



REPORT TO THE CURRY COUNTY BOARD OF COMMISSIONERS

Citizen's Committee
February 1, 2012

Today's Presentation

- Summarize Report
 - Executive Summary
 - Recommendations
 - 19 Recommendations
 - Brief overview of each recommendation
 - Conclusions
- Q/A

Thank You

“Usually, a thank you appears at the end of the presentation. Today, we would like to start our presentation by thanking the Curry County Board of Commissioners for their efforts and dedication in exploring solutions to our fiscal challenges. Specifically, we would like to thank you for setting up this process to reach out and seek input from the citizens of the County.

We would also like to sincerely thank the County employees, Oregon Consensus and the Association of Oregon Counties for facilitating the process and for the patience and professionalism they displayed in gathering information for the committee and answering our questions during the process.”

The Process

- Over 30 hours devoted to Committee work
 - Meetings with County officials
 - Site visits to County facilities
 - Presentations
 - Association of Oregon Counties
 - Governor's Office
 - County's law enforcement tax measure advisor
 - Work group meetings
 - Governance/Structure, Revenue and Expenditures
 - Goal to identify and analyze ideas that would reduce expenditures, improve efficiency and thereby reduce cost and increase revenue
 - Considered short and long term solutions
 - Hearing public comment
- Countless hours spent outside Committee meetings

How We Determined Level of Support

The group used a common set of hand signals called the "Fist-to-Five" to help in the evaluation. Committee members held up a fist to indicate if a recommendation violated their principals, one finger to question and/or suggest changes, two fingers to discuss minor issues, three fingers to indicate they could live with the recommendation without further discussion, four fingers to affirm it was a good idea, and five fingers to indicate full support. The "Fist-to-Five" determined:

- Consensus
 - Full and unanimous endorsement or range of varying levels of endorsement with no outright vetoes
- Majority
 - Majority supported the recommendation, although there were members who either could not support or they had major concerns that could not be resolved in this process
- Minority
 - A minority of Committee members supported the recommendation

Recommendations

1. Form of Government
2. Law Enforcement Services
3. Consolidating 9-1-1
4. Employee Compensation
5. November 2012 Election
6. Budget Committee
7. Budget Development
8. Engage Employee Unions
9. Vehicle Maintenance and Use
10. State Assumption of Services
11. Transient Lodging Tax

12. Develop a Fair and Equitable Tax Structure that Funds a Reasonable Level of Public Safety
13. Increase Permit and License Fees
14. Brookings Airport Improvement
15. Sale of Surplus County Assets
16. Forest/Timberland/Ag Tax Review
17. County Sales Tax
18. Increase Property Tax
19. Fractional Equities Program

Recommendation 1

Form of Government (*Consensus*)

The Committee recommends that the Commissioners immediately initiate the process of transitioning the County's existing form of government to a Commission/Administrator structure. This would involve the employment of a full-time, professional Chief Administrative Officer to manage the day-to-day affairs of the County and allow part-time or volunteer Commissioners to focus on policy-making and long-term strategies.

The Committee felt that greater efficiencies and cost savings could be obtained with a full-time professional managing internally. Commissioners would have more time to devote to strategy and to advocate for the changes we need at the state and federal levels in order to make us financially viable and stable for the long-term, some of which are contained in this report. As a long-term strategy, the Committee also recommends that the Commissioners analyze the advantages and disadvantages of creating a Charter form of governance.

Recommendation 2

Law Enforcement Services (*Consensus*)

The Committee recommends a concept of a joint city/county structure for law enforcement as a long-term strategy. The Commission should form an intergovernmental task force inclusive of representatives of federal, states, county and city law enforcement leaders to determine how to better utilize existing resources, provide for better coordination and provide adequate and efficient public safety for the citizens of the County.

Recommendation 3

Consolidating 9-1-1 (*Consensus*)

The Committee recommends consolidating the 9-1-1 and emergency services dispatch centers currently operated by the Curry County Sheriff's Department and the City of Brookings Police Department. It is estimated that such a consolidation could save \$200,000 to \$400,000 annually.

Recommendation 4

County Employee Compensation (Consensus)

The Committee recommends that the County conduct an in-depth evaluation of work flow processes, positions, compensation, benefits and potential unemployment costs to identify opportunities for gaining efficiencies and cost savings.

We also recommend that the County immediately draft a letter as to the intent of renegotiating both collective bargaining agreements as to not risk missing the advance deadline for the intent of renegotiation and subsequent yearly rollover. This will allow the County to properly prepare for changes that are needed to coincide with our overall financial situation.

