

Proposed Budget



2014-2015

Budget Committee Members

Board of Commissioners

Jim Bellet
Dennis Linthicum
Tom Mallams

Citizen Committee Members

Allan Craigmiles
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Klamath County, Oregon

2014-2015 Budget Presentation

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Klamath County Board of Commissioners

Klamath County adopted the Missions, Values and Vision statement to provide a framework for making decisions that impact Klamath County government and the community.

Knowing the mission, values and vision of the organization enables our leaders and employees to consider the greater good when making tough decisions.

Mission, Values and Vision Statement

Klamath County, Oregon

2014-15 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

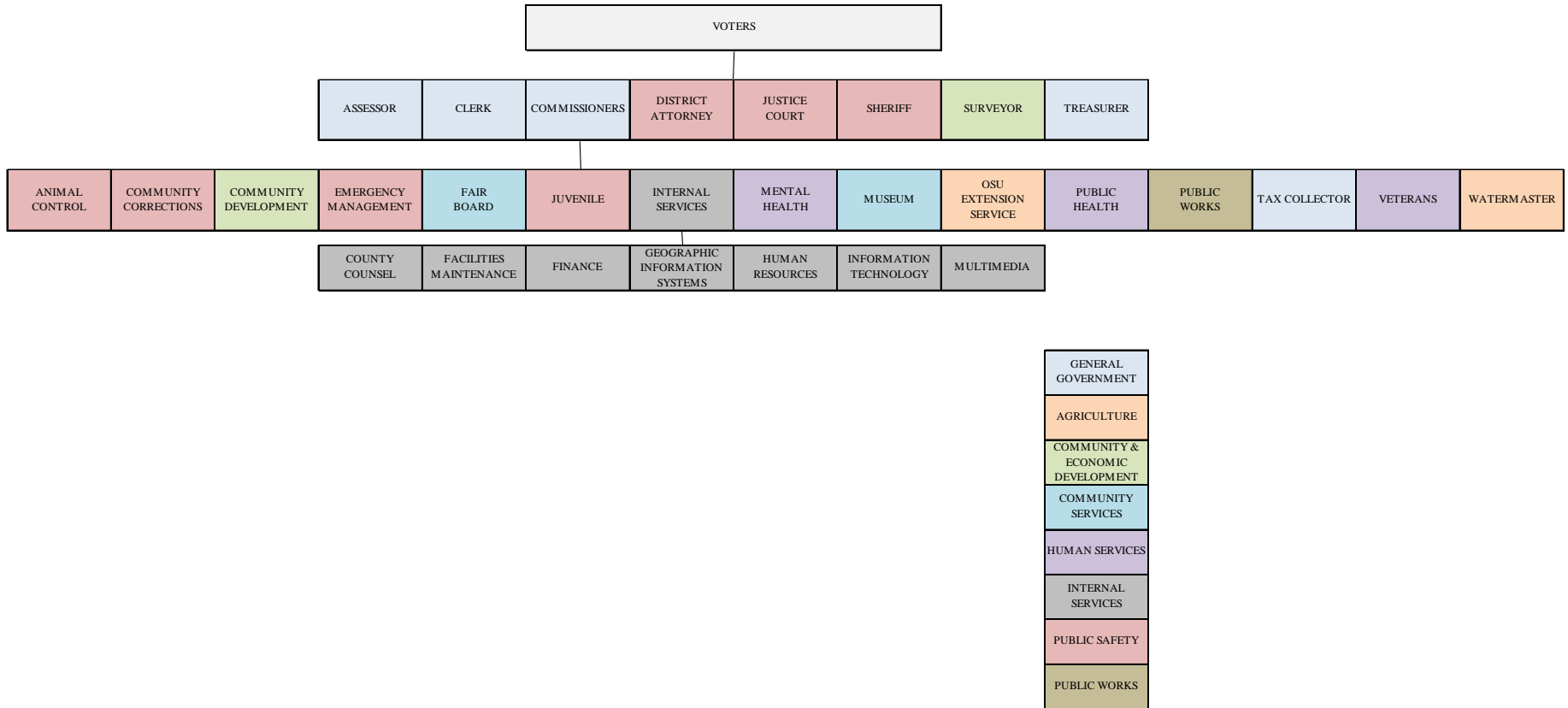
- **Protection**—protection of Life, Liberty and the Pursuit of Happiness is the primary role of government.
- **Environment**—responsible use and protection of the natural environment through conservation and sustainable practices.
- **Accountability**—responsible planning and management of resources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

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Klamath County, Oregon 2014-2015 Budget Presentation Organizational Chart



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Klamath County, Oregon
2014-2015 Budget Presentation
List of Elected Officials

<u>Position</u>	<u>Name</u>	<u>Term Expires</u>
Assessor	Leonard Hill	January 2, 2017
Clerk	Linda Smith	January 3, 2015
Commissioners	Tom Mallams Dennis Linthicum Jim Bellet	January 2, 2017 January 3, 2015 January 2, 2017
District Attorney	Rob Patridge	January 3, 2015
Justice of the Peace	Karen Oakes	January 2, 2017
Sheriff	Frank Skrah	January 2, 2017
Surveyor	Michael Markus	January 2, 2017
Treasurer	Jason Link	January 2, 2017

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Klamath County, Oregon
 2014-2015 Budget Presentation
 List of Appointed Officials

Position	Name
Agricultural Experiment Station (State Appointed)	William Riggs
Animal Control	Mike Horton
Budget & Finance	Jason Link
Cooperative Extension (State Appointed)	William Riggs
Community Corrections	Kiki Parker-Rose
Community Development	Stephanie Brown
County Counsel	Dave Groff
Emergency Management	George Buckingham
Fair Manager	Todd Hogarth
Human Resources	Daneen Dail
Juvenile	Dan Golden
Maintenance	Thomas Banks
Information Technology	Randall Paul
Developmental Disability Services	Carrie Buck
Museum	Todd Kepple
Public Health	Marilynn Sutherland
Public Works	Stan Strickland
Tax Collector	Rafael Hernandez
Watermaster (State Appointed)	Scott White
Veteran's Services	Kathy Pierce

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Klamath County, Oregon
2014-2015 Budget Presentation
List of Boards, Committees and Commissions

Local Alcohol and Drug Planning Committee
Ambulance Advisory Board
Bicycle Trails Advisory Board
Budget Committee
Budget Task Force Committee
Citizens Safety and Building Advisory Committee
Commission on Children and Families
Community College Services Advisory Committee
Community Corrections Committee
County Charter Committee
County Compensation Board
Courthouse Task Force Committee
Dock Commission (City of Klamath Falls, Oregon)
Dog Commission
DUII Task Force Committee
Board of Equalization
Energy Advisory Committee
Fair Board
Farm Use Board of Review
Grazing Advisory Committee
Health Board (Not a County Appointed Board)
Historical Landmark Commission
Klamath Housing Authority
Long-Term Financial Planning Committee
Mental Health Advisory Board
Museum Advisory Board
Natural Resource Advisory Committee
Overall Economic Development Program Committee
Park Board
Planning Commission
Board of Ratio Review
Roads Advisory Committee
Solid Waste Management Advisory Committee
Tourism Advisory Committee
Water Resources Advisory Committee
Weed Control Advisory Committee
Wolf Depredation Compensation Committee

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Klamath County, Oregon 2014-2015 Budget Presentation Budget Calendar

Prepare Budget Documents	January through April 11, 2014
Publish First Notice of Budget Committee Meeting (5 to 30 days before meeting)	March 21, 2014
Post Notice of Budget Committee Meeting on website	March 21, 2014
Budget Committee Meetings	April 14, 2014 through April 18, 2014
Submit CAFFA Grant to State of Oregon	May 1, 2014
Prepare Budget Summary	May 2, 2014 through June 14, 2014
Publish Budget Summary and Notice of Budget Hearing (5 to 30 days before hearing)	June 2, 2014
Public Hearing by Board of Commissioners	June 17, 2014
Board of Commissioners Adopts Budget, Makes Appropriations, Imposes Taxes, and Categorizes Taxes	June 17, 2014
Certify Taxes to County Assessor	July 15, 2014

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KLAMATH COUNTY

Home of Crater Lake

OREGON

FINANCE & BUDGET OFFICE

April 14, 2014

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

We continue to find ourselves in a precarious position, along with others, waiting to see what will happen with the local economy and federal legislation to either reauthorize or fund Secure Rural Schools (SRS) and Payment in Lieu of Taxes (PILT), respectively. This proposed budget excludes funding provided under SRS and PILT. In addition, the proposed budget anticipates a \$500 thousand transfer from the Road Fund to the General Fund for Sheriff Patrol services.

In the General Fund, the Board of Commissioners have proposed a budget that does not match current anticipated revenues with expenses. The proposed budget will spend more money than is currently anticipated to be received by approximately \$1 million. If the Road Fund transfer is eliminated this would increase to \$1.5 million. This is primarily to maintain a minimal funding for base level programming. The proposed budget is not a sustainable budget. I define a sustainable budget as one in which current ongoing revenues are matched with current expenditures.

It is imperative that working capital is maintained in the General Fund to provide resources to operate from July to November when property taxes are received. That working capital amount is estimated at \$3.7 million. The general fund was able to start the 2014 fiscal year with approximately that amount of money and therefore no loan was necessary.

