



CROOK COUNTY BUDGET COMMITTEE MEETING

Agenda

Thursday, October 23, 2025, at 12:30 pm

Crook County Justice Center, Room 120 | 260 NW 2nd Street | Prineville, OR

Members of the public and media are welcome to attend in person or via Zoom:
Phone: 1-253-215-8782; Meeting ID: 947 6798 4848; Meeting Passcode: 971566

12:30 pm	Call to Order	Budget Committee Chair
12:35 pm	PUBLIC COMMENT	
1:05 pm	Review Minutes of May 12, 2025, for Approval	Budget Committee
1:10 pm	Presentation of Sustainable Long-Term funding Options for the Sheriff's Office	Budget Officer
3:10 pm	Break	
3:20 pm	PUBLIC COMMENT	
3:35 pm	Budget Committee Discussion	Budget Committee Chair
4:30 pm	Meeting Adjourned	Budget Committee Chair

CROOK COUNTY BUDGET COMMITTEE MEETING MAY 12, 2025

Crook County Budget Committee met in a scheduled meeting. The meeting was held on Monday, May 12, 2025, from 8:30 a.m. to 5 p.m. and was held at the Crook County Justice Center, located at 260 NW 2nd Street, Prineville, OR 97754. The principal subject discussed was the budget for the fiscal year July 1, 2025, to June 30, 2026.

Committee Members Present: Commissioner Seth Crawford, Commissioner Susan Hermreck, Commissioner Brian Barney, William “Bill” Anderson, Scott Tibbs, and Steve Brown

Absentees: None

Presenters: County Manager Will Van Vactor; Budget Manager Jamie Berger; County Clerk Cheryl Seely; Landfill Manager Jacquie Davis; Facilities Director James Preuss; County Counsel Eric Blaine; Library Director Sarah Beeler; Sheriff John Gautney; District Attorney Kari Hathorn; Fairgrounds Manager Casey Daly; Health and Human Services Director Katie Plumb; Road Superintendent Brad Haynes; Community Development Director John Eisler; Airport Manager Kelly Coffelt; Weed Control Supervisor Thomas Laird; Assessor Jon Soliz; HR Director Meghan McKee;
Others Present in Person or Via Zoom: Legal Assistant Alex Solterbeck; Administration Executive Assistant and Communication Officer Sarah Puerner; Administrative Executive Assistant Breyanna Cupp; IT Operations Manager Blaine Cheney; Patrol Lieutenant Mitch Madden; Administrative Division Manager Stephanie Wilson; Community Corrections Lieutenant Aaron Boyce; Emergency Manager AJ Crawford; Jail Commander Andrew Rasmussen; Treasurer Galan Carter; Health and Human Services Deputy Director Camille Day; Administrative Services Manager Katrina Weitman;

The meeting was **called to order at 8:30 a.m.**

County Manager Will Van Vactor provided an introduction of the committee members. The budget committee discussed appointing a chairperson for the committee.

MOTION to nominate Bill Anderson as chairperson of the budget committee. No discussion. Commissioner Hermreck votes Aye, Commissioner Barney votes Aye, Commissioner Crawford votes Aye, Committee Member Steve Brown votes Aye, Committee Member Scott Tibbs votes Aye, and Committee Member Bill Anderson votes Aye. Motion carried 6-0.

County Manager Will Van Vactor opened the committee meeting with a budget message, noting that the FY 2026 proposed budget was developed amid economic uncertainty, ongoing organizational restructuring, and a push for greater transparency. He described the budget as conservative and focused on essential services and long-term sustainability. Will presented key figures, including the general fund, appropriations, contingency, and reserves. He also reviewed strategic goals, budget challenges and actions, total budget, personnel changes, capital outlay, fee adjustments, property tax and levy information, and key points from the budget process. He concluded by

expressing appreciation for the budget committee, board of commissioners, staff, and the commitment of Crook County employees.

Will explained that a potential refund credit may be issued due to an unresolved appeal in the Oregon Tax Court concerning the centrally assessed value of intangible property.

Jamie Berger presented the proposed budget for the General Fund, including an overview of its resources and requirements. Christina Haron followed with an explanation of the non-departmental funds, describing this account as a "catch-all" for county items that don't fall under specific departments. The presentation also covered the Internal Service Departments, which include Administration and the Board of Commissioners, Legal Counsel, Finance, Human Resources, Information Technology, and Facilities.

Administration: Will Van Vactor presented the proposed budget for Administration and the Board of Commissioners. He noted that the County's form of governance changed in March 2024, with a new County Manager hired in November 2024. The primary goal of the Administration is to deliver the highest possible level of service within the limits of available and allocated resources. For FY26, the Administration will focus on finalizing both the Facilities and Communications Plans, as well as supporting county-wide efforts to evaluate core services across departments. Will also informed the Budget Committee about the key performance indicators (KPIs) included in the proposed budget and noted that a live survey is currently underway to collect data in support of those KPIs.

County Counsel: Eric Blaine presented the proposed budget for County Legal Counsel and outlined the department's key goals. These include developing and delivering training as requested, collaborating with the Board of Commissioners, County Manager, and department directors to identify opportunities to offload or improve non-legal or non-essential functions, and transitioning the office to focus exclusively on providing legal services and related training.

Finance: Christina Haron presented the proposed budget for the Finance Department and outlined key departmental goals. These include continuing the implementation of the new ERP system and updated Chart of Accounts, along with integration across other County software platforms. Additional priorities are updating procedures and policies to align with new ERP workflow capabilities, enhancing internal controls, and streamlining Accounts Payable processes. The department also aims to improve both internal and external financial reporting, including the use of encumbrances and the implementation of a contract and grant management system within the ERP.

Human Resources: Meghan McKee presented the goals for the Human Resources department, focusing on the continued build-out and implementation of NeoGov (HRIS). The recruiting and onboarding modules are scheduled to go live in summer 2025, with a full system-wide launch planned for January 2026. Additional goals include updating job descriptions and the employee handbook, targeting completion by

summer 2025, obtaining SHRM certification, and completing exit interviews, which will be incorporated into NeoGov in 2025.

