Proposed Budget

2018-2019

Budget Committee Members

Board of Commissioners

Donnie Boyd
Kelley Minty Morris
Derrick DeGroot

Citizen Committee Members

Del Fox
Brandon Fowler
Lori Baley

Budget Officer: Vickie Noel

KLAMATH COUNTY, OREGON
305 MAIN STREET
KLAMATH FALLS, OREGON 97601
(541) 883-4202
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Klamath County, Oregon
2018-2019 Budget Presentation
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BUDGET PRESENTATION
Compensation Committee
General Government
  Treasurer
  Assessor
  Tax Collector
  Clerk
  Commissioner
  Surveyor
  Other Funds
Agriculture
  Taylor Grazing
  Watermster
  OSU Extension
Community Development
  Community Development
    Solid Waste
    Parks
    Planning
    Building
    Onsite
    Code Enforcement
  Other Funds
Community Services
  Law Library
  Museum
  Fairgrounds
Human Services
  Public Health
  Mental Health
  Veterans
Internal Services
  General Administration
  Human Resources
  Counsel
  Finance
  Information Technology
  Geographic Information Systems
  Multimedia
  Maintenance
  Other Funds
Public Safety
  District Attorney
  Justice Court
  Sheriff
  Animal Control
  Juvenile
  Community Corrections
  Emergency Management
  State Courts
  Other Funds
Public Works
  Public Works
INTRODUCTORY SECTION
Mission, Values and Vision Statement

Klamath County, Oregon

2018-19 Proposed Budget

Mission

Serving our Citizens through Stewardship

Values

Service
- Integrity—acting in a consistent method in regards to our values, methods, measures, principles, expectations, and outcomes.
- Ethics—acting in a responsible, honest and truthful manner.
- Leadership—the mark of true leadership is not power and privilege, but humble service that puts the needs of our community first.

Stewardship
- Protection—protection of Life, Liberty and the Pursuit of Happiness is the primary role of government.
- Environment—responsible use and protection of the natural environment through conservation and sustainable practices.
- Accountability—responsible planning and management of resources through a fair and transparent process.

Vision

- Community—nurturing an environment that builds strong, healthy families through voluntary associations across diverse personal and family interests.
- Relationships—enhancing community cooperation and understanding between families, neighborhoods, businesses and individuals to achieve common goals.
- Future—strategic planning to maintain a fiscally sustainable organization.
## List of Elected Officials

<table>
<thead>
<tr>
<th>Position</th>
<th>Name</th>
<th>Term Expires</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assessor</td>
<td>Nathan Bigby</td>
<td>January 7, 2019</td>
</tr>
<tr>
<td>Clerk</td>
<td>Rochelle Long</td>
<td>January 7, 2019</td>
</tr>
<tr>
<td>Commissioners</td>
<td>Donnie Boyd</td>
<td>January 4, 2021</td>
</tr>
<tr>
<td></td>
<td>Kelley Minty Morris</td>
<td>January 7, 2019</td>
</tr>
<tr>
<td></td>
<td>Derrick DeGroot</td>
<td>January 4, 2021</td>
</tr>
<tr>
<td>District Attorney</td>
<td>Eve Costello</td>
<td>January 7, 2019</td>
</tr>
<tr>
<td>Justice of the Peace</td>
<td>Karen Oakes</td>
<td>January 4, 2021</td>
</tr>
<tr>
<td>Sheriff</td>
<td>Chris Kaber</td>
<td>January 4, 2021</td>
</tr>
<tr>
<td>Surveyor</td>
<td>Michael Markus</td>
<td>January 4, 2021</td>
</tr>
<tr>
<td>Treasurer</td>
<td>Vickie Noel</td>
<td>January 7, 2019</td>
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### List of Appointed Officials

<table>
<thead>
<tr>
<th>Position</th>
<th>Name</th>
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</thead>
<tbody>
<tr>
<td>Animal Control Officer</td>
<td>Gale McMahon</td>
</tr>
<tr>
<td>Building Official</td>
<td>Kevin Roth</td>
</tr>
<tr>
<td>Community Corrections Director</td>
<td>Aaron Hartman</td>
</tr>
<tr>
<td>Community Development Manager</td>
<td>Stephanie Brown</td>
</tr>
<tr>
<td>County Counsel</td>
<td>Vacant</td>
</tr>
<tr>
<td>Developmental Disability Director</td>
<td>Phillip Squibb</td>
</tr>
<tr>
<td>Emergency Manager</td>
<td>Morgan Lindsay</td>
</tr>
<tr>
<td>Fair Manager</td>
<td>Richard Hoggarth</td>
</tr>
<tr>
<td>Finance Director</td>
<td>Sue Murphy</td>
</tr>
<tr>
<td>Human Resources Director</td>
<td>James Henderson</td>
</tr>
<tr>
<td>Information Technology Director</td>
<td>Jessica Chastain</td>
</tr>
<tr>
<td>Juvenile Director</td>
<td>Dan Golden</td>
</tr>
<tr>
<td>Maintenance Director</td>
<td>Thomas Banks</td>
</tr>
<tr>
<td>Museum Manager</td>
<td>Todd Kepple</td>
</tr>
<tr>
<td>Onsite Manager</td>
<td>Debbie Lawhorn</td>
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<tr>
<td>Planning Director</td>
<td>Mark Gallagher</td>
</tr>
<tr>
<td>Public Health Director</td>
<td>Courtney Vanbragt</td>
</tr>
<tr>
<td>Public Works Director</td>
<td>Jeremy Morris</td>
</tr>
<tr>
<td>Tax Collector &amp; Property Manager</td>
<td>Richard Vaughn</td>
</tr>
<tr>
<td>Solid Waste &amp; Parks Manager</td>
<td>Tom Crist</td>
</tr>
<tr>
<td>Veterans Service Officer</td>
<td>Kathy Pierce</td>
</tr>
</tbody>
</table>
Administrative Advisory Committee
Ambulance Advisory Board
Bicycle & Pedestrian Advisory Board
Board of Property Tax Appeals
Budget Committee
Developmental Disabilities Advisory Board
DUII Task Force Committee
Economic Development Advisory Committee
Elected Official Compensation Committee
Fair Board
Farm Use Board of Review
Food Policy Council
Grazing Advisory Committee
Health Board
Klamath Housing Authority
Library Advisory Board
Law Library Advisory Board
Local Alcohol and Drug Planning Committee
Local Public Safety Coordinating Council
Museum Advisory Board
Natural Resource Advisory Committee
Park Board
Planning Commission
Roads Advisory Committee
Tourism Grant Review Panel
Veterans Advisory Council
Water Resources Advisory Committee
Weed Control Advisory Committee
Wolf Depredation Compensation Committee
## Klamath County, Oregon
### 2018-2019 Budget Presentation
#### Budget Calendar

<table>
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<th>Task</th>
<th>Dates</th>
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<tr>
<td>Prepare Budget Documents</td>
<td>January through April 6, 2018</td>
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<tr>
<td>Publish First Notice of Budget Committee Meeting</td>
<td>April 6, 2018</td>
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<tr>
<td>(5 to 30 days before meeting)</td>
<td></td>
</tr>
<tr>
<td>Post Notice of Budget Committee Meeting on website</td>
<td>April 6, 2018</td>
</tr>
<tr>
<td>Budget Committee Meetings</td>
<td>April 16, 2018 through April 25, 2018</td>
</tr>
<tr>
<td>Submit CAFFA Grant to State of Oregon</td>
<td>May 1, 2018</td>
</tr>
<tr>
<td>Prepare Budget Summary</td>
<td>May 3, 2018 through June 12, 2018</td>
</tr>
<tr>
<td>Publish Budget Summary and Notice of Budget Hearing</td>
<td>June 12, 2018</td>
</tr>
<tr>
<td>(5 to 30 days before hearing)</td>
<td></td>
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<tr>
<td>Public Hearing by Board of Commissioners</td>
<td>June 19, 2018</td>
</tr>
<tr>
<td>Board of Commissioners Adopts Budget, Makes Appropriations,</td>
<td>June 19, 2018</td>
</tr>
<tr>
<td>Imposes Taxes, and Categorizes Taxes</td>
<td></td>
</tr>
<tr>
<td>Certify Taxes to County Assessor</td>
<td>July 16, 2018</td>
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</tbody>
</table>
BUDGET MESSAGE
April 16, 2018

Members of the Budget Committee, Board of Commissioners, and Citizens of Klamath County:

The total proposed Klamath County budget for fiscal year 2018-19 is $200,987,440, compared to the adopted budget for fiscal year 2017-18 of $184,576,832. The 2018-19 proposed budget continues the principles adopted in fiscal year 2017-18. In order to trim the budget to a more balanced and sustainable level over the next few years, services will need to be reduced, eliminated, or an alternate funding source is needed to replace the declining funds from the federal government.

