

Report

Skamania Forward **Summary Report**

Prepared for:
Skamania County, Washington

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Executive Summary

Skamania County, Washington is experiencing an economic transition that deeply impacts County government. Over 85% of the County's total acreage is covered by public forest lands. The dwindling timber harvest and decline in federal timber payments have threatened Skamania County's fiscal stability. Projections show that if no action is taken, the County will suffer annual budget deficits, depleting its cash reserves by 2005. Meanwhile, other units of government in the county – school districts, cities, etc. – are also facing tight financial constraints.

Perhaps more than any other timber-dependent county in the Pacific Northwest, Skamania County's options for handling this transition are limited. With only 10,000 residents and about 5% of the county land in taxable private ownership, traditional tax sources can't provide enough to fill the gap.

Facing these challenges, Skamania County has developed an action plan called *Skamania Forward*. The goal is to prepare – in advance – a plan to assure that the County's financial viability is sustained and quality services will continue.

A Steering Committee of citizens and community leaders oversees *Skamania Forward*. The Committee has developed a strategic plan that recommends added revenues for Skamania County, identifies necessary changes in the County's management structure and future services, suggests strategic investments that will benefit the County's economy in the long term, and outlines steps to implement the plan.

The Committee recommends a comprehensive, multi-year approach that re-positions County government to continue to deliver vital services under these new conditions. Inside County government, departments will look to update and streamline their operations. Citizens must participate, too. They may be asked to pay higher taxes and fees, and to choose service priorities. No possible service efficiency or revenue source can be overlooked. As one *Skamania Forward* Steering Committee member emphasizes, "It all adds up!"

To face the financial challenges of the future, the Committee recommends that Skamania County take action now to pursue four general strategies:

1. *Enhance County management and service delivery.*
2. *Increase County funding.*
3. *Seek new opportunities for long-term strategic investments.*
4. *Monitor implementation performance, and make adjustments.*

A number of specific recommendations are offered to implement these four strategies. These recommendations are shown in the accompanying table, and detailed further in the Summary Report.

Skamania Forward – Summary of Recommendations

County Management	<ul style="list-style-type: none">Prepare / implement a Technology PlanPrepare / implement a Capital Facilities PlanImplement automated County-wide financial management systemStreamline County government structureCentralize purchasing, permits, and other servicesEstablish measurable performance standards / goals for all departmentsConduct in-depth studies of large departments to seek further efficienciesExpand partnerships with other agencies
County Funding	<ul style="list-style-type: none">Reduce/eliminate General Fund subsidies for services that benefit a specific clienteleIncrease fees to recapture greater share of service costsIncrease taxes to maintain levels consistent with peer countiesUtilize debt financing to support eligible capital projectsPrepare a Comprehensive Annual Financial Report (required for debt financing)Adopt a code of financial principles
Strategic Investments	<ul style="list-style-type: none">Invest in long-term projects to diversify the local economy, provide jobs for County residents, and broaden the tax base
Implementation	<ul style="list-style-type: none">Monitor success of <i>Skamania Forward</i>, and make adjustments

Introduction

Skamania County has undergone significant economic and social change since 1986. The dwindling timber harvest and reduced federal payments to timber-dependent communities are placing new pressure on Skamania County government. Unless action is taken, federal timber payments – which once accounted for 45% of County revenues – are scheduled to drop to an estimated \$500,000 per year by 2003. This amount would represent less than 3% of County revenues.

Like many other counties in the Columbia Basin undergoing this transition, Skamania County is experiencing signs of socio-economic distress. Chronic unemployment is well above the statewide average, and over half of Skamania County residents must now commute to jobs outside the County.

Over this same period, the Columbia River Gorge's abundance of natural attractions has drawn increased national attention. An influx of new visitors to Skamania County has created further demand for local public services. The County now finds itself in a budget squeeze, with rising service costs and declining revenues.

To confront these challenges, Skamania County has undertaken an important project called *Skamania Forward*. This project is intended to develop an action plan that will address the critical long-range financial and service issues facing the community. The goal is to prepare – in advance – a road map to assure continuity of the County's financial sustainability and quality services.

A Steering Committee of citizens and community leaders oversees *Skamania Forward*. The Committee has developed a strategic plan that recommends added revenues for Skamania County, identifies necessary changes in the County's management structure and future services, suggests strategic investments that will benefit the County's economy in the long term, and outlines steps to implement the plan.

The *Skamania Forward* Steering Committee has been assisted by a multi-disciplinary consultant team. The team is managed by Barney & Worth, Inc., and also includes experts from E. D. Hovee & Company; Clancy, Gardiner & Pierce; Decision Point Analytics; and Wallis Engineering.

The research for *Skamania Forward* was conducted through a series of six key steps:

1. Preparation of a baseline financial projection
2. Analysis of current County resources and possible future funding options
3. Analysis of County services and future options
4. Development of alternative policies / strategies / priorities for future Skamania County funding and services
5. Preliminary and final recommendations prepared by the Steering Committee, based on their research and public input

6. Presentation of the recommendations to the Skamania County Board of Commissioners

The following chronology outlines the year-long strategic planning for *Skamania Forward*.

Skamania Forward – Chronology

August	Baseline Budget
September	Analysis of County Resources
September	Steering Committee Convened
October	Evaluation of I-695 Impacts
October	Survey of County Departments
November-December	Inter-Agency Survey
February	Analysis of County Services
February	Study: Mandatory vs. Discretionary Services
March	Revenue and Service Options
March	Steering Committee Vision for Future of County Government
March	Preliminary Recommendations
April	Public Meeting
April	Employee Survey
June	Final Recommendations/Report
June	Public Hearing: Board of County Commissioners

Baseline Budget

An early step for *Skamania Forward* was to prepare a baseline financial projection or *baseline budget*. The purpose of this tool is to show the effect of Skamania County's current revenue trends, in the absence of future policy decisions to set a new direction.

Using a number of assumptions, this baseline budget projects Skamania County's financial condition six years into the future (1999-2005). The result is a bird's-eye view of the financial challenges the County will face in the years ahead.

The baseline projection assumes that County government will continue as it is today. There are no policy changes. Services do not increase or decrease from current levels. The projection does take into account some known elements of the County's future financial picture – anticipated declines in timber-related revenues, as well as the known capital and operating costs associated with a new County jail. For the most part, however, it is a "status quo" projection. Key assumptions used in preparing the baseline budget are shown in the accompanying table.

The baseline projection covers the County's General Fund and other funds receiving discretionary revenues. Services which are presently financed entirely with dedicated revenues, such as human services grant funds, are assumed to remain self-supporting.

The baseline projection (shown below) is divided into three sections – Operations, Capital and Results:

The *Operations* section includes the ongoing operating costs associated with providing County services, such as employee salaries and benefits, supplies and services, operating payments to other agencies, and internal service payments. Operating expenditures are shown in broad service categories, such as General Government, Law and Justice, and Community Development. Many of these services are partially supported by earmarked funding sources, including special purpose taxes, user fees, permit revenues, and grants. The projection shows the anticipated earmarked revenue and net operating cost within each service category. Finally, it shows the general purpose revenues available to finance these costs and the projected annual surplus or deficit.

The *Capital* section shows the projected financing requirements for capital projects and equipment over and above any grant funding that may be available.

The *Results* section shows the changes in the County's cash reserves resulting from each year's operating surplus or deficit and capital financing requirements. This section also shows the savings that will accrue if, as is common, County departments do not expend their full budget allotments each year.

The baseline budget was updated during the course of *Skamania Forward* planning, to reflect the County's actual financial performance for FY 1999. The baseline was also modified (see Update #2) to show the effects of the voter-approved Initiative 695, which repeals the motor vehicle excise tax and requires voter approval for all future tax and fee increases, as well as subsequent action by the 2000 State Legislature.

A few highlights of the baseline financial projection's results:

- In the early years, Skamania County is projected to receive sufficient revenues to finance its current level of operating costs. Revenue fluctuations are projected to yield operating surpluses in 1999, 2001 and 2003, with deficits anticipated in 2000 and 2002. Taking into account the effects of I-695, however, the County is projected to experience deficits in every year except 2003.
- In the longer term, beginning in 2004, consistent operating shortfalls of \$3.4 to \$3.6 million per year were projected, due in part to the loss of federal timber revenues received by the County, and in part to the ending of payments received for the Skamania Lodge project. These shortfalls are now projected to grow to \$3.9 to \$4.1 million per year due to the effects of I-695.
- The County's capital financing requirements are projected to total \$11.3 million between 1999 and 2005, including over \$5 million for jail construction.
- The combined burden of operating deficits and the County's capital financing requirements was projected to reduce the County's spendable cash reserves from \$16.5 million to just \$2.6 million by the end of 2005 – or a \$350,000 accumulated deficit taking into account impacts of I-695.