The proposed budget for fiscal year 2015 continues on the principles adopted in fiscal year 2014. The Consumer Price Index (CPI-W) has risen 2.19% over the prior year. Fiscal year 2015 is the second half of the State's biennium budget so those portions of the County budget most affected by the State budget could see significant changes.

The budget includes a cost of living for most employee benefit groups. The health insurance medical contribution has increased \$1,200 per year for employees in one union and the unrepresented employees. This was done to provide funding to meet the insurance requirements under the Affordable Care Act. In addition the Board of Commissioners has changed the benefit eligible status of employees from 0.50 FTE to 0.75 FTE to mirror the changes in the Affordable Care Act. All existing employees will be grandfathered in their benefits and the change will apply to all new employees. There are also increases budgeted to accommodate merit step increases for those who have not hit the top of their pay range.

The County is currently in negotiations with most of its unions, but given the current budget situation we expect a fairly small financial impact and little effect on levels of service.

Klamath County has two pension plans covering substantially all employees. Sheriff's 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).

PERS is experiencing high unfunded actuarial liabilities. The Oregon legislature has passed legislative changes to the PERS system which has caused the County contribution rates to substantially decrease. Klamath County's mandatory contribution rates to PERS for the 2013-2015 state biennium have decreased to 4.69% from 8.79% for Tier I and II and remained constant at 0.49% for OPSRP.

The County Pension Plan is also experiencing high unfunded actuarial liabilities. The recommended contribution rate from the actuary for the 2015 fiscal year is 18.40% an increase of 2.36% from the prior report. The contribution rate proposed in the budget has been increased by 1.00% to 17.00% for fiscal year 2015. Unless underlying investments significantly outperform actuarial rates or changes are made to the plan, the County's unfunded actuarial liability will continue to grow.

Current forecasts of the State budget for the next biennium are relatively flat. The State is forecasting revenues to return to pre-recession levels but collections are not anticipated to keep pace with the cost of government, leading to further reductions in support to counties. Property values appear to have stabilized, which should have a positive impact on the amount of property taxes available.

The county, cities, and tax districts are continuing to face serious financial concerns as a result of shrinking revenues and increasing costs. The State is considering legislation that is affecting the resources that come to counties to provide the services that the State and Federal Government mandates. The lack of recovery in the local economy is continuing to effect individuals and families including taxing districts. The Federal Government passed significant changes in health care, which will affect the County's budget in this fiscal year and in years to come.

This budget does have services that are changing due to changes in funding at the State level, including Community Corrections, Commission on Children and Families, Mental Health, and Public Health to name a few areas. Services in Community Development appear to have stabilized due to the housing market. The budget was based on the target budget approved by the Board of Commissioners. We realize many programs that are state funded have been reduced and are still being reduced so some departments may be asking for money from the General Fund. Remember that any changes to the budget will affect other programs as directed by the Board.

If federal legislation for SRS and PILT are not reauthorized or funded and the economy continues to underperform, service levels provided by most departments will be impacted.

The Board of Commissioners elected to spend a portion of the working capital in the General Fund and to use \$500 thousand of Road Fund reserves for Sheriff Patrol. These factors combined with the reduction in

SRS and PILT resulted in a reduction to the General Fund of \$3 million. The Board of Commissioners chose to allocate that reduction into the Sheriff, District Attorney, and Juvenile departments within the General Fund. The Sheriff's Office was reduced by approximately \$1.8 million. This was a reduction of \$1.2 million in road funds and a 10% cut on General Fund support (approximately \$600 thousand). With this reduced funding the Sheriff's Office felt it could no longer meet its obligations under certain contracts and further reduced its budget by approximately \$600 thousand. Compounding the cut to a total of \$2.4 million.

The next fiscal reduction that needs to be considered is the expiration of state legislation allowing the use of Road Fund reserves for Sheriff Patrol. In the proposed budget this is \$500 thousand. The Budget Committee and the Board of Commissioners need to plan strategically for how the County will operate on a sustainable basis without the use of those funds.

The General Fund does not have sufficient reserves to weather the expiration of the state legislation for use of Road Funds and federal legislation of SRS and PILT and maintain service levels at the level in the 2015 proposed budget. I feel compelled to bring this to the Budget Committee's attention because there are those who look at the anticipated working capital and feel that it should be used to expand services at this time, by providing funding for enhanced governmental services, or non-mandated services and other governmental or non-profit organizations, and for a multitude of other possibilities. This is not the time to use working capital funds to increase operating expenditures. We need to think strategically and reach a point where current operating revenues are matching expenditures.

Sufficient funds are not currently budgeted to provide appropriate cash flow for the 2016 fiscal year. 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 General Fund. The Budget Committee is expected to deliberate and make decisions to ensure that appropriate resources are available to begin the following fiscal year. An operating loan for the General Fund may be necessary in fiscal year 2016 if the proposed budget for fiscal year 2015 is adopted and no additional funding is available or expenditures are reduced.

The proposed budget is a "reduced" budget that takes into consideration increases for contract agreements, county retirement, insurance costs, and other costs that the departments do not have control over. This budget reflects our best effort to address the issues we face given the priorities set by the Board of Commissioners. It also maintains minimum State-mandated services.

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 as demographics vary and change. All funds are required to be balanced per ORS 294.331. A balanced budget means that revenues and expenditures match. 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

The preparation of a budget this complex would not be possible without the hard work and contributions of many. I would like to acknowledge the efforts of each of the elected officials, department heads, program managers and my staff that participated to prepare this proposed budget.

Revenue and Expense Overview

The General Fund revenues and expenditures are proposed at \$25,879,461, including transfer payments (counted twice). Proposed countywide revenues and expenditures are proposed at \$177,431,589, including transfer payments (counted twice), compared to the prior fiscal year countywide budget of \$193,978,132 and general fund budget of \$28,812,586. 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. The actual revenue and expenditures, excluding transfers, were as follows:

<u>Year</u>	<u>Revenues</u>	<u>Expenditures</u>
2012-13	\$197,808,146	\$65,542,041
2011-12	\$196,912,791	\$61,512,347
2010-11	\$187,370,955	\$64,644,527
2009-10	\$198,638,933	\$99,091,364
2008-09	\$214,294,774	\$75,045,385
2007-08	\$205,788,776	\$75,483,184
2006-07	\$208,871,992	\$80,408,776
2005-06	\$194,716,854	\$70,480,204
2004-05	\$182,634,357	\$63,921,174
2003-04	\$172,904,000	\$66,478,386

This year’s staffing includes merit steps per contract agreements. The Board of Commissioners has requested that the budget be prepared with cost of living and medical contribution increases. The insurance cap for most employees is increasing to \$875 per month. 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 14th regarding the Elected Officials. 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. Our estimated revenue will be \$8,096,000 or \$1.6936 per \$1,000 of assessed value for the general fund and \$186,000 or \$0.0390 per \$1,000 of assessed value for veterans’ services. Tax estimates will be affected by the exemptions that the state legislators approve during the last session, plus any appeals approved by the State Tax Court. In addition, certain farm land in the county was changed from irrigated

land to dry land during the fiscal year 2014. The water situation has not improved this year and the change is expected to remain for the 2015 fiscal year.

The state legislature began their session in January 2013 and recently completed its session in 2014. There were many measures before the legislature and on ballots that could affect this budget if approved. There are also many measures that the Federal legislature is considering, that will have a major impact on the budget and the community. If legislation passes any of the proposed measures, the county will have financial changes to address. The involvement of our County officials during state and federal legislation is vital. We need to support the Board of Commissioners and community leaders' roles in working for our community with the state and federal legislatures this coming year.

Legislative Initiatives that Impact the Proposed Budget

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

Oregon House Bill 4165 expands the oversight of Early Learning Council. Establishes Youth Development Council to oversee unified system that provides services to children and youth in manner that supports academic success and reduces criminal involvement. Continuously appropriates moneys in account to Early Learning Council for distribution to counties for purposes related to preventing or reducing child abuse. Abolishes Juvenile Crime Prevention Advisory Committee and transfers functions of committee to Youth Development Council. Abolishes State Commission on Children and Families and transfers functions of commission to Early Learning Council and Youth Development Council. Abolishes local commissions on children and families. Abolishes Commission for Child Care and transfers functions to Early Learning Council. This is anticipated to have a significant impact on the Klamath County Commission on Children and Family's budget in fiscal year 2015. The Commission on Children and Family budget has been significantly reduced and merged into the Public Health fund as a sub-department in contemplation of either dissolving based on this legislation or becoming a hub. If hub status is maintained the budget will require a significant supplemental during the fiscal year.

Oregon House Bill 4175 permits certain counties to use federal forest reserve moneys in county road funds for law enforcement purposes related to roads. This legislation expires in January of 2016. The 2015 budget before the Budget Committee contemplates the implementation of this law. The budget includes a \$500 thousand transfer from the Road Fund to the General Fund to fund patrol services. The Board of Commissioners and the Sheriff will need to work together to determine an appropriate step down method of the use of these funds so that an abrupt cutoff or change in service is avoided.