The two main federal revenue sources in the General Fund are payment in lieu of taxes (PILT) and shared revenues from the Oregon & California Railroad (O&C) lands. PILT is a required payment of the federal government, but is subject to annual budget appropriation. In fiscal year 2016-17, Klamath County received $823,456.00. The federal government has not released the amount for fiscal year 2017-18 but $894,000 is anticipated per budget. Two years of Secure Rural School (SRS) payments were recently authorized as well as an increase in PILT payments. Based on this legislative action, the proposed PILT revenue for 2018-19 is $910,000. The federal government shares proceeds from the management of the O&C Railroad lands with the local communities. These shared revenues have been impacted by the SRS legislation. Klamath County’s historical receipt of these funds is approximately $900,000. The County received $439,977 in the 2016-17 fiscal year and $458,039 in 2017-18.

In past years, the Board of Commissioners have recommended the use of shared federal forest land revenues in the Road Fund to supplement the General Fund resources allocated to the Sheriff department. In this proposed budget, the allocation is zero pending discussion with the Budget Committee. Through the 2017-18 fiscal year a total of $9.1 million has been used (2013 $2.00 million; 2014 $1.70 million; 2015 $1.70 million; 2016 $0.85 million; 2017 $0.85 million; 2018 $2.00 million). During the 2017-18 fiscal year, the Road Fund Reserve was renamed “Federal Road Reserve” and now contains revenues and expenditures exclusive to federal funds. The Board of Commissioners commissioned a task force to provide advice on the continued use of these funds. The task force offered multiple options to the Board but the overall recommendation is that the funds not be used in perpetuity.

The proposed budget takes into consideration increases for contract agreements, retirement, insurance premiums, and other costs that the departments do not have control over. This budget reflects careful consideration to the issues confronting the County given the priorities and targets set by the Board of Commissioners and maintains minimum State-mandated services. It incorporates changes to services due to funding changes at the State level, including Community Corrections, Mental Health, and Public Health to name a few areas. Services in Community Development are seeing increases due to the recovering housing market.

Personnel costs represent a significant component of the County budget. The State of Oregon passed legislation that increases the minimum wage in Klamath County from its current rate of $10.00 per hour. The six-year plan raises wages annually topping out in 2022 at $14.75 inside Portland’s urban growth boundary, $13.50 in mid-size counties and $12.50 in so-called “frontier” areas. Klamath County is included in the rural “frontier”. On July 1st 2018
the rate will increase to $10.50 per hour for Klamath County. The County will see significant future increases in personnel costs driven by minimum wage law, union contractual agreements and step increases for existing staff. This will require the County to reimagine how it delivers services to the community.

The medical insurance cap ranges from $1,050 in the DA Union to $1,460 in the FOPPO Union. Most medical cap increases for 2018-19 are $100.00 per month, however, public safety unions do not have an increase in the proposed budget due to union negotiations in process during the preparation of the proposed budget.

Klamath County has two pension plans covering substantially all employees. Sheriff department employees and certain employees of the Community Corrections department are participants in the State of Oregon Public Employees Retirement System (PERS). All other Elected Officials and County employees are participants in the Pension Plan for Employees of Klamath County (Pension Plan). Both plans are experiencing high unfunded liabilities. The actuarially recommended contribution rate for 2018-19 fiscal year is 14.44% a decrease of .63% from the prior report. The proposed budget contribution rate has remained constant at 17% for fiscal year 2018-19. The Board of Commissioners has maintained the 17% rate for several years to reduce the unfunded liability in the pension plans.

The proposed General Fund budget does not match anticipated revenues with expenses. Under the proposed budget, expenses exceed revenues by approximately $3.6 million. If federal legislation for PILT and SRS are not funded on a long-term basis, services provided by most departments in the General Fund will be impacted.

The working capital in the General Fund is not sufficient to provide operating cash until property taxes are received in November nor does it have sufficient funding for other contingencies within the fund. Adequate working capital is estimated at $3.5 million. The proposed budget will not provide an ending fund balance nor will it provide an adequate operating contingency. The General Fund working capital at the beginning of 2017-18 was $3.5 million, which was adequate until November when property tax receipts were received. However, if the proposed budget is adopted, it will be necessary for the General Fund to borrow funds in the 2018-19 fiscal year or in fiscal year 2019-20 as Road Fund assets are depleted if no additional funding is available or expenditures are not reduced.

The Budget Committee and the Board of Commissioners need to plan strategically about ways to achieve operating revenues that match current expenditures to ensure County operations on a sustainable basis without the use of federal funds. Continued use of these funds will necessitate asking voters or other governmental agencies for support in maintaining its roads on an annual basis at some point in the future.

The Budget Committee has the opportunity to make any revisions on how the County will utilize resources to provide programs to the residents of Klamath County based on varied and changing demographics. All funds are required to be balanced per ORS 294.331. A balanced budget means that all revenues and expenditures must match, not just current operating revenues to current operating expenditures. All funds, including those with debt service are balanced in accordance with Oregon municipal debt law.

This budget message is organized into six major categories designed to give the reader an overview of County issues, priorities, and finances. They are:

• Revenue and Expense Overview
• Legislative Initiatives that Impact the Proposed Budget
• Short Term Financial and Other Initiatives that Impact the Proposed Budget
• Long Term Financial and Other Matters that Impact the Proposed Budget
• Significant Departmental and Fund Highlights and Issues
• Processes Used to Develop the Budget and Organization
Revenue and Expense Overview

The General Fund revenues and expenditures are proposed at $36,257,995, including transfer payments (counted twice). Proposed County-wide revenues and expenditures are proposed at $200,987,440, including transfer payments (counted twice), compared to the prior fiscal year County-wide budget of $184,576,832 and General Fund budget of $33,740,969. The majority of the revenue is cash carryover from the prior fiscal year, dedicated dollars earmarked for roads generated from federal forest receipts and gas taxes. Prior periods’ actual revenue and expenditures, excluding transfers, were as follows:

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<tr>
<th>Year</th>
<th>Revenues</th>
<th>Expenditures</th>
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<tr>
<td>2016-17</td>
<td>$188,289,599</td>
<td>$57,865,973</td>
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<tr>
<td>2015-16</td>
<td>$190,221,095</td>
<td>$57,137,567</td>
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<td>2014-15</td>
<td>$193,121,050</td>
<td>$61,106,965</td>
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<td>2013-14</td>
<td>$188,397,250</td>
<td>$55,071,679</td>
</tr>
<tr>
<td>2012-13</td>
<td>$197,808,146</td>
<td>$65,542,041</td>
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<tr>
<td>2011-12</td>
<td>$196,912,791</td>
<td>$61,512,347</td>
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<td>2010-11</td>
<td>$187,370,955</td>
<td>$64,644,527</td>
</tr>
<tr>
<td>2009-10</td>
<td>$198,638,933</td>
<td>$99,091,364</td>
</tr>
<tr>
<td>2008-09</td>
<td>$214,294,774</td>
<td>$75,045,385</td>
</tr>
<tr>
<td>2007-08</td>
<td>$205,788,776</td>
<td>$75,483,184</td>
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</tbody>
</table>

This year’s personnel budget includes increases as negotiated by various unions, Board of Commissioners’ policy and merit steps per contract agreements. The Consumer Price Index (CPI-W) has risen 2.3% over the last 12 months. The budget includes a cost of living increase for most public safety unions of 1% (they were in negotiations during preparation of the proposed budget), a 2.0% increase for Union 701 (road shop employees), a 1.5% increase for non-union and the 737 Union and a 1% increase for the ONA (Oregon Nurses Association).

The County Compensation Board is required by state law to conduct an annual review of Elected Official’s compensation each year. The Compensation Board will make a report to the Budget Committee on Monday, April 16th regarding this review. A copy of their recommendations is included elsewhere in this document.

