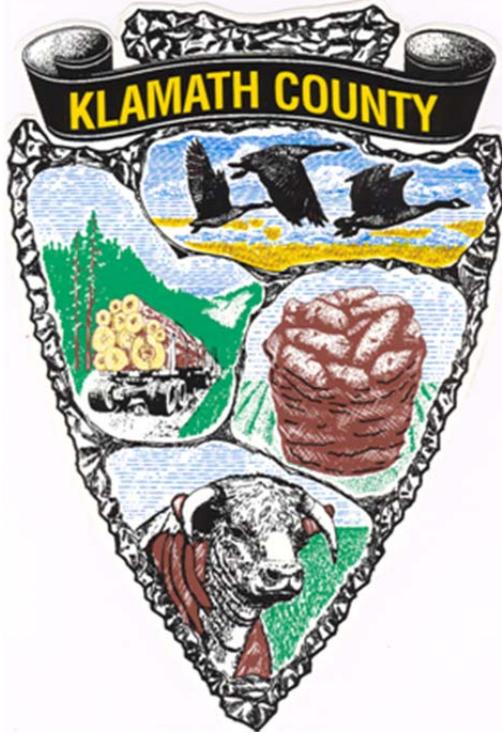


# Proposed Budget



2013-2014

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## Budget Committee Members

### Board of Commissioners

Dennis Linthicum  
Jim Bellet  
Tom Mallams

### Citizen Committee Members

Allan Craigmiles  
Kelley Minty Morris  
Del Fox

Budget Officer: Jason Link

KLAMATH COUNTY, OREGON  
305 MAIN STREET  
KLAMATH FALLS, OREGON 97601  
(541) 883-4202

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# Klamath County, Oregon

## 2013-2014 Budget Presentation

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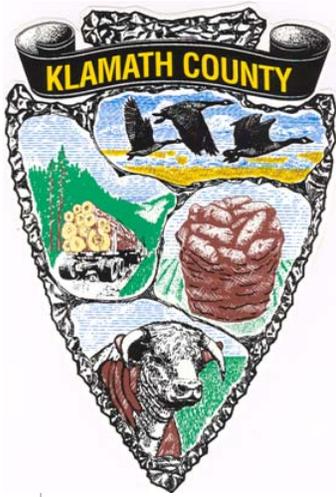
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## Klamath County Board of Commissioners

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

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

# Mission, Values and Vision Statement

Klamath County, Oregon

2013-14 Proposed Budget

## Mission

Serving our Citizens through Stewardship

## Values

### Service

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

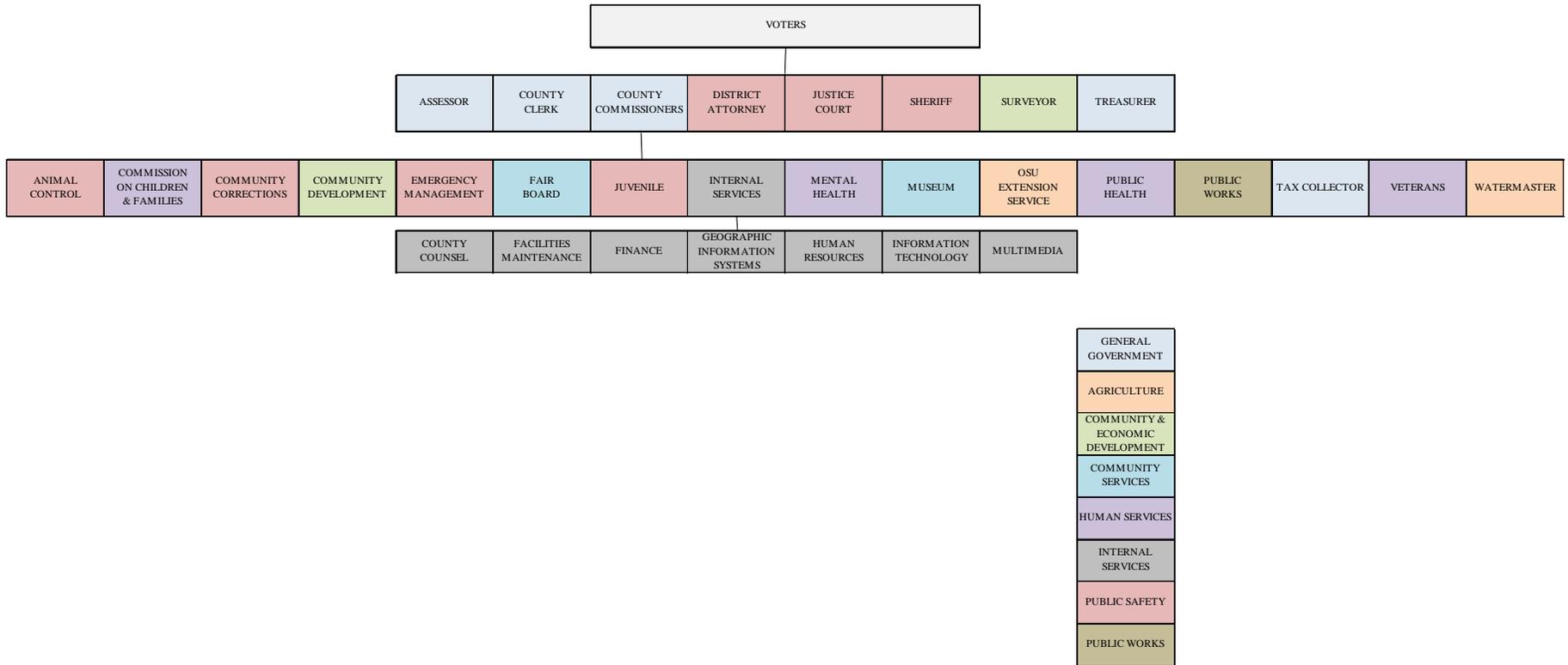
### Stewardship

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

## Vision

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

# Klamath County, Oregon 2013-2014 Budget Presentation Organizational Chart



Klamath County, Oregon  
2013-2014 Budget Presentation  
List of Elected Officials

