



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

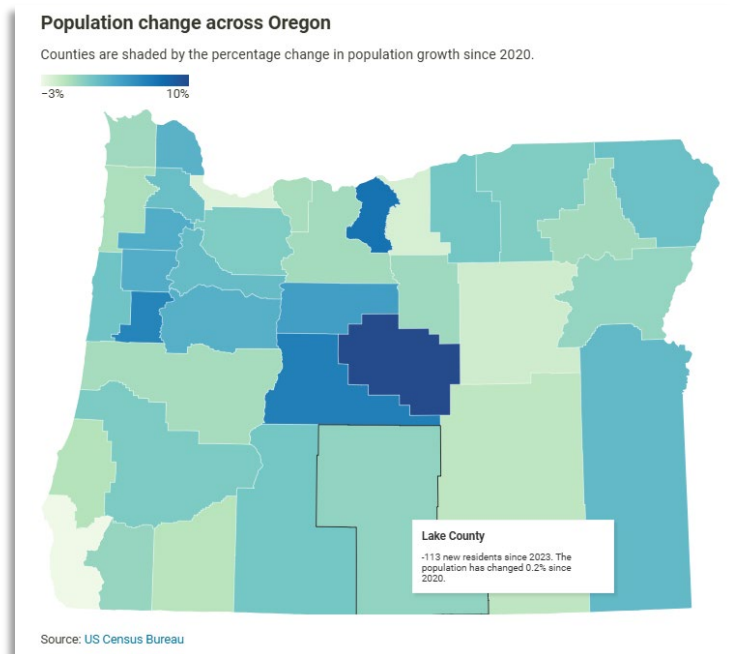
Many Oregon's counties face significant economic pressures, driven by both statewide and local challenges. This memo outlines those broader fiscal headwinds and provides context with examples from other Oregon counties.

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.

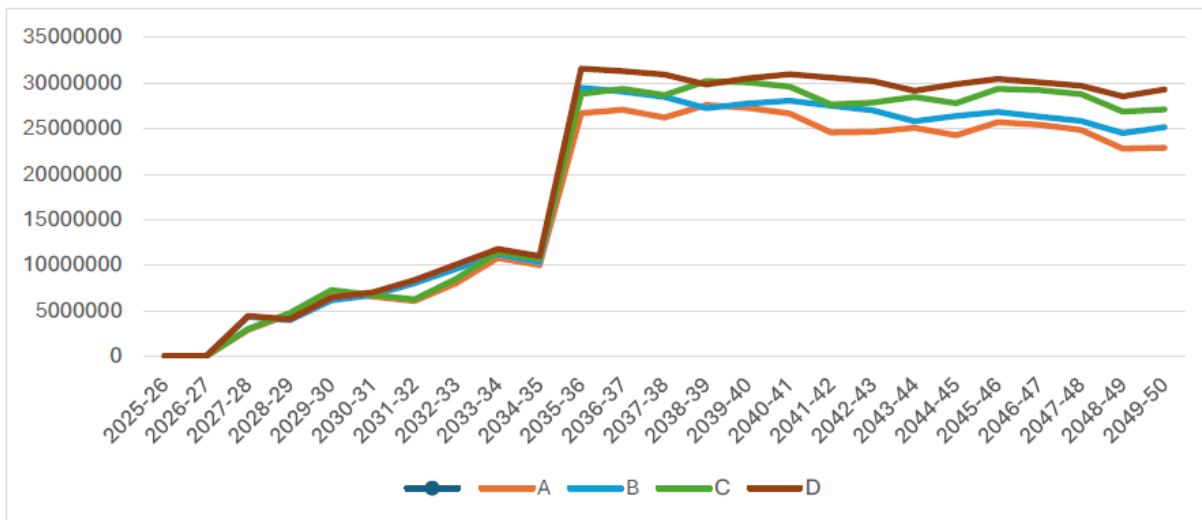
Data Center Revenue

- 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.



MEMORANDUM

To: Crook County Budget Committee
From: Will Van Vactor, County Manager
Date: October 22, 2025
RE: Options for General Fund Stabilization – FY 2027 Budget Development

Overview

Crook County is entering FY 2027 from a position of resilience, with prudent reserves, stable service levels, and positive momentum toward new property tax revenue by the end of this decade. While economic headwinds—such as slowing assessed value growth and rising costs—require close attention, the County is well-positioned to adapt. Proactively engaging a set of stabilization and efficiency strategies now will help Crook County maximize opportunity, safeguard core services, and bridge confidently toward a future sustainable revenues and service capacity.

The following options are presented for feedback and further development as the County prepares for FY 2027 and beyond.

Option 1 – Hiring Pause with Exception Process

Description:

Implement a temporary pause on hiring for non-mandated General Fund positions, allowing exceptions for essential positions, with process oversight by County leadership.

Context:

Personnel expenditure is the County’s largest operating cost. FY 2026 FTE counts, and recent budget growth reflects population-driven and programmatic expansion.

Potential Impact:

- Estimated savings of \$250,000+ in FY 2027 based on typical avoided hiring costs for 2–4 positions.
- Effectively “buys time” for planned revenue growth and policy adjustments but may increase workloads for existing staff.

Pros:

- **Immediate Personnel Cost Control:** Avoids new salary and benefit expenditures, resulting in savings estimated at \$250,000+ in FY 2027, with recurring benefit if continued.
- **Operational Flexibility:** Exception process for mission-critical needs.
- **Buys Time for Revenue Growth:** Maintains budget balance in the short term as the County approaches new property tax revenue in the coming years.
- **Avoids Layoffs:** Reduces headcount growth without needing to terminate existing staff or cut filled positions.
- **Clear, Transparent Policy:** Exception criteria can be publicly communicated for fairness and credibility.
- **Well Positioned:** With recent investment in technology, including a new ERP and HRIS, the County is well positioned to find efficiencies in operations to lower burden on existing staff.

Cons:

- **Workload and Service Pressure:** May increase the workload on existing staff, which may reduce responsiveness and service levels if sustained.
- **Backlog and Morale Risks:** Delays in filling vacancies may create operational bottlenecks and negatively impact staff morale.
- **Recruitment and Retention:** Extended pauses could make the County less competitive in hiring and retaining talent, especially if economic conditions improve or labor markets tighten.
- **Limited Structural Impact:** Pauses provide near-term savings but do not address long-term structural wage pressures or benefit costs.

Option 2 – Materials & Services (M&S) Cap at FY 2026 Levels**Description:**

Instead of a strict freeze, limit annual General Fund M&S budget growth to a small, fixed rate (e.g., 2% per year) for FY 2027 and FY 2028, below recent historical growth or inflation. For reference, the adopted FY 2026 General Fund M&S budget is \$5,179,509 (see page 196, FY 2026 Budget).

