Dear Yamhill County Citizens,

On behalf of the Board of Commissioners and our citizen Budget Committee, I am pleased to present our annual budget for the upcoming 2009-10 fiscal year, which begins on July 1. This year we have changed the format of this budget publication to make it easier to read and understand. The budget descriptions are grouped by programs (also referred to as "service teams"). We have eight programs or "service teams" and the financial summaries are based on each of these programs. We hope that you find this new structure more informative.

We know that individuals, families, and businesses in Yamhill County are feeling the effects of the current recession and county government is no different. However, we are committed to providing the public services that you need. Yamhill County has a long history of budgeting prudently and building reserves for a "rainy day." These reserves will help us meet our fiscal challenges for the 2009-10 fiscal year, while not entirely filling the "budget holes" caused by the severe financial crisis that our state government is experiencing (funding from the State of Oregon for specific programs is the single largest revenue source for Yamhill County).

While some Yamhill County programs face significant fiscal challenges, other areas of the budget have good news.

First, our challenges: The Criminal Justice program is feeling the ripple effects of major cuts in state funding to the Community Corrections Department. These funds not only helped to support the parole and probation function, they also helped to fund the jail. The Juvenile Department will also see reductions in state funding of a lesser magnitude. Both Community Corrections and the Sheriff's Office have applied for federal grants to fill in the budgetary holes created by the cuts at the state level. If successful, the county will be able to continue its policies of providing meaningful sanctions against persons convicted of crimes who violate their conditions of probation.

Another decrease in state funding is affecting the General Government program, primarily the Assessment and Taxation function (A&T). A&T is also experiencing losses in fee income. The downturn in the housing industry has already affected the Planning and Clerk's offices. These fee-based departments have seen sizable declines in revenue and have already had to reduce staffing.

Property taxes provide the second largest income source to Yamhill County. For the last several years, the county has experienced significant growth in assessed value due to new construction. The sharp decline in building will reduce any growth from this activity to minimal levels. It is also anticipated that property tax collection will decrease as unemployment sadly takes its toll on some homeowners.

Despite all of these challenges, there are some bright spots in the areas of Public Transit and Public Works. The federal government has made a significant increase in the funding of capital improvements for transit. This includes the purchase of larger buses and construction of bus facilities. The overall increase in the total budget is due primarily to the expected receipt of these grant funds. Yamhill County has been awarded dollars for a stimulus project. This will fund one major county road improvement. Since the project has already been engineered, Public Works will be able to go to bid during the current construction season and take advantage of a highly favorable bidding climate. In addition, the Budget Committee authorized the county to borrow against future revenue to advance the construction date of projects planned for next year and take advantage of the lower project costs available in the current construction season.

I wish to recognize the hard work of our Budget Committee members, Dennis Geocks, Ken Austin III, and Michael Green, who put in three long days to review the proposed budget. In addition, we have the department heads, business managers, and budget staff to thank for their work in putting this document together. If you wish to comment on the budget, you may do so by attending the public hearing on June 24th at 9:00 a.m. in Room 32 of the courthouse, contact us by mail at Commissioners Office, 535 NE Fifth St, McMinnville, OR 97128, or by e-mail to either me at lewisl@co.yamhill.or.us or to our budget officer at krawczyk@co.yamhill.or.us. We also welcome your phone calls at (503) 434-7501.

Sincerely yours,

Leslie Lewis
Chair, Yamhill County Board of Commissioners
Sheriff’s Office - “The Mission of the Yamhill County Sheriff's Office is to provide our citizens with high-quality law enforcement services in an ethical and efficiently responsible manner.”

The Jail (104-12) has undergone a remodel, adding much-needed medical and intake facilities. Reduction of 1 Clerk and 1 Deputy are shown in the Community Corrections. Reduction of 1 Deputy and 1 FTE is anticipated to be eliminated. However, there was a concurrent increase in federal revenue that helped to offset the loss of state funds. Secondly, the Budget Committee has approved a three-year plan to significantly reduce local revenue. The net effect of the HHS budget changes is that residents, especially mental health and addictions treatment services to uninsured adults, may see additional services and funding are eliminated. However, there was a concurrent increase that helped to offset the loss of state funds. While the overall HHS fund staffing requirements reduction is small, some areas, especially mental health and addictions treatment services to uninsured adults, may see additional services and funding are eliminated. 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Public Works is comprised of three divisions: Road, Fleet, and Engineering & Administration. The road division relies upon state shared revenues (gas tax, weight mile fees, license fees, title transfer fees, etc.) for more than 75% of its total revenue. Next year’s revenue from this source is anticipated by the state at a 9% decline from the previous biennium. Budget year 2008-09 included one-time money ($400,000) from ODOT by way of SB984. The proposed budget shows a decline in FTE levels from over 400 FTE in 2007-08 to 325 FTE in 2008-09. The decline reflects the ratcheting down of PL 106-393, the Secure Rural Schools and Communities Act. $405,000 is 81% of fiscal year 2007-08. The 2008-09 Public Works budget identified 38.4 FTE and the proposed budget supports 32 FTE. These reductions were based on five early retirements that were offered in 2008-09 and the elimination of the Road Master position. A priority list of repair projects at various locations, including bridges as well as gravel and paved road surfaces, has been planned for the summer of 2009. This will be the sixth budget year for the Bridge Capital Improvement Fund. This fund’s revenue comes from the Oregon Transportation Innovation Act of 2003 (OTA III). Yamhill County submitted eight applications for potential bridge replacement projects during the fall of 2003. Six of these applications were approved by the Oregon Transportation Commission in March of 2004. All six of the approved bridge projects are open to traffic at this time. The Bicycle/Footpath Fund, Fund 41, is budgeted by Public Works. This fund’s revenue is the constitutional guaranteed 1% of the state shared revenue as detailed above. Bike path projects for Tice Park, Grand Ronde Road, and Newberg’s 2nd Street improvements are listed in this fund. Public Works also manages Fund 45, the Motor Vehicle Fund. This fund handles the county’s vehicle collision self-insurance, fleet and equipment replacement, and the underground storage tank replacement fund.

