

BEFORE THE BOARD OF COUNTY COMMISSIONERS

FOR COLUMBIA COUNTY, OREGON

In the Matter of Adopting the)
Strategic Financial Plan for the Homeland) Order No. 84 -2019
Security and Emergency Management)
Commission (2019-2023))
_____)

WHEREAS, the County began an initiative to explore stable funding options for its Homeland Security Emergency Management Commission (HSEMC) in January, 2019, with the desire to improve and expand its services to address current and growing emergency preparation needs; and

WHEREAS, a Final Report has been prepared outlining a strategic financial plan to guide the HSEMC's work program through 2023; and

NOW, THEREFORE, IT IS HEREBY ORDERED that the Strategic Financial Plan for the Homeland Security and Emergency Management Commission for 2019-2023, which is attached hereto as Exhibit "A", and is incorporated herein by this reference, is hereby adopted.

Dated this 13th day of November, 2019.

BOARD OF COUNTY COMMISSIONERS
FOR COLUMBIA COUNTY, OREGON

BY: 
Henry Heimuller, Chair

BY: 
Margaret Magruder, Commissioner

BY: 
Alex Tardif, Commissioner

Approved as to form

By: 
Office of County Counsel

Exhibit "A"

Strategic Financial Plan

Homeland Security and Emergency Management Commission (2019–2023)

September 2019

Prepared for: Columbia County
Emergency Management Department

FINAL REPORT

ECONorthwest
ECONOMICS • FINANCE • PLANNING

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For over 40 years ECONorthwest has helped its clients make sound decisions based on rigorous economic, planning, and financial analysis. For more information about ECONorthwest: www.econw.com.

ECONorthwest prepared this report to Columbia County Emergency Management.

ECONorthwest is responsible for the content of this report. The staff at ECONorthwest prepared this report based on information derived from government agencies, private statistical services, the reports of others, interviews of individuals, or other sources believed to be reliable. ECONorthwest has not independently verified the accuracy of all such information and makes no representation regarding its accuracy or completeness. Any statements nonfactual in nature constitute the authors' current opinions, which may change as more information becomes available.

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Acknowledgements

ECONorthwest prepared this report for Columbia County's Emergency Management Department. ECONorthwest and Columbia County thank those who helped develop the Homeland Security and Emergency Management Commission's Strategic Financial Plan.

ECONorthwest and Columbia County thank the individuals who participated in interviews. Input shared in those interviews informed the content of this plan.

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1 Introduction

Columbia County is exploring its options to achieve a more stable and growing funding base for its Homeland Security Emergency Management Commission (HSEMC). HSEMC provides critical emergency planning and management functions in the County and wants to stabilize its funding so that it can improve and expand its services to address current and growing service needs. The most promising near-term option is to increase the number and/or dollar amount of contributions from HSEMC members (also called *partners*) who financially support HSEMC operations.

To organize its options as tangible actions, the Emergency Management Department requested, and the Board of Commissioners approved, the development of a strategic financial plan to guide HSEMC's work program for the next several years. In that context, the purpose of this Strategic Financial Plan is to describe opportunities to attract private sector partners to HSEMC and to outline options to help cover the costs of HSEMC programming and staff salaries. This is HSEMC's first strategic plan.

1.1 About HSEMC

The Columbia County Homeland Security and Emergency Management Commission (HSEMC) is a public – private partnership that works to build and improve resiliency in Columbia County. Columbia County formed HSEMC on July 23, 2008 (by Board Order no. 69-2008 and Ordinance No. 2008-2). The purpose was to assemble a collective of entities to advise Columbia County's Board of Commissioners and Emergency Management Department on resilience and whole community preparedness. HSEMC also enhances the ability of the Emergency Management Department to serve the county.

