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County Fiscal Sustainability Report Deserves a Closer Look

Document assesses county-wide needs and offers plan for increasing revenues

By Scott Laird

When the Columbia County Board of Commissioners announced the adoption of a newly completed Fiscal Sustainability Report in late November, the details revealed in the report may have slipped by some county residents in all the holiday rush. It would be a mistake to pass over this important document and the information it contains, which paints a fairly bleak picture of the County's current financial situation, and addresses the need for serious reform in how the County collects revenues.

When County Commissioner Alex Tardiff was elected in 2016 to a four year term, he ran on the idea of providing fiscal responsibility, transparency, and accountability to county residents. Once elected he served on the Board as budget officer and as chair of the County's revenue committee, using his experience as a former tax accountant to make changes to county spending and to how county funding is allocated. He was instrumental in the creation of the Fiscal Sustainability Report, serving as the Board's liaison to the study that guided the report.

The purpose of the study and the concluding report was to evaluate the current financial status of the County and then create a funding strategy to guide the county's financial decision-making processes in the coming years, something that has been missing from County operations. The report itemizes county-wide needs while identifying funding challenges and detailing potential sustainable solutions. The full report is available on the County's website at www.ColumbiaCountyOR.gov.

"The Board of Commissioners recognizes that any new revenue sources could impact county businesses and residents, therefore, they should be fair and equitable," Tardif said in a press release announcing the report. "But our residents are the ultimate decision-makers; what we have done is to create a framework for them to understand the needs, trade-offs, and ways to improve their county's fiscal situation."

What the report found should be alarming to county residents – a $30 million funding gap over the next five years, just to maintain current levels of service. If the County were to fund all identified high priority needs to improve services and accomplish all operational tasks and projects, about $42 million in additional revenue would be needed over the next five years.

The report was authored by ECONorthwest, using economic, planning, and financial analysis. It involved Columbia County staff, and an advisory committee made up of local citizens, and community and business leaders.

Vernonia City Councilor and School Board member Susan Wagner, who works for Community Action Team, was part of the advisory committee. "Commissioner Tardif asked me to participate in the Columbia County Revenue Advisory Committee as a private citizen," said Wagner when she was asked about the process. "He felt that as I live in and represent a rural portion of the county, as well as working for a non-profit which serves the county, that I could bring the perspective of what I've experienced as a Vernonia resident, and share concerns and opinions in an objective manner."

The fiscal situation and lack of necessary revenues should be a concern for all county residents, as should the continuing decline in services, the continued growth of the County's population, inadequate staff to maintain infrastructure, and the previous lack of a strategic plan to fund mandated County services.

As the report's introduction notes, "As Columbia County's funding gap becomes harder to reconcile each year, the County must make increasingly tough choices. Does the County cut more services? Defer more maintenance on key infrastructure? Invest more effort in pursuing limited one-time only grant funds and state allocations? Reduce human resources, even at the risk of straining the team? This chronic underfunding of services affects everyone in the County: cities must step up their own resources to cover gaps, residents of unincorporated communities drive to and from work on poorly maintained roads, and the County's citizens have limited access to fundamental transit, public safety, and other services that counties provide. To reconcile Columbia County's funding gap, the County has made layoffs, initiated furloughs, conducted programmatic restructuring, and deferred capital maintenance. The result of these necessary decisions is reduced quality of life for many County residents."

A number of factors play into the causes of Columbia County's funding gap that include the state restriction on funding mechanisms. The needs of the County and its citizens continue to evolve and grow while services the County can afford to provide continue to decrease. While the report does attempt to offer a path forward and some potential solutions, those solutions will come at a cost, a cost county residents have been reluctant to approve in the past.

"The process was collaborative, with a diverse group of people from throughout the County, representing the County's small and large communities alike, said Vernonia's Wagner. "Those of us from small communities were well received, and our observations and comments were held equally with those from the larger cities like St. Helens and Scappoose. That said, there were times when I felt that there was a disconnect of understanding the situations and challenges of the smaller towns around the County."

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WOEC Rate Increase Effective January 1

West Oregon Electric Cooperative (WOEC) members will see a slight increase on their next bill due to a cost of power rate increase Bonneville Power Administration (BPA) has implemented, which WOEC is passing on to its members.

The rate increase to all classes and blocks will be $0.004 per kWh used, which translates to $0.40 (40 cent) increase for each 100 kWh; consumers using 1,000 kWh per month would see a $4.00 increase. Members will see this increase in the bill they receive in February for power consumed during January.

Only a handful of members attended a Rate Information Meeting on January 9 at the Vernonia Rural Fire Protection District, at which all seven members of the Board of Directors were present to answer questions from members. The co-op is required to hold a public meeting for members whenever rates are impacted.

General Manager Bob Perry told the members that, while BPA generally raises their rates every two years in October, WOEC usually waits to raise its rates until July in order to not impact members during the winter months. Perry said this year's mild winter temperatures have reduced the co-op's expected revenues, so it was necessary to implement the rate increase in January.

When asked by a member in the audience why WOEC rates are so high compared to other electrical utilities, Board Chair Brett Costley explained that WOEC has 700 miles of line, spread over a large service area with a lot of trees, without large industrial customers to help subsidize rates for residential and small business members. Costley said outside of Vernonia the co-op averages three members per mile of line. "We have all the worst conditions for an electric utility," said Costley. "We don't like it any more than you do - we're all members and pay the same rates you do." He said the Board monitors the budget and believes the co-op is not spending money frivolously, and tries to provide power at the lowest rate possible.

Costley said the co-op has been working to reduce outages through a tree trimming program and, when possible, to underground lines to protect them from trees, although he noted the cost to underground lines is about $1 million per mile. Costley also pointed out that the $43 monthly service charge to keep members connected to the utility does not cover the fixed costs to operate the co-op.