**BUDGET SUMMARY - PUBLIC WORKS**

<table>
<thead>
<tr>
<th>2006-07</th>
<th>2007-08</th>
<th>2008-09</th>
<th>2009-10</th>
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<td>7,082,569</td>
<td>VEHICLE REPLACEMENT FUND 2,907,657</td>
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<td>11,229,603</td>
<td>10,010,566</td>
<td>10,897,164</td>
<td>TOTAL PUBLIC WORKS 11,820,480</td>
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**LAND USE PROGRAM**

Planning & Development: This department administers land use planning, planning, mechani-
cal, electrical and building inspection services, suburface sanitation, and solid waste programs for the county. Building Inspection and Environmental Health programs have been delegated by the state to the county. The department is funded entirely by fees and charges.

The Surveyor’s Office (Fund 10-21) restores and maintains government land survey monu-
ments, checks subdivision and partition plans, and files private surveys for compliance with statutory requirements. Reduction in FTE levels for 2009-10 (from 1.1 to 7) is due to transferring additional time of existing employees into Corner Restoration.

Corner Restoration (Fund 27-37) is dedicated to restoring and maintaining government land survey monuments. Addition to FTE levels for 2009-10 is due to transferring existing employees from the general fund plus two new employees (total 2.9 FTE).

**CULTURE & CREATION PROGRAM**

The Fairgrounds budget has increased less than 3% from 2008-09. We receive no general fund money. Any and all money received from video lottery must be spent on capital improvements.

**BUDGET SUMMARY - CULTURE & CREATION**

<table>
<thead>
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<th>2006-07</th>
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<th>2009-10</th>
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<td>659,539</td>
<td>893,921</td>
<td>1,012,762</td>
<td>TOTAL CULTURE &amp; CREATION 973,811</td>
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**COMMUNITY SERVICES PROGRAM**

Commission on Children and Families: The Commission’s legislative mandate is to assist gov-
ernment, service providers, non-profits, communities, and families in working together to help
families become healthier and self-sufficient. The 19-member volunteer commission and staff focuses on policy development, community mobilization, system development, and service development through community planning and implementation. Commission funds are a mixture of state, federal, and private grants.

Law Library: Yamhill County provides a Law Library for the convenience of citizens and members of the bar. It is funded via a portion of court civil filing fees.

Transit: There are significant changes to the Yamhill County Transit Area (YCTA) budget this year. We have received a large allocation of federal funding through the American Recovery and Reinvestment Act (ARRA) and Omni-bus that have significantly increased the transit budget this year. These funds will be used to purchase larger buses and develop a transit mall. The discre-
tionary grant funds we receive from ODOT were reduced by more than 50% for the 2009-11 biennium. Some general fund dollars are included in this budget.

Economic Development: These are video lottery dollars granted to activities that stimulate the economy in Yamhill County. These include both internal county functions and community pro-
jects.

Mediation Services: This program is a part of the county budget, but is actually funded and administered by the State Court System. It provides an alternative means of resolving domestic disputes in divorces. The program is funded through court filing fees.

County School: By law, the county is required to share 25% of its Federal Forest income with county schools.

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<td>5,819,499</td>
<td>TOTAL COMMUNITY SERVICES 6,299,486</td>
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**INTERNAL SERVICES PROGRAM**

Non-Departmental: This is the “miscellaneous” portion of the general fund budget. Included here are insurance payments, postage, Homeland Security Grants to assist with construction of the emergency communications system, and other items. Dollars come from general resources, service charges, and grants.

**BUDGET SUMMARY - INTERNAL SERVICES**

<table>
<thead>
<tr>
<th>2006-07</th>
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<th>2009-10</th>
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<td>746,876</td>
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<td>LOCAL IMPACT FUND 3,954,891</td>
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<td>TOTAL INTERNAL SERVICES 10,208,380</td>
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**PUBLIC NOTICE**

Monthly and hourly salaries of Yamhill County employees are pub-
lished on action items. Based on the number of commissioners in the legislature, the county is no longer required to publish this information in the newspaper, but is required to make it available to interested parties.
Where Your Property Tax Dollars Go - 2009-2010

The majority of property taxes collected for Yamhill County go to support Criminal Justice activities. Other programs rely more heavily on fees and grants.

County Sources of Revenue - 2009-2010

This chart shows where county revenue comes from. The largest source is intergovernmental revenue (state and federal funds), followed by balances, property taxes, and fees & charges.

Current Year Property Tax Collections - 2002-03 - 2009-10

Property tax collections in Yamhill County have been increasing due to growth caused by new construction. This increase is expected to be minimal for the 2009-10 fiscal year.

View from near Bald Peak State Park after the December 2008 storm.

A county grader tackles the snow on Melott Road.