



Clatsop County

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May 26, 2022

Dr. Kim Kratz
Assistant Regional Administrator
National Marine Fisheries Service
1201 Northeast Lloyd
Portland, OR 97232

Dr. Paul Henson
Oregon State Supervisor
U.S. Fish and Wildlife Services
2600 SE 98th Avenue
Portland, OR 97266

RE: Comments to the Draft Environmental Impact Statement for the Western Oregon State Forests Habitat Conservation Plan (Docket ID NOAA-NMFS-2021-0019)

Dear Dr. Kratz and Dr. Henson:

Clatsop County is a mission-driven organization that exists to support the safety, health and welfare of our rural community. Residents (and visitors) rely on the quality and relevance of our services and expect us to live within available resources. The County is girded by a Board of Commissioner adopted Strategic Plan and a Long-range Financial Plan that together provide a foundation of fiscal resiliency and stability. We are very concerned that decades of thoughtful fiscal planning will be undermined by significant and permanent reductions in County timber revenues with no reasonably viable opportunities to offset the loss. Given the challenges facing our community and the constraints of local government financing, the impacts on local governments must be a consideration/factor as the Habitat Conservation Plan (HCP) process moves forward.

While the Board of Commissioners supports the prospect and potential of an HCP, we feel strongly that any plan must fairly and equitably acknowledge and balance social, economic and environmental factors. The current draft dismisses legitimate and counterbalancing factors that must be considered for a plan to be supported by a broader community of interests.

From an equity lens, it is concerning that the financial burdens of the HCP squarely and exclusively fall on our relatively disadvantaged rural economies, governments, businesses and schools. Clatsop County has the highest rate of homelessness per 1,000 in the state of Oregon, inadequate mental health and addiction infrastructure, is defined as a childcare desert and is in the throes of

an affordable housing crisis. We need to retain every revenue at our disposable – not lose a projected \$2.6 million per year with limited options to replace.

Although, Clatsop County has the 13th lowest permanent tax rate of the 36 Oregon counties, we successfully provide a wide range of essential countywide services, including: law enforcement, jail, community corrections, juvenile, community development, public works, public health, district attorney and other general government functions. We are able to meet the needs of our community by augmenting property tax revenues with other discretionary and restricted revenues. The largest of the non-property tax discretionary revenue sources is timber revenues.

The five-year annual average of timber revenues (FY 16/17 to FY 20/21) received by the County is approximately \$8.6 million. These revenues are received into six funds, including General Fund, Rural Law Enforcement, Road District, Fairgrounds, Extension/4-H and State Timber Law Enforcement.

Table 1 depicts the average annual receipt of timber revenue over the five-year period of FY 16/17 to FY 20/21 by Fund.

TABLE 1

Fund	Avg. Amount Received	Total
<i>General Fund*</i>	\$5,180,000	
<i>Rural Law Enforcement</i>	\$1,241,000	
<i>Road District #1</i>	\$1,754,000	
<i>State Lands Enforcement</i>	\$217,000	
<i>Extension/4-H</i>	\$92,000	
<i>Fairgrounds</i>	\$86,000	
		\$8,570,000

**General Fund represents discretionary revenues available to address traditional county services and Board priorities. The other Funds are special/restricted.*

Although, the actual annual impacts of the draft HCP on taxing jurisdictions is difficult to model at this juncture, Table 2 depicts a scenario whereby the five-year average (FY 16/17 to FY 20/21) timber receipts are reduced by 30% per receiving Fund. The table also includes the corresponding annual % reduction in overall revenues for each Fund.

<i>Fund</i>	<i>Projected Annual Revenue Loss</i>	<i>% Reduction in Total Annual Fund Revenues</i>
<i>General Fund</i>	\$1,554,000	7%
<i>Rural Law Enforcement</i>	\$372,000	13%
<i>Road District #1</i>	\$526,000	13%
<i>State Lands Enforcement</i>	\$65,000	29%
<i>Extension/4-H</i>	\$28,000	6%
<i>Fairgrounds</i>	\$26,000	4%
	\$2,570,000	

In terms of financial and service ramifications, this level of revenue loss is materially unrecoverable without definitive and long-term financial intervention from the State of Oregon and will undeniably have long-lasting negative repercussions for service delivery and quality of life within our community. We are not being alarmist in this statement, but are realistic about the limited number of practical options available to replace this revenue loss without significant intervention and commitment from the state legislature.