Klamath County’s permanent tax rate is $1.7326 per $1,000 of assessed value. Measure 50 allows a three percent increase in assessed value on existing property, plus an increase for new improvements each year. County estimated revenue will be $10,000,000 or $1.6861 per $1,000 of assessed value for the General Fund and $231,000 or $0.0465 per $1,000 of assessed value for veterans’ services. This estimate includes tax revenues expected to reimburse the annual tax payment made to the small districts. Tax estimates will be affected by exemptions that state legislators approve during the current session, plus any appeals approved by the State Tax Court.
Legislative Initiatives that Impact the Proposed Budget

Significant legislation that will impact the proposed budget includes the following:

Current federal legislation reauthorizes two additional years of SRS payments. The first payment will be received before the end of the 2017-18 fiscal year and the second payment, will be received in the spring of the 2018-19 fiscal year. The anticipated amount of the first payment is 95% of the payment received in 2015-16 or $4,595,883. The second payment will be reduced an additional 5% for an approximate amount of $4,366,089 for 2018-19.

Short-Term Financial and Other Initiatives that Impact the Proposed Budget

There are several factors affecting the proposed budget for fiscal year 2018-19. Some factors may continue beyond this fiscal year, however, they are presented here as factors with a direct impact on this recommended budget.

State Mandated Services

The County is mandated by Oregon Statute to provide certain services to the public. The current economic environment has impressed upon this governing body an acknowledgement that the County can no longer sustain the same level of services provided in the past. This necessitates a policy level decision as to what services the County will provide and to what level those services will be provided. Each department was asked to submit a budget request to the Budget Committee. In those budget requests, state mandated services were given a high level of visibility. The Budget Committee reviews the proposed budget with a keen awareness of state mandated services and the funding level allotted to those mandates. Departments were also directed by the Board of Commissioners to reflect a 3% reduction in expenses from the prior year budget.

Contingency, Reserve for Future Expenditures & Unappropriated Fund Balance

Fiscal year 2018-19 General Fund proposed budget includes approximately $55,000 in operating contingency as compared to 2017-18 adopted budget of $331,267. The County has no current budgeted amount for reserve for future expenditures or unappropriated fund balance as compared to 2017-18 adopted budget of $2,257,767. This means the County could spend all available resources in the 2019 fiscal year with no carry forward to fiscal year 2019-20.

The purpose of an unappropriated ending fund balance is to provide the County with a cash or working capital balance with which to begin the fiscal year following the one for which this budget is being prepared (ORS 294.371 and OAR 150-294.371). The amount of an unappropriated ending fund balance, should be based on County cash requirements between July 1 of the fiscal year following the one proposed for budgeting, and the time sufficient revenues will become available from other sources to meet cash flow needs (generally November). This would mean a reserve of five months of operating revenues or approximately $3.5 million should be available to begin fiscal year 2019-20. Otherwise, the General Fund will borrow from another fund or an external source to provide operating resources to the departments within the fund until such time as property taxes are received.

Long-Term Financial and Other Matters that Impact the Proposed Budget

County Facilities
The County is in possession of many vacant buildings and will need to develop a plan for which departments it may relocate to these facilities or the County may choose to dispose of the property. Also there are many other County-owned buildings that require significant remediation costs that are not being planned for.

The County needs to develop a long-term reserve funding solution to maintain building infrastructure. To further this endeavor the Board of Commissioners adopted a policy for facility service charges in fiscal year 2015 that instituted a new $0.05 per square foot per month charge to go towards the Capital Project Reserve Fund. This is anticipated to generate approximately $137 thousand annually towards large infrastructure repair projects.

Property Taxes and Debt Limitations

The County is subject to a number of property tax and debt limitations imposed by Oregon Law. A complete schedule of these limitations is found in Appendix A. If inflation returns to a hyper inflationary percentage similar to that of the 1970s, the current property tax system will fail to provide funding for even the basic operations of local government. The current system has also created great inequity in the tax system as equivalent houses in the same neighborhoods are now paying significantly different taxes. Local governments need to work with the Oregon legislature to make sure that this situation is appropriately addressed.

Debt Service

Information specific to debt and planned projects is included in Appendix B.

Fiscal Policies & Definitions

A complete list of adopted fiscal policies that have been applied to this budget are found in Appendix C. Every effort is being made to find less expensive ways to provide quality services.

Budget Format

The budget format and program descriptions are discussed in Appendix D.

Fund Descriptions

A description of the individual funds and their purposes can be found in Appendix E.

Internal Service Charges

A description of all internal service charges and how they are allocated can be found in Appendix F.

General Fund Budget Assumptions

A description of the assumptions used in developing the proposed budget for fiscal year 2018-2019 can be found in Appendix G.

All Funds Summary

A summary of the proposed budget consolidating all funds may be found in Appendix H.
**Significant Departmental and Fund Highlights and Issues**

Interest rates are currently low but rising, which translates into a rising growth rate on reserve funds over the immediately preceding year. Investment earnings, while less than those that the County had relied on in the past to supplement programs, look to be increasing in the short term. The downward interest rate trend in prior years necessitated a reduction in programs that relied upon those earnings to supplement operating revenues.

The General Fund is anticipating an increase in revenue of $250,000 in fiscal year 2018-19 for intergovernmental and charges for services. A more complete analysis of the assumptions used to prepare the general fund budget can be found in Appendix G.

The transfer from the Road Fund to the General Fund is a short-term solution to a long-term problem. There have been multiple committees and citizens groups that have proposed recommendations for short-term and long-term solutions to the declining service levels of public safety for Klamath County. To date, no action has been taken to resolve the issues. Services can be expected to decline from the present levels absent any adoption of any significant solutions.

Community Corrections is helping fund a Pre-trial Officer position in the Sheriff’s Office, a Deputy DA in the District Attorney’s Office and a Corrections Officer in the Jail through a Justice Reinvestment Initiative Grant that they have procured. Maintaining funding to the Sheriff department for “C pod” is also budgeted for 2018-19.

The subsidy from the General Fund to the Community Development fund has been eliminated. The subsidy was targeted solely at the Planning division, but increases in charges for services in the Planning division has eliminated the need for the subsidy at this time.

The subsidy from the General Fund to the Public Health Fund ($222 thousand) has been decreased-by $27 thousand.

**Processes Used to Develop the Budget and Organization**

The Board of Commissioners met on numerous occasions in January, February and March of 2018 to discuss the budget for fiscal year 2018-19. The Board of Commissioners used the principles established in the mission, values and vision statement (statement on page i) in setting the priorities and funding levels for the fiscal year 2018-19.

The Budget Committee hearings on the proposed budget will be held starting April 16, 2018. During the presentation and review, there will be scheduled opportunities for public input. Budget deliberations are scheduled to occur at the end of the process. All Budget Committee meetings are open to the public and public comment is always welcome.

The County’s Elected Official Salary Committee has met previously and developed a recommendation for Elected Officials’ salaries and will present it to the full Budget Committee for action.

The organizational chart (found on page ii) includes a view of the County with its departments. For each County department there is a discussion at the beginning of their section. An overview of each department, significant accomplishments in the prior year, as well as information on all programs within the department are found behind their tab. For each program, the budget reflects a statement of purpose, mandated services, self-imposed services, measures of effectiveness, and significant issues facing the department. Additionally, financial information is included.
The budget is organized around the County’s functional areas. Although the County has adopted a program budget format, the State of Oregon requires retention of a line-item budget format.

Throughout the budget, the specific goals that each program strives to meet are identified in a description of the particular program. The narrative for each program includes a statement of the revenues generated by specific programs.

**Conclusion**

As the Budget Committee reviews the budgets with the departments, the Elected Officials and Department Directors can elaborate on services that will be provided to the community with the funds provided, understanding there are limited resources (funds) available. The budget is appropriated by expense category, not individual line items. After the Budget Committee reviews and make the desired changes to the budget, it will approve the budget. The approved budget will be published for final public hearing on Tuesday, June 19, 2018, where the Board of Commissioners will meet in a public session to adopt the budget. The Board of Commissioners are authorized to amend expenditures in the Budget Committee’s approved budget, up to 10 percent of any fund, without reconvening the Budget Committee. The Board of Commissioners always encourages public input.