Skamania Forward – Baseline Projection

Operations	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Expenditures							
General Government	1,601,045	1,638,366	1,641,744	1,681,213	1,721,811	1,763,575	1,806,545
Law & Justice	3,736,756	3,875,971	3,971,997	4,070,809	4,172,502	4,277,173	4,384,924
Community Development	4,371,337	4,425,399	4,521,901	4,620,920	4,722,535	4,826,830	4,933,889
Community Services	1,536,967	1,571,446	1,606,843	1,643,187	1,680,509	1,718,839	1,758,211
Internal Services	847,783	953,954	975,221	997,062	1,019,496	1,042,541	1,066,218
Total Expenditures (1)	12,093,888	12,465,136	12,717,706	13,013,192	13,316,852	13,628,958	13,949,787
Earmarked Revenues							
General Government	146,035	128,723	130,606	132,522	134,472	136,457	138,476
Law & Justice	623,816	611,978	620,723	629,617	638,663	647,866	657,227
Community Development	2,220,275	2,240,133	2,291,209	2,342,231	2,393,240	2,444,279	2,495,389
Community Services	864,009	879,321	894,921	910,815	927,009	943,508	960,317
Internal Services	85,007	85,471	85,942	86,419	86,903	87,393	87,891
Total Earmarked Revenues	3,939,142	3,945,626	4,023,401	4,101,604	4,180,287	4,259,502	4,339,299
Net Expenditures							
General Government	1,455,010	1,509,643	1,511,137	1,548,690	1,587,338	1,627,118	1,668,070
Law & Justice	3,112,940	3,263,993	3,351,274	3,441,193	3,533,839	3,629,308	3,727,697
Community Development	2,151,062	2,185,266	2,230,691	2,278,689	2,329,295	2,382,551	2,438,500
Community Services	672,958	692,125	711,922	732,372	753,500	775,331	797,893
Internal Services	762,776	868,483	889,280	910,644	932,593	955,148	978,327
Total Net Expenditures (2)	8,154,746	8,519,510	8,694,304	8,911,587	9,136,565	9,369,456	9,610,488
General Purpose Revenues							
General Fund Property Tax	1,200,000	1,202,397	1,234,418	1,265,869	1,296,792	1,327,225	1,357,205
Sales Tax & Equalization	280,000	286,671	297,958	309,690	321,884	334,558	347,731
Payments In Lieu of Tax	155,500	183,818	183,818	183,818	183,818	807,795	821,528
Criminal Justice Assistance	550,000	625,000	641,875	659,206	677,004	695,283	714,056
District Court Fines	128,216	130,396	132,612	134,867	137,160	139,491	141,863
Interest Income	1,250,000	1,064,816	828,786	787,542	729,573	740,357	517,975
State Timber Revenue	2,950,000	500,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000
Federal Timber Revenue	3,125,021	2,991,091	2,857,162	2,723,232	2,589,303	500,000	500,000
Skamania Lodge Payments	250,000	250,000	1,250,000	1,250,000	2,950,000	0	190,000
Other Sources	83,600	85,272	86,977	88,717	90,491	92,301	94,147
Total General Purpose Revenues	9,972,337	7,319,460	8,813,606	8,702,940	10,276,025	5,937,011	5,984,503
Operating Surplus (Deficit)	<u>1,817,591</u>	<u>(1,200,050)</u>	<u>119,302</u>	<u>(208,647)</u>	<u>1,139,459</u>	<u>(3,432,445)</u>	<u>(3,625,985)</u>
Notes							
(1) Includes General Fund and funds receiving general purpose revenues, such as timber revenues.							
(2) Net expenditures equal expenditures minus earmarked revenues.							
Capital							
	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Roads	480,400	600,000	600,000	600,000	600,000	600,000	600,000
Solid Waste	(18,283)	121,000	121,000	121,000	121,000	121,000	121,000
Jail	2,500,000	2,500,000	0	0	0	0	0
Other Projects	175,500	110,000	110,000	110,000	110,000	110,000	110,000
Equipment	97,500	97,000	97,000	97,000	97,000	97,000	97,000
Total Financing Requirement	3,235,117	3,428,000	928,000	928,000	928,000	928,000	928,000
Results							
	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Beginning Cash (3)	16,516,907	15,462,197	11,208,102	10,780,935	10,034,684	10,645,649	6,694,072
Operating Surplus (Deficit)	1,817,591	(1,200,050)	119,302	(208,647)	1,139,459	(3,432,445)	(3,625,985)
Capital Financing Requirement	(3,235,117)	(3,428,000)	(928,000)	(928,000)	(928,000)	(928,000)	(928,000)
Operating Under-Expenditures (4)	362,817	373,954	381,531	390,396	399,506	408,869	418,494
Ending Cash	<u>15,462,197</u>	<u>11,208,102</u>	<u>10,780,935</u>	<u>10,034,684</u>	<u>10,645,649</u>	<u>6,694,072</u>	<u>2,558,581</u>
Notes							
(3) Excludes cash set aside for accrued vacation and sick leave; balances in the human services funds (mental health, developmental disability, substance abuse, veterans); cash accumulated for vehicle & equipment replacement; and balances in the contingent liability fund, the 911 services fund, and the Treasurer's and Auditor's O&M funds.							
(4) Anticipated under-expenditure of operating budgets due to temporary staff vacancies and other unexpected short-term savings.							

Skamania Forward
Baseline Financial Projection Update #2 (Revised 6/21/2000)

Operations	2000	2001	2002	2003	2004	2005
Expenditures						
General Government	1,698,496	1,697,893	1,738,405	1,780,069	1,822,924	1,867,010
Law & Justice	4,049,311	4,197,382	4,301,175	4,407,991	4,517,932	4,631,104
Community Development	4,853,043	4,956,950	5,063,511	5,172,811	5,284,933	5,399,966
Community Services	1,556,736	1,592,657	1,629,565	1,667,491	1,706,469	1,746,534
Internal Services	<u>861,402</u>	<u>970,404</u>	<u>992,758</u>	<u>1,015,736</u>	<u>1,039,356</u>	<u>1,063,642</u>
Total Expenditures (1)	13,018,988	13,415,285	13,725,414	14,044,097	14,371,613	14,708,256
Earmarked Revenues						
General Government	145,040	131,331	133,215	135,131	137,079	139,061
Law & Justice	839,910	860,624	874,756	889,149	903,809	918,741
Community Development	2,363,555	2,421,336	2,479,325	2,537,563	2,596,089	2,654,943
Community Services	775,675	789,349	803,289	817,499	831,985	846,752
Internal Services	<u>94,768</u>	<u>95,506</u>	<u>96,257</u>	<u>97,020</u>	<u>97,796</u>	<u>98,584</u>
Total Earmarked Revenues	4,218,948	4,298,146	4,386,841	4,476,361	4,566,758	4,658,081
Net Expenditures						
General Government	1,550,456	1,563,562	1,602,190	1,641,938	1,682,844	1,724,949
Law & Justice	3,209,401	3,336,758	3,426,420	3,518,842	3,614,123	3,712,363
Community Development	2,489,488	2,535,614	2,584,186	2,635,248	2,688,844	2,745,023
Community Services	781,061	803,308	826,276	849,992	874,484	899,782
Internal Services	<u>766,634</u>	<u>874,898</u>	<u>896,502</u>	<u>918,716</u>	<u>941,561</u>	<u>965,058</u>
Total Net Expenditures (2)	8,797,040	9,114,139	9,335,573	9,564,736	9,801,856	10,047,175
General Purpose Revenues						
General Fund Property Tax	1,228,491	1,265,896	1,302,989	1,339,806	1,376,385	1,412,759
Sales Tax & Equalization	180,000	190,290	195,654	201,169	206,839	212,669
Payments In Lieu of Tax	110,500	183,818	183,818	183,818	807,795	821,528
Criminal Justice Assistance	475,000	489,725	504,906	520,559	536,696	553,333
District Court Fines	153,275	155,881	158,531	161,226	163,967	166,754
Interest Income	1,050,000	922,610	731,399	650,265	637,054	389,837
State Timber Revenue	530,650	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000
Federal Timber Revenue	2,950,889	2,857,162	2,723,232	2,589,303	500,000	500,000
Skamania Lodge Payments	250,000	1,250,000	1,250,000	2,950,000	0	190,000
Other Sources	85,272	86,977	88,717	90,491	92,301	94,147
Initiative 695 Assistance (3)	<u>156,905</u>	<u>220,540</u>	<u>233,451</u>	<u>247,075</u>	<u>261,411</u>	<u>276,532</u>
Total General Purpose Revenues	7,170,982	8,922,900	8,672,696	10,233,712	5,882,448	5,917,559
Operating Surplus (Deficit)	<u>(1,626,058)</u>	<u>(191,239)</u>	<u>(662,877)</u>	<u>668,976</u>	<u>(3,919,408)</u>	<u>(4,129,616)</u>
Capital						
Roads	674,900	600,000	600,000	600,000	600,000	600,000
Solid Waste	236,250	121,000	121,000	121,000	121,000	121,000
Jail	2,500,000	2,630,000	0	0	0	0
Other Projects	188,300	110,000	110,000	110,000	110,000	110,000
Equipment	<u>30,389</u>	<u>97,000</u>	<u>97,000</u>	<u>97,000</u>	<u>97,000</u>	<u>97,000</u>
Total Financing Requirement	3,629,839	3,558,000	928,000	928,000	928,000	928,000
Results						
Beginning Cash (4)	17,912,341	13,047,014	9,700,233	8,521,119	8,683,417	4,267,158
Operating Surplus (Deficit)	(1,626,058)	(191,239)	(662,877)	668,976	(3,919,408)	(4,129,616)
Capital Financing Requirement	(3,629,839)	(3,558,000)	(928,000)	(928,000)	(928,000)	(928,000)
Operating Under-Expenditures (5)	<u>390,570</u>	<u>402,459</u>	<u>411,762</u>	<u>421,323</u>	<u>431,148</u>	<u>441,248</u>
Ending Cash	13,047,014	9,700,233	8,521,119	8,683,417	4,267,158	(349,211)

Notes

- (1) Includes General Fund and funds receiving general purpose revenues, such as timber revenues.
- (2) Net expenditures equal expenditures minus earmarked revenues.
- (3) Calculated as 44% of OFM estimate of total direct impact of I-695.
- (4) Excludes cash set aside for accrued vacation and sick leave; balances in the human services funds (mental health, developmental disability, substance abuse, veterans); cash accumulated for vehicle & equipment replacement; and balances in the contingent liability fund, the 911 services fund, and the Treasurer's and Auditor's O&M funds.
- (5) Anticipated under-expenditure of operating budgets due to temporary staff vacancies and other unexpected short-term savings.

Baseline Budget – Key Assumptions

In general, the assumptions underlying the Baseline Financial Projection are intended to be conservative and reflect no changes in County policy or priorities. Specific assumptions include:

- Although the population of the County is expected to grow at 1.7% annually over the next six years, the baseline projection assumes that operating costs will rise due to inflation only. Based on current contracts, salaries are expected to grow by 2.25% per year, while benefit costs are expected to rise 4.5% annually. Other costs are projected to increase by 1.5% per year.
- With the exception of costs due to the opening of the new County jail, no provision is made for new programs or for increased staffing in existing programs.
- The projection assumes no reductions in spending levels, even when deficit spending is projected.
- Grant funding is assumed to continue to support operating costs in the Department of Planning & Community Development and the Juvenile Services Department.
- Property tax levies are assumed to grow at a rate equal to the implicit price deflator for personal consumption (i.e., inflation), adjusted for new construction. Existing property values are assumed to grow at 6.7% (6.4% in the unincorporated area), the 1998-9 average rate. New construction is assumed to run \$11.7 million per year (\$10 million in the unincorporated area) -- equal to the 1995-9 average.
- Sales tax collected per capita is expected to rise by 1.1% annually within Skamania County, and by 2.2% statewide.
- State timber revenues are assumed to fall sharply in the year 2000, partly offsetting the unusually high amount budgeted in 1999. Beyond 2000, State timber receipts are assumed to return to their long-term average of \$1.3 million per year.
- Federal timber revenues are assumed to decline gradually until 2003. It is assumed that the "spotted owl guarantee" will expire at that time and that Federal timber revenues will be permanently reduced to \$500,000 per year.
- Interest earnings are estimated at 5.1% of each year's beginning cash balance.
- Fee revenues are assumed to grow at the same rate as the County's population (1.7% per year). Other miscellaneous revenues are assumed to grow at 2% per year.
- Revenue projections for sales tax equalization and criminal justice assistance funding reflect reductions due to Initiative 695 as estimated by the Washington State Office of Financial Management. State assistance payments, intended to partially offset these reductions, are shown as separate revenue. These payments are assumed to total 44% of the annual impact of I-695 and are assumed to continue through 2005.
- Actual operating expenditures are assumed to average 3% below budget each year.
- The financing requirement for road capital projects after the year 2000 is based on the County's standing practice of allocating \$600,000 per year from its own resources for such projects.
- The capital financing requirement for Solid Waste after the year 2000 is based on the 1991-8 average actual capital expenditures for this service.
- The capital financing requirement for the jail construction project is based on a total project budget of \$5.5 million, which was initially expected to be spent between 1999 and 2001.
- The capital financing requirement for other projects after the year 2000 is based on the 1991-8 average actual expenditures from the County's capital acquisition fund, less grant support estimated at \$100,000 per year. The financing requirement for equipment is based on the 1991-8 average actual expenditures for capital items by General Fund departments and departments supported by timber revenues. Equipment covered by the County's Equipment Rental & Revolving (ER&R) fund is not included in this figure.
- Capital financing is assumed to come from operating surpluses (to the extent that they exist) and from the County's cash reserves. No debt financing is assumed, in keeping with the County's current debt-free position.

