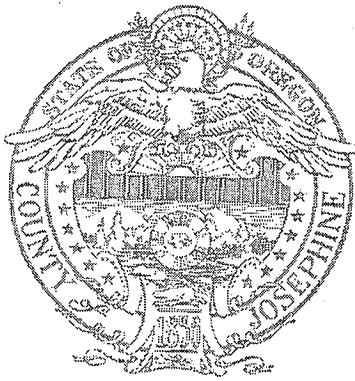


# Introduction



**JOSEPHINE COUNTY, OREGON**

**Budget 2013-14  
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**Introduction**

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# Josephine County Budget Process

## ▶ Oregon Budget Law & County Process

- *Appoint Budget Officer*
- *Establish Calendar*
- *Budget Directives*
- *Departments develop Proposed Budget*
- *Finance consolidates into Funds*
- *Departments meet with BCC Liaisons/CFO*
- *Meetings with BCC (open to Public)*
- *Present balanced budget to Budget Committee*
- *Budget Committee meets in public session*
- *Publish approved Budget Committee Budget*
- *Hold Public Hearing and Adopt budget with appropriation resolution*
- *Certify Tax*

## ▶ Budget Calendar 2013-14

- *April 1: Budget Workshop - Budget Committee (3 to 5 p.m.)*
- *March 29, Friday: Completed Budgets to Finance*
- *April 8, Week of: BCC review with Finance and Individual Dept.*
- *May 7, 14, 21, 28 Tuesday, Budget Committee Meeting, 4 to 6pm (Other meetings may be added)*
- *June TBD, Hold Budget Hearing and Adopt Budget*
- *By July 15: LB-50 Property Tax Form to County Assessor*

## *Josephine Approved Budget Goals*

- 1) Encourage public involvement, through community outreach, in identifying service requirements and programs to be provided by Josephine County.
- 2) Provide sustainable funding for all mandated and essential County government programs for the next ten years.
- 3) Provide services in a transparent , open and efficient manner to all the citizens of Josephine County
- 4) Ensure cost effective achievement of services to the County's citizens by providing an environment that fosters a highly qualified and professional workforce.

\*Departments are to explain in their budget submissions how their budget(s) meet these goals.

## *The County Process – Budget Overview*

Josephine County uses budgeting for outcomes model.

- ▶ Budgeting for Outcomes is:
  - A departure from the traditional budgeting model of using last year as a base, adding inflation, and then cutting the result to balance the budget.
  - A type of zero-based budgeting (programs versus historical).
  - A top-to-bottom review of everything from citizens' perspectives and priorities, rather than a department or government perspective.
  - A way of establishing program priorities and allocating resources when revenues are limited.
  - A better tool for elected officials to set the direction of the County and choose the services it will provide.
- ▶ Budgeting for Outcomes focuses on:
  - Setting the price of government
  - Setting the priorities of government
  - Setting the price of each priority
  - The “keeps”, not the cuts.

- ▶ Budgeting for Outcomes asks Four Basic Questions:
  - How much revenue will we have: What price of government will we charge the citizens?
  - What outcomes (results) matter most to our citizens?
  - How much should we spend to achieve each outcome?
  - How can we “best” deliver each outcome that citizens expect?
- ▶ Budgeting for Outcomes – County Level:
  - Josephine County looks at programs provided by each department and the level to which each should be funded, rather than looking at expenditure categories and line items as in the past.
  - If funding is reduced or lost, priorities will help the County determine how best to adjust service levels and choose which programs to keep.

## *Budget Overview*

- ▶ Funds grouped by CAFR Designation
  - Operational funds
    - General Fund – (Assessor, Treasurer, Clerk, Surveyor, Planning, Forestry, General Government, Emergency Management, Veterans Service)
    - Public Safety Fund – (Sheriff, District Attorney, Juvenile Justice)
    - Public Works Fund
  - Reserve funds
    - Property (land and buildings)
    - Equipment (capital)
    - Roads & Bridges (PW)
  - Special Revenue funds
    - Fairgrounds
    - Building Safety
    - Parks
    - Multiple
- ▶ Fund Structure
  - Revenues, transfers, & ISF Indirect charges at Fund level vs. Dept level
  - Expenditures (example)
 

• Department	ex: Public Safety
• Office/Division	ex: Office of Sheriff
• Program	ex: Adult Jail
• GL Code	ex: Operating Supplies

▶ Internal Service Funds:

- Indirect Fixed Costs – at Fund Level
- Direct Fixed Costs – shown as internal vendors and expensed directly to departments (Building O&M, Fleet, and Insurance)

***ISF Departments***

- Board of County Commissioners
- Communications
- Finance
- GIS (no charge to depts)
- Human Resources
- Information Technology
- Legal / Law Library
- Property Management (no charge to depts)

***Internal Vendors***

- Building Operations & Maintenance
- County Fleet
- Insurance

***ISF Methodology***

- Step 1 – Calculate ISF amount by taking ISF Budgets less revenue offsets. BCC sets ISF rate as percentage (currently 10%).
- Step 2 – Allocate ISF amount proportionally to Operating Funds based on Personal Service and Materials and Service budget (excluding Capital and pass-through payments).