Relevant Context:

- The historical M&S growth rate in the General Fund was typically 4–6% annually; forecasted growth through 2030 averages around 3.5%.
- The FY 2026–FY 2028 forecast includes projected cost increases for facility transitions, contractual services, technology modernization, and capital-intensive projects.
- Slowing M&S growth to 2% will result in multi-year savings, but may delay or defer some planned initiatives.

Potential Cost Savings:

Scenario	Avg. Annual \$ Increase	Avg. Annual % Increase
Actual Forecast	~\$181,600	~3.5%
2% Cap Scenario	~\$106,700	2.0%
Avg. Annual Savings	~75,000	

Pros:

- **Predictable, recurring cost control:** Multi-year General Fund savings and slower budget baseline growth while still allowing essential inflationary adjustments.
- **Protects reserves and fund balance:** Frees up resources to respond to volatility, economic headwinds, or revenue shortfalls.
- **Supports moderate operational flexibility:** A 2% cap gives departments limited maneuverability vs. a total freeze.
- **Upholds fiscal discipline:** Sends a positive signal to the public and employees regarding prudent cost management.

Cons:

- **Delays in Forecasted Activities:** As noted in the FY 2026 Budget (page 196), incremental spending in M&S was intended to support new or expanded facilities (e.g., courthouse occupancy), deferred maintenance, service contracts, and technology upgrades. Limiting increases may postpone these initiatives or require phased implementation.
- **Departmental constraints:** May force departments to make trade-offs between service levels, maintenance, compliance, or staff support costs.

Option 3 – Cap on General Fund Transfers to Supported Departments

Description:

Establish an annual cap on recurring General Fund transfers to Health & Human Services, Fairgrounds, Veterans Services, and Community Development (Code Enforcement), set at or below FY 2026 baseline amounts and reviewed annually.

Relevant Context:

- FY 2026 transfers: Health (\$577,000), Fairgrounds (\$250,000), Veterans (\$161,000), Code Enforcement (\$30,000).
- Under current policy, some transfers (e.g., to Health) may rise with fund budgets or revenue changes unless capped.

Potential Impact:

- Avoids escalation of transfers if department operational costs increase.
- Estimated savings grow with underlying fund expenditure growth, especially for Health, which is tied to 15% of fund expenditures.
- While actual savings may be nominal, it creates certainty for planning purposes and sets clear expectations.

Pros:

- **Predictable General Fund Obligations:** Limits year-over-year growth in recurring, non-mandated support; improves budget certainty and aids long-range fiscal planning.
- **Encourages Departmental Self-Sufficiency:** Incentivizes supported departments to control costs, seek alternative revenues, or reprioritize within their own funds.
- **Transparent Policy:** Offers a clear rationale to stakeholders and the public for stabilizing the General Fund commitment, reinforcing fairness and consistency.

Cons:

- **Service Level and Program Risk:** Supported departments that rely on General Fund assistance may need to reduce programs, defer service expansions, or curtail activities if their own revenues do not keep pace with expense growth.

- **Operational Strain:** Particularly in Health or Fairgrounds, growth in costs from mandates, new regulations, or community demand may require program cuts or delays absent additional support.
- **May Require Exceptions Process:** Unanticipated emergencies, grant matching, or regulatory changes could necessitate more flexible transfer increases, requiring additional administrative review or Board action.

Option 4 – Employee Health Insurance Contribution Adjustment

Description:

Increase employee health insurance premium share from current 10% (90/10 split) to either 15% (85/15) or 20% (80/20), effective FY 2027. For represented employees, this adjustment would need to be negotiated with our bargaining units.

Context:

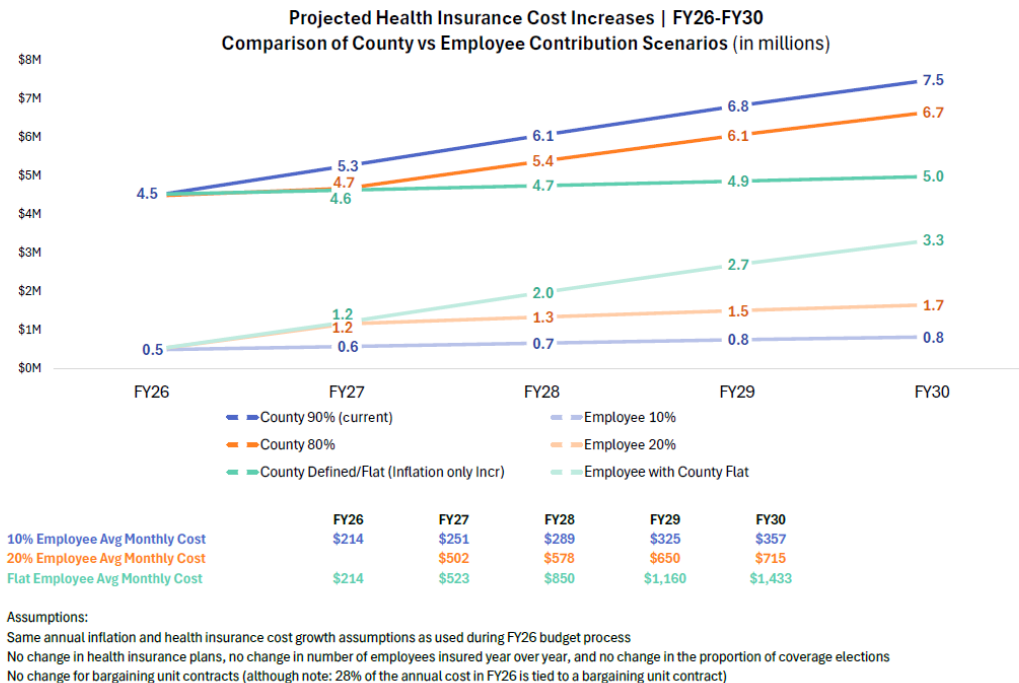
Premium costs are increasing, with County contributions set to rise sharply in coming years. This option is a structural control on rising personnel costs.

Potential Impact:

- **20% employee share (80/20 split):**
 - Employee monthly premium, single coverage: \$251 → \$502 (FY 2027)
 - County contribution reduction: \$5.3M → \$4.7M (savings ≈ \$600k in FY 2027)
 - Four-year County savings: \$2.8M (FY27–FY30)
- **15% employee share (85/15 split):**
 - Employee monthly premium, single coverage: \$251 → \$377 (FY 2027)
 - County contribution reduction: \$5.3M → \$5.015M (savings ≈ \$285k in FY 2027)
 - Four-year County savings: ~\$1.39M

General Fund would realize a proportional share of savings, depending on its share of premium-paid payroll.

