



BUDGET MESSAGE

April 22, 2011

Office of the County Manager
800 Exchange Street, Suite 410
Astoria, OR 97103

Dear Budget Committee Members:

INTRODUCTION

The Clatsop County's Proposed Budget for Fiscal Year (FY) 2011/12 that provides Public Safety - \$14,352,600, Health and Human Services - \$3,589,900, Land Use and Transportation - \$10,626,400, Culture and Recreation - \$3,133,200, and a variety of other services needed to support our community is transmitted for your review. The overall Proposed Budget of \$59,470,500 is prepared in accordance with the Board of Commissioner's Adopted Budget Policies and Clatsop County's Long-Term Financial Plan (LTFP). The Proposed FY 2011/12 Budget is \$5,827,100 more than the FY 2010/11 Adopted Budget, representing a 10.9 percent increase. The majority of this increase is directly related to the capital outlay construction costs for the new road, SE Ensign, which will be built in the North Coast Business Park starting in FY 2011/12. The Proposed FY 2011/12 General Fund Budget is \$615,200 more than the FY 2010/11 Adopted Budget, representing a 3.4 percent increase.

The Board of County Commissioners held a retreat on February 17, 2011 and identified the following goals:

Strategic Planning, as both a policy and a project

Projects:

Re-create the Land Use Planning Dept.
Emergency Preparedness
Economic Development
Community Development
Corrections Reorganization
Constituent Development

Policies:

Board-County Manager Relationship
Executive Limitations for the County Manager
Board's Relationship to itself

County Counsel
Liaison Policy
Budgeting Responsibility to Rural Lands
Budget Exemptions Policy (back-filling)

The Board Goals provide staff with a guide to develop the budget priorities for the 2011/12 FY and form the basis for many of the funding choices identified in the proposed budget. Department activities not specifically mentioned in the Board goals are also very important since the excellence and reliability of these services provide the firm foundation the Board needs to focus on specific needs in the County.

Workload and performance measures are included in the budget document. The forms were devised with the notion that these pages could be separated from the budget document and provide a County Performance report that could be used to tell the County's service story. These are part of an on-going effort to improve the budget document as a tool to communicate with residents pursuant to the Board's goals.

REVIEW OF PROPOSED BUDGET

Following are some of the issues addressed in the FY 2011/12 Proposed Budget:

All Funds

- The budget continues to reflect the struggling Oregon economy. Economists suggest the worst of the National financial crisis is over, but the Oregon economy is slower to respond. This is due to the powerful influence the natural resource based and high tech manufacturing sectors has on the Oregon economy. Oregon's economy is generally about one year behind the rest of the Nation.
- State revenues partially or completely support many County services. The State of Oregon budget will need to be reduced by 20% and County government services will be impacted by these service reductions. The Board's no backfill with County resources' policy will be challenged in this budget as the Budget Committee and Board weigh the needs of the community against the cost of using local funds to support needed services. Staff has provided background and recommendations as needed where the Board may want to consider waiving the policy this year. One area that staff recommends an exception to the Board's policy is the Marine Patrol budget. See Public Safety for a detailed explanation of this recommendation.
- Timber revenues remain suppressed, but are projected to perform better than last year. The Budget Policies state that no more than the lowest year of actual timber revenue received over the last 15 years should be retained in the General Fund for operational expenses, not to exceed the amount required to support the current level of General Fund services. This establishes a dollar amount the County can reasonably expect to receive and helps to avoid problems if timber revenue comes in at significantly less than budgeted. The lowest annual amount in the past 15 years of actual receipts was \$1,377,354 in FY 1997/98 and the proposed budget reflects this amount to be kept in the General Fund. This is the same amount that was identified in the FY 2010/11 General Fund budget.

- The increase in combined employer and employee PERS retirement rate to 14.21% for the 2011/12 fiscal year is reflected in the budget. (This percent includes employer rate of 8.21% and the negotiated payment of the employee's share of the rate of 6.00%.) The increase is due to changes in the investment markets, but is not an increase from historical prior years. In 2008/09 the combined employer and employee PERS rate was 14.38%, then the PERS investment earnings increased and the combined employer and employee rate declined during 2009/10 and 2010/11 to 9.59%. Recent increases in the investment funds controlled by the State suggest PERS rates in the future will stabilize at current levels. This rate increase does not increase employees' benefits.
- PERS unfunded pension obligation continues into the eighth year of a ten-year bond payment schedule. The advantage of bonding the debt was the low interest rate compared to the 8% interest that would be required to amortize the debt with PERS, a savings of \$7,263,417 that the County would have paid over a 25-year repayment period. The FY 2011/12 Budget includes annual bond payments in each organizational unit budget that has personnel. The PERS assessments allocated to each fund to provide the eighth annual payment from the Bond Retirement Fund is \$1,087,730 including interest. The General Fund payment of \$720,300 will be paid from Timber Revenues in FY 2011-12. The bond reserve fund will pay this payment for the General Fund in FY 2012-13 and FY 2013-14.
- Personnel cost increases. The County partnership with labor requires by contract that the budget include cost of living adjustments of at least 2.5% for organized labor and these adjustments are included for non-represented employees. Health insurance premiums are proposed to increase 10%. An increase of 10% is not sustainable and County staff will continue to explore the strategic value to the County of the recently approved National Health Care Plan during the FY. Employees pay 10% of the health insurance premium and the County pays 90%.

As the fiscal year progresses staff plans to carefully monitor County revenue and if the recovery in Oregon provides additional revenue to Clatsop County, there will be adjustments in spending.

Public Safety and Justice Public Safety and Justice services are proposed to change during the budget year. Community Corrections services will have a greater focus on treatment with the closure of the Transition Center and repurposing those funds to rehabilitation. Part of this is the merger of Community Corrections with the Sheriff's Office and the increased critical mass and opportunities for collaboration and efficiencies that will be created. Juvenile services are being reviewed to determine if there are less expensive although equally effective incarceration and treatment options for the community's at-risk youth. State funding for these services is likely to be reduced, but the need for the services does not decrease.

- **District Attorney's Office** proposed limited changes for the FY 2011/12. An increase in Materials and Supplies reflecting the projected cost of a murder by abuse trial during the first quarter of the fiscal year (third quarter of the calendar year). An adjustment in the District Attorney's stipend is proposed in order to provide salary separation between the District Attorney as a County Department Head and the Deputy District Attorney. This proposal is outlined in a memorandum in the Proposed Budget.
- **Criminal Division**, the budget provides for salary increases for the Sheriff and Chief Deputy in recognition of the additional responsibilities and duties created by the

assumption of management oversight of Community Corrections. These positions have been allocated to reflect the time commitment to leadership and management of Community Corrections. Fuel costs are projected to increase and the drug task force investigator retired and will be hired back part-time to train the incoming leaders.

- **Corrections Division**, increased costs include fuel and no capital outlays are planned this fiscal year. Jail bed rental in Tillamook County is projected to continue to cost about \$200,000 and this will increase by \$150,000 from Community Corrections to provide greater sanction opportunities for parole and probation violators.
- **Jail Nurse** program has been transferred to the jail to manage. The physician support continues to be provided by local doctors and the Public Health Department has taken a support role. This step will provide consistent management oversight and coordination with the jail activities and needs.
- **Emergency Communication**, the proposed budget reflects an additional \$12,065 in general fund support. The reason for this is due to an increase in the contractual amount being charged by the City for 911 dispatch services. Staff is evaluating these contractual amounts and the County's options for service to lower these costs.
- **Emergency Services**, the challenges for 2011-12 will be to add on to the Communications Wing at Warrior Hall at Camp Rilea to fully outfit the Emergency Operations Center. The grant requires a 50% match from Clatsop County and Oregon Wireless Interoperability Network (OWIN) has agreed to participate in the match funding. This budget reflects part of the personnel costs of the Human Resource Director who is now managing this program.
- **Marine Patrol**, the proposed budget reflects continued decreases in funding by the State. The result is reductions in part time staffing and reduced on water patrol. The Sheriff's Office and State are discussing the equity of payments to counties for these services. State fees and charges provide the funding, and there are questions regarding equitable allocation. In the FY 2010-11 budget, staff recommended increasing the general fund transfer by \$7,100, which was expected to be reduced by that amount this year. Staff is proposing to continue this amount for this FY since this program cannot be reduced further and continue to provide the same services.
- **Timber Enforcement**, the Oregon Department of Forestry due to suppressed timber production and the subsequent loss of revenue made a decision to no longer pay for a second Deputy to provide enforcement activity in the forest for FY 2010-11 budget. Staff proposes to continue funding for one position full time within this budget.
- **Community Corrections**, budget reflects repurposing of these services to the Sheriff's Office and closure of the Transition Center as of June 30, 2011. The services to be provided are outlined in the budget in summary form pending completing the biennial plan required by the State and a Sheriff's Office strategic plan outlining the services to be provided. The closure was the subject of studies by the County Manager, Sheriff's Office and an independent consultant during the 2010-11 fiscal year. All studies reached the

conclusion that the client population could be served based on a less expensive day reporting model.

- **Animal Control**, budget is proposed with few changes other than those required due to increases in costs.
- **Juvenile Department**, funding is proposed to remain at levels consistent with the prior year. The Department receives and processes about 470 police reports per year. The Juvenile Department has a 71% success rate defined as no subsequent referral for one year after the intervention.
- **Juvenile Detention Center**, budget was to provide for the final year phase out of the Special Projects Fund transfer to the General Fund to support the Juvenile Detention facility. The amount transferred to the Detention Center from Special Projects for FY 2011/12 is \$84,100 and the General Fund contributes \$496,000, which is a total increase of \$96,000 in support over what was provided in the FY 2010-11 budget. Due to cutbacks on contracts from nearby counties, revenue for this service has significantly decreased. Staff is considering other options including a partnership with the Oregon Youth Authority. Currently the average census at the facility is about 5.5 juveniles per bed night, and sometimes the census may be one or two. Staffing levels are at a minimum, but costs remain quite high. The School District is considering eliminating the distant learning option for juveniles staying at the Center. Services to youth will require careful consideration by the Board during 2011/12, but this year, provided the Board authorizes the subsidy, the proposed budget maintains these critical community services. This is not an exception to the Board's budget policies since this funding has always come from either the General Fund or Special Projects funding, not state funding.

Health and Human Services - The **Public Health** budget reflects the restructure adopted by the Board in December of 2009 changing the Health and Human Services Department to the Public Health Department. The budget also reflects the continuing effort to clearly allocate costs to the appropriate service element. The National Health Care program includes many provisions that could enhance funding for Public Health Services. Staff will be monitoring the progress of implementation of the law as a strategic issue during the coming year.

State and Federal funding has remained stable or decreased for the Department resulting in a per capita reduction from \$38 in 2010 to \$35 in 2011. The Proposed Budget anticipates further reductions for 2011/12. This is despite information from a Prevention for a Healthier America study that concluded for every \$1 invested in prevention \$5.60 are saved in health care costs.

Prevention and education services related to Public Health are located in several places in the budget including OSU Extension Family and Community Health Program, Juvenile Department Prevention Program, Public Health Chronic Disease and Tobacco Cessation programs. These programs, while focused in three different areas of prevention, collaborate to share resources, communicate consistent messages, and work with the agencies and non-profits in the community.