Oregon House Bill 3453 provides that the Governor may proclaim in affected counties a public safety fiscal emergency, with unanimous agreement of the President and Minority Leader of the Senate and the Speaker and Minority Leader of the House; permits consolidation or merger of units of local government and for intergovernmental agreements to provide services; allows imposition of income tax assessment on residents of affected counties, with the maximum rate to be specified in a proclamation and with approval of the county governing body. Several counties in Southwest Oregon are meeting to discuss how this could be implemented and what the ramifications are. If a solution to the degrading service

levels of public safety in Klamath County are not adequately addressed, Klamath County may need to consider utilizing this provision.

On October 2, 2013, the Secure Rural Schools and Community Self-Determination Act of 2000 was reauthorized for federal fiscal year (FY) 2013 as part of HR 527 Helium Stewardship Act. On February 2, 2014, the Agricultural Act of 2014 was signed which reauthorized counties to receive their full PILT entitlement through federal fiscal year 2014. No legislation currently enacted either reauthorizes these payments or sets their funding level for the next fiscal year. Therefore, the the budget for fiscal year 2015 before the Budget Committee contemplates the payments for SRS to return to levels based on the actual sales of timber and no payments for PILT.

Assessors of Coos, Curry, Douglas, Jackson, Josephine, Lane, and Klamath Counties created the Southwest Oregon Assessment & Taxation Coalition (SOATC) to form partnerships for delivery of assessment and taxation (A&T) services, to seek efficiencies in how A&T services are delivered, and to take advantage of economies of scale. With the help of the Oregon Department of Revenue, the Governor's office, and facilitation by the Policy Consensus Center at Portland State, SOATC won funding from the State under HB 5201A (2014) of \$345,000 to implement 12-month pilot projects, such as sharing industrial and commercial appraisers, processing property tax exemption applications at one county for the seven, and compliance auditing of business personal property returns. The funding is from state general funds and has no effect on the state A&T funding account.

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.

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

There are a number of factors affecting the proposed budget for fiscal year 2015. 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 us an acknowledgement that we can no longer perform all the services we have in the past to the same level. This necessitates a policy level decision as to what services the County will provide and to what service level it will be provided. Each department was asked to prepare a budget request to the Budget Committee. In those budget requests these state mandated services were given a high level of visibility. As the Budget Committee reviews the proposed budget keep in mind what the state mandated services are and the funding level the Budget Committee approves to those mandates.

Contingency, Reserve for Future Expenditures & Unappropriated Fund Balance

At the direction of the Board of Commissioners, the fiscal year 2015 General Fund proposed budget includes approximately \$2.3 million in operating contingency and reserve for future expenditures. This means the County could spend all available resources in the 2015 fiscal year with no carry forward to 2016 fiscal year. Revenues in 2016 are projected to decrease a further \$500 thousand with the expiration of Oregon House Bill 4175.

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 our cash requirements between July 1 of the fiscal year following the one for which we are 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 \$3.7 million should be available to begin the following year. Otherwise, the General Fund will borrow from another fund 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

During the current and next fiscal year, certain departments are contemplating relocations.

Public Health is anticipating relocating to the space that was previously occupied by Mental Health on Vandenberg Road. Once Public Health relocates from the Pine Street building, the County anticipates closing the Pine Street building as it is in need of extensive repairs.

Developmental Disabilities is anticipating relocating to the space that was previously occupied by the OSU Extension and Experiment Station on Vandenberg Road. Once Developmental Disabilities relocates from the Richmond Street building, the County will need to develop a plan for which department may relocate this facility or the County may dispose of the property.

Also there are many other county owned buildings that are requiring 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 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.

Wage Tables

The wage tables used in the preparation of the proposed budget can be found in Appendix G.

General Fund Budget Assumptions

A description of the assumptions used in developing the proposed budget for fiscal year 2015 can be found in Appendix H.

All Funds Summary

A summary of the proposed budget consolidating all funds may be found in Appendix I.

Significant Departmental and Fund Highlights and Issues

We are in a time of low interest rates, which translates into a lower growth rate on reserve funds. Those investment earnings that we have relied on in the past to supplement programs are no longer available this year. This has caused a further reduction in programs that relied upon those earnings to supplement operating revenues.

In addition, certain costs that were treated as a component of net interest earnings that are distributed to the funds are now accounted for in the Treasurer's budget to provide a greater level of transparency to the users of the budget and financial statements. In addition, internal service fees were reallocated based on all funds under the control of a department head / elected official. The Treasurer's Office internal service fees were increased by approximately \$221 thousand to account for all of the funds flowing through the property tax distribution cycle. Those costs are offset by an administrative fee charged to the Treasurer's Investment Pool. These changes are expected to significantly reduce the net investment income distribution to the funds in the 2015 fiscal year. These changes increased the Treasurer budget by approximately \$347 thousand. A similar increase in internal service fees is seen in the Tax Collector office by approximately \$243 thousand. The increase in the Tax Collector was primarily offset by an increase in the subsidy from the General Fund. Most other department's internal service fees are approximately the same as the prior year.

Some departments reduced operating hours due to funding cuts. Other departments have been reduced to the point that further cuts would require the County to turn this service back to the State of Oregon; requiring services to be provided by individuals from out of the area, reducing the timeliness of services provided to county residents.

The General Fund is anticipating a reduction in revenue of \$2.7 million in fiscal year 2015 to maintain the same funding levels as in the past. The primary sources of this decline are the loss of funding from Payment in Lieu of Taxes (\$750 thousand), Secure Rural Schools (\$767 thousand), and using reduced funding from Road Reserves (\$1.2 million). A more complete analysis of the assumptions used to prepare the General Fund budget can be found in Appendix H.

This transfer from the Road Reserve 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 with public safety for Klamath County. To date, no action has been taken to resolve the issues. Service levels will continue to decline from the present.

The budget for fiscal year 2015 also contemplates a continued reduction in funding to the Road Fund by approximately \$5.0 million as a result of the loss of funding from Secure Rural Schools. In addition to the \$500 thousand the Board of Commissioners is recommending be used to fund patrol services in the General Fund.

The Sheriff is proposing to close the "B and C Pods" at the jail with a layoff of 16 employees and reduce the jail capacity by 88 beds. Also proposed is a reduced staffing level for patrol with a layoff of 16

employees and reduce patrol from 20 hours per day 7 days a week to 8 hours a day 5 days a week. The Sheriff is proposing not renewing contracts with multiple agencies due to staffing reductions that further compounds the loss of funding described above. The Sheriff has indicated this will have ripple effects throughout the public safety community.

Community Corrections currently utilizes the "C Pod" for treatment services. With the closure of that pod, Community Corrections will not be able to utilize those resources for treatment of offenders and will need to contract with other counties for jail beds.

The Juvenile department began operating the Youth Inspiration Program during the 2014 fiscal year. The expanded services provide a revenue stream to the department to offset costs of operating the detention center. Revenues in the department are expected to decline by approximately \$142 thousand and costs are increasing. The Juvenile department is not able to maintain the same level of service with the resources available. To balance this situation, the Juvenile department is proposing laying off 3 of the 6 probation counselors and maintaining the detention facility.

The District Attorney is proposing a reduction of 2 deputy district attorneys. With this reduction there will be more court rooms than attorneys. The ability to hold criminals accountable in our community will be limited.

The subsidy from the General Fund to the Community Development Fund (\$86 thousand) has been reduced by \$30 thousand. The subsidy is targeted solely at the Planning division with the elimination of the subsidy for the On-Site division. The Community Development Department also is proposing the implementation of a new fee structure for the On-Site division to match the State of Oregon Department of Environmental Quality fees. If the On-Site division does not generate enough revenues in fees the division will either require a subsidy from the General Fund or be turned back to the State of Oregon.

The subsidy from the General Fund to the Public Health Fund (\$120 thousand) has been modified to support specific divisions within the Public Health Department. The subsidy to the Public Health Fund is providing support for the nursing clinic and environmental health divisions. The subsidy previously provided for the medical examiner (\$30 thousand) has been reallocated to the District Attorney to provide for the deputy medical examiner position. The State of Oregon has agreed to contract with the medical examiner on a regional basis for southwest Oregon. Our District Attorney was instrumental in securing the funding for this service.

The Commission on Children and Families Fund is budgeted to close at the end of fiscal year 2014 and merge into the Public Health Fund as a separate sub-department. The division is budgeted to spend out its remaining reserves over the fiscal year and then dissolve. This could change as the State implements the changes with the Early Learning Councils and if Klamath County becomes a regional hub for services.

The Mental Health Fund has changed significantly from the 2014 fiscal year. Klamath Behavioral Health and Wellness has closed with a reduction of approximately 56 FTE. The only operating division left is Developmental Disabilities. This has placed increased responsibilities on this division as it matures to department level responsibilities.

Processes Used to Develop the Budget and Organization

The Board of Commissioners met on numerous occasions in November and December 2013 to discuss the budget for fiscal year 2015. 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 2015. In addition, the Board of Commissioners held a series of public meetings with other Elected Officials and Department Directors to discuss the financial aspects of their operations. These meetings took place during the months leading up to this meeting. No public testimony was heard at those meetings.

The Budget Committee hearings on the proposed budget will be held starting April 14, 2014. 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 testimony is always welcome.

Community organizations have in the past been provided an opportunity to present to the Budget Committee. Their presentation will take place in a time period provided by the Budget Committee Chair in a public comment period. I have not scheduled them for a specific time.