***Internal Vendors (Cost Methodology)***

▶ BOM – all costs based on square footage:

- Utilities
- Repairs & Maintenance
- Custodial
- Landscaping
- Depreciation (currently 2.5 cents)

▶ County Fleet -

- Operation & Maintenance – rate based (Gas is actual cost)
- Purchase/Replacement – rate based

## *Budget Directives/Guidelines*

- ▶ Based on Local Budget Law and Budgeting for Outcomes
  - Status Quo budget required for FY 2013-14
  - Revenue projections with support for inclusion at Fund level
  - Expenditures – Department level (Departments: Offices, Divisions, Programs)
    - Reported at Service Levels - Mandatory and/or self supporting
    - Source of Revenue – document additions or reductions
    - Narratives describing program and relation to County goals
    - Funds supported by dedicated and/or outside sources need to balance revenues with expenditures
  - Personal Services Budget – prepared by Finance
    - Based on current payroll (February 2013)
    - Allocate at Department level
    - Vacant and/or new positions require justification paper
  - Capital Outlay
    - Limited to \$5,000 or above, requires justification paper
    - 5 Year Projection (County Charter requirement)
    - Expensed to related Reserve Fund (may require transfer from operating)
  - Transfers between Funds (at fund level)
  - Debt Service (at fund level)

### ***Budget Directives/Guidelines (additional 2013-14 Specific)***

- ▶ General Fund Reserve (Contingency) minimum of \$3 million dollars. Need to rebuild reserves.
- ▶ Transfer to Public Safety from General Funds in the amount of \$2 million dollars.
- ▶ No Fund Budget. Levy approved budget needs prepared.
- ▶ Public Safety Fund budgets and FTE requirements should not exceed projections for FY 13-14. Dollar limits provided to departments based on FY 12-13 percentage allocation.

## Budget Changes after Adoption

- ▶ Josephine County follows Oregon Budget Law processes regarding changes to the adopted budget.
- ▶ When the budget was adopted by the governing body (BCC); it set the legal expenditure limitations by appropriation. These limitations are detailed in the appropriation resolution.
- ▶ Appropriations may be increased or decreased, transferred from one appropriation category to another, or new appropriation categories created. The method used to amend the budget is determined by the budgetary change needed.
  - If the change involves a new fund or a new appropriation category, a **supplemental budget** is usually required.
    - *The governing body may adopt a supplemental budget at a regular public meeting if prior notice is given and the expenditures in the supplemental budget are 10 percent or **less** than of the budget fund being adjusted. If the expenditures are more, the governing body must publish the supplemental budget and hold a special hearing.*
  - If the change is a transfer of appropriation authority (and the corresponding resources) from one fund to another, or within the same fund, then a **resolution** transfer is allowed.
    - *A resolution may be adopted by the governing body and noticed to public similar to regular board meetings.*
  - In some cases (like Bond proceeds), the change falls within an **exception** to the Local Budget Law and the governing body may appropriate expenditures with no budget amendment required.

More information on the detailed process of a supplemental budget, resolution amending the budget and budget amendment exceptions can be found in the Oregon Department of Revenue "Local Budgeting Manual" on their website at [http://cms.oregon.gov/dor/PTD/pages/ptd\\_localbudpubs.aspx](http://cms.oregon.gov/dor/PTD/pages/ptd_localbudpubs.aspx).

**JOSEPHINE COUNTY  
SUMMARY OF BUDGETS  
2012-13 and 2013-14**

	2012-13			2013-14		
