TILLAMOOK COUNTY
BOARD OF COMMISSIONERS
Erin Skaar - Paul Fournier - Mary Faith Bell

BOARD MEETING
Wednesday, November 5, 2025, 9:00 AM

Join In Person:
County Courthouse, Board of Commissioners' Meeting Room 106, 201 Laurel Avenue, Tillamook

Join Virtually:
tillamookcounty.gov/bocc/page/meetings-agendas-minutes or 1-971-254-3149, ID: 866 914 607#

Additional viewing options are available at tctvonline.com. Closed captioning and translation options are available for recorded videos at *www.youtube.com/@tillamookcounty1434*.

More detailed *meeting instructions* are available at *tillamookcounty.gov/bocc/page/meetings-agendas-minutes*. Call 503-842-1814 or send an email to *helpdesk@tillamookcounty.gov* regarding any meeting technical issues.

MEETING - 2025-11-05 BOCC MEETING AUDIO.MP4

CALL TO ORDER – November 5, 2025 9:00 a.m.

1. Welcome & Request to Sign Guest List
   02:41

2. Pledge of Allegiance
   02:46

3. Public Comment: Public Comment received via email entered into the public meeting record.
   03:10

4. Non-Agenda Items: There were none.
   03:12

PRESENTATIONS AND REPORTS

5. Employee Recognition for November 2025 – Continuous Years of Service/Kelly Fulton, HR Technician
   03:16

6. Tillamook County Financial Reports/Debra Jacob, Chief Deputy Treasurer, Treasurer's Office
   08:08

LEGISLATIVE - ADMINISTRATIVE

7. Consideration of a Personnel Requisition for a New Regular Full-Time Human Resources Manager in the Human Resources Department/Rachel Hagerty, Chief Administrative Officer
   39:17

   A motion was made by Commissioner Bell and seconded by Vice-Chair Fournier. The motion passed with three aye votes. The Chair signed the requisition.

8. <u>Consideration of State of Oregon Criminal Justice Commission Justice Reinvestment Program Grant Agreement Number JRP-27-27/Lieutenant Ahnie Seaholm, Sheriff's Office</u>
44:55

A motion was made by Commissioner Bell and seconded by Vice-Chair Fournier. The motion passed with three aye votes. The Chair signed the agreement.

9. <u>Consideration of an Agreement with Clatsop County Public Health for Overdose Prevention Initiative: Program Elements 62 and 162 of the Oregon Health Authority's Intergovernmental Agreement/Marlene Putman, Administrator, Health and Human Services</u>
47:17

A motion was made by Commissioner Bell and seconded by Vice-Chair Fournier. The motion passed with three aye votes. The Chair signed the agreement.

10. <u>Consideration of an Order in the Matter of Modifying Fees for the Environmental Health Services at the Tillamook County Health and Human Services Department/Jaime Craig, Environmental Health Program Manager, Health and Human Services</u>
55:32

A motion was made by Vice-Chair Fournier and seconded by Chair Skaar. The motion passed with two aye votes and one nay vote. The Board signed Order #25-065.

11. <u>Consideration of an Agreement with King Willy Camping for a Campspot-Integrated Booking Platform/Dan Keyes, Parks Department Director</u>
1:04:21

A motion was made by Commissioner Bell and seconded by Vice-Chair Fournier. The motion passed with three aye votes. The Chair signed the agreement.

12. <u>Consideration of a Service Agreement with RezPlot Systems, LLC, dba Campspot, for Online Campground Reservation Services/Dan Keyes, Parks Department Director</u>
1:24:03

A motion was made by Commissioner Bell and seconded by Vice-Chair Fournier. The motion passed with three aye votes. The Chair signed the agreement.

13. <u>Consideration of a Personnel Requisition for a Regular Replacement of Two Full-Time Road Maintenance Equipment Operator 1 Positions in the Public Works Department/Chris Laity, Public Works Director</u>
1:24:31

A motion was made by Commissioner Bell and seconded by Vice-Chair Fournier. The motion passed with three aye votes. The Chair signed the requisition.

14. <u>Consideration of a Contract for General Services with Northwest Control Company Inc. for Facilities Mechanical Services/Kevin Jolly, Facilities Supervisor</u>
1:31:29

A motion was made by Commissioner Bell and seconded by Vice-Chair Fournier. The motion passed with three aye votes. The Board signed the contract.

15. Consideration of a Memorandum of Lease Agreement with Cello Partnership dba Verizon Wireless for Approximately One Hundred Square Feet of Ground Space Located at 13990 Wilson River Highway, Tillamook, Isabel Gilda, Administrative Analyst
    1:34:47

    A motion was made by Commissioner Bell and seconded by Vice-Chair Fournier. The motion passed with three aye votes. The Chair signed the memorandum of lease agreement.

16. Board Concerns
    1:37:57

    Food Donation Barrels for Courthouse Food Drive/Commissioner Mary Faith Bell
    Benton County Approved Coffin Butte Landfill Expansion/Commissioner Erin Skaar

OTHER MEETINGS AND ANNOUNCEMENTS

1:41:46

The Commissioners will hold a Board Briefing on **Wednesday, November 5, 2025** at **2:00 p.m.** to discuss weekly Commissioner updates. The meeting will be held in the Board of Commissioners' Meeting Room 106 at the Tillamook County Courthouse, 201 Laurel Avenue, Tillamook. The teleconference number is 1-971-254-3149, Conference ID: 866 914 607#.

The Commissioners will attend a quarterly retirement meeting with RVK Consultants on **Friday, November 7, 2025** at **3:00 p.m.** The meeting will be held in the Board of Commissioners' Meeting Room 106 in the Tillamook County Courthouse, 201 Laurel Avenue, Tillamook. The teleconference number is: 1-971-254-3149, Conference ID: 866 914 607#.

Veterans Day is an observed holiday for the County and the Oregon State Circuit Court. All County offices in the Tillamook County Courthouse and the Tillamook County Library, administrative offices in the Jail and Justice Facility, Public Works Department, Department of Community Development, Surveyor's Office, and the Health and Human Services Department and clinics, and the Circuit Court, will be **CLOSED** on **Tuesday, November 11, 2025**.

There is **NO** Community Update scheduled for **Tuesday, November 11, 2025**.

The Local Public Safety Coordinating Council teleconference will be held **Monday, November 17, 2025** at **12:00 p.m.** The meeting will be held in the Board of Commissioners' Meeting Room 106 in the Tillamook County Courthouse, 201 Laurel Avenue, Tillamook. The teleconference number is 1-971-254-3149, Conference ID: 155 858 952#.

The Commissioners will attend the annual Association of Oregon Counties Conference in Eugene from **Monday, November 17, 2025** through **Friday, November 21, 2025.**

There is **NO** Community Update teleconference scheduled for **Tuesday, November 18, 2025**.

There is **NO** Board of Commissioners' meeting and **NO** Board Briefing scheduled for **Wednesday, November 19, 2025**.

ADJOURN – 10:43 a.m.

BOARD OF COMMISSIONERS'
BOARD MEETING
Wednesday, November 5, 2025

	Present	Absent		Present	Absent
Erin Skaar	✓		Rachel Hagerty	✓	
Paul Fournier	✓		Bill Sargent	✓	
Mary Faith Bell	✓				

PLEASE PRINT

Name	**Email or Address**	**Item of Interest**
Isabel Golden	Staff	Agenda Item #15

(Please use reverse if necessary)

TILLAMOOK COUNTY BOARD OF COMMISSIONERS' MEETING

WEDNESDAY, NOVEMBER 5, 2025

PUBLIC COMMENT SIGN-IN SHEET

PLEASE PRINT

NAME	AGENDA ITEM	AREA OF RESIDENCE	NAME OF ORGANIZATION (IF ANY)
There were no sign-ins			

From: April Bailey
To: Public Comments
Subject: EXTERNAL: No on Increase of Environmental Health Fees
Date: Tuesday, November 4, 2025 11:53:53 AM

[NOTICE: This message originated outside of Tillamook County -- DO NOT CLICK on links or open attachments unless you are sure the content is safe.]

Tillamook County Board of Commissioners,

I ask you to vote no on the proposed increase of fees for environmental health. I suggest the county skip this year's increase based on the increases made in the late 2024 that included numerous new fees. If the county desires to increasing revenue they might try less fees and regulations instead of more.

Sincerely,
April Bailey
Republican PCP
Neskowin
Sent from my iPhone

Tillamook County

Employee Recognition

for continuous years of service

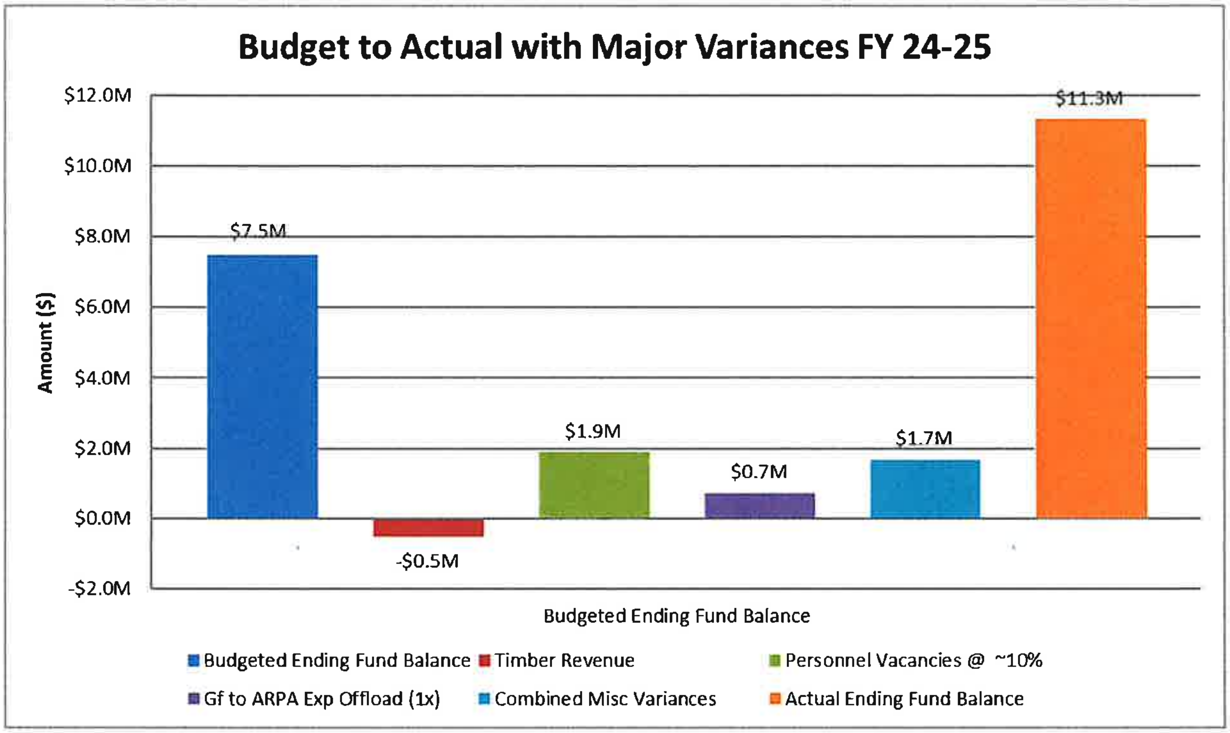
November 2025

Jennifer Simmons	Juvenile	**31**	*Adam Reeves*	Information Services	**4**
Christine Arthur	District Attorney	**26**	*Zurith DeLaTorre*	Health & Human Services	**4**
Michael Rice	Surveyor	**17**	*Stephanie Pelto*	Health & Human Services	**3**
Marisa Emerson	District Attorney	**17**	*LaVonne Beckner*	Health & Human Services	**3**
Blasé Ihnat	Sheriff's Office	**14**	*Luke Kralik*	Library	**3**
Melissa Jenck	Community Development	**11**	*Jennifer Wells*	Library	**3**
June Ekborg	Library	**11**	*Ryann King*	Assessor	**3**
Daniel Reid	Tax	**11**	*Brittany McIntyre*	Assessor	**3**
Stephen Berger	Sheriff's Office	**10**	*Jesus Carrillo Barragan*	Sheriff's Office	**3**
Terrance Watters	Sheriff's Office	**8**	*Anya Reeser*	Health & Human Services	**3**
William Barlow	Library	**8**	*Wayne Anderson*	Public Works	**2**
Jasper Lind	Public Works	**6**	*Alexandria Bofill*	Sheriff's Office	**2**
Timothy Green	Community Development	**6**	*Nicole Eckhardt*	Clerk's Office	**2**
Dove Rainbow	Health & Human Services	**6**	*Preston Rivers*	Assessor	**1**
Jennifer Ramirez	Health & Human Services	**5**	*Camille Sorensen*	Health & Human Services	**1**
Gine Poole	Health & Human Services	**5**	*Larry Gresham*	Health & Human Services	**1**
David Laird	Information Services	**5**	*Rhonda Bolow*	Health & Human Services	**1**

TILLAMOOK COUNTY
FINANCIAL POSITION

Executive Summary
October 2025

BUDGET TO ACTUAL FY 24-25



FYE25 finished with a $100K increase in ending fund balance. What did that include and how did we get from a $7.5M Budgeted ending Balance to a $11.3M Actual ending Balance?