Information Technology: Will Van Vactor presented the goals for the IT department, which include reassessing and continuing the implementation of the Strategic Road Map, implementing a new department structure, and advancing the HRIS and Finance ERP software implementations. The department's focus is to build on a strong IT foundation to deliver excellent service across the organization. This includes enhancing IT staff and countywide training, increasing investment in cybersecurity and critical infrastructure, and conducting an assessment of the existing software stack.

Facilities: James Preuss presented the goals for the Facilities team, which include successfully commissioning and operating the new Justice Center, conducting a comprehensive review of all County facilities to identify cost-saving opportunities, and assessing and finalizing the County's space requirements. Additionally, the team plans to initiate the design phase for the Courthouse renovation and develop plans for buildings that will be vacated.

Sheriff: John Gautney provided an overview of the Sheriff's Office, highlighting recent accomplishments and ongoing challenges. In 2024, the jail processed 1,258 bookings, averaging 105 per month, and maintained several programs addressing substance abuse and transition issues. Court security handled over 12,800 people entering through security, recovering numerous weapons and prohibited items. Patrol services saw a 22% increase in calls for service, with additional deputies allowing more proactive enforcement, resulting in fewer complaints and increased impaired driving arrests. Technological upgrades and new vehicles have improved safety and communication. Parole and Probation adapted to recent state law changes, with manageable caseloads and the introduction of the state-funded L.E.A.D.S. program to support drug user accountability and treatment. Emergency and Special Services experienced an increase in Search and Rescue operations and mutual aid assistance, including wildfire responses. A new Emergency Manager updated key county emergency plans.

Challenges ahead include courthouse security, training new hires, rising violent crime caseloads, mental health issues, homelessness, staff reductions leading to burnout and mandatory overtime, impacts from recent legislation (HB4002 and Measure 114), and decreasing grant funding. Sheriff Gautney stressed that without additional staffing—specifically 13.5 unfunded FTEs—the office cannot maintain current service levels, and losing positions could force the shutdown of patrol shifts. The board discussed mental health funding and the jail's capacity for inmates with such needs. Funding for the L.E.A.D.S. program was noted as \$150K, the minimum state allocation.

District Attorney: Kari Hathorn presented the budget for the District Attorney's office, outlining the services provided, key highlights, and challenges faced. The office is currently short-staffed, lacking a Chief Deputy District Attorney, and experiencing high turnover among Deputy District Attorneys. Increased costs for training and recruiting are impacting on the budget. To address these issues, the DA is proposing the addition of an Investigator position. Challenges include heavy caseloads, with the DA handling

over 200 cases and Deputy District Attorneys managing between 120 to 150 cases each, as well as the lack of available attorneys to appear in court and at grand jury sessions.

Juvenile: Jamie Berger and Christina Haron presented the Juvenile Department's budget. Christina shared on the record notes from Erika Frickey, who was unable to attend the meeting, outlining services provided and potential changes to line items. The presentation included a review of the department's highlights, challenges, and services.

Assessor: Jon Soliz presented the Assessor's Office budget and highlighted several key areas. He noted the successful completion of a software conversion, with mobile Assessor tools now fully ready for field use. The department has maintained a strong focus on staff retention and training to ensure consistent service delivery and hired a new position within the last year. The office continues to provide essential services, including the assessment of market value for all real and personal property, and remains open to the public from 8 AM to 5 PM. Additionally, the department offers detailed, web-based information to better serve the community.

Jon also discussed current challenges, including the upcoming transition to new web search software. While the underlying data will remain the same, the format will change, and the department plans to proactively support frequent users—referred to as “power users”—in navigating the new platform. The Assessor's Office continues to provide reliable services through online data access, in-office support, and a highly experienced team with over 100 years of combined experience.

County Clerk: Cheryl Seely presented the budget for the County Clerk's Office and highlighted several key updates. She noted that the new statewide voter registration system (ORVIS) was terminated, and the office successfully completed the November 2024 General Election. Preparations are currently underway for the May 2025 Special District Election, with the May 2026 Primary Election on the horizon for the next fiscal year. Cheryl also mentioned ongoing work with the Archiving and Records Retention Committee, including projects involving the Commissioner Journal and road records. Challenges facing the office include a significant decline in recording activity compared to previous years, staff succession planning, microfilming of permanent records, space limitations, and preparation for the upcoming courthouse remodel. Core services provided by the Clerk's Office include document recording, ballot signature verification, and processing public records requests. Additionally, new services such as a digital research room and a Property Recording Alert Service will be available soon.

Library Director: Sarah Beeler presented the proposed budget for the Crook County Library, outlining key highlights, challenges, and services. Highlights included an increased number of library card holders, completion of ADA compliance upgrades, improvements to the library catalog, and alignment of services with the 2025-2030 Strategic Plan to better serve the county, especially residents in Juniper Canyon. Challenges focused on staffing shortages, with the library director handling dual roles, outreach service limitations, and difficult decisions about reducing hours or cutting services due to budget constraints. The library anticipates losing two Mid Oregon personnel employees, and vacant positions will be carefully evaluated to maintain

service levels. To support outreach, a current part-time position will be promoted to full-time.

Fairgrounds: Casey Daly presented the proposed budget for the Fairgrounds Department, highlighting key accomplishments, challenges, and services. Highlights included completion of the new 3,200-square-foot Jockey Room (Caldera Building), efforts to reduce the annual fair budget deficit, renegotiation of event contracts to increase revenue, expansion of RV space rentals, support for state revenue measures SB780 and HB2304, pursuit of additional transient room tax revenue, ongoing upgrades to Grizzly Mountain Pavilion and arenas, and equipment refreshes. Challenges involve rising energy and operational costs, aging infrastructure, the need to accommodate larger events, keeping up with venue technology standards, balancing innovation with resistance to change, and competition with two other large arena facilities in the county. Services provided include cost-effective entertainment at the annual fair, support from 4-H, FFA, and the Livestock Sales Committee for fair premiums and judging costs, expanded open-class exhibits, stable fairgrounds staffing and maintenance, and the use of an event host to manage set-up and teardown duties.