	Full Time Equivalents (FTE)	Adopted Budget Incl. Suppl.	Budgeted Expenditures (1)	Full Time Equivalents (FTE)	Proposed Budget	Budgeted Expenditures (1)
<b>Major Operating Funds:</b>						
100 General Fund	41.73	\$ 10,216,000	\$ 4,492,000	41.02	\$ 10,502,000	\$ 4,471,900
201 Public Works Fund	51.25	10,214,100	5,539,800	51.65	11,365,000	5,980,000
240 Public Safety Fund	65.50	12,973,100	8,004,300	60.65	9,132,000	7,880,800
243 Adult Corrections Fund	27.00	3,645,900	3,152,200	24.00	3,519,000	2,996,900
250 Mental Health Fund	2.45	4,522,000	4,388,700	2.00	4,759,000	4,419,500
255 Public Health Fund	23.43	2,642,900	2,389,100	20.80	2,302,000	2,070,000
<b>Special Revenue Funds:</b>						
202 Public Works Special Programs Fund	-	180,900	88,500	-	165,000	91,400
210 Grant Projects Fund	-	3,413,300	970,200	-	2,277,000	535,000
212 DA Forfeiture Fund	-	227,500	-	-	127,700	-
221 Fairgrounds Fund	2.80	1,128,500	1,063,400	2.30	626,000	551,100
223 County Clerk Records Fund	-	96,500	80,000	-	72,000	65,400
224 Public Land Corner Preservation Fund	2.13	161,800	138,000	1.86	157,000	141,600
245 Transit Fund	14.83	1,334,700	1,045,200	15.00	1,382,000	1,155,000
246 Juvenile Justice Special Programs Fund	2.75	214,200	190,400	1.50	163,000	149,900
248 DA Special Programs Fund	0.25	210,300	51,700	0.25	220,000	58,000
258 Commission for Children & Families Fund	1.55	385,700	367,200	-	15,000	13,600
260 Parks Fund	6.00	965,000	872,900	6.00	1,088,000	934,800
262 Building and Safety Fund	5.50	1,799,700	578,700	4.50	1,596,000	538,000
275 Court Facilities and Security Fund	-	83,600	55,000	-	88,000	68,000
<b>Enterprise Funds:</b>						
501 Jail Commissary Fund	-	85,000	45,000	-	116,000	40,000
530 Airports Fund	2.50	2,113,500	1,844,300	2.50	1,631,000	1,391,100
<b>Internal Service and Internal Vendor Funds:</b>						
401 Internal Services Fund	28.60	3,368,100	3,111,200	27.50	3,646,000	3,571,000
402 County Buildings and Fleet Fund	16.65	3,149,300	2,531,300	17.65	3,200,000	2,674,600
410 Insurance Reserve Fund	-	1,030,000	986,000	-	883,000	841,000
415 Payroll Liability Reserve Fund	-	335,600	325,600	-	271,000	260,000
<b>Capital Project and Capital Reserve Funds:</b>						
303 County Bridge Construction Fund	-	500,000	500,000	-	200,000	200,000
425 Roads and Bridges Reserve Fund	-	1,079,500	826,500	-	1,882,000	1,761,500
430 Property Reserve Fund	-	3,060,600	1,496,600	-	1,556,000	841,000
435 Equipment Reserve Fund	-	1,311,000	883,900	-	1,014,000	602,400
<b>Debt Service Funds:</b>						
610 PERS Bond Debt Service Fund	-	1,166,000	1,166,000	-	1,129,000	1,129,000
625 Adult Jail Facility Debt Service Fund	-	1,049,000	1,049,000	-	1,051,000	1,051,000
<b>Trust Funds:</b>						
702 Library Programs Trust Fund	-	269,200	226,600	-	276,600	234,500
703 Human Service Programs Trust Fund	-	89,800	89,800	-	91,700	91,700
704 PEG Access Fund	-	39,100	39,100	-	25,000	23,900
715 County School Trust Fund	-	354,300	354,300	-	26,000	26,000
717 911 Excise Tax Fund	-	250,000	250,000	-	-	-
735 Sheriff Forfeiture Fund	-	160,100	60,100	-	128,000	-
736 Sheriff Programs Trust Fund	-	122,600	122,600	-	85,000	34,400
<b>Total Appropriation</b>	<b>294.92</b>	<b>\$ 73,948,400</b>	<b>\$ 49,375,200</b>	<b>279.18</b>	<b>\$ 66,767,000</b>	<b>\$ 46,894,000</b>
<b>Unappropriated Ending Fund Balances:</b>						
610 PERS Bond Debt Service Fund	-	57,100	-	-	481,000	-
625 Adult Jail Facility Debt Service Fund	-	48,000	-	-	44,000	-
702 Library Programs Trust Fund	-	367,400	-	-	367,400	-
703 Human Service Programs Trust Fund	-	47,300	-	-	47,300	-
715 County School Trust Fund	-	500	-	-	-	-
<b>Total Ending Fund Balances</b>	<b>-</b>	<b>520,300</b>	<b>-</b>	<b>-</b>	<b>939,700</b>	<b>-</b>
<b>Total Budget</b>	<b>294.92</b>	<b>\$ 74,468,700</b>	<b>\$ 49,375,200</b>	<b>279.18</b>	<b>\$ 67,706,700</b>	<b>\$ 46,894,000</b>