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

Klamath County, Oregon  
 2013-2014 Budget Presentation  
 List of Appointed Officials

Position	Name
Agricultural Experiment Station (State Appointed)	William Riggs
Animal Control	Mike Horton
Budget & Finance	Jason Link
Cooperative Extension (State Appointed)	William Riggs
Community Corrections	Kiki Parker-Rose
Commission on Children & Families	Kim Estes
Community Development	Stephanie Brown
County Counsel	Dave Groff
Emergency Management	George Buckingham
Fair Manager	Jerry Golden
Human Resources	Daneen Dail
Juvenile	Dan Golden
Maintenance	Thomas Banks
Information Technology	Randall Paul
Behavior Health and Wellness	Amanda Bunger
Museum	Todd Kepple
Public Health	Marilynn Sutherland
Public Works	Stan Strickland
Tax Collector	Linda Seater
Watermaster (State Appointed)	Scott White
Veteran's Services	Kathy Pierce

Klamath County, Oregon  
2013-2014 Budget Presentation  
List of Boards, Committees and Commissions

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

# Klamath County, Oregon 2013-2014 Budget Presentation Budget Calendar

Prepare Budget Documents	January through April 5, 2013
Publish First Notice of Budget Committee Meeting (5 to 30 days before meeting)	March 12, 2013
Post Notice of Budget Committee Meeting on website	March 12, 2013
Budget Committee Meetings	April 8, 2013 through April 12, 2013
Submit CAFFA Grant to State of Oregon	May 1, 2013
Prepare Budget Summary	May 2, 2013 through June 14, 2013
Publish Budget Summary and Notice of Budget Hearing (5 to 30 days before hearing)	June 4, 2013
Public Hearing by Board of Commissioners	June 18, 2013
Board of Commissioners Adopts Budget, Makes Appropriations, Imposes Taxes, and Categorizes Taxes	June 18, 2013
Certify Taxes to County Assessor	July 15, 2013



KLAMATH COUNTY

*Home of Crater Lake*

OREGON

FINANCE & BUDGET OFFICE

April 8, 2013

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

We find ourselves in a precarious position, along with others, waiting to see what will happen with the economy and federal legislation to either reauthorize or fund Secure Rural Schools (SRS) and Payment in Lieu of Taxes (PILT), respectively. In the General Fund, the Board of Commissioners have proposed a budget that matches current anticipated revenues with expenses. This proposed budget excludes funding provided under SRS and PILT. It is imperative that we build and maintain a reserve in the General Fund.

The proposed budget for fiscal year 2013-2014 continues on the principles adopted in fiscal year 2012-2013.

The Consumer Price Index (CPI-W) has risen 3.70% over the prior year. The budget includes no cost of living increases for Elected Officials and county employees, except for one union that is in the middle of their contract. Health insurance medical contribution has increased \$600 per year for employees in one union and the unrepresented employees. There are also increases budgeted to accommodate merit step increases for those who have not hit the top of their pay range. The County is currently in negotiations with most of its unions, but given the current economy we expect a fairly small financial impact and little effect on levels of service. Fiscal year 2013-2014 is the first half of the State's biennium budget so those portions of the County budget most affected by the State budget could see significant changes.

Klamath County has two pension plans covering substantially all employees. Sheriff's department employees and certain employees of the Community Corrections department are participants in the State of Oregon Public Employees Retirement System (PERS). All other Elected Officials and county employees are participants in the Pension Plan for Employees of Klamath County (Pension Plan).

PERS is experiencing high unfunded actuarial liabilities. Due to the nature of Klamath County's participation in PERS our mandatory contribution rates for the 2013-14 fiscal year have decreased to 8.79% from 10.98% in the current fiscal year.

The County Pension Plan is also experiencing high unfunded actuarial liabilities. The recommended contribution rate from the actuary for the 2013-2014 fiscal year is 16.01% an increase of 2.39% from the prior report. The contribution rate being made by the County has been increased by 5.00% to 16.00% for 2013-2014. Unless underlying investments significantly outperform actuarial rates or changes are made to the plan, the County's unfunded actuarial liability will continue to grow.

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

The county, cities, and tax districts are facing a serious financial crisis not seen in many years as a result of shrinking revenues, high gas and energy prices. The State is considering legislation that is affecting the resources that come to counties to provide the services that the State and Federal Government mandates. The lack of recovery in the local economy is continuing to effect individuals and families including taxing districts. The Federal Government passed significant changes in health care, which will affect the County's budget in this fiscal year and in years to come.

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

This proposed budget was prepared with the concept of sustainability in mind. If federal legislation for SRS and PILT are not reauthorized or funded and the economy continues to underperform, service levels provided by most departments will be impacted.

The Board of Commissioners elected to keep what reserve funds are in the General Fund and not spend them and to use \$1 million of Road Fund reserves for Sheriff Patrol. These factors combined with the reduction in SRS and PILT resulted in a reduction to the General Fund of \$2.2 million. The Board of Commissioners chose to allocate that reduction into the Sheriff, District Attorney, Juvenile, OSU Extension and Experiment Station departments within the General Fund. In general terms each of these departments absorbed a 20% reduction in funding.

The next fiscal reduction that needs to be considered is the expiration of state legislation allowing the use of Road Fund reserves for Sheriff Patrol. In the proposed budget this is \$1 million. The Budget Committee and the Board of Commissioners need to plan strategically for how the County will operate on a sustainable basis without the use of those funds.