HSEMC organizes outreach efforts and preparedness, mitigation, response, and recovery trainings for incidents of all kinds, such as floods, fires, landslides, and chemical spills. HSEMC supports resilience efforts by:

- Advancing recovery after disaster situations
- Reviewing the county's Emergency Operations Plan
- Prioritizing emergency management duties
- Prioritizing fuel allocation after major earthquakes
- Updating shelter agreements with Red Cross
- Developing Hazard Mitigation Plans
- Creating and exercising Continuity of Operations Plans for county agencies, jurisdictions, and private sector partners

To protect life, property, and the environment, it is imperative that county stakeholders collaborate to build and maintain long-term resilience in the county. HSEMC brings an innovative approach to whole community resilience. By working with local public safety agencies, jurisdictions, school districts, private partners, and volunteers, HSEMC improves the county's ability to readily recover from natural, human, or technological threats, crises, or disasters. As of 2019, HSEMC was composed of over 10 partners.

The objectives that guide decisions and actions of HSEMC are:

- **Connect and Prepare.** Prepare all segments of Columbia County for uncertainty and disruption by encouraging community preparedness and creating a culture of risk awareness and personalizing resilience.
- **Partner and Innovate.** Capitalize on the collective skills and abilities of our community by leveraging advances in data, research, and observations to address emerging resilience challenges.
- **Transform and Innovate.** Embed resilience into county operations and systems, and throughout our private sector economic partners, by transforming our approach to community resilience.

1.2 Approach: Planning Process and Methods

The development of this strategic plan involved input from Columbia County Legal Counsel, Emergency Management Department staff, and a series of interviews with private-sector organizations. These parties informed the actions documented in section 3 of this plan.

The process engaged nine private-sector organizations (listed below). Columbia County staff selected organizations from across the county to represent a variety of industries. Interviews took place between May 8, 2019 and July 16, 2019. The private-sector organizations, and their representatives, willing to dedicate time to this effort, were:

- Craig Campbell, Oregon Manufacturing Innovation
- Dan Lockett, Global Partners, Clatskanie
- Hope Wirta, Columbia County Mental Health
- Mike Humbert, Rightline Equipment
- Paul Langner, Teevin Bros
- Sarah Johnson, Clatskanie PUD
- Sherrie Ford, Public Health Foundation
- Stein Berger, OHSU Scappoose Family Medicine
- Tiffany Paulson, InRoads Credit Union

In addition, ECONorthwest evaluated revenue options (funding tool best practices of similar Commissions) and conducted financial reconnaissance for HSEMC.

1.3 Situation Assessment

This section describes information gathered through conversations with Columbia County staff, private-sector interviews, and financial reconnaissance. It provides context for this plan and further defines the purpose of HSEMC. This situation assessment includes:

- A description of interest from private-sector organizations
- Legal considerations
- Financial conditions

This situation assessment is specific to defining the willingness of Columbia County organizations to become sustaining members of HSEMC. It describes the legal mechanisms that could be used to arrange the partnerships.

Description of Interest from Private-Sector Organizations

ECONorthwest interviewed nine private-sector organizations from a range of industries to gauge their interest in partnering with HSEMC and to understand their existing perceptions of the Commission. Participating organizations represented the health, manufacturing, financial, utilities, and logging and distribution sectors.

Five of the representatives interviewed had heard of HSEMC before. To characterize their familiarity: two interviewees indicated their organization was an existing partner; one interviewee indicated they (and not the organization) were an existing member; one interviewee indicated their organization used to be a partner (but not anymore), and one interviewee was vaguely familiar with HSEMC.