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Pros:

- **Structural, Recurring Cost Reduction:** Increases in employee contributions can reduce County health insurance expenses by approximately \$285,000–\$600,000 per year (depending on the split), with the General Fund realizing a proportional share of savings. These savings scale with healthcare inflation over time.
- **Enhances Long-Term Financial Stability:** Addresses one of the largest and fastest-growing cost drivers in the County budget, supporting structural balance and creating fiscal flexibility as major revenue changes approach (post-2030).
- **Industry Alignment:** Brings County cost-sharing closer to Oregon local government norms, many of which have moved to 85/15, 80/20, or dollar cap models.
- **GFOA-aligned Best Practice:** Prioritizes recurring expenditure recalibration over one-time fixes, improving fund sustainability and credibility with oversight bodies.
- **Reserves/Service Buffering:** The resources preserved can be redirected to core mandates, contingency reserves, or mitigating service disruptions in volatile years.

Cons:

- **Compensation Impact:** Raises out-of-pocket costs for staff, reducing take-home pay, and potentially increasing turnover risk, wage pressure, and recruiting challenges.
- **Workforce Morale:** Perceived reduction in benefits may affect morale, engagement, and organizational climate, particularly if not offset by other compensation or support measures.
- **Competitive Disadvantage:** Increasing employee premium shares may put Crook County at a recruiting or retention disadvantage compared to nearby cities, counties, or districts that offer more affordable employee health coverage.

Option 5 – Revenue Risk Management and Reserve Policy Formalization**Description:**

Gradually reduce the general fund contingency reserve from five months (41.7%) to two months (16.7%) of annual operating expenditures over a two- or three-year period, beginning no sooner than FY28. The difference—approximately \$4.52 million—would be reallocated from reserves to support general fund operations while ensuring the County continues to budget in alignment with GFOA guidance.

Relevant Context

- **Current Policy:** Crook County maintains a five-month general fund contingency (~\$7 million for FY26), reflecting a conservative posture post-COVID.
- **GFOA Guidance:** The Government Finance Officers Association recommends a minimum of two months of expenditures (about \$3.01 million for Crook County) as a standard, with upward adjustment only for local risk factors. GFOA encourages periodic review and formal risk assessments to align reserves with actual fiscal risk.
- **County Objective:** As confidence in post-pandemic revenue and cash flow patterns returns, right-sizing the reserve releases resources to bolster operations or stabilize services during the next five-year period while keeping the County in compliance with good fiscal practice.

Potential Impact

- Lowering the reserve policy from five to two months will extend the period before the County falls out of fiscal compliance with its own fund balance policy—but does not

prevent reserve depletion if operational spending continues to exceed recurring revenues.

- Creates opportunity to put existing resources into operations without falling out of fiscal compliance.

Pros

- **Alignment with Standards:** Brings the reserve into compliance with GFOA's risk-based best practices.
- **Transparent, Phased Approach:** Minimizes fiscal shock and ensures risk is managed as confidence in cash flow and property tax revenue is restored.

Cons

- **Reduced Risk Buffer:** Lower reserves reduce capacity to absorb fiscal shocks or revenue disruptions (e.g., further tax appeals, major emergencies).
- **Public Perception:** Risk of negative perceptions or criticism that the county is "spending down savings," requiring clear communication of rationale and risk management.
- **Potential for Future Adjustments:** If volatility resumes or new risks materialize, may need to revisit and increase reserves, potentially requiring difficult fiscal adjustments.

Feedback Sought

The options above are for discussion and feedback. Please provide input on consideration, modifications, or other impacts for possible inclusion in the FY 2027 budget planning process.



MEMORANDUM

To: Crook County Budget Committee

From: Will VanVactor, County Manager

Date: October 23, 2025

RE: Funding Options and Cost Control Strategies – Crook County Sheriff's Office

Introduction

The purpose of this memorandum is to provide the Budget Committee with a structured overview of potential funding options and cost control strategies to ensure the long-term financial sustainability of the Crook County Sheriff's Office. In view of persistent service demands, rising operational costs, and constrained revenue growth, it is essential to evaluate a variety of approaches, including new revenue sources and internal efficiency measures. This memo summarizes key options for committee consideration, outlining each option's intent, anticipated impact, and relevant pros and cons to support an informed decision-making process for the upcoming budget cycle.

Preliminary Option – What can we Fund with Current Resources? (for context)

Description

This option limits the Sheriff's Office to the number of personnel it can sustain within available FY 27 budget resources, after accounting for anticipated increases in average personnel costs due to recent collective bargaining agreements (Deputy and Sergeant contracts effective July 2025). See attached Memorandum re Successful Contract Negotiations.

Key Assumptions and Calculation

- The total personnel funding available in FY 27 is \$8.3 million, based on currently projected resources, 10% M&S and 20% capital outlay reductions, and 25% ending fund balance).
- Recent contracts (CBAs) result in higher wage/benefit costs per FTE—conservatively, staff-wide average annual personnel cost is expected to increase by 10–12% relative to FY 26. This increase has been incorporated into this analysis.
- FTE affordable at \$8.3M for personnel:
 $\$8.3\text{M} / \$185,383 \approx 44.8 \text{ FTE}$

Pros

- Keeps spending strictly within available and sustainable resources for FY27.
- Maintains a reasonable fund balance.
- Ensures compliance with labor contracts regarding wage and benefit rates.

Cons

- Reduced staffing levels: About 27% fewer personnel than prior budget authority, given higher cost per FTE.
- Downward pressure on service delivery, increased overtime, and likely negative effects on workforce morale.
- Misalignment with community expectations as workload and service needs remain steady or grow.
- Not a long-term fix: Persistent increases in average personnel costs, especially under new CBAs, will further erode the number of FTEs sustainable in future years if no new revenue sources are added.

The following options are included for discussion and feedback. This “Preliminary Option” is presented for context. Given the impact on service level and public expectations, this approach is not recommended at this time.

Option 1 – Operating Levy

Description:

A jail operating levy is a voter-approved, time-limited property tax levy dedicated specifically to jail operations, including staffing, facility maintenance, and inmate programs. This approach is distinct from a general law enforcement operating levy, which provides funds for a broader range of Sheriff’s Office functions such as patrol, investigations, and court security. While the jail operating levy targets the most acute needs identified in recent budgets, greater flexibility could be achieved through a more general law enforcement operating levy—should that better align with overall public safety strategy.

Tax Rate Options:

Levy rates are typically expressed per \$1,000 of assessed value and must be set at the time of the ballot referral. Crook County’s permanent rate is approximately \$3.8702 per \$1,000 of assessed value; however, additional voter-approved levies for operations can be set for up to five years and are subject to compression if total rates exceed the statutory caps for general government (\$10 per \$1,000 of real market value).