Evaluating Skamania County's Revenue Options

Against the backdrop of Skamania County's financial challenges, portrayed so clearly by the baseline budget, *Skamania Forward* examined various options to enhance County revenues.

In looking ahead to the projected end of federal timber harvest monies, *Skamania Forward* analyzed all current and potentially available revenue sources. In this analysis, three potential strategies to generate revenues were identified and evaluated:

- A. *Enhancement of Available Tax Sources* – increasing tax revenues to maximum limits authorized by Washington State statute and/or enacting tax measures authorized by state statute but not yet implemented in Skamania County.
- B. *Fees and Charges* – increasing fees and charges paid by users of County services, to a point that comes closer to the actual cost of providing the service.
- C. *Strategic Investments* – seeking return-on-investment to the County from two possible approaches: creation of an endowment fund and/or investments in infrastructure and economic development that generate added taxes.

The three strategies and their potential effects on Skamania County budget revenues are illustrated in the following table. A total of nearly \$4.85 million per year conceivably could be available if all of the revenue strategies reviewed were fully implemented.

While not all of the potential revenue measures identified are needed, the magnitude of the imminent budget shortfalls facing Skamania County underscores the necessity of pursuing a comprehensive funding program as a key element of *Skamania Forward*.

The following analysis identifies a menu of choices to be considered as revenue measures. The potential for each of the three revenue strategies is discussed below. It should be noted that many of these options are potentially impacted by provisions of I-695, currently being challenged in the courts.

Evaluation of *Skamania Forward* Revenue Options

	1999 Projections	Potential Added Revenue/ Reduced Cost	Comments
A. Enhancement of Available Tax Sources			
Property Tax:			
Current Expense Fund	\$1,069,765	\$45,450	\$1.80 per \$1,000 limit versus current \$1.73.
Current Road Fund	\$883,681	\$275,694	\$2.25 per \$1,000 limit versus current \$1.71.
Real Estate Excise Tax	-	\$347,492	By county "legislative authority" 1.25% added.
Impact Fees (65 SFR)	-	\$187,525	Assumes rates comparable to Clark County.
Vehicle Licensing	\$45,723	\$70,050	\$15/auto registered within county levy by vote of commissioners.
Fuel Excise	-	\$48,884	Commission submit to voters resolution up to 2.2 cents/gal.
Sales Tax:			
Retail Basic	\$189,347		Counties and cities can levy 0.5% on top of the state 6.5%; Skamania currently levies the maximum.
Optional	-	\$189,347	Counties and cities can levy an additional 0.5%
Equalization Fund	\$101,704	\$101,704	Base level, then up to 70% of state average sales tax per capita.
Distressed Counties	\$15,036	\$15,036	0.4%; additional 0.4% being received as of August 1999.
Criminal Justice	-	\$22,554	0.1% for criminal justice programs; partial return to county.
Correction Facilities	-	\$37,590	0.1% for construction/operation of juvenile detention facilities and jails.
Hotel/Motel Tax	\$10,967	\$10,967	Currently at 2%; additional 2% can be levied with local option.
Subtotal Revenue Sources	\$2,316,226	\$1,352,293	
B. Fees & Charges			
Community Development	\$2,220,275	\$635,693	For budget operations that collect fees or use grants to offset the costs of providing that function of government, the potential exists to raise fees or grant levels to cover the total cost of service. These additional fees are shown as potential added revenues.
Community Services	\$821,009	\$258,010	
General Government	\$146,035	\$146,035	
Law & Justice	\$623,816	\$119,534	
Subtotal to Achieve Recovery	\$3,811,135	\$1,159,272	
C. Return on Investment Strategies:			
Endowment Fund	-	\$1,173,000	Assumes county dedicates \$12 million unrestricted cash in reserve plus \$11 million in forecast federal timber payments from 2000-2003. ¹
Economic Development	-	\$1,165,850	Increased tax base: based on strategy for high value residential and commercial development.
Subtotal ROI Strategies	-	\$2,338,850	
Total Potential Added Revenues (all sources)		\$4,850,415	Assumes all revenue measures implemented.
Note:	1999 projections based on 1998 CAFR at inflation or population growth rates.		
Source:	E.D. Hovee & Company, July 1999.		

¹ Note: The endowment fund earnings would be offset, to some extent, by reduced interest earnings. Also, creation of the endowment would require sufficient cuts in current County programs.

Enhancing Available Tax Sources

The analysis demonstrates that up to \$1.35 million annually could be made available to Skamania County by fully implementing available taxes to statutory limits. This approach would increase the previous level of County tax revenues by about 60%. While this amount is only about one-third of the County's projected annual budget shortfall by 2005, it could contribute significantly to closing that gap.²

The steps necessary to utilize statutory entitlements are varied. Some – such as the addition of a half-percent to the retail sales tax – may be imposed by a majority vote of the Board of Commissioners, but are subject to repeal by referendum. The addition of 2% to the hotel/motel tax requires that the taxing county establish a lodging tax advisory committee and follow state-established procedures. Other statutory entitlements – such as the 1.25% added local option to the real estate excise tax – can be imposed by a vote of the County Board. Except where noted, these tax options do not require a public vote.

Specific revenue enhancement measures evaluated for *Skamania Forward* include:

Real Estate Excise Tax: Whenever a piece of property is sold in Skamania County, the State of Washington collects 1.28% on the transaction price. Counties are authorized to collect an additional .25% for capital improvement projects listed in their comprehensive plans, plus another 1.0% for acquisition and maintenance of conservation areas. Up to \$347,492 per year would be available to Skamania County if it exercised both options. Nearly all counties in Washington also collect the additional .25% authorized by RCW for capital improvements. However, only San Juan County currently levies the additional 1.0% for conservation areas. Skamania does not collect either of these added discretionary tax amounts at this time.³

Property Tax: The County's tax levy for 1999 budget year at \$1.73 (per \$1,000 assessed value) yielded \$45,450 less than would have been possible at the full \$1.80 allowed under state law. Hiking the property tax earmarked for roads from its current level (\$1.71 per \$1,000) to the legal limit (\$2.25) would raise another \$275,694.

Vehicle Licensing: Four Washington counties impose a \$15 local option fee. The potential revenues available to Skamania County would be \$70,050 annually.

Fuel Excise Tax: Additional fuel excise tax may be levied on motor vehicle fuel by the County. Up to 10% (or 2.3 cents) may be imposed on fuel sales within the County – although no counties currently collect this revenue. The potential incremental revenue is \$48,884 per year.

Sales Tax: In addition to the statewide 6.5% retail sales tax, cities and almost all counties (except Asotin, Klickitat and Skamania) collect an additional .5%. Skamania

² Note: Certain tax revenue sources are earmarked for capital requirements only. For purposes of analysis, these revenue sources are combined with general revenues to meet combined capital and operating needs.

³ To qualify for the additional 1.0% real estate excise tax, Skamania County would need to restrict these funds for the acquisition and maintenance of "conservation areas." As a result, these new revenues might also be accompanied by new costs (above the baseline projection).

County could receive an added \$366,300 per year by choosing this local option, and through increased equalization payments.⁴

Hotel / Motel Tax: A county may collect an additional 2% tax on overnight lodging (for a total 4% hotel/motel tax). Skamania County's proceeds are projected to add \$10,967 annually at this rate.

Impact Fees: State law authorizes impact fees in conjunction with growth management planning – to ensure that “growth pays for growth.” To date, Skamania County has not used impact fees to recapture new development costs that otherwise fall on existing residents and businesses. Of eight Washington counties surveyed, Skamania County is the only one that does not impose impact fees. Assuming a growth rate of 65 residences per year (in line with the average annual increase in single-family detached dwellings between 1990 and 1998), an estimated \$187,525 in potential revenue from impact fees could be collected if Skamania County assessed impact fees on a basis similar to Clark County.⁵

Fees and Charges

In an era of new voter-imposed tax limitations, local governments increasingly have shifted to user fees as an alternative source of revenue. User fees are often viewed as a better way of charging citizens who are benefited most directly by a public service, rather than asking all citizens to pay. User fees can recover the cost of programs and shift the burden from all taxpayers to the actual users of the service provided.

The analysis for *Skamania Forward* suggests Skamania County has significant untapped potential for cost recovery through fees and charges. The County currently recovers about 36% of key program costs through fees. Raising this cost recovery to 50% County-wide would yield an added \$1.16 million per year.

The following gives an overview of current Skamania County fees, and the potential for increases:

Planning and Community Development: All programs are at least partially self-funding, including planning, community development, animal control, building and well inspection and permits, noxious weeds, roads and solid waste. Together, these programs generate over half their required operating revenues via grants, fees for service, service contracts, permit sales and tax revenues. Some peer counties expect these services to be fully supported by fees, covering 100% of direct budget costs.

Community Services: These quality of life services are discretionary, and it is common to charge user fees. As a group, community services programs already provide almost two-thirds of their cost of service from user-related charges including fees, grants, service contracts and pari-mutuel racing tax proceeds received by the County Fair.

⁴ Another Option: Under RCW 82.46.010, the County could enact an added .5% real estate tax if it declined to raise the sales tax.

⁵ Note: The imposition of impact fees would also require the County to “plan” under the Growth Management Act, which would require added cost.

General Government: These functions generate only 12% of their total cost through fees. These functions could conceivably raise more revenues through increased service fees. Doubling the current cost recovery rate to 24% would raise \$146,035.

Law and Justice: As a group, law and justice functions generate just over 20% of their actual cost of service from fines, fees, grants, and support from other governments. Because the provision of public safety and enforcement of federal, state and local laws typically is viewed as a public good, a user-fee-based law and justice system could be perceived as less equitable. On the other hand, it does seem plausible that user-based funding schemes could generate more than the current 20% recovery of the County's service costs for law and justice services.

Strategic Investments

The final set of revenue strategies analyzed for *Skamania Forward* involves investing County resources in projects that will yield long-term benefits to the County's financial condition. This represents the least traditional and boldest approach to addressing Skamania County's long-term fiscal issues. Rather than continuing to *pay-as-you-go*, decisions about public spending may also be made strategically, based on whether the spending will help leverage future revenues for the County, anticipating a *return-on-investment* (ROI).