The General Fund does not have sufficient reserves to weather the expiration of the state legislation for use of Road Funds and federal legislation of SRS and PILT. I feel compelled to bring this to the Budget Committee's attention because there are those who look at the anticipated reserves and feel they should be used to expand

services at this time, by providing funding for non-mandated services and other governmental or non-profit organizations, and for a multitude of other possibilities. This is not the time to use reserve funds to increase operating expenditures.

Sufficient funds are currently budgeted to provide appropriate cash flow for the following year. The reserve in the General Fund is sufficient to provide operating cash until property taxes are received in November and for other contingencies within the General Fund. The Budget Committee is expected to deliberate and make decisions to ensure that appropriate resources are available to begin the following fiscal year.

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

The Budget Committee has the opportunity to make any revisions on how the county will utilize resources to provide programs to the residents of Klamath County as demographics vary and change. All funds are required to be balanced per ORS 294.331. A balanced budget means that revenues and expenditures match. All funds including those with debt service are balanced in accordance with Oregon municipal debt law.

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

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

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

### **Revenue and Expense Overview**

The General Fund revenues and expenditures are proposed at \$23,668,866, including transfer payments (counted twice). Proposed countywide revenues and expenditures are proposed at \$188,234,720, including transfer payments (counted twice), compared to 2012-13 countywide budget of \$212,308,123 and general fund budget of \$26,843,080. The majority of the revenue is cash carryover from the 2012-13 fiscal year dedicated dollars earmarked for roads generated from federal forest receipts and gas taxes. The actual revenue and expenditures, excluding transfers, were as follows:

<u>Year</u>	<u>Revenues</u>	<u>Expenditures</u>
2011-12	\$196,912,791	\$61,512,347
2010-11	\$187,370,955	\$64,644,527
2009-10	\$198,638,933	\$99,091,364
2008-09	\$214,294,774	\$75,045,385
2007-08	\$205,788,776	\$75,483,184
2006-07	\$208,871,992	\$80,408,776
2005-06	\$194,716,854	\$70,480,204
2004-05	\$182,634,357	\$63,921,174
2003-04	\$172,904,000	\$66,478,386
2002-03	\$167,536,840	\$61,219,640

This year's staffing includes merit steps per contract agreements. The Board of Commissioners has requested that the budget be prepared with no cost of living and medical contribution increases other than those previously negotiated. The insurance cap for most employees is increasing to \$775 per month. The County Compensation Board is required by state law to conduct an annual review of Elected Official's compensation each year. The Compensation Board will make a report to the Budget Committee on Monday, April 8th regarding the Elected Officials. A copy of their recommendations is included elsewhere in this document.

Klamath County's permanent tax rate is \$1.7326 per \$1,000 of assessed value. Measure 50 allows a three percent increase in assessed value on existing property, plus an increase for new improvements each year. Our estimated revenue will be \$8,079,000 or \$1.6936 per \$1,000 of assessed value for the general fund and \$186,000 or \$0.0390 per \$1,000 of assessed value for veterans' services. Tax estimates will be affected by the exemptions that the state legislators approve during the last session, plus any appeals approved by the State Tax Court.

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

### **Legislative Initiatives that Impact the Proposed Budget**

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

Oregon House Bill 4165 expands the oversight of Early Learning Council. Establishes Youth Development Council to oversee unified system that provides services to children and youth in manner that supports academic success and reduces criminal involvement. Continuously appropriates moneys in account to Early Learning Council for distribution to counties for purposes related to preventing or reducing child abuse. Abolishes Juvenile Crime Prevention Advisory Committee and transfers functions of committee to Youth Development Council. Abolishes State Commission on Children and Families and transfers functions of commission to Early Learning Council and

Youth Development Council. Abolishes local commissions on children and families. Abolishes Commission for Child Care and transfers functions to Early Learning Council. This is anticipated to have a significant impact on the Klamath County Commission on Children and Family's budget in 2013-2014. The Commission on Children and Family budget is a six month budget in contemplation of dissolving based on this legislation.

Oregon House Bill 4175 permits certain counties to use federal forest reserve moneys in county road funds for law enforcement purposes related to roads. The 2013-2014 budget before the Budget Committee contemplates the implementation of this law. The budget includes a \$1 million transfer from the Road Fund to the General Fund to fund patrol services.

On July 6, 2012, the Secure Rural Schools and Community Self-Determination Act of 2000 was reauthorized for federal fiscal year (FY) 2012 as part of Public Law 112-141. This law also reauthorized counties to receive their full PILT entitlement through federal fiscal year 2013. No legislation currently enacted either reauthorizes these payments or sets their funding level. Therefore, the the budget for 2013-2014 before the Budget Committee contemplates the payments for SRS to return to levels based on the actual sales of timber and no payments for PILT.

In order to trim the budget to a more balanced and sustainable level over the next few years, services will need to be reduced, eliminated, or an alternate funding source is needed to replace the declining funds from the federal government.

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

There are a number of factors affecting the proposed budget for 2013-2014. Some may continue beyond 2013-2014. However, they are presented here as factors with a direct impact on this recommended budget.

#### State Mandated Services

The County is mandated by Oregon Statute to provide certain services to the public. The current economic environment has impressed upon us an acknowledgement that we can no longer perform all the services we have in the past to the same level. This necessitates a policy level decision as to what services the County will provide and to what service level it will be provided. Each department was asked to prepare a budget request to the Budget Committee. In those budget requests these state mandated services were given a high level of visibility. As the Budget Committee reviews the proposed budget keep in mind what the state mandated services are and the funding level the Budget Committee approves to those mandates.

#### Contingency, Reserve for Future Expenditures & Unappropriated Fund Balance

At the direction of the Board of Commissioners, the 2013-2014 General Fund proposed budget includes approximately \$2.0 million in operating contingency and reserve for future expenditures. This means the County could spend all available resources in the 2013-2014 fiscal year with no carry forward to 2014-2015 fiscal year. Revenues in 2014-2015 are projected to decrease a further \$1 million with the expiration of Oregon House Bill 4175.

