



MARION COUNTY BOARD OF COMMISSIONERS

Board Session Agenda Review Form

Meeting date: May 22, 2019

Department: Assessor Agenda Planning Date: May 15, 2019 Time required: 10 Min

Audio/Visual aids: N/A

Contact: Rachael Estill, Administrative Services Manager Phone: 588-5128

Department Head Signature: [Handwritten Signature]

TITLE: FY 2019-20 County Assessment Function Funding Assistance (CAFFA) Grant Ammendment

Issue, Description & Background: Due to changes in the budget, the CAFFA Grant requires an amendment. The Assessor's Office is requesting a resolution to approve the FY 19-20 County Assessment Function Funding Assistance (CAFFA) Grant Amendment. The total amount of expenditures for consideration are \$6,769,927. The Assessor's Office FY 19-20 requested annual budget, as a part of the grant request, is \$6,680,603. The grant application is submitted to the Oregon Department of Revenue annually, and is used to assist the county in funding the operations of the assessment and taxation program. The grant includes costs for personnel, materials and services, and a calculated percentage of administrative charges incurred by the Assessor's Office for the assessment, taxation, and collection of property taxes. Also included are costs associated with the Treasurer's Office for tax revenue distribution; the Clerk's Office for the administration of the Board of Property Tax Appeals program; Information Technology for support and maintenance of the Assessor's A&T software, GIS database, and Pictometry aerial imaging, as well as grant funds awarded by the Oregon Department of Revenue for ORMMap cadastral database maintenance.

Financial Impacts: The current FY 18-19 projection for the receipt of grant revenues is \$982,128. Estimated revenues for FY 19-20 are \$1,013,268. Grant revenue, as projected, would account for approximately 14.97% of the Assessor's total FY 19-20 operating budget.

Impacts to Department & External Agencies: CAFFA grant funds are deposited into the county General Fund. Grant funding is intended to offset the cost of maintaining an adequate assessment and taxation program. Funds received from the grant free up other General Fund resources that may be used by other county departments to maintain their programs.

Options for Consideration: 1. Deny the grant as proposed 2. Approve the grant. Approval of the grant obligates the county to appropriate funds based on 100% of the expenditures certified in the grant application, per ORS 294.178. If 100% is not appropriated as certified, no grant funds shall be distributed to the county for the quarter in which the county is not in compliance.

Recommendation: Approve the grant as submitted.

List of attachments: Copy of the FY 19-20 CAFFA Grant application and county grant application resolution form for signatures.

Presenter: Tom Rohlifing, Assessor and Rachael Estill, Assessor's Administrative Services Manager



MARION COUNTY BOARD OF COMMISSIONERS

Board Session Agenda Review Form

Copies of completed paperwork sent to the following: (Include names and e-mail addresses.)

Copies to:

trohlfing@co.marion.or.us; restill@co.marion.or.us; bburgess@co.marion.or.us

**FY 2019-20
Property Tax Program
CAFFA Grant Application**

Purpose

The 1989 Legislative Assembly enacted legislation which requires each county government to maintain an adequate assessment and taxation program. The legislation included all of the property tax statutes and rules in the definition of compliance. Each county is expected to develop and maintain a property tax system that sustains all identified activities at an adequate level. To assist the county in this endeavor, the legislature provided funding from the state by means of a grant.

Each county governing body is required to submit a summary of expenses, a staffing report, and a resolution as part of the Grant application. For counties not in compliance, a plan must either be on file with the department or be submitted for department approval. The plan should demonstrate that the county is using all available resources to achieve and maintain its assessment and taxation program at adequate levels. Any county with program activities not in compliance may need to incorporate funding for additional program resources. Counties are required to appropriate 100 percent of the approved expenditure level under ORS 294.456 in order to receive state grant funds.

Preparation of Grant Application

The property tax system is administered in several local government areas. Many individuals such as the Assessor, Tax Collector, Treasurer, Data Processing Manager and Clerk will need to participate in evaluating the current status of overall compliance. The county governing body should not attempt to determine compliance levels without input from these officials. The grant application forms must be submitted to the Department of Revenue by May 1, 2019. Amended applications must be submitted no later than June 1, 2019.