Strategic investments – such as the County's investment in Skamania Lodge – have proven to be a long-term method to reduce the level of taxes on existing residents. Reallocating the County's assets to provide long-term returns can lighten the future tax load. If these strategic investments take the form of economic development projects, they provide the added bonus of increasing local employment levels.

Two ROI strategies emerged for evaluation in *Skamania Forward* after reviewing regulatory, financial and physical conditions for Skamania's unincorporated areas. Taken together, these strategies of an endowment fund and economic development projects (described below) might yield up to \$2.3 million annually, close to one-half of the County's projected budget deficit.

Endowment Fund: As an alternative to drawing down its \$14 million reserves over a five-year time period, the County could use a portion of the reserves to capitalize a permanent endowment that would help support ongoing governmental operations. By 2003, nearly \$23 million could be available for this fund. Annual return on that investment at a conservative 5.1% interest is estimated to yield \$1,173,000 per year.⁶

Economic Development Projects: Another way to supplement the County's revenue base over time is to take a proactive approach to encouraging development of taxable assessed valuation, through economic development projects – or “strategic investments.” Major projects in the works include potential redevelopment of the Port's Columbia River waterfront site, the Wind River Nursery, and business park development in North Bonneville. One scenario indicates that economic development strategies could yield \$1,165,800 per year of added revenue to Skamania County annually in the long-term.

⁶ Note: The endowment earnings would be offset, to some extent, by a reduction of interest earnings shown in the baseline projection. Also, creation of the endowment would require sufficient cuts in current programs.

Debt Management

Skamania County currently has not traditionally used debt financing for general governmental facilities, relying instead on operating revenues to support "pay as you go" financing of all requirements. It is appropriate for the County to consider limited use of debt financing as a means of more closely matching the life cycle of long-lived capital facilities with the payment for those facilities. However, it is important to emphasize that debt financing, per se, is not a "resource" or "revenue" – because, in almost all cases, the debt must be repaid. Rather, debt financing is a means of "smoothing" the pattern of expenditures for certain types of facilities.

In order to determine the appropriateness of initiating a debt financing program, the County should pursue a multi-step process of analysis, planning and implementation. Key elements of that process include:

- Evaluate long term capital needs of the County.

The County should estimate the long-term capital needs related to the service delivery goals, and analyze the pattern of capital expenditures driven by those capital needs. If the pattern of expenditures is relatively uniform over time, then "pay-as-you-go" would continue to be the most appropriate capital financing mechanism. If, on the other hand, the capital program expenditures are "lumpy" – if the capital expenditures would require a major jump in expenditures in any year or years – then the development of a debt financing program would be indicated.

- Develop policies related to debt management, credit goals, etc.

Assuming that the analysis of County capital needs supports the establishment of a debt financing program, the County should develop a set of policies providing guidance for when to use of debt, credit standards to be achieved, etc. To ensure the foundation exists for successful implementation of debt financing, the County would also need to update its overall financing policies to reflect the integration of a debt element.

- Develop a long-term capital financing program.

Based on the capital needs and the policies, the County would develop a long term capital financing program, clearly identifying which elements of the capital program are candidates for debt financing, and balancing the financial obligations of ongoing, pay-as-you-go elements of the program with the debt service obligations for the debt-financed elements.

- Evaluate potential debt financing mechanisms.

Next, the County would assess the feasibility of all potential debt financing mechanisms – both "market-based" and "sponsored" – in the context of the County's capital program needs and financial capacities.

Particular attention should be paid to the "sponsored" state and federal programs that could provide financing at more favorable terms than the credit markets. These programs often involved not only reduced interest rate financing, but also more flexible structures as to repayment term, security required, etc.

From this evaluation, the County would develop a "menu" of debt financing mechanisms, matched with the capital program elements earmarked for debt financing. It is expected that limited tax general obligation bonds, which can be approved by the County Commission, would play a central role in a debt-financing program.

- Implement an ongoing debt management program.

Finally, to implement the program, the County would engage outside bond (legal) counsel and a financial advisor to assist County financial management staff in the implementation of the program.

Financial Policies and Plans

The magnitude of the challenge facing Skamania County also indicates a need to strengthen the County's financial policies and to advance its financial planning capabilities.

The County already has underway the installation of an automated County-wide financial information/management system. This tool will prove invaluable for obtaining the accurate, timely information needed to implement *Skamania Forward*. The new financial system will also enable the County to carefully track service costs, to be recovered through user fees.

The Baseline Budget prepared for *Skamania Forward* provides yet another important tool enabling County officials to readily update the multi-year financial picture, based on the most current data. This computerized model can also be used to project the future impacts of various policy alternatives being considered by County leaders, or to estimate the effects of external policy forces – such as ballot measures.

Additional financial policies and plans to bolster Skamania County's preparations would include:

- Financial goals and principles to guide the County's overall financial decisions
- Prudent financial planning and budgeting policies
- Financial reserve policies
- Revenue policies
- Financial reporting and disclosure practices
- Risk management policies
- Financial operating principles
- Debt management policies

The table below offers examples of the contents of these financial policies and plans.

Examples – Skamania County Financial Policies and Plans

Financial Goals and Principles

- | | |
|---|---|
| Long Term Fiscal Viability | <ul style="list-style-type: none"> • Ensure long-term ability to provide services at goal levels |
| Budgetary Solvency | <ul style="list-style-type: none"> • Balanced budget – resources to exceed requirements in all funds for each fiscal year |
| Cash Solvency | <ul style="list-style-type: none"> • Manage funds and investments to ensure ability to meet all current obligations |
| Current Operating Costs Paid from Current Revenue | <ul style="list-style-type: none"> • Pay current operating costs from current revenues • Reserves used for operating expenses in conformance with Financial Reserve Policies • Long-term debt not used to support operating expenses |
| Prudent Investments with Maximum Return | <ul style="list-style-type: none"> • Fund balances and other financial resources invested conservatively to match strong security of principal with market rates of return |
| Benefited Parties Pay for Facilities and Services | <ul style="list-style-type: none"> • Facilities and services organized and managed as business enterprises |
| Explicit Cost Recovery Goals | <ul style="list-style-type: none"> • Adopt explicit goals, dictating percentage of total costs recovered from fees/charges |
| Tax and Fee Equity | <ul style="list-style-type: none"> • Taxes and fees designed and managed to ensure optimum equity – link benefits with level of tax and/or fee paid |
| Cost of Service Rate-Making mechanisms: | <ul style="list-style-type: none"> • All fees and charges to be analyzed and established on a “cost of service” basis |
| Intergenerational Equity | <ul style="list-style-type: none"> • Ensure that the benefits and costs of capital facilities are balanced over time |
| Rate Planning and Discipline | <ul style="list-style-type: none"> • Periodic review of service charges |

Financial Planning and Budget Policies

- | | |
|---|---|
| Strategic Financial Planning/
Monitoring | <ul style="list-style-type: none"> • Utilize a strategic financial planning approach that recognizes the dynamic nature of the fiscal environment • Track financial results and trends relative to a selected set of financial performance indicators • Anticipate the effect of financial trends and economic/demographic trends on long-term service delivery and respond to maintain financial solvency and credit status |
| Financial Planning Horizons | <ul style="list-style-type: none"> • Establish minimum planning horizon for operations and capital of five years • For major facilities, the planning horizon will match the useful life of the facilities |
| Credit Quality | <ul style="list-style-type: none"> • Develop and maintain the highest quality credit ratings consistent with the County’s long-term service requirements • Perform financial planning with the goal of maintaining high quality credit ratings, and strong perceived creditworthiness |

Conclusions

Overall highlights of the evaluation of Skamania County's revenue options:

- Skamania County has not fully utilized the local tax options being collected by most other Washington counties.
- Skamania County is recapturing a much smaller share of service costs through user fees and charges than its peer counties.
- Strategic investments – following the successful example of Skamania Lodge – offer a long-term opportunity to further diversify the economy and yield tax benefits to County government.
- If adopted, the available revenue options analyzed for *Skamania Forward* can be sufficient to fill the County's projected revenue gap.
- In contrast to other counties, Skamania County has seldom used debt to finance capital facilities. As the County's cash reserves decline, debt financing will likely be needed to help pay for major facilities in the future.
- In facing the future challenges, Skamania County would benefit from strengthened financial policies and plans.

Evaluating County Services

Facing the challenges of Skamania County's future financial stability also requires a careful examination of County services. Some of the key issues linked to the County's future service requirements:

- What services does Skamania County provide? Can Skamania County control its own service levels? Are County services *mandatory* (required by State law) or *discretionary*?
- What trends are being experienced in County services? Is future service demand expected to increase – remain unchanged – or decline?
- What opportunities exist for service efficiencies?
- How is Skamania County service delivery coordinated with other agencies, and is there room for improvement?
- How do Skamania County's services compare with peer counties?
- Are citizens satisfied with current County services?
- What strategies may be appropriate to enhance County services, or to reduce service levels to control costs?

The next sections analyze Skamania County's current service picture and future trends, and discuss these important issues.

Mandatory vs. Discretionary Services

Does Skamania County government have the authority to control the type and level of services it delivers?

County government is essentially an arm of state government. Skamania County delivers numerous countywide services which are *mandated* by the State of Washington (for example, assessment and taxation, elections, district and superior courts). Other countywide services are *discretionary* – performed as deemed necessary by County leaders, although not specifically required by State law (for example, parks and recreation). Finally, County government provides many *municipal* services – the type of services often delivered by cities (or local service districts). For these services, the County acts as a provider of last resort – delivering services in the unincorporated area, or countywide if an alternative agency (city or service district) isn't available.

The accompanying table shows how responsibility for various services (mandatory and discretionary) is generally assigned under Washington law – to cities and/or county government. The wide range of county responsibilities should be noted, along with the assignment for many mandatory services. Counties provide many essential services required by citizens in their everyday lives, handling everything from birth (public health), through citizenship (elections), to death (coroner).

In conjunction with *Skamania Forward*, the County recently conducted a departmental survey to help determine which programs/services are *mandated* (i.e., required by state law) versus *discretionary*. The next table summarizes the survey results, categorizing County departments /

programs by their service function: whether they deliver primarily *mandatory* – or *discretionary* – or a *combination* of programs. As this table illustrates, most Skamania County departments deliver primarily *mandatory* services. County government has very little control over some of these services (courts, for example).

The County's *discretionary* services include certain administrative functions (e.g., central services) or are intended to contribute to quality of life (e.g., parks and recreation). As the category implies, these programs offer the County a high degree of discretion to control the type or level of service, delegate responsibility to other agencies, or even eliminate the programs.

The agencies delivering a *combination* of mandatory and discretionary services include two of the County's largest and most important departments (Sheriff's Office, Public Works). For these departments / programs, the County has significant discretion over either the *type* or *level* of service provided.