Left -to right on the chart:

-$500k Timber revenue

+$1.9M underspend in Salaries and Benefits due to average 10% vacancy rate

+$700K General Fund Materials and Services expenses offloaded to ARPA

+$1.7M combined underspend of Materials & Services & Capital Outlay

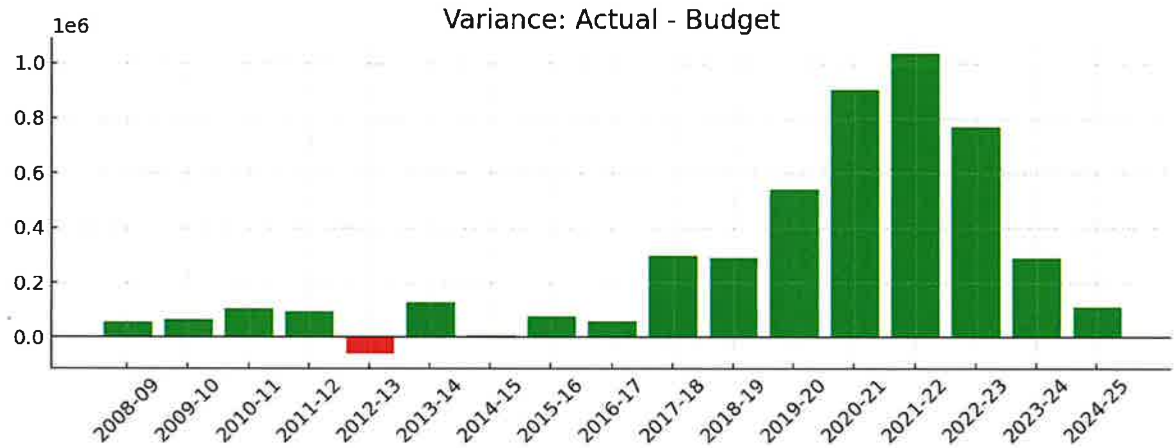
+$1.2M Transfer in from Revenue Stabilization as budgeted

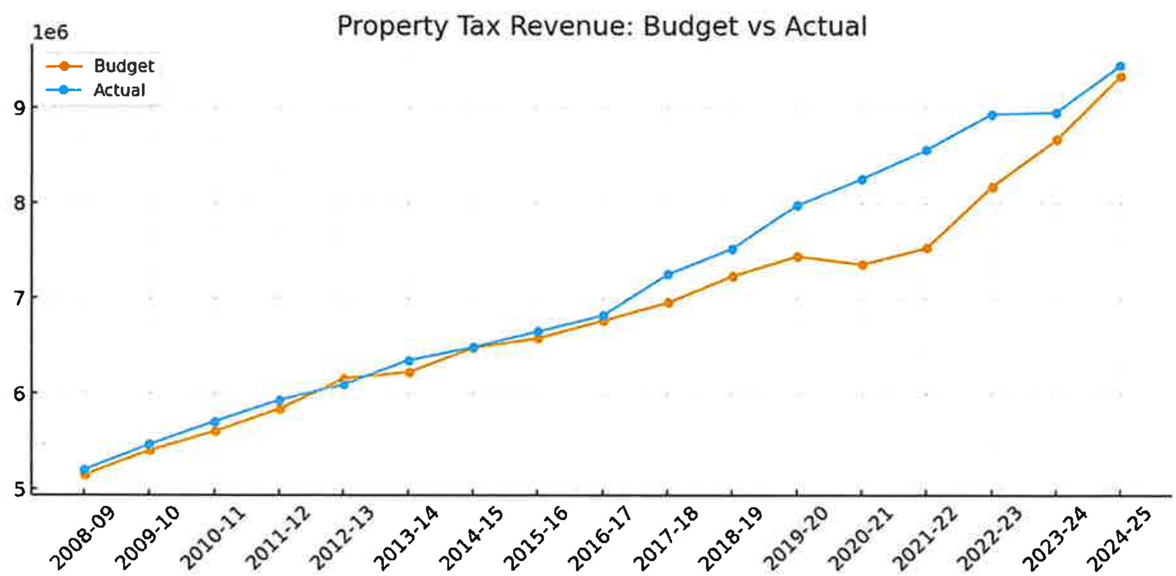
ARPA and Revenue Stabilization transfers are one-time offsets, if we consider recurring operations, the General Fund would have had a $1.3M operating loss in last fiscal year.

PROPERTY TAX

It is the County's most stable and predictable General Fund source and equates to around 37% of average actual revenue over the last 17 years. Chart 2 reflects its stability, showing only 1 year, that did not meet budgeted levels.

Revenues grew at around 3.8% year over year for the period, which equated to an increase of $493k for last fiscal year.



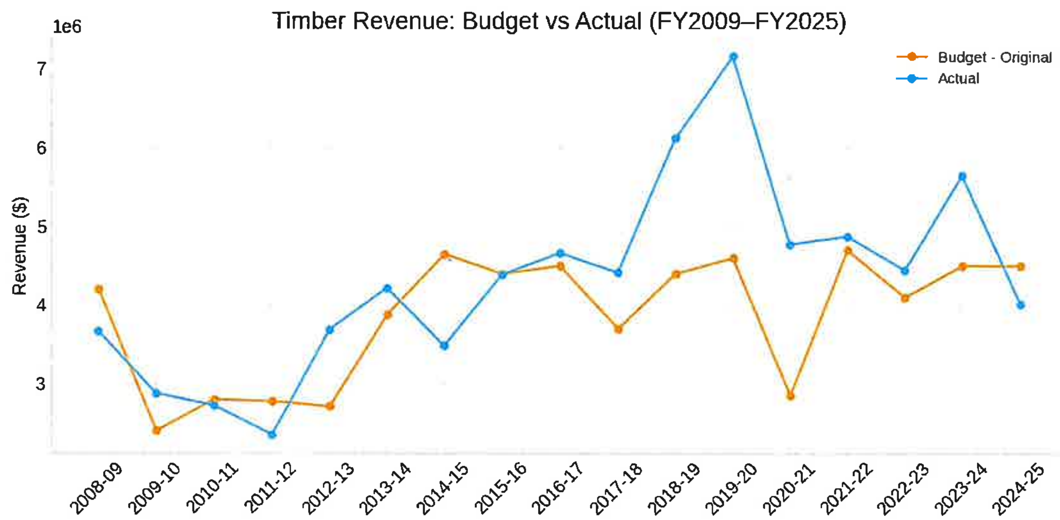


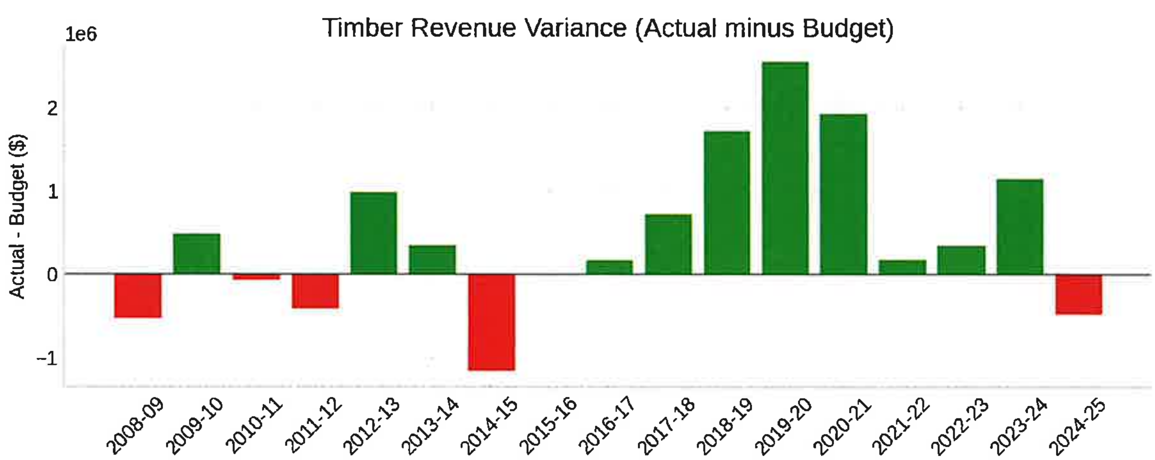
TIMBER REVENUE

Averages around 23% of General Fund Revenue but come with multi-million-dollar swings in receipts year to year.

The timber revenue swings can be seen in the blue Actual revenue line in chart 1, equating to budget shortfalls historically in chart 2.

Policy guardrails can help guide us through identifying high revenue years as one-time and directed to appropriate one-time uses.





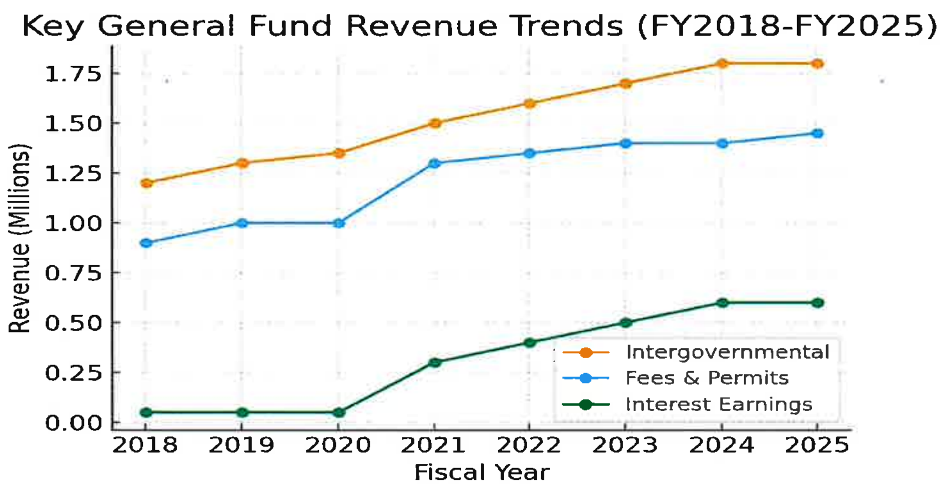
OTHER REVENUE

Large catch-all category that includes all fees, grants, interest, fines, transfers and miscellaneous revenue sources.

Most revenue lines are consistent year to year, but totals can swing by $1-$2M annually due to changes in external funding, interest rates, and one-time transfers.

Fiscal year ending 2021 peak on the chart is due to Covid Relief Funding, one-time anomaly.

Interest being derivative of the large markets and economy has seen a steep rise beginning in 2021 to 2024, we are now seeing flattening in 2025.



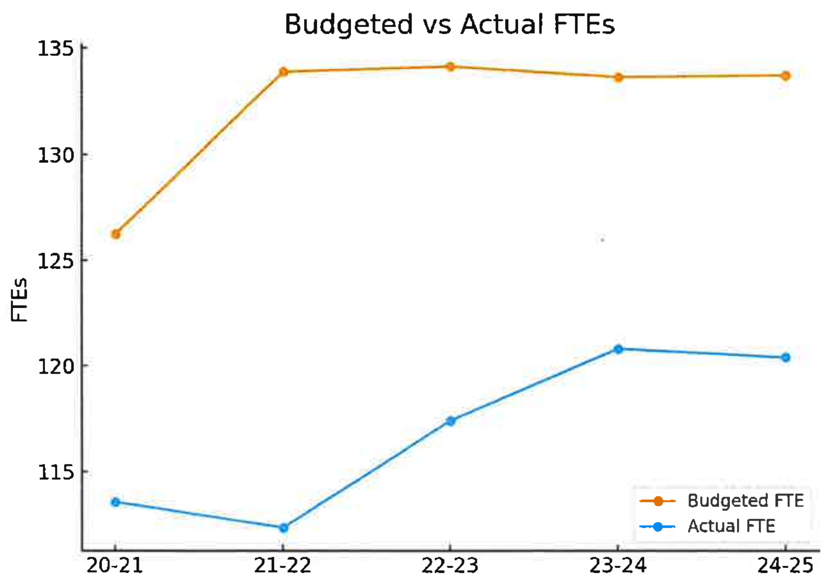
PERSONNEL SERVICES

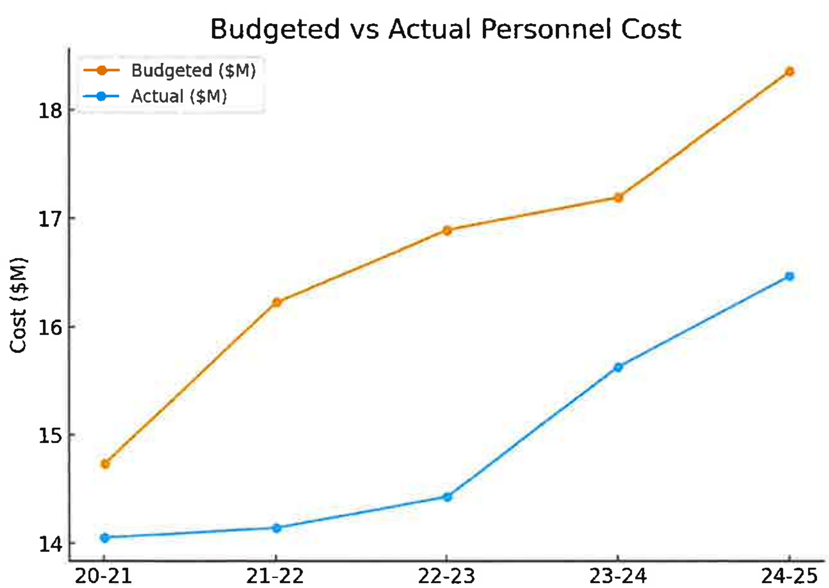
Averages 71% of actual expenditures in the General Fund.

FYE25 budgeted 134 FTE, averaged 120 filled FTE = 10% Vacancy and $1.9M underspend.

Chart 1 shows budgeted v actual FTEs. We see the great resignation of 21-22, a rebound through FYE24 and a flattening between FYE24 and last year at around 120 FTE.

Chart 2 shows Personnel Cost budgeted to actual. We can see the parallel lines between FYE24-FYE25 shows the stagnation at around 10% vacancies.





MATERIALS & SERVICES

21% of average General Fund spending.

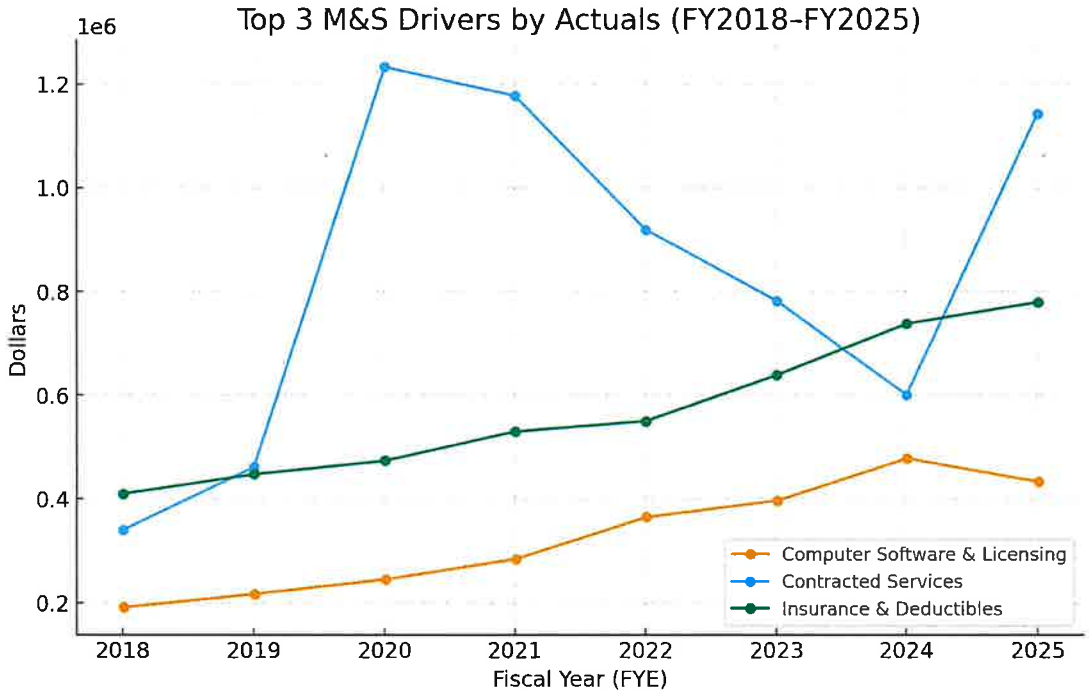
Compound Annual Growth Rate = 5.7%

Top 3 drivers, shown in chart 1:

Contracted Services, $1.1M in FYE25, influenced by 1x grant funded contracted services of around $400k

Insurance & Deductions, $779,287

Computers Software & Licensing, $432,505.



