



May 17, 2019

Representative Alissa Keny-Guyer, Chair
House Committee on Human Services and Housing
900 Court Ste. NE
Salem, OR 97301

Re: Warrenton's Opposition to SB 543

Dear Chair Keny-Guyer and Members of the Committee,

The Legislature's interest in providing support and services to our state's children is laudable and to be encouraged. However, the city opposes SB 543's method and means to achieve this outcome. The City also wonders why the good intentions of assisting children has to pit basic local governmental functions and existing government funded children's programs against a new special district? The goals of this bill would be better accomplished by providing grants to nonprofits, school districts or municipal or county governments to expand already existent services or provide new ones. Instead of boosting help for children services already provided by schools, counties and municipalities, this bill threatens to endanger primary municipal services like police and fire and important developmental and recreational services, like our library and its after school and summer programs.

We echo League of Oregon Cities' concern and will not belabor familiar talking points to the committee. Instead I would like to provide context to Warrenton's situation. We agree that the -10 amendment would at least improve the bill.

The permanent capping of tax rates combined with an out of control PERS liability has put us in the awkward position of having to oppose this bill. In the City of Warrenton, our total permanent rate tax revenue for FY2019-2020 is \$847,944, of which PERS alone eats up roughly 45%. Permanent rate tax revenues increased this year by \$45,349, while PERS liabilities increased \$152,000. For several years this has become a familiar story—the delta between revenues and liabilities gets larger and larger, with no end in sight. This is despite major industrial and commercial development over the past few years, as well as having the fastest growth rate in the North Coast Region since 1996. One would think our city general fund should be flush with cash. However, growth is causing demands for basic services like community development and planning to greatly exceed funding capacity to pay for such services. Our planning department has shrunk over the past decade to one person who now has to act as the community development director, planning director, planning technician and code enforcement officer. Neighboring cities with significantly less new building projects have three to four positions. Managing growth has become a sort of Gordian Knot.

The City of Warrenton has a local option levy as well because our permanent rate is low. When compression occurs, all local option levies would be compressed first under SB 543 and the children's district would not be compressed. This type of competition is unreasonable and should be opposed.

Warrenton happens to also be one of the largest cities in Oregon by area, ranking 11th according to recent statistics. Our police department is funded for 11 officers and 1 chief, but due to retirements and the statewide shortage of suitable police recruits to fill positions, Warrenton has 7 officers and a chief. Another one of our new and younger officers is being recruited by a larger agency outside the county as well. That may leave us with 6 officers to police the 11th largest incorporated area in Oregon. We have one of North America's top 10 KOA resorts in our city limits, adding roughly 3,000 people to summertime population. We also have Fort Stevens State Park, one of the state's largest parks with an annual day use attendance of 1,103,072 people¹ and numbers increasing every year. Once our police department is back to full strength, which will take over a year in the best case scenario, we will have at max 2 officers on in the daytime, and 1 in the evening. SB543 threatens our ability to continue that minimal coverage.

Governor Brown noted that the state's record and roaring economy is headed for recession. Economists agree one is coming. When a recession hits, property values are expected to dip as well. Any further cuts to the abilities of Warrenton to fund public services will push us from dire straits to an emergency situation. Please vote no on this bill and oppose the -9 amendment.

Sincerely,

A handwritten signature in black ink, appearing to read 'H. Balensifer III', with a stylized flourish at the end.

Henry A. Balensifer III
Mayor

¹ https://oregonstateparks.org/index.cfm?do=parkPage.dsp_parkHistory&parkId=129