In speaking with private sector organizations, ECONorthwest found distinct levels of interest. We classified levels of interest as:

- **Group A – Existing Partners and Supporters:** The organization is an existing partner and recognizes the value of HSEMC. Group A showed clear interest in continuing to partner with HSEMC. One entity characterized their participation as “their duty” to ensure HSEMC can continue to exist. Others cited that it was easy to see value in the membership fee. One entity indicated that they wished there were more opportunities to volunteer with HSEMC. It is likely that these entities will continue to participate in HSEMC into the future.
- **Group B – Somewhat Interested:** The organization understands the value in having an entity work to promote and improve resiliency efforts across the county but does not understand HSEMC enough to warrant a partnership at this time. The biggest concerns of Group B were that the organizations were not entirely clear about what HSEMC did. These entities explained that their willingness to participate in HSEMC would be contingent on several requirements. For example, unlike Group A, Group B entities wanted evidence that HSEMC’s membership fee was value-added (what would they get

out of paying the fee? And would that be motivating enough?). One entity indicated they would like clarity in HSEMC's mission and goals – what is HSEMC doing (tangible activities) that warrants their participation? Another entity explained that they are already mandated to develop operational / mitigation plans and would not want to pay a membership fee to receive something that they already pay a third-party contractor to develop.

- **Group C – Somewhat Disinterested:** The organization has extenuating circumstances that limits their ability to partner with HSEMC from a *functional* perspective, at this time. Extenuating circumstances limiting Group C's willingness to participate were primarily due to internal capacity constraints or other financial obligations. Some indicated that they may be able to participate in the future as their business grows (staffing / net revenues).
- **Group D – Disinterested:** ECONorthwest reached out to a range of entities (about 11 entities) who were non-responsive, suggesting disinterest in HSEMC as an organization. One organization was unwilling to be interviewed because they do not participate in partnerships of this kind in general.

HSEMC should continue to reach out to Group B and Group C entities. HSEMC may continue to update these entities on their activities and events to build up awareness and motivate future participation. As HSEMC grows and becomes more visible, it is possible that Group D entities may become more interested in learning about HSEMC over time.

Legal Considerations

Since inception, no party has challenged any private agreement made between HSEMC and an agency (e.g. official partner). Key aspects of private agreements are:

- Fees provided by *private*-sector and *public*-sector partners are for “the purpose of creating and supporting a system to better provide homeland security and emergency management services to both County departments and agencies.”
- Agreements with *private*-sector partners allow Agencies to “retain the right to terminate their involvement [in their agreement to participate] at any time, [and partners’] acknowledge the fact that having the ability to withdraw funding at any time causes instability and uncertainty for the system created to provide [homeland security and emergency management services].”
- Existing agreements with *public*-sector partners state that Agency fees are formula derived based on population served¹ and “based on the minimum amount of annual funding needed (\$75,000).” Public-sector “Agencies agree to participate for the full term

¹ The basis for populations estimates is Portland State University, Population Research Center.

of th[e] agreement unless profound circumstances make continued participation impossible. If an Agency decides to terminate their involvement in the middle of the fiscal year, funding will not be refunded for the year of termination.”

These aspects of existing agreement suggest that any modified fee structure may require or warrant HSEMC to grandfather existing partners’ membership fee structure.

Financial Conditions

Funding and grants from federal and state government for disaster preparedness are decreasing at an unsustainable rate, leaving Columbia County emergency planning services at risk. As Cities (who pay public-sector membership fees) are generally tapped out, and as State and Federal Grants are declining, it is imperative that the Emergency Management Department / HSEMC increase locally derived funding to meet growing service needs. To operate at the level that Emergency Management and HSEMC believe is warranted for the County, an additional 2.5 FTE is needed (approximately \$250,000 per year).

Exhibit 1 shows that emergency management funding at the department level (Fund 44) is financially unsustainable given annual revenue, service costs, and growing personnel needs.

Expenditures have outpaced revenues for emergency services since 2010.

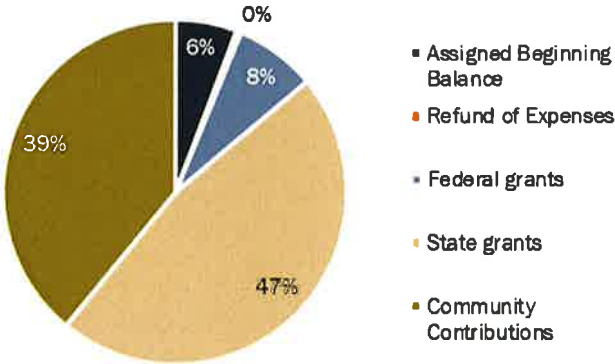
Exhibit 1. Historical Revenues and Expenditures for Emergency Services (Fund 44), Columbia County Emergency Management Department, FY 2010 to FY 2018

Source: Columbia County general ledger.



