

# Willamette County? Analyze service needs, costs first

As home to Nike's world headquarters, it would be easy for Washington County to get caught up in the energetic philosophy of "Just Do It!" Enough talk, enough indecision, enough study, just do . . . what? In this case, the rally cry has become "Just Do . . . Willamette County!"

Washington County government is not ready to embrace the concept of Willamette County, a consolidation of Multnomah, Clackamas and Washington counties. The Washington County board of

## ON CONSOLIDATION

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commissioners considers this immediate proposal to be reactive to Measure 5, and currently without a foundation of analysis.

We recognize that the concept of a Willamette County is not new. The City Club of Portland has studied and taken a position on regional consolidation of services. Multnomah and Clackamas counties have conducted an analysis of their programs to see which, if any, might be shared or consolidated. And, of course, there are those who claim that the voter-creation of the Metropolitan Service District was a directive toward regional government, and that counties would gradually become obsolete as Metro evolved into a regional service provider.

Unfortunately, the majority of the energy, enthusiasm and support for these concepts of consolidation comes at times of fiscal crisis or voter displeasure with one or more units of government in the tri-county area.

Let's look at this from another angle: If Willamette County is the solution, what is the problem?

Is the problem antiquated political boundaries? The governments in the tri-county area have long understood that we share a common labor market; that our citizens may live in one jurisdiction, work in another and shop or recreate in still another. We work together to promote the "Portland Metropolitan Area." As a region, our voters approved major financial commitments to the Oregon Convention Center and the extension of light rail transit into Washington County. Multnomah and Washington counties, together with the City of Portland, have an intergovernmental agreement of support for employment opportunities provided by The Private Industry Council. All three counties provide contractual support to the Portland Development Commission for business development and marketing—marketing the region, not individual jurisdictions. These are just a few examples of our intergovernmental cooperation. Yes, political boundaries exist, but they do not prevent us from coming together to work in the best interests of our shared populations.

So maybe the problem is actually a quest for more efficient and effective service delivery. "Let's reduce the number of governments doing the same thing." This often-heard phrase starts to look like a solution again, instead of a problem statement, but let's take a look at it.

First of all, I challenge the assumption that "bigger is better." If being big was the answer to our problems, then why do many abhor big government, big corpora-

tions? Why do our voters rally around the cry, "local control?" Why do we perceive something big as a lumbering giant, while small is quick to respond?

Washington County acknowledges and supports the consolidation of services that show a benefit directly tied to economies of scale. That was one of the principles behind the merger of 27 different entities in Washington County into the Unified Sewerage Agency. We may see further mergers or consolidations or intergovernmental agreements between special service districts involved in water quality and quantity, again based upon economies of scale and least-cost of service delivery.

The key here is the unit cost of service delivery. Success in consolidation or mergers is found when the analysis of the independent operations shows a greater per-service-unit cost than the unit cost of service of the combined organizations. Now, we are getting closer to what may be the underlying problem for which Willamette County may or may not be the solution: the service and revenue disparity between jurisdictions.

In the initial days of Ballot Measure 5, the City of Portland and Multnomah County found themselves severely impacted, anticipating revenue reductions of \$18 to \$38 million, with much attention focused on the issues of service burden versus ability to pay. Portland and Multnomah County were portrayed as having the service burden of the region and Clackamas and Washington counties having the ability to pay. If indeed this perceived disparity exists, and if indeed we share a common regional population, shouldn't we consolidate our resources (i.e. merge into one governmental unit and share taxing authorities)?

No.

In 1985, Washington County government faced a problem similar to that faced by Multnomah County today. We had become the government of last resort, and property tax was the revenue used to balance the budget. If a need for services was perceived, the county became, either by mandate or choice, the service provider. We were a government without a plan, with more programs than revenue and with a population demanding more services still. County 2000 was our solution. A business plan for Washington County government, it defined what services and programs we would provide, at what service level and how those programs would be financed.

County 2000 has worked for Washington County, and has kept the initial impacts of Measure 5 to a minimum, due in large part to these guiding principles: 1) property tax is not the solution to funding problems; 2) tax dollars collected county-wide will be used for services provided county-wide; 3) special services provided to limited populations should be self-supporting, wherever possible, through user-fees; 4) the county should not provide a direct service that another organization is providing at a similar service level and more cost-effectively (endorses our philosophy of contracting for services); and 5) the county will reassess the needs of the community against this business plan every five years.

Implementing this plan was not easy and not without pain. Departments were reorganized and some eliminated. We terminated employees who had become family. We learned how to say "no," but we also learned how many community re-

sources could say "yes" with a little help from us.

So now you say that Multnomah County and Portland need a little help? Let's help, but not by throwing money at the problem. Let's throw a little light on it.

Washington County proposes that there indeed be a thorough examination of the perceived disparity between the needs and resources of the jurisdictions in the tri-county area. Such an examination would include the identification of the service burden based upon "need." For purposes of this analysis, service need identification must be based on rigorously quantifiable and objective data that can be compared across jurisdictional boundaries. Much care must be given to the definition of "need," as subjective decisions based upon community values, organization wealth, program histories, and policies on land use, taxation and economic development may be jurisdiction-specific and hinder comparisons.

The analysis should also reveal the unit costs of services provided. This would involve identifying and comparing such things as salaries and benefits, materials, services and overhead costs. Focusing on the relative objective and quantifiable units of cost, rather than expenditures for programs, should reveal the relationships between service level and cost of service which might otherwise skew perceptions of need disparity.

The next step is to identify the resources available to meet the burden. We know what our property tax resources are, and

we used to know what our state-shared revenues were to be. Revenue capacity may be different than generation capability (due to community values or sensitivities), but an analysis should identify which jurisdictions have a greater or lesser resource capacity in comparison to their need.

Finally, if a disparity exists, can direct action by the affected jurisdiction provide the "fix" (such as Washington County's business plan), or is there a disparity so great or fundamentally unfair that it warrants intervention by the region or the state?

An analysis such as we are proposing should result in options and alternatives for the member jurisdictions. Sure, Willamette County is an alternative. So is the elimination of a layer of government, such as Metro. So is the consolidation of certain cities. Do any of these options meet the case-specific need? We don't know, because the needs analysis has not been done.

This proposal contains a risk factor. Information may be generated, along with options and alternatives, that are onerous to one or more jurisdictions. If, however, we obtain a quantifiable problem or need, and are provided with options that not only satisfy the need, but provide efficiencies in service delivery, reflection of community values and coordination within the region, then Washington County is prepared to participate in the solution.

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