CAPITAL OUTLAY

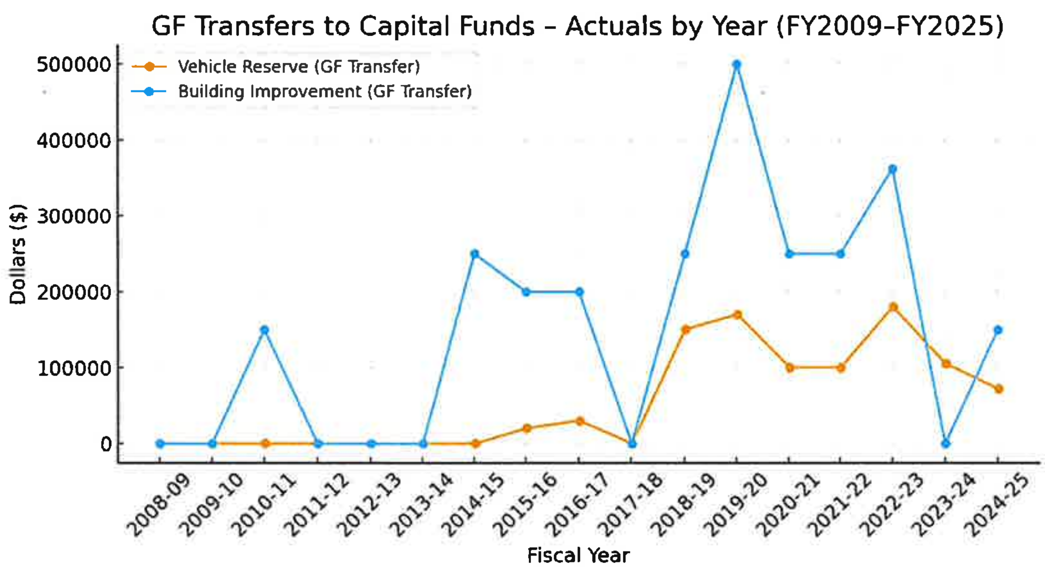
For this review, we are looking at General Fund, Building Improvement Fund and Vehicle Reserve Fund

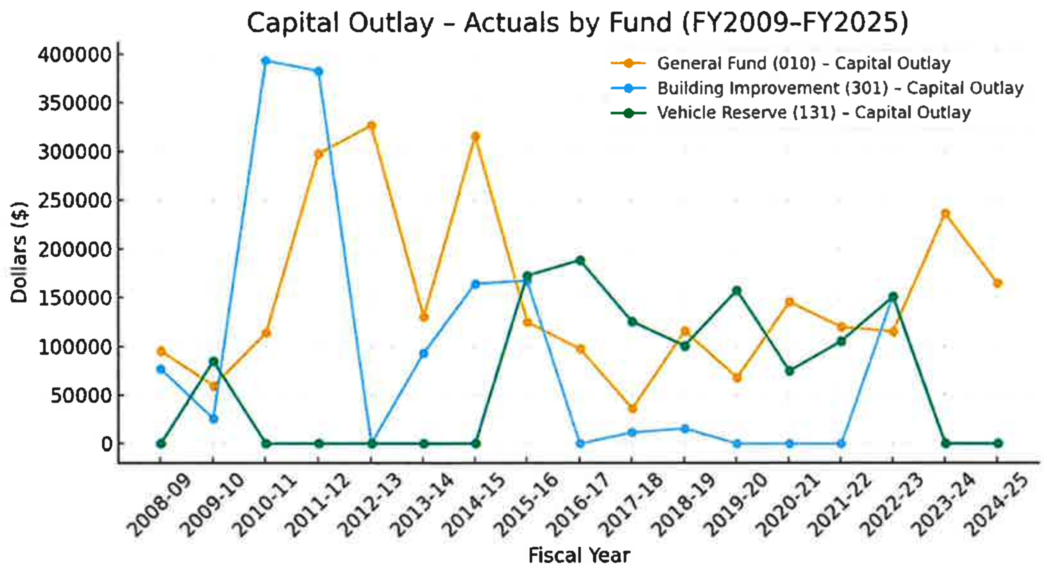
Only 2% of General Fund expenditures on average.

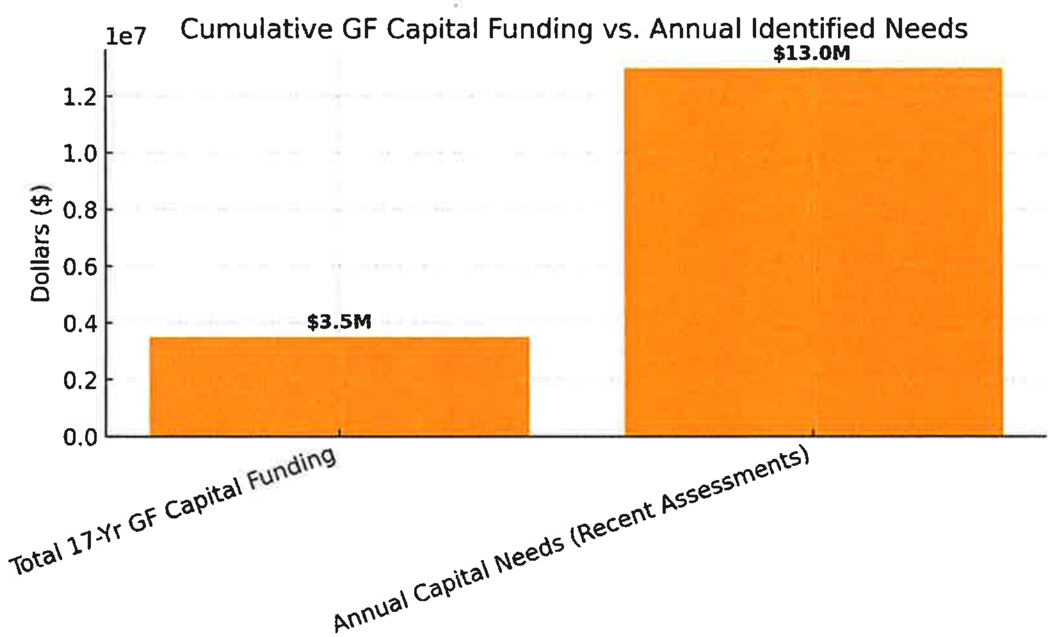
General Fund transfers to Capital Funds have not exceeded $500k in any fiscal year to support capital investments. – Chart 1

Chart 2 - Capital Outlay expenditures have little consistency year after year. Never above $400k in a single year.

Chart 3 – Shows a 17-year cumulative General Fund capital funding ($3.5M) compared to recent capital needs assessment ($13M)




Capital Outlay – Actuals by Fund (FY2009–FY2025)
General Fund (010) – Capital Outlay
Building Improvement (301) – Capital Outlay
Vehicle Reserve (131) – Capital Outlay
Dollars ($)
400000
350000
300000
250000
200000
150000
100000
50000
0
2008-09
2009-10
2010-11
2011-12
2012-13
2013-14
2014-15
2015-16
2016-17
2017-18
2018-19
2019-20
2020-21
2021-22
2022-23
2023-24
2024-25
Fiscal Year


Cumulative GF Capital Funding vs. Annual Identified Needs
1e7
Dollars ($)
1.2
1.0
0.8
0.6
0.4
0.2
0.0
$3.5M
$13.0M
Total 17-Yr GF Capital Funding
Annual Capital Needs (Recent Assessments)

CONTINGENCY

Used for unforeseen or unknown expenses, such as collective bargaining agreement changes, personnel cost increase, or minor revenue shortfalls.

Contingency movement through budget adjustments happens throughout the fiscal year.

Budget adjustments to move contingency to departments increases departments spending authority, adjustments that increase contingency decrease departments spending authority. Chart 1 shows a consistent history of increasing department spending authority with 4 years of much larger decreases in departmental spending authority (increasing contingency). Chart 2 is a visual of these figures.

Fiscal Year	Increase in Contingency (Decrease in Spending Authority)	Decrease in Contingency (Increase in Spending Authority)
08-09	$-515,850	$7,025
09-10	$-419,900	$112,005
10-11	$0	$80,300
12-13	$0	$504,337
13-14	$0	$240,350
14-15	$-829,220	$166,470
15-16	$0	$138,210
16-17	$0	$81,980
17-18	$0	$79,020
18-19	$0	$14,300
20-21	$0	$18,000
21-22	$0	$111,100
22-23	$0	$73,700
23-24	$0	$252,435
24-25	$-921,470	$0

REVENUE STABILIZATION

Budget reserve used to address deficits and economic downturns. Managed through the County's annual budget process.

Chart 1 Shows the balance and use of Revenue Stabilization over the past 17 years. Notably, we're expected to end at a 17yr low this fiscal year, $1.1M, less than we have transferred to support General Fund operations in last year and this fiscal year.

The chart also shows that over the 17 years, we've only touched the revenue stabilization fund 5 times, twice and drawn 3 times, two of which were last year and as planned this fiscal year.

Fiscal Year	Beginning Balance	Transfers In	Transfers Out	Ending Balance
2008-09	$1,970,526	$0	$0	$2,019,647
2009-10	$2,019,647	$0	$0	$2,037,465
2010-11	$2,037,465	$0	$0	$2,047,010
2011-12	$2,047,010	$0	$0	$2,055,218
2012-13	$2,055,218	$0	$0	$2,063,808
2013-14	$2,063,808	$0	$0	$2,070,954
2014-15	$2,070,954	$0	$500,000	$1,578,537
2015-16	$1,578,537	$0	$0	$1,585,851
2016-17	$1,585,851	$0	$0	$1,598,240
2017-18	$1,598,240	$0	$0	$1,620,081
2018-19	$1,620,081	$0	$0	$1,653,263
2019-20	$1,653,263	$0	$0	$1,693,571
2020-21	$1,693,571	$1,000,000	$0	$2,705,216
2021-22	$2,705,216	$500,000	$0	$3,216,693
2022-23	$3,216,693	$0	$0	$3,264,482
2023-24	$3,264,482	$0	$0	$3,400,836
2024-25	$3,400,836	$0	$1,200,000	$2,343,718
2025-26	$2,343,718	$0	$1,200,000	$1,143,718

BEGINNING FUND BALANCE

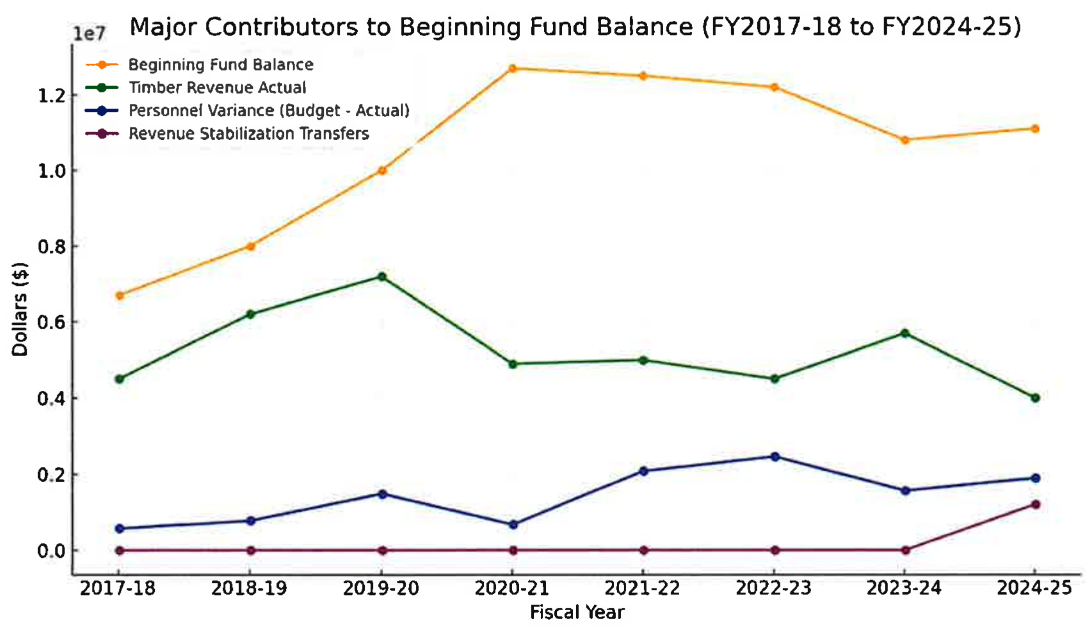
Is the cumulative financial position of the County's General Fund carried forward into each fiscal year. It is the result of planned cash flow needs and each fiscal year's operations rolling forward.

Major influences on Beginning fund balance:

Timber Revenue – With millions in year-to-year swings, the ups and downs of Timber revenue have a direct impact to beginning fund balances. Last year's beginning fund balance influence: -$500K

Personnel Budget-to-Actual Variance – Driven primarily by vacancies that lead to underspending. Last year's Beginning Fund Balance influence: +$1,9M, or 15% of beginning fund balance for this fiscal year.

Chart 1 overlays the Beginning fund balance with Timber and Personnel variances as well as Revenue Stabilization transfers in.