In FY 2018, HSEMC received approximately \$117,000 from community contributions (about 39% of total annual revenue). This funding source represents the primary means of funding HSEMC operations.

Exhibit 2. Revenue Sources for Emergency Services (Fund 44), Columbia County Emergency Management Department, FY 2018
Source: Columbia County general ledger.



HSEMC’s restricted dollars are currently allocated to Fund 44 which makes up about 39% of the Emergency Management Departments fund. In future budget cycles, HSEMC dollars will be reallocated to its own, restricted fund.

2 Strategic Financial Plan

This Strategic Financial Plan will guide HSEMC's operations for the 2019–2023 period. This section describes opportunities to attract private sector partners to HSEMC and outlines options to help cover the costs of HSEMC programming and staff salaries.

2.1 Strategies, Objectives, and Actions

This section presents three strategic priorities as well as objectives and actions for HSEMC to implement in the 2019–2023 period. A consolidated workplan is outlined in Section 4 of this plan. Findings from the private-sector interviews suggest that many Columbia County businesses have limited knowledge, but general interest in participating in HSEMC. This suggests that an important first step is to tell the story of the role HSEMC plays in the community, while working to expand membership to improve financial sustainability.

Strategic Priority 1: Increase Visibility

Many private-sector organizations are not yet aware of HSEMC, what role it serves, and how public- and private-sectors are involved. Strategic Priority 1 focuses on the community at large, to make the value of HSEMC more obvious to those who are not aware of the benefit of this type of collaboration. Ultimately, increasing visibility of HSEMC will make implementing other priorities of this plan more successful.

Objective 1.1. Develop a marketing plan that seeks to expand the target market. HSEMC has historically and currently welcomes all public- and private-sector entities. However, the *typical* market are government agencies (e.g. Cities and Districts) and private-sector entities that receive / have received services from the County's Emergency Management Department or HSEMC. HSEMC may consider the following actions to encourage expansion of their typical market to: private-sector entities who are not legally required to receive emergency preparedness training / conduct mitigation plans, smaller agencies or agencies in harder to reach areas of the county, and to the business community (at large) to ensure a diversity of sectors is represented in HSEMC.

- Action 1.1.1. Develop and maintain a webpage for HSEMC on the Columbia County website so that existing / prospective partners may find information about HSEMC easily. A range of resources and information could be maintained on the website and partners could help develop blog posts or opinion pieces to increase website traffic.
- Action 1.1.2. Develop and disseminate a cheat sheet or pamphlet about what to do in the first five minutes, first hour, and first day of a disaster. Use this material to serve a dual-purpose to additionally market the training opportunities that HSEMC offers.
- Action 1.1.3. Evaluate the feasibility of an annual, email-based newsletter or seasonal, topically-derived articles in the local newspaper.

- Action 1.1.4. Evaluate the financial feasibility of offering promotional merchandise (e.g. “swag” such as magnets, canvas bags, sweatshirts) with HSEMC’s branding or slogan. It is possible that partners may choose to purchase promotional material so that costs are neutral.

Objective 1.2. Communicate events to educate and engage the community. In addition to sharing resources and teaching skills to the community, hosted events provide key opportunities to describe the purpose, goals, and activities of HSEMC (including benefits of joining) to community members and business stakeholders.