- **Community Health, Maternal and Child Health, and Babies First** in the Proposed Budget remains status quo, but is part of the consolidation effort by the State to organize the Early Childhood Council to oversee these services.
- **Women, Infants and Children (WIC)** services are projected to be consistent with the prior year. This is funded by Federal pass through money from the State.
- **Family Planning** continues to be managed to enhance services and recover the cost of providing these services. A voluntary reduction of the Nurse Practitioner from .8 FTE to .6 FTE for this program is reflected in the budget. Vasectomy counseling was not as successful as planned last year, but it will continue as a Medicaid reimbursed service offered by the County.
- **Chronic Disease Prevention**, an important focus is tobacco use cessation since as smoking declines general health of the population improves. For each percentage point reduction in the number of smokers future health care costs statewide decrease \$269.8 million. Each dollar invested in this program has an average potential return of \$1.32.
- **Environmental Health** reflects that the Household Hazardous Waste collection program will hold the first collection event in June of this fiscal year, but some of the costs may not be fully paid until next fiscal year. This Household Hazardous Waste program has improved the cash flow in this service area. The program of restaurant inspections, food service licensing, drinking water tests, day care centers, schools, prisons, and jail inspections are projected to remain consistent with prior year services.
- **Commission on Children and Families**, this activity was transferred from the Health and Human Services Department (now Public Health Department) to the Juvenile Department during the prior fiscal year. The State-funding crisis appears to be consolidating this service into an Early Childhood Council including elimination or repurposing of the State Commission. The Proposed Budget reflects flexibility to implement reductions in pass through funds to local agencies.
- **Prevention Program** was transferred from an outside contracting agency in FY 2010-11 and has successfully transitioned to work with the Commission on Children and Families and the Juvenile Department. Despite significant cuts in funding, under legal age drinking and drug abuse programs are planned to continue based on available state funding during the fiscal year. However, this program has proposed cutting a half-time prevention specialist position as well as funding for the AmeriCorps position, which was based on state and grant funding. Some of the oversight of management provided for the Mental Health, Developmentally Disabled and Drug and Alcohol contracts is reflected in this division to assist with the staffing of the Human Services Advisory Committee, which was previously handled by the County Manager's office. The Board made a decision in FY 2010-11 to pursue the acquisition of the administration of problem gambling treatment and prevention services from the State. Staff is working with the State on the possible transition of this service to the County.

- **Mental Health, Drug and Alcohol, and Developmentally Disabled** have been managed by the County Manager's Office. The proposed budget reflects a shift in some of the administration of these contracts to the Prevention program. The Prevention program would be responsible for staffing the Human Services Advisory Committee as well as coordination of the Biennial Implementation plan submitted to the State for these services. The budgets continue to reflect the decrease in funding and services for all three programs that the County contracts with local service providers. Due to uncertainty with the State funding and the future structure of these services, the budgets are proposed to be consistent with this fiscal year. I anticipate that the Legislature will approve changes to the funding and delivery of these programs. The most at risk for reductions is the Developmental Disabilities contracted services, but the projected reductions are not known at this time. This may become an item for the Board to consider as the 2011-12 fiscal year begins. The Board has determined not to consolidate these services during the coming biennium.

Land Use, Transportation and Housing The downturn in the economy is reflected in the direct service budgets that provide surveyor services, permit reviews and building inspection services. Positions vacated during the 2010-11 FY including retirements, resignations and lay-offs have not been filled due to lack of work and low permit revenue. Staff is prepared to increase these services when the economy recovers however this could be a few years.

- **Road Maintenance and Construction** budget includes funds to provide repairs and maintenance of the County's 232 miles of roads, 68 bridges and 3 beach approaches. Most of the construction, non-maintenance work is contracted. The budget includes \$1.65 million in contracted services including small items like miscellaneous trucking for the Astoria District to hydro-seeding to large projects like bridge repairs and Ridge Road widening and paving. These projects are listed in the budget document and a memorandum discussing the Division's contracting practices provide additional background information. Road Maintenance is supported 60% by the Road District and 40% by gas tax revenues.
- **Bike Paths** budget proposes funding the Ridge Road widening and paving project. The State mandates that 1% of the County's annual gas tax revenue is used on bike paths and this is without question a very worthwhile and valuable use of these funds.
- **Community Development** budget reflects a focus on current permit processing with contractors working on long-range planning projects. The reduction in personnel was achieved through attrition and not lay-offs, and subject matter experts contracting with the Department are providing the long-range planning. The Division receives support each year from the County's share of the Oregon Lottery. Items like Ocean Planning, Estuary Planning, Pipeline regulation development, County-wide visioning and strategic planning, Westport community planning, and Clatsop Plains planning are proposed to be contracted out. An option identified in a memorandum included in the Proposed Budget is to hire a long-range Senior Planner and a Planner position and shift some of the contract costs to pay for these positions. This will require additional General Fund support.

- **Building Codes Division** budget continues to reflect the downturn in the economy with a budget that is proposed to be less than the prior year. The County is planning on two to three more years of limited construction activity in the County.

Culture and Recreation

- **Fair General Operation** budget includes the levy approved by the voters on May 18, 2010. Capital projects include replacement of the bleachers in the arena, repairing some of the old out buildings, parking lot lighting upgrades and work on the pedestrian bridge.
- **Parks and Land Acquisition and Maintenance** budget includes stable funding for the fiscal year. The Division will continue to work on the implementation of the Park Stewardship plan approved by the Board in 2010 and provide technical assistance to the development of the Westport Marina with Marine Board funding. The Division will work on developing a landing at Knappa Dock, although this will require the assistance and cooperation of private property owners.

Economic Development, the Board projects and policies supporting economic development and renewable energy projects are included in these budget areas. The collaborative effort by the County and cities through CEDR (Clatsop Economic Development Resources) is a great example of working together to support economic development activities. Part of these efforts is the development of renewable energy projects.

- **Video Lottery Fund** budget includes an allocation of \$60,000 to continue to pay for the County's participation in CEDR. An additional \$25,000 is provided to pay for a grant writer's time to focus on County projects. The County will continue to support the Westport area. In February of 2009, the Board authorized a loan to the Port of Astoria in the amount of \$100,000 to be used to make an option payment to purchase the Tongue Point property. This loan continues to be paid back to this fund at 6% interest in equal monthly installments with the final payment due June 30, 2012. Lottery funds are also being used to fund the County's share of the hydrological study along Highway 101. Finally, Lottery funds provide support to the Planning Department in the amount of about \$259,600. State forecasting shows a slight increase in Oregon lottery proceeds as the economy recovers and the Legislature could increase or decrease this revenue source to the counties in Oregon.
- **CEDC Fisheries** budget receives support from the Bonneville Power Administration that has increased over the prior years. The budget is increasing 7% reflecting not only personnel cost increases, but also increases in feed supply cost. The fisheries program is self-supporting. This program provides fish for the Young's Bay fishery and is a vital part of the local economy.
- **Industrial Development Revolving Fund** budget reflects the permitting, design and construction starting in late Spring 2011 and 2012 of a portion of SE Ensign Lane from 19th Street to Hwy 101A, which the County is obligated to construct by a grant of access agreement with the Oregon Department of Transportation for the property. County staff will be working on development of the North Coast Industrial Park to provide space for general industrial development, consolidate Public Works operations with the Oregon

Department of Transportation and the City of Warrenton, and possibly the location of a new jail. These projects depend on the development of the extension of SE Ensign Lane.

General Government

- **Board of Commissioners** budget includes funds to update the County Code of Regulations and index all County Ordinances. The Code of Regulations would be compiled and available to the community. This is a major project that will provide a great benefit to the County organization and residents since the laws of the County will be available to the public, accurate and up-to-date based on a current legal review. Consistent with the Board budget policy, the amount to be distributed to non-profit agencies in April 2012 was increased from \$15,000 to \$30,000.
- **County Clerk** budget reflects the election cycle in 2012 and the evaluation and implementation of the redistricting plan. As the records manager for the County, the Clerk will be working with Community Development on reducing the volume of records stored in the Archives. Community Development leads the project. The County Clerk did a great job managing the Census 2010 project during 2010 and 2011.
- **Assessment and Taxation** budget reflects FY 2010-11 restructuring of this department by reallocating the Central Services Director (.50) FTE to oversee this department. Additionally, the Chief Deputy Assessor assumed more responsibility and duties. The evaluation of the structure of the department and operations of this department indicates this was a successful process that achieved efficiencies and General Fund cost saving of about \$103,000 during the fiscal year.
- **Finance and Treasury**, the County is reviewing further automation of the contracted payroll function that would include digital time sheets.
- **Information Systems** will lead the purchase and installation of Windows Office 2010. The lease plan will save the County \$95,000 in upgrade and maintenance costs over the next 4 years. This will replace software that will no longer be supported by Microsoft and allow the County to benefit from the many new features in the Microsoft suite of software. One way this will help the County is that the new software will be compatible with the software at the Camp Rilea Emergency Operations Center. The current software is not.
- **Building and Grounds** budget provides maintenance activities for the County buildings mostly through contracted labor. It also provides capital project supervision. Early in the fiscal year the Darigold Building will be converted to a parking lot. Efforts to design and fund a new landscape plan at the historic Courthouse will continue. Roof replacements at the existing jail and the Courthouse are the major scheduled contracted projects.
- **County Manager's Office** budget reflects the proposed change of management and oversight of the Alcohol and Drug, Mental Health, and Developmental Disability contracts in which some of the responsibility of administration of these contracts will shift to the Prevention program. Staff time allocated to the Industrial Development Fund

to reflect time spent to develop the North Coast Business Park is reflected in revenue into this organizational unit.

- **Employee Relations** budget includes a reallocation of the Human Resources Director to Emergency Management to reflect the Director's time spent on that activity. An increase in contractual services is due to the additional legal support for bargaining during the fiscal year.

Non-Operating

- **General Fund Transfers to Other Funds** Proposed Budget totals \$1,433,100, which is \$283,400 less than FY 2010/11.
- **General Fund Operating Contingency** has increased by \$105,300 to \$1,663,200 million representing an amount that equals ten percent of the General Fund operating budget (not including timber revenue transfers to Special Projects and Contingency) in compliance with the LTFP. The General Fund has an unappropriated fund balance of \$836,200 going into FY 2012/13 that will be depleted to meet operating expenses in future years.

Capital Outlay

- **Special Projects Fund** reflects the increased price for trees harvested from the State Forest according to recent estimates provided by the Department of Forestry. A complete list of the projects and programs paid for by the fund are found in the proposed budget. Highlights include a video broadcast system for the Board Room, demolition of the Darigold Building, the new emergency operation center expansion at Warrior Hall, and software for patient records in Public Health.
- **General Roads Equipment Replacement** budget provides a list of planned equipment purchases by the County. Highlights include a tractor/mower, pickup truck, and a sport utility vehicle. A complete list and explanation is found in the budget document.

Service Districts

- **Rural Law Enforcement District** budget for FY 2011/12 allocates resources for various activities approved by the RLED Advisory Board.
- **Road District No. 1** budget for FY 2011/12 allocates resources to the County for road maintenance as discussed in the Road Maintenance part of this budget.
- **Westport Sewer District** budget expenses reflect the limited funds available to support this treatment system and the reduction is due to the lack of funding for the infiltration study. Rates are proposed to be increased in order to address the system needs that are created by State and Federal mandates. The area has significant low to moderate income

residents and rate increases could be sensitive to many residents' budgets in the community.

- **4-H and Extension Service Special District** budget includes slight increases in expenses and revenues. The budget reflects the on-going evaluation project being undertaken by OSU to consider more effective deployment of the Extension Services. The Sea Grant position remains unfilled and this is a concern since the fisheries in this area are very active and Extension support is vital to the County's economic vitality.

BUDGET POLICIES

At its regular meeting of January 26, 2011, the Board of County Commissioners initiated Clatsop County's annual budget preparation process with the adoption of the Budget Policies and the Resource Reduction Strategy. The Board's Budget Policies provide direction and guidance to staff in preparing the County's annual budgets and are attached to this budget message.

The Board's Strategic Plan/Resource Reduction Strategy, located in the Statistical Section of the Budget Document, guides staff on how to reduce expenditures in the event of significant loss of discretionary resources. The Plan/Strategy also focuses on whether programs should be funded with discretionary or dedicated resources and outlines the Board's prioritization of services. The Resource Reduction Priorities provide the order in which expenditure reductions should be made in the event of a significant loss of resources based on the prioritization of County services.

The Board's FY 2011/12 Budget Policies, also included in the Statistical and Supporting Data section of the Budget Document, were edited with the content remaining much the same. A change was made in section XI – Contributions to Outside Agencies, which allowed for an increase, if resources allow, the amount contributed from \$15,000 to \$30,000 to be allocated based on a competitive process established by policy.

Consistent with prior years, the FY 2011/12 Budget Policies state that no more than the lowest year of actual timber revenue received over the last 15 years should be retained in the General Fund for operational expenses, not to exceed the amount required to support the current level of General Fund services. This approach establishes a dollar amount the County can reasonably expect to receive and helps avoid problems if timber revenue comes in at significantly less than budgeted. The lowest annual amount in the past 15 years of actual receipts was \$1,377,354 received in FY 1997/98.

