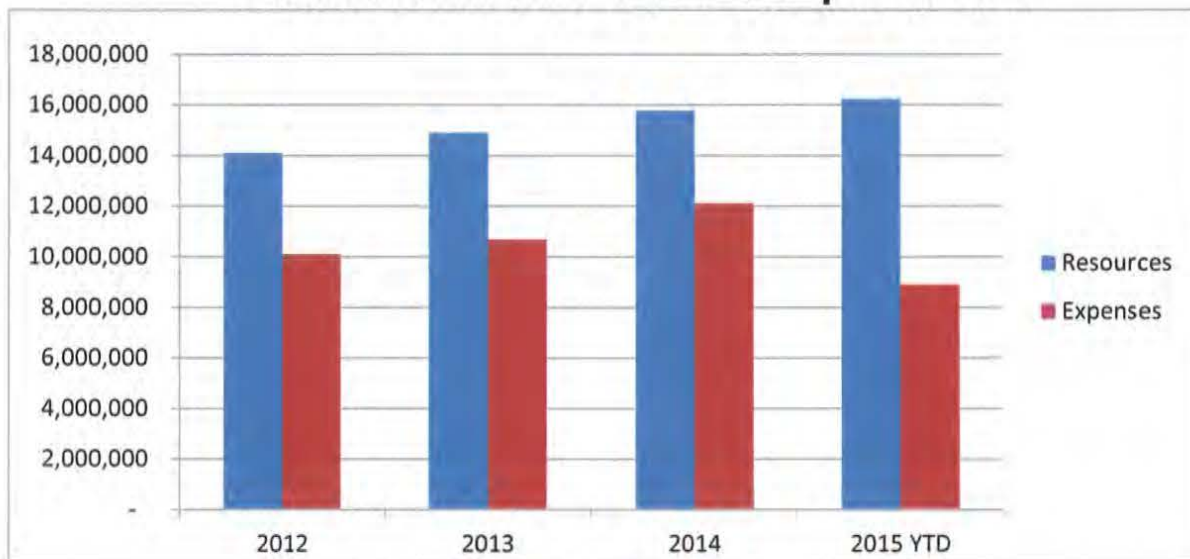
**2014/15 BUDGETED OPERATING EXPENSE GOVT
WIDE - \$16,962,152**



**2015/16 BUDGETED OPERATING EXPENSE GOVT
WIDE - \$20,757,496**



General Fund Resources/Requirements



The chart above demonstrates the consistent difference in the resources and requirements. This supports the projected beginning balance in the proposed budget.

Staffing

Tax and Assessment Department – This budget has an increase of three full time positions, two appraisers and one Office Specialist assisting in the data conversion of the new software.

Finance Department – This budget allows for a full time, dedicated Human Resource position.

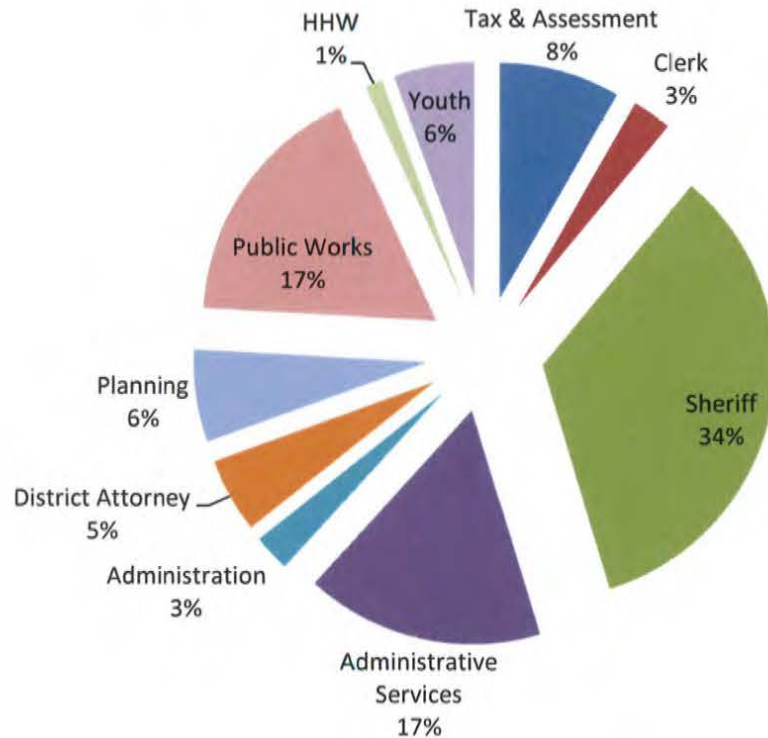
Planning Department – Two Associate Planners and one Assistant Planner (counter person) have been included in this budget.