County governments must provide state, federal, and self-imposed mandated services at the local level, many of them without adequate funding from the State and Federal governments. The County faces extremely difficult choices, particularly those that rely entirely on local funding. There are many people whose lives will be directly impacted by the choices the Budget Committee must make. The Board of Commissioners and departments have made a dedicated effort to prepare a budget that preserves direct services to the greatest extent possible while ever-mindful of long-term strategies that will allow the County to do so in the future.

The preparation of a budget this complex would not be possible without the hard work and contributions of many. The efforts of each of the elected officials, department heads, program managers and the finance staff that participated in this proposed budget preparation are well-deserving of acknowledgement. We would like to extend our personal thanks to the citizen members of the Budget Committee for their time, concern, and constructive insights. We wish also to acknowledge the Board of Commissioners’ support and leadership in these most challenging times.

Respectfully submitted,

Vickie Noel  
Budget Officer

Sue Murphy  
Finance Director
Property Taxes

The County will certify its State-provided permanent tax rate in the amount of $1.7326 per thousand dollars of assessed valuation for 2018-2019. The total amount of property tax the County expects to levy on behalf of the General Fund is $9,500,794. Of this amount, the County expects to collect 94 percent for a net of $8,930,747.

Property Tax Limitations

In 1997, voters approved a constitutional amendment known as Ballot Measure 50. Ballot Measure 50 established a permanent tax rate limit for all local governments. Klamath County’s rate is $1.7326 per thousand of calculated assessed value. The assessed value is approximately 71.4 percent of real market value. This permanent rate is set by the Oregon constitution.

Other limits were imposed by Ballot Measure 5, another constitutional amendment approved by Oregon voters. This measure limits all local governments to a combined total of $10 per thousand of real market value. Schools were limited to $5 per thousand.

Debt Limitations

The County has a general obligation bonded debt limit set by Oregon Revised Statute (ORS) 287.054, which is 2 percent of the real market value of all taxable property in the County ($171,186,105). The County has no bonded debt outstanding at July 1, 2017.
**Fairgrounds Lease**

On December 11, 2017, the County obtained a lease for $115,350 ($110,505 principal and $4,844 interest) from Klamath Basin Equipment. An initial payment was made in December of 2017 for $38,450. Annual payments of $38,450 will be made in December of 2018 and December of 2019 (maturity date December 2019). The debt service on this lease is made in the Fairgrounds Fund.
**Fund Accounting**

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

Klamath County has the following types of funds:

**Governmental Funds** – These funds are typically used to account for tax supported activities. They have a short-term emphasis and generally measure and account for cash and “other assets that can easily convert to cash.” The funds use the modified accrual basis of accounting. Revenues, including funds received from other governmental units and the issuance of debt, are recorded when they are susceptible to accrual. For revenue to be considered susceptible to accrual it must be both measureable and available to the current financial expenditures of the fund. Revenue is considered available when it is collectible during the current period, and the actual collection will occur either (1) during the current period or (2) after the end of the period but in time to pay current year-end liabilities. Expenditures are recorded on an accrual basis because they are measureable when they are incurred. Expenditures include salaries, wages, and other operating expenditures; payments for supplies; transfers to other funds; capital outlays for fixed assets; and payments for the service of debt. Although most expenditures are recorded on an accrual basis (timing emphasis), the measurement focus of a governmental fund significantly affects what items are to be considered expenditures in the governmental fund. Thus, expenditures for a governmental fund cannot be equated to expenses of a business enterprise. Governmental funds applicable to the County consist of:

- **General Fund** – The purpose of a general fund is to record financial transactions relating to all activities for which other specific types of funds are not required.

- **Special Revenue Funds** – Special revenue funds account for the proceeds of specific revenue sources that are legally restricted to expenditure for specific purposes.

- **Capital Project Funds** – A capital project fund is a type of special revenue fund that is used to account for financial resources to be used for the acquisition or construction of major capital facilities that are nonrecurring major expenditure items.

- **Debt Service Funds** – A debt service fund is used for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

**Proprietary Funds** – These funds are used to account for a government’s business-type activities. The funds use the accrual basis of accounting. Accrual accounting attempts to record the financial effects on an enterprise of transactions and other events and circumstances that have cash consequences for an enterprise in the periods in which those transactions, events, and circumstances occur rather than only in the periods in which cash is received or paid by an enterprise. The essential elements of the accrual accounting method include the (1) deferral of expenditures and the subsequent amortization of the deferred costs, (2) deferral of revenues until they are earned, (3) capitalization of certain expenditures and the subsequent depreciation of the capitalized costs, (4) accrual of revenues that have been earned and expenses that have been incurred. Proprietary funds applicable to the County consist of:

- **Enterprise Funds** – An enterprise fund is established to finance and account for acquiring, operating, and maintaining facilities and services which are primarily self-supporting from external user charges and fees. It is required when one of the following criteria is satisfied: (1) the activity is financed with debt that is secured solely by the pledge of net revenues from fees and charges of the activity; (2) laws or regulations require that the activity’s costs of providing services, including capital costs, be recovered with fees and charges, rather than with taxes or similar revenues; (3) the pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs.
Internal Service Funds – An internal service fund is established to finance and account for services furnished to one department or agency to another department or agency of the same local government or its component units, or other governments on a cost-reimbursement basis.

Fiduciary Funds – These funds are used “to report assets held in a trustee or agency capacity for others and therefore cannot be used to support the government’s own programs.” Fiduciary funds utilize the accrual basis of accounting. Fiduciary funds applicable to the County consist of:

Pension Trust Funds – A pension trust fund is used to report resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans, defined contribution plans, other postemployment benefit plans, or other employee benefit plans. These funds are exempt from Oregon Budget Law by ORS 294.338(7).

Investment Trust Funds – An investment trust fund is used by a governmental entity to report the external portion of an investment pool. The County sponsor’s an investment pool, in which legally separate government’s commingle or pool their resources in an investment portfolio for the benefit of all participants. The external portion of the investment pool is exempt from Oregon Budget Law by OAR 150-294.361(1)-(A).

Agency Funds – An agency fund is used to account for all assets that are held in a custodial relationship, such as the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments. Agency funds are most commonly used to account for taxes collected by the County on behalf of other governments. These funds are exempt from Oregon Budget Law by OAR 150-294.361(1)-(A) and 150-294.361(2).

The County budgets all funds using the modified accrual basis of accounting, except interfund loans and repayments are budgeted as debt proceeds (repayments) and debt service (repayments).

**Definitions**

Beginning Fund Balance - This is a revenue classification indicating those financial resources which, because they were not expended in one fiscal year, are available in the following year. Included in this total are projects known as carry-forwards. Also included are the unappropriated ending fund balances, contingencies, reserves, and any excess revenue or under expenditures from the previous fiscal year.

Capital Outlay - This is an expenditure category. This includes all equipment purchases costing more than $5,000, all vehicle purchases regardless of cost, as well as land, buildings and infrastructure improvements in excess of $10,000.

Change in Fund Balance - This is the difference between the anticipated beginning fund balance and the anticipated ending fund balance.

Debt Service - This is the payment of interest and principal on an obligation resulting from the issuance of bonds, loans or capital leases.

Ending Fund Balance - This amount represents the funds’ total unappropriated ending fund balance, reserves, and contingencies.

Expenditures - A fund liability incurred for operation, capital outlay, or their requirements, during a budgetary period.

Materials and Services - This includes transportation, operating expenses, minor equipment purchases, data processing, maintenance and repairs, contracted services, and direct funding to non-County agencies.

Personnel Services - This includes total compensation paid to employees including salaries, benefits, and payroll taxes.
Revenues - This is income for the fiscal year and includes transfers and proceeds from the sale of bonds and notes.

Transfers From - This line item represents the amount of money transferred to the fund indicated from another fund inside the County organization.

Transfers To - This line represents the total amount of money transferred to other funds inside the County.

Unappropriated Ending Fund Balance - This is the amount set aside in the budget to be used as a cash carryover to the next year’s budget. It provides the local government with cash until tax money is received from the County Treasurer in November. This amount cannot generally be transferred by resolution or used through a Supplement Budget unless there is a qualifying emergency (ORS 294.371).
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The Klamath County budget is composed of three basic units: major program categories, departments/funds, and in some cases subprogram. The individual department’s budgets are grouped into eight major program categories: General Government, Agriculture Services, Community & Economic Development, Community Services, Human Services, Internal Support, Public Safety, and Public Works.