Health and Human Services: Katie Plumb presented the proposed budget for Health and Human Services, outlining key highlights, challenges, and services in public health and mental health. Public health highlights include prevention and health promotion programs, an updated strategic plan, increased coordination for communicable disease mitigation, and active engagement in regional and state initiatives to advocate for Crook County and secure funding. Challenges include administrative burdens exceeding current capacity, reliance on temporary and siloed grant funding, space limitations due to staff being split between two buildings, and rapid internal and external changes. Public health services cover clinical preventive care such as reproductive health, immunizations, communicable disease prevention, emergency preparedness, family health programs like WIC and nurse home visiting, prevention efforts, and environmental health, which has shown stability and consistent outcomes with a goal of fiscal sustainability. Mental health highlights include the Mental Health Fund activity beginning FY24, contracted services funded through federal, state, and insurance sources, and ongoing involvement of the Community Health Advisory Council to support and ensure accountability for community mental health programs.

Veteran Services: Katie Plumb presented the proposed budget for the Veterans Services fund, highlighting an increase in new awards and total funds awarded to local veterans. Staffing remains a challenge due to limited office coverage when both staff members are out, prompting a request for an additional Veteran Service Officer to address these limitations. The office provides advocacy and assistance to veterans and their families in applying for a wide range of benefits from local, state, and federal agencies. These benefits include service-connected disability compensation, non-service-connected pensions, widows' pensions, burial benefits, education assistance, home improvement grants for handicap accessibility, specially adapted automobile grants, vocational rehabilitation, clothing allowances, and emergency grant funding.

Road Department: Brad Haynes presented the proposed budget for the Road Department, highlighting recent projects such as a 2-mile overlay on Barnes Road from Barnes Butte to Highway 126, deep base repairs and chip sealing, and an in-house thin lift leveling course on Upper Davis Loop covering 2 miles. The Transportation System Plan (TSP) update, led and funded by the Community Development department, was also noted as a key highlight. Challenges facing the department include catching up on deferred maintenance amid dwindling revenue streams, grant opportunities being on hold due to federal administration changes, aging equipment requiring upgrades, and difficulties with parts availability. Brad also discussed upcoming planned projects.

Community Development: John Eisler presented the proposed budget for the Planning and Building Department, highlighting that all seven building inspectors hold all four residential certifications and at least one commercial certification. In fiscal year 2025, the planning department received 272 land use applications, processed 181 onsite applications, and opened 68 code compliance cases. Challenges for the department include impacts from rising interest rates and tariffs leading to lower revenue, difficulties in recruitment and retention, and ongoing regulatory changes. John also outlined the broad range of services provided by the department, which include functions within building inspection, land use planning, onsite, code compliance, and general operations.

Landfill Manager: Jacquie Davis presented the proposed budget for the Landfill fund, outlining key highlights, challenges, and services. Highlights included the completion of the Solid Waste Management Plan final report, successful completion of four quarters of SEM testing for methane, a septic agreement with the City of Prineville, the purchase of a water truck, an updated franchise agreement with Republic Services, preparations for implementing the Recycling Modernization Act, and hosting three free community events. Challenges facing the landfill include continued SEM testing, potential implementation of methane collection and monitoring systems, new state-mandated programs, and partial final closure of the construction and demolition (C&D) cell due to an exterior slope change, all while working to keep public disposal costs low. The landfill operates as an enterprise fund primarily funded through tipping fees, which are adjusted as needed to cover operational costs. However, the potential cost of methane collection and monitoring systems is uncertain and could significantly impact the landfill's budget, possibly requiring alternative funding sources.

Airport Manager: Kelly Coffelt presented the proposed Airport budget, highlighting the completion and implementation of the new business plan and key capital improvements, including revenue-generating aircraft storage hangars and a \$750,000 FAA-funded runway reconstruction project. Challenges include making strategic decisions for future opportunities and generating enough revenue for long-term self-sustainability. The airport provides a safe, welcoming facility for air travel, training, emergency services, aircraft maintenance, and refueling. Kelly also discussed current private and business development, noting the number of available spots at the airport.

Weed Control: Thomas Laird presented the proposed budget for the Weed Control Department, outlining key highlights, challenges, and services. Highlights include a goal to fully recover the cost of operations, continued billing partnership with the Finance Department, increased public education and outreach through social media and websites, drafting a strategic plan, and expanding services to the Prineville Airport and Reservoir Park in FY26. The primary challenge is uncertainty around contract obligations. Weed Control provides services that, when fully reimbursed through contracts, offer net benefits to taxpayers by covering areas like public and private lands, utilities, rights-of-way, riparian zones, and forests. The department also offers free educational support to landowners to support weed control and wildfire mitigation.

Other Special Revenue Funds: Will Van Vactor, Jamie Berger, and Christina Haron presented an overview of the County's special revenue funds to the committee. These include the County Clerk's Special Revenue Fund, Community College Education Center Fund, Risk Management Fund, Title III Fund, Tourism Fund, Video Lottery Fund, Crook County School Fund, Special Transportation Fund, Surveyor Fund, and Taylor Grazing Fund.

Capital Projects Fund: Will Van Vactor provided an explanation of the Capital Projects Fund, while Christina Haron detailed the purpose and operation of the Capital Asset Reserve Fund and the Debt Service Fund.

Scott Tibbs inquired about a \$15,000 general fund allocation to the Wolf Committee, questioning whether the expenses were for tools. Commissioner Crawford clarified that the expenses were not for tools but for box lights and other non-lethal deterrents, which are funded through a state pass-through grant. Commissioner Crawford also explained that the 10% match requirement only applies to administrative costs, which the Wolf Committee does not request from the state. The funds in question are entirely grant-funded.

Public Comment: None

Compensation Committee Recommendation: Will Van Vactor presented the budget committee with the Compensation Committee's recommendation for elected official salaries. This year, for the first time, the recommendation included anchoring salaries to specific steps within the county's salary schedule and removing stipends. Will explained the steps each elected official was placed on and the resulting changes. Commissioner Hermreck inquired why the County Clerk's salary decreased by \$255. Jamie Berger clarified that the selected step was the closest fit once stipends were removed. Steve Brown and Scott Tibbs confirmed that the chosen step was the most appropriate based on the committee's evaluation.