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, ask the Elected Officials and Department Directors what kind of service will be provided to the community with the funds provided, understanding there are limited resources (funds) available. Ask questions about programs and spend less time looking at individual line items. The budget is appropriated by 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 17, 2014, 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.

This budget has been prepared in a time of extraordinary financial stress. 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 Government, face 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. Ever mindful of that, the Board of Commissioners and departments have worked hard to prepare a budget that preserves direct services to the greatest extent possible and keep in mind long-term strategies that will allow the County to do so in the future. I would like to extend my personal thanks to the citizen members of the Budget Committee for their time, concern, and constructive insights. I wish also to acknowledge the Board of Commissioners' support and leadership in these most challenging times.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Jason Link', is positioned above the typed name.

Jason Link, CPA
Klamath County Budget Officer

Klamath County, Oregon
2014-2015 Budget Presentation
Appendix A – Property Taxes and Debt Limitations

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 2014-2015. The total amount of property tax the County expects to levy on behalf of the General Fund is \$8,612,766. Of this amount, the County expects to collect 94 percent for a net of \$8,096,000.

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 73.2 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 (\$142,452,944). The County has no bonded debt outstanding at July 1, 2013.

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Klamath County, Oregon
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Appendix B – Debt Service

Mental Health Loans

On August 26, 1988, the County obtained a mortgage loan for \$80,394 from Siuslaw Valley Bank, with an interest rate of 8.97%, and due in monthly installments of \$640 for 350 months (maturity date October 2017). In addition, on February 2, 1989, the County obtained a mortgage loan for \$55,690 from Siuslaw Valley Bank, with interest rate of 8.97%, and due in monthly installments of \$450 for 352 months (maturity date June 2018). The debt service on these loans is made in the Mental Health Fund.

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Klamath County, Oregon

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Appendix C – Fiscal Policies and Definitions

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.

Klamath County, Oregon

2014-2015 Budget Presentation

Appendix C – Fiscal Policies and Definitions

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.

Klamath County, Oregon
2014-2015 Budget Presentation
Appendix C – Fiscal Policies and Definitions

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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Klamath County, Oregon

2014-2015 Budget Presentation

Appendix D – Budget Format

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 such as the Commissioners, Treasurer, Assessor, Tax Collector and the County Clerk.

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

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 Building, Planning, Surveyor, Tourism, and Economic Development.

Community Services Program - These are public services such as Library, Museum, and Fairgrounds. This program also includes the miscellaneous public service grants to outside agencies although they are located in the Community Services budget which is in the community and Economic Development section.

Human Services Program - This includes all departments of a human caring and welfare capacity. These include departments such as Mental Health, Public 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, Personnel, County Counsel, Finance, Information Technology, Multi-Media, Risk Management, and Maintenance.

Public Safety Program - This program is to encourage and facilitate the public safety of the county. Departments include Sheriff, Juvenile, District Attorney, Justice Court, and Animal Control.

Public Works Program - This program provides the community with care and construction of roads within the County. It also includes care and construction of bicycle trails and operations of the county landfills.

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Klamath County, Oregon

2014-2015 Budget Presentation

Appendix E – Fund Descriptions

General - 100

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, Board of County Commissioners, Clerk, Justice Court, District Attorney, Sheriff, Juvenile, Emergency Management, Agriculture Extension and Experiment Station, and the Watermaster.

Domestic Violence - 120 (inactive)

This fund is used to account for the federal grant from the Department of Justice to assist the county in dealing with domestic violence throughout the communities of Klamath County. This fund was merge into the District Attorney Special Revenue Fund - 222 as separate sub-department in fiscal year 2012-13.

Internal Services - 150

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 – 151

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).

Veterans Services - 212

This fund utilizes a percentage of the county's permanent property tax rate to stabilize funding to support services to veterans.

Commission on Children & Families – 220 (inactive)

This fund receives grants from the state Commission on Children and Families. A portion is used to fund administration of the program with the remainder of grant funds being used to fund youth programs and services in the community. This fund is budgeted to close in fiscal year 2013-14 and merge into the Public Health Fund – 720 as a separate sub-department.

District Attorney Special Revenue - 222

This fund has four major functions: support enforcement, domestic violence, drug enforcement, and liquor law enforcement. The support enforcement function is funded from the State of Oregon for enhanced enforcement for child support cases. The domestic violence function is funded by the U.S. Department of Justice for domestic violence cases. The drug enforcement function is funded from drug arrests and is for the specific purpose of increasing drug enforcement efforts in Klamath County. Once the fund reaches \$100,000 the surplus will accrue to the general fund. The liquor law enforcement function is for liquor law enforcement under ORS 471.670. Revenues from fines imposed in the enforcement of the liquor control act and administered by the District Attorney.

Tourism Competitive Grant - 226

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.

Sheriff Special Revenue - 229

This fund has four major functions: marine division, special revenues, search and rescue, and court facility security. The marine function provides accounting of the State and County partnership of the parole and safety on the waterways of the County. The special revenue function is used for forfeiture revenues for drugs operation expenses and homeland security grant funds. 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.

Klamath County, Oregon

2014-2015 Budget Presentation

Appendix E – Fund Descriptions

Road Department - 230

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.

Bicycle Trails - 240 (inactive)

This fund receives the required allocation of 1% of the state motor vehicle registration on all vehicles registered in Klamath County for the purpose of constructing and maintaining bike paths in the community. A joint city/county board administers the fund in the Klamath Falls area. This fund was merged with Road Department Fund - 230 as a separate sub-department in fiscal year 2012-2013.

Marine Board (Sheriff) - 245 (inactive)

This fund provides accounting of the State and County partnership of the parole and safety on the waterways of the County. This fund was merged to Sheriff Special Revenue Fund - 229 as a separate sub-department in fiscal year 2012-13.

Taylor Grazing - 280

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

Title III - 285

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

Court Facilities Security – 290 (inactive)

This fund is used to account for funds received under ORS 137.308(2) and maintained by the county treasurer per ORS 1.182 to provide court security for the courts. This fund is budgeted to close in fiscal year 2013-14 and merge into the Sheriff Special Revenue Fund - 229 as a separate sub-department.

O&C Title III - 295 (inactive)

This fund is used to account for the special revenues from the federal secure rural school funds law for use on bureau of land management lands. This fund was merged with Federal Forest Title III - 285 as a separate sub-department in fiscal year 2012-2013.

Klamath Falls Streets - 315

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.

Courthouse Bond - 340 (inactive)

This fund was established to receive the proceeds from property tax serial levy and expenditures for the retirement of the County's general obligation bond issue for construction of the new courthouse and administrative buildings. This fund was closed in the 2011-2012 fiscal year.

Fairground Bond - 350 (inactive)

This fund was established to receive the proceeds from property tax serial levy and expenditures for the retirement of the County's general obligation bond issue for construction of an event center at the fairgrounds. This fund was closed in the 2011-2012 fiscal year.

Klamath County, Oregon

2014-2015 Budget Presentation

Appendix E – Fund Descriptions

Road Reserves - 421 (inactive)

This fund was created as a reserve fund to account and track various road construction projects. This fund was merged with Road Department Fund - 230 as a sub-department in fiscal year 2011-2012.

Landfill Site Reserve - 435 (inactive)

This fund is a reserve fund to account for landfill cover closure/post-closure costs. This fund was merged with Solid Waste Fund - 520 as a separate sub-department in fiscal year 2012-2013.

Surveyor - 437

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.

Equipment Reserve - 438

This fund is a reserve fund to account for vehicle and major equipment replacements.

Facility Services - 439

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.

Capital Projects Reserve - 440

This fund is a reserve fund to account for major infrastructure improvements to county owned facilities.

Park Reserves - 460 (inactive)

This fund was established to reserve funds from sales of timber on park lands to improve future county parks. This fund was merged with Parks Fund - 465 as a separate sub-department in fiscal year 2011-2012.

Park - 465

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.

Solid Waste - 520

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.

Recycling - 521 (inactive)

This fund was used to account for the recycling education program. This fund was merged with Solid Waste Fund - 520 and closed in fiscal year 2012-2013.

Weed Control - 530

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

Juvenile Special Projects - 601 (inactive)

This fund was used to receive and expend the proceeds from juvenile projects. This fund was merged with the Equipment Reserve Fund – 438 and closed in fiscal year 2011-2012.

Experiment Station Field Research Project - 602

This fund is used to receive and expend the proceeds of the sales of agriculture products produced by the Klamath County/OSU Agriculture Research Station.

Community Development - 603

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.

Klamath County, Oregon

2014-2015 Budget Presentation

Appendix E – Fund Descriptions

Property Sales – 604

This fund receives the proceeds from the sale of tax delinquent properties. A portion of the revenues are used for administration of the foreclosure and sales activities. The remainder is transferred to all taxing districts with tax levies in the current fiscal year.

Museum - 605

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.

Economic Development - 610

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.

Community Corrections - 613

This fund is used to administer the contract with the State of Oregon for Community Corrections Services in Lake and Klamath Counties. The county has chosen to go with the Option II level of administration for Community Corrections Services. This entails having the state provide adult parole and probation services, while the county provides for utilization of enhancement grant funds. The Lake County contract was terminated in fiscal year 2012-13.

Risk Management - 640

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.

County School Fund - 650

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.