**General Government Program** - This includes the general government offices including the Treasurer, Assessor, Tax Collector, County Clerk, Commissioners and the Surveyor.

**Agricultural Services Program** – These departments/programs provide support and assistance to the community through Taylor Grazing, Watermaster, Cooperative Extension, and Agricultural Experiment Station.

**Community & Economic Development Program** - This program facilitates and stimulates the economic health of the community through development and redevelopment efforts. Included in this program are departments such as Planning, Building, Onsite, and Code Enforcement.

**Community Services Program** – This program provides public services provided to the citizens of the county including Library, Law Library, Museum, Parks, and Fairgrounds.

**Human Services Program** - This includes all departments of a human caring and welfare capacity. These include departments such as Public Health, Mental Health, and Veterans.

**Internal Support Program** - These departments/programs provide needed support to all the actual public service programs. These include departments such as General Administration, Human Resources, County Counsel, Finance, Information Technology, Multimedia, and Maintenance.

**Public Safety Program** - This program is to encourage and facilitate the public safety of the county. Departments include District Attorney, Justice of the Peace, Sheriff, Animal Control, Juvenile, Community Corrections, Emergency Management, and State Courts.

**Public Works Program** - This program provides the community with maintenance and construction of roads within the County. It also includes maintenance and construction of bicycle trails and operations of the county landfills.
General - 1000
This fund is the general operating fund of the county. Its largest source of revenue is property taxes. It also receives various intergovernmental revenues, fees, fines, and interest on investments. Its purpose is carrying out the legislative and executive functions of the county. The General Fund provides such services as Treasurer, Assessor, Tax Collector, Clerk, Board of County Commissioners, District Attorney, Justice Court, Sheriff, Juvenile, Emergency Management, Watermaster, Agriculture Extension, and Experiment Station.

PERS Reserve - 2010
This fund is a reserve fund to account for contributions from the departments with employees who participate in the State of Oregon Public Employee Retirement System. It is intended to build a reserve to smooth contribution rates to the State plan in future years.

County School Fund - 2020
This fund is established under ORS 328.005 and is the recipient of federal forest reserve apportionments under ORS 294.060, other intergovernmental revenues, and interest of investments. Expenditures are apportionments to the two school districts within the county.

Taylor Grazing - 2030
This fund is for range improvements under ORS 294.070. Monies are federal monies passed through the State Department of Administrative Services to counties and expended through written offer of the Grazing Advisory Board. There are three such boards in Klamath County.

Transient Room Tax - 2131
This fund is used for the collection and distribution of County’s transient room tax as established by Klamath County Code Section 603.

Clerk Storage - 2140
This fund is used to account for fees eligible to be collected and retained by the County Clerk under ORS 294.320 to 294.400.

Clerk Overpayment - 2141
This fund is used to account for overpayment of clerk fees that by County policy maybe retained and used to support the operation of the County Clerk’s office.

Surveyor - 2160
This fund is used to receive monies from all land transactions recorded in Klamath County for the purpose of re-establishing the major section corners in the county and for accounting for the cost of the surveyor program.

Tourism Competitive Grant - 2180
This fund is used to account for revenue received from the transient room tax, which the Klamath County Code directs to be used for the promotion of tourism within Klamath County.

Economic Development - 2185
This fund is used to receive Economic Development monies, such as state lottery funding for regional strategies and video poker revenues, for the purpose of retention and development of Klamath County business and industry.

District Attorney Special Revenue - 2210
This fund has five major functions: special grants, support enforcement, Victim of Crimes Assistance (VOCA), and drug enforcement. The support enforcement function is funded from the State of Oregon for enhanced enforcement for child support cases and was closed in fiscal year 2014-15. The VOCA function is funded with a grant from the State of Oregon. The drug enforcement function is funded from drug arrests and is for the specific purpose of increasing drug enforcement efforts in Klamath County.
Sheriff Special Revenue - 2230
This fund has four major functions: special revenue, marine division, search and rescue, and court facility security. The special revenue function is used for forfeiture revenues for drugs operation expenses and homeland security grant funds. The marine function provides accounting of the State and County partnership of the parole and safety on the waterways of the County. The search and rescue function is used to provide operation funds for search and rescue. The court facility security function accounts for costs associated with security in the county courthouse.

Community Corrections - 2260
This fund is used to administer the contract with the State of Oregon for Community Corrections Services. This fund has four sub-departments: Klamath County, Justice Reinvestment Initiative Grant (JRI), Alcohol and Drug and Equipment Reserve. The Klamath County function provides parole and probation services in Klamath County. The JRI Grant sub-department was started in 2017-18 fiscal year. In addition to parole and probation activities, portions of this grant are transferred to the Sheriff and the District Attorney’s Office. The Alcohol and Drug function administers funds from the State of Oregon in compliance with ORS 430.380 for operation and maintenance of alcohol and drug abuse prevention, early intervention, and treatment services. The equipment reserve function provides the department with a tracking mechanism for funds set aside to replace equipment in future.

Animal Control - 2270
This fund is used under the provisions of ORS chapter 609 for control of dogs in the county.

Road Department - 2310
This fund receives federal forest reserve apportionments as per ORS 294.060 and State Highway Fund apportionments as per ORS 366.525 as its major sources of revenue. Other revenue comes from interest on investments, reimbursement for work done, intergovernmental revenues, and miscellaneous sources. Expenditures are limited by article IX Section 3 of the Constitution of the State of Oregon, and are for the construction and maintenance of roads in the county.

Klamath Falls Streets - 2311
This fund is used to account for the federal forest receipts assigned to the City of Klamath Falls per the contract regarding city street projects.

Public Health Services - 2410
This fund administers public health programs and is the recipient of intergovernmental (primarily state) revenues, client fees, and a General Fund Subsidy.

Mental Health Services - 2450
This fund administers mental health programs and is the recipient of intergovernmental (primarily state) revenues, and client fees.

Veterans Services - 2470
This fund utilizes a percentage of the county’s permanent property tax rate to stabilize funding to support services to veterans.

Law Library - 2515
This fund is used for the operation of the county Law Library. Revenues are primarily from an allocation of court fees.

Museum - 2520
This fund is used for the museum operations. Major revenues include a transfer from the Transient Room Tax Fund and sales at the museum store. Additionally, it receives funds from grants and donations for items such as displays, etc.
Park - 2525
This fund is used to account for the dedicated resources that come from RV licenses and revenues derived from the RV parks to maintain county owned parks.

Title III - 2630
This fund is used to account for the special revenues from the federal secure rural schools funds law for use on federal forest lands.

Equipment Reserve - 3010
This fund is a reserve fund to account for vehicle and major equipment replacements.

Capital Projects Reserve - 3020
This fund is a reserve fund to account for major infrastructure improvements to county owned facilities.

Law Enforcement Memorial – 3040 (Inactive)
This fund was a reserve fund to account for costs associated with the construction and maintenance of the law enforcement memorial located at the county courthouse.

Solid Waste - 5020
This fund is used for the operation of the county sanitary landfills and the recycling education program. Revenues are derived from landfill user fees, franchise fees and the sale of scrape metals.

Weed Control - 5030
This fund is used to account for noxious weed eradication in the county. Revenues are derived primarily from charges for services.

Fairgrounds - 5040
This fund operates as a function of Klamath County, Oregon under ORS 565.210 to 565.990 inclusive. The affairs of the fairgrounds are managed by a seven member Board of Directors who serve without salary. These directors are appointed for three year terms by the Klamath County Board of Commissioners. Primary revenues for the year are the county's transient room tax and user fees. Expenditures are for the maintenance, operation, and improvement of the fairgrounds.

Community Development - 5050
This fund is used to receive and expend planning, building and electrical permit fees, in providing inspection and compliance to building and electrical codes, including code and violation enforcement. This is a dedicated fund.

Sheriff - Interoperable Radio Communications System – 5345 (Inactive)
This fund was used to construct, operate and maintain a county wide interoperable radio communications system. The primary revenues are from user fees. This fund was closed in fiscal year 2016-17.