Scott Tibbs made a **MOTION** to approve the recommendation for the elected officials' compensation. Motion seconded by Steve Brown. Commissioner Hermreck mentions that she would like to abstain and doesn't feel comfortable voting for her own compensation. The committee discussed whether elected officials should vote on their own compensation. Commissioner Hermreck votes Aye, Commissioner Barney votes

Aye. Commissioner Crawford votes Aye, Committee Member Steve Brown votes Aye, Committee Member Scott Tibbs votes Aye, and Committee Member Bill Anderson votes Aye. Motion carried 6-0.

Budget Committee Discussion: Bill Anderson expressed concern about the gap between the Sheriff's Office expectations and what the budget can realistically support. Commissioner Crawford acknowledged the difficulty and proposed working with County Manager Will Van Vactor to explore funding options. Scott Tibbs agreed, emphasizing the need for data-driven analysis to show the public what service levels correspond with different funding levels. He noted that staffing reductions have occurred, and their impact should be clearly communicated. Steve Brown added that the Sheriff's \$1 million loan will double next year and warned that anticipated funds, like those from the data center, are already committed. The budget committee discussed the current challenges and future planning. Christina noted Will is leading efforts to define core services for each department. Commissioner Hermreck agreed that long-term financial sustainability is a broader issue involving more than just the Sheriff's Office, mentioning aging infrastructure and other priorities. Commissioner Barney stressed the need for a concrete action plan. Will concluded by stating that the current proposed budget is a temporary balance, and the County must ensure organizational alignment around core services. The budget committee discussed the importance of reviewing departmental core services and establishing a timeline for developing a long-term plan. Will stated that the Sheriff's Office is the top priority in this process, with a goal to complete the review and have a plan in place by the end of summer. Will noted that in addition to prioritizing the Sheriff's Office for a core services review and planning effort by the end of summer, he anticipates having further analysis and detailed budget information for the Sheriff's Office available by mid-fall. The committee also discussed the staffing issues within the District Attorney's Office, particularly the difficulty of hiring and retaining prosecutors. The meeting concluded with the budget committee discussing scheduling its next session, emphasizing the importance of having a clear sustainability plan and supporting data prepared in advance. The committee also reviewed procedural options for how motions should be made, noting that in the previous year, a motion was passed to allocate any rollover funds to the Sheriff's Office.

Scott Tibbs made **MOTION** that any tax base that comes in over the projected 4% for Crook County get allocated to the Sheriff's department for this budget period. Motion seconded by Steve Brown. No discussion. Commissioner Hermreck votes Aye, Commissioner Barney votes Aye. Commissioner Crawford votes Aye, Committee Member Steve Brown votes Aye, Committee Member Scott Tibbs votes Aye, and Committee Member Bill Anderson votes Aye. Motion carried 6-0.

Bill Anderson made **MOTION** that the budget committee of Crook County, Oregon approve the budget for 2026 fiscal year beginning July 1, 2025, as proposed in the amount of \$132,182,000.00. Motion seconded by Scott Tibbs. No discussion. Commissioner Hermreck votes Aye, Commissioner Barney votes Aye. Commissioner Crawford votes Aye, Committee Member Steve Brown votes Aye, Committee Member Scott Tibbs votes Aye, and Committee Member Bill Anderson votes Aye. Motion carried 6-0.

Bill Anderson made **MOTION** that the budget committee of Crook County, Oregon approve property taxes for the 2026 fiscal year beginning July 1, 2025, in the amount of \$3.8702 per \$1000.00 of assessed value for the permanent rate tax levy and in the amount \$673,000.00 for the general obligation bond levy. Motion seconded by Steve Brown. No discussion. Commissioner Hermreck votes Aye, Commissioner Barney votes Aye. Commissioner Crawford votes Aye, Committee Member Steve Brown votes Aye, Committee Member Scott Tibbs votes Aye, and Committee Member Bill Anderson votes Aye. Motion carried 6-0.

Jamie informed the budget committee that the time scheduled for the following day would no longer be needed, as the committee successfully completed all its intended work during the current meeting.

Commissioner Hermreck made **MOTION** that budget committee as formed will meet on October 23rd to discuss the next steps to review levels of service across the organization, review any sort of action plans, recommendations, etc. Motion seconded by Commissioner Crawford. No discussion. Commissioner Hermreck votes Aye, Commissioner Barney votes Aye. Commissioner Crawford votes Aye, Committee Member Steve Brown votes Aye, Committee Member Scott Tibbs votes Aye, and Committee Member Bill Anderson votes Aye. Motion carried 6-0.

There being no further business, the meeting was **adjourned at 3:47 p.m.**

Respectfully submitted,

Breyanna Cupp



MEMORANDUM

To: Crook County Budget Committee
From: Will VanVactor, County Manager
Date: October 22, 2025
RE: Departmental Service Levels, Financial Sustainability, and Sheriff's Office Funding

1. Introduction

The Budget Committee requested this meeting to assess departmental core service levels and develop plans for aligning services with available funding, with an emphasis on a sustainability plan for the Sheriff's Office, supported by data analysis.

2. Schedule for the Afternoon:

- Introduction
- Overview of the Core Services Project
- Discussion on economic challenges for counties
- Review of current budget and forecasts
- Fiscal Year 2027 Budget Options
- Sustainability Options for the Sheriff's Office
- Other Departments of Note (time permitting)

3. Overview of Materials Provided:

Detailed analysis and memos are attached for your review, aiding informed decision-making.

- Memo re: Core Services Project
- Memo re: Economic Challenges
- Memo re: Crook County Forecasts (General Fund and Sheriff's Office Fund)
- Memo re: Fiscal Year 2027 Budget Planning Discussion
- Memo re: Sheriff's Office Sustainability Plan

4. Conclusion

Based on the information provided today, staff seeks the Budget Committee's feedback and recommendations as we move forward with establishing clear guidelines and goals for Fiscal Year 2027 and beyond.



MEMORANDUM

To: Crook County Budget Committee
From: Will Van Vactor, County Manager
Date: October 22, 2025
RE: Status of Core Services Review Project

Purpose

This memo provides an update on the County's core services projects, elaborates on the benefits of the core service review and definition process, and outlines steps moving forward toward Board acceptance by January 2026. The core services review process is designed as a standing practice, not a one-time effort, to promote organizational clarity and fiscal sustainability.