Search and Rescue Operation Fund - 700 (inactive)

This fund is used to provide operation funds for search and rescue. This fund is budgeted to close in fiscal year 2013-14 and merge into the Sheriff Special Revenue Fund - 229 as a separate sub-department.

Animal Control - 710

This fund is used under the provisions of ORS chapter 609 for control of dogs in the county. Revenues are from license fees and fines.

Public Health Services - 720

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 - 730

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

Fairgrounds - 740

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.

Klamath County, Oregon

2014-2015 Budget Presentation

Appendix E – Fund Descriptions

Law Library - 760

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

Emergency Telephone Excise Tax - 800 (inactive)

This fund is used under ORS 403.240(9), which requires the County to recognize the amounts distributed by the Oregon Emergency Management to the Klamath 9-1-1 Emergency Communications District on its behalf. This fund was closed in fiscal year 2012-2013.

Clerk Storage - 9305

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.

Ambulance Advisory Training – 9321 (inactive)

This fund is used to account for monies raised by the Ambulance Advisory Training Committee to support training of committee members. This fund was closed in fiscal year 2013-14.

Public Works ODOT Reserve - 9323 (inactive)

This fund is used to account for monies transferred to a restricted account from which the Oregon Department of Transportation is performing work on behalf of the County. This fund was merged with the Road Department Fund - 230 and closed in fiscal year 2011-2012.

Mental Health Building Reserve – 9332 (inactive)

This fund is a reserve fund to account for the maintenance of county buildings previously occupied by the Mental Health Department. This fund was merged with the Capital Projects Reserve Fund – 440 and closed in the fiscal year 2012-2013.

Clerk Overpayment - 9334

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.

ORMAP - 9337 (inactive)

This fund is used to account for grant funds received for the state-wide mapping project. The fund was closed in fiscal year 2011-2012.

Mental Health Rent Reserve - 9338 (inactive)

This fund is used to account for rental income and expenses associated with properties the Mental Health Department maintains for the benefit of its Developmentally Disabilities department. This fund was merged with the Mental Health Fund – 730 and closed in fiscal year 2012-2013.

Interoperable Radio Communications System - 9345

This fund is used to construct, operate and maintain a county wide interoperable radio communications system. The primary revenues are from user fees.

PERS Reserve - 9347

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.

Transient Room Tax - 9700

This fund is used for the collection and distribution of County's transient room tax as established by Klamath County Code Section 603.

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Klamath County, Oregon

2014-2015 Budget Presentation

Appendix F – Internal Service Charges

This appendix will present the methodology and assumptions used in the allocations for internal services and for self-insured claims.

Workers Compensation – 63941

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 2014-2015 budget that percentage is 2.00%. The revenue and the claims expense are accounted for in the Risk Management Fund.

Unemployment Compensation - 63980

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 2014-2015 budget that percentage is 1.75%. The revenue and the claims expense are accounted for in the Risk Management Fund.

Risk Management - 99755

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. In the 2014-2015 budget that charge is based on the collection of \$353,000. The revenue and expenses are accounted for in Risk Management Fund.

Insurance – 99760

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. In the 2014-2015 budget the charge is based on the collection of \$661,000. The revenue and expenses are accounted for in the Risk Management Fund.

Internal Services – 99770

Klamath County provides all provides certain administrative functions that are available for all county departments (General Administration, County Counsel, Human Resources, 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 2014-2015 budget is based on the final amended budget for 2012-2013) so departments see a lag in the calculation based on changes in the budget. In the 2014-2015 budget the charge is based on the collection of \$2,545,676. The revenue and expenses are accounted for in the Internal Services Fund.

Facility Services – 99780

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). In the 2014-2015 budget the charge is based on the collection of \$2,042,887. The revenue and expenses are accounted for in the Facility Services Fund.

Klamath County, Oregon
2014-2015 Budget Presentation
Appendix F – Internal Service Charges

Steering Committee Hardware Charge – 99781

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. In the 2014-2015 budget the charge is based on a per physical machine charge of \$374. The revenue and expenses are accounted for in the Internal Services Fund.

Steering Committee User Charge – 99782

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. In the 2014-2015 budget the charge is based on a per user charge of \$452. The revenue and expenses are accounted for in the Internal Services Fund.

Klamath County, Oregon
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Appendix G – Wage Tables

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Klamath County Human Resources

ELECTED OFFICIALS Salary Schedule

Effective July 1, 2010 (.5%)

In accordance with the Cost of Living Adjustment for County Employees, the following salaries will become effective on July 1, 2008 for the County's Elected Officials:

	<u>ANNUAL</u>	<u>MONTHLY</u>
Assessor	\$66,823	\$5,568.58
Clerk	\$64,258	\$5,354.83
Commissioner	\$68,068	\$5,672.33
District Attorney*	\$17,640	\$1,470.00
Justice of the Peace	\$39,976	\$3,331.33
Sheriff**	\$88,148.40	\$7,345.70
Surveyor	\$17,985	\$1,498.75
Treasurer***	\$17,730	\$1,477.50

Notes:

**This accounts only for compensation paid by Klamath County and does not include compensation paid to the District Attorney by the State of Oregon.*

***Sheriff Salary effective 7/1/2011 based on ORS*

****Treasurer salary based off of Comp Board recommendation 7/1/2012*

DEPARTMENT HEAD Salary Schedule
Full-Time, FLSA Exempt
Effective July 1, 2011 (2.1%)

GRADE	STEP 1 Merit	STEP 2 Merit	STEP 3 Merit	STEP 4 Merit	STEP 5 Merit	STEP 6 Merit	STEP 7 Merit
DF1	\$2,854	\$2,968	\$3,087	\$3,210	\$3,339	\$3,472	\$3,611
DF2	\$2,997	\$3,117	\$3,241	\$3,371	\$3,506	\$3,646	\$3,792
DF3	\$3,147	\$3,272	\$3,403	\$3,539	\$3,681	\$3,828	\$3,981
DF4	\$3,304	\$3,436	\$3,573	\$3,716	\$3,865	\$4,020	\$4,180
DF5	\$3,469	\$3,608	\$3,752	\$3,902	\$4,058	\$4,221	\$4,389
DF6	\$3,643	\$3,788	\$3,940	\$4,097	\$4,261	\$4,432	\$4,609
DF7	\$3,825	\$3,978	\$4,137	\$4,302	\$4,474	\$4,653	\$4,839
DF8	\$4,016	\$4,176	\$4,344	\$4,517	\$4,698	\$4,886	\$5,081
DF9	\$4,217	\$4,385	\$4,561	\$4,743	\$4,933	\$5,130	\$5,335
DF10	\$4,427	\$4,605	\$4,789	\$4,980	\$5,180	\$5,387	\$5,602
DF11	\$4,649	\$4,835	\$5,028	\$5,229	\$5,439	\$5,656	\$5,882
DF12	\$4,881	\$5,077	\$5,280	\$5,491	\$5,710	\$5,939	\$6,176
DF13	\$5,125	\$5,330	\$5,544	\$5,765	\$5,996	\$6,236	\$6,485
DF14	\$5,382	\$5,597	\$5,821	\$6,054	\$6,296	\$6,548	\$6,809
DF15	\$5,651	\$5,877	\$6,112	\$6,356	\$6,611	\$6,875	\$7,150
DF16	\$5,933	\$6,171	\$6,417	\$6,674	\$6,941	\$7,219	\$7,507
DF17	\$6,230	\$6,479	\$6,738	\$7,008	\$7,288	\$7,580	\$7,883
DF18	\$6,541	\$6,803	\$7,075	\$7,358	\$7,653	\$7,959	\$8,277
DF19	\$6,868	\$7,143	\$7,429	\$7,726	\$8,035	\$8,357	\$8,691

LOCAL 121
Full-Time and Half-Time
 Hourly, FLSA Non-Exempt
 Effective July 1, 2011 (2.1%)