\*without Fill-In FTE & Partial year FTE

(1) Excludes budget amounts for Interfund Transfers, Contingency and Ending Fund Balances to better show operating expenditures.

**JOSEPHINE COUNTY  
SUMMARY COMPARISON OF BUDGETS  
2012-13 and 2013-14**

	2012-13		2013-14		COMPARISON 2012-13 TO 2013-14 BUDGET						
	Full Time Equivalents (FTE)	Adopted Budget	Budgeted Expenditures (1)	Full Time Equivalents (FTE)	Proposed Budget	Budgeted Expenditures (1)	% Appropriation Loss	Comparison Budget	% Loss	Comparison Operating Expense (1)	Full Time Equiv. (FTE-Loss)
<b>Major Operating Funds:</b>											
100 General Fund	41.73	\$ 10,216,000	\$ 4,492,000	41.02	\$ 10,502,000	\$ 4,471,900	3%	\$ 286,000	0%	\$ (20,100)	(0.71)
201 Public Works Fund	51.25	10,214,100	5,539,800	51.65	11,365,000	5,980,000	11%	1,150,900	8%	440,200	0.40
240 Public Safety Fund	65.50	12,973,100	8,004,300	60.65	9,132,000	7,660,800	-30%	(3,841,100)	-2%	(123,500)	(4.86)
243 Adult Corrections Fund	27.00	3,645,900	3,152,000	24.00	3,519,000	2,996,900	-5%	(126,000)	-5%	(155,300)	(3.00)
250 Mental Health Fund	2.45	4,522,000	4,388,700	2.00	4,759,000	4,419,500	5%	237,000	1%	30,800	(0.45)
255 Public Health Fund	23.43	2,642,900	2,389,100	20.80	2,302,000	2,070,000	-13%	(840,900)	-13%	(319,100)	(2.63)
<b>Special Revenue Funds:</b>											
202 Public Works Special Programs Fund	-	180,900	88,500	-	165,000	91,400	-9%	(15,900)	3%	2,900	-
210 Grant Projects Fund	-	3,413,300	970,200	-	2,277,000	535,000	-33%	(1,136,300)	-45%	(435,200)	-
212 DA Forfeiture Fund	-	227,500	-	-	127,700	-	-44%	(99,800)	-	-	-
221 Fairgrounds Fund	2.80	1,128,500	1,063,400	2.30	626,000	551,100	-45%	(502,500)	-48%	(512,300)	(0.50)
223 County Clerk Records Fund	-	96,500	80,000	-	72,000	65,400	-25%	(24,500)	-18%	(14,600)	-
224 Public Land Corner Preservation Fund	2.13	161,800	138,000	1.86	157,000	141,600	-3%	(4,800)	3%	3,600	(0.27)
245 Transit Fund	14.83	1,334,700	1,045,200	15.00	1,382,000	1,155,000	4%	47,300	11%	109,800	0.17
246 Juvenile Justice Special Programs Fund	2.75	214,200	190,400	1.50	163,000	149,900	-24%	(51,200)	-21%	(40,500)	(1.25)
248 DA Special Programs Fund	0.25	210,300	51,700	0.25	220,000	58,000	5%	9,700	12%	6,300	-
258 Commission for Children & Families Fund	1.55	385,700	367,200	-	15,000	13,600	-96%	(370,700)	-96%	(353,600)	(1.55)
260 Parks Fund	6.00	965,000	872,900	6.00	1,098,000	934,800	13%	123,000	7%	61,900	-
262 Building and Safety Fund	5.50	1,789,700	578,700	4.50	1,596,000	538,000	-11%	(203,700)	-7%	(40,700)	(1.00)
275 Court Facilities and Security Fund	-	83,600	55,000	-	88,000	68,000	5%	4,400	24%	13,000	-
<b>Enterprise Funds:</b>											
501 Jail Commissary Fund	-	85,000	45,000	-	116,000	40,000	36%	31,000	-11%	(5,000)	-
530 Airports Fund	2.50	2,113,500	1,844,300	2.50	1,631,000	1,391,100	-23%	(482,500)	-25%	(453,200)	-
<b>Internal Service and Internal Vendor Funds:</b>											
401 Internal Services Fund	28.60	3,368,100	3,111,200	27.50	3,646,000	3,571,000	8%	277,900	15%	459,800	(1.10)
402 County Buildings and Fleet Fund	16.65	3,149,300	2,531,300	17.65	3,200,000	2,674,600	2%	50,700	6%	143,300	1.00
410 Insurance Reserve Fund	-	1,030,000	986,000	-	883,000	841,000	-14%	(147,000)	-15%	(145,000)	-
415 Payroll Liability Reserve Fund	-	335,600	325,600	-	271,000	260,000	-19%	(64,600)	-20%	(65,600)	-
<b>Capital Project and Capital Reserve Funds:</b>											
303 County Bridge Construction Fund	-	500,000	500,000	-	200,000	200,000	-60%	(300,000)	-60%	(300,000)	-
425 Roads and Bridges Reserve Fund	-	1,079,500	826,500	-	1,882,000	1,761,500	74%	802,500	113%	935,000	-
430 Property Reserve Fund	-	3,060,600	1,496,600	-	1,566,000	841,000	-49%	(1,504,600)	-44%	(655,600)	-
435 Equipment Reserve Fund	-	1,311,000	883,900	-	1,014,000	602,400	-23%	(297,000)	-32%	(281,500)	-
<b>Debt Service Funds:</b>											
610 PERS Bond Debt Service Fund	-	1,166,000	1,166,000	-	1,129,000	1,129,000	-3%	(37,000)	-3%	(37,000)	-
625 Adult Jail Facility Debt Service Fund	-	1,049,000	1,049,000	-	1,051,000	1,051,000	0%	2,000	0%	2,000	-
<b>Trust Funds:</b>											
702 Library Programs Trust Fund	-	269,200	226,600	-	276,600	234,500	3%	7,400	3%	7,900	-
703 Human Service Programs Trust Fund	-	89,800	89,800	-	91,700	91,700	2%	1,900	2%	1,900	-
704 PEG Access Fund	-	39,100	39,100	-	25,000	23,900	-36%	(14,100)	-39%	(15,200)	-
715 County School Trust Fund	-	354,300	354,300	-	26,000	26,000	-93%	(328,300)	-93%	(328,300)	-
717 911 Excise Tax Fund	-	250,000	250,000	-	-	-	-100%	(250,000)	-100%	(250,000)	-
735 Sheriff Forfeiture Fund	-	160,100	60,100	-	128,000	-	-20%	(32,100)	-100%	(60,100)	-
736 Sheriff Programs Trust Fund	-	122,600	122,600	-	85,000	34,400	-31%	(37,600)	-72%	(68,200)	-
<b>Total Appropriation</b>	<b>294.92</b>	<b>\$ 73,948,400</b>	<b>\$ 49,375,200</b>	<b>279.18</b>	<b>\$ 66,767,000</b>	<b>\$ 46,894,000</b>	<b>-10%</b>	<b>\$ (7,181,400)</b>	<b>-5%</b>	<b>\$ (2,481,200)</b>	<b>(15.74)</b>

(1) Excludes budget amounts for Interfund Transfers, Contingency and Ending Fund Balances to better show operating expenditures.