Here is a further breakdown:

Based on the adopted budgets and finance department data, Crook County’s assessed value for FY 2025–2026 is projected to be approximately \$3.4 billion (based on current property tax collections and rates). The typical collection rate is assumed at 94%.

Revenue Examples by Levy Rate:

- Every \$0.10 per \$1,000 of assessed value generates approximately \$340,000/year (rounded).

- Every \$0.50 per \$1,000 of assessed value generates approximately \$1.7 million/year.
- Every \$1.00 per \$1,000 of assessed value generates approximately \$3.4 million/year.

Example Scenario:

If a jail operating levy of \$0.50 per \$1,000 of assessed value was approved:

- Gross revenue: \$1,700,000/year
- Net of 94% collection: \$1,598,000/year

A \$0.75 levy would generate an estimated \$2.55 million/year (gross), and a \$1.00 levy would generate \$3.4 million/year (gross)

Pros:

- Dedicated, predictable revenue for jail operations, supporting restoration of cut positions, improved coverage, and critical capital needs.
- Relieves pressure on the general fund and allows for transparent connection between funding and specific service levels.
- Option to structure levy with sunset/review period for enhanced public accountability.
- Can address known service gaps, such as inmate programming, staffing, and Justice Center security.
- As future revenue forecasts become clearer, it may be determined that a second levy is not necessary, alleviating future tax burden on property owners.

Cons:

- Requires voter approval—success depends on community support and effective public outreach.
- Adds to overall property tax burden; risk of “compression” limits actual collections if statutory caps are exceeded. This is not currently a significant risk in Crook County.
- If narrowly structured, levy funds cannot be redirected to other urgent Sheriff’s Office needs (e.g., patrol or emergency response).
- If not renewed after the initial period, it creates long-term sustainability risk for staffing and operations funded by the levy.
- Should only be pursued if necessary to preserve or increase service levels.

Implementation Consideration:

If there is interest in pursuing a jail operating levy, it is recommended that the county conduct targeted

public outreach and stakeholder engagement before referring a levy to the voters. This will help test community support, clarify priorities, and inform the scope and rate of the levy proposal.

Option 2 -Public Safety Fee

Description:

A public safety fee could be established to offset the increased service demand placed on the Sheriff's Office by new development in Crook County. The fee would be assessed on new construction and collected through the Community Development Department, using a structure similar to the current code enforcement fee model. Revenue from the fee would be dedicated to supporting law enforcement staffing and operations impacted by county growth.

Potential Revenue:

Based on permit data for new single-family dwellings:

- 2024: 157 permits
- 2023: 176 permits
- 2022: 243 permits
- 2021: 287 permits
- **Average (4 years):** 216 permits/year

If a public safety fee of \$1,000 per new dwelling were implemented:

- 216 permits/year × \$1,000 = **\$216,000 per year**
- This amount is close to the cost of one FTE (deputy) including salary and benefits in the Sheriff's Office.

Precedent and Legal Note:

- While Oregon law broadly authorizes certain regulatory fees for direct service costs, dedicated "public safety impact fees" related to law enforcement are less common than System Development Charges (SDCs) for infrastructure (ORS 223.297–223.314).
- Some Oregon jurisdictions levy fees similar to this for code enforcement, and individual cities (e.g., Gresham, Medford) have experimented with public safety fees for police or fire services—but most of those are structured as monthly utility-style charges, not as a fee on development.
- Any such fee should be carefully structured to withstand legal scrutiny; statutes require a demonstrated nexus between the fee and service impact. Coordination with county legal counsel and Community Development is advised before pursuing implementation.

- Without clear precedent, if there is interest in pursuing, further due diligence regarding the legality of such a fee would need to be conducted.

Pros:

- Provides a direct mechanism for growth to help pay for increased public safety costs (growth-pays-for-growth principle).
- Predictable, base-level revenue generation not subject to voter approval.
- Straightforward administrative mechanism if modeled after existing fee collection processes (such as code enforcement).

Cons:

- Adds a new cost to development, which may discourage building or create affordability concerns. The Building Department and Planning Fee have recently added new fees.
- Overall revenue is modest compared to the total cost of Sheriff's Office operations—will not resolve larger structural budget gaps.
- May face resistance from builders, realtors, or other stakeholders opposed to additional development fees.

Implementation Consideration:

If pursued, the fee should be clearly defined in ordinance, with legal review ensuring statutory compliance and a direct connection to law enforcement service impacts caused by new development. Public input should be received before implementing any such fee.

Option 3 – Materials and Services/Capital Outlay Reductions

Description:

Reducing the Sheriff's Office budget for Materials & Services and capital outlay is one commonly considered path to control costs and redirect resources to personnel. However, a significant share of the M&S budget consists of internal service fees set and allocated by other county departments—such as Facilities, IT, Admin, and Finance. These costs are not directly controllable by the Sheriff's Office or easily reduced without a countywide strategy.

Key Facts & Budget Impact:

- In FY 2027, the Sheriff's Office baseline assumption for M&S is \$5,003,000 and capital outlay is \$267,000. Reducing M&S by 5% and capital outlay by 10% would increase available personnel funding by \$277,000.
- However, a considerable portion of this M&S line item is attributed to internal service fees determined by countywide administrative policies. These internal fees, for Facilities, IT, and

other shared services, routinely increase to reflect higher operating and maintenance costs and expanded county infrastructure (e.g., Justice Center).

- The Sheriff's Office is limited in its ability to achieve substantial M&S reductions without the active participation of the Board and county administration to review, verify, and, if appropriate, recalibrate internal service charges for fairness and accuracy.

Sheriff's Office Fleet Management Plan

To help strengthen near-term cost control and reliability for capital outlay, it is recommended that the Sheriff's Office immediately develop and adopt a department-specific Fleet Management Plan. This will help ensure capital outlay accurately reflects anticipated vehicle purchases.

A fleet management plan will:

- Allow the Sheriff's Office to systematically schedule vehicle replacements and maintenance, reducing disruptive, unplanned capital outlay.
- Promote more predictable budgeting by anticipating needs and leveraging data on vehicle age, usage, and condition.
- Support operational readiness by minimizing downtime and ensuring vehicles remain mission-capable.
- Foster discipline and transparency in capital planning, providing data for future countywide fleet discussions.

Pros:

- Facilitates immediate, although typically incremental, General Fund relief.
- Can help bridge temporary fiscal gaps or defer more difficult personnel reductions.
- Demonstrates a commitment to cost control and operational efficiency.