GRADE	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5 Merit	STEP 6 Merit	STEP 7 Merit
LH03	\$ 8.65	\$ 9.00	\$ 9.36	\$ 9.73	\$ 10.12	\$ 10.52	\$ 10.94
LH04	\$ 9.08	\$ 9.44	\$ 9.82	\$ 10.21	\$ 10.62	\$ 11.04	\$ 11.48
LH05	\$ 9.53	\$ 9.91	\$ 10.31	\$ 10.72	\$ 11.15	\$ 11.60	\$ 12.06
LH06	\$ 10.01	\$ 10.41	\$ 10.83	\$ 11.26	\$ 11.71	\$ 12.18	\$ 12.67
LH07	\$ 10.51	\$ 10.93	\$ 11.37	\$ 11.82	\$ 12.29	\$ 12.78	\$ 13.29
LH08	\$ 11.04	\$ 11.48	\$ 11.94	\$ 12.42	\$ 12.92	\$ 13.44	\$ 13.98
LH09	\$ 11.59	\$ 12.05	\$ 12.53	\$ 13.03	\$ 13.55	\$ 14.09	\$ 14.65
LH10	\$ 12.17	\$ 12.66	\$ 13.17	\$ 13.70	\$ 14.25	\$ 14.82	\$ 15.41
LH11	\$ 12.78	\$ 13.29	\$ 13.82	\$ 14.37	\$ 14.94	\$ 15.54	\$ 16.16
LH12	\$ 13.42	\$ 13.96	\$ 14.52	\$ 15.10	\$ 15.70	\$ 16.33	\$ 16.98
LH13	\$ 14.09	\$ 14.65	\$ 15.24	\$ 15.85	\$ 16.48	\$ 17.14	\$ 17.83
LH14	\$ 14.79	\$ 15.38	\$ 16.00	\$ 16.64	\$ 17.31	\$ 18.00	\$ 18.72
LH15	\$ 15.53	\$ 16.15	\$ 16.80	\$ 17.47	\$ 18.17	\$ 18.90	\$ 19.66
LH16	\$ 16.31	\$ 16.96	\$ 17.64	\$ 18.35	\$ 19.08	\$ 19.84	\$ 20.63
LH17	\$ 17.13	\$ 17.82	\$ 18.53	\$ 19.27	\$ 20.04	\$ 20.84	\$ 21.67
LH18	\$ 17.99	\$ 18.71	\$ 19.46	\$ 20.24	\$ 21.05	\$ 21.89	\$ 22.77
LH19	\$ 18.89	\$ 19.65	\$ 20.44	\$ 21.26	\$ 22.11	\$ 22.99	\$ 23.91
LH20	\$ 19.83	\$ 20.62	\$ 21.44	\$ 22.30	\$ 23.19	\$ 24.12	\$ 25.08
LH21	\$ 20.82	\$ 21.65	\$ 22.52	\$ 23.42	\$ 24.36	\$ 25.33	\$ 26.34
LH22	\$ 21.86	\$ 22.73	\$ 23.64	\$ 24.59	\$ 25.57	\$ 26.59	\$ 27.65
LH23	\$ 22.95	\$ 23.87	\$ 24.82	\$ 25.81	\$ 26.84	\$ 27.91	\$ 29.03
LH24	\$ 24.10	\$ 25.06	\$ 26.06	\$ 27.10	\$ 28.18	\$ 29.31	\$ 30.48
LH25	\$ 25.31	\$ 26.32	\$ 27.37	\$ 28.46	\$ 29.60	\$ 30.78	\$ 32.01
LH26	\$ 26.58	\$ 27.64	\$ 28.75	\$ 29.90	\$ 31.10	\$ 32.34	\$ 33.63
LH27	\$ 27.91	\$ 29.03	\$ 30.19	\$ 31.40	\$ 32.66	\$ 33.97	\$ 35.33

LOCAL 121
Salaried, FLSA Exempt
Effective July 1, 2011 (2.1%)

GRADE	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5 Merit	STEP 6 Merit	STEP 7 Merit
LF03	\$ 1,499	\$ 1,559	\$ 1,621	\$ 1,686	\$ 1,754	\$ 1,824	\$ 1,897
LF04	\$ 1,574	\$ 1,637	\$ 1,702	\$ 1,770	\$ 1,841	\$ 1,915	\$ 1,992
LF05	\$ 1,653	\$ 1,719	\$ 1,788	\$ 1,859	\$ 1,933	\$ 2,011	\$ 2,091
LF06	\$ 1,735	\$ 1,805	\$ 1,877	\$ 1,952	\$ 2,030	\$ 2,111	\$ 2,196
LF07	\$ 1,822	\$ 1,895	\$ 1,971	\$ 2,050	\$ 2,132	\$ 2,217	\$ 2,305
LF08	\$ 1,913	\$ 1,990	\$ 2,069	\$ 2,152	\$ 2,238	\$ 2,328	\$ 2,421
LF09	\$ 2,009	\$ 2,089	\$ 2,173	\$ 2,260	\$ 2,350	\$ 2,444	\$ 2,542
LF10	\$ 2,109	\$ 2,194	\$ 2,281	\$ 2,373	\$ 2,468	\$ 2,566	\$ 2,669
LF11	\$ 2,215	\$ 2,303	\$ 2,395	\$ 2,491	\$ 2,591	\$ 2,695	\$ 2,802
LF12	\$ 2,325	\$ 2,418	\$ 2,515	\$ 2,616	\$ 2,720	\$ 2,829	\$ 2,942
LF13	\$ 2,442	\$ 2,539	\$ 2,641	\$ 2,747	\$ 2,856	\$ 2,971	\$ 3,090
LF14	\$ 2,564	\$ 2,666	\$ 2,773	\$ 2,884	\$ 2,999	\$ 3,119	\$ 3,244
LF15	\$ 2,692	\$ 2,800	\$ 2,912	\$ 3,028	\$ 3,149	\$ 3,275	\$ 3,406
LF16	\$ 2,827	\$ 2,940	\$ 3,057	\$ 3,180	\$ 3,307	\$ 3,439	\$ 3,577
LF17	\$ 2,968	\$ 3,087	\$ 3,210	\$ 3,339	\$ 3,472	\$ 3,611	\$ 3,755
LF18	\$ 3,116	\$ 3,241	\$ 3,371	\$ 3,505	\$ 3,646	\$ 3,791	\$ 3,943
LF19	\$ 3,272	\$ 3,403	\$ 3,539	\$ 3,681	\$ 3,828	\$ 3,981	\$ 4,140
LF20	\$ 3,436	\$ 3,573	\$ 3,716	\$ 3,865	\$ 4,019	\$ 4,180	\$ 4,347
LF21	\$ 3,608	\$ 3,752	\$ 3,902	\$ 4,058	\$ 4,220	\$ 4,389	\$ 4,565
LF22	\$ 3,788	\$ 3,939	\$ 4,097	\$ 4,261	\$ 4,431	\$ 4,609	\$ 4,793
LF23	\$ 3,977	\$ 4,136	\$ 4,302	\$ 4,474	\$ 4,653	\$ 4,839	\$ 5,033
LF24	\$ 4,176	\$ 4,343	\$ 4,517	\$ 4,698	\$ 4,886	\$ 5,081	\$ 5,284
LF25	\$ 4,385	\$ 4,560	\$ 4,743	\$ 4,932	\$ 5,130	\$ 5,335	\$ 5,548
LF26	\$ 4,604	\$ 4,788	\$ 4,980	\$ 5,179	\$ 5,386	\$ 5,602	\$ 5,826
LF27	\$ 4,834	\$ 5,028	\$ 5,229	\$ 5,438	\$ 5,656	\$ 5,882	\$ 6,117

NON-UNION
Full-Time, Half-Time & Part-Time
 Hourly, FLSA Non- Exempt
 Effective July 1, 2011 (2.1%)

GRADE	STEP 1	STEP 2 Merit	STEP 3 Merit	STEP 4 Merit	STEP 5 Merit	STEP 6 Merit	STEP 7 Merit
UH03	\$ 8.23	\$ 8.48	\$ 8.78	\$ 9.13	\$ 9.52	\$ 9.88	\$ 10.25
UH04	\$ 8.47	\$ 8.75	\$ 9.04	\$ 9.41	\$ 9.80	\$ 10.16	\$ 10.60
UH05	\$ 8.91	\$ 9.19	\$ 9.50	\$ 9.87	\$ 10.31	\$ 10.69	\$ 11.14
UH06	\$ 9.37	\$ 9.65	\$ 9.96	\$ 10.38	\$ 10.75	\$ 11.22	\$ 11.68
UH07	\$ 9.59	\$ 9.99	\$ 10.44	\$ 10.92	\$ 11.39	\$ 11.90	\$ 12.47
UH08	\$ 10.03	\$ 10.49	\$ 11.00	\$ 11.49	\$ 11.97	\$ 12.42	\$ 13.09
UH09	\$ 10.56	\$ 11.03	\$ 11.54	\$ 12.05	\$ 12.57	\$ 13.13	\$ 13.75
UH10	\$ 11.09	\$ 11.59	\$ 12.10	\$ 12.63	\$ 13.21	\$ 13.80	\$ 14.42
UH11	\$ 11.38	\$ 11.75	\$ 12.12	\$ 12.63	\$ 13.13	\$ 13.67	\$ 14.21
UH12	\$ 11.63	\$ 12.16	\$ 12.70	\$ 13.26	\$ 13.85	\$ 14.51	\$ 15.15
UH13	\$ 12.22	\$ 12.76	\$ 13.32	\$ 13.94	\$ 14.56	\$ 15.21	\$ 15.92
UH14	\$ 12.81	\$ 13.40	\$ 14.00	\$ 14.61	\$ 15.26	\$ 16.00	\$ 16.68
UH15	\$ 13.47	\$ 14.04	\$ 14.68	\$ 15.36	\$ 16.07	\$ 16.80	\$ 17.51
UH16	\$ 14.17	\$ 14.79	\$ 15.45	\$ 16.13	\$ 16.86	\$ 17.61	\$ 18.42
UH17	\$ 14.87	\$ 15.55	\$ 16.21	\$ 16.94	\$ 17.74	\$ 18.49	\$ 19.34
UH18	\$ 15.61	\$ 16.30	\$ 17.02	\$ 17.80	\$ 18.56	\$ 19.43	\$ 20.30
UH19	\$ 16.37	\$ 17.09	\$ 17.88	\$ 18.69	\$ 19.54	\$ 20.40	\$ 21.32
UH20	\$ 17.17	\$ 17.94	\$ 18.76	\$ 19.63	\$ 20.48	\$ 21.45	\$ 22.39
UH21	\$ 18.04	\$ 18.86	\$ 19.72	\$ 20.57	\$ 21.52	\$ 22.47	\$ 23.50
UH22	\$ 18.96	\$ 19.79	\$ 20.72	\$ 21.62	\$ 22.63	\$ 23.59	\$ 24.66
UH23	\$ 19.88	\$ 20.79	\$ 21.70	\$ 22.73	\$ 23.72	\$ 24.78	\$ 25.92
UH24	\$ 20.89	\$ 21.82	\$ 22.81	\$ 23.86	\$ 24.93	\$ 26.04	\$ 27.21
UH25	\$ 21.95	\$ 22.93	\$ 23.98	\$ 25.02	\$ 26.16	\$ 27.33	\$ 28.58
UH26	\$ 23.01	\$ 24.08	\$ 25.15	\$ 26.31	\$ 27.46	\$ 28.69	\$ 30.00
UH27	\$ 24.18	\$ 25.27	\$ 26.40	\$ 27.58	\$ 28.84	\$ 30.14	\$ 31.50
UH28	\$ 25.38	\$ 26.51	\$ 27.75	\$ 28.98	\$ 30.27	\$ 31.65	\$ 33.06
UH29	\$ 26.68	\$ 27.85	\$ 29.12	\$ 30.41	\$ 31.79	\$ 33.22	\$ 34.74
UH30	\$ 28.03	\$ 29.25	\$ 30.59	\$ 31.95	\$ 33.39	\$ 34.88	\$ 36.46
UH31	\$ 29.40	\$ 30.72	\$ 32.08	\$ 33.54	\$ 35.05	\$ 36.63	\$ 38.30
UH32	\$ 30.88	\$ 32.27	\$ 33.69	\$ 35.23	\$ 36.81	\$ 38.46	\$ 40.20
UH33	\$ 32.42	\$ 33.89	\$ 35.39	\$ 36.98	\$ 38.66	\$ 40.38	\$ 42.18
UH34	\$ 34.02	\$ 35.57	\$ 37.15	\$ 38.83	\$ 40.59	\$ 42.43	\$ 44.31
UH35	\$ 35.75	\$ 37.34	\$ 39.02	\$ 40.80	\$ 42.63	\$ 44.55	\$ 46.54
UH36	\$ 37.53	\$ 39.22	\$ 40.96	\$ 42.82	\$ 44.75	\$ 46.76	\$ 48.85