**JOSEPHINE COUNTY  
FIVE YEAR PROJECTION OF BUDGET  
2013-14 through 2017-18**

	Proposed Budget 2013-14	Projection			
		2014-15	2015-16	2016-17	2017-18
<b>Major Operating Funds:</b>					
100 General Fund	\$10,502,000	\$10,302,000	\$10,508,040	10,718,201	\$ 10,932,565
201 Public Works Fund	11,365,000	10,365,000	10,572,300	10,783,746	10,999,421
240 Public Safety Fund	9,132,000	4,938,700	5,037,474	5,138,223	5,240,988
243 Adult Corrections Fund	3,519,000	3,519,000	3,589,380	3,661,168	3,734,391
250 Mental Health Fund	4,759,000	4,759,000	4,854,180	4,951,264	5,050,289
255 Public Health Fund	2,302,000	2,302,000	2,348,040	2,395,001	2,442,901
<b>Special Revenue Funds:</b>					
202 Public Works Special Programs Fund	165,000	165,000	168,300	171,666	175,099
210 Grant Projects Fund	2,277,000	1,527,000	1,557,540	1,588,691	1,620,465
212 DA Forfeiture Fund	127,700	25,000	25,500	26,010	26,530
221 Fairgrounds Fund	626,000	626,000	638,520	651,290	664,316
223 County Clerk Records Fund	72,000	72,000	73,440	74,909	76,407
224 Public Land Corner Preservation Fund	157,000	157,000	160,140	163,343	166,610
245 Transit Fund	1,382,000	1,382,000	1,409,640	1,437,833	1,466,589
246 Juvenile Justice Special Programs Fund	163,000	163,000	166,260	169,585	172,977
248 DA Special Programs Fund	220,000	220,000	224,400	228,888	233,466
258 Commission for Children & Families	15,000	15,000	15,300	15,606	15,918
260 Parks Fund	1,088,000	1,088,000	1,109,760	1,131,955	1,154,594
262 Building and Safety Fund	1,596,000	1,596,000	1,627,920	1,660,478	1,693,688
275 Court Facilities and Security Fund	88,000	88,000	89,760	91,555	93,386
<b>Enterprise Funds:</b>					
501 Jail Commissary Fund	116,000	116,000	118,320	120,686	123,100
530 Airports Fund	1,631,000	1,246,000	1,963,620	1,652,892	2,802,892
<b>Internal Service and Internal Vendor Funds:</b>					
401 Internal Services Fund	3,646,000	3,246,000	3,310,920	3,377,138	3,444,681
402 County Buildings and Fleet Fund	3,200,000	3,075,000	3,136,500	3,199,230	3,263,215
410 Insurance Reserve Fund	883,000	600,000	600,000	600,000	600,000
415 Payroll Liability Reserve Fund	271,000	271,000	271,000	271,000	271,000
<b>Capital Project and Capital Reserve Funds:</b>					
303 County Bridge Construction Fund	200,000	-	-	-	-
425 Roads and Bridges Reserve Fund	1,882,000	950,000	1,250,000	950,000	1,250,000
430 Property Reserve Fund	1,556,000	1,500,000	1,500,000	1,500,000	1,500,000
435 Equipment Reserve Fund	1,014,000	889,000	720,000	720,000	720,000
<b>Debt Service Funds:</b>					
610 PERS Bond Debt Service Fund	1,129,000	1,177,400	1,231,800	1,289,200	1,347,400
625 Adult Jail Facility Debt Service Fund	1,051,000	1,048,900	1,046,800	1,048,600	1,050,000
<b>Trust Funds:</b>					
702 Library Programs Trust Fund	276,600	126,600	129,132	131,715	134,349
703 Human Service Programs Trust Fund	91,700	41,700	42,534	43,385	44,252
704 PEG Access Fund	25,000	25,000	25,500	26,010	26,530
715 County School Trust Fund	26,000	26,000	26,520	27,050	27,591
717 911 Excise Tax Fund	-	-	-	-	-
735 Sheriff Forfeiture Fund	128,000	25,000	25,500	26,010	26,530
736 Sheriff Programs Trust Fund	85,000	69,700	71,094	72,516	73,966
<b>Total Appropriation</b>	<b>\$66,767,000</b>	<b>\$57,743,000</b>	<b>\$59,645,134</b>	<b>\$60,114,845</b>	<b>\$ 62,666,108</b>
<b>Unappropriated Ending Fund Balances:</b>					
610 PERS Bond Debt Service Fund	481,000	481,000	481,000	481,000	481,000
625 Adult Jail Facility Debt Service Fund	44,000	44,000	44,000	44,000	44,000
702 Library Programs Trust Fund	367,400	367,400	367,400	367,400	367,400
703 Human Service Programs Trust Fund	47,300	47,300	47,300	47,300	47,300
715 County School Trust Fund	-	-	-	-	-
<b>Total Ending Fund Balances</b>	<b>939,700</b>	<b>939,700</b>	<b>939,700</b>	<b>939,700</b>	<b>939,700</b>
<b>Total Budget</b>	<b>\$67,706,700</b>	<b>\$58,682,700</b>	<b>\$60,584,834</b>	<b>\$61,054,545</b>	<b>\$ 63,605,808</b>

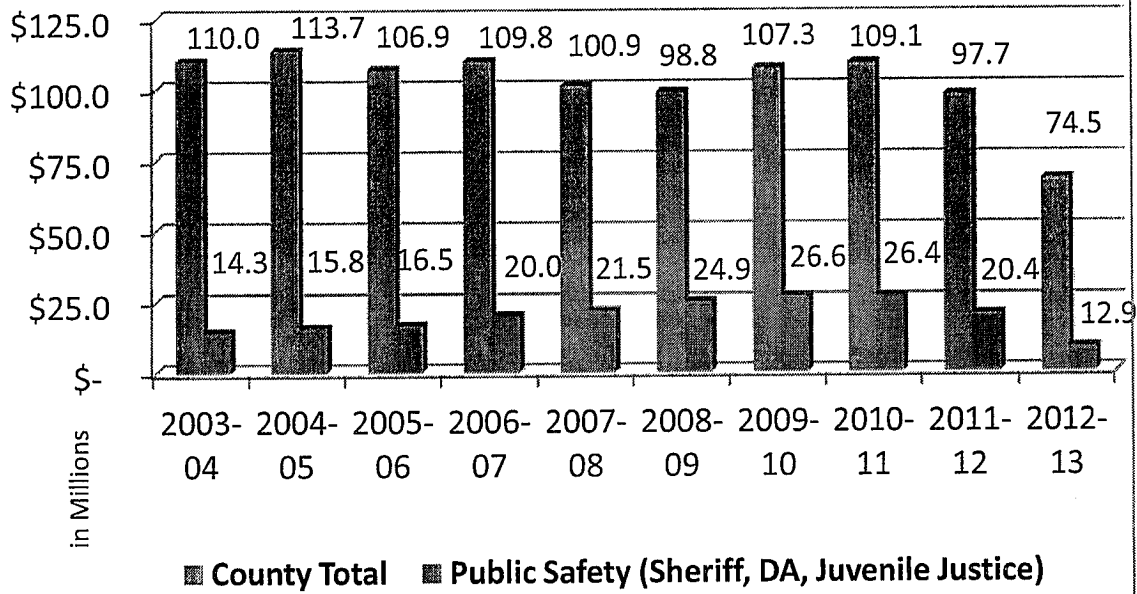
**Major assumptions used:**

The projection for 2014-15 is reduced from 2012-13; adjusted for planned changes in beginning fund balances, capital projects and actual debt service obligations. The Public Safety Fund is projected without passage of the Criminal Justice Levy, which is on the May 2013 ballot in Josephine County.