Cons:

- Internal service costs are largely non-discretionary—true savings potential is much lower than top-line M&S figures suggest.
- Repeated or large reductions risk deferred equipment replacement, facility maintenance, or other impacts to operational readiness.
- Sustainability is limited; this approach primarily offers short-term relief, not structural budget balance.

Implementation Notes:

- County should commit to a full review of internal service fee methodologies to ensure charges are equitably allocated and justified, particularly as new facilities come online and service needs evolve.
 - NOTE: The hiring pause and materials and services cap discussed in General Fund memorandum will help control internal service fee growth.
- For Sheriff's Office, reductions should target non-mandatory, discretionary external contracts and supplies first, while assessing a countywide approach to internal service cost containment.

Option 4 – Create Internal Service Fee to Support Emergency Management**Description:**

This option involves shifting the funding for Emergency Management from standalone departmental or general fund support to an internal service fee (ISF) model. Under this approach, the costs of Emergency Management—including personnel, planning, training, and operational expenditures—would be distributed to all benefiting county departments using an allocation formula, similar to how Crook County currently recovers costs for Facilities, IT, GIS, and Finance support. Although some state and federal funding is expected to continue, the starting assumption here is that the internal service fee structure would need to cover all Emergency Management expenditures. Emergency Management is a mandated service.

Budget and Cost Basis:

- Current Emergency Management funding includes a mixture of General Fund, grant, and in-kind support. The ISF model would assign 100% of net costs (after state/federal aid) to internal customer departments.
- Future budgets would require annual review to ensure grant offsets and fee calculations are transparent and equitable.

Precedent and Internal Practices:

- Crook County already uses internal service fee models for Facilities, IT, GIS, Finance, and even absorbs code enforcement costs via fee-for-service to relevant departments.
- For all departments, Emergency Management:
 - Ensures emergency planning occurs and continuity of operations support
 - Supports or leads response for emergency affecting many county departments, including Roads, Public Health, and law enforcement.
 - Ensures departments can qualify for grants and state programs that require preparedness for or mitigation from emergencies. This is a common requirement.

Emergency Management leads these efforts, ensuring all departments can qualify for these grants and programs.

Pros:

- Provides stable, predictable funding for Emergency Management without competition for discretionary General Fund resources.
- Charges are equitably allocated in proportion to the benefit or services each user department receives.
- Increases transparency in the true cost of service delivery and incentivizes internal efficiencies.
- County departments are more directly invested in the planning and readiness process.

Cons:

- Increases operating costs for all county user departments, which must absorb these fees into their own budgets.
- If grant funding drops or state support is less than anticipated, fee increases may be required year to year.
- Requires robust fee allocation methodology and annual transparency in budgeting.
- Pushback possible from departments with limited direct emergency management involvement.

Implementation Considerations:

- Ensure grant offsets or direct state aid are factored into ISF calculations so departments are not overcharged.
- Develop and review allocation methods (e.g., by FTE, risk, facility footprint, or service utilization) for fairness.
- Formalize internal service agreements and communicate any major increases in departmental costs in advance.
- Monitor compliance with state requirements for minimum Emergency Management capabilities and grant eligibility.

Option 5 – Increase Property Tax Allocation

Description

This option increases the Sheriff's Office share of Crook County property tax revenue by 1% for FY 2026, reallocating from other tax-supported funds (General Fund, Library Fund, Museum Fund).

History of Allocation

- **Prior to FY 2024:** Sheriff's Office received 63.6%; General Fund, Library, Museum made up the remainder.
- **FY 2024 Onward:** Allocation adjusted to **57.7% for the Sheriff's Office**, 26.9% General Fund, 13.8% Library, 1.6% Museum, to better align with sustainability and service delivery needs.

What a 1% Increase Would Mean

- **Total FY 2026 Property Tax Revenue:** ~\$12,900,000
- **Each 1% Increase:**
 - Worth \$129,000 in new revenue to the Sheriff's Office.
 - Decreases General Fund by a combined \$129,000, likely reducing revenue from the General Fund for the Library and Museum.

Pros

- Provides immediate, recurring funding increase for the Sheriff's Office without reliance on voter approval.
- Increases flexibility within the SO budget to address cost pressures (staffing, operations, etc.).
- Straightforward administrative change; does not require external process or ballot measure.

Cons

- Corresponding reduction to General Fund, Library, and/or Museum, potentially impacting their service levels.
- Does not increase the overall property tax pool—shifts financial pressure among funds.
- May erode funding for non-Sheriff's Office services, creating trade-offs.
- Not a "new" revenue solution; only redistributes within existing constraints.

Implementation Considerations

If desire to consider adjusting allocations, we need to ensure that all affected departments are advised of potential impacts and incorporate reductions thoughtfully to minimize service disruptions. Evaluate alongside other options for structural sustainability.

Option 6 – Property Tax Revenue Assumptions

Description

The adopted FY2026 budget projects property tax revenue growth at 4% for FY2027 and 3% per year starting FY2028 onward in alignment with long-term statutory and market expectations. This “step-down” approach is designed to balance recent above-average tax base expansions with prudent long-term planning. For context, we also present a scenario consistent with recent trends and external (Divergent) analysis, modeling growth at 5% annually.

Calculation/Analysis

Fiscal Year	County Property Tax (Budget)	SO @ 57.7%	SO @ 59.2%	County Property Tax (Trend 5%)	SO @ 57.7%	SO @ 59.2%
2026	\$12,900,000	\$7,449,300	\$7,636,800	\$12,900,000	\$7,449,300	\$7,636,800
2027	\$13,416,000 (+4%)	\$7,742,043	\$7,950,272	\$13,545,000	\$7,813,665	\$8,017,440
2028	\$13,818,480 (+3%)	\$7,978,070	\$8,183,543	\$14,222,250	\$8,210,151	\$8,418,312
2029	\$14,233,034 (+3%)	\$8,215,472	\$8,418,078	\$14,933,362	\$8,624,537	\$8,839,431
2030	\$14,660,025 (+3%)	\$8,454,095	\$8,653,971	\$15,679,030	\$9,057,794	\$9,281,865

Pros (Adopted Approach):

- Prudent, statutorily aligned with Measure 50 (3% limit for existing property).
- Reduces risk of overestimating ongoing revenues as new construction moderates.
- Promotes long-term fiscal stability.