All of these areas have been identified as weaknesses within the County service structure by staff or from the public. The decision has been made to increase staff to address the gap in service.

Currently employed are 110 full time, 14 part time and about 4 seasonal employees.

This budget increases the full time positions to 117. This is the largest increase of staff in at least ten years and results in a 2% increase cost compared to current fiscal year.

2015/16 BUDGETED DEPARTMENT PERSONNEL EXPENSE GOVT WIDE - \$9,326,714



FUND:	2014/15 BUDGET	2015/16 BUDGET	\$ DIFFERENCE	% + OR -
General Fund	\$5,736,315	\$5,967,087	\$230,772	4.0%
Health Grants	\$0	\$0	\$0	0%
Public Works	\$1,678,257	\$1,613,177	(\$65,080)	-3.9%
County Fair	\$24,690	\$24,774	\$84	0.3%
Land Corner Preservation	\$48,530	\$53,234	\$4,704	9.7%
Household Haz	\$110,000	\$113,441	\$3,441	3.1%
Museum	\$37,910	\$56,267	\$18,357	48.4%
Weed & Pest	\$93,636	\$92,171	(\$1,465)	-1.6%
911 Communications	\$772,778	\$781,522	\$8,744	1.1%
Parks	\$16,482	\$16,682	\$200	1.2%
Comm Corrections	\$531,707	\$536,546	\$4,839	0.9%
Children & Family	\$69,859	\$71,813	\$1,954	2.8%

Personnel service costs account for 22% of the County wide 2015/16 Proposed Budget and is 45% of the total operating cost.

PERS

The total PERS expenditure in the proposed budget is \$851,203. This is 9% of the total personnel budget. The budgeted amount is the first half of the PERS biennium set rate. However, due to the recent decision in *Moro v. State* (PERS litigation) the court ruling made three changes, 1. Upheld the ability to eliminate the out-of-state tax benefit (roughly \$55 million in savings) 2. Any benefit earned prior to Senate Bill 822 (08/01/13) cannot be modified (cost undetermined, a 2% COLA) 3. COLA may be adjusted for earning before and after SB 822 requiring amount to be actuarially determined (cost unknown). Rates will be adjusted to reflect this court decision prior to the next biennium.

Non-Represented	2015/17	2013/15	2011/13	2009/11
PERS – Tiers 1 & 2 Gen Serv and P/F	15.87%	12.64%	12.81%	8.65%
OPSRP – Gen Service	8.86%	9.80%	9.50%	7.34%
OPSRP – Police & Fire	12.97%	12.53%	12.21%	10.05%

Represented	2015/17	2013/15	2011/13	2009/11
PERS – Tiers 1 & 2 Gen Serv and P/F	21.87%	18.64%	18.81%	14.65%
OPSRP – Gen Service	14.86%	15.80%	15.50%	13.34%
OPSRP – Police & Fire	18.97%	18.53%	18.21%	16.05%

Insurance

Health				
<i>Tier</i>	<i>2015/2016</i>	<i>2014/2015</i>	<i>2013/14</i>	<i>2012/13</i>
Employee	604.5	604.33	604.33	618.33
Employee + Spouse	1282.23	1282.23	1,282.23	1,312.33
Employee + Child	1123.89	1123.81	1,123.81	1,150.07
Employee + Children	1500	1499.6	1,499.60	1,534.41
Employee + Family	1726.88	1726.57	1,726.57	1,766.74

Dental				
<i>Tier</i>	<i>2015/2016</i>	<i>2014/2015</i>	<i>2013/14</i>	<i>2012/13</i>
Employee	57.81	55.87	55.87	56.31
Employee + Spouse	101.19	97.8	97.8	98.58
Employee + Child	88.95	85.98	85.98	86.65
Employee + Children	153.04	147.88	147.88	149.07
Employee + Family	175.92	169.98	169.98	171.35

On January 1st, 2016 the existing health plan will be discontinued and Wasco County will need to choose a new plan. During the 14/15 fiscal year the County had a committee comprised of staff from multiple departments whose objective was to evaluate, select and transition to a new plan. The plan selected by this committee is to stay with CIS and move to a co-pay plan. Currently, employees share the cost of their medical premium at 15% for WCLEA Union members and all others have employee paid with additional tiers at 25%.