The projection for the following 3 years generally assumes a 2% inflation factor, adjusted for planned changes in capital projects, estimated changes in grant funding levels, and actual debt service obligations.

Unappropriated ending fund balances are projected to not change.

**BUDGET HISTORY**  
**JOSEPHINE COUNTY ADOPTED BUDGETS**  
 (including Supplemental Changes)



### **Timber Harvest Revenue and National Forests- History**

Timber Harvest Revenue to Counties goes back more than a century. In 1893, President Harrison created Forest Reserves which were expanded by President Cleveland in 1897. Then, in 1908, President Theodore Roosevelt created the National Forests. Also in 1908, President Roosevelt signed an agreement that recognized the fiscal constraint to counties by lack of taxation on this federally claimed land and enacted federal payments to counties as well as a share of timber harvests from these lands.

The revenue from the National Forest harvesting went to supporting county road funds and eventually also school funds. However, between 1970 and 1993, policies changed. In 1976, the National Forest Management Act of 1976 was passed. In the 1990's, the cutting of old growth trees began to conflict with the Clean Water Act, the National Environmental Policy Act and the Endangered Species Act. And in 1990 the Spotted Owl was put on the endangered species list, and it had the effect of sharply decreasing the ability to harvest timber from National Forests, thereby decreasing the revenue counties were receiving. From 1993 to present, there has been continuing decreases in timber harvests and reforms to Forest Service Planning.

Beginning in 1993 Congress recognized that revenues were declining and devised a payments program not based on harvest. This plan was expressed first as the Omnibus Reconciliation Act of 1993 (OBRA), providing an alternative annual safety net payment which was replaced by the Secure Rural Schools and Community Self-Determination Act of 2000 (SRS). A one-year extension of the SRS expired in September 2007 and had not been renewed by Congress despite efforts by the Oregon delegation and others by July 1, 2008.

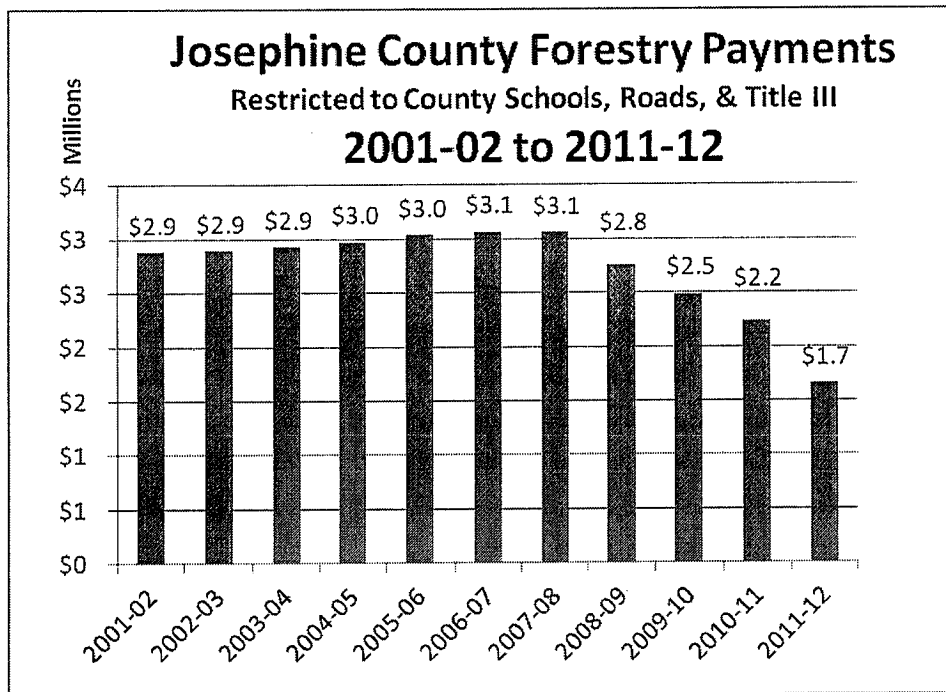
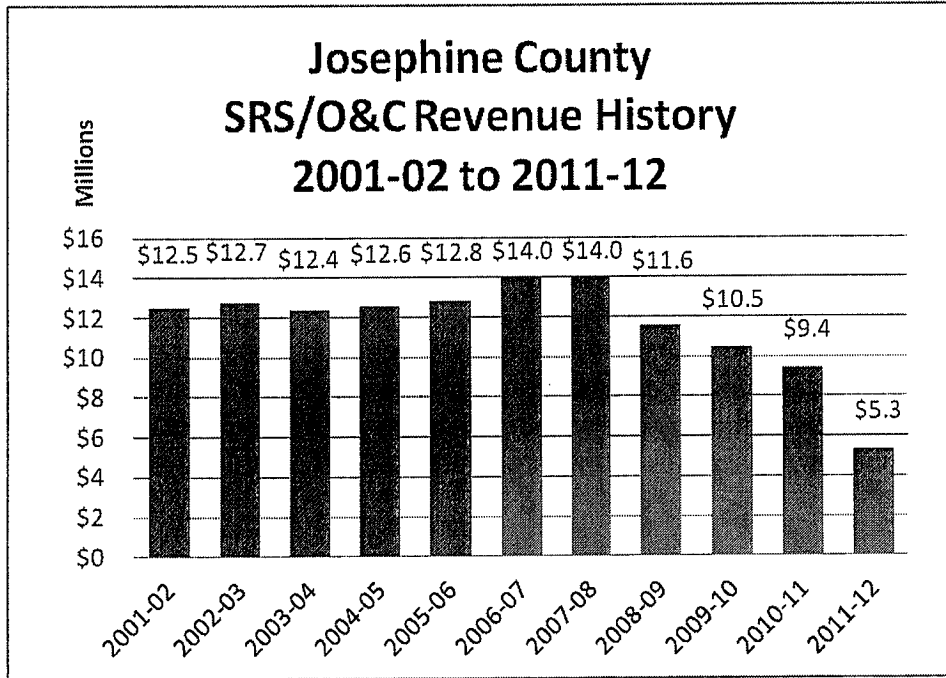
Then on October 3, 2008, Congress passed and the President signed a four-year continuation and phase-out of the payments. This had a four year payment reduction with the final year being 40% of the original payments.