- Action 1.2.1. Work with other entities, with similar missions, to coordinate, co-host, or co-sponsor events. Oregon’s Partnership for Disaster Resilience² is one such entity that HSEMC may consider collaborating with.
- Action 1.2.2. Establish an annual schedule of meetings and events. Evaluate the frequency of events, which may be contingent on available funding. Post this schedule on-line (see Action 1.1.1).
- Action 1.2.3. Coordinate and continue to organize community-wide townhalls, listening sessions (with follow-up), presentations from FEMA or other experts, trainings, and / or table top exercises. Focus on events with shock value or topics that would be appealing to the average person. Consider the following:
 - a. *Events open to the public.* Regularly-scheduled community wide test events (e.g. every six months to one year) that are open to the community. Determine a disaster scenario to act out and gauge community preparedness. Follow up with participants to provide more information to those who did not feel prepared. Link people to key resources to create a level of community support. Report out a score or rating (of overall community preparedness) to the community at large (see Action 1.1.3).
 - b. *Targeted education and training.* HSEMC currently offers several training / educational programs. HSEMC may increase the types of trainings offered and develop educational programs specific to the concerns and interests of particular public- / private-sector agencies. HSEMC could evaluate the legality of charging a fee for more involved trainings (see Action 3.2.1).

For example, some agencies may benefit from a training on how to use Incident Command System resources; others may want trainings about what to do in the event of a disaster where all access roads are blocked; others may need basic

² For more information: <https://opdr.uoregon.edu/about-us/>

training (e.g. how to build and maintain emergency kits or how to stockpile food and water).

Strategic Priority 2: Grow and Expand Membership

HSEMC is strong because of the members that comprise the Commission. Increasing membership will benefit the community by increasing the number of groups working together toward a common vision: whole community resilience.

Typically, people do not think of emergency planning and preparedness until disaster strikes. For this reason, it is difficult to attract interest in HSEMC. This “out of sight, out of mind” mentality inadvertently weakens community resilience— which by nature requires collaboration. Strategic Priority 2, which builds on Strategic Priority 1, aims to increase private-sector partnerships.

Objective 2.1. Focus on missing links of the HSEMC network. Community networks and official communication improves disaster response, recovery, and resilience. Columbia County should continue to complete its network.

- Action 2.1.1. Develop a resource repository that describes and pinpoints the location of partners, resources (public and private), and services / skills that partners could provide in the event of an emergency. Reach out to specific organizations in areas that lack organizational support / resources as a call for action; communicate *how they are needed* to complete the network.
- Action 2.1.2. Identify and pinpoint the locations of vulnerable infrastructure and parts of the system where disruption (from disaster or threat) could occur. Reach out to specific organizations that are at risk and communicate *why active membership* is vital and the most effective way in mitigating risk.
- Action 2.1.3. Clarify channels of emergency communication for partners and the community at large. Publicize the official means of communication to make clear how communication is distributed during a disaster, how private-sector groups are notified of disasters / threats, what they could expect from existing communication channels in the event of a disaster (will they receive instructions or directions?), and what to do in the event that communication lines are down.

Objective 2.2. Continue to develop dynamic planning documents. Plans should address and encompass all five mission areas of FEMA’s Planning Framework (Prevention, Protection, Mitigation, Response, and Recovery).

- Action 2.2.1. Develop emergency operations and mitigation plans that include an individual section for each participating partner. Each partner would be ultimately responsible for their own section, but sections would be bundled in the same plan for continuity.

- Action 2.2.2. Develop a process to update planning documents (including partners' plans) to ensure they are living, breathing documents that evolve over time. HSEMC should ensure policies are current and the content is still accurate. HSEMC could streamline the content of plans and send updates when it is time to renew specific sections or components of these plans. Recognizing that resiliency preparedness and planning is often neglected, advertise follow-ups / reminders as a service that HSEMC offers.

Strategic Priority 3: Stabilize and Increase Revenue

Funding and grants from federal and state government for disaster preparedness are decreasing, leaving the Columbia County community at risk. Emergency management services must become more locally funded so that choices about how to prepare for and respond to a disaster are made with our specific community and its challenges in mind.

Modest investments in HSEMC, from local agencies and businesses, lends itself to improved preventative and response efforts for major disasters and emergencies. Strategic Priority 3 aims to describe options to increase funding provisions, stabilize funding streams into the future, and find other opportunities to lower overhead costs.