Cons (Adopted Approach):

- May understate revenues if current building and valuation growth persist, resulting in misleading forecasts.
- Could result in “budgetary windfalls” if actuals are consistently higher

Pros (5% Scenario – Context Only):

- Illustrates added flexibility if recent historic revenue growth continues
- Supports “what if” discussion for longer-term planning

Cons (5% Scenario):

- Less conservative; significant risk if growth reverts to norm due to market or legal changes
- Not recommended as a basis for ongoing expenses or staffing expansions

Implementation & Committee Consideration

- Continue to use the budgeted assumption (4% for FY2027, 3% onward) for core planning and forecasting.
- The 5% trend scenario is provided for situational awareness only and reinforces the rationale for Crook County's conservative approach.
- Actual growth should be re-evaluated annually. If trends persist, the committee could revisit future assumptions case-by-case, but a cautious approach helps preserve service levels across cycles.

Option 7 – Reserve Stabilization Policy**Description:**

Dedicate 25% of annual county real property sale proceeds to the Sheriff's Office Reserve Fund until the reserve complies with fiscal policy targets. Once those targets are met, redirect the 25% (for example) share to pay down the Sheriff's Office PERS unfunded liability. After PERS liability is fully funded, use the 25% allocation for repayment of the FY 25 capital reserve loan to the Sheriff's Office. Once these priorities have been fulfilled, all of the 25% share is directed to the county capital reserve fund. The remaining 75% of sale proceeds are allocated to the county capital reserve fund at all times. Policy to be reassessed annually. In FY 26, initiate a comprehensive review to identify and prepare surplus county real property for disposition.

Analysis/Calculation

Assuming \$700,000 average annual property sale proceeds:

Sheriff's Office Reserve Fund:

$$25\% \times \$700,000 = \$175,000/\text{year (until reserve fund is fully funded per policy)}$$

County Capital Reserve Fund:

$$75\% \times \$700,000 = \$525,000/\text{year (at all times)}$$

Pros:

- Dedicates a policy-driven revenue stream to essential Sheriff's Office fiscal priorities.
- Supports achievement and maintenance of prudent reserve levels.

- Proactively addresses PERS unfunded actuarial liability.
- Enables repayment of inter-fund capital loan, improving overall fund accountability.
- Builds reserves for future operational and capital needs.
- Uses non-tax revenue; does not increase tax rates.
- Annual reassessment and sunset date provide ongoing oversight and adaptability.

Cons:

- Relies on a finite and potentially uncertain revenue source (property sales).
- Limited inventory of saleable county properties could constrain available proceeds.
- May reduce flexibility for funding other urgent countywide capital or operational needs.
- Could impact other long-term facility strategies if not managed in alignment with broader county goals.

Implementation Consideration:

Will require staff to initiate surplus property review and disposition planning in the second half of FY 26. Will require a policy adoption.

MEMORANDUM

To: Will Van Vactor, County Manager

From: Christina Haron, Finance Director

Date: October 23, 2025

RE: Budget Implications of Successful Negotiations for Sheriff's Office Unions

Overview

Crook County successfully negotiated both the Crook County Sheriff Deputy Association and the Crook County Sheriff Sergeant Association, with compensation changes under Article 7 in each contract, effective for both unions as of 7/16/2025. The estimated budgetary impact of each association's collective bargaining agreement for FY26 and FY27 is as follows:

The estimated cost of the changes under the agreement for the staff in the Deputy association, compared to the adopted budget, is an increase of approximately \$325,000 in FY26. The projected total personnel cost for FY27 is \$6.22M for 41.0 FTE, a 10% increase over the FY26 adopted budget.

The estimated cost of the changes under the agreement for the staff in the Sergeant association, compared to the adopted budget, is an increase of approximately \$140,000 in FY26. The projected total personnel cost for FY27 is \$1.53M for 7.0 FTE, an 18% increase over the FY26 adopted budget.

Note: These estimates also consider the health insurance rate increase coming in lower than originally budgeted.

Additional information regarding the specifics of the changes to compensation made under those agreements is available if desired.

Crook County Budget Committee Meeting

Date: October 23, 2025

Location: Justice Center Conference (and Zoom)

Topic: Core Services and Fiscal Sustainability



Meeting Agenda

- Call to Order & Public Comment
- Approval of May 12th Minutes
- Review of Core Services Project
- Economic Impact
- Review Forecast Analysis
- Funding Options: General Fund
- Funding Options: Sheriff's Office
- Committee Discussion & Next Steps



Core Services Overview

- Define core county services
- Align with resident expectations
- Review process ongoing
- Ensure informed decision making for future resource allocation



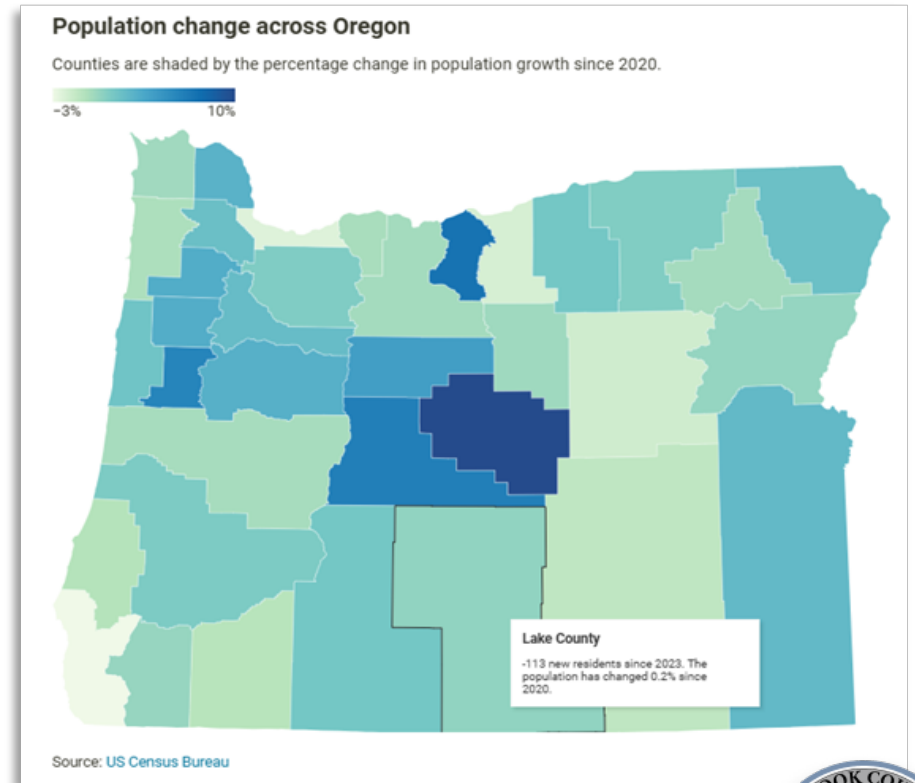
Core Services Review Status

- Departments submitted draft descriptions
- Board review ongoing
 - Health, Library, Health complete
- Goal: Annual review to ensure resources are allocated to core services