Internal Services - 6000
This fund is used to identify and locate the costs of internal support departments among the County's operating funds. The fund contains General Administration, Human Resources, Counsel, Finance, Information Technology, Geographic Information Systems, Multimedia and other costs that have benefits accruing to all county operations.

External Services – 6010
This fund is used to account for personnel costs associated with county employees providing services directly to component units of the County (Klamath County Library Service District).
Facility Services - 6020
This fund is used to ensure adequate maintenance, operation and major maintenance for all county owned facilities and real property. A funding policy has been enacted for most county occupied facilities.

Risk Management - 6030
This fund is used to account for the county’s self-insurance and risk management programs. Insurance programs administered through this fund include liability and property damage insurance, workers compensation insurance and unemployment insurance.
This appendix will present the methodology and assumptions used in the allocations for internal services and for self-insured claims.

**Unemployment Compensation - 51560**
Klamath County provides for a consolidated unemployment policy for all departments. The charge provides for a reserve to pay all claims (note: Klamath County is self-insured for all claims). The charge passed through to the departments is based on a percentage of gross wages. In the 2018-2019 budget that percentage is 0.5%. The revenue and the claims expense are accounted for in the Risk Management Fund.

**Workers Compensation - 51570**
Klamath County provides for a consolidated workers compensation policy for all departments. The charges provide for a reserve to pay the base premium and all self-insured claims (i.e., deductibles). The charge passed through to the departments is based on a percentage of gross wages. In the 2018-2019 budget that percentage is 1.75%. The revenue and the claims expense are accounted for in the Risk Management Fund.

**Internal Services - 69900**
Klamath County provides all provides certain administrative functions that are available for all county departments (General Administration, Human Resources, County Counsel, Finance, Information Technology, Geographic Information Systems and Multi-Media). The charge is broken down for each function utilized by the individual departments. Certain allocations are flat rate charges (e.g., every department pays the same charge), others are based on utilizations of resources (i.e., Information Technology), while others are based on a percentage of budget (e.g., percentage of a department’s personnel services budget as compared to the total for the county personnel services budget). These allocations are based on information in arrears of the budget (i.e., the 2018-19 budget is based on the final amended budget for 2016-17) so departments see a lag in the calculation based on changes in the budget. The revenue and expenses are accounted for in the Internal Services Fund.

**Facility Services - 69910**
Klamath County provides for maintenance of most county owned building through a facility services charge. This charge is comprised of three components: 1) facility services charge of $0.2592 per square foot per month, 2) utilities and 3) capital projects charge of $0.05 per square foot per month. The facility service charge provides for the day to day upkeep of the buildings and facilities. The utilities charge provides for allocation of all utilities in the buildings, janitorial services and alarm systems. The capital projects charge provides for future major infrastructure needs of the buildings (i.e., roof replacements, windows, doors, flooring, electrical and HVAC units). The revenue and expenses are accounted for in the Facility Services Fund.

**Technology Maintenance Hardware Charge - 69920**
Klamath County provides for a consistent hardware component for all computers in the county system. This consistency drives a reduced cost structure for maintenance of technology. This charge provides for hardware replacement, server software licensing and network connectivity expenses. The revenue and expenses are accounted for in the Internal Services Fund.

**Technology Maintenance User Charge - 69930**
Klamath County provides for a consistent user component for all computers in the county system. This consistency drives a reduced cost structure for maintenance of technology. The charge provides for user software licensing (i.e., Microsoft Office applications), email, website, archiving of public records and storage/backup of electronic files. The revenue and expenses are accounted for in the Internal Services Fund.

**Risk Management - 69940**
Klamath County charges departments a fee to operate a risk management department that monitors compliance and incentives the use of best practices with the goal of reducing claims to departments. The charge is allocated based the insurance premium allocation as developed for the Insurance charge. The revenue and expenses are accounted for in Risk Management Fund.
Klamath County, Oregon
2018-2019 Budget Presentation
Appendix F – Internal Service Charges

Insurance - 69950
Klamath County provides for a consolidated insurance policy for general liability, occupancy, and vehicles for all departments. The charge is allocated based on insurable risks as determined by a breakdown of the premium performed by the insurance agent of record. The revenue and expenses are accounted for in the Risk Management Fund.
Memo

To: Department Heads and Elected Officials
From: Human Resources
Date: January 2, 2018
Re: Personnel Services Budget (Fiscal Year 2018 - 2019)

This month we will all be working on our budgets and most of us are already crunching our numbers. Costs related to our benefits have changed and the following is a list of benefit costs to use for Fiscal Year 2018 – 2019. Some contracts expire June 30, 2018, so various assumptions for budgeting purposes are included below as noted.

Health Insurance Contribution per month:
- Non-Union and Local 737: $1,215.00
- DDA: $1,050.00 (Will be in Negotiations)
- Local 701: $1,208.00/$1,228.00 (will pay up to $20 more if premium increase)
- ONA: $1,105.00
- KCPOA: $1,445.00 (Will be in Negotiations)
- Teamsters: $1,445.00 (Will be in Negotiations)
- FOPPO: $1,460.00 (Will be in Negotiations)

VEBA:
- KCPOA: $1,472.12 per year (Will be in Negotiations)
- Teamsters: $2,328.00 per year (Will be in Negotiations)
- FOPPO: $1,289.18 per year (Will be in Negotiations)
- Lieutenants: $2,444.30 per year (Will be in Negotiations)

Life Insurance per month:
- Department Heads: $3.24 ($38.88 per year)
- Elected Officials: $4.84 ($58.08 per year)
- Civil Deputies: $2.67 ($32.04 per year)
- Regular Deputies: $4.84 ($58.08 per year)
- All other employees: $1.19 ($14.28 per year)

Short-Term Disability per month (except elected officials): $11.28 ($135.36 per year)

Workers Compensation/Workers’ Benefit Fund
- All Employees
  - KCWC: .0175 x base wages
  - WBF: .0165 x hours worked

Unemployment
- All Employees (except elected officials): .005 x base wages

Cost of Living effective 7/1/18:
- Non-Union and Local 737: 1.5%
- DDA: 1% (Will be in Negotiations)
- Local 701: 2%
- ONA: 1%
KCPOA: - 1% (Will be in Negotiations)
Teamsters: - 1% (Will be in Negotiations)
FOPPO: - 1% (Will be in Negotiations)

Retirement:
- Non-Union, Local 737, Local 701 and ONA: - .17 x base wages
- KCPOA, Teamsters (Tier 1 & 2): - .1224 x base wages
- KCPOA, Teamsters (OSPRS): - .0531 x base wages
- FOPPO (State): - .0824 x base wages
- FOPPO (County): - .17 x base wages

In addition to the above benefits, if applicable, telephone stipend allowances and VEBA benefits are also included in your personal services budgets this year. Remember to include any vacant positions in your budget. Attached is information for you to verify against your Budget.

Please call Diane Johnston, Alyssa Gentry, or James Henderson at 883-4296 if you need any further assistance. Thank you!
To: Board of County Commissioners
From: Diane Johnston
       Human Resources Manager
Date: January 2, 2018
Re: Department Request – Human Resources

Date Scheduled for Work Session Meeting: January 3, 2018

We are seeking your approval for the budget assumptions for 2018-2019 fiscal year.

We have four unions in negotiations this year including DDA, FOPPO, KCPOA and Teamsters. Medical caps will not increase for the (4) four unions in negotiations. VEBA amounts are based off the salary schedule for that union. Life insurance is consistent with 2017/2018 fiscal year, as we have not seen an increase in a couple years. Short-Term Disability was increased based on the highest cost of living adjustment percentage of 2.5%. Workers Compensation/Workers Benefit Fund are consistent with last fiscal year. Unemployment percentage will remain the same as last fiscal year. Cost of Living increases for the (4) four unions in negotiations will be 1%. Retirement is consistent with last fiscal year also.

Suggested Motion: Hereby motion to approve the request to use the 2018-2019 budget assumptions as outlined above.
The following memorandum contains a summary regarding the assumptions on which the fiscal year 2018-19 will be prepared:

**Budget Committee Presentation Process**
1. Public Comment Process (No change from prior year.)
   a. Public comment taken on that day’s discussion’s topics as first agenda item of the day.
   b. Public may make one comment on each department (even if department ultimately presents on multiple days).
2. Department Presentations (No change from prior year.)
   a. Departments may present to the Budget Committee or elect to have Budget Officer present or any combination thereof. (Please communicate your department’s intended presentation method to the Budget Officer, so that sufficient time can be allocated and preparations can be made.)
   b. No change in material or format for Budget Committee. All material for the budget committee will be submitted in electronic format. No paper materials to be distributed to members. (Budget committee has implemented a completely electronic format of material and no longer have printed binders.)
3. Community Organizations
   a. Community Organizations will NOT make direct requests for funding to the Budget Committee. These organizations will make their requests to the Board in work session and if the Board chooses to enter into a contractual relationship with the entity an amendment to the budget will be made.