Objective 3.1. Evaluate restructuring HSEMC's membership fee. The primary means of funding for HSEMC is through community contributions via membership fees. Restructuring the membership fee could encourage new entities to join the partnership, thereby increasing HSEMC revenues.

- Action 3.1.1. Evaluate options to modify HSEMC's private-sector membership fee. Consider opportunities to grandfather existing partners' membership fees. Dues of private-sector affiliate members could vary by size of the organization (e.g. number of employees), by number of locations, by corporate status (e.g. reduced rate for non-profits or faith-based organizations), by an organizations' environmental output (e.g. increased rate if organization produces extremely hazardous substances), or some other combination of these criteria.

A membership fee should be a due that is paid each year to retain the value of the membership and to ensure that participation in events and meetings does not decline over time. While some entities liked the idea of a one-size fits all fee, that fee rate could inhibit smaller organizations from becoming sustaining members, should they want to join the partnership. Ultimately, HSEMC should evaluate the fairness and equitability of any fee structure it chooses.

- Action 3.1.2. Develop a value proposition briefing to document and describe what private-sector entities receive by participating in the partnership.

Objective 3.2. Evaluate new revenue tools and opportunities to diversify funding streams. Membership fees can only produce so much revenue and are subject to volatility in economic

downturns. Successful funding plans rely on a range of resources that are stable, flexible, and that can maintain sufficient (and long-term) net revenues.

- Action 3.2.1. Evaluate new funding sources such as fee-based training programs, a construction excise tax (CET) on commercial and industrial development, a local option levy, a service district, or a business excise tax on high risk businesses in the county. Additional information is located in Appendix A.
- Action 3.2.2. Work with the County to hire a grant writer so that HSEMC can go after competitive Federal and State grants. Additional information is located in Appendix A.

Objective 3.3. Encourage volunteerism, sponsorships, and philanthropy.

- Action 3.3.1. Work with existing partners to determine the extent to which they would be willing to sponsor or volunteer at HSEMC events. Additionally, offer volunteer opportunities to the community (e.g. interested citizens or students at local middle- / high-schools or post-secondary institutes in the Greater Portland Region). Volunteers could assist at HSEMC events; help disseminate outreach material; or write newspaper articles, newsletter articles, or blog posts (see Strategic Priority 1).
- Action 3.3.2. Determine the legal feasibility of working with non-profit partners to host fundraisers on behalf of HSEMC.

3 Work Plan

This chapter presents HSEMC’s workplan for the 2019–2023 period. The workplan summarizes Section 3 of the Strategic Financial Plan.

Exhibit 3. HSEMC Action Plan, 2019–2023

Action Plan	Implementation Schedule				
	2019	2020	2021	2022	2023
Strategic Priority 1. Increase Visibility					
Objective 1.1. Develop a marketing plan that seeks to expand the target market.					
1.1.1. Develop and maintain a webpage for HSEMC	X	X	X	X	X
1.1.2. Develop “What to do in case of a disaster” cheat sheet to market training opportunities	X				
1.1.3. Evaluate feasibility of newsletter or seasonal articles in the local newspaper	X	x	x	x	x
1.1.4. Evaluate financial feasibility of offering promotional merchandise		X			
Objective 1.2. Communicate events to educate and engage the community.					
1.2.1. Work with entities to co-host or co-sponsor events	X	X	X	X	X
1.2.2. Establish an annual schedule of events and evaluate frequency of events	X	X	X	X	X
1.2.3. Coordinate and continue to organize townhalls, listening sessions, presentations, trainings, and exercises	X	X	X	X	X
Strategic Priority 2. Grow and Expand Membership					
Objective 2.1. Focus on missing links of the HSEMC Network.					
2.1.1. Develop a resource repository and reach out to specific organizations in areas that lack organizational resources as a call for action to complete the network	X	X	X	X	X
2.1.2. Identify and pinpoint the locations of vulnerable infrastructure and reach out to specific organizations that are at risk to communicate why active membership the most effective way in mitigating risk	X	X	X	X	X
Objective 2.2. Continue to develop dynamic planning documents.					
2.2.1. Develop emergency operations and mitigation plans that include an individual section for each participating partner	X	X	X	X	X
2.2.2. Develop a process to update planning documents (including partners’ plans) to ensure they are living, breathing documents that evolve over time and that policies are current, and the content is accurate	X		X		X