Economic Conditions Shaping County Budgets

- Slowing property tax growth
- Inflation pressures spending
- Personnel costs rising
- Grant funding uncertain
- Growth is a threat



Expenditure Forecast

- Personnel is top cost driver
- Overtime and benefits rising
- Deferred capital needs grow
- Supplies, contracts increasing

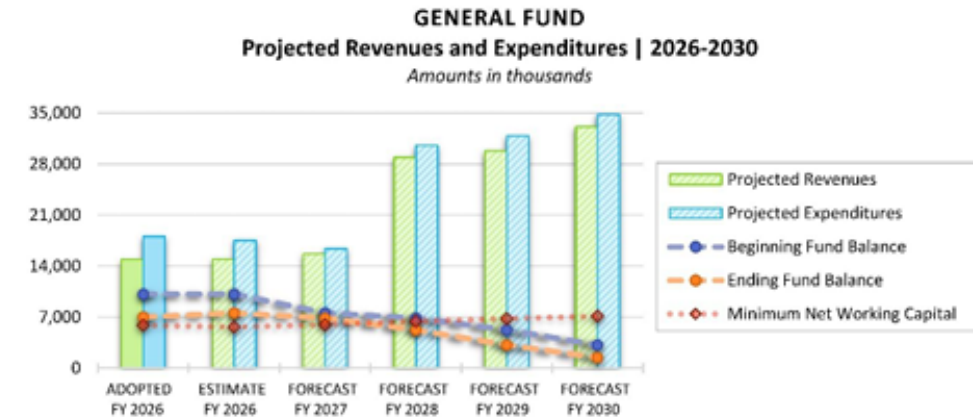


General Fund Stability and Risks

- Stable through FY 2027
- One-time revenues tapering off
- Cost growth outpaces revenue
- Reserve pressures post-2027
- Requires proactive adjustments

(Amounts in thousands)

	ADOPTED FY 2026	ESTIMATE FY 2026	FORECAST FY 2027	FORECAST FY 2028	FORECAST FY 2029	FORECAST FY 2030
Beginning Fund Balance	\$ 10,159	\$ 10,159	\$ 7,565	\$ 6,863	\$ 5,237	\$ 3,169
Revenue	14,921	14,921	15,685	28,907	29,784	33,101
Total Resources	25,080	25,080	23,250	35,770	35,021	36,269
Expenditures						
Personnel	\$ 8,940	\$ 8,582	\$ 9,257	\$ 9,904	\$ 10,558	\$ 11,205
Materials & Services	5,179	4,972	5,021	5,547	5,742	5,906
Capital Outlay	152	152	112	32	64	85
Special Payments	976	976	941	960	979	912
Transfers	2,833	2,833	1,056	14,091	14,509	16,696
Total Expenditures	18,080	17,515	16,387	30,533	31,852	34,804
ENDING FUND BALANCE	\$ 7,000	\$ 7,565	\$ 6,863	\$ 5,237	\$ 3,169	\$ 1,465
Ratio Fund Balance to Expenditures	39%	43%	42%	17%	10%	4%
FTE	63.9	63.9	63.5	63.5	63.5	63.5



Sheriff's Office Forecast

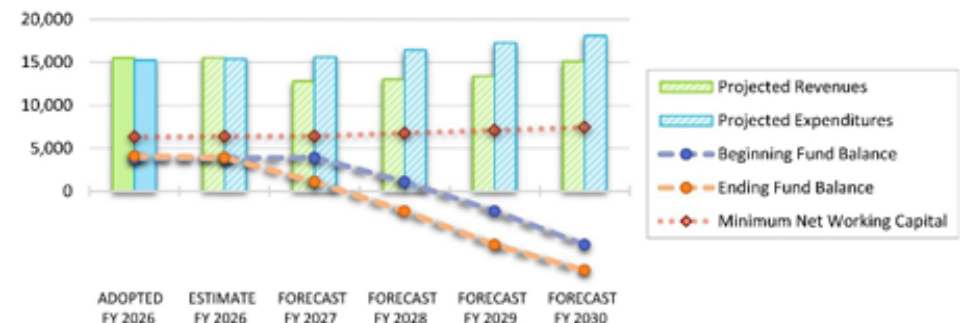
- Based on FY26 adopted budget
- Projected 96% expenditure use
- 57.7% of property taxes allocated
- Reduced staffing, flat FTE

(Amounts in thousands)

	ADOPTED FY 2026	ESTIMATE FY 2026	FORECAST FY 2027	FORECAST FY 2028	FORECAST FY 2029	FORECAST FY 2030
Beginning Fund Balance	\$ 3,821	\$ 3,821	\$ 3,925	\$ 1,097	\$ (2,315)	\$ (6,208)
Revenue	15,497	15,497	12,790	13,021	13,368	15,090
Total Resources	19,318	19,318	16,715	14,119	11,053	8,882
Expenditures						
Personnel	\$ 10,061	\$ 10,422	\$ 10,349	\$ 11,059	\$ 11,779	\$ 12,493
Materials & Services	5,084	4,881	5,003	5,103	5,205	5,309
Capital Outlay	90	90	267	272	277	283
Total Expenditures	15,235	15,393	15,618	16,434	17,261	18,084
ENDING FUND BALANCE	\$ 4,083	\$ 3,925	\$ 1,097	\$ (2,315)	\$ (6,208)	\$ (9,202)
Ratio Fund Balance to Expenditures	27%	26%	7%	-14%	-36%	-51%
FTE	61.7	61.7	61.7	61.7	61.7	61.7

SHERIFF'S OFFICE FUND
Projected Revenues and Expenditures | 2026-2030

Amounts in thousands



Sheriff's Office Forecast

- Major FY26 revenue: \$7.2M property tax
- \$1M General Fund transfer
- Total resources: \$19.3M
- Reliance on one-time revenues



Sheriff's Office Forecast

- FY26 \$4.08M contingency kept
- Balance projected below policy by FY28
- Reduced service/staffing levels held
- 30–35% more revenue needed to stay within policy



Consultant Review

- Agaps persist
- Data center taxes begin ramp 2030
- Surpluses possible 2032–35, not certain
- Early years: high volatility, risk



Future Revenue Growth Potential

- Exemptions phase out post-2028
- Revenue growth in mid-2030s
- Early volatility anticipated
- Supports long-term stability
- Bridge-year management vital



FY 2027 Stabilization Overview

- . County entering FY27 strong
- . Prudent reserves, steady services
- . Rising costs pressure budgets
- . Slower revenue growth expected
- . Proactive measures under review



Option 1 – Hiring Pause with Exceptions

- Temporary pause on new hires
- Exceptions for essential roles
- Savings $\approx$ \$250K in FY27 (estimate)
- Avoids layoffs, controls growth
- May increase workloads