NON-UNION
Full-Time and Half-Time
 Salaried, FLSA Exempt
 Effective July 1, 2011 (2.1%)

GRADE	STEP 1 Merit	STEP 2 Merit	STEP 3 Merit	STEP 4 Merit	STEP 5 Merit	STEP 6 Merit	STEP 7 Merit
UF08	\$1,659	\$1,734	\$1,811	\$1,892	\$1,977	\$2,069	\$2,161
UF09	\$1,742	\$1,822	\$1,902	\$1,985	\$2,078	\$2,169	\$2,269
UF10	\$1,828	\$1,912	\$1,996	\$2,087	\$2,181	\$2,279	\$2,382
UF11	\$1,920	\$2,009	\$2,097	\$2,193	\$2,292	\$2,392	\$2,501
UF12	\$2,016	\$2,108	\$2,202	\$2,301	\$2,404	\$2,513	\$2,630
UF13	\$2,117	\$2,212	\$2,311	\$2,416	\$2,526	\$2,639	\$2,759
UF14	\$2,225	\$2,324	\$2,427	\$2,537	\$2,650	\$2,771	\$2,896
UF15	\$2,335	\$2,443	\$2,547	\$2,663	\$2,784	\$2,908	\$3,040
UF16	\$2,452	\$2,561	\$2,678	\$2,796	\$2,925	\$3,056	\$3,194
UF17	\$2,573	\$2,689	\$2,812	\$2,937	\$3,068	\$3,207	\$3,351
UF18	\$2,701	\$2,823	\$2,951	\$3,083	\$3,223	\$3,367	\$3,521
UF19	\$2,837	\$2,964	\$3,098	\$3,236	\$3,385	\$3,536	\$3,693
UF20	\$2,978	\$3,112	\$3,254	\$3,401	\$3,551	\$3,714	\$3,880
UF21	\$3,130	\$3,269	\$3,414	\$3,572	\$3,728	\$3,899	\$4,072
UF22	\$3,283	\$3,432	\$3,586	\$3,750	\$3,915	\$4,092	\$4,276
UF23	\$3,449	\$3,603	\$3,765	\$3,936	\$4,115	\$4,300	\$4,492
UF24	\$3,620	\$3,784	\$3,955	\$4,132	\$4,317	\$4,512	\$4,717
UF25	\$3,801	\$3,972	\$4,151	\$4,339	\$4,535	\$4,738	\$4,953
UF26	\$3,994	\$4,174	\$4,361	\$4,558	\$4,759	\$4,975	\$5,200
UF27	\$4,194	\$4,381	\$4,578	\$4,786	\$4,997	\$5,223	\$5,461
UF28	\$4,400	\$4,601	\$4,805	\$5,023	\$5,247	\$5,483	\$5,734
UF29	\$4,621	\$4,832	\$5,049	\$5,274	\$5,509	\$5,758	\$6,020
UF30	\$4,853	\$5,070	\$5,297	\$5,539	\$5,786	\$6,045	\$6,318
UF31	\$5,096	\$5,325	\$5,566	\$5,817	\$6,076	\$6,350	\$6,637
UF32	\$5,351	\$5,592	\$5,842	\$6,106	\$6,376	\$6,668	\$6,967
UF33	\$5,617	\$5,872	\$6,135	\$6,412	\$6,697	\$6,999	\$7,317
UF34	\$5,900	\$6,165	\$6,440	\$6,732	\$7,032	\$7,352	\$7,681

701
Hourly, FLSA Non-Exempt
Effective July 1, 2011 (2.1%)

Division	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6	STEP 7
Div 1	\$ 15.34						
Div 2	\$ 16.66	\$ 17.33	\$ 18.02	\$ 18.75	\$ 19.49	\$ 20.27	\$ 21.07
Div 3	\$ 17.50	\$ 18.20	\$ 18.93	\$ 19.68	\$ 20.47	\$ 21.29	\$ 22.14
Div 4	\$ 18.38	\$ 19.11	\$ 19.88	\$ 20.68	\$ 21.50	\$ 22.36	\$ 23.26
Div 5	\$ 19.30	\$ 20.07	\$ 20.88	\$ 21.72	\$ 22.58	\$ 23.48	\$ 24.42

OREGON NURSE'S ASSOCIATION (ONA) SALARY SCHEDULE
Full and Half-Time, FLSA Exempt
Effective July 1, 2010 (2.0%)

GRADE	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6	STEP 7
OF01-FT (Full-time) FLSA Exempt	\$3,887	\$4,010	\$4,143	\$4,304	\$4,481	\$4,658	\$4,848
OF02-FT (Full-time) FLSA Exempt	\$4,275	\$4,410	\$4,557	\$4,735	\$4,928	\$5,124	\$5,333
OF01-HT (Half-time) FLSA Exempt	\$1,943	\$2,005	\$2,071	\$2,153	\$2,240	\$2,328	\$2,424
OF01-PT (Part-time) Hourly	\$22.42	\$23.14	\$23.90	\$24.83	\$25.85	\$26.87	\$27.97

Effective July 1, 2010 the wage rates shall be adjusted in the amount of the annual average percentage increase of the Consumer Price Index (All Urban Consumers) US Cities West for the prior calendar year, not less than two (2) percent nor more than six (6) percent.

All ONA nurses shall, for purposes of the FLSA, be considered exempt, salaried, professional employees.

Each full time Public Health Nurse (PHN) or Community Outreach Nurse (CON) shall be advanced one step in the salary schedule on his/her anniversary date.

Effective January 1, 2005 the bilingual nurse shall be compensated for bilingual responsibilities with a 5% stipend on base salary.

FOPPO
 Hourly Non-Exempt
 Effective July 1, 2014

GRADE	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5 Merit	STEP 6 Merit	STEP 7 Merit
PO II	\$ 19.74	\$ 20.53	\$ 21.35	\$ 22.20	\$ 23.09	\$ 24.01	\$ 24.97
POIII	\$ 22.84	\$ 23.75	\$ 24.70	\$ 25.69	\$ 26.72	\$ 27.79	\$ 28.90
Lead PO	***See Below***						

POII = Probation Officer II

POIII = Probation Officer III

KCPOA SALARY SCHEDULE
EFFECTIVE 7/1/2011
2.1% COLA

PLAN "B" - KLAMATH COUNTY EMPLOYEES' PENSION PLAN

PLAN "A" - PERS RETIREMENT

<i>PAY PLAN "B"</i>	GRADE	STEP 1 6 MO.	STEP 2 6 MO.	STEP 3	STEP 4	STEP 5	STEP 6	STEP 7
CLERK I	PH01	\$13.61	\$14.15	\$14.72	\$15.31	\$15.92	\$16.56	\$17.22
CLERK II	PH02	\$15.96	\$16.60	\$17.26	\$17.95	\$18.67	\$19.42	\$20.19
CIVIL DEPUTY & COURT SECURITY OFFICER	PH04	\$17.03	\$17.71	\$18.42	\$19.16	\$19.92	\$20.72	\$21.55
SENIOR CIVIL DEPUTY	PH05	\$19.34	\$20.11	\$20.92	\$21.76	\$22.63	\$23.53	\$24.47
<i>PAY PLAN "A"</i>	GRADE	STEP 1 6 MO.	STEP 2 6 MO.	STEP 3	STEP 4	STEP 5	STEP 6	STEP 7
JAIL	PH07	\$19.23	\$20.19	\$21.20	\$22.26	\$23.38	\$24.54	\$25.77
CORPORAL	PH08	\$20.20	\$21.21	\$22.27	\$23.39	\$24.55	\$25.78	\$27.07
PATROL	PH10	\$19.81	\$20.80	\$21.84	\$22.93	\$24.08	\$25.28	\$26.55
CORPORAL	PH11	\$20.78	\$21.82	\$22.91	\$24.06	\$25.26	\$26.52	\$27.85

