Josephine County
Budget Message
Fiscal Year 2016-17

April 19, 2016

To Josephine County Budget Committee Members

We are pleased to present the Fiscal Year 2016-17 Annual Proposed Budget for Josephine County. All budgets are balanced as required by Oregon Budget Law, which means that resources match or exceed projected annual requirements. This budget message outlines the financial priorities of the County and highlights major changes to the funds.

The Government Finance Officers Association (GFOA) of the United States and Canada has given the Distinguished Budget Presentation Award to Josephine County for the 2015-16 Budget, our fourth year in a row. This award is the highest form of recognition in governmental budgeting and shows that our budget document reflects nationally recognized guidelines for effective budget presentation. It also recognizes our open and accountable budget process, as well as our commitment to provide an accessible budget document to the citizens of Josephine County.

The purpose of this first meeting is for the Budget Committee to receive the budget, receive the budget message, and receive public comment. In addition, we have scheduled presentations by the Elected Officials Compensation Committee, the Juvenile Justice Director, and the District Attorney. Future meetings and presentations will be determined by the budget committee.

Changes to the Budget Book

This year we brought a new format to the budget book, using the recommendations of the GFOA, the Oregon Department of Revenue, and popular budget presentations. We have incorporated the following features into the budget book:

- Expenditure graph by program/department
- Expenditure amounts grouped into categories
- Revenue amounts grouped into categories

By presenting program activity visually and in categories, we hope to enhance the readability of complex accounting information and make the budget accessible to the average person. That is the goal. The budget book continues to meet all the requirements of Oregon Budget Law, and we hope will meet the needs of the citizens of our county.

The budget book is a work in progress. We plan several improvements over time, including information on program deliverables and goals.

Proposed Budget Goals and Directives

On February 11, 2016, the Board of County Commissioners reaffirmed their established goals to provide direction related to the "big picture" rather than listing individual actions or activities. Each department has detailed in their budget how their programs meet the following goals:

1. Improve community outreach and communication to the public by investing in technology that will improve efficiencies within County departments and provide enhanced service to citizens.

2. Develop a sustainable plan for all mandated and essential County government programs.
3. Provide access to County services to the citizens of Josephine County in a transparent, open, and professional manner.

The Board of County Commissioners also provided several directives to be used in preparing department budgets. Main directives are:

1. Budget at a level consistent with current operational service levels. In other words, a status quo budget.
2. Budget only for mandatory and/or self-supporting programs.
3. Address County goals and clearly define program purpose and expected outcomes.

Summary of Funds

In the Proposed Budget Book – Financial Summaries Section you will find a Summary Comparison of Budgets. The total budget for FY 2016-17 for all funds equals $90,362,000. This represents a 5% increase over the prior year, or $4.5 million. The major changes are:

a. $610,500 increase in the Public Health fund, mostly Animal Control and All Care contract;
b. $156,000 decrease in the Grant Project fund, due to the ending of the CDBG grant for housing;
c. $1.9 million increase in in Transit, due to a pass-thru grant to the City of Grants Pass;
d. $772,800 increase in the Roads & Bridges Reserve fund for various Public Works projects – those projects are listed in the Capital Projects Fund section;
e. $494,100 increase in the Equipment Reserve fund – major purchases are a Line Stripper Truck for Public Works and replacement busses for Transit Program.

Proposed Budget Development Approach

General Fund

We are maintaining current service levels in the general fund departments. The Proposed General Fund Budget for FY 2016-17 is $12,560,000. Total operating costs increased approximately 5% over last year. Three programs had notable changes from last year – 1. Assessor has increased grant revenue and expense; 2. Emergency Management is now budgeting BOM; and 3. Planning Department reorganized personnel and added one additional FTE.

Special Revenue Funds

Josephine County requires the majority of County programs to be self-sustaining through fees, grants, state contracts, and other revenue sources that don't rely on property taxes or general fund support. Most departments continue to provide services at a reduced level for our citizens.

Significant Changes to County Programs

I have already identified the major changes in this budget. However, I want to highlight two programs in the current budget that could be looking at a significant change next year beginning July 2017.

Animal Protection and Regulation

Animal Shelter is budgeted to receive approximately $535,000 from the local option levy of .08c/$1,000 passed by the citizens of Josephine County in May 2014. This is the last year of the three-year levy. This levy provides almost two thirds of current operating revenues. We can anticipate a significant reduction in services when this revenue ends.

Public Safety Fund

Revenues for the Public Safety fund are budgeted to include shared receipts of $2 million, a transfer from the general fund of $2.5 million, a beginning fund balance of $5.4 million, and dedicated revenues of $3.5 million.

However, the Proposed Budget shows an ending fund balance of $1.9 million. We start with $5.4 million, and we end with $1.9 million – a reduction of $3.5 million. We have not budgeted and do not anticipate receiving O&C/SRS Timber revenue in fiscal year 2016-17. It remains to be seen whether or not congress will renew the SRS Program. If not renewed by congress, then we can anticipate a significant reduction in services in FY 2017-18.

Conclusion

Josephine County is able to maintain essential service in most programs, although at reduced levels, because of policies put in place and maintained by the Board of County Commissioners. In the Proposed Budget Book – Introduction Section, you will find a list of the efforts made by the County in response to our budget constraints.

We are facing challenges, especially in Public Safety, but service reductions and other strategic efforts have been implemented that will allow the County to continue to operate within a balanced budget.

I look forward to reviewing the proposed budget with you and wish to thank the many individuals in the various departments who are responsible for preparing this budget. Special thanks go to Chris Carlson, Budget Analyst in the Finance Office, who spent many hours ensuring that this budget document met the collective requirements of the County and the GFOA.

These budget meetings are being recorded and will be available on-line afterward. The Budget Book and some associated budget information is available on the county website. In addition, a printed version of the Budget Book is available for review at the Library, the Board's office, and the Finance Office.

Respectfully submitted,

Arthur O'Hare
Finance Director & Budget Officer