Action Plan	Implementation Schedule				
	2019	2020	2021	2022	2023
Strategic Priority 3. Stabilize and Increase Revenue					
Objective 3.1. Evaluate restructuring HSEMC's membership fee.					
3.1.1. Evaluate options to modify HSEMC's private-sector membership fee.	X				
3.1.2. Develop a value proposition briefing	X				
Objective 3.2. Evaluate new revenue tools and opportunities to diversify funding streams.					
3.2.1. Evaluate new funding sources	X	X	X	X	X
3.2.2. Work with the County to hire a grant writer	X	X			
Objective 3.3. Encourage volunteerism, sponsorships, and philanthropy.					
3.3.1. Work with existing partners to determine the extent to which they would be willing to sponsor or volunteer at HSEMC events.	X	X	X	X	X
3.3.2. Determine the legal feasibility of working with non-profit partners to host fundraisers on behalf of HSEMC.		X			

Appendix A. Revenue Tool Opportunities to Diversify HSEMC's Revenue Stream

This appendix provides cursory information about additional revenue tools that HSEMC may consider to increase and diversify its revenue-base. Revenue tools described in this appendix pull from Strategic Priority 3, Objective 3 of the HSEMC Strategic Financial Plan.

Fee-based training programs

HSEMC currently offers a variety of training and programmatic services for no cost. HSEMC could evaluate the legality and market feasibility of offering particular courses, workshops, or trainings for a fee to cover staffing costs to administer the training / workshop. For example, the State of Oregon offers an annual Oregon Emergency Preparedness Workshop. One day attendance costs \$20/day + fees, and full attendance costs \$50 + fees.

Alternatively: could HSEMC partner with the State of Oregon or other agencies that offer similar training opportunities (e.g. Oregon Partnership for Disaster Resilience), to bring their training to Columbia County, and then take a portion of the fee?

Commercial / industrial construction excise tax

A construction excise tax (CET) is a local tax assessed on new construction or construction that increases / expands building square footage. A CET may be levied on residential or commercial / industrial development. Unless the construction project is exempted from the tax, the tax is assessed as a percent of the value of the improvements for which a building permit is sought. Developers or property owners pay the CET at the time the building permit is issued.

Columbia County may use revenue from a CET *on commercial and industrial development* to fund HSEMC operations.¹ While 50% of the revenue generated from a commercial and industrial CET must be spent on affordable housing programs, the remaining 50% is unrestricted. Columbia County could use the share of unrestricted revenue to fund HSEMC operations.

Exhibit 4 estimates revenue potential for a CET on commercial / industrial development in unincorporated Columbia County.

¹ Use of funds are more restrictive for a construction excise tax levied on residential development. The allowed uses for CET funding are defined by the state statute. A county may retain 4% of residential CET funds to cover administrative costs, and the balance must be allocated as follows: 50% for developer incentives (e.g. fee and SDC waivers, tax abatements, etc.); 35% for affordable housing programs, as defined by the jurisdiction; and 15% to Oregon Housing and Community Services (OHCS) for homeownership programs.

Exhibit 4. Estimated Annual Construction Excise Tax Revenue, Columbia County

Source: Calculations by ECONorthwest. Note: unrestricted revenue is discretionary, meaning the County could prioritize use of all or a portion of the unrestricted revenue to fund operations of HSEMC.