The purpose of an unappropriated ending fund balance is to provide the County with a cash or working capital balance with which to begin the fiscal year following the one for which this budget is being prepared (ORS 294.371 and OAR 150-294.371). The amount of an unappropriated ending fund balance, should be based on our cash requirements between July 1 of the fiscal year following the one for which we are budgeting, and the time sufficient revenues will become available from other sources to meet cash flow needs (generally November).

This would mean a reserve of five months of operating revenues or approximately \$1.9 million should be available to begin the following year. Otherwise, the General Fund will borrow from another fund to provide operating resources to the departments within the fund until such time as property taxes are received.

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

#### County Facilities

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

OSU Extension and Experimentation Station are anticipating consolidating all personnel and services to the Washburn Way location from the Vandenberg Road location. This will reduce their budget by the anticipated space rent charge of \$25,000.

Public Health is anticipating relocating to the space that is currently being occupied by the OSU Extension and Experiment Station on Vandenberg Road. This is anticipated to save the department \$40,000 in space rent, but will require a significant investment to remodel the space.

Once Public Health relocates from the Pine Street building, the County anticipates closing the Pine Street building as it is in need of extensive repairs.

Also there are many other county owned buildings that are requiring significant remediation costs that are not being planned for.

The County needs to develop a long-term reserve funding solution to maintain building infrastructure.

#### Property Taxes and Debt Limitations

The County is subject to a number of property tax and debt limitations imposed by Oregon Law. A complete schedule of these limitations is found in Appendix A. If inflation returns to a hyper inflationary percentage similar to that of the 1970s the current property tax system will fail to provide funding for even the basic operations of local government. Local governments need to work with the Oregon legislature to make sure that this situation is appropriately addressed.

#### Debt Service

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

## Fiscal Policies & Definitions

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

## Budget Format

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

## Fund Descriptions

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

## Wage Tables

The wage tables used in the preparation of the 2013-2014 can be found in Appendix F.

## **Significant Departmental and Fund Highlights and Issues**

We are in a time of low interest rates, which translates into a lower growth rate on our reserve funds. And those investment earnings that we have relied on in the past to supplement programs are not available this year. This has caused a further reduction in some programs that relied upon those earnings to supplement operating revenues.

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

The General Fund was anticipating a reduction in revenue of \$2.2 million in fiscal year 2013-2014 to maintain the same funding levels as in the past. The primary sources of this decline are the loss of funding from Payment in Lieu of Taxes (\$740 thousand), Secure Rural Schools (\$150 thousand), and using a reduced funding from Road Reserves (\$1 million). A more complete analysis of the assumptions used to prepare the General Fund budget can be found in Appendix G.

This transfer from the Road Reserve to the General Fund is a short-term solution to a long-term problem. The Board of Commissioners along with the City of Klamath Falls, Oregon formed a joint committee to develop a long-term solution to funding public safety in Klamath County. The committee has completed its works and has reported back to both boards the results of its recommendations. Those recommendations include the contemplation of a new special taxing district to fund portions of public safety. Neither board has taken formal action on the recommendations from the committee.

The budget for 2013-2014 also contemplates a continued reduction in funding to the Road Fund by \$4.6 million as a result of the loss of funding from Secure Rural Schools. In addition to the \$1 million the Board of Commissioners is recommending be used to fund patrol services in the General Fund.

The Fair Board has brought to the Budget Committee a budget for 2013-2014 that contemplates an interfund loan/repayment structure. The Fairgrounds Fund has exhausted its reserve and will be borrowing money from the Equipment Reserve Fund on an annual basis until their loan is paid off. The Fair Board is researching expanding their revenue streams and cutting costs to provide a more efficient operation.

The subsidy from the General Fund to the Community Development Fund (\$200 thousand) has been reinstated. The subsidy is targeted at the Planning and On-Site divisions within the Community Development Department. The Community Development Department also is proposing the implementation of a new fee to fund portions of planning and code enforcement.

The subsidy from the General Fund to the Public Health Fund (\$200 thousand) has been modified to support specific divisions with the Public Health Department. The subsidy to Public Health Fund is providing support for the state mandated medical examiner, nursing clinic and environmental health divisions.

The Commission on Children and Families Fund is budgeted to spend out its remaining reserves over the first six months of the fiscal year and then dissolve. This could change as the State implements the changes with the Early Learning Councils.

The Mental Health Fund contemplates a reduced funding level from the Oregon Health Plan for the implementation of the coordinated care organization (CCO) structure. The contract with Klamath County's designated CCO has not been finalized and may change significantly from what is proposed in this budget.

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

The Board of Commissioners met on numerous occasions in January and February 2013 to discuss the budget for 2013-14. During those meetings, the Board of Commissioners approved a mission, values and vision statement for the county as a whole, to guide management in the decision making processes and setting the priorities for the budget. This statement is found on page i of this document.

The Board of Commissioners used these principles in setting the priorities and funding levels for the 2013-14 budget. In addition, the Board of Commissioners held a series of public meetings with other Elected Officials and Department Directors to discuss the financial aspects of their proposed budget. These meetings took place the months leading up to this meeting. No public testimony was heard at those meetings.

The Budget Committee hearings on the proposed budget will be held starting April 8, 2013. During each day of presentation and review, there will be scheduled opportunities for public input. Budget deliberations are scheduled to occur at the end of the process. All Budget Committee meetings are open to the public and public testimony is always welcome.

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

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

The organizational chart, found on page ii, includes a view of the County with its departments. For each County department there is a discussion at the beginning of their section. An overview of each department, significant accomplishments in the prior year, as well as information on all programs within the department are found behind their tab. For each program, the budget reflects a statement of purpose, mandated services, self-imposed services, measures of effectiveness, and significant issues facing the department. Additionally, financial information is included.