The FY 2011/12 Budget Policies require the transfer of all other timber monies to the Special Projects Fund, where the funds will be used for General Fund capital projects and other one-time expenditures related to the General Fund. This means that items identified as operating expenses are included in the appropriate operating budgets rather than the Special Projects Fund. This shift has been accomplished in the FY 2011/12 budget with the exception of the Juvenile Detention Center, which is being shifted over a four-year period to the General Fund to minimize the impact of this large expenditure on the General Fund. This is the fourth year of four years during which this shift was planned to occur. Examples of additional recurring expenses identified in the LTFP include: equipment and supplies with a cost of less than \$5,000, information system hardware and software and annual training. Items that provide organization wide benefits, such as computer hardware and software, are budgeted in the appropriate

operating budget and are allocated as part of the Indirect Cost Plan as recommended in the LTFP.

This phased implementation coincides with the increase in the 15-year lowest amount of actual timber revenue for General Fund operations over the next several years and an increase in indirect cost recovery. The phased approach is designed to minimize the impact on the County's ability to maintain the current level of county services.

Performance-based budgeting was recommended in the LTFP as a means to help government officials and citizens identify financial and program results, evaluate past resource decisions and facilitate improvements in decision-making about future resource allocation and service delivery. This budget reflects improvements by the Department Directors to use the same format for the performance information that makes the information more visually pleasing and informative.

The Budget Policies continue to provide that the General Fund Stabilization Account be used to meet General Fund financial commitments in any year when the County's timber revenue projection is less than the total amount of current year commitments including the amount provided to the General Fund for operations as set forth in Section III.B of the Budget Policies and any debt payment obligations. Based on timber revenue projections from the Oregon Department of Forestry, it will not be necessary for the County to utilize the Stabilization Account in FY 2011/12.

Other key provisions of the Board's Budget Policies include:

- No new staff or programs unless specifically approved by the Board of Commissioners and direction to seek staff and expenditure reductions wherever possible.
- A goal of no increase in materials and supplies expenditures for General Fund departments.
- A goal of holding the General Fund contribution to non-General Fund departments at the current level, **subject to the availability of funds.**
- Direction to continue to utilize the County's indirect Cost Allocation Plan in an effort to appropriately recover the full cost of the County's overhead functions and to identify the impact of any new programs on overhead services.
- Direction to pursue revenue sources to the fullest extent possible for all services as well as total cost identification for fee setting purposes. Direction to review fee schedules annually to ensure this is accomplished.
- Direction that any budget savings achieved during the year (through position vacancies, for example), not be spent on other things, but rather be saved and added to the ending fund balance (which becomes the beginning fund balance for the next fiscal year).
- Direction to not use General Fund discretionary dollars to back-fill any loss in State-shared or federal revenues or increase the County share of programs funded primarily from non-General Fund sources.

- Direction to maintain a General Fund Operating Contingency of at least \$1.2 million and increase the contingency if possible as recommended in the County's long term financial plan.
- Direction that the General Fund Stabilization Account will be used to meet General Fund financial commitments in any year when the County's timber revenue projection is less than the total amount of current year commitments including the amount provided to support General Fund operations and debt payment obligations.
- A goal of maximizing the Board's discretion with regard to use of different revenue sources by, wherever possible, treating any revenue source as discretionary rather than dedicated (examples would be Video Lottery and Hotel/Motel Room tax revenues).
- Direction that, to the extent resources are available, \$30,000 in General Fund monies are to be set aside for contributions to outside organizations.

THE ALL-FUNDS BUDGET

The County's Proposed All-Funds Budget for FY 2011/12 totals \$59,470,500. This is \$5,827,100 or 10.9 % increase from the FY 2010/11 adopted level. A chart showing the comparison of the FY 2011/12 Proposed All Funds Budget and the FY 2010/11 Adopted Budget is shown below:

ALL FUNDS BUDGET FY 2010/11 vs. FY 2011/12			
Resources	Adopted 2010/11	Proposed 2011/12	Increase/(Decrease)
Beginning Balance	21,899,300	25,610,600	3,711,300
Revenue	33,808,400	36,163,700	2,355,300
Total	* 55,707,700	* 61,774,300	6,066,600
Expenditures			
Personal Services	19,453,800	19,799,900	346,100
Materials & Supplies	9,318,700	10,005,100	686,400
Other Charges	8,090,100	9,141,000	1,050,900
Capital	2,932,400	5,446,100	2,513,700
Transfers	2,267,000	3,887,800	1,620,800
Contingency	11,581,400	11,190,600	(390,800)
Total	* 53,643,400	* 59,470,500	5,827,100

*** Note: Typically the total resources and expenditure will be the same amount. Total resources and expenditures do not match in the Adopted FY 2010/11 and the Proposed FY 2011/12 All-Funds Budgets. This is because of the unappropriated fund balances are intentionally provided in the General Fund, Special Projects Fund, and Jail Commissary Fund.**

Major factors accounting for the difference in revenue and expenditures between last year's FY 2010/11 Adopted Budget and this year's FY 2011/12 Proposed Budget include:

- Cost of living increases of 2.5% for all employees effective July 1, 2011; an increase in the PERS payment amount to 14.21%; and the County also anticipates receiving health insurance cost increases of 10%.
- Materials & Supplies increased by 7.4% due to an increase in Contractual Services for Community Development for projects in Westport, the JLUS project at Camp Rilea, and legal costs for Oregon LNG. It is noted that the JLUS project is paid for by a grant from the Federal Government. The Oregon LNG Counsel are by contract to be paid by the project applicants, but Oregon LNG is disputing the terms and conditions of this payment.
- Transfers were increased by 71.5%; this significant increase is mainly due to a \$1,500,000 transfer from the Industrial Development Revolving Fund to Special Projects. This transfer is to re-pay Special Projects for infrastructure that was needed for the North Coast Business Park (water, sewer, gas, and the construction of S.E. 19th street).
- Capital projects increased by 85.7% this increase is primarily due to the budgeting for the construction of S.E. Ensign road connecting Hwy 101 and Hwy 101A. **(See the Industrial Development Revolving Fund for details).**

THE GENERAL FUND BUDGET

The County's Proposed General Fund Budget for FY 2011/12 totals \$18,755,900. This is an increase of \$615,200 or 3.4% compared to the FY 2010/11 Adopted Budget.

GENERAL FUNDS BUDGET FY 2010/11 vs. FY 2011/12			
Resources	Adopted 2010/11	Proposed 2011/12	Increase/(Decrease)
Beginning Balance	3,355,000	3,500,000	145,000
Revenue	15,542,000	16,092,100	550,100
Total	*18,897,000	*19,592,100	695,100
Expenditures			
Personal Services	11,560,600	12,259,900	699,300
Materials & Supplies	3,114,900	3,310,200	195,300

Other Charges	85,800	89,500	3,700
Capital	105,000	0	(105,000)
Transfers	1,716,500	1,433,100	(283,400)
Contingency	1,557,900	1,663,200	105,300
Total	*18,140,700	*18,755,900	615,200

- Note: Typically the total resources and expenditure will be the same amount. Total resources and expenditures do not match in the Adopted FY 2010/11 and the Proposed FY 2011/12 General Fund Budget. This is because of the unappropriated fund balance is intentionally provided in the General Fund as explained later in this report.*

The principal reason for the 3.4% increase in the General Fund Budget from FY 2010/11 to FY 2011/12 is increases of 6.0% in Personal, 6.3% in Materials & Supplies, and 6.8% in Contingency, which is offset by a 100% drop in Capital and a 16.5% drop in Transfers.

The FY 2011/12 Proposed General Fund Budget includes an unappropriated fund balance of \$836,200. This dollar amount is required to minimize funding shortfalls projected in the General Fund Five-Year Forecast discussed later in this report. The unappropriated fund balance carry-over represents resources that are necessary to offset reductions to the level of services in General Fund Budget through FY 2012/13.

Even with the unappropriated fund balance reserves, the County will spend down its reserves below the level recommended in the LTFP and will need to identify new revenue sources, reduce the proposed level of services, or find additional savings through organizational efficiencies by FY 2012/13.

The following table illustrates changes in the FY 2011/12 General Fund budget from FY 2010/11 Adopted General Fund Budget without the operating contingency and the transfer of the timber revenues to the Special Projects Fund.

	Adopted 2010/11	Proposed 2011/12	Increase/(Decrease)
General Fund Expenditures	*18,140,700	*18,755,900	615,200
Less:			
Transfer to Special Projects	899,100	460,400	(438,700)
Contingency	1,557,900	1,663,200	105,300
Adjusted Budget	15,683,700	16,632,300	281,800

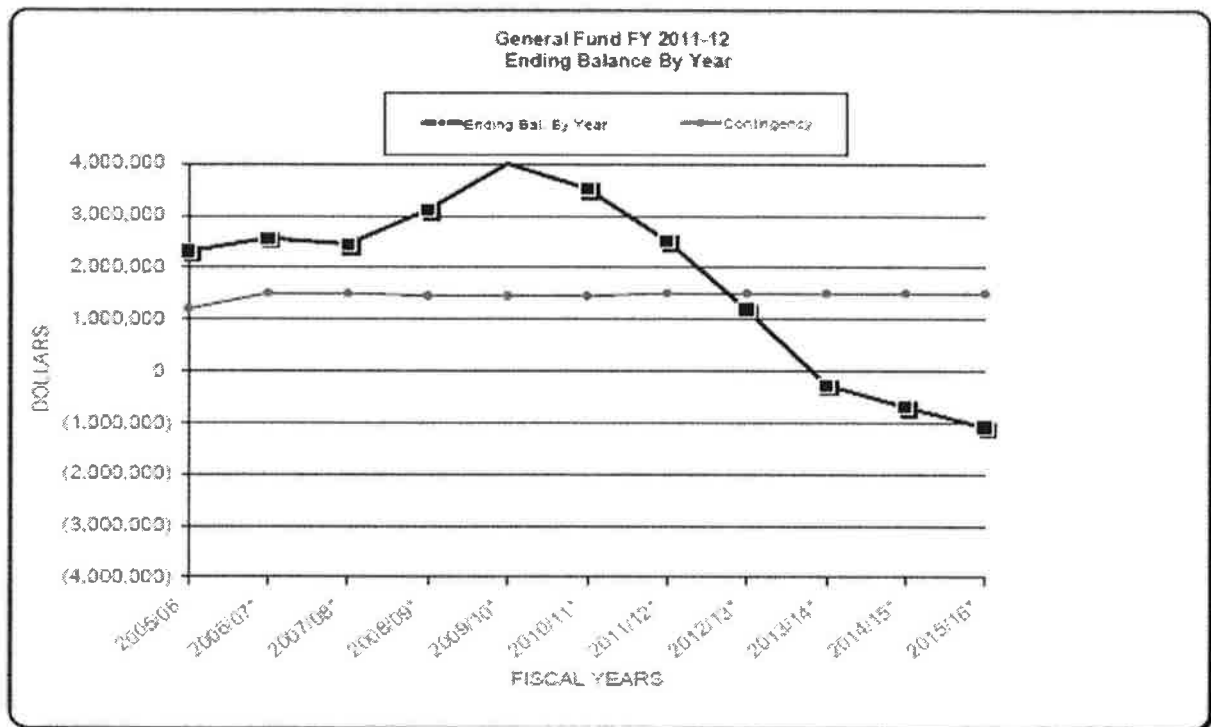
The main reasons for this \$281,800 or 1.8% increase in the adjusted General Fund budget include:

- Decreases in the transfer to Special Projects are due to retaining \$720,300 of timber revenues to cover the general fund share of the 8th payment of the PERS bond payment. It is anticipated that the two remaining years of the bond payment will be paid from the Bond reserve fund. Per the LTFP starting with FY 2008/09, there was a transfer of \$100,000 per year to the County's Juvenile Detention Center. The Juvenile Detention Center transfer is scheduled to increase by an additional \$100,000 each year (\$84,100 for FY 2010-11) until the entire Special Projects amount of \$484,100 is paid entirely from the General Fund, which will be accomplished in FY 11-12.
- Increases in Materials and Supplies by 6.3% (\$195,300) for FY 2011/12. This increase is primarily due to Emergency Services and an increase in the Equipment Maintenance. A Homeland Security Grant offsets this increase.
- Increases in Personnel Services (\$699,300) for FY 2011/12. This increase is due to increases in the cost of living for both represented (2.5%) and unrepresented (2.5%) employees and 10% increase to medical insurance.
- Increases to contingency of (\$105,300) in keeping with the LTFP of 10% contingency net of timber transfers to Special Projects and Contingency.