County wide the budgeted cost of insurance benefits are:

Health Insurance - \$1,352,499

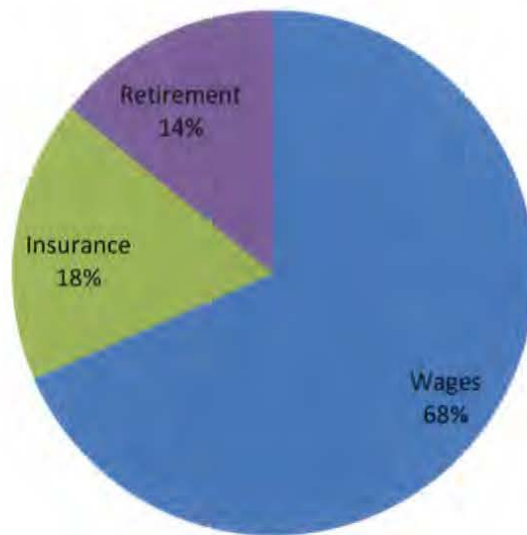
Dental Insurance - \$87,721

Long Term Disability - \$26,347

Life Insurance - \$3,578

The total expense is \$1,470,145, 14% of the total personnel services budget.

County Wide Personnel Cost Analysis



*Wages include premiums

Transfers

The following transfers between funds serve one of two purposes, either supporting operations or supporting reserve commitments.

From	To	Amount	Reason
General Fund	Museum	\$17,500	Operations
General Fund	911 Communications	\$219,238	Operations
General Fund	Capital Acquisitions	\$700,000	Bldg improvement
General Fund	Facilities Cap Repl	\$699,223	Facilities reserve
General Fund	Operating Reserve	\$600,000	Reserve
Land Corner	General Fund	\$2,500	Reimb Surveyor exp
Forest Health	General Fund	\$100,000	Reimb Search & Rescue
Spec Econ Dev	General Fund	\$190,000	Lottery support of Planning
Special Econ Dev	Crates Point	\$90,000	Partial debt svc pyt/econ dev
Law Library	General Fund	\$8,000	Administration
District Attorney	General Fund	\$5,000	Administration
Comm Corrections	General Fund	\$360,128	NORCOR – 1145
	TOTAL	\$2,991,589	

Capital Outlay

The proposed budget includes very little capital funding for projects that may or may not be completed in this budget year as staff and financial resources are evaluated. Ideally, we look for grant funding to leverage capital dollars prior to starting a project. Potential major capital projects that have been identified may include, but are not limited to:

<SPECIAL & CAPITAL PROJECTS> From Fred Davis, Facilities Manager						
Project		Priority level (1=Highest)				
		1	2	3	4	Cost Est. Type
1	An. A south window replacement*				X	\$44,447.50 Cap.
2	An. A Paint S & E window frames	X				\$7,000.00 Cap.
3	An. A Back flow device install	X				\$1,000.00 maint.
4	An. C Replace back flow device	X				\$800.00 maint.
5	An. A 1st ADA Upgrade - East ramp	X				\$10,000.00 Cap.
6	An. A 2nd ADA Upgrade - Rep. East dr w/opnr		X			\$5,000.00 Cap
7	Pub. Wrks Back flow device install w/vault	X				\$700.00 maint.
8	CH 2nd Flr RR H. Water, flooring & wall repair	X				\$4,500.00 maint.
9	Assessor's Office Modification	X				\$25,000.00 Cap.
10	Electrical main panel replacement*	X				\$85,000.00 Cap. incl/grant
11	CH 3rd floor Crt Rm HVAC replacement*				X	\$12,000.00 Cap.
12	Repaint An. C exterior		X			\$11,000.00 Cap.
13	Repaint An. A exterior			X		\$11,000.00 Cap.
14	Replace parking lot drain supmp pipe @ PW's	X				\$1,500.00 maint.
If Green= in capital budget		\$8,500.00	\$5,000.00	-	-	\$8,500.00 Maint. total
If Yellow = in maintenance budget		\$127,000.00	\$16,000.00	\$11,000.00	\$56,447.50	\$200,447.50 Capital total
		\$135,500.00	\$21,000.00	\$11,000.00	\$56,447.50	\$208,947.50 Grand total