The budget is organized around the County's functional areas. Although the County has adopted a program budget format, the State of Oregon requires retention of a line-item budget format.

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

## **Conclusion**

As the Budget Committee reviews the budgets with the departments, ask the Elected Officials and Department Directors what kind of service will be provided to the community with the funds provided, understanding there are limited resources (funds) available. Ask questions about programs and spend less time looking at individual line items. The budget is appropriated by category, not individual line items. After the Budget Committee reviews and make the desired changes to the budget, it will approve the budget. The approved budget will be published for final public hearing on Tuesday, June 18, 2012, where the Board of Commissioners will meet in a public session to adopt the budget. The Board of Commissioners are authorized to amend expenditures in the Budget Committee's approved budget, up to 10 percent of any fund, without reconvening the Budget Committee. The Board of Commissioners always encourages public input.

This budget has been prepared in a time of extraordinary financial stress. County governments must provide state, federal, and self-imposed mandated services at the local level, many of them without adequate funding from the State and Federal Government, face extremely difficult choices, particularly those that rely entirely on local funding. There are many people whose lives will be directly impacted by the choices the Budget Committee must make. Ever mindful of that, the Board of Commissioners and departments have worked hard to prepare a budget that preserves direct services to the greatest extent possible and keep in mind long-term strategies that will allow the County to do so in the future. I would like to extend my personal thanks to the citizen

members of the Budget Committee for their time, concern, and constructive insights. I wish also to acknowledge the Board of Commissioners' support and leadership in these most challenging times.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Jason Link', written in a cursive style.

Jason Link, CPA  
Klamath County Budget Officer

Klamath County, Oregon  
2013-2014 Budget Presentation  
Appendix A – Property Taxes and Debt Limitations

**Property Taxes**

The County will certify its State-provided permanent tax rate in the amount of \$1.7326 per thousand dollars of assessed valuation for 2012-2013. The total amount of property tax the County expects to levy on behalf of the General Fund is \$8,579,787. Of this amount, the County expects to collect 94 percent for a net of \$8,065,000.

**Property Tax Limitations**

In 1997, voters approved a constitutional amendment known as Ballot Measure 50. Ballot Measure 50 established a permanent tax rate limit for all local governments. Klamath County's rate is \$1.7326 per thousand of calculated assessed value. The assessed value is approximately 67.2 percent of real market value. This permanent rate is set by the Oregon constitution.

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

**Debt Limitations**

The County has a general obligation bonded debt limit set by Oregon Revised Statute (ORS) 287.054, which is 2 percent of the real market value of all taxable property in the County (\$155,752,051). The County has no bonded debt outstanding at July 1, 2013.

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Klamath County, Oregon  
2013-2014 Budget Presentation  
Appendix B – Debt Service

**Mental Health Loans**

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

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# Klamath County, Oregon

## 2013-2014 Budget Presentation

### Appendix C – Fiscal Policies and Definitions

#### **Fund Accounting**

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

Klamath County has the following types of funds:

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

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

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

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

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

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

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

# Klamath County, Oregon

## 2013-2014 Budget Presentation

### Appendix C – Fiscal Policies and Definitions

**Internal Service Funds** – An internal service fund is established to finance and account for services furnished to one department or agency to another department or agency of the same local government or its component units, or other governments on a cost-reimbursement basis.

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

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

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

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

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

#### **Definitions**

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

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

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

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

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

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

**Klamath County, Oregon**  
**2013-2014 Budget Presentation**  
**Appendix C – Fiscal Policies and Definitions**

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

Personnel Services - This includes total compensation paid to employees including salaries, benefits, and payroll taxes.

Revenues - This is income for the fiscal year and includes transfers and proceeds from the sale of bonds and notes.

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

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

Unappropriated Ending Fund Balance - This is the amount set aside in the budget to be used as a cash carryover to the next year's budget. It provides the local government with cash until tax money is received from the County Treasurer in November. This amount cannot generally be transferred by resolution or used through a Supplement Budget unless there is a qualifying emergency (ORS 294.371).

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# Klamath County, Oregon

## 2013-2014 Budget Presentation

### Appendix D – Budget Format

The Klamath County budget is composed of three basic units: major program categories, departments/ funds, and in some cases subprogram. The individual departments budgets are grouped into eight major program categories: General Government, Agriculture Services, Community & Economic Development, Community Services, Human Services, Internal Support, Public Safety, and Public Works.

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

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

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

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

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

Internal Support Program -These departments/programs provide needed support to all the actual public service programs. These include departments such as Personnel, Finance, Budget, Information Technology, Risk Management, and Maintenance.

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

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

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# Klamath County, Oregon

## 2013-2014 Budget Presentation

### Appendix E – Fund Descriptions

#### General - 100

This fund is the general operating fund of the county. Its largest source of revenue is property taxes. It also receives various intergovernmental revenues, fees, fines, and interest on investments. Its purpose is carrying out the legislative and executive functions of the county. The General Fund provides such services as Treasurer, Assessor, Tax Collector, Board of County Commissioners, Clerk, Justice Court, District Attorney, Sheriff, Juvenile, Emergency Management, Agriculture Extension and Experiment Station, and the Watermaster.

#### Domestic Violence - 120 (inactive)

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

#### Internal Services - 150

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

#### External Services – 151

This fund is used to account for personnel costs associated with county employees providing services directly to component units of the County (Klamath County Library Service District).

#### Veterans Services - 212

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

#### Commission on Children & Families - 220

This fund receives grants from the state Commission on Children and Families. A portion is used to fund administration of the program with the remainder of grant funds being used to fund youth programs and services in the community.