Section 19.4 Certification/Education Pay. Eligible employees shall receive monthly certification and education pay calculated as a percentage of base hourly salary and added thereto to the following:

- 1 Intermediate BPSST Certification - 3.0%
- 2 Associate Degree in Law Enforcement or related subject matter - 2.5%
- 3 Advanced BPSST Certification - 6%
- 4 Bachelors of Arts or Science - 5%
- 5 Bilingual in Spanish or Sign Language 2.5%

Spanish fluency in street-Spanish as spoken in Klamath County. Bilingual proficiency to be determined by a court interpreter who shall verify fluency to an extent which is reliable and admissible in judicial proceedings. The maximum allowable premium pay for any combination premiums listed above shall be ten percent (10%). An employee may claim only *one certification premium and in addition one education premium.*

Revised 3/14/11

SERGEANT'S Teamsters Salary Schedule
Full-Time, FLSA Exempt
Effective July 1, 2011 (2.1% COLA)

GRADE	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6	STEP 7
SF01	\$5,315	\$ 5,528	\$ 5,749	\$ 5,979	\$ 6,218	\$ 6,467	\$ 6,725

LIEUTENANT'S Salary Schedule
Full-Time, FLSA Exempt
Effective July 1, 2011 (2.1% COLA)

GRADE							
	\$7,061.25						

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Klamath County, Oregon
2014-2015 Budget Presentation
Appendix H – General Fund Budget Assumptions

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To: Department Heads / Finance Managers

CC: Board of Commissioners

Date: 12/20/2013

Re: Assumptions for the 2014-15 Budget

The Board of Commissioners meet on December 19th and 20th and by consensus opinion of the Board the following assumptions were agreed upon for building the 2014-15 budget. This is a brief summary and the Board may choose to expand on these assumptions at the next department head meeting.

Personnel Assumptions

1. Personnel Changes
 - a. Employees less than 0.75 FTE will no longer be benefit eligible (current employees are grandfather in and will not be changed, departments are encouraged to change existing employees where possible to bring them into compliance with new policy).
 - b. Employees 0.75 FTE or greater will be budgeted at a full medical employer contribution.
 - c. Klamath County Workers Compensation rate for Risk Management will be reduced from 2.3% to 2.0%.
 - d. Klamath County Unemployment rate for Risk Management will be reduced from 2.3% to 1.75%
 - e. Klamath County Employee's Pension Plan employer contribution rate will increase from 16% to 17%.
2. Local 121/Non-Union Employee Changes
 - a. Employer contribution rate for medical plans will increase from \$775 per month to \$875 per month.
 - b. Employees are budgeted to receive a 1% cost of living increase.
 - c. Human Resources is directed to research the cost of health insurance with a possible change in health plans to a state-wide group plan to contain costs.

Internal Service Fees

1. Space Rent
 - a. Departments will contribute an additional five cents per square foot per month to go towards the capital projects reserve fund to maintain county infrastructure.
2. Internal Service Departments
 - a. Internal Service departments costs will remain flat (no increase in total).
 - b. The Board chose to maintain the current allocation methodology.
 - c. The dollar amount of increased allocation related to the removal of Klamath Behavior Health and Wellness (KBHW) is \$312,405. So even though the allocation method is the same departments will see an increase due to reallocation for KBHW.

General Fund Departments

1. General Fund Departments will build their budgets around the following numbers as support from the General Fund Non-Departmental transfer line:
 - a. Commissioners - \$342,913 (No Change)
 - b. Assessor - \$762,800 (No Change)
 - c. Clerk - \$189,413 (No Change)
 - d. District Attorney - \$1,006,353 (2014 adopted plus increase for medical examiner \$30,000)
 - e. Juvenile - \$934,632 (2014 remaining portion of 50% cut plus an additional 5% cut)
 - f. Emergency Management - \$54,565 (No Change)
 - g. OSU Extension - \$191,951 (No Change)
 - h. Experiment Station - \$74,998 (No Change)
 - i. Watermaster - \$80,936 (No Change)
 - j. Tax Collector - \$319,270 (No Change – CFO to work with department on allocation issues with possible reduction)
 - k. Community Development - \$86,112 (\$30,000 reduction for On-Site. Department to research increased fees to support department or turnover department to State of Oregon).
 - l. Sheriff - \$5,132,583 (10% reduction from all allocations including new allocation for court security)
 - m. Public Health - \$120,000 (reduction of \$30,000 for transfer to District Attorney on medical examiner)

Road Funds for Sheriff Patrol

1. The Road Fund will transfer \$500,000 to the Sheriff Patrol budget as provided for in Oregon statute.

Klamath County, Oregon
2014-2015 Budget Presentation
Appendix I – All Funds Summary

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Klamath County, Oregon
2014-2015 Budget Financial Presentation
All Funds

	2011-12 Actual	2012-13 Actual	2013-14 Budget	2014-15 Budget
Requirements by Budgetary Category				
Personnel Services	26,870,005	27,924,775	28,336,045	25,803,031
Materials and Services	28,586,287	31,757,811	31,829,439	28,135,464
Capital Outlay	3,959,737	4,543,145	7,297,933	7,528,126
Debt Service	2,096,318	1,316,309	825,400	321,200
Subtotal Current Expenditures	61,512,347	65,542,041	68,288,817	61,787,821
Interfund Transfers	83,810,008	26,176,285	17,903,486	14,985,091
Contingency	-	-	28,615,639	18,671,658
Reserves	-	-	79,170,190	81,987,019
Unappropriated Fund Balance	135,380,333	132,236,547	-	-
Subtotal Noncurrent Expenditures	219,190,341	158,412,831	125,689,315	115,643,768
Total Requirements by Budgetary Category	280,702,688	223,954,872	193,978,132	177,431,589
Resources by Budgetary Category				
Taxes	10,847,236	10,741,480	10,258,000	10,232,000
Licenses and Permits	1,657,038	1,536,537	1,656,497	1,604,176
Intergovernmental	31,335,833	29,792,524	15,740,798	13,836,466
Charges for Services	17,684,612	17,741,259	18,266,351	17,304,963
Fines and Forfeitures	451,276	407,144	355,108	330,497
Investment Earnings	734,305	373,051	757,138	740,120
Sale of Capital Assets	261,252	292,556	160,000	170,000
Interfund Transfers	83,789,897	26,146,726	17,958,486	14,985,091
Debt Proceeds	2,075,995	1,299,358	808,200	308,000
Miscellaneous	527,827	243,905	265,877	97,150
Beginning Fund Balance	131,337,418	135,380,333	127,751,677	117,823,126
Total Resources by Budgetary Category	280,702,688	223,954,872	193,978,132	177,431,589
Full-Time Employee Equivalents	463.5	448.7	451.1	363.7

Klamath County, Oregon
2014-2015 Budget Financial Presentation
All Funds

<u>Mandate</u>	Total Cost	Personal Services	FTE
General Administration	173,078	147,489	2.0
Human Resources	3,932,672	355,482	4.8
County Counsel	304,116	234,702	2.0
Finance	1,004,749	493,871	5.8
Information Technology	1,357,950	692,249	8.0
Treasurer	403,951	35,122	0.5
Assessor	1,323,994	780,015	11.3
Tax Collector	2,789,211	281,504	3.6
Commissioners	356,358	298,542	3.0
Clerk	906,094	358,049	5.0
Justice Court	185,097	115,757	2.0
District Attorney	1,401,811	1,065,858	15.5
Community Corrections	3,976,836	1,972,945	23.5
Sheriff's Office	6,644,760	4,309,737	50.5
Juvenile	1,872,982	1,252,202	27.6
Animal Control	322,118	169,702	2.5
Community Development	14,835,728	3,308,628	51.7
Emergency Management	109,130	39,255	0.7
Title III	2,081,500	-	-
Public Works	99,132,525	4,584,919	50.5
Veterans Services	266,690	190,732	3.0
Public Health	2,808,149	1,608,275	25.4
Klamath Behavioral Health & Wellness	3,315,136	842,615	11.8
Museum	573,102	106,184	1.4
Maintenance	3,880,768	489,634	7.0
OSU Extention	207,578	94,772	1.8
Experiment Station	112,534	53,483	1.0
Fairgrounds	1,157,057	432,516	7.0
Watermaster	81,540	58,657	1.0
Law Library	158,023	-	-
Surveyor	1,203,205	23,082	0.3
External Services	1,412,285	1,407,053	33.8
Non-Departmental	19,140,862	-	-
Total Mandates	<u>177,431,589</u>	<u>25,803,031</u>	<u>363.7</u>