Five Year History in Marion County

	2015-16	2016-17	2017-18	2018-19	2019-20
Certified Grant Expenditures	\$6,322,401	\$5,927,017	\$6,185,782	\$6,377,177	\$6,769,927
Actual Grant Revenue	\$1,081,364	\$1,001,695	\$1,032,257	\$982,128†	\$1,013,268*
% of Revenue to Expenditures	17.10%	16.90%	16.69%	15.40%	14.97%

Certified Grant Expenditures include the materials and services and personnel budget for assessor and tax collection, as well as a calculated percentage of Information Technology Direct Charges to maintain the assessor's office assessment and taxation system. Also included is a portion of the county clerk budget for the Board of Property Tax Appeals program expenditures, the allocation costs for the treasurer relating to tax distribution, and the cost of pay for six IT support staff: A GIS Analyst 1 @ 0.20 FTE, A GIS Analyst 3 @ 0.25 FTE, 2 IT Systems Analysts @ 0.55 FTE, and 2 IT Managers @ 0.55 FTE.

* Estimated figure using the most current information available from the Oregon Department of Revenue. Derived by multiplying the FY19-20 County Assessment & Taxation Fund statewide forecasted revenue distribution total of \$17,965,751 by the FY18-19 distribution percentage for Marion County (0.0564). Grant revenue total divided by four indicates an estimated quarterly payment amount of \$253,317.

† FY2018-19 Actual Grant Revenue and percentage includes a forecasted amount for the 3rd and 4th quarter payment, and is subject to change.



Form 1 Grant Application Staffing

2019-2020

	Column 1	Column 2	Column 3
County <u>MARION</u>	Approved FTE current year (2018-19)	Budgeted FTE coming year (2019-20)	Change (Column 2 less Column 1)
A. Assessment administration			
Assessor, deputy, etc.	3.00	3.00	0.00
Assmt. support staff, deed clerks and data entry staff	10.00	10.00	0.00
Total assessment administration staff	13.00	13.00	0.00
B. Valuation and appraisal staff			
Chief appraisers/appraiser supervisor	3.00	3.00	0.00
Lead appraisers	4.00	4.00	0.00
Residential appraisers	5.00	5.00	0.00
Commercial/industrial appraisers	4.00	4.00	0.00
Farm/forest/rural appraisers.....	5.00	5.00	0.00
Manufactured structure/floating structure appraisers	1.00	1.00	0.00
Personal property appraisers.....	4.00	4.00	0.00
Personal property clerks.....	1.00	1.00	0.00
Sales data analyst.....	2.00	2.00	0.00
Data gatherers and appraisal techs.....	3.00	3.00	0.00
Total valuation and appraisal staff	32.00	32.00	0.00
C. Board of Property Tax Appeals (BoPTA)	0.50	0.60	0.10
D. Tax collection and distribution administration			
Administration, deputy, etc.....	1.00	1.00	0.00
Support and collection	3.00	3.00	0.00
Tax distribution	0.08	0.08	0.00
Foreclosure and garnishment.....	0.00	0.00	0.00
Total tax collection and distribution	4.08	4.08	0.00
E. Cartography and GIS administration			
Cartographic/GIS supervisor.....	0.00	0.00	0.00
Leadcartographers	1.00	1.00	0.00
Cartographers.....	1.00	1.00	0.00
GIS specialists.....	0.00	0.00	0.00
Total cartographic and GIS staff	2.00	2.00	0.00
F. Dedicated IT services for A&T	1.00	1.55	0.55
G. Total assessment and taxation staffing	52.58	53.23	0.65



Form 2 Explanation of Staffing Issues

2019-2020

County MARION

In this section, explain any difference between approved staffing for the current year and staffing for the budgeted year. Explain why any funded positions were unfilled for the current year. Use this form to describe the intended use of nonpermanent workers (temporary help, project temporaries, and contractors) by A&T function, along with their cost. Note any special or unique aspects regarding who accomplishes the work and how they accomplish it related to Forms 4, 5, and 6. For example, if you use staff to perform personal property functions, other than those reported on Form 1, Section B, note that here and include the FTE.

Per Form 1:

Board of Property Tax Appeals increased by 0.10 FTE to more accurately represent the staffing needed for the appeals.

