

# Yamhill County



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## OFFICE OF COUNTY ADMINISTRATOR

December 21, 2023

**KENNETH HUFFER**  
COUNTY ADMINISTRATOR

TO: Yamhill County Board of Commissioners

**JUSTIN HOGUE**  
BUSINESS SERVICES DIRECTOR

FROM: Kenneth Huffer, County Administrator/Budget Officer

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RE: Consideration of a setting initial FY25 discretionary allocation for departments and FY25 Budget Instructions.

As has been done in previous years, the first step in the budget process is for the Board to review the initial FY25 discretionary allocations for departments and to consider/approve any changes to initial allocations. Upon determination of initial discretionary allocations, departments and budget staff will begin the process of building budgets for FY25. To help facilitate this discussion and determine initial allocations, I have attached the following tables:

1. 110-1010002 Budget Worksheet – this worksheet provides a history of this fund, as well as year-end projections for FY24 and revenue projections for FY25.
2. Table 1 FY25 Discretionary Allocation
3. Draft FY25 Budget Instructions

Discretionary revenues (aka General Fund) are budgeted in Fund 110-1010002. This Fund includes both property taxes and other lesser taxes that are discretionary and used to support general fund departments and divisions. FY24 discretionary revenues are projected to be approximately 6% more than what was budgeted, and this is primarily due to unanticipated revenues from the previous year. FY25 discretionary revenues are projected to be approximately 2% less than what is projected for FY24.

Table 1 includes columns that show the FY24 allocations to departments, an initial allocation adjustment that backs out any one-time funding increases for FY24, and a proposed allocation for FY25. The proposed FY25 allocation includes an Administrator/Budget Officer's recommendation for a 4.5% increase to most departments. This requested increase is to help offset anticipated personnel cost increases. This proposed increase to the initial FY25 allocation will result in a total allocation of \$31,585,605. This amount is 3% more than the FY24 total allocation. It is recognized that this proposed increase will not fully offset anticipated increases to personnel costs and escalating materials and services costs, so departments will need to build balanced budgets and find cost savings that reflect the current discretionary allocation and other projected revenues. Several departments will not be receiving the full 4.5% increase and reductions to this initial allocation are noted on Table 1. The primary reason to propose withholding a portion of this proposed increase is based on a review of audited FY24 beginning balances. During the audit process, several departments were found to have had higher than anticipated beginning balances. It is hoped that these unanticipated additional resources/cost savings that occurred during prior budget years will lessen the need for full 4.5% increase to their discretionary allocations.

Further adjustments will also be considered depending on any restrictions and decisions on the use of the Opioid Settlement funds and if the Board decides to access and allocate a portion of the County's Retirement Reserve. During the budget process, I will be proposing that a portion of Opioid Settlement funds be transferred to eligible departments for eligible uses, and it is hoped that the use of these funds

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may lessen the current demand on our limited discretionary resources. Departments not receiving the full 4.5% allocation increase may bring requests forward during the upcoming budget process, and departments will need to support their requests.

In addition to setting discretionary allocations for the FY25, budget instructions were also prepared and are ready for Board consideration. These budget instructions will provide guidance to all departments and the Budget Officer in preparing next year's budget and set the budget calendar to guide the budget adoption process. The budget adoption process and calendar will continue in a similar manner as the previous three years. Upon approval, these instructions will be presented and distributed to departments in early January.

The Budget Officer and departments will be working diligently over the next several weeks to prepare budgets for budget committee presentations in May and eventual budget adoption in June.

Accepted by Yamhill County  
Board of Commissioners on  
12/21/23 by Board Order  
# 23-453