Tax Rate	Total Estimated Revenue	Unrestricted Revenue
1%	\$80,000	\$40,000
2%	\$161,000	\$80,500
3%	\$241,000	\$120,500
4%	\$321,000	\$160,500
5%	\$401,000	\$200,500

Methods: The CET tax projection is based on permit valuation data received from Columbia County’s Land Development Services Department. Estimated revenue derives from data for Unincorporated Columbia County only. The basis for the projection is valuation data from “Commerical Structural – New.” ECONorthwest used an average valuation estimate using data from FY 2010-2011 through FY 2018-2019. If this valuation data includes multifamily construction data, the resulting estimate could be high.

ECONorthwest included only a portion of “Commercial Structural – Other” valuation data. We do not know what portion of that data results from sq. ft. expansions, so we assumed a factor of 50%. This in mind and assuming “Commerical Structural – New” does not include multifamily development, the estimate is potentially low. ECONorthwest used an average valuation estimate using data from FY 2010-2011 through FY 2018-2019.

Revenue capacity is dependent on the tax rate. ECONorthwest modeled several scenarios using a 1% to 5% tax rate.

For more information about CET:

- Tillamook County currently levies a 1% construction excise tax.
https://www.co.tillamook.or.us/Documents/BOCCOrdinances/Ordinance%2083%20Construction%20Excise%20Tax_FINAL.pdf
- Relevant regulations: ORS 320.170 through ORS 320.189

Local option levy

Local option levies are temporary property tax increases, approved by voters, to fund operations of local government services. Local option levies cannot exceed five-years for operations, though they can be reviewed and extended indefinitely at five-year intervals if the public continues to vote in favor of the levy.

While subject to compression, local option levies are able to generate substantial revenue. For example, a \$0.05 per \$1,000 of Assessed Value (AV) levy could produce approximately \$252,000 per year.⁴ The property tax impact on a household, who owns an average home in Columbia County (about \$200,000 AV), would be about \$10 per year.

Public safety service district

As part of a separate process, Columbia County is currently evaluating and considering the implementation of a local option levy to fund the Sheriff's Office, county jail operations, and the Public Health Departments funding needs, which would require approval by a public vote.

Columbia County could consider combining emergency management services into the public safety service district as there is a rational nexus. The initial rate being considered is for the public safety district is \$0.87 per \$1,000 AV, which would generate about \$4.7m per year. Adding an additional \$0.05 to levy rate (\$0.92) would generate approximately \$5m per year. The property tax impact on a household, who owns an average home in Columbia County (about \$200,000 AV), would be about \$150 per year.

Business excise tax on high risk businesses

A business excise tax is a tax on net income for the privilege of doing business in a particular region. In Oregon, Multnomah County levies a business tax at 1.45%. Columbia County could also evaluate the imposition of a business tax. While there is a rationale nexus between taxing high risk businesses and using the tax revenue for disaster preparedness / emergency management, Columbia County would need to consider the legal and administrative considerations of levying such a tax. Columbia County would also need to evaluate a taxation rate, exemption clause(s) (if applicable), and a minimum tax payment (if applicable).

Work with the County to hire a grant writer

Grant writers are vital assets to local governments. Grant writers are personnel dedicated to the development of applications that solicit funds for specific purposes (e.g. to maintain or create new programs and services, reconcile funding gaps, or address public needs). When grants are received, they often come with specific, compliance requirements. A grant writer / administer

⁴ This calculation is based on aggregated net taxable assessed value data for Columbia County, provided by the Columbia County Assessor Department. It assumes a 93% collection rate.

can help monitor the requirements and ensure all compliance requirements are met which frees up Department head / staff time.

The cost for Columbia County to hire a grant writer (1 FTE) is about \$100,000 per year. It is possible that Columbia County could hire a grant writer to be shared across multiple departments that are reliant on intergovernmental revenue. Columbia County could consider bringing a grant writer / administer on part-time or for a limited-term duration if they are wary about the cost implications of a new hire. Columbia County could evaluate the cost differential of hiring a grant writer versus working with a grant writing service provider (on contract).