Recently, the Transportation Act of 2012, signed by President Obama, has included a one-time payment to counties but only a percent of the final 40% payment will be paid out. This extension could mean roughly \$4.665 million for Josephine County in discretionary funds that can be used in 2012-13.

### **O&C Lands - Bureau of Land Management**

In addition to the National Forest system, in 1916 the Federal Government reclaimed 2.8 million acres in Oregon that had originally been designated for a railroad. The lands, now known as 'O&C', are managed by the Bureau of Land Management. In 1926, the Stanfield Act provided that the counties also receive a share of the revenue from the timber harvests occurring on the O&C lands. Timber harvest has also dramatically decreased on the O&C lands, for the same reasons it has decreased in the National Forests.

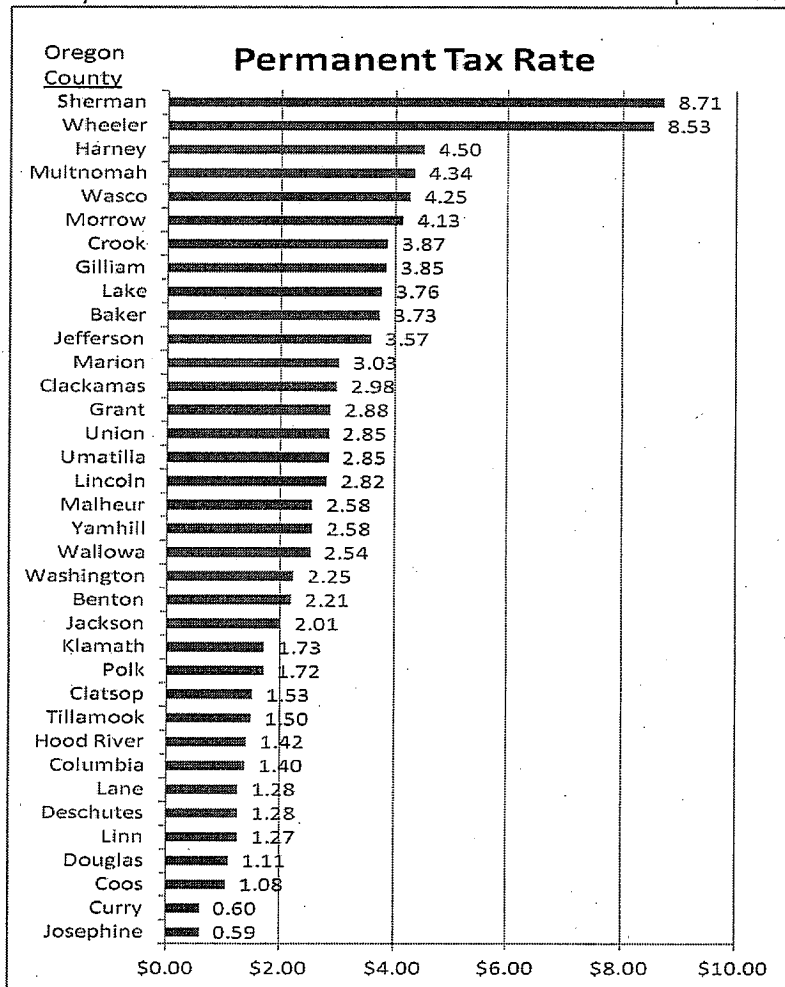
## Timber/SRS/O&C Revenue History to Josephine County



## Local Property Tax Revenue Limitations

Property taxes are collected by local governments to support schools, roads, police and fire protection, and other services. Oregon's property tax system is uniquely limited by two voter-passed constitutional amendments; Measures 5 and 50. Measure 5, approved in 1990, created a permanent limitation on property taxes of \$10 dollars per \$1,000 of real market value for general government services, and \$5 dollars per \$1,000 of real market value for education services. If the tax extended exceeds Measure 5 limits then tax compression occurs. Measure 50, approved in 1997, assigned a permanent rate to each taxing district that cannot be raised without statewide-voter approval. For 1997 the assessed value of the property is the real market value or 90% of the 1995 assessed value, whichever is lower. The assessed value of properties can only increase 3% annually. If the property has changed since 1995, increased values are calculated in comparison to the values of similar property that existed in 1995. General obligation bonds are not limited by Measure 5 limits, but local option levies, GAP bonds, and urban renewal levies are.