This level of reduction will impact every part of our organization and community. It will degrade both services and staffing levels for generations to come – and occurs while we are fully engaged in addressing any number of community priorities per our strategic plan.

The projected impact of timber revenue reductions is unique for each receiving Fund. We describe these impacts in more detail below.

General Fund Impacts

The backbone of the County's finances is the General Fund, which includes all the discretionary revenues of the County. Nearly 50% of the General Fund is expensed in Public Safety and Justice programs (i.e. Sheriff, Jail, Corrections, Juvenile and District Attorney) and the other 50% to General Government services including Elections, Assessment and Taxation, Community Development, Budget and Finance, Building and Grounds, Information Technology, Human Resources, capital projects and other overhead functions. Roughly 90% of the General Fund is directed towards salary and benefits of employees.

By assuming 90% of the projected \$1,554,000 in projected revenue loss is directed to staff expenses, the County would need to reduce staffing levels by an estimated \$1,400,000. This would roughly equate to the elimination of 13.0 FTE. Based on current spending trends (50% Public Safety and Justice and 50% General Government), this would lead to a reduction of 6.5 FTE in both Public Safety and Justice and General Government respectively. Given our already lean staffing, this equates to an 8% reduction in General Fund staffing levels, which would materially impact public safety and many other services that are either statutorily required or overhead functions that provide essential services to operating departments. The other 10% of the reduction would come from reductions in various materials and supplies.

The County has limited options to replace this revenue loss without long-term legislative commitment. Other County resources are not available to backfill this revenue loss.

Rural Law Enforcement Impacts

The Clatsop County Rural Law Enforcement District supports enhancements to the Sheriff's Office enforcement efforts by collecting and transferring revenues to fund approximately 55% of overall Sheriff Office enforcement related expenses. The two primary sources of revenue to this District are property taxes (55% of total revenues) and timber revenues (40% of total revenues). The projected annual reduction of \$372,000 will significantly undermine enforcement related staffing and jeopardize public safety and first responder response times. Up to 3.0 FTE would need to be reduced, with no ability for the General Fund to backfill, due to financial pressures also placed on the General Fund by reductions in timber revenues.

Between a potential 6.50 FTE reduction in the General Fund portion of the Public Safety and Justice budget and 3.0 FTE in Rural Law Enforcement – the total projected impact to Public Safety and Justice staffing levels is 9.5 FTE. This equates to a reduction in overall Public Safety and Justice staffing levels of nearly 8%.

It is worth noting that County public safety resources are already strained seasonally due to the impacts of tourism. With the population of the County more than doubling at various times – a reduction of staffing levels will put an immediate strain on all aspects of our public safety system and impact response times. This should be a concern for everyone (residents and visitors).

The only viable options to maintain public safety funding and service levels is for long-term state legislature investment. Other County resources are not available to backfill this revenue loss.

Road District #1 Impacts

Road District #1 is a County road district governed by the Board of Commissioners and receives revenues from a permanent property tax rate (56% of total revenues) and timber revenues (40% of total revenues). The projected annual reduction of \$526,000 (roughly 13% of revenues) will limit funds available for the maintenance and repair of roughly 232 miles of roadway in the County road system, including bridges, culverts and other infrastructure.

General Fund resources are statutorily prohibited for use on the County road system. Replacing the loss of timber revenues is unlikely. The material impact of the reduction is an extended horizon to capitalize larger maintenance/repair projects and potentially deferring certain activities. The County is currently maintaining the overall Road system at a Pavement Management Index (PMI) of 82 (very good condition) – but this may degrade over time with reduced funding. The lower the PMI, the more expensive to bring a road back to good condition through maintenance and repair.

Sheriff's Office – State Lands Enforcement

The Timber Revenue Law Enforcement Fund was created by Resolution of the Board of Commissioners in April 2002 pursuant to ORS 530.115(1). The special fund allows the County to retain 1% of forest trust land timber revenues specifically for law enforcement services in supervising protecting and enforcing the law on forest trust lands. Timber revenues is the sole funding source for this service. Revenues provide for a 1.0 FTE deputy, .3 FTE deputy for shift relief and a .1 FTE Sergeant for supervision (1.4 FTE total).