Other capital considerations include the Armory re-development project, potential renovations to Annex C as part of leasing the facility and implementation of employee self service module in the Eden system. The proposed total amount of capital attributed to a specific project is \$559,450. This grid shows how much is spent each fiscal year on capital outlay (with 2014/15 being a year to date amount):

<u>Year</u>	<u>Total</u>	<u>Year</u>	<u>Total</u>
2014/15	269,369	2008/09	810,420
2013/14	344,734	2007/08	940,844
2012/13	1,053,447	2006/07	905,140
2011/12	1,033,382	2005/06	939,999
2010/11	2,305,390	2004/05	797,008
2009/10	563,695	2003/04	744,997

The recommendation from the Vehicle Committee is to fund 4 vehicles and that is reflected in this budget. Another important point to note is Public Works Fund has not allowed for any capital purchases in 2013/14 and 2014/15. While the fleet is in solid condition, this is not a sustainable practice. A capital equipment maintenance and replacement schedule is being created will be in place for use next fiscal year.

Reserve Funds

Currently, Wasco County has three unrestricted Reserve Funds and two restricted Reserve Funds. The difference derives from the source of revenue used in the funds.

*The National Advisory Council on State and Local Budgeting (NACSLB) and the Government Finance Officers Association recommend that **all governments** develop a formal, written fund balance policy which includes outlining reserve fund purposes and goals that is made publicly available.*

Facility Capital Reserve - unrestricted

The purpose of this reserve is to save for facility capital improvements or replacements that; due to the inherently high cost of development, cannot normally be achieved in a single budget year. Additionally, this fund can be used for infrastructure improvements, or replacements to enhance efficiency or effectiveness of county operations. Examples of projects may include major building remodels such as the replacement of the Courthouse electrical or plumbing systems, construction of a new building, or purchases of software that make the County more efficient or effective.

Capital Acquisition - unrestricted

This reserve account is created to allow Wasco County to fund a reserve specifically for capital acquisitions and capital development activities. This fund will be built over time with the goal of having a pool of money available to acquire or develop real property.

Operating Reserve Fund - unrestricted

This fund was created to offset future operating shortfalls as part of our long term forecasting. For example, the uncertainty of receiving timber dollars and state funding streams impact operating and program decisions. Having a reserve fund to help sustain services will help facilitate change and assist in long term budgeting.

Road Reserve Fund - restricted

This fund is necessary to help protect the county if a natural disaster destroys any function or component of the county road infrastructure. May also be used to replace or repair major road equipment essential in maintaining the infrastructure and/or be used to continue operations in any of the five districts.

911 Equipment Reserve Fund - restricted

This fund was created in anticipation of replacing any equipment related to the operations of the 911 Communications Center.

	<i>2015/2016</i>	<i>2014/2015</i>	<i>2013/14</i>	<i>2012/13</i>	<i>2011/12</i>
Facility Capital Reserve^^	1,082,622	1,026,111	323,177	121,995	71,547
Capital Acquisition^^	1,335,688	1,228,258	607,676	482,261	408,916
Operating Reserve^^	1,431,379	1,326,935	552,503	225,428	-
Road Reserve^	2,792,094	2,782,550	2,767,601	2,752,187	2,539,988
911 Equipment Reserve^	238,018	237,204	227,987	192,089	191,206
Total	6,879,800	6,601,059	4,478,945	3,773,959	3,211,657

^All restricted reserve funds have been held steady or increased under the current commission through commitment in long term planning.

^^Non-restricted reserve funds have doubled since 2011 – the 2011 levels were not sufficient to accomplish any strategic or long range plans, nor were they sufficient in sustaining services in the event of a disaster. Now, the reserve levels are closer to accomplishing those best practice and citizen safe measures.

Contingency and Ending Fund Balance

The General Fund contingency assigned amount shall be no more than thirty percent of the unassigned fund balance. The current budgeted contingency amount of \$520,000 is 16% of the budgeted unassigned amount.

The General Fund unassigned balance (also referred to as unappropriated or Ending Fund Balance) will be at least two months of total personnel services and no more than four months of total operating expenses. The current unassigned amount is within that range at \$3,126,000.