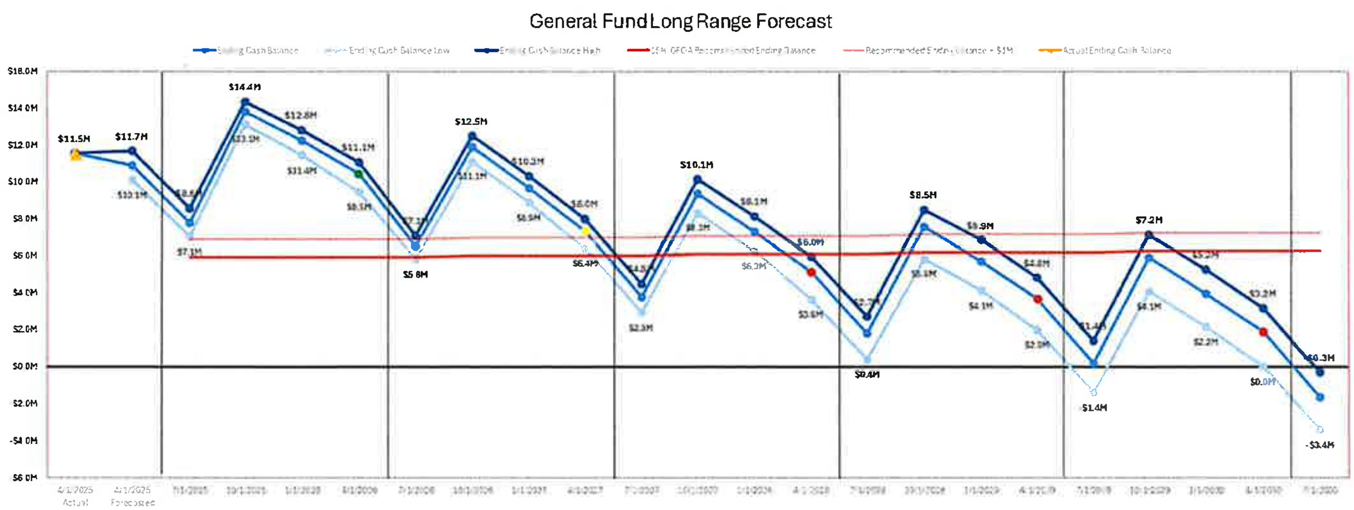


QUARTERLY FORECAST

Context- This is a quarterly forecast, the dates at the bottom are the first day of each quarter being forecasted. We can clearly see a cash flow cycle with major revenues coming in October 1 quarters (Quarter 2) – Property Tax, then a spend down through Quarter 1 of the following year. The dips below recommended ending fund balance levels in each Quarter 1 (7/1 quarters), are expected, this is what we plan for each year by keeping a minimum ending fund balance in quarter 4. That is why quarter 4 is really where we need to focus our attention, it forecasts what the ending fund balance for the year that we will be able to budget against the following fiscal year. For this reason, Quarter 4 dots have been color coded for quick reference. Green is in good, yellow is in risk territory and red is below recommended ending fund balance levels.

Starting with last quarter, FYE25 quarter 4, We landed right where we expected at $11.5M Cash, ($11.3 including liabilities) which again included revenue stabilization transfer, ARPA offsets, timber shortfall and 10% vacancies.

Average gap over the next 4 fiscal years is around $2-$3M.



ADJUSTMENTS INCLUDED:

One-Time (FY Specified)	
FY25-26 Revenue Stabilization Transfer to GF	1,200,000
FY25-26 Compensation Adjustments	1,800,000
FY25-26/FY27-28 Courthouse Roof & HVAC (Capital)	(1,610,000)
FY27-28 FY28-29 Jail HVAC (Capital)	(2,323,000)
Annual Recurrence	
PERS Retirement Savings	311,000
10% Vacancy Rate Savings	1,900,000
Parks Transfer	1,000,000
3% CPI - per Oregon State Economist July Forecast	

To aid in planning and oversight, April 1 markers on the chart have been color-coded to indicate fund health:

- **Green:** Balance meets or exceeds recommended levels
- **Yellow:** Balance is at risk
- **Red:** Balance is projected to dip into the negative in the following first quarter

Introduction to General Fund Financial Position Analyses

These reports provide a review of Tillamook County's General Fund over a 9- to 17-year period, varying depending on relevance and available data, highlighting historical trends, current budget performance, and long-term planning context.

The sequence matches the General Fund Revenue and Expense Statements for consistency and clarity.

At the top of each report, the average actual percentage of total revenues or expenditures is included for quick reference for understanding the relative weight and importance of each area in the County's budget. The final sections — Beginning Fund Balance, Revenue Stabilization Fund, and Contingency — are treated as reserves and equity accounts and do not include percentages.

LAST YEAR'S FINANCIAL POSITION
Budget to Actual: FY 24–25

Negative Impacts to the County's Position

Timber Revenue: Came in $0.5M lower than expected. Timber revenue is extremely difficult to forecast because it depends on market conditions, harvest timing, and external factors outside the County's control. This source is being monitored closely, but will always carry a degree of uncertainty.

Positive Impacts to the County's Position

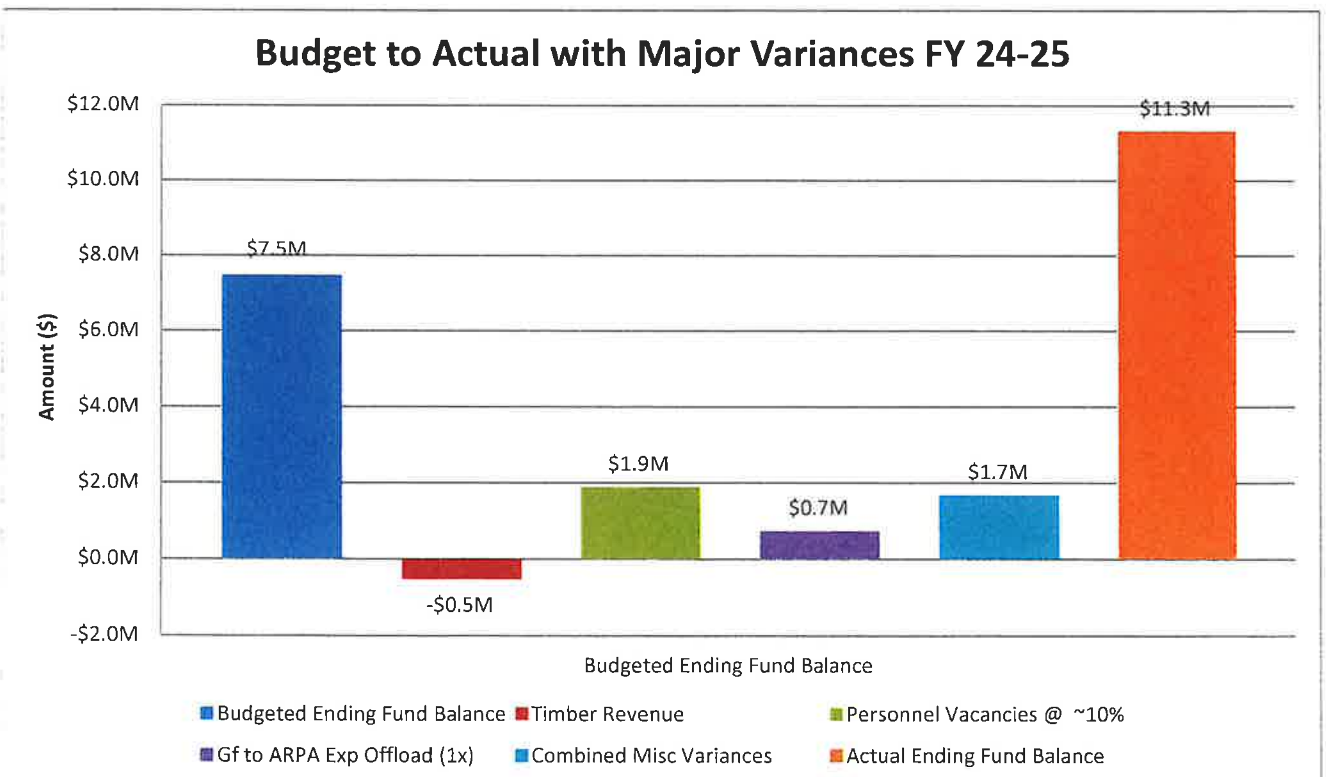
ARPA Support: About $0.7M of costs were shifted to ARPA funds, reducing General Fund pressure.
Spending Controls: Departments underspent in materials, capital, and contingency by about $1.7M.
Revenue Stabilization Transfer: $1.2M was transferred in as budgeted to maintain an adequate ending fund balance. Another $1.2M is budgeted in the current fiscal year, which will largely deplete the stabilization funds.

Trade-Off

Vacancies: The 10% vacancy rate remained stable, which reduced costs by $1.9M. This was a financial lever, but it also meant lower staffing and reduced service capacity compared to budgeted levels.

Bottom Line

The year ended with an Ending Fund Balance of $11.3M, about $3.9M above budget.
Positive levers—ARPA support, underspending, vacancy savings, and the stabilization transfer—offset weaker and less predictable timber revenues.



% Actual Revenue (avg)

GENERAL FUND MAJOR REVENUES

PROPERTY TAX

Analysis Period: FY09 - FY25

Framing: Property tax revenue is the County's most stable and predictable General Fund source. This analysis presents historical performance, comparing budget to actual collections, and highlights consistent year-over-year (YOY) growth.

Control: Oregon property tax revenue is shaped by two main constitutional limits. Measure 50 caps annual assessed value growth for existing properties at 3%, while Measure 5 limits the total tax rate for general government services. Revenue growth above the 3% cap comes primarily from new construction and property development, which add to the tax base and help support service needs over time.

Definitions

- **Property Taxes – Current:** Current-year levy collections (primary source).
- **Property Taxes – Previous:** Collections from prior levy years (delinquencies).
- **Budget Shown:** Original adopted budget (pre-supplemental).
- **Variance:** Actual minus budget.
- **YOY Dollar Change:** The change in total actual revenue compared to the previous year.
- **YOY Percent Change:** The percentage growth in total actual revenue YOY.

Key Data (FY24-25 and Trends)

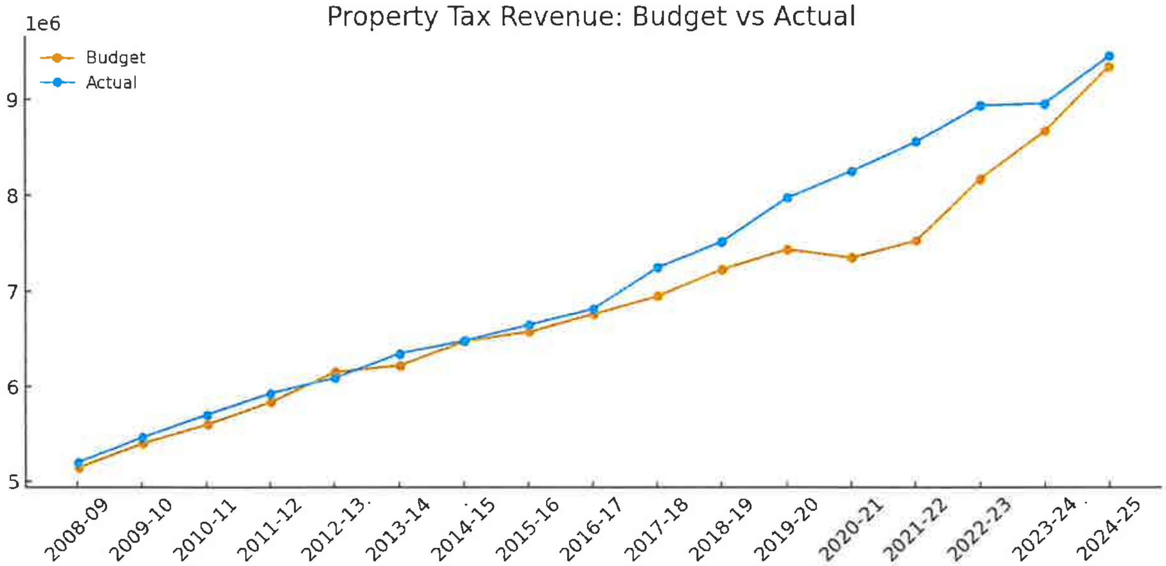
- **FY24-25 Total Actual:** $9,451,716
- **FY24-25 Total Budget:** $9,340,000
- **Average YOY Growth:** 3.82% annually
- **FY24-25 Actual YOY Growth:** $492,826 annually (5.5%)

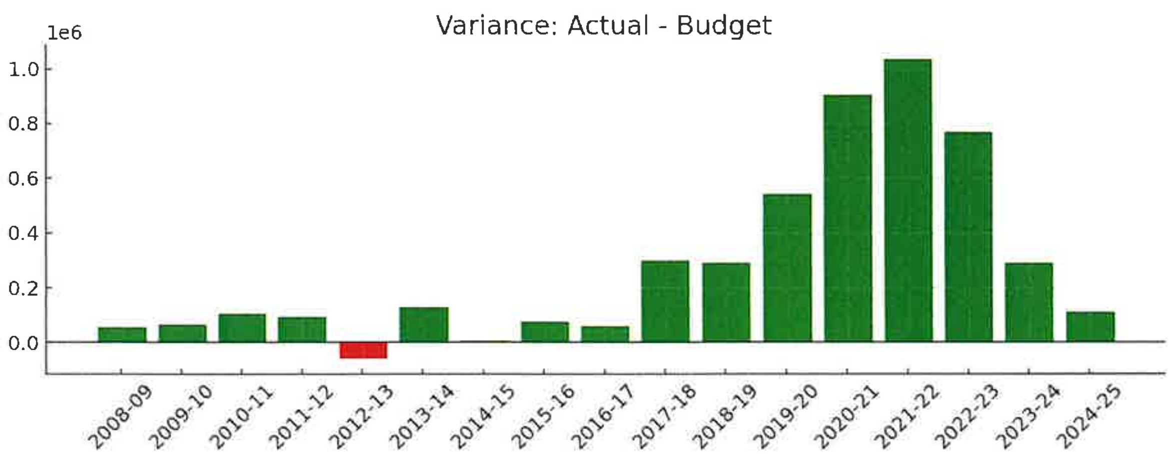
% Actual Revenue (avg)

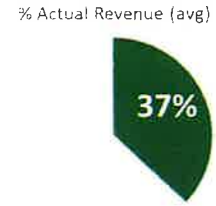
GENERAL FUND MAJOR REVENUES

PROPERTY TAX

Analysis Period: FY09 - FY25



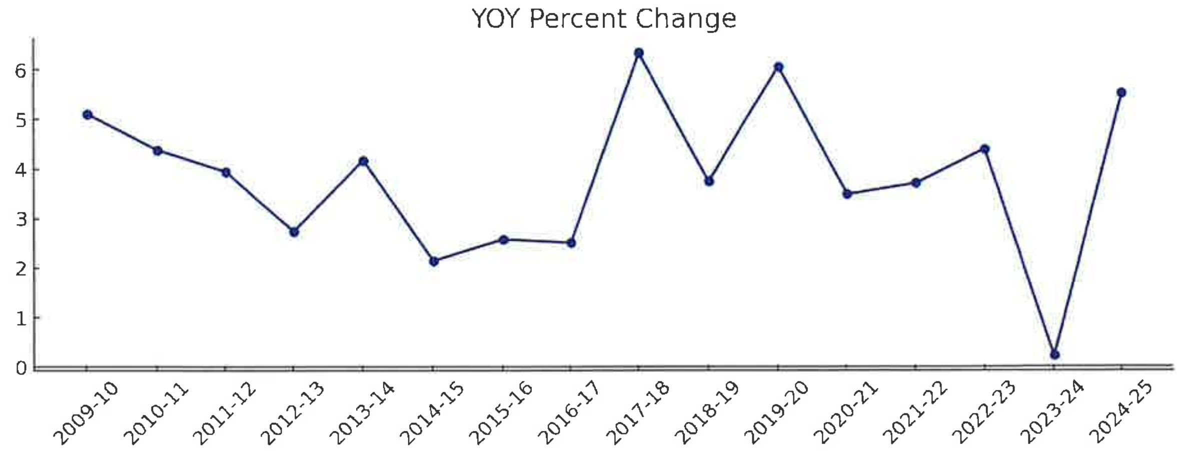




GENERAL FUND MAJOR REVENUES

PROPERTY TAX

Analysis Period: FY09 - FY25



Observations

- Property tax revenue demonstrates steady, reliable growth, with average annual increases of roughly 3%-5%.
- Year-over-year changes reflect natural tax base expansion and stable collection performance.
- Compared to more volatile sources such as timber, property taxes provide a predictable foundation for financial planning.
- Variances between budget and actual collections are minimal, indicating accurate forecasting and stable trends.

