

Tillamook County Financial Plan – Phase I  
Oregon Solutions – Southern Flow Corridor (SFC) -  
Landowner Preferred Alternative

**Background**

On February 18, 2014 the Port of Tillamook Bay (POTB) approved a Memorandum of Agreement (MOA) with Tillamook County for delineating the roles, responsibilities and obligations of the parties relative to the SCF project. Pursuant to paragraphs 3.3 and 3.4 of the MOA, the county is required to:

- “3.3 Take reasonable steps to assure that COUNTY will have enough money to pay for completion of the Project, which includes but is not limited to creating a written plan that describes the steps COUNTY plans to take to secure funding, creating a separate account and depositing money into the account in accordance with a reasonable plan to adequately budget for the COUNTY’S share of the cost for completion of the Project.
- 3.4 Provide its written plan and reasonable supporting documentation to PORT and reasonably address or answer, as appropriate, any concerns or questions PORT may have regarding the written plan.”

The intent of these cited paragraphs is to ensure that the POTB is adequately protected against financial shortfalls and cost over runs related to the project. The purpose of this Financial Plan is to provide that financial assurance. In as much as FEMA has segregated the SFC project into two phases, the first dealing with the design phase and the second with the construction phase, the financial plan is proposed in two phases. The Phase I Financial Plan represented by the present document is intended to address the Design Phase. At such time as the POTB is asked by FEMA to commit to the Construction Project Worksheet (PW), the county will submit its Phase II Financial Plan for POTB approval. This would likely occur near the end of 2015 at which time the EIS should be completed, final design will be at hand, permits will be underway and both cost and funding sources should be more fully defined.

**Phase I Funding**

A total of \$2,937,355 from all funding sources has been allocated for Phase I. However, most of that amount (\$2,210,171) is already the county’s responsibility under the OWEB acquisition grant and NOAA grant. The \$709,379 balance for Phase I expenditures is for design and permitting to be funded as follows for the NHC contract:

\$143,540	FEMA
47,843	Oregon Bonds
491,886	NOAA
<u>26,110</u>	USFWS CW
\$709,379	

As you can see, the POTB's only funding obligation during the design phase is \$143,540 in FEMA funds matched by an additional \$47,843 in Oregon Bond monies.

### **Phase I Contingency**

As noted above, NOAA funds in the amount of \$491,886 are to pay for the biggest portion of the \$709,379 NHC design and permitting costs. In the current federal fiscal year (FFY) \$72,391 is presently available from NOAA leaving a balance of \$419,495 that is subject to congressional appropriation in FFY 2015. Despite the fact that President Obama's proposed budget includes NOAA funding at the same level as the current year, let's assume in a worst case scenario that no NOAA funding was allocated to this project.

If that were to occur it is important to note that the current working budget still has available \$658,530 in funds from other sources that have not been allocated to either Phase I or Phase II and would be available for allocation to cover shortfalls in design and permitting costs. Alternatively there is a substantial portion of another \$600,000 in USFWS funds that could be reallocated from other line items to instead cover any shortfalls in design and permitting.

The point here is that for Phase I there is a tremendous amount of flexibility from existing committed funding sources to cover any shortfalls that could be reasonably contemplated for this phase of the project.

The following section demonstrates the county budget and fund tracking components required by paragraph 3.3 of the MOA.

### **Budget**

For several years now Tillamook County has provided a budget for the Oregon Solutions projects within Fund 100 of the County budget. For the current fiscal year (FY2013-14) revenues in the amount of \$3,949,000 have been anticipated from federal grants (\$2,000,000), Oregon Watershed Enhancement Board (OWEB) (\$1,700,000) and other Oregon Solutions sources (\$240,000) (See Exhibit "A-1"). Similarly, expenditures in Fund 100 in the amount of \$3,949,000 have been allocated for contracted services (\$2,038,500), land acquisition (\$1,700,000), miscellaneous materials and services (\$189,000), permit fees (\$20,000) and printing and advertising (\$1,000) specifically for the Oregon Solutions Southern Flow Corridor project. (See Exhibits "A-2" and "A-3"). In order to more accurately track specific expenditures, budget program codes have been set up for this purpose (See Exhibit "A-4"). A corresponding budget for FY2014-15 is currently being developed and is scheduled for adoption in June 2014.

# Exhibit A-1

**Tillamook County**  
**Statement of Budget**  
**Fiscal Year July 1, 2013 - June 30, 2014**  
**Revenues**

Fund: 100 Mitigation Grants
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FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Adopted	Acct No	Funding Source Code	Description	FY 13-14 Requested	FY 13-14 Proposed	FY 13-14 Approved	FY 13-14 Adopted	Department
<b>Revenues</b>										
		2,000,000	4225		<b>Federal Grants</b>	2,000,000	2,000,000	2,000,000	2,000,000	
0	0	0			FEMA Flood Mitigation Assistance/FYE08	0	0	0	0	
0	0	0			FEMA Alternate Projects/FYE12	0	0	0	0	
0	0	0			Flood Mitigation 2006 Event/FEMA DR 1672/FYE09	0	0	0	0	
0	0	0			Other Federal	0	0	0	0	
0	30,000	0			Land Acquisition Grant/FYE11	0	0	0	0	
		601,000	4250		<b>State Grants</b>					
0	0	240,000			Oregon Solutions	240,000	240,000	240,000	240,000	
0	0	2,000,000			OWEB/Watershed Acq & Restoration	1,700,000	1,700,000	1,700,000	1,700,000	
0	27,240	0	4269		Donations (Neskowin Coastal Hazards Comm)	0	0	0	0	
0	250,000	0	4269		Donations (Loren Parks)	0	0	0	0	
6,800	(200)	9,000	4280		Rent	9,000	9,000	9,000	9,000	
0	0	150,000	4290		Local/Community Funding	0	0	0	0	
98,007	79,817	3,500,000	4690		Miscellaneous	0	0	0	0	
647	89	0	4699		Interest	0	0	0	0	
<u>105,454</u>	<u>386,946</u>	<u>8,500,000</u>			<b>Total Operating Revenue</b>	<u>3,949,000</u>	<u>3,949,000</u>	<u>3,949,000</u>	<u>3,949,000</u>	
246,218	121,180	0	4000		Beginning Balance	0	0	0	0	
246,218	121,180	0			<b>Total Other Funding Sources</b>	0	0	0	0	
<u>351,672</u>	<u>508,126</u>	<u>8,500,000</u>			<b>Total Revenue</b>	<u>3,949,000</u>	<u>3,949,000</u>	<u>3,949,000</u>	<u>3,949,000</u>	

