
Josephine County Justice System & Public Safety Services

Financial Condition Review In May 2012 the Oregon Secretary of State published an analysis entitled, “*Oregon’s Counties: 2012 Financial Condition Review*.”³ Part of that report was the conclusion that JO CO was one of eight counties that may be at a higher risk of distress.

Overview Josephine County is the last county created before statehood and relies on lumber, tourism, and agriculture. Roughly 62% of its 1,641 square miles is publicly owned.

Josephine is one of the most dependent on federal timber payments, and levies the lowest property tax rate. While a number of financial management indicators, such as the county’s debt burden and liquidity are positive, the majority indicate a high degree of risk. For example, the county’s low property tax rate limits its ability to generate local revenues. In addition, unemployment is high and per capita personal income ranks in the bottom third among counties. Josephine’s population, while steadily growing, is also aging, which could place even more financial pressure on the county’s available resources.

County Response County officials report they have proactively planned for the decline in federal timber payments. Officials have also required that the majority of county programs be self-sustaining through fees, grants, state contracts, and other revenue sources that do not rely on property taxes or General Fund support. However, a recent local option levy, intended to provide funding for the county’s Public Safety Fund for four years, failed to receive voter approval.

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.

Justice System Exploratory Committee

Local Support Local revenues have decreased by half since 2004, to \$14.8 million in 2011. Local revenues per capita in 2011 was the lowest in the state. The decline in local revenues is likely due to a combination of factors, including population change, economic conditions, and inflation. The county’s permanent tax rate of \$0.59 per \$1,000 of assessed property value is the lowest rate in Oregon.

Timber Payment Dependence Federal timber payments decreased about 35% over the last eight years, while the county’s dependence on federal timber payments increased. As revenues from all other sources declined about 43%, federal reliance grew from 19% of total governmental fund revenues in 2004 to 22% in 2011.

Debt Burden The county’s debt service payments, as a percentage of total governmental fund revenues, remained stable between 2004 and 2011. This trend indicates that the county has implemented sound debt management practices.

Liquidity The county has maintained a liquidity ratio above 2.0 the last eight years. At its current level, the county has sufficient cash to meet its existing short-term liabilities.

Fund Balance The county’s general fund unreserved fund balance has remained stable since 2004. As a percentage of total general fund expenditures, the general fund unreserved fund balance has increased 90% from 2004 to 2010. The primary cause for this improvement is a significant reduction in the county’s general fund expenditures, which dropped from \$28.3 million in 2004 to \$3.6 million in 2010. Between 2006 and 2007 general fund expenditures decreased about \$24.9 million (91%) due in part to the creation of the Public Safety Fund.

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Retirement Benefit Obligation The county provides pension and other retirement benefits to its employees. The unfunded liability and resulting per capita obligation associated with these benefits dropped significantly in 2007. However, implementation of new reporting standards for the disclosure of other postemployment retirement benefits led to an increase in per capita obligation beginning in 2009.

Public Safety County per capita spending on public safety related programs has remained relatively stable with only slight fluctuations from year to year.

Personal Income Per capita personal income levels have increased about 6% since 2004. In 2009, the county ranked in the bottom third among Oregon counties.

Population Trends In 2010, Josephine County was 12th largest among Oregon counties with a population of 82,713. The population has more than tripled since 1950. Significant increases occurred between 1970 and 1980, and again between 1990 and 2000. The county has experienced double digit growth in population in four of the last six decades. The county’s population is aging. In 1950, 75% of the population was under the age of 50; however, that group represented only 54% of the population by 2010. Conversely, the population of individuals over the age of 50 increased from 25% to 46% during this same period. This shift, if continued, could reduce the size of the future workforce and also create greater demand for more provide health and social services.

Unemployment The county’s unemployment rate has remained above 12% since 2009. In 2011, the county’s unemployment was one of 10 highest rates in Oregon and was 3% higher than the State’s rate that year.

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 -

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

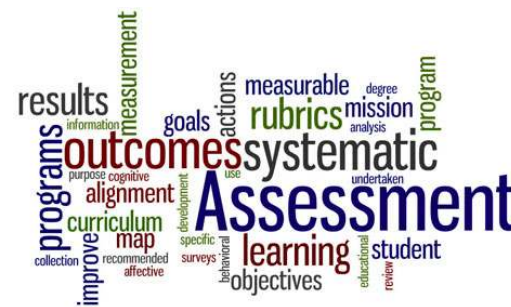
HNA&HS

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Hugo Justice System Exploratory Committee