As previously noted, the FY 2011/12 General Fund and Special Projects Fund budgets reflect implementation of several financial management recommendations made in the County's LTFP report completed in September 2004. The LTFP makes a number of recommendations to improve Clatsop County's ability to deal with future financial challenges involving the County's General Fund and Special Projects Fund. The recommendations cover budget policies, performance based budgeting, indirect cost allocation, fee setting, revenue diversification, and reserve funding.

The LTFP implementation strategy approved by the Board prioritizes the areas of work, identifies additional work that needs to occur prior to implementation and identifies approaches to implement the recommendations while taking potential impacts into consideration. The timetable allows for the development of additional financial information recommended in the LTFP, including a review of the county's indirect cost allocation plan and fees.

The following graph shows the General Fund ending fund balance and forecasts the stabilization of the ending balance using state timber revenue to the level currently provided in the Board's Budget Policies. This includes the current 15-year low amount of \$1,377,400 in state timber revenue and this is the same as FY 2010/11.



Staff projects that Clatsop County will end FY 2011/12 with approximately \$2.5 million in the General Fund ending fund balance. As noted earlier, \$836,200 of the ending fund balance, in excess of the recommended contingency (\$1.66 million) in the LTFP, has been set aside to support increased costs over the next several years. The shift of recurring charges from Special Projects to the General Fund is scheduled to be completed in FY 2011/12.

The LTFP states that the General Fund contingency shall equal 10% of expenditures, minus the contingency and timber revenue transferred to Special Projects. Assuming spending that maintains current staffing and programs provided in the Proposed Budget, and continuing the current policy of timber revenue supporting the General Fund based on providing the lowest of the previous 15 years in timber revenue, the County would maintain the current level of service through FY 2011/12. After FY 2011/12, the County will either need to increase revenues or reduce expenditures to remain in compliance with our LTFP.

The long-term stability of timber revenue receipts is uncertain and changes in state revenues could have a significant impact in the projected ending fund balances. The Stabilization Account, included in the Special Projects Fund as an unappropriated fund balance, is provided in accordance with the Board's Budget Policies to mitigate these potential impacts. The "15-year low" transfer concept is vulnerable to a catastrophic reduction in timber revenue. Therefore, if needed, the stabilization account can provide for the continuity of essential services for only a limited duration.

DISCRETIONARY RESOURCES

Discretionary resources are resources or income that are not dedicated by rule, law or contract for a specific program or purpose, and therefore can be spent at the choice or the discretion of the

Budget Committee and Board of Commissioners. The bulk of the County's discretionary resources come from the General Fund beginning balance, property tax levy, indirect charges and timber revenues.

Almost all discretionary revenues are received in the General Fund, though once received they are sometimes transferred to other funds. Not all of the General Fund resources are discretionary. Certain non-General Fund resources (such as Video Lottery money, for example) can be applied flexibly and may be considered discretionary.

In the Budget document, General Fund discretionary resources are identified as the General Fund Subsidy or General Fund Transfer. For FY 2011/12, discretionary resources for all funds will total approximately \$14,746,200.

The \$14,746,200 includes timber money set aside in the Special Projects Fund and the General Fund's Operating Contingency. If these were not available, the County's discretionary budget would be approximately \$12,622,600.

CONCLUDING COMMENTS

Included in the Budget Message section are two additional sections. The first is the financial analysis of the budget. It relates the fund balances and provides the Budget Committee with the general to specific financial information summarized in one section for review. It also discusses the how the budget carries out the Board's adopted budget policies and the Long Range Financial Plan. The second section is reserved for a similar evaluation once the budget is adopted. It will include the up-to-date financial data including the changes rolling out of the State Legislature at the end of the this fiscal year and the beginning of the 2011/12 fiscal year.

Preparation of the annual budget would not be possible without the dedication and commitment of the County Department Heads and staff. I am very appreciative of the professional approach to problem solving and the atmosphere of teamwork that was evident during this process. The effort is reflected in the document.

I also want to recognize Assistant County Manager Nicole Williams for driving the project. This budget document is a representation of her budget expertise, her availability to assist the Directors with preparation questions, and attention to detail. In addition, Finance Director Mike Robison played a key role with history of the process, financial accuracy, and also supporting the Directors during the preparation process. Tiffany Brown and Valerie Crafard of the County Manager's Office did a great job compiling the budget document. Thanks to everyone involved in this project.

Finally, thanks to the Board and Budget Committee for the thorough review and careful consideration of the FY 2011/12 Budget.

Respectfully Submitted,



Duane Cole
County Manager

BUDGET MESSAGE SUPPLEMENT ADOPTED BUDGET

- CHANGES FROM THE PROPOSED BUDGET -

This supplement describes the updated budget amounts resulting from changes to the Proposed Budget that were adopted by the Board of County Commissioners.

The County's Adopted All-Funds Budget for FY 2011/12 totals \$59,740,100. This is \$6,096,700 or 11.4% increase from the FY 2010/11 adopted level. A chart showing the comparison of the FY 2011/12 Adopted All Funds Budget and the FY 2010/11 Adopted Budget is shown below:

ALL FUNDS BUDGET FY 2010/11vs. FY 2011/12			
Resources	Adopted 2010/11	Adopted 2011/12	Increase/(Decrease)
Beginning Balance	21,899,300	25,610,600	3,711,300
Revenue	33,808,400	36,238,000	2,429,600
Total	55,707,700*	* 61,848,600	6,140,900
Expenditures			
Personal Services	19,453,800	19,947,600	493,800
Materials & Supplies	9,318,700	10,125,000	806,300
Other Charges	6,572,700	6,093,400	(479,300)
Capital	2,932,400	5,501,100	2,568,700
Debt Service	1,517,400	3,049,600	1,532,200
Transfers	2,267,000	3,887,800	1,620,800
Contingency	11,581,400	11,135,600	(445,800)
Total	* 53,643,400	* 59,740,100	6,096,700

** Note: Typically the total resources and expenditure will be the same amount. Total resources and expenditures do not match in the Adopted FY 2010/11 and the Adopted FY 2011/12 All-Funds Budgets. This is because of the unappropriated fund balances are intentionally provided in the General Fund, Special Projects Fund, Mental Health Fund and Jail Commissary Fund.*

THE GENERAL FUND BUDGET

The County's Proposed General Fund Budget for FY 2011/12 totals \$18,951,200. This is an increase of \$810,500 or 4.5% compared to the FY 2010/11 Adopted Budget.

GENERAL FUNDS BUDGET FY 2010/11 vs. FY 2011/12			
Resources	Adopted 2010/11	Adopted 2011/12	Increase/(Decrease)
Beginning Balance	3,355,000	3,500,000	145,000
Revenue	15,542,000	16,092,100	550,100
Total	*18,897,000	*19,592,100	695,100
Expenditures			
Personal Services	11,560,600	12,367,800	807,200
Materials & Supplies	3,114,900	3,397,600	282,700
Other Charges	85,800	89,500	3,700
Capital	105,000	0	(105,000)
Transfers	1,716,500	1,433,100	(283,400)
Contingency	1,557,900	1,663,200	105,300
Total	*18,140,700	*18,951,200	810,500

- Note: Typically the total resources and expenditure will be the same amount. Total resources and expenditures do not match in the Adopted FY 2010/11 and the Adopted FY 2011/12 General Fund Budget. This is because of the unappropriated fund balance is intentionally provided in the General Fund.*

The following table illustrates changes in the FY 2011/12 General Fund budget from FY 2010/11 Adopted General Fund Budget without the operating contingency and the transfer of the timber revenues to the Special Projects Fund.

	Adopted 2010/11	Adopted 2010/11	Increase/(Decrease)
General Fund Expenditures	*18,140,700	*18,951,200	810,500
Less:			
Transfer to Special Projects	899,100	460,400	(438,700)
Contingency	1,557,900	1,663,200	105,300
Adjusted Budget	15,683,700	16,827,600	1,143,900

ADOPTED BUDGET

The Proposed Budget was revised by the Board of Commissioners as follows:

General Government – Overhead

- The **Employee Relations budget** was increased by \$30,000 to provide employee training for Windows 7 software and Microsoft Outlook.
- The **County Manager's budget** was adjusted by \$10,500 to reflect the shift of partial FTE for the Assistant County Manager's position from the Mental Health Fund to the County Managers budget.

General Government – Direct Services

- The closing of the transition center eliminated the extra help provided for the Animal Shelter for cleaning the kennels and other duties. An increase of \$13,900 was provided in the **Animal Control budget** to hire temporary workers under contractual services to accomplish the necessary work to reduce the likelihood of disease outbreaks in the shelter.

Land Use and Transportation

- The **Community Development budget** was adjusted to include the salary and benefits (\$97,400) for a Senior Planner position and \$500.00 for Materials and Supplies associated with the addition of this position as reflected by the Budget Committee's direction. This position replaces the Development Services Manager that was allocated in the FY 2010/11 budget. The addition of this position decreases the need for contractual services by \$25,000. The Oregon LNG contractual services line item was increased by an additional \$65,000 to cover anticipated legal expenses incurred by the reconsideration of the application.

Health & Human Services

- Clatsop County is assuming responsibility for the problem gambling prevention and treatment contract with state to administer these services for our county. The **Drug and Alcohol Prevention budget** was adjusted (\$46,300) to include these costs of both the in-house portion of the contract as well as the gambling treatment portion which will be handled through contractual services. This budget was also adjusted (\$28,000) to allow for contract funds from the Northwest Oregon Regional Parenting Education and Support Program (Hub) to provide parenting education classes and workshops.

Capital Outlay

- The **Special Projects fund budget** was adjusted (\$55,000) to allow for more funds for the Darigold building abatement and hazardous material removal as part of the project to demolish the building.

Respectfully Submitted,



**Duane Cole
County Manager**




FY 2011/12 BUDGET MESSAGE APPENDICES

Appendix 1	County Organization
Appendix 2	Board of County Commissioner Stipends
Appendix 3	District Attorney's Department Head's pay
Appendix 4	Sheriff's Compensation as County Department Head
Appendix 5	Planning Division Budget
Appendix 6	Contracting Public Services
Appendix 7	Contracting County Road Maintenance Activities

