

As commissioners look ahead to challenges of new year, it still looks like

# County has canopy of timber issues

BY KEN O'TOOLE  
Headlight-Herald Staff

TILLAMOOK — The major issues shadowing Tillamook County in 2006 haven't faded much over the past few years.

High on this year's list of County Commissioners' concerns are the future of timber revenues, Road Department funding, Health Department

financial stability and employment opportunities.

Commissioner Tim Josi, who has rotated to the panel's chairman seat this year, has his sights set on creating more certainty in Tillamook State Forest timber harvest levels, as do fellow Commissioners Charles Hurliman and Mark Labhart.

Josi has been serving as the chair of the Council of Forest

Trust Land Counties, with efforts centering on litigation and establishing sustainable harvest levels.

By way of litigation background, Josi pointed out that the 2003 Oregon Legislature took \$10 million of timber receipts earmarked by the Oregon Department of Forestry (ODF) to manage forest lands on behalf of the Trust Counties.

These 15 counties sued the state and won in Circuit Court. He said the judge's ruling in the counties' favor, said, essentially, that:

- A 70-year history exists where the state and counties have worked together, with all actions taken by the state being with the consent of the counties.

- The contract agreement or

relationship cannot be altered or removed without the consent of the counties.

- The arrangement provides for management of the forestlands to achieve the highest return to the counties.

As for establishing sustainable harvest levels, Josi said the ODF, Board of Forestry and the

See COUNTY, Page A11

**'If it's (safety-net legislation) not reauthorized, it'll have a devastating effect on the county's Road Department.'**

— County Commission Chairman Tim Josi

# COUNTY

Continued from Page A1

Trust Counties have been working for the past two years on a survey and modeling process "that will help us determine the costs and benefits of various management practices. Decisions that will affect the future economic viability of Tillamook County will be made by the middle of 2006."

For Josi, as the representative of the Trust Counties, "my role in this decision-making process is pivotal," he said. "Timber harvesting sustains and creates family-wage jobs, provides funding for governmental services and provides needed revenues for our schools. I will be advocating for a forest management plan that maximizes a sustainable timber harvest level, which will not be detrimental to environmental and recreational amenities."

In other words, Josi said, "My goal is to maximize timber revenue in an environmentally responsible way."

## The safety net

In another timber-related concern, county commissioners are nervously observing the direction of the wind as they await congressional action by the end of this year on whether the safety-net legislation — called PL 106-393 — providing counties with funding in lieu of revenue that would have come from harvest of timber from its federal forestlands.

Josi offered some background on the evolution of this revenue source.

"The National Forest System was formed in 1905 from the Forest Reserves, which were established between 1891 and 1905 by presidential proclamation. During that time, 153 million acres of forestlands were set aside in forest reserves and removed from future settlement and economic development. This imposed great hardships on counties in the Western states." Tillamook was one of those counties.

So in 1908, a congressional bill "created a revenue-sharing mechanism to offset for forest counties the effects of removing these lands from economic development," Josi said. This provided that "25 percent of all revenue generated from the multiple-use management of our national forests would be shared with the counties to support roads and public schools."

This arrangement worked well until about 1986, Josi said, and

since then, sustainable harvest levels have dropped to almost zero. Most counties, including Tillamook, have seen a decline of over 85 percent in actual revenues generated on our national forests.

So, in 2000, Congress passed PL 106-393, Josi said, and this is "intended to provide short-term relief for counties until timber harvesting on our federal forests can again resume on a sustainable level."

The legislation's six-year period ends this September, "and unfortunately, the issues (such as the Endangered Species Act) leading to the shutting down of our federal forests for timber harvests have not been resolved," Josi said.

The timber counties have been lobbying vigorously to have this renewed for another six years. It's important, Josi said, because this safety-net funding provides nearly \$1.8 million a year to the county's road program.

"That represents nearly 40 percent of the county's Road Department budget, according to Hurliman.

"If it's not reauthorized, it'll have a devastating effect on the county's Road Department," Josi said.

The other primary source of funding for the Road Department comes from gas taxes and state motor vehicle fee revenue shares. The gas tax is set by the Legislature, Josi said, and this hasn't been raised since 1991.