% Actual Revenue (avg)

GENERAL FUND MAJOR REVENUES

STATE TIMBER

Analysis Period: FY09 - FY25

Framing: Timber revenue is a material but volatile General Fund source. This brief focuses on the multi-million dollar swings in receipts and highlights the need for formal policy to manage surplus and shortfall years.

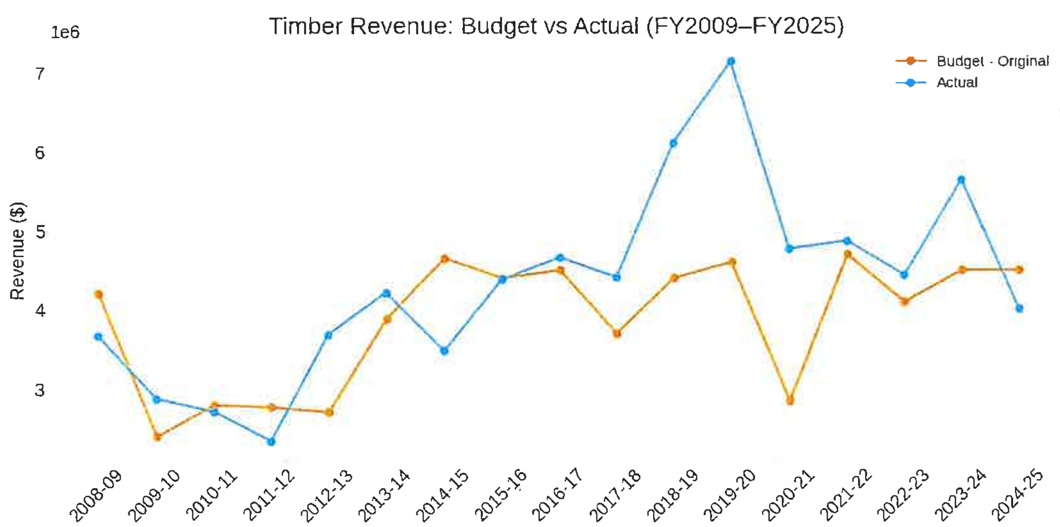
Control: Forest Trust Lands, the forests that generate Timber revenue, are managed by the Oregon Department of Forestry for economic, environmental, and social benefits, including a revenue-sharing mode. State and Federal environmental policy changes, such as the habitat conservation plan (HCP), have greatly affected predictability of future revenues in recent years.

Definitions

- **Volatility:** Timber receipts vary materially with harvest timing, market prices, and project-driven sales; single-year swings can be multi-million dollars.
- **Budget Shown:** Original budget for the fiscal year (pre-supplemental).
- **Variance:** Actual minus budget, shown in the variance chart.

Key Data

- **Range of Actuals:** low ≈ $2,353,664 (2011-12) to high ≈ $7,160,866 (2019-20).
- **Average Variance (Actual – Budget):** ≈ $464,128 per year (absolute value may vary).
- **Recent Actuals:** FY22-23: $4,445,494; FY23-24: $5,649,342; FY24-25: $4,020,135.



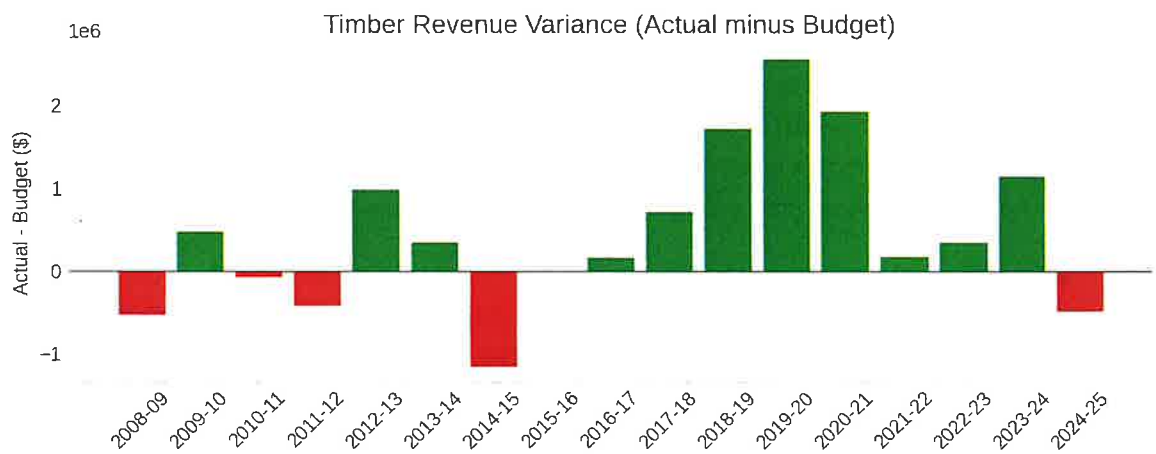
GENERAL FUND MAJOR REVENUES

STATE TIMBER

Analysis Period: FY09 - FY25

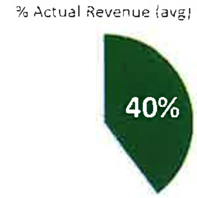
Observations

- Timber revenue shows multi-million dollar swings between years; single-year differences can exceed $2–3M.
- High years (e.g., FY19-20) can produce temporary surpluses but are unpredictable.
- Low years (e.g., FY11-12) can reduce General Fund receipts materially, stressing operations if relied upon for recurring costs without contingency or reserve planning.



Conclusion

Timber revenue is important but volatile. Policy guardrails can ensure one-time surpluses are directed to one-time uses (reserves, capital, debt reduction) rather than being absorbed into beginning fund balance and used for recurring operations.



GENERAL FUND MAJOR REVENUES

OTHER REVENUE

Analysis Period: FY18 - FY25

Framing: This report provides an overview of diverse General Fund revenues that support County operations alongside property tax and timber revenues. These revenues are broad and varied, including fees, intergovernmental reimbursements, interest, fines, and transfers. Together, they serve as supporting pillars for general fund services.

Many of these revenues are restricted to specific departmental uses. The key exceptions are interest earnings, intercounty transfers from the Revenue Stabilization Fund, and indirect cost allocation, which can be applied more broadly across County operations.

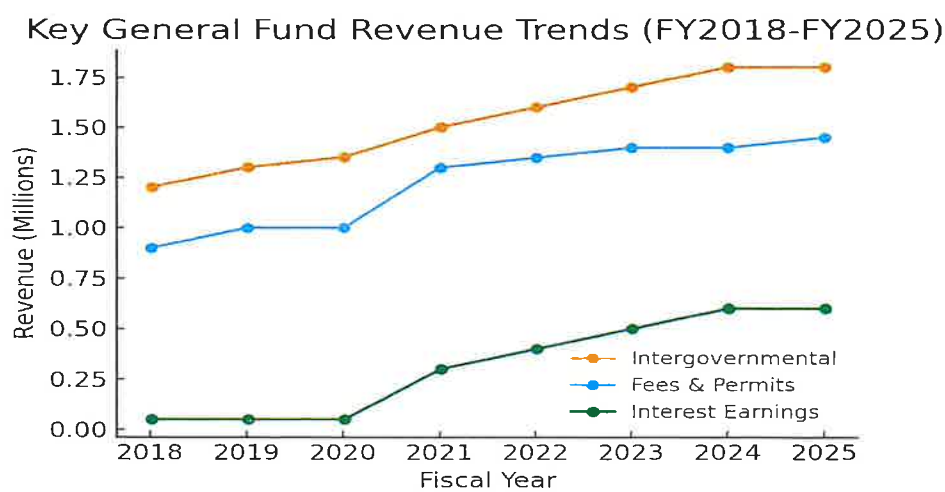
Key Data

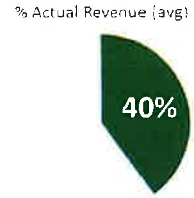
- **Analysis Period:** FY18 – FY25
- **Total Other Revenues:**
  - FY18–FY19 (Pre-pandemic): $5.9M – $6.1M
  - FY21 Pandemic Spike: $8.7M (federal relief and one-time allocations)
  - FY24–FY25: Stabilized between $7.4M and $9.7M

Shifts reflect temporary federal aid, growth in short-term rental (STR) fees, higher interest earnings, and planned transfers from the Revenue Stabilization Fund.

Key Findings

Most revenue lines are consistent year-to-year, but totals can swing by $1M–$2M annually due to changes in external funding, interest rates, tourism-driven activity, and one-time transfers.





GENERAL FUND MAJOR REVENUES

OTHER REVENUE

Analysis Period: FY18 - FY25

Major Revenue Groupings

1) Intergovernmental & Intercounty Transfers – Stable Core

Examples: Indirect Cost Allocation, State and federal grants.

- Indirect Cost Allocation: Steady growth from ~$1.2M in FY18 to ~$1.8M in FY25 with minimal variance.
- Grants: Federal aid peaked in FY21–FY22, then normalized to $500K–$650K annually. State funding must be monitored closely due to potential impacts from state budget decisions.

2) Fees & Permits – Locally Managed

Examples: Planning & Zoning Fees, STR Permits & Inspections, Recording, Clerk, and Sheriff fees.

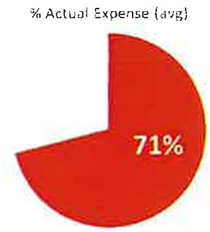
- STR fees grew rapidly after introduction, reaching over $300K annually by FY24.
- Planning & Zoning saw a surge through FY22–FY23 before returning toward baseline levels.
- Recording fees peaked during FY21–FY22 and declined as real estate activity slowed.

These revenues are managed locally and reflect levels of activity within the community.

3) Interest, Land Sales & One-Time Transfers – Volatile Sources

Examples: Interest earnings, County land sales, Transfers from Revenue Stabilization, Video Lottery, and Transient Lodging Tax.

- Interest Earnings: Minimal through FY20 due to low available earnings rates, rise sharply from FY23 onward to $500K–$600K annually, driven by higher rates.
- Revenue Stabilization Transfers: $1.2M transferred in FY24, with another planned for FY25, which will largely deplete the fund.



GENERAL FUND MAJOR EXPENDITURES

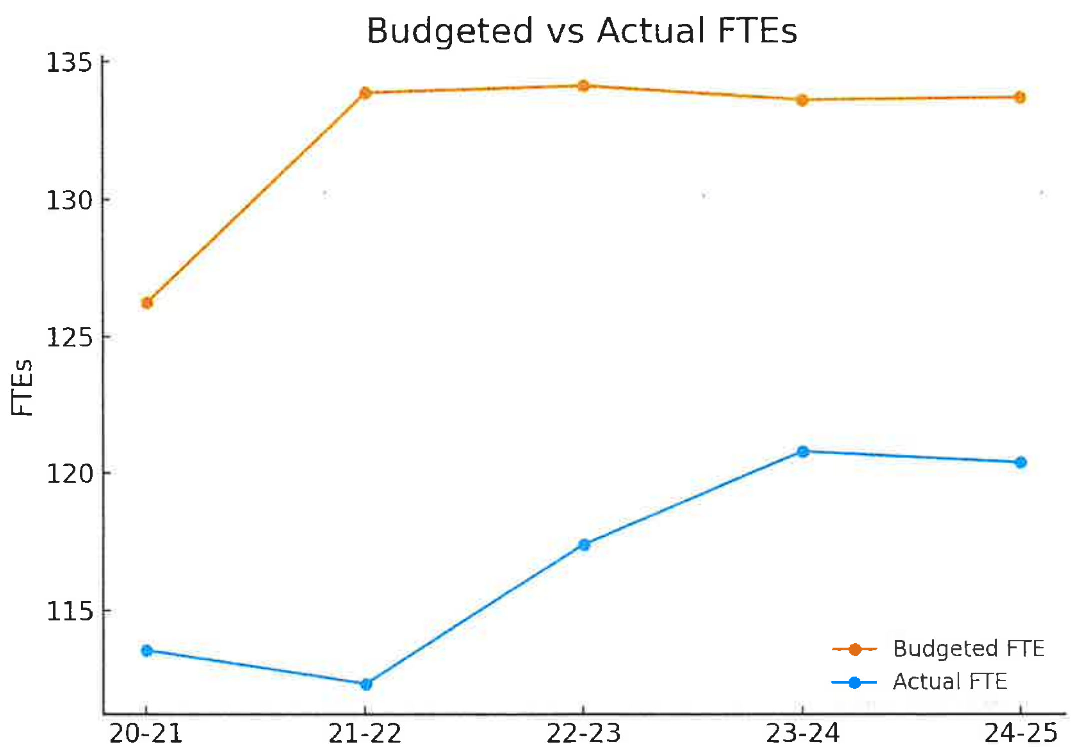
PERSONNEL SERVICES

Analysis Period: FY18 - FY25

This update highlights FY24–25 staffing vacancies, explains their impact on prior year budget-to-actual performance, and sets the stage for forecasting County personnel costs.