Status Update: Core Services Project

Most departments have provided draft descriptions of their core services, and the Sheriff's Office, Health Department, and Library have already presented their draft descriptions to the Board. A special meeting of the Board has been tentatively scheduled for the week of November 10th to discuss core services descriptions for Community Development, Natural Resources, and Landfill. Several additional special meetings will be scheduled in December to address the core services descriptions for the internal service departments, as well as the Assessor's Office, Clerk's Office, Landfill, and Weed Control. The core services review process will remain iterative, with ongoing refinements anticipated through both the mid-year and annual county review cycles.

Benefits of the Core Service Review (Initial and Ongoing)

The purpose of the core services review is to create clarity, alignment, and shared understanding about what we do and why we do it. The intent is to equip the County, its departments, and the public with the tools and knowledge needed to make informed decisions, plan effectively, and continuously improve our service to the community.

1. Alignment with Strategic Goals

- Ensures departmental activities and resource use are directly linked to countywide strategic objectives, helping avoid misalignment and mission drift.
- Provides a framework for deliberate, collaborative adjustments as Board priorities and community expectations evolve—with the intention of strengthening services.

2. Clarity in Resource Allocation

- Enhances evidence-based budgeting by establishing clear criteria for prioritizing essential versus discretionary services, supporting wise stewardship.
- Supports disciplined decision-making, reducing the likelihood of reactive or ad hoc allocations during both tight and strong financial cycles.

3. Improved Accountability and Transparency

- Clearly communicates to staff and the public what the County considers core, providing transparent rationale for changes in service levels or resource allocation when needed.
- Establishes an explicit standard for departments to reference in public discussions, internal planning, and budget requests.

4. Platform for Continuous Improvement

- Promotes a culture of regular assessment, facilitating ongoing adjustments in service delivery practices to reflect changes in funding, regulatory requirements, or community needs.
- Enables interdepartmental sharing of best practices and operational improvements as part of routine management, focusing on innovation and support.

5. Strategic Planning and Long-term Fiscal Health

- Lays the groundwork for robust multi-year planning and scenario analysis, strengthening the County's ability to anticipate and adapt to fiscal or operational changes.
- Provides a clear and data-driven justification for resource requests during budget hearings and when communicating with external stakeholders.

6. Enhanced Interdepartmental Collaboration

- Establishes a common understanding of countywide service priorities, encouraging cooperative problem-solving and mutual support.
- Supports consistent performance expectations and accountability, breaking down silos and enabling countywide problem-solving initiatives.

7. Establishment of a Common Understanding

- Develops a shared language and mutual clarity among the Board, department leadership, and staff as to what the County's fundamental responsibilities are.
- Increases transparency and trust with the public, ensuring residents and stakeholders know which services are essential, and why they are prioritized in financial and policy decisions.
- Makes policy and operational discussions more constructive and less stressful, since everyone is working from an agreed foundation.

Timeline and Ongoing Implementation

- **By January 31, 2026:** All departments will have Board-reviewed and finalized core services descriptions, to serve as a foundation for FY 2026-27 budgeting and future years.
- **Ongoing:** The core service review process will be integrated into the County's regular mid-year and annual management reviews, supporting a culture of continuous improvement, adaptability, and strategic focus.

Conclusion

Defining, reviewing, and institutionalizing departmental core services is essential to Crook County's delivery of legally mandated and high-priority programs in a fiscally responsible manner. Making this a standing part of our mid-year and annual review cycles will enhance organizational resilience, transparency, and the County's ability to respond to both existing needs and unforeseen challenges.



MEMORANDUM

To: Crook County Budget Committee
From: Will VanVactor, County Manager
Date: October 22, 2025
RE: Economic Headwinds Facing Oregon Counties

Introduction

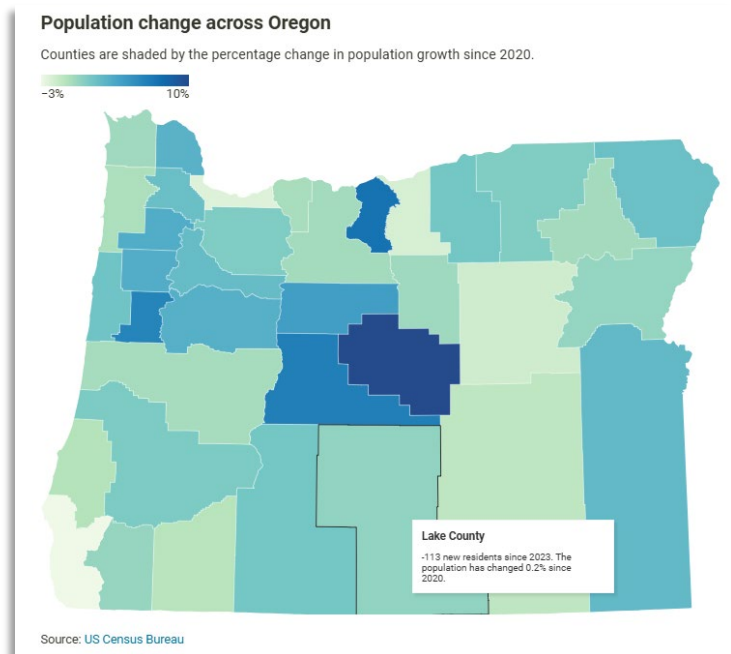
Many Oregon's counties face significant economic pressures, driven by both statewide and local challenges. This memo outlines those broader fiscal headwinds and provides context with examples from other Oregon counties.

Economic Headwinds Across Oregon Counties

Numerous Oregon counties are experiencing structural budget deficits, workforce reductions, and service delivery constraints. Key contributors include:

- **Limited Property Tax Growth:**

- *Constitutional Caps:* Measures 5 and 50 restrict annual property tax increases, capping them at 3% regardless of actual market value increases.
- *Revenue Constraints:* These caps limit the ability to respond to inflationary pressures or spikes in service demand, such as those from population growth.¹
- *Long-Term Effects:* Inadequate revenue growth reduces funding for critical that does not correspond with increased service level demand, threatens a local government's ability to provide those critical services.