Dedicated IT services for A&T increased by 0.55 FTE due to increased IT staffing needs to accomplish the implementation of the new Assessment and Taxation system for Marion County.

Per Form 5, Tax Collection is one of four programs within the Assessor's Office.

The Tax Collection office will hire three temporary staff from an external staffing agency to assist with processing property tax payments and returned mail. Each year, temporary staff are utilized from the third week in October when tax statements are generated and mailed, until approximately the third week of November. The temporary staffing budget for FY 19-20 is \$11,000.



Form 3 General Comments

2019-2020

County MARION

Use this form to describe any issue in your budget that needs further clarification. Examples include significant changes on Form 7, purchase of a new data processing system, salary increases, new car purchases, personnel services, costs for mapping, etc. You can also use this form to document any miscellaneous comments about this grant application.

The Tax Collection office receives the property tax payments through in-house remittance processing (20.8%), contractual lock box service (42.5%), an electronic data exchange with mortgage companies and real estate tax services (34.0%), and online via Official Payments Corp. (1.7%).

For indirect expenses on Form 7, Line 6A, Marion County has elected to use the percentage from its certified federal cost allocation plan and indirect cost rate proposal for fiscal year 2019-20 (the Plan), prepared in accordance with the provisions of 2 CFR 200, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards."

The Plan allows an indirect cost rate of 16.48% for the Assessor's Office as indicated in Schedule F on page 5 of the Plan. For this CAFFA grant application, the rate has been adjusted to 11.58% to reflect the fact that costs associated with the Department Apps cost pool have been included as direct costs under A&T Data Processing on Form 7, Column F of the CAFFA grant application. The adjusted rate was computed as follows [references to Plan schedules noted in brackets]:

Description and Indirect Cost Plan Page Reference	Original	Adjusted
Total indirect costs allocated to Assessor's Office [Schedule A, page 1]	\$783,865	\$783,865
Less Dept Apps costs allocated to Assessor's Office [Schedule 3.5, pg. 31]	0	-233,241
Total Indirect costs allocated to Assessor's Office	\$783,865	\$550,624
Indirect cost rate base for Assessor's Office [Schedule F, page 5]	\$4,756,506	\$4,756,506
Indirect cost rate for Assessor's Office (allocated costs/base)	16.48%	11.58%

Note: The Plan amount for Department Apps costs allocated to the Assessor's Office differs from the amount included for A&T Data Processing on the CAFFA grant application because the Plan is based on FY 2017-18 audited amounts, whereas the CAFFA grant application is based on FY 2019-20 budgeted amounts.



Form 4 Valuation and Appraisal Resources

2019-2020

County <u>MARION</u>	Number of accounts by activity		Number of FTE by activity	
	Actual (2018-19)	Estimated (2019-20)	Actual (2018-19)	Estimated (2019-20)
Activities				
1. Real property exceptions, special assessments and exemptions				
New construction.....	3,103	2,500	7.00	7.00
Zone changes.....	5	1	0.00	0.00
Subdivisions, segregations, and consolidations..	1,262	1,000	1.75	1.75
Omitted properties	20	25	0.25	0.25
Special assessment qualification and disqualification	192	150	2.00	2.00
Exemptions.....	151	125	1.00	1.00
Subtotal.....	4,733	3,801	12.00	12.00
2. Appeals and assessor review				
Assessor review and stipulations	74	75	0.75	0.75
BOPTA	90	90	0.75	0.75
Department of Revenue.....	7	10	0.00	0.00
Magistrate Division of the Oregon Tax Court.....	1	2	0.25	0.25
Regular Division of the Oregon Tax Court	0	1	0.00	0.00
Subtotal.....	172	178	1.75	1.75
3. Real property valuation				
Physical reappraisal.....	17,925	18,000	5.75	5.75
Recalculation only—no appraisal review	104,020	105,500	3.00	3.00
Subtotal.....	121,945	123,500	8.75	8.75
4. Business personal property (returns mailed)	6,833	7,000	4.50	4.50
5. Ratio			1.50	1.50
6. Continuing education			1.00	1.00
7. Other valuation—appraisal activity			2.50	2.50
8. Total valuation and appraisal staff (FTE)			32.00	32.00



