Josephine County
Budget Message
Fiscal Year 2015-16

April 30, 2015

To Josephine County Budget Committee Members

We are pleased to present the Fiscal Year 2015-16 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 third 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.

Proposed Budget Goals and Directives

The Board of County Commissioners set 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 approved by the Board of County Commissioners on 02-12-2015:

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. As you review the narratives, you will see how the directives are being addressed by the individual programs. Main directives are:

1. Budget at a level consistent with current operational service levels.
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 on pages 14 and 15 you will find a summary of funds. The total budget for FY 2015-16 for all funds equals $76,479,700. This amount is $8,231,000 less than last year, a 9% reduction. The major changes are:

a. $4.8 million decrease in the Public Safety fund (SRS funding and contract revenue);
b. $2.1 million decrease in Transit (Pass-thru grant);
c. $2.6 million decrease in Public Works (Transfer to reserves), and;
d. $1.0 million increase in Community Corrections Parole and Probation (Justice Reinvestment)

Proposed Budget Development Approach

General Fund

We are maintaining current service levels in the general fund departments. The Proposed General Fund Budget for FY 2015-16 is $11,762,000 approximately a 1% increase over last year. Most of the program budgets remain consistent with the prior year, the exceptions being Planning which is down due to a reduction in staff & supplies and in General Government which is up due to increases in insurance premiums.

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

In the Proposed Budget Book on pages 16 and 17 you will find a brief description of the significant changes to County programs. In this budget message I will highlight three items.

Animal Protection and Regulation

In May 2014 the citizens of Josephine County passed a three-year local option levy of .08c/$1,000. FY 2015-16 is the second year of the three-year levy and is expected to increase Animal Shelter revenues by approximately $530,000. The purpose of the program is to provide professional and compassionate animal services through shelter, adoption, educational programs, population control and health care services while remaining fiscally responsible.

Forestry Reserve

In 2013 approximately 2,600 acres of County forest land was burned by wildfire. The Forestry Department began salvage logging operations almost immediately. The Board of County Commissioners decided to place the funds collected through the salvage operations into a Forestry Reserve Fund in order to smooth out the revenue stream for funding the general fund and to provide adequate revenue for the Forestry Department as they continue in the second year of their three-year reforestation project for the burned timber lands.

The foresight of this decision to establish a Forestry Reserve is evident today, since it appears that the market for timber is so low that the County is not going to offer any timber sales in the current year.

Public Safety Fund

The Proposed Budget shows a decrease of 39% in the Public Safety Fund, and a reduction of 31.47 FTE. This is a direct result of the loss of federal O&C funding, now known as SRS funding. This is the fourth year of significant losses to the Public Safety Fund.

However, on April 16, 2015 the reauthorized Secure Rural Schools Act was signed into law and extended SRS funding for two years. The amount available for Josephine County was not yet known as of the printing of the Proposed Budget Book. A revised budget will be included in the budget presentations from Public Safety. The extension provides 5% less funding than the prior year, which means Public Safety will still be reduced from their current budget level, although not as drastically as the 39% reduction indicated in the Proposed Budget.

The SRS extension is anticipated to provide an additional $2 million to the budget for the Sheriff, District Attorney, and Juvenile Justice programs. Revenues for the Public Safety fund are expected to include a transfer from the general fund of $2.5 million dollars, carryover dollars of $2.4 million, and dedicated revenues of $1.5 million. An election is scheduled for May 19 that, if passed, will fund the Jail, Sheriff Patrols, and Juvenile Justice; but these revenues are not included in the budget since it has not yet been approved by the citizens.

Title III and County Schools & Roads were also funded by the SRS extension.

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 on pages 11 and 12 you will find a list of the changes and 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.

Respectfully submitted,

Arthur O'Hare
Finance Director & Budget Officer