Further analysis by County staff attempted to determine what portion of the County's annual operating budget is completely discretionary – that is, uninfluenced by state or federal mandates, leaving the County unfettered in deciding its funding allocations. This program-by-program evaluation concluded that only 10.2% of the Skamania County's 2000 operating budget – or about \$1.3 million – is fully discretionary (although program levels in discretionary programs may also be adjusted).

The results of this analysis suggest that the County lacks authority to reduce services to levels that would be in line with projected revenues. Even total elimination of all fully discretionary programs would cover only about one-third of the projected \$4.1 million annual shortfall in 2005.

Skamania Forward
Responsibility for Key Governmental Functions (by Governmental Unit)

✓ = Mandatory X = Discretionary

Program	City	County
LAW & JUSTICE		
Juvenile Detention and Courts		✓
Juvenile Probation		X
Courts (Superior)		✓
Courts (District)		✓
Courts (Municipal)	✓	✓
Adult Detention Pretrial	✓	✓
Adult Detention Felons		✓
Public Safety (Crimes)	✓	✓
Traffic Enforcement	✓	✓
Public Defense	✓	✓
Attorney (City/County Cases)	✓	✓
COMMUNITY SERVICES		
Public Health		✓
Youth Services	X	X
Hospital	X	X
Women's Programs	X	X
Veterans' Programs	X	✓
Employment and Training	X	X
Cooperative Extension		X
Aging	X	X
Mental Health		✓
Developmental Disabilities		✓
Arts	X	X
Parks and Recreation	X	X
County Fair		X
Fire Suppression	X	
Animal Control	X	X
Involuntary Treatment		✓
Emergency Medical Services	X	X
Medical Examiner		✓
Air Pollution	✓	✓
Public Transportation	✓	✓
Library	X	X
PLANNING & COMMUNITY DEVELOPMENT		
Roads	X	✓
Stormwater	X	X
Solid Waste Collection	X	X
Solid Waste Disposal	X	X
Sewage Collection	X	X
Sewage Treatment	X	X
Planning	X	X
Land Use Controls	X	X

✓ = Mandatory X = Discretionary

Program	City	County
Development Controls / Inspections	✓	✓
Boundary Review Boards		✓ (in metro counties only)
Housing	X	X
Water Supply	X	X
Electrical Energy	X	
Fire Code	X	X
Historic Preservation	X	X
Community Development	X	X

GENERAL GOVERNMENT

Workers Compensation	✓	✓
Budget	✓	✓
Auditor		✓
Elections	✓	✓
Administrative Support	X	X
Finance / Treasurer	✓	✓
Executive	✓	✓
Legislative Council / Commission	✓	✓
Assessor		✓
State Examiner		✓
Board of Education		✓
Licensing	X	✓

From: "New Commissioner Handbook"; adapted from "The Quiet Crisis of Local Governance in Washington: Volume II." Washington State Local Government Study Commission, 1988.

Skamania Forward Mandatory vs. Discretionary County Services

Mandatory *	Discretionary **	Combination
Assessor	Central Services	Interpretive Center
Auditor	County Fair	Mental Health
Board of Commissioners	Parks & Recreation	Planning & Community Development
Coroner	Senior Services	Public Works
County Clerk	WSU Extension Service	Sheriff's Office
District Court		
Juvenile		
Prosecuting Attorney		
Superior Court		
Treasurer's Office		

* All or substantially all of the department's programs / services are mandated.

** May include mandated services that need not be provided by County government.

Source: Skamania County Departmental Survey, November 1999.

Staffing Levels

Are Skamania County staffing levels increasing?

Personnel levels provide an important measure of County services. Public services are provided by people – employees. The data indicate that Skamania County's staffing numbers have increased, but less fast than the countywide population growth in the 1990s. Overall, staffing levels rose 13.2% – or 21.7 FTE – over the most recent 7-year period. Meanwhile, population has been growing somewhat faster, at an average rate of about 2% per year.

The next table tracks staffing levels, by program, for the 1992-1999 interval. The programs are organized in four categories:

- General Government
- Public Safety, Law and Justice
- Planning and Development
- Community Services

Among these four categories, staffing levels changed significantly only for *Public Safety*. Staff numbers increased by 25.7% – or 12.5 FTE – over the 7-year period for this key category. At the other extreme, *General Government* staffing was virtually unchanged, and staffing for *Planning and Development* grew only 7.1%.

The *Community Services* category, where staffing levels grew by 17.7% over the 7-year period, includes many grant-funded programs. It should be noted that a significant share of the overall growth in County staffing levels in this period results from grant-funded programs which do not rely on County resources.

Two departments are responsible for almost half – 47% (or 87 FTE) – of the County's total workforce: the Sheriff's Office (including jail operations) and Public Works.

Implications of these Skamania County staffing data, for future service requirements and strategies:

- For some programs, the County has been holding staffing increases below countywide population growth, despite facing new mandates. This pattern may be difficult to sustain in the next decade if the population continues to grow.
- The County's program / staffing growth that results from grant-funded programs should not affect the overall funding picture – so long as the County is prepared to eliminate these programs if grant funds run out.
- The best targets for possible future service efficiencies, by necessity, must be the largest departments – the Sheriff's Office and Public Works. These two departments employ nearly half of all County staff.

Skamania County
Staffing History: 1992-99 (FTE)

Department	1992	1999	Change	Comments
General Government				
Assessor	6.00	5.00	-1.00	
Auditor	6.38	7.58	1.20	
Auditor O&M	0.43	0.45	0.02	
BOE	0.05	0.05	0.00	
Buildings & Grounds	10.80	11.71	0.91	Added .5 position in mid-1999
Central Services	1.00	1.00	0.00	
Commissioners	7.00	6.49	-0.51	
Elections	0.42	0.42	0.00	
Treasurer	4.00	4.00	0.00	
Subtotal	36.08	36.70	0.62	0.2% increase over 7-year period
Public Safety, Law & Justice				
911 Services	0.00	3.25	3.25	.20 of Jail supervision now paid from this fund
Animal Control	1.00	1.00	0.00	
Clerk	3.00	4.00	1.00	
Coroner	0.05	0.05	0.00	
District Court	3.25	4.00	0.75	
Jail	13.05	13.41	0.36	Includes staff assigned to Jail Work Crew
Juvenile	1.55	3.46	1.91	
PA-Support	0.00	1.06	1.06	
Probation	0.00	0.50	0.50	
Prosecutor	3.95	5.34	1.39	Include crime victims in 1999
Sheriff	21.55	23.20	1.65	Includes DARE, Boating Safety, Civil Service. Excludes Reserves.
Superior Court	1.45	2.12	0.67	
Subtotal	48.85	61.39	12.54	25.7% increase over 7-year period
Planning & Development				
BRB	0.02	0.02	0.00	
Planning	3.01	7.00	3.99	Includes community development, 2 planners added late 1999
Public Works	49.60	49.37	-0.23	
Subtotal	52.63	56.39	3.76	7.1% increase over 7-year period
Community Services				
Coop Extension	2.12	2.24	0.12	
Dev Disability	0.75	0.75	0.00	
Fair	0.00	1.73	1.73	Previously service provided by contract with Fair Board
Mental Health	3.45	4.85	1.40	Case manager position never filled
Museum	2.32	2.00	-0.32	
Parks & Rec	4.61	4.39	-0.22	2 summer workers moved to B & G by 1999
Senior Services	7.53	8.95	1.42	Excludes in-home health workers hours
Substance Abuse	2.55	2.15	-0.40	
Swimming Pool	3.51	3.95	0.44	
Weed Board	0.00	0.57	0.57	
Subtotal	26.84	31.58	4.74	17.7% increase over 7-year period
Total	164.40	186.06	21.66	13.2% increase in staffing (1.9% annual average)

Notes

Source: Payroll rosters included in Skamania County Final Budget documents for 1992 and 1999.

Excludes overtime.

Excludes retirement payouts.

Includes seasonal positions on pro-rated basis (e.g. one summer worker equals .25 FTE).

Staffing increases compare with 2.3% average annual population increase in same period.

County Facilities

How are services affected by the County's inventory of facilities?

Skamania County owns and manages an array of buildings, parks, open space and other facilities located across the County.

The County's inventory of facilities and grounds includes:

- 62 buildings
- 18 other structures
- 2 bridges
- 2 trailer dumps
- 2 boat ramps
- 3 arenas
- 2 gyms, 1 tennis court, 1 basketball court, and 5 ball fields
- 5 parks
- Vacant land and open space

Skamania County's holdings total 466 acres of land and 322,000 square feet of development. The accompanying table illustrates the range of Skamania County facilities and grounds, and provides some facts and figures.

Opportunities for the future may include systematically inventorying County facilities and assessing their condition, identifying long-term maintenance needs and costs, consolidating County offices and operations into fewer buildings, and selling any surplus land and buildings.

Skamania County Facilities and Grounds

Camp Wa-Ri-Ki: 8 buildings (caretaker residence, office, kitchen / dining, shop / storage, gym, two dormitories and shed), 25,000 sq. ft., 18 acres, chain link fence

Prindle Park: 1 building (picnic shelter), 1 big toy, 10.7 acres

Mt. Pleasant Transfer Station: 2 buildings (office & shed), 9.46 acres

District 1 Road Shop: 1 building (truck barn, mechanic shop, office), 2 floors, 16,000 sq. ft.; two structures (fuel depot, sand shed), 3.29 acres, chain link fence

North Bonneville Industrial Site: 1 building, 3,200 sq. ft., 18.34 acres

Bridge of the Gods Information Center: 1 structure, 1.5 acres (State)

Stevenson Transfer Station: 3 buildings (recycle center, receiving station, sand shed), 11,932 sq. ft., 1 structure (storage shed), 14.43 acres, chain link fence

Skamania Lodge Meadow: 4.17 acres

Rock Creek Park: 5 buildings (recreation center, picnic shelter, employment center, senior services, developmental disability center), 12,664 sq. ft., 1 structure (pavilion), 1 big toy, 1 baseball field, 14.29 acres

Fair Grounds: 5 buildings (exhibit hall, stock barn, horse barn, grandstand, restroom facility), 35,000 sq. ft., 1 arena, 1 bridge, 1 structure (arena observation tower)

Health Center: 1 building, 3,721 sq. ft., 1.38 acres

District 2 Road Shop: 3 buildings – 1 with two floors (mechanic shop / office, truck barn, sign shop), 116,700 sq. ft., chain link fence

Buildings & Grounds Shop (4,150 sq. ft. / Motor Pool (3,400 sq. ft.)): 1 building, 4 structures (equipment shed, fuel depot, 4 container vans), 8.19 acres

Grange: 1 building, 4,200 sq. ft.

Courthouse: 1 building (3 floors), 20,250 sq. ft., 3.93 acres

Old Jail: 1 building, 2,250 sq. ft.