The projected annual reduction of \$65,000 (29% of total revenues) will materially impact the service level offered by this program, including ability to respond to an increase in illegal camping, illegal waste disposal and the associated risks of wildfire. With 75% of annual expenditures tied to salary and benefits a reduction in service level (staffing) is the only option for managing the Fund over the long-term. Due to the impacts of timber reductions in the General Fund and Rural Law Enforcement, other County resources are not available to backfill this revenue loss.

Extension/4-H Impacts

The Clatsop County Extension District funds a partnership with Oregon State University Extension Services for the delivery of programs and services. Extension programs focus on 1) healthy

communities and economies; 2) resilient and productive forestry, wildfire mitigation and education, and natural ecosystems (including ground and surface water); 3) sustainable agriculture, food systems and gardening; and 4) thriving youth, individuals and family (including 4-H). The projected reduction of \$28,000 (6% of total revenues) will impact resources available for programming and services in support of administrative staff, operational expenses (rent and utilities), program supplies and local travel reimbursement.

Other County resources are not available to backfill this revenue loss.

Fairgrounds Impact

The Clatsop County Fair and Expo is a year-round facility that host the annual Clatsop County Fair and many other local and regional events. It also serves as a designated mass care site in the event of a natural disaster. The projected annual reduction of \$26,000 (4% of total revenues) will impact resources available for ongoing upkeep, maintenance and repair of the complex. Property Tax and timber revenues are the two most stable revenue sources, with the vast majority of others tied to rentals and activities. It is important to have the non-activity revenue sources as a hedge against future emergencies (i.e. pandemics) or other circumstances that may impact event revenue.

Other County resources are not available to backfill this revenue loss.

Additional Impacts to Other Taxing Jurisdictions (Schools and Special Districts)

While we have projected the finance and service-level implications for Clatsop County, it is important to acknowledge other non-county taxing jurisdictions will be severely impacted by the draft HCP as well. In total, including the County projections already presented, the annual county-wide impact of a 30% reduction in timber revenues is an estimated \$7.3 million for all local taxing jurisdictions combined (based on five-year annual average of \$24.2 million in timber revenues). This includes the roughly \$2.6 million attributed to Clatsop County taxing entities and \$4.7 million for K-12 schools, Clatsop Community College, rural fire districts, Port of Astoria, Clatsop Care Center and other special districts. As with the County, these entities have limited options to replace this revenue loss and will need a long-term state commitment to offset the loss.

In Conclusion

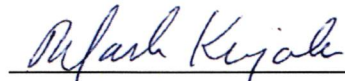
The Clatsop County Board of Commissioners, Sheriff and District Attorney requests the HCP process fully consider the fiscal implications for local governments and the broader impacts on our community in terms of the loss of critical services, jobs, community safety, health and sustainability. In addition, the HCP should apply an equity lens – as placing the full burden of the HCP on already economically challenged communities is not consistent with the State's commitment to equity in public policy and funding decisions.

Clatsop County cannot bear the burden of the draft HCP alone and asks for consideration to these factors and/or a commitment from the State to address the financial implications well before the impacts are felt locally.

We request the HCP process actively engage with local officials to develop a balanced plan that equitably considers and addresses economic, social and environmental factors. The goal is to have

a plan that can be supported by broad and diverse community interests and ultimately contributes to our long-term ability to finance and provide public services.

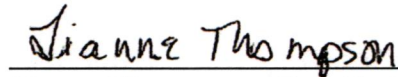
More discussion, collaboration and state commitments are needed before any version of the HCP moves forward.



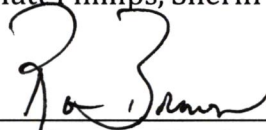
Mark Kujala, Chair



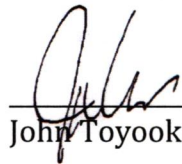
Matt Phillips, Sheriff



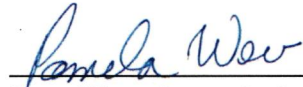
Lianne Thompson, Vice-Chair



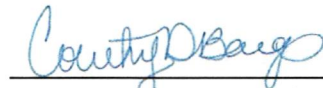
Ron Brown, District Attorney



John Toyooka, Commissioner



Pam Wev, Commissioner



Courtney Bangs, Commissioner