- **Escalating Public Safety and Labor Costs:**

¹ Crook County remains one of the fastest growing counties in Oregon, increasing the need for service delivery across the organization. <https://www.opb.org/article/2025/03/14/oregon-us-census-data-cities-population-multnomah-county-portland-metro/>

- **Personnel Costs:** Salaries, benefits, and overtime for public safety personnel (police, fire, EMTs) have increased sharply, largely due to labor agreements and rising pension obligations.
- **PERS Obligations:** The Public Employees Retirement System (PERS) contributions continue to rise, putting additional pressure on county budgets.²
- **Service Impact:** High labor costs may force counties to reduce staff or limit service enhancements, impacting community safety and service delivery.
- **State and Federal Funding Instability:**
 - **Expired Programs:** The cessation of federal programs such as Secure Rural Schools (SRS) has removed significant revenue streams, crucial for infrastructure and educational support.
 - **State Budget Fluctuations:** Fluctuations in state funding due to revenue shortfalls impact local service provision and require counties to seek alternative funding sources.
 - **Risk Factors:** Political and policy changes, such as federal immigration stances, can threaten funding stability, adding uncertainty to budget planning.
- **Inflationary Pressure:**
 - **Rising Costs:** Inflation increases the cost of materials, supplies, and capital projects, straining county budgets.
 - **Health Benefits:** Healthcare costs for county employees continue to climb, consuming a larger share of budgets each year.
 - **Operational Impact:** Inflation erodes purchasing power, reducing the ability to maintain current service levels without additional funding.

These factors collectively create a challenging fiscal environment, necessitating careful planning and strategic financial management to maintain service stability and fiscal health.

Layoffs and Service Reductions in Peer Counties

The table below provides examples of budget actions taken by other Oregon counties, including triggers and whether their decisions were reactive (responding to immediate funding loss) or proactive (addressing projections):

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² While Crook County is not generally a participating employer, Oregon law allows (and in some cases requires) counties to provide PERS coverage for certain law enforcement positions. This is the case in Crook County, where qualifying public safety employees are enrolled in PERS consistent with state standards for similar roles.

County	Reasons for Budget Reductions / Layoffs	Actions Taken	Timing (Trigger)
Lane	low property taxes, labor costs, sunset of federal timber receipts	Patrol, jail staff layoffs; reduced jail beds; vacant positions open longer	Reactive (federal funding loss), then proactive
Jackson	Rising PERS and healthcare, flat tax rate, lost federal funds	Parole/probation cuts, jail closure cycle	Reactive (immediate federal revenue loss)
Marion	Slow property tax growth, inflation, uncertain state funds	Hiring freeze, layoffs, trimmed public health	Mixed: slowdowns and forecasts
Clatsop	Inflation, constrained revenue from timber, loss of one-time federal funds	Reduced hours, eliminated vacancies, deferring purchases, consolidated departments, monitoring training & travel expenses	Proactive (forecast-based)
Douglas	Loss of state/federal timber funds, public safety cost escalation	Sheriff office staff, general fund cuts	Initial shock, followed by ongoing adjustments
Curry	General fund shortfall, dropped timber money, increased PERS	Reduced admin/public safety staff, consolidated functions	Acute funding loss, followed by annual reassessment

These actions underscore that counties are acting both in response to direct funding losses and to longer-term unsustainable trends identified through financial forecasting.

Current State Budget Trends and Federal Funding Risks

Recent trends indicate that the State of Oregon is also facing its own significant fiscal challenges, resulting in reduced or unpredictable shared revenues for counties. Notably:

- The Oregon state budget has faced revenue shortfalls and slower-than-expected growth, leading to constrained support for counties and local programs—including public health, justice, and transportation.
- Despite some one-time state allocations (such as ARPA pass-through and capital project grants in previous years), base funding for core services, including public health, has not kept pace with inflation or service demand. State aid for most programs has not kept pace with increased need and demand and remains a recurring challenge for many counties and their respective departments.
- State budget discussions have included warnings that Oregon’s sanctuary status—and compliance with federal immigration policies—may put portions of federal grant funding at risk, compounding uncertainty in funding for a range of critical services.³

As a result, counties have seen reduced or flat state aid formulas for many county services. This forces counties to look to local cost-sharing, local option levies, or fee increases to maintain service levels.

Crook County’s Position—FY 2026 Budget Context

While Crook County has thus far avoided the most severe impacts, our FY 2026 budget reflects similar state and federal funding vulnerabilities. For example:

- **Loss of Secure Rural Schools Funds:** Crook County’s Road Agency will receive no SRS funding for FY 2025 or FY 2026; unless Congress reauthorizes the program, this could be the final year of agency operations. The \$1.5 million per year previously supported a significant share of county road activities, and no new SRS revenue is projected.
- **State Funding Instability:** Portions of Crook County’s operational funding (e.g., public health, fairgrounds, transportation) rely on state support, which—while sometimes supplemented with one-time grants or funding sources (like ARPA)—is not assured for ongoing or future years.
- **General and Programmatic Uncertainties:** Many county functions, from public health to veteran services, cite as a primary challenge the “instability of state and federal funding.” State funding lags behind the need and has forced Crook County to supplement services via grants, partnerships and sometimes direct funding.

Conclusion

Crook County’s fiscal environment must be viewed in context with the broader economic and statutory constraints facing all Oregon counties. By taking measured steps today, we aim to ensure continued community stability in the face of headwinds outside of the County’s control. Ongoing engagement and information-sharing remain central to strengthening Crook County’s resilience.

³ The state’s sanctuary status has directly precluded some Crook County departments, including the Sheriff’s Office, from applying for certain federally funded grants.



MEMORANDUM

To: Crook County Budget Committee

From: Will Van Vactor, County Manager

Date: October 22, 2025

RE: General Fund & Sheriff's Office Forecasts and Post-2030 Data Center Revenue Outlook

General Fund Forecast Analysis

1. Assumptions

- **Baseline:** The forecast builds off the adopted FY26 budget, assuming approximately 96% actual expenditure on the appropriated budget.
- **Revenue Growth:** Property tax growth is forecast at 4% in FY27, followed by 3% annually thereafter, reflecting a conservative posture below long-term historical average. The forecast includes cautious estimates for additions to the tax base from new data center developments in FY28 and FY30.
- **Population & Demand:** Uses Portland State University projections, but notes local trend exceeds these, potentially understating future demand.
- **Expenditure Growth:** Materials & services escalate in FY28–29 as departments reoccupy renovated Courthouse and offices. Capital outlay includes scheduled tech and vehicle replacements.