**Road Funds for Sheriff Patrol**
The Road Fund transfer to the Sheriff – Patrol Division will be proposed at $0.00. The Board of County Commissioners desire Budget Committee input to make this decision. The prior year transfer was $2.0 million.

**General Fund Departments**
General Fund departments and departments that receive transfers from the General Fund will build their budgets around the following numbers as support from the General Fund Non-Departmental transfer line. (3% decrease from the previous year)

The following table indicates funding level and change from 2018 amended budget as of January 2018 and comment on change:
<table>
<thead>
<tr>
<th>Department</th>
<th>Amount of Support</th>
<th>Comparison</th>
</tr>
</thead>
<tbody>
<tr>
<td>1010 Treasurer</td>
<td>$0</td>
<td>No change</td>
</tr>
<tr>
<td>1020 Assessor</td>
<td>$1,033,953</td>
<td>Decrease $31,978</td>
</tr>
<tr>
<td>1030 Tax Collector</td>
<td>$279,955</td>
<td>Decrease $8,658</td>
</tr>
<tr>
<td>1040 Clerk</td>
<td>$360,062</td>
<td>Decrease $11,136</td>
</tr>
<tr>
<td>1050 Commissioners</td>
<td>$382,262</td>
<td>Decrease 11,823</td>
</tr>
<tr>
<td>1060 Surveyor</td>
<td>$11,640</td>
<td>Decrease $360</td>
</tr>
<tr>
<td>1530 Information Technology</td>
<td>$0</td>
<td>No change</td>
</tr>
<tr>
<td>2010 District Attorney</td>
<td>$1,352,606</td>
<td>Decrease $41,833</td>
</tr>
<tr>
<td>2020 Justice Court</td>
<td>$0</td>
<td>No change</td>
</tr>
<tr>
<td>2030 Sheriff</td>
<td>$6,622,890</td>
<td>Decrease $204,832</td>
</tr>
<tr>
<td>2050 Juvenile</td>
<td>$1,255,562</td>
<td>Decrease $38,832</td>
</tr>
<tr>
<td>2080 Emergency Management</td>
<td>$72,015</td>
<td>Decrease $2,227</td>
</tr>
<tr>
<td>2090 State Courts</td>
<td>$354,549</td>
<td>No change</td>
</tr>
<tr>
<td>4010 Public Health</td>
<td>$215,340</td>
<td>Decrease $6,660</td>
</tr>
<tr>
<td>6020 Planning</td>
<td>$9,700</td>
<td>Decrease $300</td>
</tr>
<tr>
<td>7020 Watermaster</td>
<td>$81,613</td>
<td>Decrease $2,524</td>
</tr>
</tbody>
</table>

Subsequent changes: (1) Commissioner budget increased $7,413 for increased personnel related benefit costs; (2) Sheriff budget increased $2,706,656 for personnel, material & services and internal related costs as well as a $0 transfer from the Road Fund; (3) Emergency Management increased $3,727 for grant matching funds and increase in personnel benefit related costs; (4) Public Health decreased $20,340 due to increases in other revenue areas and; (5) Watermaster increased $11,122 for increases in personnel related costs and committee expenses in material & services as directed by the Board of County Commissioners.
## Requirements by Budgetary Category

<table>
<thead>
<tr>
<th>Category</th>
<th>2015-16 Actual</th>
<th>2016-17 Actual</th>
<th>2017-18 Budget</th>
<th>2018-19 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Personnel Services</strong></td>
<td>11,507,668</td>
<td>9,199,521</td>
<td>13,247,066</td>
<td>13,210,415</td>
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<tr>
<td><strong>Materials and Services</strong></td>
<td>4,880,750</td>
<td>5,870,595</td>
<td>6,930,683</td>
<td>7,158,811</td>
</tr>
<tr>
<td><strong>Capital Outlay</strong></td>
<td>15,223</td>
<td>-</td>
<td>266,411</td>
<td>500,000</td>
</tr>
<tr>
<td><strong>Debt Service</strong></td>
<td>-</td>
<td>35,684</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Subtotal Current Expenditures</strong></td>
<td><strong>16,403,641</strong></td>
<td><strong>15,105,800</strong></td>
<td><strong>20,444,160</strong></td>
<td><strong>20,869,226</strong></td>
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<tr>
<td><strong>Interfund Transfers</strong></td>
<td>12,549,717</td>
<td>15,078,234</td>
<td>13,762,130</td>
<td>15,333,487</td>
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<tr>
<td><strong>Reserves</strong></td>
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<td>2,257,767</td>
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<tr>
<td><strong>Contingency</strong></td>
<td>-</td>
<td>-</td>
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<td>55,282</td>
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<tr>
<td><strong>Unappropriated Fund Balance</strong></td>
<td>5,648,819</td>
<td>5,008,516</td>
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<tr>
<td><strong>Subtotal Noncurrent Expenditures</strong></td>
<td><strong>18,198,536</strong></td>
<td><strong>20,088,408</strong></td>
<td><strong>16,351,164</strong></td>
<td><strong>15,388,769</strong></td>
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### Total Requirements by Budgetary Category

<table>
<thead>
<tr>
<th>Category</th>
<th>2015-16 Actual</th>
<th>2016-17 Actual</th>
<th>2017-18 Budget</th>
<th>2018-19 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>General Fund (1000)</strong></td>
<td>34,602,177</td>
<td>35,194,208</td>
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### Resources by Budgetary Category

<table>
<thead>
<tr>
<th>Category</th>
<th>Total Cost</th>
<th>Personnel Services</th>
<th>FTE</th>
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<tbody>
<tr>
<td>Treasurer (1010)</td>
<td>588,795</td>
<td>40,357</td>
<td>0.93</td>
</tr>
<tr>
<td>Assessor (1020)</td>
<td>1,278,839</td>
<td>874,754</td>
<td>12.25</td>
</tr>
<tr>
<td>Tax Collector (1030)</td>
<td>897,309</td>
<td>370,892</td>
<td>4.57</td>
</tr>
<tr>
<td>Clerk (1040)</td>
<td>708,732</td>
<td>381,647</td>
<td>6.00</td>
</tr>
<tr>
<td>Commissioners (1050)</td>
<td>390,975</td>
<td>317,579</td>
<td>3.00</td>
</tr>
<tr>
<td>District Attorney (2010)</td>
<td>1,633,496</td>
<td>1,319,046</td>
<td>15.00</td>
</tr>
<tr>
<td>Justice Court (2020)</td>
<td>204,924</td>
<td>131,680</td>
<td>2.00</td>
</tr>
<tr>
<td>Sheriff (2030)</td>
<td>10,603,030</td>
<td>7,871,335</td>
<td>89.85</td>
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<td>Juvenile (2050)</td>
<td>2,850,981</td>
<td>1,740,888</td>
<td>30.81</td>
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<td>Emergency Management (2080)</td>
<td>151,484</td>
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<td>State Courts (2090)</td>
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<td>-</td>
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<tr>
<td>Watermaster (7020)</td>
<td>100,435</td>
<td>69,622</td>
<td>1.00</td>
</tr>
<tr>
<td>Material and Services (1000)</td>
<td>1,625,044</td>
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<td>-</td>
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<tr>
<td>Intrafund Transfers (1000)</td>
<td>14,808,174</td>
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<td>-</td>
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<tr>
<td>Contingency (1000)</td>
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<td>-</td>
</tr>
<tr>
<td>Reserves (1000)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Mandates</strong></td>
<td><strong>36,257,995</strong></td>
<td><strong>13,210,415</strong></td>
<td><strong>166.41</strong></td>
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Klamath County, Oregon
2018-2019 Budget Presentation
Appendix H – All Funds Summary
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## Requirements by Budgetary Category