April 11, 2011

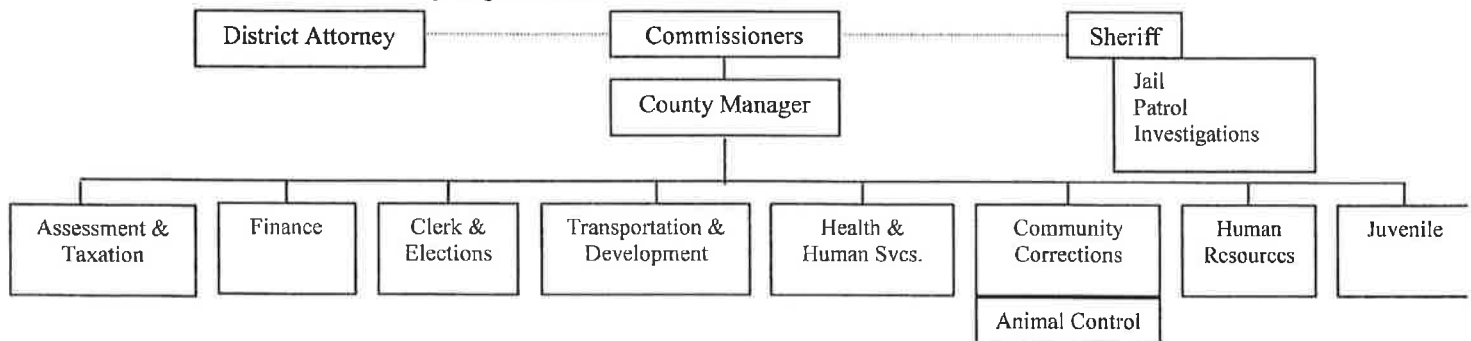
TO: BUDGET COMMITTEE

FROM: Duane Cole, County Manager 

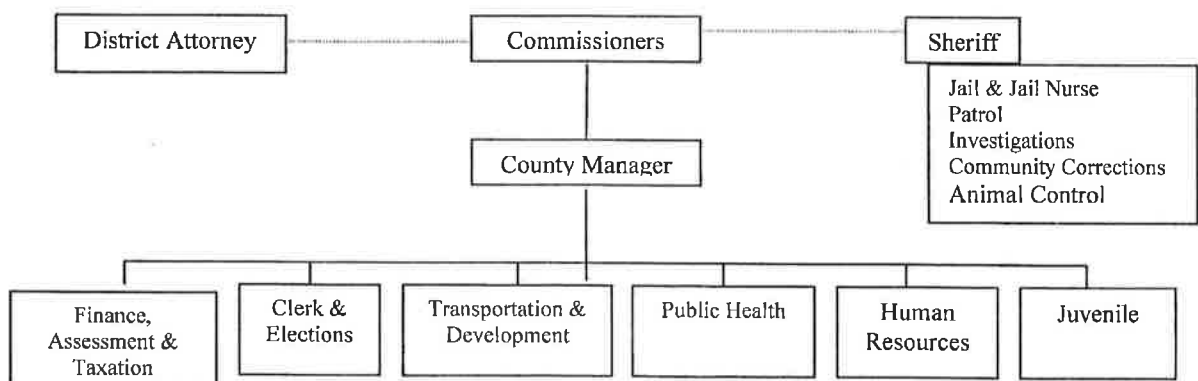
SUBJECT: County Organization

The organizational charts provided in the budget reflect the proposed 2011-12 County structure. There have been considerable changes just in the past two years through consolidation of management positions. Consolidations like the ones completed and proposed are difficult processes that require months of planning, great service from Human Resources, and considerable input from the top managers at the County. The consolidation effort was undertaken to conserve resources and increase efficiency while maximizing the responsibilities of the County's expert managers.

This was the County organization chart in 2009:



In the proposed 2011-12 budget the organization chart will be:



The County has reduced the number of Director level positions from 8 to 6. This has provided a significant cost savings and achieves greater efficiencies.



MEMORANDUM

Date: April 5, 2011

To: Lay Budget Committee Members

From: Nicole Williams, Assistant County Manager *NW*

Re: Board of County Commissioner Stipends

800 Exchange St., Suite 410
Astoria, Oregon 97103

Last year, the lay members of the Clatsop County Budget Committee requested staff research the Board of County Commissioners stipends and come back to the Committee this year with a recommendation. The Chair of the Board currently receives \$1,000 per month and the rest of the Commissioners receive \$800 per month.

Clatsop County is the one of two counties in the state that has similar Board structures. The other county, Hood River County currently pays Commissioners an amount of \$900 per month and the Chair receives \$1,139 per month. In accordance with the Home Rule Charter for Clatsop County, Section 7, Compensation and Commission Expenses states that:

County Manager's Office

Phone (503) 325-1000
Fax (503) 325-8325

County Commissioners shall serve without salary. As recognition for the service rendered by the county commissioners, each shall serve with a stipend to be set by the lay members of the Budget Committee. The County shall reimburse Board members for all actual and necessary expenses incurred on County businesses while outside the county.

The County Commission last received a change in their stipend amounts as part of the FY 2008-09 budget. Since that time, the inflationary increase amounts to 4.9%. This would set the set the stipend amounts to \$1,050 per month for the Chair and \$840 per month for the rest of the Board.

Considering that a large portion of the stipend is for mileage reimbursement and gas prices have increased dramatically in the past year, staff recommends increasing the Board of Commissioners stipends to at least the amounts with the inflationary increase.

If you have any questions or need additional information for the hearing, please contact our office.



April 11, 2011

TO: Budget Committee

FROM: Duane Cole, County Manager 

SUBJECT: District Attorney's Department Head's pay

800 Exchange St., Suite 410
Astoria, Oregon 97103

The District Attorney's stipend has a long history and I have been provided different perspectives on it since arriving here two years ago. These perspectives are as follows:

- The stipend is provided to compensate the DA for County, not State, services provided by the DA's Office.
- The DA's Office provides County services or does not provide County services.
- The stipend is provided as recognition of the individual who hold the office and the important work done by this person.
- The stipend is necessary because the State does not adequately compensate the DA.
- The stipend is not necessary since the DA is a State employee and the State should pay all of the costs for this State position.
- The stipend should not be paid because of concerns regarding statements, decisions or issues raised by this individual.

County Manager's Office

My analysis of this issue is that the County has an interest in seeing that the DA is adequately compensated for the following reasons:

Phone (503) 325-1000
Fax (503) 325-8325

First, the DA salary as a County Department Head should reflect the appropriate separation between the position and the next highest compensated employee in the DA's Office. There are two reasons:

- The salary should reflect a fair compensation amount for a County Department Head;
- The salary should be sufficient to encourage competition for the position.

Second, the DA stipend as part of the State paid salary has a long and recently troubled history. The stipend was granted, then withdrawn, then a discussion, an election and then it was restored. All of this process was over a relatively small amount of actual money in the County's budget. Putting these issues to rest with a specific policy appears to me to be wise.

Third, the County employees in the DA's Department negotiate their compensation through their union with the County. The County has the responsibility to adequately compensate the DA's staff so that the County has qualified staff. The State does not control these costs and to some degree the County is driving what the DA should be compensated.

My recommendation is the County establishes at least a 10% span of separation between the Chief Deputy DA and the DA's pay amount. The DA's stipend would equal what is required to maintain this amount.

Salary or Stipend Setting Procedure

There has been some confusion regarding how the Commissioners', DA and Sheriff's stipends and salary are set. This is the short version:

Commissioners' stipend: The Commissioner's stipend is established by a provision in the County Home Rule Charter. Section 7 states: "County commissioners shall serve without salary. As recognition for the service rendered by the county commissioners, each shall serve with a stipend to be set by the lay members of the Budget Committee. The county shall reimburse Board members for all actual and necessary expenses incurred on County business while outside the county." (emphasis only here)

The Board appointed Compensation Board comprised of the lay Budget Committee membership sets the Commissioners' stipend.

Sheriff's salary: The Charter states in Section 4 (F): "The manner of election and term of office shall be as provided in ORS Chapters 249 and 204 and any later amendments thereto." ORS 204 provides for the Board appointment of a Compensation Board. In the past this has been the lay Budget Committee membership, although County records indicates this has not been a formal appointment process. The Board has formally appointed the lay Budget Committee members as the County Compensation Board this year.

The Board appointed Compensation Board comprised of the lay Budget Committee membership recommends the Sheriff's salary to the Board.

District Attorney stipend: County Counsel issued a legal opinion on March 16, 2011 that I have attached to this memorandum. It states in summary "the District Attorney's stipend is set by the County Commission, but in the past it has solicited and accepted the recommendation of the lay members of the Budget Committee".

The Board of County Commissioners sets the District Attorney's stipend.

Clatsop County
District Attorney Salary and Stipend

	Population	Number of Staff	County Budget	Annual Salary	County Supplement	Total Salary
Baker	16082	6	\$ 370,058	\$ 88,356.00	\$ -	\$ 88,356.00
Benton	82605	17.25	\$ 1,735,800	\$ 88,356.00	\$ 22,824.00	\$ 111,180.00
Blackamas	386143	80	\$ -	\$ 104,832.00	\$ 36,342.96	\$ 141,174.96
Clatsop	37243	18	\$ 1,300,000	\$ 88,356.00	\$ 13,500.00	\$ 101,856.00
Columbia	49592	11	\$ 950,385	\$ 88,356.00	\$ 15,000.00	\$ 103,356.00
Coos	62795	9	\$ 750,731	\$ 88,356.00	\$ 12,000.00	\$ 100,356.00
Crook	22566	11	\$ 776,800	\$ 88,356.00	\$ 18,574.00	\$ 106,930.00
Curry	21148	4	\$ 297,182	\$ 88,356.00	\$ -	\$ 88,356.00
Deschutes	158629	44	\$ 4,877,127	\$ 104,832.00	\$ 30,162.00	\$ 134,994.00
Douglas	103205	23	\$ 1,472,753	\$ 104,832.00	\$ 23,733.00	\$ 128,565.00
Gilliam	1645	2	\$ 133,346	\$ 88,356.00	\$ -	\$ 88,356.00
Grant	6795	5	\$ 130,461	\$ 88,356.00	\$ 18,780.00	\$ 107,136.00
Harney	6756	2.5	\$ 242,716	\$ 88,356.00	\$ -	\$ 88,356.00
Hood River	21883	4.8	\$ 234,121	\$ 88,356.00	\$ -	\$ 88,356.00
Jackson	201286	45	\$ 3,585,269	\$ 104,832.00	\$ 38,952.00	\$ 143,784.00
Jefferson	19959	10.88	\$ 537,184	\$ 88,356.00	\$ 13,373.00	\$ 101,729.00
Josephine	81026	21.5	\$ 1,458,700	\$ 88,356.00	\$ 21,159.00	\$ 109,515.00
Klamath	66247	27	\$ 1,363,983	\$ 88,356.00	\$ 19,000.00	\$ 107,356.00
Lake	7089	2.5	\$ -	\$ 88,356.00	\$ -	\$ 88,356.00
Lane	351109	76	\$ 7,475,031	\$ 104,832.00	\$ 33,000.00	\$ 137,832.00
Lincoln	46293	16	\$ 1,483,055	\$ 88,356.00	\$ 13,512.00	\$ 101,868.00
Linn	116584	27	\$ 2,968,509	\$ 104,832.00	\$ 18,906.00	\$ 123,738.00
Malheur	30745	15	\$ 698,117	\$ 88,356.00	\$ 8,000.00	\$ 96,356.00
Marion	317981	84.6	\$ 7,143,348	\$ 104,832.00	\$ 25,646.00	\$ 130,478.00
Morrow	11533	4	\$ 220,874	\$ 88,356.00	\$ -	\$ 88,356.00
Multnomah	726855	221	\$ 25,653,361	\$ 104,832.00	\$ 50,348.00	\$ 155,180.00
Polk	78122	15	\$ 1,172,357	\$ 88,356.00	\$ -	\$ 88,356.00
Sherman	1711	1	\$ 95,945	\$ 88,356.00	\$ -	\$ 88,356.00
Tillamook	24889	9.5	\$ 777,790	\$ 88,356.00	\$ 14,400.00	\$ 102,756.00
Umatilla	73347	22	\$ 1,360,882	\$ 88,356.00	\$ 14,988.00	\$ 103,344.00
Union	25038	9	\$ 425,695	\$ 88,356.00	\$ 10,000.00	\$ 98,356.00
Wallowa	6889	2	\$ 135,764	\$ 88,356.00	\$ -	\$ 88,356.00
Wasco	24149	4.8	\$ 496,046	\$ 88,356.00	\$ -	\$ 88,356.00
Washington	537318	101	\$ 11,088,767	\$ 104,832.00	\$ 30,252.00	\$ 135,084.00
Wheeler	1363	1	\$ 38,870	\$ 88,356.00	\$ -	\$ 88,356.00
Yamhill	99037	25	\$ 1,952,543	\$ 88,356.00	\$ 19,554.00	\$ 107,910.00
Average	159,402.38	40.76	\$ 3,475,148.75	\$ 138,712.50	\$ 21,750.25	\$ 106,975.17
Proposed Chief Deputy Salary						
10% greater than highest comp in Dept.						
			\$ 13,500.00	\$ 7,700.00	\$ 21,200.00	\$ 109,556.00
					\$ 96,900.00	\$ 88,356.00



CLATSOP COUNTY

COUNTY COUNSEL

To: Members of the Budget Committee
Joshua Marquis, District Attorney

From: Heather Reynolds, County Counsel

Date: May 6, 2004

Re: Supplemental Compensation for District Attorney

I understand the District Attorney has asked the lay members of the budget committee to determine the District Attorney's additional compensation, and the Budget Committee seeks clarification of its responsibilities. The lay members of the Budget Committee may be asked for their recommendation if the Board of Commissioners wishes to seek it, but the decision is ultimately up to the Board. Historically, the district attorneys of the various judicial districts appeared in court on behalf of both the counties and state on all legal matters, including divorces. *See discussion in 37 Or Op Atty Gen 1002 (1976).* District Attorneys were paid in part on a contingency basis for the cases they prosecuted. For example, *Section 1073, Hills Annot. Laws 1892* provided for payment of District Attorneys as follows: "In a criminal action when the punishment is death or imprisonment for life, if the defendant is convicted, twenty-five dollars, or if acquitted, one half thereof". This contingency pay was a source of litigation. *See, e.g., Howard v. Clatsop County, 41 Or 149, 68 P 425 (1902).* In 1899 the legislature repealed the contingency fees and instead declared that: "The district attorneys of the several judicial Districts of this state.... shall be entitled to receive from the State Treasury...the following salaries..." *37 Op Atty Gen 1002, supra, citing House Bill 263 of the 1899 legislature.*

District Attorneys were subsequently permitted to receive payment from county governing bodies for the supplemental work they performed for counties. The statute pertaining to county payment for supplemental work was last amended in 1955. It reads:

"8.830 Additional compensation from county for district attorney and deputies paid by state. Whenever, in the judgment of any county court or board of county commissioners, the salaries paid by the state to the district attorney or to any deputy district attorney, are not commensurate with the character of the service performed, the county court or board of county commissioners may pay out of the funds of the county such additional amounts as will properly compensate said officers for the service performed."