Sheriff's Building: 1 building (3 floors – 7,257 sq. ft.; exercise compound – 576 sq. ft.), new larger Adult Detention Facility planned for 2000

Engineer's Annex: 1 building (2 floors), 11,375 sq. ft.

Swim Pool: indoor, 11,500 sq. ft., owned by school district; maintained by County

Firing Range: 1 structure

Stevenson and Carson Trailer Dumps: 2

Wind River Boat Launch: 2 restrooms, dock, concrete plank & pavement, ramp, paved parking lot, 1.38 acres

Home Valley Park: 1 building (picnic shelter, restrooms – 5 toilets), 1 structure (storage van), 1 big toy, swim beach, 3 ball fields with irrigation system, fee campground with 23 sites plus host site which has hook-ups, 1 bridge, 80.25 acres, shore land 2.47 acres

Drano Lake Boat Launch: ¼ acre, parking lot, concrete plank boat ramp

Big Cedars Park: 1 building (ADA restroom – 8 stall), 1 big toy, campground with 29 sites – including host site which has hook-ups, 35.36 acres

District 3 Road Shop: 2 buildings (truck barn – including office, mechanic shop), 2 structures (sand shed, fuel depot), 10 acres, chain link fence

Underwood Park: 3 buildings (caretaker house, post office / fire station, gym), 8,000 sq. ft., 2 structures (gazebo and arena observation tower), 1 big toy, 1 tennis court, 1 basketball court, 1 ball field, 1 horse arena, 6.16 acres

District 2 Transfer Station: 2 buildings (office, storage shed), 1 structure, 8.16 acres, chain link fence.

North County: 5.47 acres

Wind River Nursery: 16 buildings (total square footage unknown at this time), 4 houses, seed extracting plant, shop, old processing plant, new processing plant (43,000 sq. ft.), garage, remaining are small support buildings, 200 acres of which 150 are cultivated fields

Courthouse West Annex: 1 building – 2 floors (1st floor 1,200 sq. ft., basement floor 960 sq. ft.)

SUMMARY: 62 buildings, 18 structures, 2 bridges, 2 trailer dumps, 2 boat ramps, 3 arenas, 2 gyms, 1 tennis court, 1 basketball court, 5 ball fields

Total square footage – 322,485.31 sq. ft., excluding new Adult Detention Facility

Total acres – 465.87

Future Demand for Services

Is demand for County services anticipated to increase – remain unchanged – or decline over the next decade?

County departments were asked to anticipate the demand for their services over the next decade. Nearly all departments – 19 of the 21 departments responding – expect service demand to increase. The increased demand is predicted due to:

- Current service trends
- Population growth
- State and federal mandates: environmental laws, land use and development regulations, and other mandates
- Special needs populations: developmentally disabled, youth, seniors
- Need to “catch up” with current unmet administrative needs

In light of the anticipated future demand for County services, will personnel increases be required? The response of County departments is mixed:

- 9 departments predict a need for future personnel increases
- 7 departments report they will have no need for personnel increases
- 5 departments say they aren't sure

The departments expecting increases include some of the more labor-intensive services – notably the Sheriff's Office for patrol / operations. Some other departments anticipating a need for personnel increases say they are already understaffed.

Departments reporting no need for an increase say they expect to contract privately for services, use volunteers, or operate more efficiently with current staff.

For those departments saying they are “not sure,” the main uncertainties appear to be the population growth rate, and unknown effects of future state and federal mandates.

Do departments foresee a need for major facility construction or equipment purchases? About half of the departments (10 of 21) do not foresee a need for facilities or equipment. Several of those departments have recently completed expansion or renovation which will meet their future needs.

Eight departments say they do expect they will need new facilities or equipment. Public Works reports the need for a long-term plan that addresses routine replacement of the Department's facilities and equipment. Facilities needs listed by other departments include jail expansion, office space, and storage. A range of equipment needs is also reported: computer and GIS systems, furniture and filing systems, vehicle replacement – even bullet-proof vests.

Potential Service Efficiencies

Can the efficiency of County service delivery be improved?

County departments were invited to suggest ways to make services more efficient without sacrificing quality. Most departments say that greater efficiencies are possible.

Computerization and *automated systems* are recommended by many respondents. Other improvements currently being used effectively or suggested for the future include:

- New financial system
- One-stop permit center
- Cross-train County employees
- Use on-call and part-time staff
- Recruit more volunteers
- Contract services to private business and community agencies
- Reduce hours open to the public
- Formalize / centralize fleet management and maintenance
- Consolidate some administrative functions

One respondent suggests that ideas for improving efficiency be discussed in-depth in a forum held for department heads.

It should also be noted that one major department – Public Works – is ready to undertake an internal management study which may result in reorganization or produce other service efficiencies.

Departments were also asked to identify possible areas for reducing or eliminating services. Most departments report they are currently working within tight budgets, providing minimum service levels. They can offer few suggestions at this point for service reductions or elimination. State mandated services also pose a challenge for service reductions. Service levels for some departments are mandated by the State of Washington, or supported with state or federal funds, constraining the departments' flexibility to make program cuts.

Some departments suggest that the County ask citizens which services can be curtailed. According to the departments, candidates for service curtailment might include: reduced level of road maintenance; snow removal in the Upper Wind River area; less police investigation work; or elimination of the DARE program.

Coordination with Other Agencies

How is Skamania County service delivery coordinated with other agencies, and is there room for improvement?

Skamania County provides services in coordination with a variety of other service providers within the County. These agencies include two cities (Stevenson, North Bonneville), the Port of Skamania County, and a variety of existing (or possible future) special purpose districts: for

cemetery, diking / drainage, fire protection, health, hospital, irrigation, library, parks and recreation, public utility, schools / educational service, sewer, transit, water, and weed control.

For some services – e.g., law enforcement – County government provides county-wide services through a cooperative arrangement with the cities.

Skamania County's two cities already coordinate services; for example by sharing planners and building inspectors.

Several public services in Skamania County are delivered on a multi-county basis. These services / agencies include the Fort Vancouver Regional Library, Southwest Washington Health District, Southwest Washington Air Pollution Authority, and other services.

In some instances, the County also coordinates service delivery and shares specialized resources with neighboring counties. For example, Clark County provides (at cost) specialized road maintenance equipment to handle Skamania County's road testing and striping. Observers note a trend toward regionalization of law enforcement and other services.

This intricate network of interagency services has not been analyzed in-depth as part of *Skamania Forward*. However, two surveys have been conducted to identify opportunities for enhanced interagency coordination, to improve service quality or save money:

1. A survey of County departments (21 departments responding)
2. Survey of other service providers: cities and service districts (8 agencies responding)

County departments were asked how their services are coordinated with other agencies, and whether there may be opportunities to better coordinate services.

In response, most departments think this approach is already being taken where it can produce cost savings or better quality services. A number of successful intergovernmental partnerships already exist, and can continue, the departments report.

The list of possible new partnerships suggested by the departments include:

- Expand partnering opportunities with Extension Office and 4H
- Consolidate financial services with City of Stevenson
- Handle criminal prosecution for Stevenson and North Bonneville
- Consolidate building and planning departments, intergovernmentally and internally
- Coordinate safety and other employee training programs
- Coordinate in-water law enforcement with the two states and neighboring counties

An interagency survey conducted on the same issues revealed several more suggestions for enhanced coordination. Ideas for improved coordination offered by survey respondents include:

- Sharing equipment or buildings
- Reducing duplicate services (EMS/fire protection)

- Coordinating utility billing or purchasing
- Coordinating road construction and utility work
- Conducting joint lobbying efforts at the State Legislature

The best candidates for coordinated services include those requiring highly specialized technology, or staff expertise; services needing costly equipment or facilities, or those using such equipment/facilities infrequently; or service coordination that promises enhanced convenience and higher quality services for customers.

Citizen Satisfaction with County Services

Are citizens – Skamania County's "customers" – satisfied with County services?

In 1997, Skamania County conducted a countywide mail survey to gauge citizen familiarity and satisfaction with County services. Nearly 850 households were surveyed, through a random sample. Over half – about 450 households – responded to the survey.

The survey results underscore a very high level of citizen interaction with County government, and widespread support for County services. Key findings:

- Most citizens pay attention to County government, and have direct contacts
- County officials are widely seen as responsible, courteous, professional
- Citizen satisfaction is high: effectiveness and efficiency of County government are generally rated as good or fair
- A key value for citizens: preserve the County's rural character and quality of life in local communities
- Citizens receive information on County government from the *Skamania County Pioneer*, the *Columbian* and other sources

At the time the survey was fielded, citizens did not see much need for additional services. Only a handful of services received a majority or plurality of support to increase service levels.

Are More County Services Needed?*

	More / Much More
Economic development / jobs	64%
Programs for youth	58%
Crime prevention	54%
Criminal investigation	46%
Road maintenance	45%

* Results of 1997 Skamania County survey

It should be noted that these survey results are more than two years old, and citizen opinions can be volatile. However, a few implications may be drawn for *Skamania Forward*:

- Citizens are familiar with County government, and are likely to notice any changes in future service levels.
- There has been little clamor for new or better County services – which may open more flexibility for creative strategies to address the future funding gap.
- The County's largest (and most costly) services – law enforcement and road maintenance – are among the services receiving the highest marks from citizens.
- There is strong support for economic development and job creation activity.

Conclusions

The following are highlights of the evaluation of Skamania County's service requirements:

- Many County services are mandated by the state. The County lacks discretion over the *type* of services it provides – and sometimes the *service levels*.
- Despite the mandates, Skamania County services (measured by County employment) have grown at a somewhat slower pace than population growth in the 1990s. This pattern may be difficult to sustain in the future, if the numbers of residents and visitors continue to rise.
- Almost half of County employees are concentrated in two departments – Sheriff's Office and Public Works. Since most other departments are mandated, or grant-funded, or are very small, the best opportunities for service efficiencies are in these two large agencies. Public Works is currently initiating an in-depth look at its department organization and service delivery.
- No single service strategy is likely to produce sufficient savings to eliminate Skamania County's projected funding gap. A combination of strategies must be pursued.
- A suggested list of possible service efficiencies has been compiled. Speeding up the introduction of computerization and automated systems tops the list.
- Increased service coordination / consolidation with other service providers may also improve services or save money.
- Citizens are familiar with County services, and are generally satisfied with current service levels – but are likely to notice any reductions.

Comparisons with Peer Counties

As Skamania County considers its options, it is useful to compare the Skamania experience with other counties – particularly Washington’s 26 rural counties. *Skamania Forward* research provides a quick comparison showing how Skamania and other Washington counties compare on indicators of per capita income, local taxes, total fees and charges, and solid waste fees.

The data suggest that, until recently, the people of Skamania County have been able to pay-less-to-get-more services, on average, than other Washington citizens. Skamania’s relatively low local tax and fee burdens reflect the history of abundant alternative sources (notably timber revenues) that supplied local government with a substantial portion of the dollars needed to meet local funding needs. As those traditional sources decline, other revenue sources increasingly will be needed to fill the gap – more in keeping with other Washington counties.