#### District Attorney Special Revenue - 222

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

#### Tourism Competitive Grant - 226

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

#### Sheriff Special Revenue - 229

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

#### Road Department - 230

This fund receives federal forest reserve apportionments as per ORS 294.060 and State Highway Fund apportionments as per ORS 366.525 as its major sources of revenue. Other revenue comes from interest on investments, reimbursement for work done, intergovernmental revenues, and miscellaneous sources. Expenditures

# Klamath County, Oregon

## 2013-2014 Budget Presentation

### Appendix E – Fund Descriptions

are limited by article IX Section 3 of the Constitution of the State of Oregon, and are for the construction and maintenance of roads in the county.

#### Bicycle Trails - 240 (inactive)

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

#### Marine Board (Sheriff) - 245 (inactive)

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

#### Taylor Grazing - 280

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

#### Title III - 285

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

#### Court Facilities Security - 290

This fund is used to account for funds received under ORS 137.308(2) and maintained by the county treasurer per ORS 1.182 to provide court security for the courts.

#### O&C Title III - 295 (inactive)

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

#### Klamath Falls Streets - 315

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

#### Courthouse Bond - 340 (inactive)

This fund was established to receive the proceeds from property tax serial levy and expenditures for the retirement of the County's general obligation bond issue for construction of the new courthouse and administrative buildings. The annual levy of about \$1.7 million will continue until the 2010-11 fiscal year. This fund was closed in the 2011-2012 fiscal year.

#### Fairground Bond - 350 (inactive)

This fund was established to receive the proceeds from property tax serial levy and expenditures for the retirement of the County's general obligation bond issue for construction of an event center at the fairgrounds. The annual levy of about \$500 thousand will continue until the 2009-2010 fiscal year. This fund was closed in the 2011-2012 fiscal year.

#### Road Reserves - 421 (inactive)

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

# Klamath County, Oregon

## 2013-2014 Budget Presentation

### Appendix E – Fund Descriptions

#### Landfill Site Reserve - 435 (inactive)

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

#### Surveyor - 437

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

#### Equipment Reserve - 438

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

#### Space Rent - 439

This fund is used to ensure adequate maintenance, operation and major maintenance for all county owned facilities and real property. A rent policy has been enacted for most county occupied facilities.

#### Capital Projects Reserve - 440

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

#### Park Reserves - 460 (inactive)

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

#### Park - 465

This fund is used to account for the dedicated resources that come from RV licenses and revenues derived from the RV parks.

#### Solid Waste - 520

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

#### Recycling - 521 (inactive)

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

#### Weed Control - 530

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

#### Juvenile Special Projects - 601 (inactive)

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

#### Experiment Station Field Research Project - 602

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

#### Community Development - 603

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

# Klamath County, Oregon

## 2013-2014 Budget Presentation

### Appendix E – Fund Descriptions

#### Property Sales - 604

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

#### Museum - 605

This fund is used for the museum operations. Major revenues include a transfer from the Transient Room Tax Fund and sales at the museum store. Additionally, it receives funds from grants and donations for items such as displays, etc.

#### Economic Development - 610

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

#### Community Corrections - 613

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

#### Risk Management - 640

This fund is used to account for the county's self-insurance and risk management programs. Insurance programs administered through this fund include liability and property damage insurance, workers compensation insurance and unemployment insurance.

#### County School Fund - 650

This fund is established under ORS 328.005 and is the recipient of federal forest reserve apportionments under ORS 294.060, other intergovernmental revenues, and interest of investments. Expenditures are apportionments to the two school districts within the county and to the state agencies for special education costs.

#### Search and Rescue Operation Fund - 700 (inactive)

This fund is used to provide operation funds for search and rescue. This fund will be budgeted to close in fiscal year 2013-14 and merge to Sheriff Special Revenue Fund - 229.

#### Animal Control - 710

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

#### Health Services - 720

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

#### Mental Health - 730

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

#### Fairgrounds - 740

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

# Klamath County, Oregon

## 2013-2014 Budget Presentation

### Appendix E – Fund Descriptions

#### Law Library - 760

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

#### Emergency Telephone Excise Tax - 800 (inactive)

This fund is used under ORS 403.240(9), which requires the County to recognize the amounts distributed by the Oregon Emergency Management to the Klamath 9-1-1 Emergency Communications District on its behalf. This fund was closed during the fiscal year 2012-13 with the adoption of Oregon Senate Bill 1559 that redirected the distribution of the State 9-1-1 Excise Tax directly to the 9-1-1 jurisdiction.

#### Clerk Storage - 9305

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

#### Ambulance Advisory Training - 9321

This fund is used to account for monies raised by the Ambulance Advisory Training Committee to support training of committee members.

#### Public Works ODOT Reserve - 9323 (inactive)

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

#### Mental Health Building Reserve – 9332 (inactive)

This fund is a reserve fund to account for the maintenance of county buildings previously occupied by the Mental Health Department. The buildings are currently vacant and require a substantial amount of remediation. This fund will close in the fiscal year 2012-2013 and merge with the Capital Projects Reserve Fund - 440.

#### Clerk Overpayment - 9334

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

#### ORMAP - 9337 (inactive)

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

#### Mental Health Rent Reserve - 9338 (inactive)

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

#### Interoperable Radio Communications System - 9345

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

#### PERS Reserve - 9347

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

#### Transient Room Tax - 9700

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

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Klamath County, Oregon  
2013-2014 Budget Presentation  
Appendix F – Wage Tables

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# Klamath County Human Resources