ORS 8.760 provides that the county court may also empower the district attorney to appoint one or more deputy district attorneys whose compensation shall be fixed by the county court. (There is no longer any statutory provision for state payment of deputy district attorneys). The

county is also required to provide offices, supplies and stenographic assistance for district attorneys and deputies. ORS 8.850.

A district attorney is charged with acting as public prosecutor and prosecuting state crimes; prosecuting violations of charter and ordinance where the circuit court has jurisdiction; instituting proceedings before the grand jury; enforcing support judgments; collecting forfeitures; assisting the juvenile court; and advising and representing county officers and employees. ORS 8.650-8.690. Some of the tasks involve the practice of civil law on behalf of a county. ORS 203.145, (formerly ORS 203.121, enacted in 1965) permits a county governing body could hire it's own legal counsel to perform some of these duties. There remains some civil work that is by statute, or may be by choice of the governing body, the purview of the district attorney.

ORS 204.112 (which is of comparative value only, as Clatsop County is a home rule county), provides that in general law counties, the compensation of the sheriff, clerk, assessor, treasurer, surveyor and county commissioners shall be recommended to the county governing body by a 'county compensation board'. The compensation board is appointed by the county governing body, and any change in the compensation of an elective county officer requires approval of the county budget committee. ORS 204.126. A district attorney is not an elective county officer. Article VI, Section 6, Constitution of Oregon. The Clatsop County Board of Commissioners chose to follow a process similar to ORS 204.112 in asking the lay members of the budget committee to recommend a salary for the sheriff. It chose that group since it is already charged by charter with determining the stipends of the commissioners, and the sheriff is the only other elected county official. The Board established this process by Resolution and Order in May of 2002.

In setting the district attorney's extra compensation, the Board is reviewing matters as it would with it's own counsel, to determine what salary would be commensurate with the service performed for the county, and to determine what the Board's priorities are as far as services the district attorney is being paid by the county to perform. Since originally, a district attorney, in addition to prosecuting crimes, performed all a county's civil legal work (in some rural counties the district attorney still does everything), the payment to the district attorney for county work is conceptually similar to that paid a counsel who is a county employee. An elected county official, on the other hand, has a job description established by statute and answers to the voters as to whether it is done correctly, just as a district attorney does for that portion of his or her salary paid by the state. The independence of elected county officials is the policy reason for having their salaries independently recommended.

Thus, a district attorney is not an elected county official for purposes of determining supplemental salary. There is no legal reason for the Board to refer the supplemental salary determination of the district attorney to the lay members of the budget committee, but it certainly may seek their recommendation if it wishes to. However, it is ultimately a county governing body's decision as to what services it desires or needs from the district attorney, the

Memorandum Regarding Supplemental Compensation for District Attorney
May 6, 2004
Page 2

priority of those services, and the compensation it is willing to pay for those services.



CLATSOP COUNTY

COUNTY COUNSEL

LEGAL MEMORANDUM

TO: Scott Derickson
FROM: Heather Reynolds
DATE: June 30, 2006
RE: DA Cost of Living Adjustment

You have asked whether the DA should receive the cost-of-living adjustment authorized for non-represented county employees. The Board did not specifically address the issue.

The DA receives a stipend from the county in addition to his state salary. He is not a county employee. In the agenda item for the cost of living adjustment for non-represented employees and District Attorney stipend staff recommended as follows: "I recommend your Board adopt the attached Resolution and Order implementing a 4.2% cost of living adjustment, effective July 1, 2006, for our non-represented employees and the District Attorney's monthly supplement."

The Resolution and Order addresses only revision to the county employee's compensation plan, it does not include the District Attorney because he is not a county employee.

The motion approved by the Board was as follows: "I will move that we adopt the R&O implementing the recommended cost of living as it appears on page 235 of the packet." The R&O that addresses only county employees is on page 235 of the packet. The recommendation of staff for a cost of living increase for the DA is on page 234.

At this point in time, the order of the Board is to pay a cost-of-living adjustment for the non-represented employees. If the Board intends that the District Attorney also receive an adjustment, the Board should adopt an Order (by motion or resolution) so stating.



April 11, 2011

TO: Budget Committee

THRU: Duane Cole, County Manager

FROM: Dean Perez, Human Resources Director

SUBJECT: Sheriff's Compensation as County Department Head

800 Exchange St., Suite 410
Astoria, Oregon 97103

The Sheriff's salary is proposed to increase in this budget to reflect the additional duties required by assuming responsibility for Community Corrections and to reflect separation between the Chief Deputy Sheriff and the Sheriff. The reasons for my proposal are as follows:

First, the Sheriff's salary as a County Department Head should reflect the appropriate separation between the position and the next highest compensated employee in the Sheriff's Office. There are two reasons:

- The salary should reflect a fair compensation amount for a County Department Head;
- The salary should be sufficient to encourage competition for the position.

County Manager's Office

Second, the County has a long history regarding the salary since the Sheriff was an elected Department Head, then was an appointed Department Head for a few years, then became elected as the position is today.

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Third, the County employees in the Sheriff's Office negotiate their compensation through their union with the County. The County has the responsibility to adequately compensate the Sheriff's staff so that the County has qualified staff. The State does not control these costs and to some degree the County is driving what the Sheriff should be compensated.

My recommendation is the County establishes at least a 10% span of separation between the Chief Deputy Sheriff and the elected department head's pay amount. The Sheriff's salary shall equal what is required to maintain this amount.

Attachments

Salary or Stipend Setting Procedure

There has been some confusion regarding how the Commissioners', DA and Sheriff's stipends and salary are set. This is the short version:

Commissioners' stipend: The Commissioner's stipend is established by a provision in the County Home Rule Charter. Section 7 states: "County commissioners shall serve without salary. As recognition for the service rendered by the county commissioners, each shall serve with a stipend to be set by the lay members of the Budget Committee. The county shall reimburse Board members for all actual and necessary expenses incurred on County business while outside the county." (Emphasis only here)

The Board appointed Compensation Board comprised of the lay Budget Committee membership sets the Commissioners' stipend.

Sheriff's salary: The Charter states in Section 4 (F): "The manner of election and term of office shall be as provided in ORS Chapters 249 and 204 and any later amendments thereto." ORS 204 provides for the Board appointment of a Compensation Board. In the past this has been the lay Budget Committee membership, although County records indicates this has not been a formal appointment process. The Board has formally appointed the lay Budget Committee members as the County Compensation Board this year.

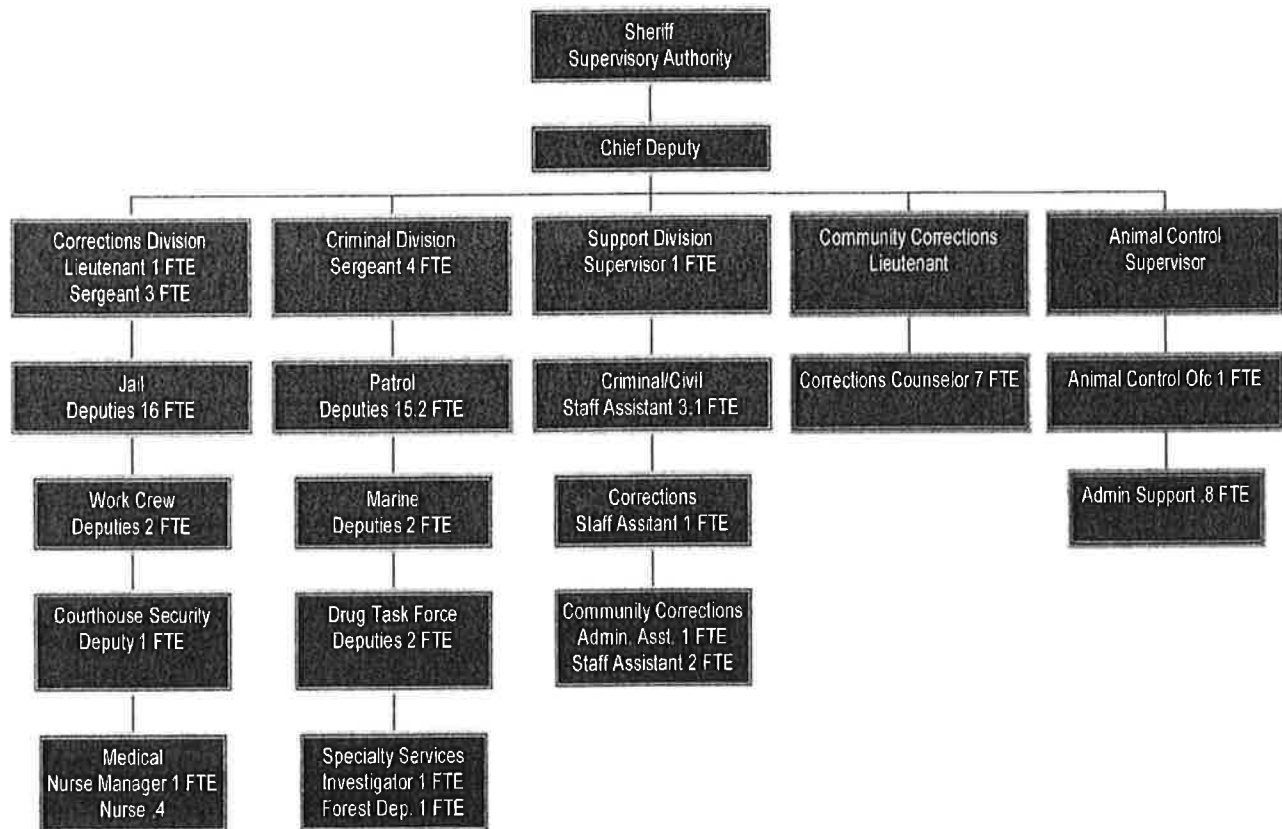
The Board appointed Compensation Board comprised of the lay Budget Committee membership recommends the Sheriff's salary to the Board.

District Attorney stipend: County Counsel issued a legal opinion on March 16, 2011 that I have attached to this memorandum. It states in summary "the District Attorney's stipend is set by the County Commission, but in the past it has solicited and accepted the recommendation of the lay members of the Budget Committee".

The Board of County Commissioners sets the District Attorney's stipend.