<table>
<thead>
<tr>
<th>Category</th>
<th>2015-16 Actual</th>
<th>2016-17 Actual</th>
<th>2017-18 Budget</th>
<th>2018-19 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel Services</td>
<td>27,673,422</td>
<td>28,520,452</td>
<td>32,764,014</td>
<td>34,483,968</td>
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<tr>
<td>Materials and Services</td>
<td>25,222,010</td>
<td>26,198,464</td>
<td>33,039,843</td>
<td>35,525,403</td>
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<tr>
<td>Capital Outlay</td>
<td>3,695,012</td>
<td>2,962,592</td>
<td>9,930,882</td>
<td>11,617,803</td>
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<td>Debt Service</td>
<td>247,123</td>
<td>220,101</td>
<td>74,200</td>
<td>38,450</td>
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<td><strong>Subtotal Current Expenditures</strong></td>
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<td><strong>57,901,609</strong></td>
<td><strong>75,808,939</strong></td>
<td><strong>81,665,624</strong></td>
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<td>Interfund Transfers</td>
<td>18,493,969</td>
<td>20,284,805</td>
<td>20,496,298</td>
<td>23,580,618</td>
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<td>Reserves</td>
<td>-</td>
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<td>70,393,950</td>
<td>73,797,700</td>
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<tr>
<td>Contingency</td>
<td>-</td>
<td>-</td>
<td>6,518,070</td>
<td>9,670,402</td>
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<tr>
<td>Unappropriated Fund Balance</td>
<td>133,232,048</td>
<td>91,651,396</td>
<td>11,359,575</td>
<td>12,273,096</td>
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<tr>
<td><strong>Subtotal Noncurrent Expenditures</strong></td>
<td><strong>151,726,017</strong></td>
<td><strong>150,708,432</strong></td>
<td><strong>108,767,893</strong></td>
<td><strong>119,321,816</strong></td>
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<tr>
<td><strong>Total Requirements by Budgetary Category</strong></td>
<td><strong>208,563,584</strong></td>
<td><strong>208,610,041</strong></td>
<td><strong>184,576,832</strong></td>
<td><strong>200,987,440</strong></td>
</tr>
</tbody>
</table>

## Resources by Budgetary Category

<table>
<thead>
<tr>
<th>Category</th>
<th>2015-16</th>
<th>2016-17</th>
<th>2017-18</th>
<th>2018-19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taxes</td>
<td>11,611,951</td>
<td>12,350,183</td>
<td>11,733,613</td>
<td>13,592,000</td>
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<td>Licenses and Permits</td>
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<td>1,398,966</td>
<td>2,599,775</td>
<td>2,761,715</td>
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<td>Intergovernmental</td>
<td>23,850,466</td>
<td>18,385,030</td>
<td>16,881,617</td>
<td>24,831,418</td>
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<tr>
<td>Charges for Services</td>
<td>19,689,154</td>
<td>20,153,224</td>
<td>18,217,230</td>
<td>20,280,926</td>
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<tr>
<td>Fines and Forfeitures</td>
<td>309,950</td>
<td>332,224</td>
<td>230,569</td>
<td>261,024</td>
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<td>Special Assessments</td>
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<td>Investment Earnings</td>
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<td>215,333</td>
<td>520,737</td>
<td>296,255</td>
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<td>Sale of Capital Assets</td>
<td>347,104</td>
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<td>-</td>
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<tr>
<td>Interfund Transfers</td>
<td>18,342,489</td>
<td>19,475,236</td>
<td>19,761,349</td>
<td>22,375,970</td>
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<td>Debt Proceeds</td>
<td>247,346</td>
<td>977,967</td>
<td>787,449</td>
<td>780,504</td>
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<td>Miscellaneous</td>
<td>325,265</td>
<td>274,057</td>
<td>85,130</td>
<td>180,050</td>
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<tr>
<td>Sale of Capital Assets</td>
<td>131,700,867</td>
<td>1,815,777</td>
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<td>305,000</td>
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<tr>
<td>Beginning Fund Balance</td>
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<td>133,232,044</td>
<td>113,719,363</td>
<td>115,322,578</td>
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<tr>
<td><strong>Total Resources by Budgetary Category</strong></td>
<td><strong>208,563,584</strong></td>
<td><strong>208,610,041</strong></td>
<td><strong>184,576,832</strong></td>
<td><strong>200,987,440</strong></td>
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## Full-Time Employee Equivalents

<table>
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<tr>
<th>Category</th>
<th>2015-16</th>
<th>2016-17</th>
<th>2017-18</th>
<th>2018-19</th>
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</thead>
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<td>414.46</td>
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<td>----------------------------------------------</td>
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<tr>
<td>Non-Departmental (1000)</td>
<td>23,094,516</td>
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<tr>
<td>Treasurer (1010)</td>
<td>588,795</td>
<td>40,357</td>
<td>0.93</td>
<td></td>
</tr>
<tr>
<td>Assessor (1020)</td>
<td>1,278,839</td>
<td>874,754</td>
<td>12.25</td>
<td></td>
</tr>
<tr>
<td>Tax Collector (1030)</td>
<td>3,097,309</td>
<td>370,892</td>
<td>4.57</td>
<td></td>
</tr>
<tr>
<td>Clerk (1040)</td>
<td>838,723</td>
<td>381,647</td>
<td>6.00</td>
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</tr>
<tr>
<td>Commissioners (1050)</td>
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<td>Surveyor (1060)</td>
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<td>General Administration (1510)</td>
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<td>Human Resources (1515)</td>
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<td>Finance (1525)</td>
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<td>Information Technology (1530)</td>
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<td>Multimedia (1540)</td>
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<tr>
<td>District Attorney (2010)</td>
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<td>18.00</td>
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<td>Justice Court (2020)</td>
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<td>131,680</td>
<td>2.00</td>
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<td>Sheriff (2030)</td>
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<td>8,271,829</td>
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<td>Juvenile (2050)</td>
<td>2,850,981</td>
<td>1,740,888</td>
<td>30.81</td>
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<td>Community Corrections (2060)</td>
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<td>3,521,189</td>
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<td>State Courts (2090)</td>
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<td>Public Works (3010)</td>
<td>95,242,069</td>
<td>4,597,312</td>
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<td>Solid Waste (3030)</td>
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<td>Public Health (4010)</td>
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<td>Veterans Services (4070)</td>
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<td>223,949</td>
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<td>Law Library (5015)</td>
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<td>Museum (5020)</td>
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<td>374,801</td>
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<tr>
<td>Parks (5025)</td>
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<td>92,860</td>
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<td>Fairgrounds (5030)</td>
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<td>Economic Development (6070)</td>
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<tr>
<td>Title III (6080)</td>
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<td>Taylor Grazing (7010)</td>
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<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Watermaster (7020)</td>
<td>100,435</td>
<td>69,962</td>
<td>1.00</td>
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</tr>
<tr>
<td><strong>Total Mandates</strong></td>
<td><strong>200,987,440</strong></td>
<td><strong>34,483,968</strong></td>
<td><strong>442.65</strong></td>
<td></td>
</tr>
</tbody>
</table>
Klamath County, Oregon
2018-2019 Budget Financial Presentation
All Funds

2018-19 Budget Requirements by Category

- Reserves: 36.7%
- Contingency: 4.8%
- Unappropriated Fund Balance: 6.1%
- Interfund Transfers: 11.7%
- Debt Service: 0.0%
- Capital Outlay: 5.8%
- Materials and Services: 17.7%
- Personnel Services: 17.2%
- Unappropriated Fund Balance: 6.1%

2015-16 2016-17 2017-18 2018-19

Budget Requirements

- 2015-16: 350.00
- 2016-17: 370.00
- 2017-18: 390.00
- 2018-19: 410.00
- 2019-20: 430.00
- 2020-21: 450.00
- 2021-22: 470.00
- 2022-23: 490.00

2018-19 Budget Requirements by Category

- Reserves: 36.7%
- Contingency: 4.8%
- Unappropriated Fund Balance: 6.1%
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- Debt Service: 0.0%
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2015-16 2016-17 2017-18 2018-19

Budget Requirements

- 2015-16: 350.00
- 2016-17: 370.00
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- 2018-19: 410.00
- 2019-20: 430.00
- 2020-21: 450.00
- 2021-22: 470.00
- 2022-23: 490.00