**The permanent tax rate for Josephine County was set at \$0.5867 per \$1,000 of assessed value.** This rate was based on the assumption that O&C/SRS Federal payments would continue. According to the County Assessor's office, Josephine County taxable value was \$6,182,933,265 for 2011 and at this tax rate it raises under \$4 million for county services. The county typically adopts a budget with expenditures close to \$65 million and in 2012-13 adopted at \$47 million. Illustrating that Josephine County receives most its revenues from other sources to operate its programs.



JOSEPHINE COUNTY PUBLIC SAFETY ELECTION HISTORY			
Year	Cost per \$1,000	Intent	Result
Nov-04	\$0.34	17-04 Jail Operations Levy - 4 Year	36% YES, 59% NO, 5% under votes
May-07	\$2.49	17-19 Criminal Justice Levy	38% YES, 62% NO
Nov-08	\$0.99	17-25 Law Enforcement District #1, (jail, court, emergency planning, search & rescue, mandated srvc)	40% YES, 60% NO
Nov-08	\$1.09	17-26 Law Enforcement District #2, (rural patrol, investigation, traffic, other police services)	34% YES, 66% NO
May-12	\$1.99	17-43 Criminal Justice Levy	43% YES, 57% NO

## WHAT HAS JOSEPHINE COUNTY DONE?

- FY 2005-06** Reorganization of County management structure  
Elimination and consolidation of positions and departments  
Reduction of non-union benefits  
Reduction of union benefits as bargained  
Privatized Community Action programs (Transit)
- FY 2006-07** Programs removed from the General Fund (Public Health, Fair, Parks, etc no GF monies)  
Service Level 1 established: Majority of county programs became self sustaining through fees, grants, other revenues  
Public Safety Fund established (Sheriff, DA, and Community Justice)  
O&C monies transferred to Public Safety Fund from General Fund  
Mental Health Programs privatized  
Levy defeated for Library funding  
Capital Property & Equipment Reserve Funds established for major repairs/replacement  
Budget reflected a loss of county staff of 165.97 FTE positions (151.53 FTE is Mental Health)
- FY 2007-08** Library closed, General Fund savings  
Adult Corrections Fund established (moved out of Public Safety)  
Reinstate Community Action (Transit) programs as required by State  
Levy defeated for Public Safety funding in May  
Received one year extension of O&C monies for Public Safety  
Budget Committee allocated 50% of O&C to FY 07-08 spending & rest carryover for 08-09  
General Fund transferred \$4.8 million to Public Safety  
Reduction of 21.81 FTE staff in General, Internal Service, BOM and Public Safety Funds
- FY 2008-09** Reduced transfer to Public Safety from General Fund to be \$3 million  
Hiring freeze in place February 2008, All new proposed positions require justification  
Kept rest of county programs at reduced service level 1, 2007-08 levels  
Regional Hospital Fund closed, transferred to Jefferson Behavioral Health  
Capital Roads & Bridges Reserve Fund established  
Law Enforcement Districts on Nov 2008 ballot defeated  
County refinanced Adult Jail Facility Bond, saving \$965,000
- FY 2009-10** Approved Jan 2009 Public Safety 3 Year Plan to utilize federal funding over time  
Of the \$10.8 million O&C funding received, budgeted to use \$550 thousand  
Kept rest of county programs at reduced service level 1, 2007-08 levels  
Assisted Non-Profit Library entity to re-open Libraries with county matching grant  
Maintained Reserves for future budget years

**FY 2010-11**

Continued use of Approved Public Safety Plan to utilize federal funding over time  
Of the \$10.9 million carryover and new deposit of \$8.7 million, \$9 million will be carryovered to 11-12 budget year  
Budgeted to re-instate Mental Health if required  
Kept rest of county programs at reduced service level 1, 2007-08 levels  
Centralized services maintained FY 09-10 levels to keep overhead low  
County further reduced costs to departments by implementing Insurance Fund and moving away from Self-Insurance  
Maintained Reserves for future budget years

**FY 2011-12**

Continued use of Approved Public Safety Plan to utilize federal funding over time  
Of the \$9 million carryover and new deposit of \$4.8 million, \$2.3 million will be carryovered to 12-13 budget year  
This budget reflected a loss of county staff of 21.35 FTE positions  
County settled with AFSCME to not reinstate Mental Health and sustain programs at non profit agencies in community  
Centralized services reduced 4 positions  
Maintained Reserves for future budget years

**FY 2012-13**

Public Safety Plan utilize final carryover resulted in \$3 million for 2012-13 leaving little carryover for 2013-14 budget year  
Criminal Justice Levy of \$1.99 per \$1,000 assessed value in May 2012 failed  
Budget committee approved use of \$425,000 federal road dollars to be used for sheriff rural patrol as approved by oregon legislature March 2012  
This budget reflected a loss of county staff of 118.85 FTE positions  
89.18 FTE of this loss can be attributed to the Public Safety Departments  
Reduced transfer from General Fund to Public Safety to be \$2 million in order to maintain mandated functions and have sufficient reserves  
Refinanced County Tax Pension Bonds, saving the county \$1 million over life of bond  
Reduction of non-union benefits, result of NO COLA  
Reduction of union benefits as bargained, result of no COLA  
3 unions negotiating were AFSCME, SEIU and Sheriff Association; result AFSCME, SEIU negotiated, however Sheriff Association extended current contract with current benefits but added No COLA.  
One final payment of O&C recieved in January 2013 of \$4.4, Board of County Commissioners approved spending \$500,000 in 12-13 and set aside \$3.9 million to 13-14 budget year.



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