## ELECTED OFFICIALS Salary Schedule

*Effective July 1, 2010 (.5%)*

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

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

*Notes:*

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

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

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

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

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

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

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

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

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

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

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

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

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

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

*PLAN "B" - KLAMATH COUNTY EMPLOYEES' PENSION PLAN*  
*PLAN "A" - PERS RETIREMENT*

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

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

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

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

Revised 3/14/11

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

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

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

GRADE							
	\$7,061.25						

**FOPPO**  
 Hourly Non-Exempt  
 Effective July 1, 2012

<b>GRADE</b>	<b>STEP 1</b>	<b>STEP 2</b>	<b>STEP 3</b>	<b>STEP 4</b>	<b>STEP 5 Merit</b>	<b>STEP 6 Merit</b>	<b>STEP 7 Merit</b>
PO II	\$ 19.35	\$ 20.12	\$ 20.92	\$ 21.76	\$ 22.63	\$ 23.54	\$ 24.48
POIII	\$ 22.39	\$ 23.28	\$ 24.21	\$ 25.18	\$ 26.19	\$ 27.24	\$ 28.33
Lead PO	***See Below***						

POII = Probation Officer II

POIII = Probation Officer III

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

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

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

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

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

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

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

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

Klamath County, Oregon  
2013-2014 Budget Presentation  
Appendix G – General Fund Budget Assumptions

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# Budget Assumptions for General Fund

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## Background

The Board in consultation with the Finance Office has developed a mission, values and vision statement for Klamath County. These concepts embody the opinions of the Board of County Commissioners as to the priorities for Klamath County. These concepts were acted on when preparing the proposed budget. The Board chose to be conservative in revenues and expenses and act in a stepped manner that will enable the County to move to a sustainable budget in the near future.

## Revenue Projections

Comparisons are made to prior year amended budget when the proposed budget was prepared.

## Property Taxes

Property Taxes are projected to increase by 2% over the 2013 budget to \$8,465,000 (increased revenue of \$166,000).

## Payment in Lieu of Taxes

Payment in Lieu of Taxes has not been reauthorized by the United States Congress; therefore the budgeted amount is zero (decreased revenue of \$740,000).

## O&C Land Grant

The O&C Land Grant distribution has not been reauthorized by the United States Congress; therefore the budgeted amount will be based on historical sales distributions, estimated at \$200,000 (decreased revenue of \$150,000).

## Interfund Transfers

Two departments have historically been net contributors to the General Fund (Treasurer and Justice Court). Due to budget constraints within those two departments, the proposed budget does not contemplate a net contribution from those departments (decreased revenue of \$92,000).

## Beginning Fund Balance

Beginning Fund Balance is an estimate of what the Budget Office anticipates to be available to start the fiscal year. Primary sources are the excess of revenues over expenditures in fiscal year 2012 (increased revenue of \$1,800,000), receipt of O&C Land Grant revenues in excess of budgeted (increased revenue of \$515,000), an anticipated but as yet unbudgeted contribution to the Public Health Department (decreased revenue of \$500,000), will generate a beginning fund balance of \$2 million (no change).

## Other Revenues

All other revenues are budgeted to be consistent with the prior year at \$900,000 (no change).

## **Expenditure Projections**

Comparisons are made to prior year amended budget when the proposed budget was prepared.

### **New Multimedia Internal Service Department**

The Board chose to reallocate certain revenues (immaterial) and expenditures (significant) to the Internal Services Fund as a new sub-department. The purpose of this is to allocate the costs of operating the two general meeting rooms and the county-wide website to departments and lessen the burden on the General Fund and other departments that were paying portions of those costs. These expenditures included the costs of videotaping and cablecasting meetings, website hosting, space rent, and utilities (net decreased expenses of \$47,000).

### **Commissioners**

In preparation for the County-wide federal cost allocation plan, the Finance Office determined that costs associated with elected officials are not allowed to be allocated through a cost allocation plan. Therefore, the cost of the commissioner's office will be born completely by the General Fund. This was primarily accomplished by reducing the internal service fees paid by the General Fund Non-Departmental and increasing the transfer to commissioners line (no change).

### **Public Health Subsidy**

In preparation of the budget, the Public Health Department along with the Commissioners and the Finance Office have completed an extensive review of the Public Health Department budget and determined that a subsidy into the Public Health Fund from the General Fund is warranted to fund the Department at a sustainable level. The subsidy is directed at three sub-departments within the Public Health Fund: Medical Examiner Environmental Health and Clinic. The Board of Commissioners made a decision to subsidize the Environmental Health sub-department on an ongoing basis to keep fees on various businesses at a level the Board determined was appropriate. Due to mandates from the State of Oregon as to the types of services that are required to be offered by the County Public Health Clinic and limited revenues from the State of Oregon (unfunded mandate), the Board determined an ongoing subsidy into the clinic was necessary. The subsidy is estimated at \$200,000 (increased expenses of \$146,000).

### **Community Development Subsidy**

In preparation of the budget, the Community Development Department, the Commissioners and the Finance Office have completed an extensive review of the Community Development Department budgets and determined that a subsidy into the Community Development Department budget from the General Fund is warranted to fund the Department at a sustainable level. The subsidy is directed at two sub-departments within the Community Development Fund: Planning and On-Site (increased expenses of \$166,000).

### **Non-mandated Services**

In prior years the General Fund has supported other organizations that are not mandated (USDA predatory animal control, Senior Citizen Council and the Klamath Soil and Water Conservation District).

With the reductions in revenue previous mentioned the Board determined that funding non-mandated services such as those funded the past was not a prudent use of resources and eliminated all funding to these organizations (decreased expenses of \$111,000)

In addition the Board is recommending a reduction to departments within the General Fund that are not mandated (OSU Extension and Experiment Station). The Board has determined a stepped down approach to funding the General Fund departments to be the most effective method of giving the departments' sufficient time to seek outside funding sources (decreased expenses of \$66,000).

### Public Safety Departments

Public Safety Departments (District Attorney, Juvenile and Sheriff) represent approximately \$7.6 million of the General Fund Non-Departmental budget of \$10.7 million or 71%. The Board's goal is operate at sustainable levels given the revenues projected. To accomplish this, the Board has recommended a 20% reduction in these departments and the use of \$1 million in Road Funds for the Sheriff Patrol division (decreased expenses of \$925,000).