"We have stars in our favor to get reauthorization," Hurliman said. "We're really working the Hill (Congress) hard."

However, he is not optimistic about when the legislation would come up for another renewal another six years from now.

"The message from the Hill (Congress) is that PL 106-393 will not get reauthorized after this time," said Hurliman.

Of course, it's not just for roads. The legislation represents millions of dollars across the state in schools support, as well, he said. "So we need to have something worked out."

For that reason, he sees the urgency for working for the federal Bureau of Land Management to create a forest management strategy plan. "We need to have a plan that's in moderation and makes good scientific sense."

As a result of these dwindling revenues, Josi said, "we are underfunding our county road system by about a million dollars a year. If we don't do something soon, our economy may grind to a halt because our road system is failing. We should be paving

(overlaying) about 20 miles a year. We're only able to pave about four miles a year."

In his view, "we need to encourage our legislators to find the needed funding for Oregon's state and local highway system. We also need to again ask the people of Tillamook County to vote yes for funding for our county roads. Currently, no property tax receipts pay for county roads."

He pointed out that the value of the county road system is about \$168 million — "that's the investment we have now."

A roads levy was defeated by two-thirds of the county's voters in 1999.

Now, if a taxing district to fund county roads were to be approved by voters, that would create two sources of revenue — property taxes and state timber revenues, he said.

The issue is prominent on Labhart's radar, as well. On his list of issues needing to be tackled this year is finding opportunities "to partially fund our Road Department without increasing taxes."

Hurliman said he will be talking with State Sen. Betsy

Johnson about the potential for using additional state revenues for Road Department funding.

He also sees a need for further talks with ODF about whether other roads in the county would qualify for ODF repair-funding assistance, derived from a percentage taken from timber sales. So far, he said, this has provided some \$300,000 for repairs on Trask River Road, heavily used by logging trucks.

## Health Department stability

Another money issue that will continue to occupy commissioners' agendas this year is completing a financial recovery plan for the county Health Department.

"This is making good headway," Josi said, although a permanent department administrator must yet be hired. As the department's budget bled red ink over the past year, one administrator resigned and another was terminated.

Interim administrator Jeffrey Davis was hired, and commissioners just last week extended his contract another two months.

"Under new interim management and a new chief financial officer, new accounting procedures are being installed," Josi said. "Department staff now knows the level of revenues expected of them, and expenditures have been budgeted by line item. I think it's safe to say we have turned the corner. We still have some fine-tuning to do, but

the Health Department is well on its way to financial stability."

## Wants vs. needs

Speaking again of finances, among Hurliman's priorities, he said, is the "streamlining of county government." This would involve distinguishing between "wants and needs" among departments, and determining "how many services we have that overlap."

In other words, he explained, when it comes to the question of hiring a new Sheriff's Office deputy, "is that the mission of Tillamook County to hire him over (adding) another person in the Tax Department?"

The concern, he said, is the potential need to downsize staff, if necessary in the future. He believes there is a need to develop a comprehensive plan that would help determine whether "services we provide today supply yesterday's needs." As part of this study, the efficiencies of comparable counties would be examined, he said.

Labhart's list of issues to be dealt with also note a need to keep looking for ways to implement efficiencies in county government.

Hurliman believes county government can also take a leadership role in an area outside of government that also has an impact on quality of life in Tillamook County — youth employment. "Business has a problem with the amount of people who can pass the drug test," he said.

This could involve support of

an additional drug-awareness program at the high school level and below, he said.

## Other issues

The list of county issues for 2006 goes on.

- Among those Labhart is anticipating include:
  - Putting more dollars into a County Building Maintenance and Improvement Fund.
  - Resolving the second-home rental issue.
  - Deciding what to do with the old Main Library site.
  - Considering how to finance replacement of the Farrgrounds grandstands.

- Getting federal funding to finish repair of the jetties.
- Reducing the impact of flooding throughout the county.
- Explore more opportunities for affordable housing.

However, commissioners say they remain mindful of the need to stay in touch with what's on the minds of their constituents.

Part of this, Labhart said, involves traveling throughout the county "to listen to citizens and be involved in their activities."

Hurliman said it also means "watching out for the people of Tillamook County" on "day-to-day issues."