Recommendation 5

November Election *(Majority)*

The Committee recommends, by majority, that any tax or levy measure be placed before the voters in November 2012, and not in May 2012. The Committee believes that there is not sufficient time to effectively and adequately create a dialogue about any proposed measure presented in May. In addition, scheduling any ballot measure for November would give the County Budget Committee adequate time to develop its proposal for FY 2012-13.

Recommendation 6

Budget Committee (*Consensus*)

The Committee recommends that the County Budget Committee be expanded to include representatives from the Citizens Committee. Zero Based Budgeting and Priority Based Budgeting techniques should be the foundation in the preparation of the FY2012-13 budget. The Budget Committee should convene and begin work on the FY 2012-13 budget as soon as possible.

Recommendation 7

Budget Development (Consensus)

The County Budget Committee should develop a FY 2012-13 budget without regard to mandates; targeting services to be curtailed that are non-essential or that place the General Fund at risk. Even after review of the documentation provided and much deliberation, the Committee was unclear as to what services are mandated, by what authority and what mandated services were supported by the general populace. The Committee recommends that the FY 2012-13 budget be prepared with no anticipated tax increase; while preserving the existing level of reserve funds to the greatest extent possible. If SRS funds are received, those funds should be reserved for carryover to FY 2013-14.

Recommendation 8

Engage Employee Unions (*Consensus*)

Invite employee unions to begin collective bargaining immediately to help address the fiscal crisis. County employees are among the most important stakeholders and therefore must be part of the solution.

Recommendation 9

Vehicle Maintenance and Use *(Consensus)*

Review current practices and internal charges for the maintenance of County vehicles. Consider, in some cases, changing to a mileage reimbursement method for private vehicle use for County business by employees instead of providing a County-owned vehicle.

Recommendation 10

Shift Services to State (*Consensus*)

Consider turning non-essential services over to the State or other entities. Regardless of the usefulness of a service or that they usually pay into the General Fund, if their regular source of funding were to be disrupted the General Fund would be pressured to make up the balance. This poses a significant risk that the County has little control over and should therefore seek to minimize the exposure.

Recommendation 11

Transient Lodging Tax (Consensus)

The Committee recommends that the county pursue a Transient Lodging Tax. Clatsop, Deschutes, Hood River, Jefferson, Lane, and Lincoln counties all collect a transient lodging tax in their unincorporated areas. Washington, Wallowa, Union, Multnomah, Lake, Klamath, Grant, and Clackamas collect a transient lodging tax county-wide regardless of whether their cities are also collecting a transient tax. The rate is between 5.0 and 9.0 per cent. According to Oregon Travel Impacts 2011 (http://www.deanrunyan.com/doc_library/ORImp.pdf), nearly 100 cities and counties in Oregon impose local lodging taxes which are independent of the state lodging tax. Significant revenue could be derived from a county-wide tax collected by bed and breakfast establishments, cabins, campgrounds, condominiums, hotels, inns, lodges, RV sites, vacation rentals, and more.

Recommendation 11, Con't.

Current state law (ORS 320.350) requires local governments to dedicate 70 percent of receipts from transient lodging taxes enacted or increased after July 1, 2003, to fund tourism promotion or tourism-related facilities and 30 percent to fund city or county services or to finance or repay the debt of tourism-related facilities.

Also recommend amending state law to give counties the authority to use existing revenues more flexibly and to enact new revenue options with the approval of county voters. One example would be to allow all transient lodging tax receipts to be used by counties and cities for “tourism-related services, including emergency services, law enforcement and roads.”

Recommendation 12

Develop a Fair and Equitable Tax Structure that Funds a Reasonable Level of Public Safety (*Consensus*)

The Committee recommends that the Commissioners develop a tax structure that recognizes the disparities in incorporated and unincorporated areas and allows time and adequate funding to transition to a long-term strategy of implementing shared services or taxing districts.

Recommendation 12, Con't.

One of the major recommendations in the FFP Task Force Report on what counties and county taxpayers can do to help themselves is the formation of county service districts and enactment of local option levies.

Other options were considered by the Committee; however, the Committee felt that the long-term goal of shared services outlined in Recommendation 2 needed adequate time for deliberation; and in the meantime, some form of short-term funding may be necessary in order to maintain at least a minimum level of services for public safety.