Key Findings

- **Budgeted FTEs:** 134 vs. 120 filled on average (≈10% vacancy).
- **Personnel Costs:** $16.5M actual vs. $18.4M budget (≈$1.8M underspend).
- Variance is explained by unfilled positions, not wage or benefit assumptions.
- **Average Cost per Filled FTE:** ≈ $136,756, reflecting market and CBA impacts.

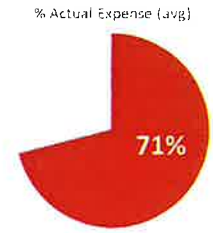


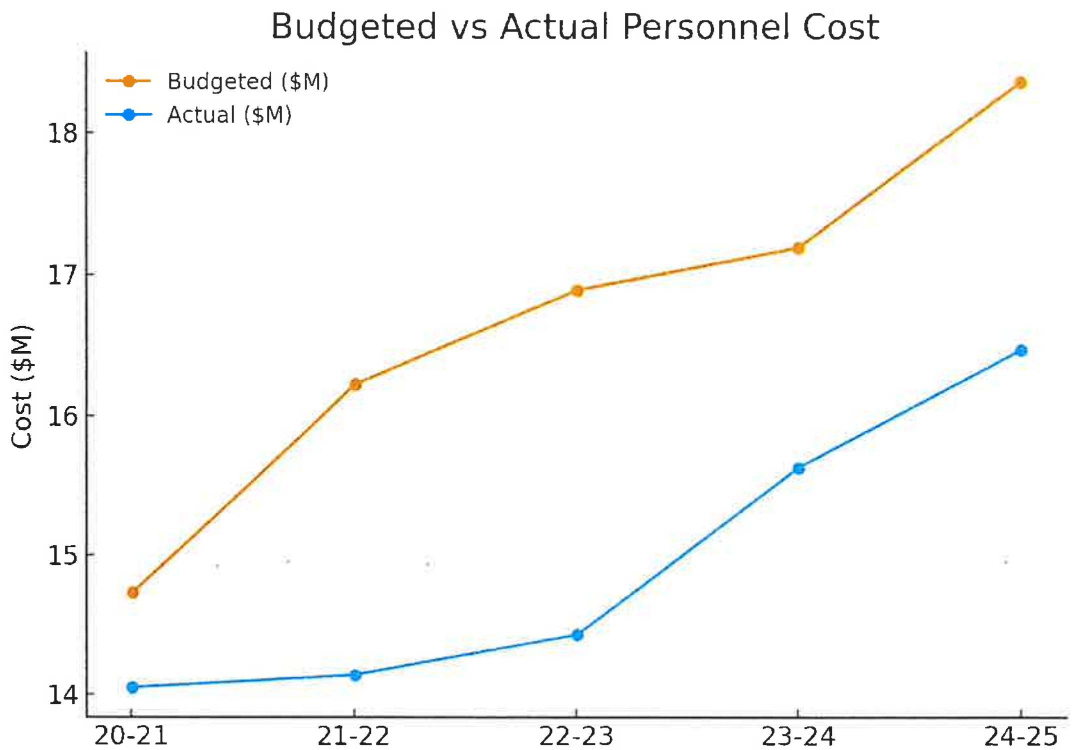
Callout: FY24–25 vacancy ≈10% (120 filled vs 134 budgeted) explains personnel underspend.

GENERAL FUND MAJOR EXPENDITURES

PERSONNEL SERVICES

Analysis Period: FY18 - FY25





Callout: $1.8M underspend in FY24–25 is directly tied to unfilled positions.

Context

Vacancy trends over the past five years show three distinct phases:

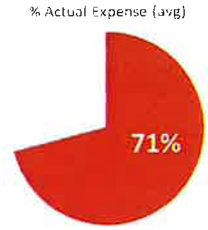
- FY20–22: Decline in staffing reduced service capacity.
- FY22–24: Recovery period as positions rebounded sharply.
- FY24–25: Stabilization near 10% vacancy, creating a predictable baseline for planning.

Implications for Forecast

Vacancy levels remain the single largest driver of personnel cost variance. With vacancies stable around 10% in FY24–25, personnel spending fell $1.8M below budget. If recruitment lowers vacancy further in FY25–26, costs will rise proportionally.

Examples:

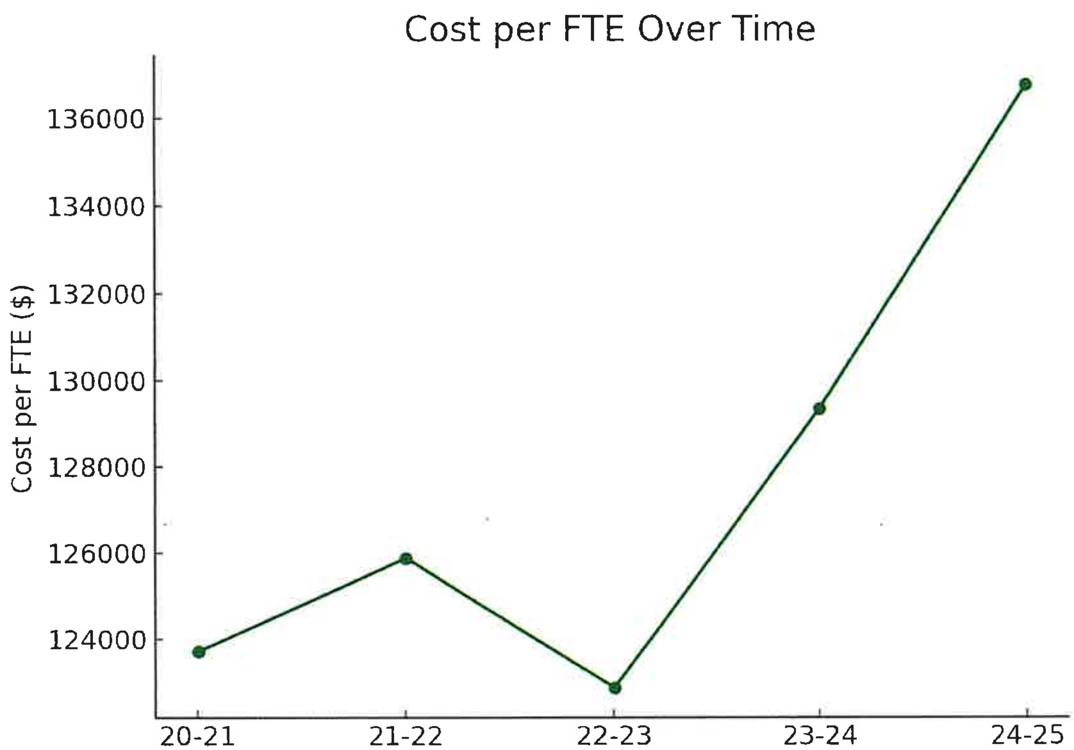
- Dropping vacancy from 10% to 8% (≈ +2.6 FTE) would add ≈ $357K in personnel costs.
- Dropping vacancy from 10% to 5% (≈ +6.6 FTE) would add ≈ $906K in personnel costs.



GENERAL FUND MAJOR EXPENDITURES

PERSONNEL SERVICES

Analysis Period: FY18 - FY25



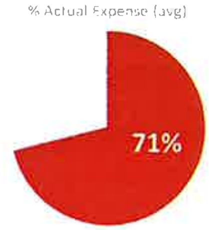
Callout: Cost per FTE rose to ≈$136.8K in FY24–25, reflecting market and CBA pressures.

Vacancy performance explains the FY24–25 personnel underspend and provides the baseline for the upcoming full budget-to-actual reconciliation and quarterly forecasting. Tracking filled FTEs, vacancy rates, and cost per FTE will be essential to anticipating future financial outcomes.

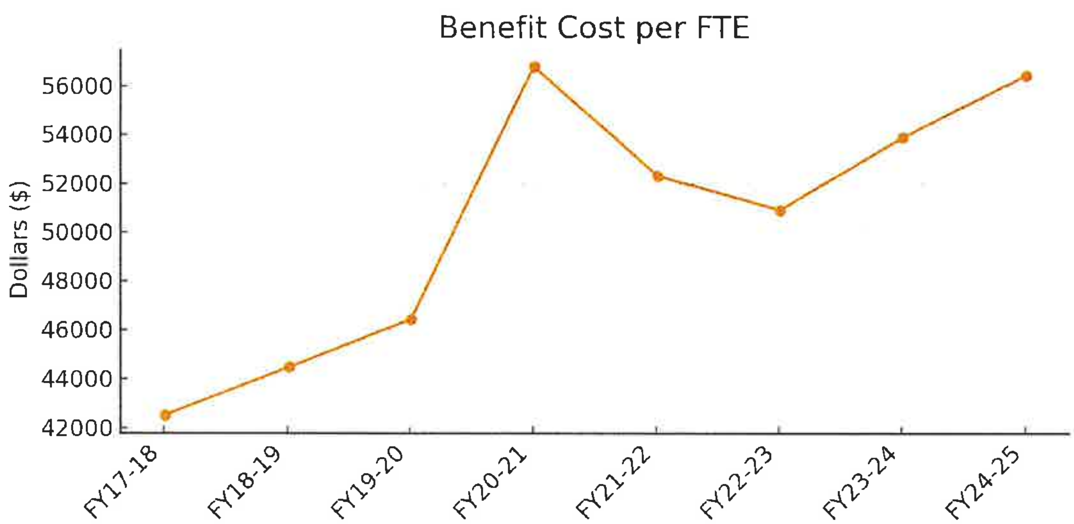
GENERAL FUND MAJOR EXPENDITURES

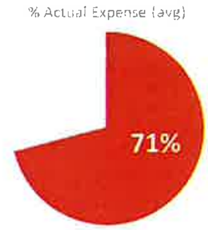
PERSONNEL SERVICES

Analysis Period: FY18 - FY25



Breakdown of Salary vs Benefit Cost per FTE

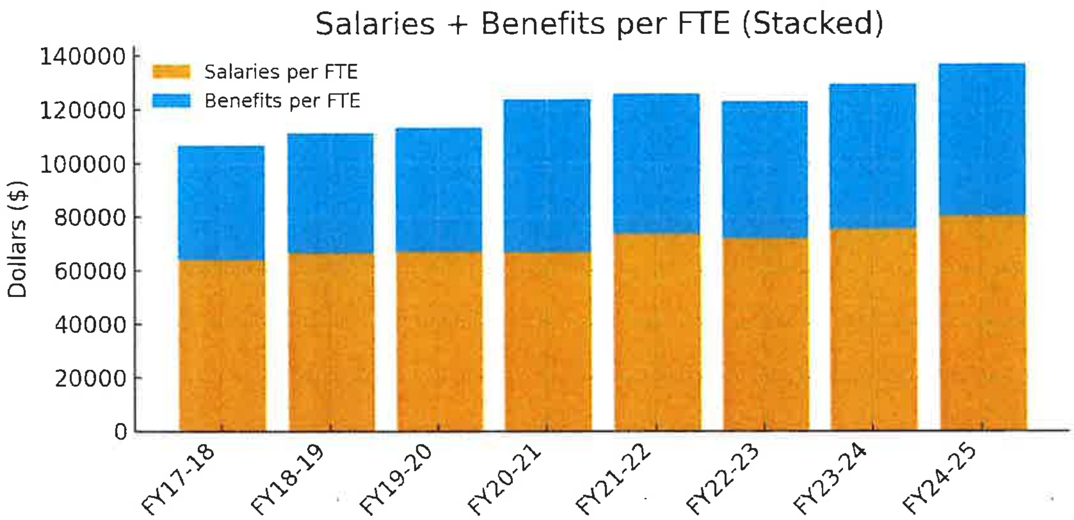




GENERAL FUND MAJOR EXPENDITURES

PERSONNEL SERVICES

Analysis Period: FY18 - FY25



Salary cost per FTE rose across the period, reaching approximately $80,294 in FY24–25; benefit cost per FTE reached $56,462.

Benefit cost equates to 71% of average salary per FTE. The benefit-to-salary ratio has dropped from 23-24 to 24-25 due to the transition to PERS, currently dropped from 73% to 71%, this is likely to decrease further as the mix of PERS employees increases.

% Actual Expense (avg)

GENERAL FUND MAJOR EXPENDITURES

MATERIALS & SERVICES

Analysis Period: FY18 - FY25

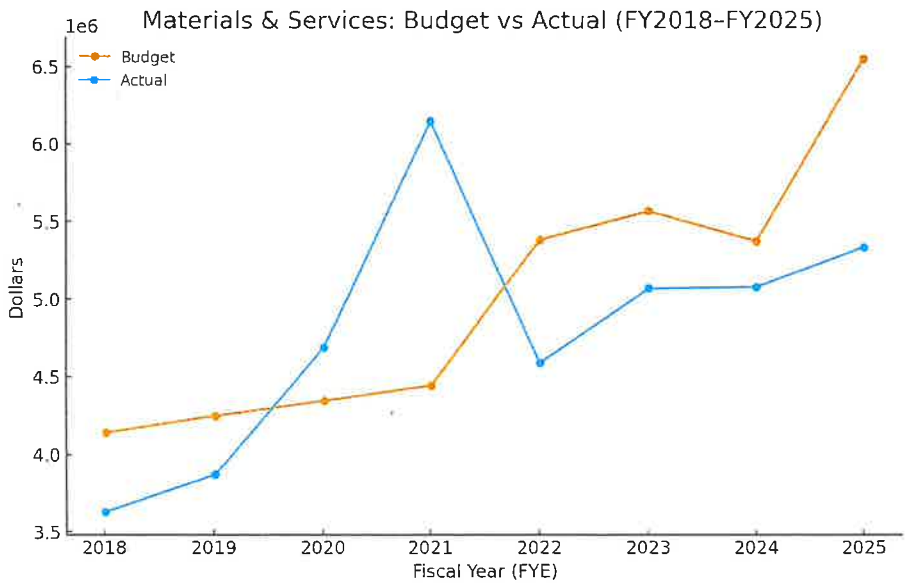
Framing: This report reviews General Fund Materials & Services (M&S) spending from FY2018 through FY2025. It provides a detailed comparison of Budget versus Actual performance and identifies key cost drivers. The analysis is structured consistently with the Capital, State Timber, Property Tax, and Other Revenue reports to maintain continuity for the Board of Commissioners and Budget Committee.