2. Fund Structure and Revenue Streams

- **Allocation of Taxes:** For FY26, the General Fund receives 26.9% of property taxes; the rest is allocated to the Sheriff's Office Fund (57.7%), Library (13.8%), and Historical Museum (1.6%). Other revenues (e.g., PILT, alcohol, solar) are split 42.3% (General Fund) and 57.7% (Sheriff's).
- **Key Revenues:** For FY26: property taxes (\$3.378M), in lieu payments (\$2.019M), transient room tax (\$250K), federal PILT (\$745K), and various grants/fees totaling over \$2.3M.

3. Forecast Outcomes & Fiscal Condition

- **Fund Balance & Policy:** The General Fund's budgeted beginning fund balance for FY26 is \$10.2M—up by \$1.5M year over year. The contingency is budgeted at \$7M (38.7% of expenditure), meeting the county's fiscal policy target of 5 months' net working capital.
- **Transfers/Obligations:** FY26 includes notable one-time transfers to other funds (e.g., \$1M to Sheriff's Office; \$815K to Facilities) to support unfunded expenses. Regular transfers to

Health & Human Services, Fairgrounds, and Veterans continue, as do special payments to agencies.

4. Five-Year Outlook & Risks

- **Near-Term:** The fund balance remains at or above policy minimums through FY27.
- **Medium-Term (post-2027):**
 - Revenue growth from property taxes is likely to lag expenditure growth due to conservative escalation, scheduled increases in facility and operating costs, and the expiration of one-time state/federal funds.
 - As additional property tax revenue is routed through the General Fund beginning in FY28 (for redistributive purposes and new bond debt service), there could be additional pressure on the fund that risks pushing the balance below policy targets unless offset by new recurring revenue, expenditure restraint, or both.
- **Contingency Planning:** Strategic adjustments, either reduction in ongoing commitments or increased revenue, may be necessary to maintain fund solvency and compliance.

5. Conclusion

The General Fund, under the adopted FY26 budget forecast, demonstrates short-term stability with strong reserves but faces fiscal tightening as early as FY28 due to conservative revenue growth, scheduled cost increases, and major transfers. Active management, particularly as new assessed value from data centers is phased in and major bond payments commence, is essential to avoid depletion of reserves and sustaining essential county operations.

Sheriff's Office Fund Forecast Analysis

1. Forecast Foundations and Key Variables

- **Baseline:** The forecast builds from the adopted FY26 Sheriff's Office Fund budget, assuming approximately 96% of appropriated funds will be expended annually.
- **Revenue Growth:** Property tax growth is forecast at 4% in FY27, then 3% per year for 2028–2030—consistent with a conservative estimate well below long-term historical averages. Conservative assumptions are also applied for the timing and ramp-up of new data center AV .
- **Population & Demand:** Based on Portland State University projections, but local population and service demand has exceeded these in recent years, implying actual demand could surpass forecasted levels.

- **Expenditure Growth:** The forecast maintains reduced staffing at the FY26 budgeted FTE level (holding FTE flat), with future cost escalation for personnel, retirement, and benefits accounted for using known inflation and contract increases. Materials and services and capital costs are projected according to the adopted five-year capital schedule.

2. Fund Structure and Revenue Streams

- **Tax Allocation:** The Sheriff's Office receives 57.7% of property tax (\$2.2331 per \$1,000 AV), plus 57.7% of PILT, alcohol, and PILOT revenue sources, net of contractual distributions to City/Fire District.
- **Major FY26 Revenues:** \$7.226M property tax, \$1.062M PILOT, \$1.201M state Community Corrections (grant funded), \$1.017M federal PILT, and one-time LATCF spend-down of \$1.389M. One-time transfers: \$1.0M from the General Fund and \$1.0M from the Capital Asset Reserve. Budgeted beginning fund balance: \$3.821M. Total FY26 resources: \$19.318M.
 - NOTE: We originally budgeted a 4% increase in taxable assessed value (TAV) for FY25, with Budget Committee direction to allocate any additional property tax revenue to the Sheriff's Office. The actual TAV increase was 6.2%, resulting in approximately \$270,000 in additional property tax revenue for the Sheriff's Office for FY26. This figure accounts for a 94% collection rate and withholding for the Public Resource Center (PRC).
 - NOTE: Due to vacancies, actual beginning fund balance for the Sheriff's Office is anticipated to come in higher than estimated.
- **One-Time Revenues:** The adopted budget heavily relies on one-time resources (transfers and federal revenue) to temporarily support current operational levels.

3. Forecast Outcomes & Fiscal Condition

- **Fund Balance & Policy:** A contingency of \$4.083M is maintained in FY26, but the fund balance is projected to fall below policy minimums without additional action.
- **Expenditure Structure:** FY26 appropriations total \$19.318M across law enforcement, jail, parole/probation, and emergency/special services with FTE levels reduced and most new costs limited to contractual/step increases, insurance, and select capital outlay (e.g., vehicles, equipment).
- **Service Level:** The five-year forecast maintains reduced service/staffing levels to slow the structural gap but projects that an additional 30%–35% in annual revenue would be needed to maintain FY26 service levels.

4. Five-Year Outlook & Risks

- **Short Term (FY26-FY27):** Fund achieves compliance with required minimum net working capital and contingency.
- **Medium Term (FY28-FY30):** Expenditure growth (primarily in personnel and insurance) is forecasted to outpace the 3%-4% property tax growth. The adopted forecast shows fund balance reaching negative territory by FY28.
- **Service/Staffing Risk:** Maintaining current service levels beyond FY27 will require a combination of new recurring revenue and reducing expenses.

5. Conclusion

Under the FY26 adopted budget and forecast assumptions, the Sheriff's Office Fund's short-term fiscal posture is temporarily stabilized by reserves, one-time support, and vacancies.

However, without new recurring revenue or additional cuts, the fund will no longer meet reserve/fund balance policy by FY28, and a 30%–35% increase in revenues would be needed to maintain FY26-level service by 2030. This forecast underscores the need for sustainable funding alternatives or operational reconfigurations to maintain public safety standards in Crook County.