Highlights of these comparisons:

- Skamania ranks low in per capita income – 25th of Washington’s 39 counties. The County is also low (25 of 39) in local tax revenues per capita.
- With respect to the level of fees collected, almost half of the counties collect more fees per capita than does Skamania. Skamania County collects among the lowest fees per capita in comparison with other *rural* counties.
- Of eight rural and urban Washington counties surveyed, Skamania County is the only county that does not currently assess impact fees for new development.
- Local revenue effort is particularly low by comparison with other counties when data for incorporated cities is excluded. If local tax revenues and fees charged are looked at only for the unincorporated areas of the County, nearly all of the counties do better – 95% of the counties in Washington collect more local taxes and over 85% of Washington counties collect more through fees on a per capita basis.
- Comparing operating expenditures per capita, Skamania County ranks among the top Washington counties.
- Adding in the capital expenditures and debt service (recalling that Skamania County is debt-free), the County still ranks in the upper 15% overall in terms of total expenditures per person.
- In 1997, Skamania ranked third of 26 rural counties in terms of total general governmental expenditures per capita. For wage and salaries expenditures per capita, Skamania ranked #4.
- Of the counties shown in State Auditor data, Skamania ranks 24th of 35 – or in the lower third – with respect to the fees charged for solid waste disposal. According to budget data, these low fees require the County to heavily subsidize solid waste costs not covered by fees.

Comparative Expenditure Levels – Washington Rural Counties

County by Statewide Rank	Adams	Asotin	Chelan	Clallam	Columbia	Cowlitz	Douglas	Ferry	Garfield	Grant	Grays Harbor	Jefferson	Kittitas	Klickitat	Lewis	Lincoln	Mason	Okanogan	Pacific	Pend Oreille	San Juan	Skagit	Skamania	Stevens	Wahkiakum	Walla Walla	Whitman
Operations (Uninc)	12	33	38	27	1	20	25	15	2	30	9	21	7	14	22	3	39	26	19	10	16	17	11	35	6	8	4
Operations	12	26	39	18	1	24	14	7	2	31	16	13	11	9	15	4	25	17	10	6	8	20	5	21	3	23	34
Capital (Uninc)	6	4	29	27	5	12	37	22	7	11	38	33	25	9	15	8	17	23	34	19	1	30	18	16	3	13	2
Capital	4	3	34	25	6	17	31	16	8	11	37	27	32	5	10	7	13	22	28	19	1	30	14	9	2	21	18
Debt Service (Uninc)	24	7	39	27	8	38	6	15	37	29	30	32	25	35	21	16	31	28	19	10	12	34	20	13	36	33	26
Debt Service	23	9	39	26	15	38	5	8	37	30	32	31	25	35	21	19	29	27	17	7	6	33	16	10	36	34	28
Total (Uninc)	8	21	39	30	1	16	26	17	2	31	13	25	7	15	22	3	38	27	23	11	10	19	12	34	6	9	4
Total	10	16	39	21	1	25	15	8	2	27	20	13	12	9	14	4	24	19	11	7	5	23	6	18	3	26	34

Notes: Table shows ranking among 39 Washington counties. The highest rating shown is 1; the lowest is 39.
 Based on data from the Washington State Auditor's Office. SAO data excludes proprietary type funds (enterprise & internal service funds) and is adjusted to eliminate the effects of city-county service contacts.
 Operations includes all salaries, benefits, supplies, services, intergovernmental payments, and interfund payments (e.g. equipment rental).
 Debt service includes interfund debt payments.

Source: Decision Point Analytics, Inc., E.D. Hovee & Company

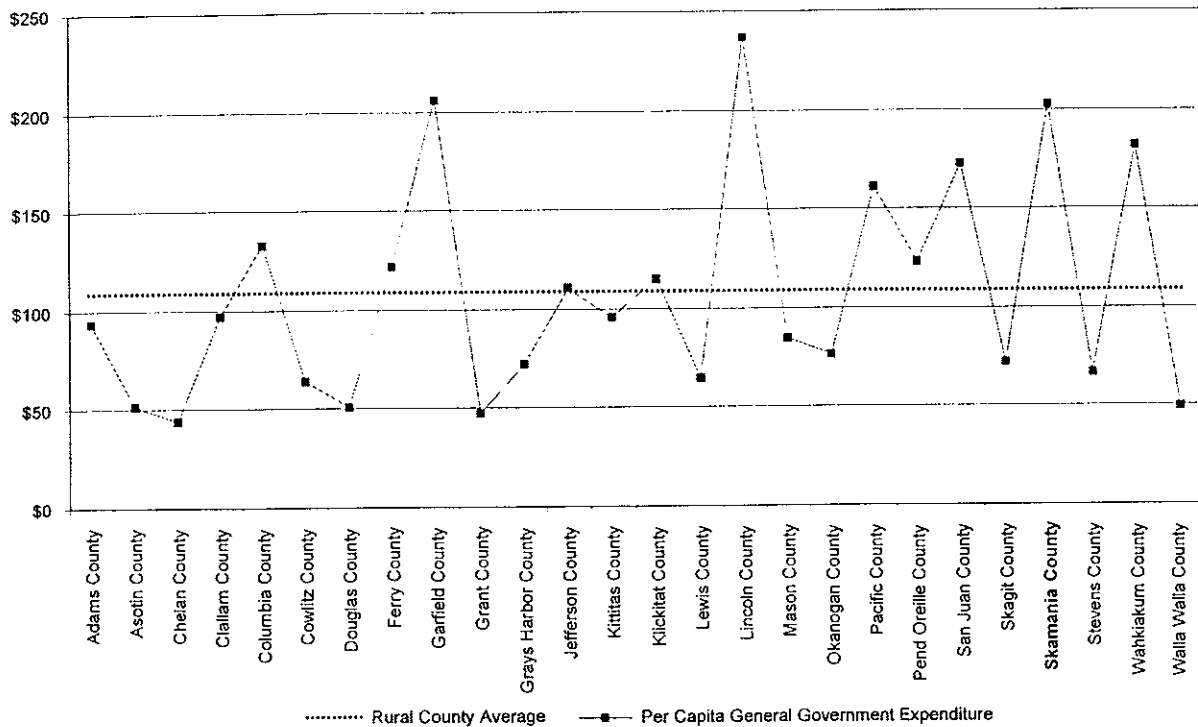
Washington Rural County Revenue Comparisons (1997)

County by Statewide Rank	Adams	Asotin	Chelan	Clallam	Columbia	Cowlitz	Douglas	Ferry	Garfield	Grant	Grays Harbor	Jefferson	Kittitas	Klickitat	Lewis	Lincoln	Mason	Okanogan	Pacific	Pend Oreille	San Juan	Skagit	Skamania	Stevens	Wahkiakum	Walla Walla
Per Capita Income	30	19	8	13	31	17	32	39	18	29	22	12	24	34	23	6	33	26	28	37	2	9	25	38	27	20
Per Capita Tax	14	38	37	17	22	12	19	34	16	27	21	5	11	32	8	6	7	31	2	4	1	10	25	26	3	33
Per Capita Tax (unincorporated)	16	38	33	27	5	8	30	39	9	26	11	18	7	36	19	4	28	32	13	17	2	12	37	35	25	6
Per Capita Fees	23	21	39	24	2	15	31	36	33	26	22	7	9	1	16	3	13	29	8	6	5	14	19	27	4	30
Per Capita Fees (unincorporated)	23	29	35	30	2	9	37	39	25	27	14	15	6	1	26	3	31	32	17	12	8	13	34	38	7	11
Per Capita Solid Waste Fee	13	2	31	35	21	15	NA	18	30	23	20	7	12	1	4	32	14	11	NA	16	3	5	24	17	26	NA

Notes: Rankings are shown for 26 rural counties, among 39 Washington counties. The highest ranking shown is 1; the lowest ranking is 39.
 The solid waste fee is for 1996 and is derived from State Auditor's BARS Codes. Four counties showed no entries.

Source: Decision Point Analytics, Inc., BEA REIS Data, E.D. Hovee & Company

Comparison of Rural County Expenditures Per Capita



Source: Washington State Annual Auditor's Reports, 1997.

Impact Fees – Washington Counties

County	SF Residential Parks	SF Residential Schools	SF Residential Transportation	MF Residential Parks	MF Residential Schools	MF Residential Transportation	Non Residential Parks/Schools	Non Residential Transportation
Clark	\$1,400	\$2,150	\$775-\$2,638	\$554-\$1,179	\$850	\$268-\$1,787	N/A	Calc. Varies
King	\$473-\$3,513	\$1,780-\$3,640	\$21-\$8,215	\$24-\$6,375	\$307-\$1,733	60% of SF	N/A	Calc. Varies
		Avg. \$2,575	Avg. \$1,301		Avg. 1175			
Kitsap	\$491.40	\$962.60	\$520.40	N/A	N/A	N/A	N/A	N/A
Pierce	\$250	\$1,425	N/A	\$125/unit	\$750/unit	N/A	N/A	N/A
Skagit	N/A	\$656-\$2,652	N/A	N/A	\$640-\$2,629	N/A	N/A	N/A
Skamania	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Snohomish	\$771-\$1,128	\$0-\$3,219	\$174/trip	\$567-\$803	\$0-\$2,370	\$174/trip	N/A	\$128-283/trip
Thurston	N/A	\$985	N/A	N/A	\$506-\$1,118	N/A	N/A	N/A

Sources: 1998 Washington Association of Counties Fee Survey
 1999 Survey of Clark and Thurston Counties by MRSC
 E.D.Hovee & Company

Notes: SF = Single Family
 MF = Multi Family
 N/A = No Fee

Another measure of how counties' service levels compare relates to their relative geographic size. The next table compares Skamania County's annual road maintenance expenditures with twelve peer counties. Road maintenance activities are categorized by: road maintenance budget, total road miles, number of County maintenance employees, miles per employee, and expenditures per mile.

The results demonstrate no clear patterns. Skamania County, at \$10,426 per road mile, is among the higher-cost counties – as are other larger, more urban counties (Clark, Cowlitz) and some small, rural counties (Pacific). Skamania County has fewer road miles to maintain than most peer counties, which could increase costs per mile. But among the counties with most road miles are those with high unit costs (Clark, Lewis) and low unit costs (Lincoln).⁷

These results suggest that Washington counties are able to exercise significant discretion over service levels for selected services, such as road maintenance.