Sheriff's Office Proposed Organizational Chart

Sheriff's Office Organizational Chart



**Clatsop County
Sheriff's Salary**

	Population 2010	Number of Staff	2010 Sheriff Budget	Sheriff's Salary 2010
Baker	16455	26	\$ 2,680,951	\$ 68,604.00
Benton	87000	75.5	\$ 12,580,694	\$ 96,096.00
Clackamas	386143	551	\$ 84,471,781	\$ 126,664.00
Clatsop	37243	55	\$ 6,570,700	\$ 97,947.00
Columbia	49800	48	\$ 6,099,563	\$ 83,028.00
Coos	62795			
Crook	26845	39	\$ 4,438,048	\$ 80,102.00
Curry	21148	41	\$ 3,960,401	\$ 69,264.00
Deschutes	158629	219.75		\$ 122,086.64
Douglas	103205	131.5		\$ 89,606.00
Gilliam	1885	9	\$ 860,000	\$ 61,000.00
Grant	6795	15		\$ 62,724.00
Harney	6756	18		\$ 69,084.00
Hood River	21883	33		\$ 78,500.00
Jackson	201286	183		\$ 115,066.00
Jefferson	21000	43	\$ 6,093,860	\$ 81,954.00
Josephine	82965	98.9	\$ 11,531,600	\$ 78,436.85
Klamath	66247	77		\$ 81,240.50
Lake	7089	20		\$ 58,405.00
Lane	351109			
Lincoln	44620	91	\$ 10,440,618	\$ 93,612.00
Linn	116584	180	\$ 22,948,546	\$ 103,382.00
Malheur	33000	57.5	\$ 6,681,411	\$ 79,553.00
Marion	314865	344	\$ 50,898,634	\$ 114,046.00
Morrow	12335	27	\$ 2,736,875	\$ 69,904.00
Multnomah	730140	759	\$ 117,357,530	\$ 137,263.00
Polk	78122	65		\$ 80,508.00
Sherman	1711	6		\$ 74,760.00
Tillamook	26170	52.5	\$ 6,668,257	\$ 89,244.00
Umatilla	73638	71	\$ 8,148,811	\$ 82,740.00
Union	25038	23.5	\$ 2,891,708	\$ 65,244.00
Wallowa	6889	14		\$ 55,079.00
Wasco	25238	38	\$ 1,959,641	\$ 71,320.00
Washington	545000	509.5	\$ 70,823,135	\$ 135,084.00
Wheeler	1500	3	\$ 270,306	\$ 47,500.00
Yamhill	98037	83.75	\$ 14,800,980	\$ 82,272.00
Average	106,949.03	117.86	\$ 19,822,367.39	\$ 85,303.79
Chief Deputy Salary			\$ 87,817.87	
12% greater than highest comp in Dept.			\$ 98,356.01	
				12%

**Clatsop County
District Attorney Salary and Stipend**

	Population	Number of Staff	DA Budget	Annual Salary	County Supplement	Total Salary
Baker	16082	6	\$ 370,058	\$ 88,356.00	\$ -	\$ 88,356.00
Benton	82605	17	\$ 1,735,800	\$ 88,356.00	\$ 22,824.00	\$ 111,180.00
Clackamas	386143	80	\$ -	\$ 104,832.00	\$ 35,342.96	\$ 141,174.96
Clatsop	37243	18	\$ 1,300,000	\$ 88,356.00	\$ 13,800.00	\$ 102,156.00
Columbia	49592	11	\$ 950,385	\$ 88,356.00	\$ 15,000.00	\$ 103,356.00
Coos	62795	9	\$ 750,731	\$ 88,356.00	\$ 12,000.00	\$ 100,356.00
Crook	22566	11	\$ 776,800	\$ 88,356.00	\$ 18,574.00	\$ 106,930.00
Curry	21148	4	\$ 297,182	\$ 88,356.00	\$ -	\$ 88,356.00
Deschutes	158629	44	\$ 4,877,127	\$ 104,832.00	\$ 30,162.00	\$ 134,994.00
Douglas	103205	23	\$ 1,472,753	\$ 104,832.00	\$ 23,733.00	\$ 128,565.00
Gilliam	1645	2	\$ 133,346	\$ 88,356.00	\$ -	\$ 88,356.00
Grant	6795	5	\$ 130,461	\$ 88,356.00	\$ -	\$ 88,356.00
Harney	6756	2.5	\$ 242,716	\$ 88,356.00	\$ 18,780.00	\$ 107,136.00
Hood River	21883	4.8	\$ 234,121	\$ 88,356.00	\$ -	\$ 88,356.00
Jackson	201286	45	\$ 3,585,269	\$ 104,832.00	\$ 38,952.00	\$ 143,784.00
Jefferson	19959	10.66	\$ 537,184	\$ 88,356.00	\$ 13,373.00	\$ 101,729.00
Josephine	81026	21.5	\$ 1,458,700	\$ 88,356.00	\$ 21,159.00	\$ 109,515.00
Klamath	66247	27	\$ 1,363,983	\$ 88,356.00	\$ 19,000.00	\$ 107,356.00
Lake	7089	2.5	\$ -	\$ 88,356.00	\$ -	\$ 88,356.00
Lane	351109	76	\$ 7,475,031	\$ 104,832.00	\$ 33,000.00	\$ 137,832.00
Lincoln	46293	16	\$ 1,483,055	\$ 88,356.00	\$ 13,512.00	\$ 101,868.00
Linn	116584	27	\$ 2,968,509	\$ 104,832.00	\$ 18,906.00	\$ 123,738.00
Malheur	30745	15	\$ 698,117	\$ 88,356.00	\$ 8,000.00	\$ 96,356.00
Marion	317981	84.6	\$ 7,143,348	\$ 104,832.00	\$ 25,646.00	\$ 130,478.00
Morrow	11533	4	\$ 220,874	\$ 88,356.00	\$ -	\$ 88,356.00
Multnomah	726855	221	\$ 25,653,361	\$ 104,832.00	\$ 50,348.00	\$ 155,180.00
Polk	78122	15	\$ 1,172,357	\$ 88,356.00	\$ -	\$ 88,356.00
Sherman	1711	1	\$ 95,945	\$ 88,356.00	\$ -	\$ 88,356.00
Tillamook	24889	9.5	\$ 777,790	\$ 88,356.00	\$ 14,400.00	\$ 102,756.00
Umatilla	73347	22	\$ 1,360,882	\$ 88,356.00	\$ 14,988.00	\$ 103,344.00
Union	25038	9	\$ 425,695	\$ 88,356.00	\$ 10,000.00	\$ 98,356.00
Wallowa	6889	2	\$ 135,764	\$ 88,356.00	\$ -	\$ 88,356.00
Wasco	24149	4.9	\$ 496,046	\$ 88,356.00	\$ -	\$ 88,356.00
Washington	537318	101	\$ 11,088,767	\$ 104,832.00	\$ 30,252.00	\$ 135,084.00
Wheeler	1363	1	\$ 38,870	\$ 88,356.00	\$ -	\$ 88,356.00
Yamhill	99037	25	\$ 1,952,543	\$ 88,356.00	\$ 19,554.00	\$ 107,910.00
Average	106,268.25	27.17	\$ 2,453,046.18	\$ 92,475.00	\$ 21,762.75	\$ 106,983.50
Chief Deputy Salary			\$ 13,800.00	\$ 6,000.00	\$ 19,800.00	\$ 108,156.00
12% greater than highest comp in Dept.						12%



April 11, 2011

TO: Budget Committee

FROM: Duane Cole, County Manager

A handwritten signature in black ink, appearing to read "Duane Cole".

SUBJECT: Planning Division Budget

The County Planning Division has the responsibility for two parts of the planning function – current planning and long-range or comprehensive planning. Current planning involves processing projects through the labyrinth of goals, codes and standards the County is mandated or chooses to use to regulate construction activity. The basics of this aspect of planning include informing project applicants that there are rules and regulations in place that require studies and evaluation. It requires a high skill level for carefully reading, interpreting, and knowing when compromise is possible in order to resolve issues. It also requires careful tracking of problems with the County's code so that when changes are proposed, the correct issues are addressed.

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Astoria, Oregon 97103

Long range or comprehensive planning involves looking past the current permit process into the future to establish policies that result in the community achieving the long-range vision. The basics of this aspect of planning includes the ability to carefully read and interpret current policy, and evaluate how the current policy will actually create the community's desired results in the future. It also involves community organization skills to organize useful community discussions of visionary concepts.

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Neither of these two skill areas suggests a capacity to manage people or work. This is important since some changes to the Planning Division reporting structure assumes hiring someone with excellent management as well as current and comprehensive planning skills. An individual with excellent technical skills may not possess excellent management skills. In addition, Oregon's Land Use Planning system is unique and while the basic concepts can be understood in a short time, real depth of knowledge requires years of study and experience. A challenge is to recruit individuals who are experienced with the Oregon system, are excellent current and long-range planners, and can manage a division of highly motivated and skilled technical people.

Any additions to the proposed budget would need to be funded by the General Fund.

Proposed budget: Community Development budget focuses existing staff on current permit processing with contractors working on long-range planning projects. The reduction in personnel was achieved through attrition and not lay-offs, and long-range planning is to be provided by subject matter experts contracting with the Department. The Division receives support each year from the County's share of the Oregon Lottery. Items like Ocean Planning, Estuary Planning, Pipeline regulation development, Countywide visioning and strategic planning, Westport community planning, and Clatsop Plains planning are proposed to be contracted out.

Options for the Future: The attached table identifies various scenarios considered by the staff as follows:

Scenario 1 – One Planner.

Additional Cost: \$ 67,500

This would provide an additional staff person to assist with current and long-range planning. It would be a starting level position.

Scenario 2 – One Senior Planner

Additional Cost: \$ 72,700

This would provide a more skilled planner to assist with current and long-range planning.

Scenario 3 – One Com. Dev. Supervisor

Additional Cost: \$ 73,900

This would provide a working manager for the Division to guide the work and provide management oversight. Current and long-range planning is a highly skilled service that requires teamwork in the form of peer review of decisions and staff reports.

Scenario 4 – Two Planners

Additional Cost: \$139,900

The addition of two planners would provide greater capacity to do more planning.

Scenario 5 – One Planner and One Sen. Planner

Additional Cost: \$140,300

The addition of one planner at the junior level and one Senior Planner would offer energy and experience in combination. By focusing skill levels on the mix of proposed planning projects this might be the best option.

Scenario 6 – One Planner & One Com. Dev. Super. Additional Cost: \$141,300

This scenario is similar to 5 except the County would be recruiting a person with supervision skills.

Reasons for Budget Recommendation: The following are the reasons for the budget proposal:

- Additions to the budget will need to be funded by the General Fund. These are difficult financial times and the County should continue to be conservative particularly with potential reductions in revenue as the State determines County funding levels. There may be a need to use General Fund money for what I consider to be higher priority services like the Juvenile Department.
- Development is very slow at this time and the Division as it is currently structured is keeping up with the work.
- The long-range planning challenges require specific expertise. I perceive these issues to be Ocean Planning, Estuary Planning, Transportation Planning, Urbanization Planning in the Clatsop Plains area, and Energy Planning. Consultant expertise may be better suited to developing these policies.
- The Board will consider a strategic plan in which the priorities will be set. This process will provide greater clarity and develop priorities. These priorities may be rolled into the budget during the 2011/12 fiscal year or at the start of the 2012/13 fiscal year.