Sheriff's Office Fund: Consultant (Divergent) Forecast

Earlier this year the County retained an outside firm, Divergent Engineering Services LLC, to conduct current budget analysis (including the Sheriff's Office), property tax revenue forecast, and a budget impact analysis (to evaluate financial impact of forecasted property tax revenue to the Sheriff's Office). The consultant's modeling is generally consistent with the County's in the 2026–2030 transition period, with small variations depending on growth and cost assumptions.

- **Scenarios:** Baseline and high-growth models (using 5.51%–6.34% annual property tax growth) both indicate annual operating gaps that would draw down fund balance by FY 2028–29, requiring additional revenue or expenditure reductions.
- **Sensitivity and Risks:** The consultant explicitly notes that most of the anticipated new revenue from expiring data center exemptions does not arrive in full until after 2030, owing to the phased expiration of multiple enterprise zone agreements and the timing of when new facilities are added to the tax roll. Year-to-year personal property fluctuations and the potential for delayed investment or changes in depreciation cycles mean that surpluses should not be assumed to fully materialize in 2030.
- **Summary:** Both internal and external forecasts converge on the need for new, reliable revenue to bridge the gap through at least 2030.

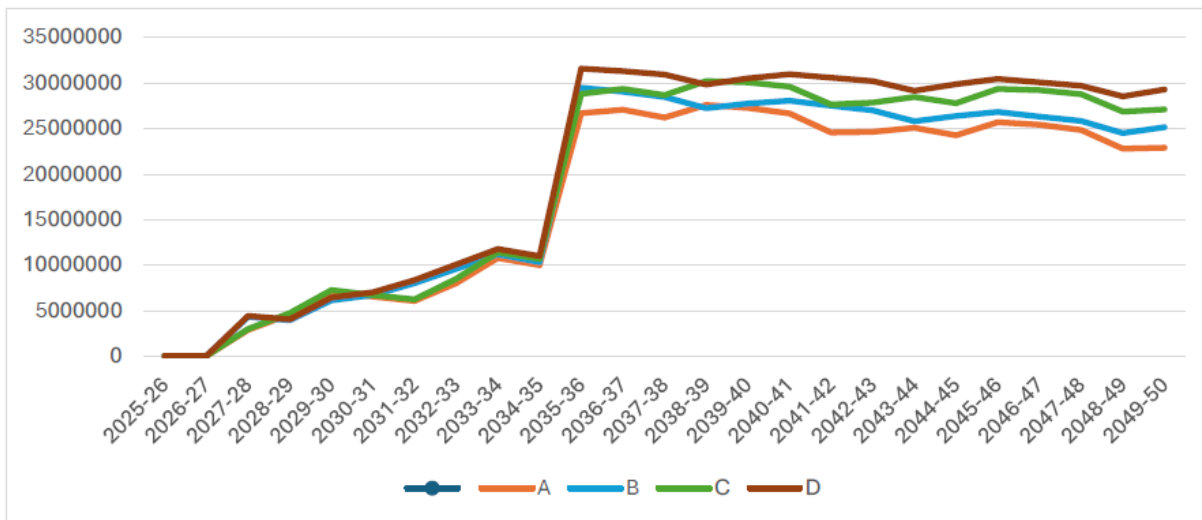
Data Center Revenue

- Consultant estimates show a ramp-up of available property tax from data centers beginning in 2028 as exemptions expire but ramping gradually over several years as additional facilities phase in.
- While the consultant does model scenarios with potential surpluses modeled at \$3–4 million per year net of Justice Center debt service by 2030, the narrative repeatedly notes that this is an optimistic scenario, and actual annual surpluses of this magnitude may not materialize until later in the decade (potentially as late as 2032–2035) due to uncertainties in build-out and replacement cycles, personal property volatility, and corporate capital planning schedules.
- The report advises regular reassessment of both assessed value additions and personal property schedules, noting, “the timing of server replacements will likely cause large swings in the County’s tax revenue.
- **Key Caution:** As exemptions expire, early variability may persist in early years (e.g., FY 2027-28) due to exemption expirations that occur in later years and volatility of personal property valuation due to replacement timing.

Table: Data Center Property Tax Revenue

Fiscal Year	New Major Data Center Added	Estimated Annual Additional Property Tax Revenue (\$ millions)	Notes
2027-28	Vitesse 1	\$2.9–\$4.4	Range reflects scenario differences in assessed value and depreciation schedule; this revenue will cover debt service for the Justice Center.
2029-30	Apple 1	\$6.1-7.3 (cumulative)	Range reflects scenario differences in assessed value and depreciation schedule; these forecasted figures are cumulative.
2032-33	Apple 2	\$8.0-\$10.1 (cumulative)	Range reflects scenario differences in assessed value and depreciation schedule; these forecasted figures are cumulative.

2033-34	Vitesse 2	\$10.8-\$11.8 (cumulative)	Range reflects scenario differences in assessed value and depreciation schedule; these forecasted figures are cumulative.
2035-36	Vitesse 3	\$26.7-\$31.6 (cumulative)	Range reflects scenario differences in assessed value and depreciation schedule; these forecasted figures are cumulative.



Strategic Implication:

It is prudent to describe post-2030 as a period of “gradual but accelerating recurring revenue growth” with potential to fully stabilize the General Fund and Sheriff’s Office Fund by the mid-2030s—not to assume immediate, sustained \$3–4M surpluses in 2030. Annual forecast updates and contingency planning will be necessary to calibrate fiscal and staffing commitments to the timing and volatility of this new revenue stream.

Summary

- Both County and consultant forecasts show General Fund and Sheriff’s Office sustainability in the near term will require a combination of new recurring revenue, further cost containment, or service reductions through 2030.
- With disciplined bridge-year management and Board policy choices, the County can maintain core services while positioning for post-2030 revenue growth.

- Post-2030 data center revenues hold substantial promise, but prudent, evidence-based policy should account for the risk of annual variability, timing delays, and the need for careful reserve and expenditure planning.
- The Board should revisit allocation policies annually; communicate with the public and be prepared to adjust as conditions evolve.