Recommendation 13

Permit & License Fees (Consensus)

Analyze county permit, fee, and license schedules to determine which could be adjusted. Determine new sources of permitting and fees, such as a County Business License. Unlike the three incorporated cities within Curry County, the County itself does not currently require a business license in the unincorporated areas. Since this would only require the adoption of a County ordinance it is not voter-approval based, thereby avoiding the difficulties of an additional ballot measure. Additional new fee possibilities include telephone franchise fees. An advantage is that review of fees could be started immediately.

Recommendation 14

Brookings Airport Improvements (Consensus)

Improvements to the Brookings Airport would encourage development in the area. Funds/grants may be available from state/federal emergency management programs, if the airport is designated as an emergency and evacuation airport by the Federal Aviation Administration (FAA) and Oregon Department of Aviation (ODA). Improvements would also make the airport more attractive for redevelopment and allow the county/city/port to create development-ready space for commercial/industrial use. The first step in this recommendation is to apply to the FAA and ODA for the emergency airport status.

Recommendation 15

County Surplus Assets Sale, Lease or Re-purpose *(Consensus)*

Inventory and review all County assets to determine if there are any assets that are excess to the county needs and not required for any foreseeable County use. Determine whether that asset should be sold, leased or re-purposed. This could include the sale and lease-back of County-owned structures; an investor could purchase the asset, fund the improvements and lease the asset back to the County. Advantages of selling/leasing property are immediate cash flow, reduction of maintenance, using private capital to make needed improvements and addressing liability issues immediately.

Recommendation 16

Forestland/Timberland Tax Review (Consensus)

- 1. Review & collect under-reported delinquent taxes. Identify forest/timber/agricultural properties that are already being used as residential or look for any tax delinquent acreage and monitor compliance with “harvest and grow” requirements to insure that the lower property tax rate is valid.*
- 2. Identify forest grazing/agricultural properties that can be converted to other uses. Identify parcels of land that are designated as Forest Grazing and/or agricultural, but are too small to be used as such and should, therefore, be changed to R-5 or R-2. Land owners could then sell the land (fees) to potential residents (property taxes) and the residents on this land would create a larger tax base.*

Recommendation 17

County Sales Tax (Majority)

The Committee recommends, by majority, that a County sales tax strategy that excludes groceries and pharmacy purchases be pursued. Implementing a countywide sales tax would increase revenue, spread the tax burden on residents and visitors alike, and provide a dependable revenue stream. However, statutory authorization by the Legislature is generally required for a local government to impose a local sales tax increase. The state statutes that authorize local government to create taxes of this type may also set specific conditions or requirements such as a condition that a two-thirds vote of the governing body is required to place a sales tax measure on the ballot. These specific conditions or requirements would need further review and analysis.

Recommendation 18

Increase Property Tax (*Consensus*)

If a modest Property Tax is presented to the voters, it should be coupled with other revenue generating suggestions and major expenditure cuts.

Recommendation 19

Fractional Equities Tax Prepayment Program *(Minority)*

The committee recommends further study of a Fractional Equities Program which allows homeowners to prepay their taxes with equity from their home for a certain period of time. The framework for this could be ready within three months. This could generate a significant amount of upfront money, but the County may develop a future cash flow problem if the money is not well managed. Since the County's role is tax collector, all taxing entities would have to agree to this program.

Summary

- Federal Government has unilaterally retracted its decades-long agreement to provide ongoing financial support to local governments causing undue hardship
- It is the consensus of this committee that Curry County must find new, sustainable ways of providing and funding the public services that citizens expect and need.
- No single action will solve all our financial problems.
- The reference information used by the committee will be posted to the county website

Conclusions, Con't.

- A careful analysis is needed to find a combination that:
 - Meets current projected budget shortfall in short term
 - Looks to the future, but begins now, to craft long-term solutions for economic sustainability
 - Seeks solutions that go beyond continually asking the citizens of the County for more revenue through taxes
- As this report represents a “snap shot” in time, we respectfully request that the Board of Commissioners continue reaching out to this Committee and the citizens of the County as we partner to find ways of building a better future for our County and the people who reside here and will want to reside here in the future. Many members of the Committee bring vast knowledge, experience and expertise and are willing to assist.

Q/A

- We know Commissioners will need time to consider the recommendations brought forward by the Committee
- Advisors are available to answer questions
- Thank you again for the opportunity to serve on this important committee and for your efforts to involve the citizens of the County in planning for our future