Form 5 Tax Collection and Distribution Work Activity

2019-2020

County MARION

**Number of accounts
by activity**

Actual (2018-19)	Estimated (2019-20)
---------------------	------------------------

1. Number of accounts requiring roll corrections		
Business personal property	104	119
Personal property manufactured structures	61	782
Real property	317	327
2. Number of accounts requiring a refund		
Business personal property	69	94
Personal property manufactured structures	119	510
Real property	1,612	1,427
3. Number of delinquent tax notices sent		
Business personal property	373	351
Personal property manufactured structures	1,503	1,465
Real property	5,178	4,836
4. Number of foreclosure accounts processed		
Real property only	243	246
5. Number of accounts issued redemption notices		
Real property only	22	58
6. Number of warrants	854	975
7. Number of garnishments	0	0
8. Number of seizures	0	0
9. Number of bankruptcies	131	144
10. Number of accounts with an address change processed	2,677	3,000
11. How many second trimester statements do you mail?	6,200	
12. How many third trimester statements do you mail?	6,600	
13. Does the county contract for lock box service?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
14. Does the county use in-house remittance processing?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
15. Is tax collecting combined with another county function?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
If yes, describe that function on Form 2.		



Form 6 Assessment and Administrative Support and Cartography Work Activity

2019-2020

County MARION

Assessment and administrative support work activity		
	<u>Numbers by activity</u>	
	Actual (2018-19)	Estimated (2019-20)
1. Number of deeds worked	<u>15,765</u>	<u>15,480</u>

Cartography work activity		
	<u>Numbers by activity</u>	
	Actual (2018-19)	Estimated (2019-20)
1. Number of new tax lots	<u>792</u>	<u>740</u>
2. Number of lot line adjustments	<u>315</u>	<u>290</u>
3. Number of consolidations	<u>208</u>	<u>200</u>
4. Number of new maps	<u>7</u>	<u>3</u>
5. Number of tax code boundary changes	<u>14</u>	<u>21</u>



Form 7 Summary of Expenses

2019-2020

County MARION

	A.	B.	C.	D.	E.	F.	
Current operating expenses	Assessment Administration	Valuation	BOPTA	Tax Collection & Distribution	Cartography*	Dedicated IT services for A&T	Totals
1. Personnel services	1,279,641	3,182,866	59,781	432,841	197,102	221,002	5,373,233
2. Materials and services	81,090	81,770	7,511	208,541	48,057	245,178	672,147
3. Transportation	500	20,500	200	500	250	0	21,950
4. Total current operating expenses (Total direct expenses)	1,361,231	3,285,136	67,492	641,882	245,409	466,180	6,067,330

* Include approved grant funding for ORMAP

Indirect expenses

5. Total direct expenses (line 4)	6,067,330
6. If you use the 5 percent method to calculate your indirect expenses, enter 0.05 in this box.	0
Total indirect expenses (line 5 multiplied by line 6)	0
6A. If you use a percent amount approved by a federal granting agency to calculate your indirect expenses, enter that percentage in this box.....	0.11580
Total indirect expenses (line 6A multiplied by the direct expense amount for the category/categories that your certificate allows)	702,597
7. Total indirect expenses	702,597

Capital outlay

	Assessment Administration	Valuation	BOPTA	Tax Collection & Distribution	Cartography	Data Processing Support (IT, AT)	Total capital outlay without regard to limitation
8. Enter the actual capital outlay without regard to limitation.	0	0	0	0	0	0	0
9. Total direct and indirect expenses (sum of lines 4 and 7)							6,769,927
10. Direct and indirect expenses multiplied by 0.06							406,196
11. The greater of line 10 or \$50,000.....							406,196
12. Capital outlay (the lesser of line 8 or line 11)							0
13. Total expenditures for CAFFA consideration (sum of lines 4, 7, and 12).....							6,769,927

Form 8

Grant Application Resolution

MARION _____ County is applying to the Department of Revenue to participate in the County Assessment Function Funding Assessment Program.

This state grant provides funding for counties to help them come into compliance or remain in compliance with ORS 308.232, 308.234, Chapters 309, 310, 311, 312, and other laws requiring equity and uniformity in the system of property taxation.