Controls: M&S expenditures are influenced by multiple factors, including department operating plans, external market conditions such as inflation and supply chain disruptions, among others. In FY2025, a significant portion of facility and contracted services expenses were temporarily shifted to ARPA funding rather than charged to the General Fund, creating a temporary underspend that is not reflective of permanent savings.

Key Data

- **FY2025 Budget:** $6,547,720
- **FY2025 Actual:** $5,334,884
- **Variance:** $-1,212,836 (-18.5% under budget)
- **FY2024 Actual:** $5,077,292
- **YoY (year over year) Change FY2025 vs FY2024:** 5.1% increase
- **FY2018 Actual:** $3,626,296
- **CAGR (compound annual growth rate) (FY2018–FY2025):** 5.7%

Total M&S spending has grown steadily over the last seven years, increasing from $3,626,296 in FY2018 to $5,334,884 in FY2025. Growth has averaged 5.7% annually, with FY2021 showing a temporary spike due to one-time projects and pandemic-related adjustments.



% Actual Expense (avg)

GENERAL FUND MAJOR EXPENDITURES
MATERIALS & SERVICES

Analysis Period: FY18 - FY25

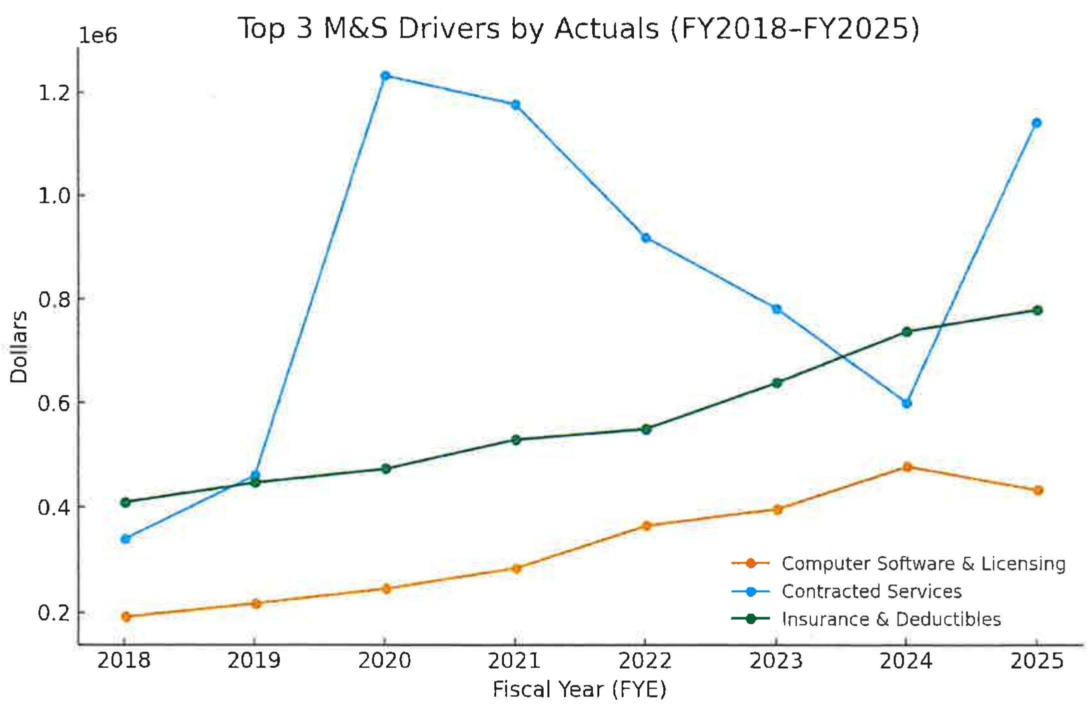
Key Findings

In FY2025, total General Fund M&S spending was $5,334,884, representing a 5.1% increase over FY2024 actuals. However, this total was significantly below budget due to the reallocation of facility and contracted services costs to ARPA funding. Once ARPA expires, these expenses will return to the General Fund baseline.

Top three cost drivers in FY2025 were:

- **Contracted Services:** $1,143,040
- **Insurance & Deductibles:** $779,287
- **Computer Software & Licensing:** $432,505

Combined, these three areas represented 44.1% of total M&S actuals in FY2025. The largest increase was in Contracted Services, which rose by $542,333 (90.3%) compared to FY2024. Insurance & Deductibles increased slightly, while Software & Licensing decreased modestly.



GENERAL FUND MAJOR EXPENDITURES

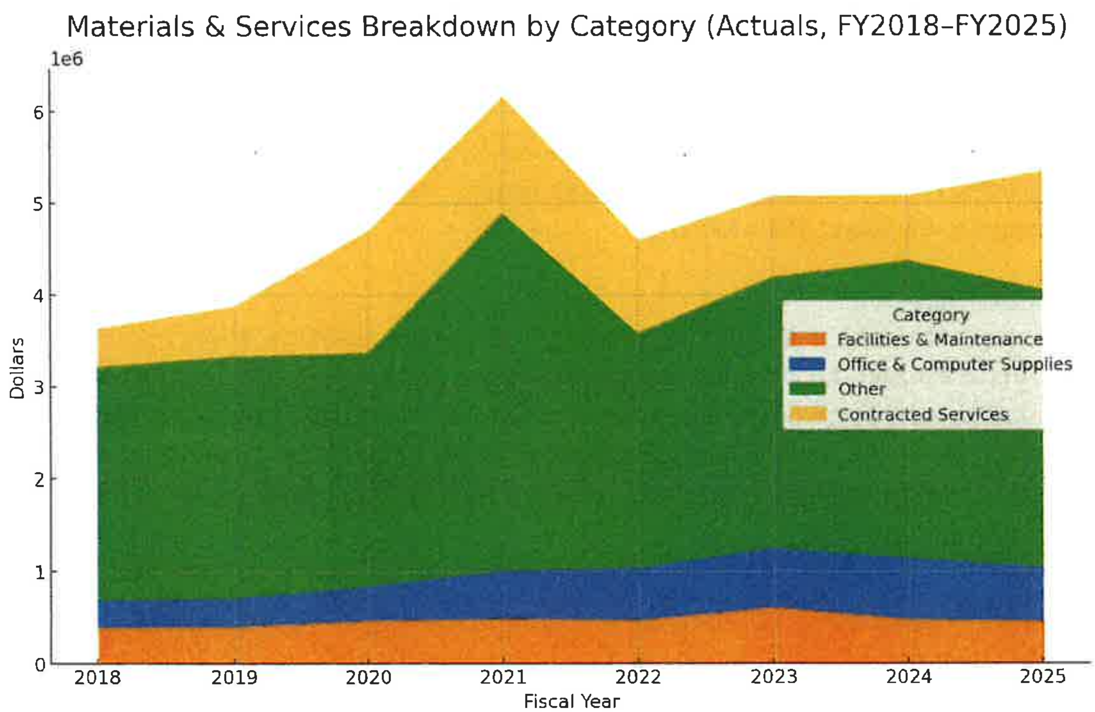
MATERIALS & SERVICES

Analysis Period: FY18 - FY25

Category Breakdown

For additional clarity, M&S expenses were grouped into the following categories:

- Contracts, Consultants & Professional Services (service contracts, consulting, legal, technical work)
- Facilities & Maintenance (building and grounds upkeep, vehicle repair, utilities, janitorial)
- Office & Computer Supplies (software, non-capital equipment, operating supplies)
- Interfund & Transfers (internal service agreements and transfers)
- Other (Insurance & Deductibles, Medical Services, Prisoner's Board, Inactive Employee Insurance, Travel and Training as well as many other expense categories)



% Actual Expense (avg)

GENERAL FUND MAJOR EXPENDITURES

MATERIALS & SERVICES

Analysis Period: FY18 - FY25

The sharp increase in FY2020-21 is primarily due to a one-time $1.4M rise in Miscellaneous Materials & Services, driven by Coronavirus Relief Fund activity. When this temporary spike is excluded, the underlying categories show steady, consistent growth of approximately 5% or more year over year.

Category	Budget	Actual	Variance	Variance %
Facilities & Maintenance	$582,500	$449,371	$-133,129	-22.9%
Office & Computer Supplies	$707,480	$583,916	$-123,564	-17.5%
Other	$4,024,860	$3,018,738	$-1,006,122	-25.0%
Contracted Services	$1,232,880	$1,282,858	$49,978	4.1%

In FY2025, Contracts, Consultants & Professional Services remained the largest category, followed by Facilities & Maintenance. Underspending was most pronounced in these two areas due to the use of ARPA funds.

Conclusion

M&S expenditures have shown a consistent growth pattern over time, driven primarily by contracted services, facilities upkeep, and insurance costs. The FY2025 underspend reflects temporary external funding support rather than structural changes. As ARPA funding sunsets, the General Fund should expect these costs to return, with continued steady — and potentially accelerated — growth influenced by current market conditions.

GENERAL FUND MAJOR EXPENDITURES

CAPITAL OUTLAY

Analysis Period: FY09 - FY25

Framing: Capital funding is essential for maintaining the County's infrastructure, facilities, and fleet. This analysis reviews 17 years of capital-related activity across three primary funds: General Fund direct capital outlay (010), Building Improvement Fund (301), and Vehicle Reserve Fund (131). It highlights historical funding levels, actual spending, and the widening gap between available resources and identified capital needs. Historically, capital spending has averaged less than 2% of total actual expenditures, this rate will likely not be feasible in the future. Additionally, every capital project has a following ongoing repair and maintenance expenses budgetary addition. The analysis provides insight into long-term patterns and informs decisions about how to address future requirements.

Control: Several factors influence capital funding levels and spending patterns over time:

- **General Fund Transfers:** The primary mechanism for supporting both Building Improvement and Vehicle Reserve funds. These transfers have historically been limited, with no single year exceeding $500,000. Building Improvement funding has recently been reduced when requested due to operations funding priorities.
- **Market and Interest Rates:** In recent years, high financing costs have led the County to move away from financing vehicle purchases, opting instead to purchase vehicles outright with General Fund resources.
- **Facilities Assessments:** Recent space and facility studies have identified more than $5 million in annual capital needs, setting a benchmark for comparison to historical funding levels.

Key Data (FY24-25 and Historical Totals)

Summary of FY24-25 activity and cumulative 17-year totals:

- **General Fund (010) Capital Outlay:** FY24-25 Actual: $164,411
- **Building Improvement (301) Capital Outlay:** FY24-25 Actual: $0

Actual expenses were offloaded to ARPA funding in FY24-25 in an effort to preserve General Fund resource for future needs.

- **Vehicle Reserve (131) Capital Outlay:** FY24-25 Actual: $0

% Actual Expense (avg)

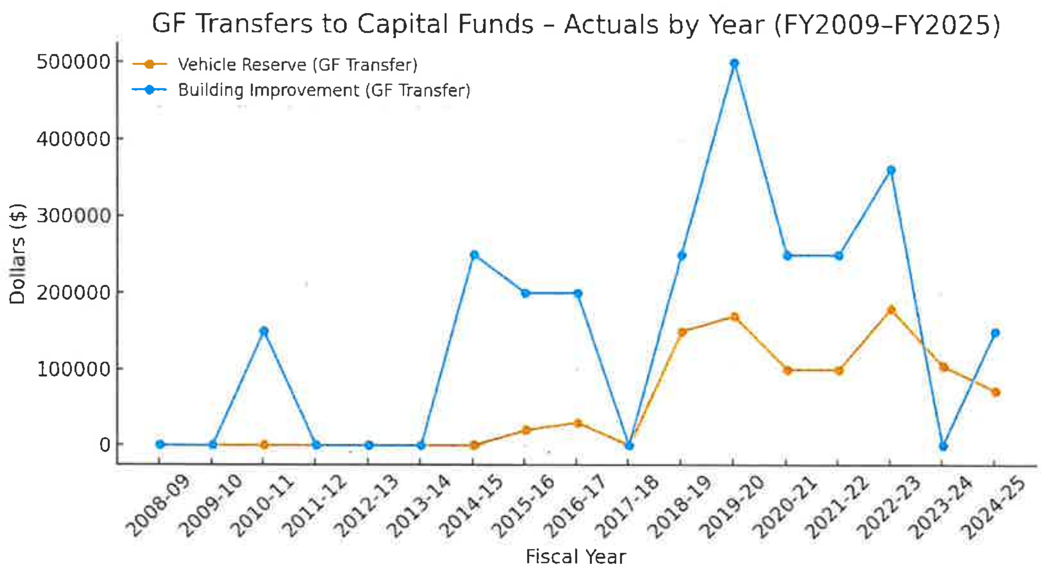
2%

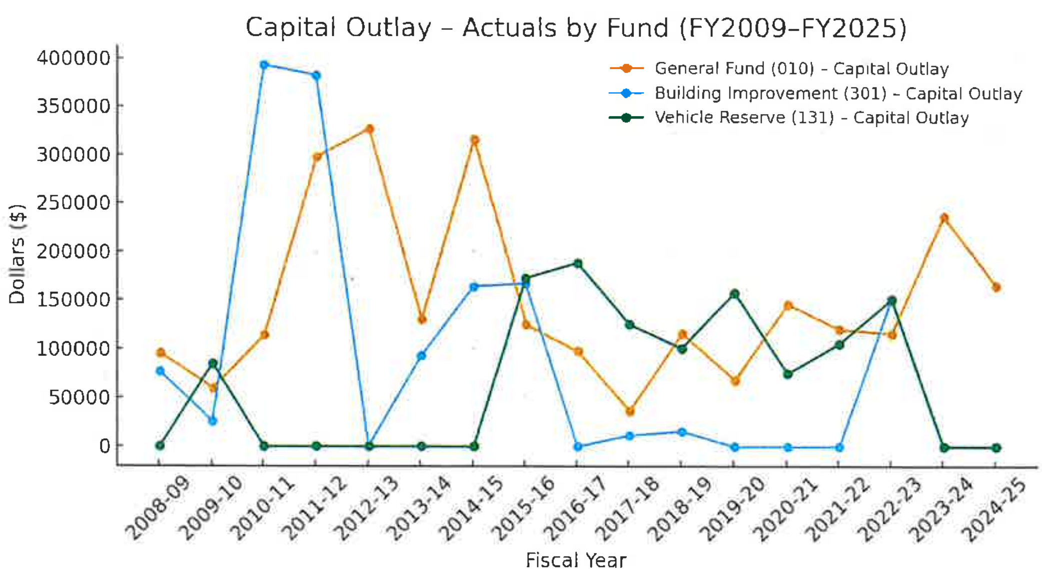
GENERAL FUND MAJOR EXPENDITURES

CAPITAL OUTLAY

Analysis Period: FY09 - FY25

This cumulative view highlights the limited scale of General Fund support for capital needs over the entire 17-year period.