Option 2 – Cost Controls and Transfers

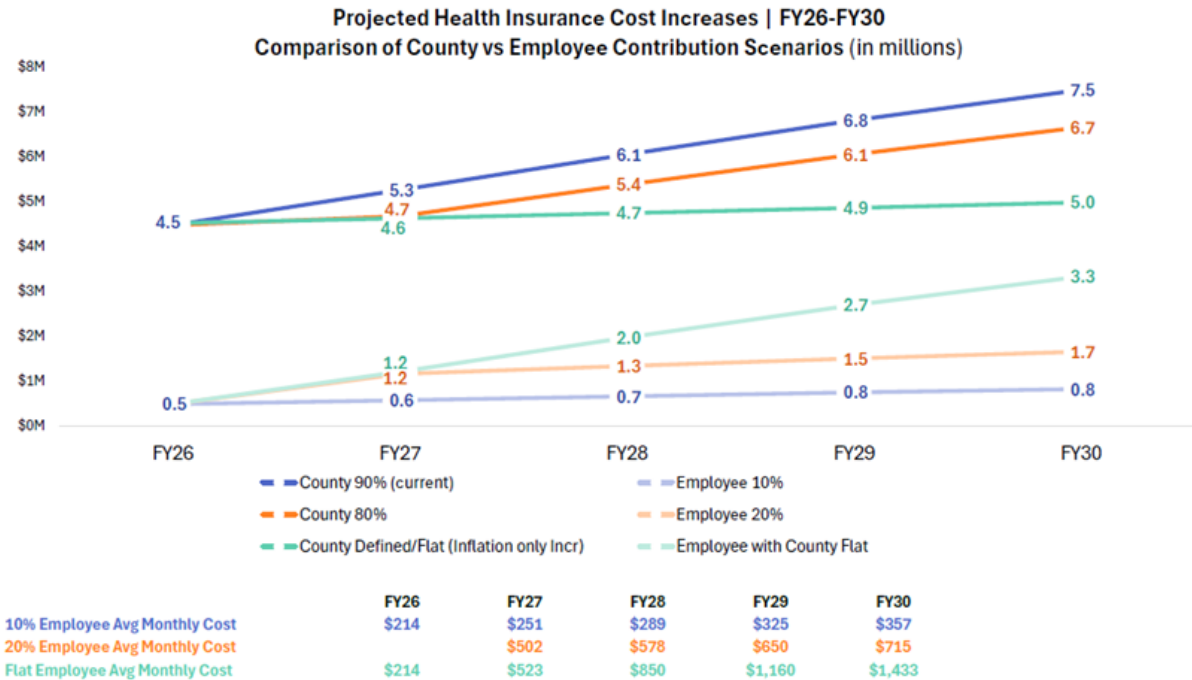
- Cap M&S growth at 2%
- Based on current M&S forecasts, saves ~\$75K annually
- Slows baseline expenditure growth
- Limit fund transfers to FY26 levels
- Promotes fiscal predictability

Scenario	Avg. Annual \$ Increase	Avg. Annual % Increase
Actual Forecast	~\$181,600	~3.5%
2% Cap Scenario	~\$106,700	2.0%
Avg. Annual Savings	~75,000	



Option 3 – Employee Health Contribution

- Current split 90/10 County-Employee
- Shift to 85/15 or 80/20
- Saves \$285K–\$600K yearly
- Structural, recurring savings
- Requires labor negotiation



Assumptions:

Same annual inflation and health insurance cost growth assumptions as used during FY26 budget process

No change in health insurance plans, no change in number of employees insured year over year, and no change in the proportion of coverage elections

No change for bargaining unit contracts (although note: 28% of the annual cost in FY26 is tied to a bargaining unit contract)

Option 4 – Reserve Policy Adjustment

- Current reserve: five months ops
- GFOA minimum: two months
- Gradual alignment FY28–FY30
- Reallocate $\approx$ \$4.5M strategically towards end of decade
- Maintain fiscal compliance



FY 2027 Stabilization Discussion

- Combine short- and long-term tools
- Maintain flexibility, avoid layoffs
- Prioritize structural cost control



SO Funding Options & Cost Controls

- Rising costs outpacing revenue
- Persistent service demand growth
- CBAs raise wage/benefit costs



Context – What FY27 Can Fund

- \$8.3M available for personnel
- ≈45 FTE sustainable
- 27% fewer than prior authority
- Still not sustainable long term



Option 1 – Jail or Law Enforcement Levy

- Voter-approved, 5-year levy
- Dedicated to jail operations
- \$0.10 = ~\$340K / year
- \$0.50 = ~\$1.7M / year
- Requires public engagement



Option 2 – Public Safety Fee on Development

- Fee on new construction permits
- Modeled after code enforcement fees
- \$1,000 / dwelling = ~\$216K / year (hypothetical fee structure)
- Growth-pays-for-growth principle
- Requires legal review, no precedent in Oregon



Option 3 – Cost Containment Measures

- Reduce M&S by 5%, capital 10%
- Frees ~\$277K for personnel
- Internal service fees limit control
- Countywide strategy required
- Develop Fleet Management Plan to minimize capital outlay requirements



Option 4 – Internal Service Fee Model

- Shift EM to internal service fee
- Equitable cost allocation
- Predictable, stable funding
- Grants offset total charges
- Transparency across departments



Option 5 – Reallocate Property Tax Shares

- Current allocation is 57.7%
- +1% to Sheriff's Fund = +\$129K
- Offsets from other funds
- Immediate, recurring revenue
- No voter approval needed
- Creates trade-offs elsewhere



Option 6 – Property Tax Growth Rates

- . Budget assumes 4% FY27, then 3%
- . Trend scenario shows 5% growth
- . 4% = conservative, stable approach
- . 5% = higher risk, higher reward
- . Info provide for context



Option 7 – Reserve Stabilization Policy

- Dedicate 25% of sales to SO Reserve
- ~\$175K/year at \$700K total sales
- Supports reserves, PERS, loan payoff
- Policy-driven, non-tax source
- Requires surplus property review



SO Funding & Cost Strategy Summary

- Combine revenue and efficiency tools
- Preserve service, stabilize operations
- Prioritize sustainable, recurring funding
- Align policy with fiscal best practices
- Committee feedback requested



Commitment to Accountability

- Clear reporting on fund trends
- Public access to fiscal data
- Open communication on priorities
- Core Services improve clarity
- Transparency builds trust



Committee Direction & Next Steps

- Confirm funding priorities
- Review forecast assumptions
- Discuss Sheriff's Fund strategies
- Refine Core Services work
- Schedule winter follow-up