FY03/04 and forward, fund accounts for grant funds related to the Corps of Engineers Feasibility Study.

Exhibit A-2

Tillamook County  
 Statement of Budget  
 Fiscal Year July 1, 2013 - June 30, 2014  
 Expenditures

Fund:	100 Mitigation Grants
Dept:	10000 Mitigation Grants

FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Adopted	Acct No	Description	FTE	FY 13-14 Requested	FTE	FY 13-14 Proposed	FY 13-14 Approved	FY 13-14 Adopted
<b>Expenditures</b>										
102	95	1,000	7001	Printing & Advertising		1,000		1,000	1,000	1,000
34	345	0	7005	Postage & Shipping		0		0	0	0
470	106	500	7080	Travel & Mileage		500		500	500	500
198,310	128,984	6,619,500	7105	Contracted Services		2,038,500		2,038,500	2,038,500	2,038,500
0	0	20,000	7650	Permit Fees		20,000		20,000	20,000	20,000
0	40,350	0	7659	Flood Mitigation Assistance Program		0		0	0	0
19,624	1,845	189,000	7899	Misc Materials & Services		189,000		189,000	189,000	189,000
11,952	0	0	7908	USACE Feasibility Study		0		0	0	0
<u>230,492</u>	<u>171,725</u>	<u>6,830,000</u>		<b>Total Materials &amp; Services</b>		<u>2,249,000</u>		<u>2,249,000</u>	<u>2,249,000</u>	<u>2,249,000</u>
0	5,000	1,670,000	9050	Land Acquisition		1,700,000		1,700,000	1,700,000	1,700,000
<u>0</u>	<u>5,000</u>	<u>1,670,000</u>		<b>Total Capital Outlay</b>		<u>1,700,000</u>		<u>1,700,000</u>	<u>1,700,000</u>	<u>1,700,000</u>
<u>0</u>	<u>0</u>	<u>0</u>		<b>Total Transfers Out</b>		<u>0</u>		<u>0</u>	<u>0</u>	<u>0</u>
0	0	0	9900	Operating Contingency		0		0	0	0
<u>0</u>	<u>0</u>	<u>0</u>		<b>Total Contingency</b>		<u>0</u>		<u>0</u>	<u>0</u>	<u>0</u>
121,180	331,401	0				0		0	0	0
<u>121,180</u>	<u>331,401</u>	<u>0</u>		<b>Total Unappr Ending Fund Bal</b>		<u>0</u>		<u>0</u>	<u>0</u>	<u>0</u>
<u>351,672</u>	<u>508,126</u>	<u>8,500,000</u>		<b>Total Expenditures</b>		<u>3,949,000</u>		<u>3,949,000</u>	<u>3,949,000</u>	<u>3,949,000</u>

Current OMB A-87 Indirect Cost Allocation - \$0

Exhibit A-3

Tillamook County  
 Statement of Budget  
 Fiscal Year July 1, 2013 - June 30, 2014  
 Summary

Fund:	100 Mitigation Grants
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FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Adopted	Description	FTE	FY 13-14 Requested	FTE	FY 13-14 Proposed	FY 13-14 Approved	FY 13-14 Adopted
0	0	0	Total Personal Services		0		0	0	0
230,492	171,725	6,830,000	Total Materials & Services		2,249,000		2,249,000	2,249,000	2,249,000
0	5,000	1,670,000	Total Capital Outlay		1,700,000		1,700,000	1,700,000	1,700,000
0	0	0	Total Transfers Out		0		0	0	0
0	0	0	Total Contingency		0		0	0	0
121,180	331,401	0	Total Unappr Ending Fund Balance		0		0	0	0
<u>351,672</u>	<u>508,126</u>	<u>8,500,000</u>	Mitigation Grants Totals		<u>3,949,000</u>		<u>3,949,000</u>	<u>3,949,000</u>	<u>3,949,000</u>

## Exhibit A-4

### ***Fund 100 Program Codes Effective 8/21/13***

<u>Program Code</u>	<u>Account Title</u>	<u>Status</u>
011001	Oregon Solutions	A
100020	Or Sol/Project Exodus	A
100025	FEMA Flood Map Appeal	A
100027	Cormorant Hazing Project	A
100028	Wetland Project	A
100029	FACT	A
100030	Neskowin Coastal Hazards Committee	A
100031	USGS Turbidity Monitoring	A
100032	So Flow Corr/Loren Parks Donation	A
100033	So Flow Corr/OWEB	A
100034	So Flow Corr/NOAA	A
100035	So Flow Corr/FEMA	A
100036	So Flow Corr/Other	A

### ***Fund 100 Revenue Source Codes Effective 8/21/13***

<u>Revenue Source Code (RSC)</u>	<u>Account Title</u>	<u>Status</u>
11001102418E	S. Flow Corr/Landowner Preferred Alternative/NOAA	A