

January 7, 2015. Melissa McRobbie. *County's new finance director braces for challenges.*

Melissa McRobbie, Reporter of the Daily Courier

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Arthur O'Hare is Josephine County's new finance director. He's worked in the department since 2004.

When Josephine County leaders talk budget, the term "fiscal cliff" is bound to come up.

The doomsday phrase describes the beginning of the new fiscal year on July 1, when the county is set to begin operating with millions less in federal funding than it receives now. Because there is no indication Congress will authorize another extension of county payments, the fall over the "cliff" appears inevitable.

The person in charge of sizing up the cliff as the county approaches the brink is Arthur O'Hare, Josephine County's new finance director — except he thinks we've already gone over the edge.

Josephine County received \$4.8 million in county payments for the current fiscal year, which O'Hare said is "better than a poke in the eye" but a far cry from the \$12 million to \$15 million the county used to receive annually from the federal government.

As O'Hare sees it, the county has been tumbling down the cliff for years. In 2006, Congress approved legislation to phase out the federal payments, which had declined to \$5.8 million by 2012, when lack of money forced drastic cuts at the sheriff's and district attorney's offices and forced the closure of the Juvenile Justice Center.

Josephine and other counties started receiving federal subsidies in the early 1990s as timber harvests dwindled. The subsidies were designed to offset the loss in revenue from timber sales on federal land, which Western Oregon counties with BLM-managed O&C land had received for decades.

In 2000, the subsidies were expanded under the Secure Rural Schools and Community Self Determination Act. At its peak, the program provided as much as \$15 million a year to Josephine County, which used the money to fund the Sheriff's Office and other county programs.

When the program was renewed in 2006, it included a phase-out schedule to reduce the payments annually. There was a one-year extension for the current fiscal year, and the final payment to Josephine County was for \$4.8 million.

With the county's current fiscal situation set to go from dismal to worse, O'Hare has asked public safety department heads to start thinking about how they would cope with potential budget cuts of more than 40 percent. District Attorney Stephen Campbell, former Sheriff Gil Gilbertson and Juvenile Justice Director Jim Goodwin have prepared budget scenarios in case that happens, and all have said such cuts would cripple their departments to the point of ineffectiveness.

As the clouds gather, Gilbertson and Campbell are stepping out of the storm. Gilbertson lost his re-election bid to Grants Pass police Officer Dave Daniel, who was sworn in Monday. Campbell submitted his resignation in November, effective at the end of February.

O'Hare, on the other hand, is just getting warmed up. He is no stranger to the fiscal nuances of Josephine County, having worked in the county's finance department as controller since 2004.

Drawn to numbers from a young age, O'Hare excelled at his math classes in school. He was raised in Riverside, Calif., and Florida, and has lived in Oregon since 1976, when he visited his aunt and uncle in Medford after high school and decided to stay. He met his wife in church, and the couple married and moved to Dallas, Ore., where they raised their children. They moved back to Southern Oregon about a decade ago.

O'Hare's predecessor, Chief Financial Officer Rosemary Padgett, retired in June. Although O'Hare's title is different from Padgett's, his responsibilities are similar.

It has been no secret that county payments would dry up at some point, and Josephine County has been making adjustments in recent years — including by requiring that many county departments be self-supporting through grants, user fees and other means. This weaned certain departments, particularly the fairgrounds, off of the general fund, freeing up more money for the district attorney, the sheriff and Juvenile Justice.

"We've been trying to send all the money that we could to public safety," O'Hare said.

Without federal county payments, though, the sheriff could see his budget slashed by 43 percent.

"In my opinion that's an optimistic number," O'Hare said.

The figure assumes that new Sheriff Dave Daniel will be able to continue bringing in about \$2.7 million annually to the Sheriff's Office through grants and contracts. Gilbertson has said that a 43 percent cut would mean no patrols, no dispatchers and a further reduction in available jail beds.

A citizens' group is working to place a public safety levy on the May ballot that would increase rural patrols, add jail beds and reopen the Juvenile Justice Center.

Its passage would make O'Hare's job a lot easier, but he isn't holding his breath; Josephine County residents have voted down three straight public safety levies since 2012.

Even if the levy request fails and no new federal money materializes, the county won't just be swallowed up into a budgetary black hole, O'Hare said.

"The county will function. You bet," he said. "It will be at reduced levels, maybe not as much as what the citizens want and need, but we'll still be here."

O'Hare, 56, worked as treasurer for Pacific International Enterprises, a Medford-based film production and distribution company, before being hired by Josephine County. He did contract- and grant-related work for Western Oregon University for nearly 10 years beginning in 1992, and has also worked for the Oregon Building Codes Agency and the state Department of Commerce.

He earned bachelor's degrees in business administration and Spanish at Southern Oregon University in 1982 and a master of business administration degree from SOU in 2011.

His compensation as finance director, including benefits, is \$129,746. His predecessor, Padgett, earned \$147,000 including benefits as CFO.

While he enjoys crunching numbers for the process itself, O'Hare gets his fulfillment from seeing the numbers in action.

"Rather than the pure theoretical, I do like applied," he said. "I like to see the programs, feel like I'm part of the programs delivering the services to the citizens ... In my mind it makes it satisfying."

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