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## Josephine (JO) County (CO) Justice System (JS) & Public Safety Services (PSS)

### JO CO Justice System & Public Safety

**Services** The 2012 expiration of federal funding for services resulted in two JO CO proposed levies as a solution. They both failed.

**Financial Condition Review** In May 2012 the Oregon Secretary of State published an analysis entitled, “*Oregon’s Counties: 2012 Financial Condition Review.*”<sup>3</sup> Part of that report was about how each of Oregon’s 36 counties had addressed their financial conditions as described by 10 fiscal indicators.

*During 2008 to 2010, a total of 15 counties experienced decreases in their respective general fund unreserved fund balance. Twelve counties experienced decreases of about 10% during this period.*

The reader is referred to other educational brochures for summaries of the other 8 indicators.

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1. Hugo Neighborhood Association & Historical Society (HNA&HS). July 9, 2013. *Justice System Exploratory Committee*. Hugo, OR.
  2. Hugo Neighborhood Association. July 9, 2013. *All Voters & Votes Are Legitimate*. Hugo, OR.
  3. Oregon Secretary of State. May 2012. *Oregon’s Counties: 2012 Financial Condition Review*. Secretary of State Audit Report Kate Brown, Secretary of State Gary Blackmer, Director, Audits Division.

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## Fiscal Indicators: “Fund Balance” & Retirement Benefit Obligation”

**Indicator No. 5 Fund Balance** Most counties rely upon property tax revenue as a primary source of income to cover operating costs for the year. The general fund unreserved fund balance helps counties cover costs from July until November, when property taxes are generally collected. A positive fund balance provides a cushion to help with revenue shortfalls or expenditure overruns. Continuous reductions in fund balance could lead to problems in the future, even if the current fund balance is positive.

Due to changes in county fund structures resulting from implementation of GASB Statement Number 54, fund balance information beginning with 2011 is no longer comparable to previous years. As a result, this indicator focused on the three-year period from 2008 to 2010. During this period, a total of 15 counties experienced decreases in their respective general fund unreserved fund balance. The most significant decrease, of about \$2 million, occurred in Linn County, which reported a negative general fund unreserved fund balance in two of the three-years analyzed. Linn County officials reported that the negative General Fund balance was a result of extensive use of interfund loans from the county’s Road Fund. Twelve other counties experienced decreases of about 10% during this period.

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## Oregon’s Counties: 2012 Financial Condition Review

### Indicator No. 6 Retirement Benefit Obligation

An unfunded liability is a liability that has been incurred during the current or a prior year that does not have to be paid until a future year, and for which reserves have not been set aside to pay the liability. It is similar to long-term debt in that it represents a legal commitment to pay at some time in the future. If such obligations are permitted to grow over a long period of time, they can have a substantial effect on a county’s financial condition. This indicator measures the burden of a county’s unfunded actuarial liability associated with its pension and other post-employment benefit plans (OPEB) on its citizens.

In 2011, Sherman and Gilliam Counties had the largest total pension benefit obligations, both exceeding \$900 per citizen. The average obligation in 2011 was \$302 per capita. Pension plans in three counties were fully funded. Fully funded plans are those with no outstanding liability. Counties with retirement benefit obligations per capita of \$0 or less are considered fully funded. A negative amount indicates a county that is more than 100% funded. This generally occurs when pension bonds were issued to reduce the county’s retirement obligation.

**Information?** Contact the *Exploratory Committee*.

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## Exploratory Committee's Mission

**Mission** An independent Justice System and Public Safety Services Exploratory Committee (*Exploratory Committee*) to investigate the JO CO Justice System & Public Safety Services (JS&PSS) issue was formed under the leadership of the Hugo Neighborhood Association and Historical Society (HNA&HS).

Big picture ideas for the exploratory effort include the following.

1. Identifying the JS&PSS issue.
2. Identifying the JS&PSS sub-issues for research and analysis.
3. Identifying a range in level of services
4. Identifying a range of cost for services.
5. Identifying revenues for services.

The ultimate goal is an adequate justice system and public safety services. Is it possible to have a higher level of service for a lower cost? The purpose of the *Exploratory Committee* is to gather information adequate enough to understand the JS&PSS issues. This includes educational outreach efforts.

The *Exploratory Committee's* purpose is limited to investigating and researching the JS&PSS issues. It will not make evaluations of right or wrong, nor make recommendations on how to vote.

The contents of this brochure are expressions of the opinions and beliefs of those that contribute based on their thoughts and experiences. Hopefully, their efforts will assist the public toward informed decision-making.

- Donations Are Not Tax Deductible -

Edited by Mike Walker, Member, Exploratory Committee

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### Justice System Exploratory Committee

<http://www.hugoneighborhood.org/justicesystemexploratorycommittee.htm>

### HNA&HS

<http://www.hugoneighborhood.org/>

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## OR COUNTIES: 2012 REVIEW OF FISCAL INDICATORS 5 & 6

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Justice System & Public Safety Services Series

### Indicator 5. Fund Balance Indicator 6. Retirement Benefit Obligation

### The 10 Fiscal Indicators Provide a General Assessment of the Financial Condition of Oregon's Counties

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|---------------|-------------------------------|
| Indicator 1.  | Local Support                 |
| Indicator 2.  | Timber Payment Dependence     |
| Indicator 3.  | Debt Burden                   |
| Indicator 4.  | Liquidity                     |
| Indicator 5.  | Fund Balance                  |
| Indicator 6.  | Retirement Benefit Obligation |
| Indicator 7.  | Public Safety                 |
| Indicator 8.  | Personal Income               |
| Indicator 9.  | Population Trends             |
| Indicator 10. | Unemployment                  |

**Very Draft July 20, 2013**

*Hugo Justice System Exploratory  
Committee*