MARION _____ County has undertaken a self-assessment of its compliance with the laws and rules that govern the Oregon property tax system. The County is generally in compliance with ORS 308.232, 308.234, Chapters 309, 310, 311, 312, and all requiring equity and uniformity in the system of property taxation.

MARION _____ County agrees to appropriate budgeted dollars based on 100 percent of the expenditures certified in the grant application. The total expenditure amount for consideration in the grant is \$6,769,927. If 100 percent isn't appropriated, no grant shall be made to the county for each quarter in which the county is out of compliance.

The County designates the following individual as the contact for this grant application.

<u>RACHAEL ESTILL</u>	<u>(503) 588-5128</u>	<u>restill@co.marion.or.us</u>
Name	Phone	Email

County Approval

By selecting the "I Accept" checkbox, you are signing this Resolution electronically and certifying the Resolution has been approved by the board. You agree your electronic signature is the legal equivalent of your manual signature.

I Accept

_____	_____	_____
Chair/Judge or Appointee	Title	Sign Date

RACIAL AND ETHNIC IMPACT STATEMENT

This form is used for informational purposes only and must be included with the grant application.

Chapter 600 of the 2013 Oregon Laws require applicants to include with each grant application a racial and ethnic impact statement. The statement provides information as to the disproportionate or unique impact the proposed policies or programs may have on minority persons¹ in the State of Oregon if the grant is awarded to a corporation or other legal entity other than natural persons.

1. The proposed grant project policies or programs could have a disproportionate or unique positive impact on the following minority persons:

Indicate all that apply:

- Women
 Persons with Disabilities
 African-Americans
 Hispanics
 Asians or Pacific Islanders
 American Indians
 Alaskan Natives

2. The proposed grant project policies or programs could have a disproportionate or unique negative impact on the following minority persons:

Indicate all that apply:

- Women
 Persons with Disabilities
 African-Americans
 Hispanics
 Asians or Pacific Islanders
 American Indians
 Alaskan Natives

3. The proposed grant project policies or programs will have no disproportionate or unique impact on minority persons.

If you checked numbers 1 or 2 above, on a separate sheet of paper, provide the rationale for the existence of policies or programs having a disproportionate or unique impact on minority persons in this state. Further provide evidence of consultation with representative(s) of the affected minority persons.

I HEREBY CERTIFY on this 15 day of April, 2019, the information contained on this form and any attachment is complete and accurate to the best of my knowledge.

Printed Name: RACHAEL ESTILL

¹ "Minority persons" are defined in SB 463 (2013 Regular Session) as women, persons with disabilities (as defined in ORS 174.107), African-Americans, Hispanics, Asians or Pacific Islanders, American Indians and Alaskan Natives.

BEFORE THE BOARD OF COMMISSIONERS

FOR MARION COUNTY, OREGON

In the matter of approving the Marion County)
Assessment and Taxation Grant Application.)

RESOLUTION No._____

This matter came before the Marion County Board of Commissioners at its regularly scheduled public meeting on May 22, 2019 to consider approving the application to the Oregon Department of Revenue to participate in its Assessment and Taxation Grant;

WHEREAS, the state grant provides funding for counties to help them come into compliance or remain in compliance with ORS 308.027, 308.232, 308.234, Chapters 309, 310, 311, 312, and other laws requiring equity and uniformity in the system of property taxation; and

WHEREAS, Marion County has undertaken a self-assessment of its compliance with the laws and rules that govern the Oregon property tax system and found that the county is generally in compliance with ORS 308.027, 308.232, 308.234, Chapters 309, 310, 311, 312, and other laws requiring equity and uniformity in the system of property taxation; now, therefore,

IT IS HEREBY RESOLVED that Marion County agrees to appropriate the budgeted dollars based on 100 percent of the expenditures certified in the grant application in the amount of \$6,844,288 and accepts that, if 100 percent is not appropriated, no grant shall be made to the county for the quarter in which the county is out of compliance; and

IT IS FURTHER RESOLVED that the county designates Rachael Estill as the county contact person for the grant application. Telephone: 503-588-5128, e-mail: restill@co.marion.or.us.

DATED at Salem, Oregon, this _____ day of May, 2019.

MARION COUNTY BOARD OF COMMISSIONERS

Chair

Commissioner

Commissioner

original: clerk
c: assessor