FY11-12 Community Development Added Personnel Sample Scenarios

	Scenario 1 - One Planner	Scenario 2- One Senior Planner	Scenario 3 - One CD Supervisor	Scenario 4 - Two Planners	Scenario 5 - One Planner and One Senior Planner	Scenario 6 - One Planner and One CD Supervisor
Planner Cost Salary + Benefits	\$77,007.95			\$154,015.90	\$77,007.95	\$77,007.95
Senior Planner Cost Salary + Benefits		\$97,419.70			\$97,419.70	
CD Supervisor Cost Salary + Benefits			\$98,415.51			\$98,415.51
Travel/Training Cost per employee \$250	\$250.00	\$250.00	\$250.00	\$500.00	\$500.00	\$500.00
Membership Cost per employee \$100	\$100.00	\$100.00	\$100.00	\$200.00	\$200.00	\$200.00
Add'l Postage & Printing Costs per employee \$100	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00
Reduction of Contractual Services	(\$10,000.00)	(\$25,000.00)	(\$25,000.00)	(\$15,000.00)	(\$35,000.00)	(\$35,000.00)
Additional Cost**	\$67,457.95	\$72,869.70	\$73,865.51	\$139,815.90	\$140,227.65	\$141,223.46

Total Budget Appropriation, with additional costs (rounded to nearest \$100) Current FY11-12 Appropriations' Budget is \$448,600

\$516,100.00

\$521,500.00

\$522,500.00

\$588,400.00

\$588,800.00

\$589,800.00

**NOTE: Additional Cost would need to be funded with general fund dollars



April 11, 2011

TO: Budget Committee
FROM: Duane Cole, County Manager

SUBJECT: Contracting Public Services *Duane*

The benefit of contracting public services has been offered as the answer to providing services. Some cities in the greater Atlanta, Georgia area are complete contract cities except for the contract management officer all of the services are contracted. In recent years the Federal government has been required to contract services with the private sector and some cities and counties have implemented private sector forms of cost accounting so that the internal city or county services can compete for work against the private sector. Clatsop County performs a considerable amount of work through contractors.

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The budget includes about \$4.8 million in potential contracted projects and programs including about \$1.68 million in road construction and maintenance and \$1.4 million in a variety of General Fund services – legal to information technology to planning. These contractors offer the County efficiencies and expertise that would be too expensive for the County to retain full-time on staff. The question the staff is continuously considering is whether the current amount of contracting is enough or could services be provided with greater efficiency if more contracting opportunities were identified and implemented.

County Manager's Office

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Fax (503) 325-8325

There are a few components to contracting services that I use to consider internal or contracting the services.

- Does the service require specialized or expensive equipment not readily available in the County?
- Does the service require specialized expertise that is not readily available in the County?
- Is the service one time or does it require continuous attention over time?
- Is there reputable contractor interest in the service?
- What is the history of the County providing the service?
- Can the County contract the service for less cost than the internal cost?
- Will the price be sustainable over time or will critical capacity be lost thereby placing the County in a precarious position to provide the service?
- Can the County crews use the work to keep busy between maintenance activities?
- Does it make sense to go through the lengthy public contracting process to contract the work?

Public agencies that contract services are expected to protect the public's interest.

- Provide as concise as possible specific descriptions of the work to be accomplished sometimes by quantity. The specific outcomes and expectations

need to be quantified. Often the contractors need to be involved in specifically identifying these quantities.

- Make sure all public contracting opportunities are open to all who may be interested in providing the services. This often leads to a discussion of non-local contractors taking business away from those who reside in the County. There is no State law or authorization to favor local over non-local contractors. The process must be open and fair. This raises the issue I have heard expressed that if County employees do the work all of the wages are earned and spent in the County.
- Closely monitor contractors who work for the public sector and not because of a lack of trust, but because of the different motivations. For example, many agencies require a public monitor or inspector on construction projects to assure that the public is receiving what it paid for through the contract. The contractor may have shorted the bid and want to cut corners in order to receive greater profit.
- Report that the contractor follows the wage and hour laws on public works projects. These reports assure that the contractor is paying the correct wages.

Based on my review of the budget and the amount of contracting opportunities, I believe we are at about the right level of service. I would look forward to exploring additional opportunities to use contracts for County services.

Contractual Services

Budget 6

Page 1 of 2

Fund Number: 001

Date:

3/17/2011 9:47

Org Number: 1125	Employee Relations	Org. 1125 Total:	60,000
Org Number: 1150	Assessment & Taxation	Org. 1150 Total:	6,400
Org Number: 1300	County Counsel	Org. 1300 Total:	245,000
Org Number: 1350	Clerk - Admin. & Elections	Org. 1350 Total:	2,800
Org Number: 1625	Finance & Treasury	Org. 1625 Total:	41,600
Org Number: 1650	Information Systems	Org. 1650 Total:	170,000
Org Number: 1790	Building And Grounds	Org. 1790 Total:	101,200
Org Number: 1795	Parks Maintenance	Org. 1795 Total:	11,700
Org Number: 2200	Sheriff Criminal Division	Org. 2200 Total:	5,000
Org Number: 2300	Corrections	Org. 2300 Total:	355,000
Org Number: 2325	Jail Nurse	Org. 2325 Total:	24,000
Org Number: 2700	Community Development	Org. 2700 Total:	301,000
Org Number: 2750	Emergency Services	Org. 2750 Total:	6,000

Fund Number: 001	Fund 001 Total	1,329,700
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Org Number: 3120	Road Maint & Construction	Org. 3120 Total:	1,650,800
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Fund Number: 002	Fund 002 Total	1,650,800
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Org Number: 4110	HHS Community Health	Org. 4110 Total:	50,500
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Fund Number: 007	Fund 007 Total	50,500
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Org Number: 2175	Juvenile Detention Center	Org. 2175 Total:	70,000
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Fund Number: 018	Fund 018 Total	70,000
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Org Number: 2170	Juv Crime Prevention	Org. 2170 Total:	0
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Fund Number: 020	Fund 020 Total	0
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Org Number: 2385	Community Corrections new	Org. 2385 Total:	371,300
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Fund Number: 024	Fund 024 Total	371,300
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Org Number: 2245	Marine Patrol #2	Org. 2245 Total:	163,700
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Fund Number: 027	Fund 027 Total	163,700
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Org Number: 7145	Gambling/Drug Task Force2	Org. 7145 Total:	8,600
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Fund Number: 030	Fund 030 Total	8,600
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Contractual Services

Budget 6

Page 2 of 2

Fund Number: 039

Date:

3/17/2011 9:47

Org Number: 8500	Clatsop County Fisheries	Org. 8500 Total:	115,500
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Fund Number: 039		Fund 039 Total	115,500
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Org Number: 9300	Fair General Operation	Org. 9300 Total:	41,000
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Fund Number: 150		Fund 150 Total	41,000
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Org Number: 5705	Child Custody Mediation	Org. 5705 Total:	38,000
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Fund Number: 205		Fund 205 Total	38,000
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Org Number: 5805	Bike Paths	Org. 5805 Total:	129,000
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Fund Number: 225		Fund 225 Total	129,000
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Org Number: 5810	Law Library	Org. 5810 Total:	22,200
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Fund Number: 230		Fund 230 Total	22,200
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Org Number: 5815	Parks & Land Acq. Maint	Org. 5815 Total:	355,000
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Fund Number: 240		Fund 240 Total	355,000
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Org Number: 5820	Emergency Communication	Org. 5820 Total:	342,100
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Fund Number: 250		Fund 250 Total	342,100
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Org Number: 5845	Westport Sewer Service	Org. 5845 Total:	7,500
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Fund Number: 385		Fund 385 Total	7,500
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Org Number: 5846	Westport Sewer Equipment	Org. 5846 Total:	7,500
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Fund Number: 386		Fund 386 Total	7,500
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	Countywide Total:	4,702,400
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Clatsop County



To: Duane Cole, County Administrator

From: Ed Wegner, Transportation and Development Director
Ron Ash, P.E., P.L.S., County Engineer *R.A.*

Date: April 6, 2011

Re: Contracting County Road Maintenance Activities

1100 Olney Avenue
Astoria, Oregon 97103

Clatsop County is responsible to maintain 240 miles of roads that have been adopted by the Board of Commissioners to receive county maintenance. Using dedicated funds from the State of Oregon gas tax, the Oregon Department of Forestry and Road District 1, these roads need to be maintained to provide accessible, safe and efficient travel for the public. A crew of 21 road workers and foremen along with administrative support staff cover three districts and provide 24-hour immediate service dealing with winter storm damage, snow removal, road sanding and additionally, planned maintenance like ditch cleaning, roadside mowing and brush chopping, pothole patching, chip sealing and asphalt overlays.

Public Works
Department

Phone (503) 325-8631
Fax (503) 325-9312

Our county maintenance staff has been reduced from 28 workers to its present size over the last 10-years due to attrition and policy. In order to provide acceptable customer service with fewer personnel, many maintenance activities are now accomplished through contracting. In general terms, contracts for road maintenance and supplies are written when the county does not have the time, personnel, equipment or the expertise to perform the required maintenance operation. Over the last six years, \$8,874,000 has been spent contracting various road maintenance activities. Additionally, although we have two county rock pits, we choose to contract for our yearly aggregate supplies. This has provided an additional \$2,101,000 in contractual services over the last six years. There are however, two important reasons for continuing to use county crews for the existing maintenance activities and staying at our present workforce level; our summer chip sealing program and a work force readily available for immediate, 24-hour road maintenance service in emergencies.

Over the years, our north coast region has experienced many winter storms and flooding issues. The windstorm of December 2007 and the flooding of 1996 were just two of the events where our county road crews worked day and night to open roads that provide access and emergency services that the public expects and demands. Although all the equipment contractors in our area were put into service at the time of the emergency and for storm cleanup, additional contractors from the Metro area were needed since there are so few in our area.

Chip sealing is a maintenance tool that provides a surface treatment to older asphalt roads and also provides a durable, hard surface for many of our low volume local roads. We budget approximately \$1,200,000 per year for this maintenance activity. The excellent application of this surface treatment over the last ten years has helped increase the Pavement Condition Index (PCI) for our county roads from 70 to above 76 (out of a possible 100 for an excellent road system). We apply this maintenance treatment to 20 to 25 miles of county roads each summer. The process is very weather-dependant and needs a high level of expertise to provide a smooth, long lasting surface. In the past we have attempted to contract this treatment process but the paradigm of our coastal weather and the lack of any contractor in our immediate area to provide this service has made contracting our chip seal program impossible.

The following provides a list of the major maintenance activities our Department provides for county roads.

- **Shop:** Currently we contract about half of our repair work. This includes major rebuilds, component replacement, and tune-up and diagnostic work that involve computer troubleshooting. We have looked at contracting fleet lube and oil changes but found that it was cost prohibitive.
- **Vegetation Management:** The major components are: herbicide application, roadside mowing, brush chopping, and tree trimming. At present none of these items are contracted. The herbicide program is such a sensitive issue politically and statutorily, that I would not want to contract it out.
- **Drainage:** We currently contract a portion of this for our larger culvert installations which have been increasing in nature because of fish passage regulations.. This involves hiring an excavator with operator and trucking off our hire list. All ditch cleaning and small culvert installations we do ourselves. It would be possible to contract this out, but personnel would be needed for construction management.
- **Surface:** We contract all of the hot mix asphalt work that is needed on the county road system. As stated above, we do chip sealing ourselves. This works very well as we do not have the proper equipment for hot mix asphalt work and from years of experience we have the chip sealing down to a science. Because of the seasonal nature of the chip sealing process and the difficulty scheduling a Metro-area contractor when the weather is appropriate, this would not work well to contract.
- **Bridge Work:** We contract the majority of this work although we do some small repairs ourselves.
- **Road Rehabilitation and prep:** For the most part we contract all the major rebuilds. The general threshold is projects that are larger than \$150,000 get contracted, but projects smaller than this may get contracted because of time

constraints. We may do small projects with only county personnel and equipment, or with county workers and contracting all the equipment and trucking needs for the project. Again, the amount of contracting depends on the seasonal workload of the maintenance personnel. It would be possible to contract all of this work, but there would be a substantial loss of control and quality with these smaller projects.

- **Storm/Emergency Response:** Plowing, sanding, downed trees, flooding, and slides are all done in house. We have contracted out large slides and cleanup in the past such as after the flood of '96 and the storm of '07. There is a lot to this and it would be difficult to contract this out with the same attention to detail and to provide the immediate response to the public.
- **Signs:** There are sign shops in the area and this function could be contracted. However, some signs are required to be re-installed immediately once we are notified of being destroyed or vandalized.

From the maintenance activities listed above, there are activities that may lend themselves to being performed through contracts. Since we do not have numerous contractors in our area to perform the various activities, price competition, as it does with our existing contracts, will be lacking. Additionally, contracts will need to be more specifically written and personnel will need to be trained to perform as maintenance construction supervisors in order to keep the span of control needed when working in and around traffic. Private contracting of road maintenance activities has been used and tried for many years; there have been successes but there have also been failures.