Comparative Road Maintenance Expenditures

	RD. MAINT. BUDGET	TOTAL RD. MILES	RD. MAINT. EMPLOY	MILE / EMPLOYEE	MAINT. \$ / MILE
COWLITZ	\$6.7 MILLION	535	67	8	\$12,523
SKAMANIA	\$2.2 MILLION	211	24	9	\$10,426
CLARK	\$13.2 MILLION	1,372	77	18	\$9,606
PACIFIC	\$3.2 MILLION	353	29	12	\$9,093
LEWIS	\$7.8 MILLION	1,060	47	23	\$7,387
JEFFERSON	\$2.9 MILLION	392	29	14	\$7,347
KITSAP	\$6.7 MILLION	973	52	19	\$6,844
WAHIAKUM	\$0.8 MILLION	143	8	18	\$5,440
P'OREILLE	\$1.7 MILLION	547	25	22	\$3,163
ASOTIN	\$1.1 MILLION	393	11	36	\$2,773
COLUMBIA	\$1.3 MILLION	504	17	30	\$2,579
FERRY	\$1.9 MILLION	726	23	32	\$2,576
LINCOLN	\$3.3 MILLION	2,066	45	39	\$1,583

Source: Skamania County Public Works Department, 1997

⁷ Note: Weather patterns may be responsible, in part, for some variations in road maintenance costs. Counties east of the Cascades may enjoy lower unit costs.

Recommendations

Recommendations for *Skamania Forward* have been developed by the Steering Committee of citizens and community leaders.

To face the financial challenges of the future, the Committee recommends that Skamania County take action now to pursue four general strategies:

1. *Enhance County management and service delivery.*
2. *Increase County funding.*
3. *Seek new opportunities for long-term strategic investments.*
4. *Monitor implementation performance, and make adjustments.*

A number of specific recommendations are offered to implement these four strategies. These recommendations are shown in the accompanying table, and detailed further in the Summary Report.

I. Enhance County Management and Services

Many of the Steering Committee's recommendations are intended to update, strengthen and streamline Skamania County's management structure, and to enhance its service delivery capabilities. Recommended strategies include:

Technology Plan

Systematically pursue investments in technology that will enhance the County's productivity.

Develop a Technology Plan to guide the County's future technology investments.

Define the anticipated productivity "payoff" for each investment, and monitor effectiveness.

Examples include:

- Automated systems / networking
- Computer hardware / software
- GIS / computerized mapping
- Staff training to introduce new technology / applications

Capital Facilities Plan

Complete a comprehensive County Facilities Plan; with the following components:

- Inventory and assessment of current facilities and future needs, applying the model being used to assess Wind River Nursery buildings

- Maintenance / replacement plan
- Plan for systematic disposal (sales) of surplus properties

Financial Management

Implement a County-wide automated financial management system.

Establish a code of financial management principles to guide County financial decisions.

Prepare a Comprehensive Annual Financial Report. Such a report is required for debt financing, and is submitted annually to the State Auditor for official audit.

Management Structure

Adopt management innovations – department-by-department and County-wide – to streamline and modernize County government, establish performance standards, and enhance productivity.

Examples:

- Centralize, consolidate functions such as financial management, purchasing, personnel, etc.
- Consolidate permit review – creating a single contact point for permit applicants and the public
- Publish a guide for citizens, to help them understand permit application processes
- Streamline the County's organizational structure: fewer departments, and fewer direct reports to the County Board
- Explore options for professional management – appointing a County administrator
- Develop and revise standard County-wide administrative procedures

Department Studies

Conduct in-depth studies of the large departments and how they operate, seeking potential efficiencies (Public Works and Sheriff's Department)

Compare department staffing levels with other counties.

Establish workload and performance measures / goals for all departments

Adopt budgets based on County priorities / department performance

Interagency Coordination

Expand upon the County's existing partnerships with cities and other agencies to enhance services and save money.

Examples may include:

- Consolidate city / county development permit review at a central location
- Expand current equipment sharing practices, following the model of renting Clark County's specialized road equipment

Public Involvement

Inform and educate the public on the issues and challenges facing Skamania County.

Involve Skamania County citizens in conscious decisions regarding future service levels and priorities for services which are most critical for quality of life.

Expand the use of citizen volunteers across all County departments and programs.

2. Increase County Funding

While improvements to the County's management structure can make an important contribution in addressing the County's financial challenges, additional funding resources will also be required. The Steering Committee's recommendations call for prudent financial management principles and selective funding increases.

County Reserves

Reserve any funds received by the County above anticipated levels:

- Place any surplus funds in reserve to meet long-range obligations
- Strategically invest a portion of surplus funds: in system improvements that will enhance County efficiency; and in economic development / job creation activities that provide a tax payoff.

User Fees

Reduce tax subsidies for services which benefit specific groups / individuals, increasing user fees to recapture a greater share of service costs. Articulate the rationale for tax subsidies that remain, and reduce service levels for services which cannot be self-sustaining, and for which there's insufficient rationale for tax subsidy.

Selective Tax Increases

Increase taxes as needed to maintain levels consistent with peer counties, following final resolution of I-695 legal status. As a first priority, exercise the local option for the real estate excise tax.

Debt Finance

Utilize debt financing (Limited Tax General Obligation Bonds) for future capital facilities, when appropriate:⁸

- Evaluate the County's long-term capital needs.
- Develop policies related to debt management.
- Develop a long-term capital financing program.
- Evaluate potential debt financing mechanisms.
- Implement an ongoing debt management program.

As a first priority, utilize low-interest and no-interest state funding sources.

Federal Timber Legislation

Continue to monitor the evolution of proposed federal funding legislation.

Maintain two long-range financial plans: a base scenario without federal funds; and a second scenario that assumes renewed/increased federal funds become available.

Establish a County policy regarding appropriate use of any future federal funds.

3. Strategic Investments

The final strategy recommended by the Steering Committee is to pursue opportunities for long-term return-on-investment of County funds. The success of Skamania Lodge provides a model for an investment that yielded tax benefits to the County and other taxing agencies, jobs for area residents, private investment and economic diversification.

Strategic Investments

Continue to seek opportunities for Skamania County to invest in long-term projects that will diversify the local economy, provide jobs for County residents, and broaden the tax base.

Examples may include:

⁸ Note: Unlimited G.O. Bonds are also possible, but require voter approval.

- Wind River Nursery: a conceptual development plan will be presented in 2000
- Skamania Lodge expansion
- Redevelopment of the Port of Skamania County's riverfront site
- Industrial site development at other key locations (e.g., North Bonneville)
- Modern telecommunications infrastructure to serve Skamania homes and businesses. (A feasibility study is currently underway to examine the potential for fiberoptic datalines in Skamania County.)
- Expansion and recruitment of small and mid-size employers
- Addressing other unmet infrastructure needs and service demands to accommodate new industries and job growth

4. Implementation

The Steering Committee believes the success of *Skamania Forward* will hinge upon the County's follow-through in implementing the above recommendations.

Monitoring

Develop an Implementation Plan, identifying priorities and necessary resources, and providing a detailed schedule and assignments.

Monitor progress and report to the public annually in a "State of the County" evaluation.

Update and adjust the *Skamania Forward* plan as may be needed.

Skamania Forward – Summary of Recommendations

County Management

- Prepare / implement a Technology Plan
- Prepare / implement a Capital Facilities Plan
- Implement automated County-wide financial management system
- Streamline County government structure
- Centralize purchasing, permits, and other services
- Establish measurable performance standards / goals for all departments
- Conduct in-depth studies of large departments to seek further efficiencies
- Expand partnerships with other agencies

County Funding

- Reduce/eliminate General Fund subsidies for services that benefit a specific clientele
- Increase fees to recapture greater share of service costs
- Increase taxes to maintain levels consistent with peer counties
- Utilize debt financing to support eligible capital projects
- Prepare a Comprehensive Annual Financial Report (required for debt financing)
- Adopt a code of financial principles

Strategic Investments

- Invest in long-term projects to diversify the local economy, provide jobs for County residents, and broaden the tax base

Implementation

- Monitor success of *Skamania Forward*, and make adjustments

How Citizens Contributed to *Skamania Forward*

The comprehensive review of County services and funding for *Skamania Forward* was conducted through broad-based citizen participation. A 31-member steering committee was appointed by the Board of County Commissioners to guide *Skamania Forward's* long-range planning. The Committee included representatives of cities, school and service districts, the Port, area businesses, civic organizations, as well as County department heads and employee representatives, elected officials, and interested citizens from all parts of the County.

The Steering Committee participated in all stages of *Skamania Forward*, and developed the findings and recommendations. The Committee's meetings were open to public participation, and interested citizens were invited to attend.

In addition to the Steering Committee process, public comment was also invited in an open public meeting. Convened by the Board of County Commissioners on April 12, 2000, the meeting included a presentation of the Steering Committee's preliminary recommendations, followed by an opportunity for public comment. Citizens who attended the meeting asked many questions about the County's current budget and services, endorsed the County's need for added revenues, and emphasized the importance of diversifying the County's economy and job base. Participants also suggested giving careful scrutiny to certain County expenditures, including the Interpretive Center contributions.

Skamania Forward also drew upon the results of a scientifically administered survey of Skamania County residents conducted in 1997. Some 451 households participated in the mail survey, answering questions about their satisfaction with current County services, and their perceived need for future services.

Advice from citizens who participated in *Skamania Forward* planning sounded these recurrent themes:

- Look ahead.
- Don't count on the federal government to solve the funding problem.
- Be entrepreneurial and opportunistic in operating County government.
- Consider all possible revenue sources, cost savings, and investments for economic development: "every little bit helps."
- Protect Skamania County's quality of life – even if it means paying more taxes.
- Keep citizens informed about the situation.

Skamania Forward – Steering Committee

Brad Andersen	Skamania County law and justice representative
Brian Bea	Public member – Upper Washougal/Skye/Prindle
Jody Bea	Public member – Upper Washougal/Skye/Prindle
Bill Bentley	Stevenson – Carson School District
Marilyn Breckel	Skamania County Administrative Services Manager
Chuck Bryan	Skamania County Sheriff
Peggy Bryan	Economic Development Council Executive Director
Ken Cohen	Skamania County Community Services Representative
Scooter Corner	Skamania County Employee Representative
Bill Critz	Skamania County Public Works Director
Mary Ann Duncan-Cole	City of Stevenson
Anita Gahimer	Port of Skamania County
Ann Harryman	Skamania County Hospital District
Arlene Johnson	Chamber of Commerce
John Kirk	City of North Bonneville
Greg Kock	Public member – Mill A/Cook
Tim Latimer	Public member – Stabler
Clyde Leach	Public member – Underwood
Wayne Lease	Public member – East County
Dave L’Hommedieu	Economic Development Council
Walt Loehrke	Public member – Stabler
Matt Masco	Skamania County Fire District
Ed McLarney	Skamania County Commissioner
Jim Mickel	Timber Industry Representative
John Mobley	Tourism/commercial industry representative
Joanna Roe	Mill A School District
Harpreet Sandhu	Skamania Co. Planning and Community Development Director
Jan Snyder	Public member – Unincorporated Stevenson
Dave Teitzel	Public member - Carson
Dean Walker	Public member – Skamania
Sandra Willing	Skamania County Treasurer

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