### Other Departments

All other departments not previously discussed represent mandated departments providing services at levels the Board has determined are at sustainable levels and are not recommending any changes in funding to them (no change).

### Reserves

In consultation with the Finance Office a reserve amount in the General Fund was determined to be necessary to sustain the Fund in the long-term. Giving the County flexibility in the event unforeseen circumstances arise and to provide operating funds from July to November when property tax receipts are received. An appropriate reserve amount was determined to be approximately 20% of annual operating revenues or approximately \$2 million (no change).

### Summary of General Fund Non-Departmental

Category		Amount	Change from Prior
Beginning Fund Balance		\$2,000,000	
Recurring Revenues		\$9,600,000	Decrease \$816,000
Total Revenues		\$11,600,000	
Operating Expenditures		\$502,000	Decrease \$310,000
Subsidies to General Fund Departments		\$8,644,000	Decrease \$834,000
Subsidies to Other Funds		\$400,000	Increase \$312,000
Ending Fund Balance		\$2,054,000	
Total Expenditures		\$11,600,000	

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Klamath County, Oregon  
2013-2014 Budget Presentation  
Appendix H – All Funds Summary

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Klamath County, Oregon  
2013-2014 Budget Financial Presentation  
All Funds

	2010-11 Actual	2011-12 Actual	2012-13 Budget	2013-14 Budget
<b>Requirements by Budgetary Category</b>				
Personal Services	28,238,880	26,870,005	30,964,650	29,068,605
Materials and Services	30,695,193	28,586,287	42,820,260	32,476,925
Capital Outlay	3,834,571	3,959,737	64,637,125	6,778,830
Debt Service	2,939,162	2,096,318	743,004	555,200
Interfund Transfers	18,350,431	83,810,008	27,129,910	15,164,966
<b>Subtotal Current Expenditures</b>	<b>84,058,237</b>	<b>145,322,355</b>	<b>166,294,949</b>	<b>84,044,526</b>
Reserves	-	-	39,944,062	77,423,724
Contingency	-	-	6,069,112	26,766,470
Unappropriated Fund Balance	131,337,418	135,380,333	-	-
<b>Subtotal Noncurrent Expenditures</b>	<b>131,337,418</b>	<b>135,380,333</b>	<b>46,013,174</b>	<b>104,190,194</b>
<b>Total Requirements by Budgetary Category</b>	<b>215,395,655</b>	<b>280,702,688</b>	<b>212,308,123</b>	<b>188,234,720</b>
<b>Resources by Budgetary Category</b>				
Taxes	11,725,994	10,847,236	10,296,845	10,258,000
Licenses and Permits	1,446,862	1,657,038	1,464,996	1,638,252
Intergovernmental	32,482,183	31,335,833	24,303,017	19,094,745
Charges for Services	16,357,049	17,684,612	17,873,871	17,344,258
Fines and Forfeitures	488,735	451,276	412,611	355,108
Investment Earnings	1,229,728	734,305	780,966	734,638
Interfund Transfers	18,308,835	83,789,897	27,101,010	15,164,966
Debt Proceeds	1,324,691	2,075,995	788,795	542,000
Miscellaneous	504,665	789,078	362,802	270,960
Beginning Fund Balance	131,526,913	131,337,418	128,923,210	122,831,793
<b>Total Resources by Budgetary Category</b>	<b>215,395,655</b>	<b>280,702,688</b>	<b>212,308,123</b>	<b>188,234,720</b>
<b>Full-Time Employee Equivalents</b>	497.3	471.2	453.4	413.8

Klamath County, Oregon  
2013-2014 Budget Financial Presentation  
All Funds

<u>Mandate</u>	<b>Total Cost</b>	<b>Personal Services</b>	<b>FTE</b>
General Administration	172,903	139,166	2.0
Human Resources	4,161,830	342,868	4.8
County Counsel	304,116	229,959	2.0
Finance	960,359	479,038	6.0
Information Technology	1,484,871	774,594	10.2
Treasurer	56,942	31,090	0.5
Assessor	1,246,969	789,576	11.5
Tax Collector	498,631	199,968	2.8
Commissioners	346,213	290,897	3.0
Clerk	807,204	343,658	5.0
Justice Court	186,708	112,081	1.5
District Attorney	1,365,867	909,271	12.0
Community Corrections	2,875,161	1,595,135	19.3
Court Security	39,000	33,711	1.0
Sheriff's Office	7,634,188	5,079,798	60.6
Commission on Children & Families	130,843	49,019	0.5
Juvenile	1,205,439	663,932	10.2
Animal Control	287,602	154,030	2.5
Community Development	1,865,898	1,398,151	16.7
Emergency Management	109,130	51,378	0.6
Title III	2,380,700	-	-
Public Works	105,682,309	4,386,429	52.0
Veterans Services	266,690	192,780	3.4
Public Health	2,744,116	1,579,836	24.6
Klamath Behavioral Health & Wellness	9,706,176	4,496,979	67.4
Solid Waste	12,814,927	1,649,481	30.2
Museum	709,725	277,305	6.9
Parks	360,800	59,971	1.4
Maintenance	3,373,031	462,808	7.0
OSU Extention	207,147	93,407	1.7
Experiment Station	117,030	70,175	2.0
Fairgrounds	1,155,380	433,673	7.1
Weed Control	408,000	170,227	2.0
Watermaster	80,936	56,931	1.0
Law Library	154,013	-	-
Surveyor	1,189,035	22,725	0.3
Property Sales	502,867	61,925	0.7
External Services	1,386,754	1,386,633	33.8
Non-Departmental	19,255,210	-	-
<b>Total Mandates</b>	<b>188,234,720</b>	<b>29,068,605</b>	<b>413.8</b>