GENERAL FUND MAJOR EXPENDITURES

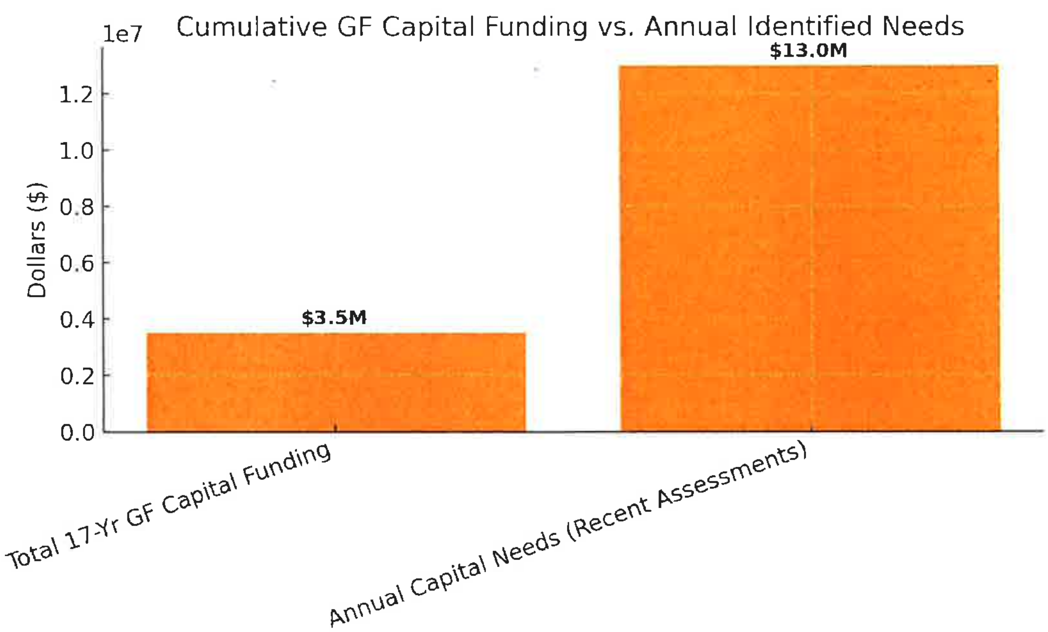
CAPITAL OUTLAY

Analysis Period: FY09 - FY25

Key Findings

The analysis reveals several key patterns:

- General Fund transfers have remained relatively small and stable, with no year exceeding $500,000.
- Total 17-year General Fund capital funding is approximately $3,489,250.
- Annual capital needs now exceed $13 million, as identified by recent facilities assessments.
- Vehicle financing practices have shifted to avoid long-term interest costs, changing the mix of General Fund support.
- There is a clear structural gap between historical funding and current and future capital requirements.



**Refer to the Project Implementation summary table included in the agenda for detailed breakdown of identified capital needs.*

GENERAL FUND - RESERVES

CONTINGENCY

Analysis Period: FY09 - FY25

Framing: The General Fund contingency is budgeted annually to address unforeseen or unknown expenses, such as collective bargaining agreement settlements, personnel cost increases, or minor revenue shortfalls. It serves as a flexible tool to ensure that essential services can continue uninterrupted when unexpected needs arise.

Control: Decisions regarding the use of contingency funds are made through the County's budget process and require approval by the Budget Committee and Board of Commissioners. Adjustments can either decrease spending authority (moving funds away from contingency to other uses) or increase spending authority (adding resources to meet emerging needs). Contingency is typically used mid-year and then for clean-up at end of year. Consider it quick available resources in case of minor overspending.

Key Data

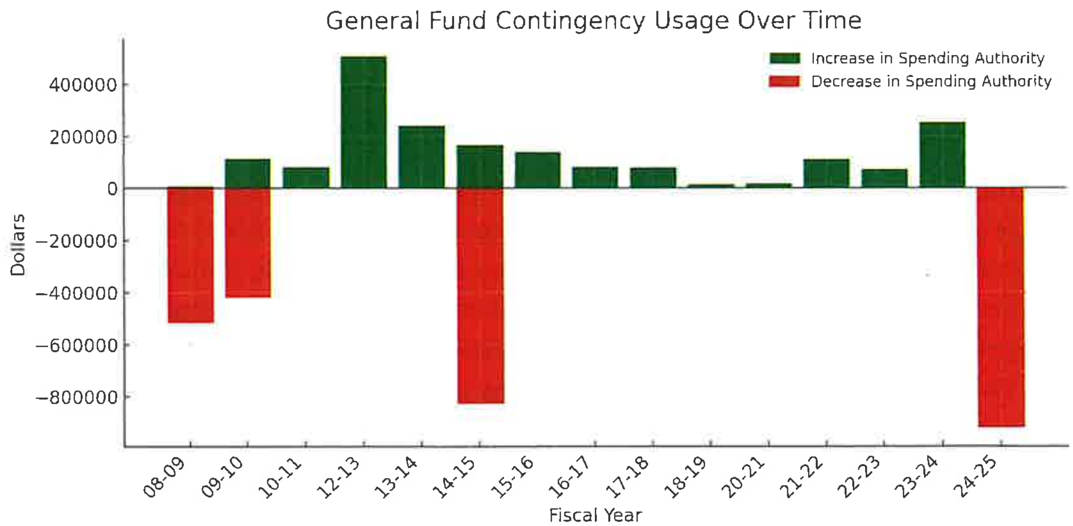
Fiscal Year	Increase in Contingency (Decrease in Spending Authority)	Decrease in Contingency (Increase in Spending Authority)
08-09	$-515,850	$7,025
09-10	$-419,900	$112,005
10-11	$0	$80,300
12-13	$0	$504,337
13-14	$0	$240,350
14-15	$-829,220	$166,470
15-16	$0	$138,210
16-17	$0	$81,980
17-18	$0	$79,020
18-19	$0	$14,300
20-21	$0	$18,000
21-22	$0	$111,100
22-23	$0	$73,700
23-24	$0	$252,435
24-25	$-921,470	$0

The table above shows annual decreases and increases to General Fund contingency. Negative values represent decreases, where contingency resources were reallocated to other purposes. Positive values represent increases, where additional funds were added to contingency.

GENERAL FUND - RESERVES

CONTINGENCY

Analysis Period: FY09 - FY25



Key Findings

1. Early Years (2008-2014)

In the earlier years, contingency adjustments were relatively small, primarily addressing minor operational needs. FY2008-09 and FY2009-10 saw moderate decreases in spending authority, while small increases were used for targeted adjustments.

2. Mid-Period Activity (2014-2020)

During FY2014-15, there was a significant decrease of over $800,000, reflecting a period of financial strain that required contingency funds to stabilize operations. Subsequent years through FY2020 showed modest increases for periods of overspending, likely relating to inflationary cost increases.

3. Recent Activity (2021-2025)

FY2023-24 and FY2024-25 reflect increased contingency activity as part of proactive budget management. FY2023-24 included a $252,435 increase to contingency use for unanticipated needs. FY2024-25 includes a budgeted decrease of $921,470, which aligns spending authority with staffing levels following vacancies and operational changes. This adjustment was made to maintain accurate budgetary authority while preserving flexibility for future decisions

GENERAL FUND - RESERVES

REVENUE STABILIZATION FUND

Analysis Period: FY09 - FY25

Framing: The Tillamook County Revenue Stabilization Fund is a budget reserve used to address unexpected deficits and economic downturns, allowing the County to continue providing essential services during periods of financial stress. The fund is built up through surplus revenues in strong timber years and drawn down during times of timber revenue declines or budget shortfalls. This provides stability and time for decision-makers to implement long-term solutions.

Control: The Revenue Stabilization Fund is managed through the **County's annual budget process** with direct oversight by the Budget Committee. Balances are set each year based on revenue forecasts, service needs, and available General Fund resources.

Key Data

Fiscal Year	Beginning Balance	Transfers In	Transfers Out	Ending Balance
2008-09	$1,970,526	$0	$0	$2,019,647
2009-10	$2,019,647	$0	$0	$2,037,465
2010-11	$2,037,465	$0	$0	$2,047,010
2011-12	$2,047,010	$0	$0	$2,055,218
2012-13	$2,055,218	$0	$0	$2,063,808
2013-14	$2,063,808	$0	$0	$2,070,954
2014-15	$2,070,954	$0	$500,000	$1,578,537
2015-16	$1,578,537	$0	$0	$1,585,851
2016-17	$1,585,851	$0	$0	$1,598,240
2017-18	$1,598,240	$0	$0	$1,620,081
2018-19	$1,620,081	$0	$0	$1,653,263
2019-20	$1,653,263	$0	$0	$1,693,571
2020-21	$1,693,571	$1,000,000	$0	$2,705,216
2021-22	$2,705,216	$500,000	$0	$3,216,693
2022-23	$3,216,693	$0	$0	$3,264,482
2023-24	$3,264,482	$0	$0	$3,400,836
2024-25	$3,400,836	$0	$1,200,000	$2,343,718
2025-26	$2,343,718	$0	$1,200,000	$1,143,718

The table above provides historical and projected activity for the Revenue Stabilization Fund. Transfers in were concentrated in FY2020-21 and FY2021-22 following strong timber revenues, while planned transfers out in FY2024-25 and FY2025-26 reflect efforts to offset revenue shortfalls.

Key Findings

1. Stability and Initial Draw (2008-2015)

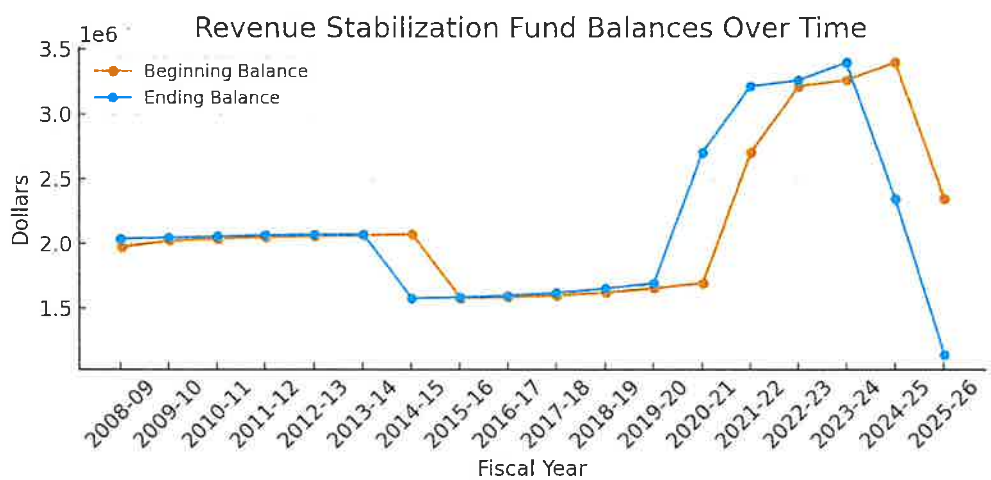
From FY2008-09 through FY2013-14, the fund remained steady at approximately $2.0M, with growth only from interest income. In FY2014-15, a $500,000 transfer out was made to support services during a timber revenue downturn, reducing the balance to $1.58M — the lowest point in the analysis period.

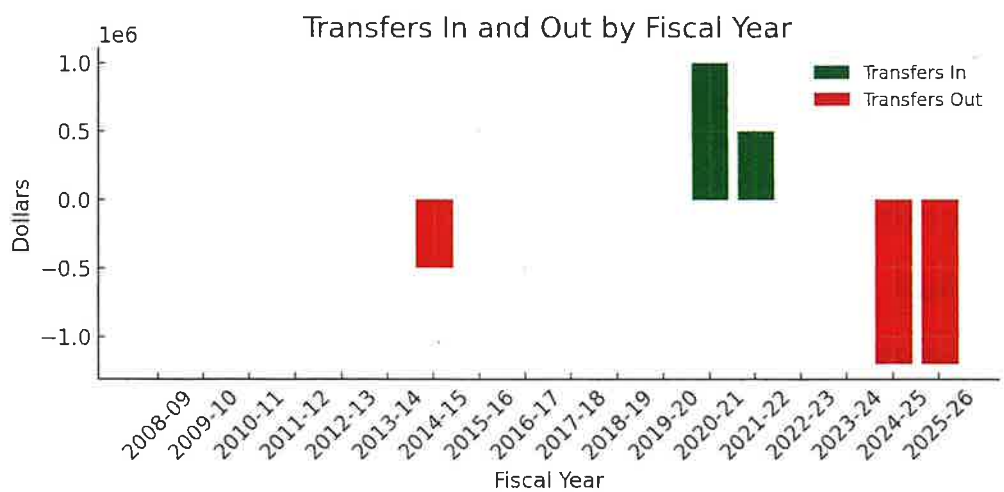
2. Rebuilding During Timber Highs (2020-2022)

Strong timber revenues allowed the County to rebuild the fund. A $1.0M transfer in during FY2020-21 and another $500,000 in FY2021-22 increased the balance to over $3.2M, providing a strong reserve to manage future volatility.

3. Recent and Planned Drawdowns (2024-2026)

As timber revenues declined and budget pressures increased, planned withdrawals were necessary to sustain budgeted service levels. A $1.2M transfer out occurred in FY2024-25, reducing the balance to about $2.34M. Another $1.2M transfer is planned for FY2025-26, which would further reduce the balance to **approximately $1.14M, the lowest ending fund balance in the analysis period.**





GENERAL FUND - RESERVES

BEGINNING FUND BALANCE

Analysis period: FY18 - FY25

Framing: The Beginning Fund Balance represents the cumulative financial position of the County's General Fund carried forward into each fiscal year. It is the result of planned cash flow needs and prior years' revenues exceeding expenditures or vice versa. Understanding the drivers behind this balance is critical for accurate forecasting and sustainable fiscal planning. The two most significant factors influencing the Beginning Fund Balance are:

1. **Timber Revenue** – a volatile and unpredictable source that can swing by millions year-to-year.
2. **Personnel Budget-to-Actual Variance** – driven primarily by vacancies and hiring lags that lead to underspending.

Other elements, including materials and services savings, Revenue Stabilization Fund transfers, and ARPA funding also affect balances, though at a smaller scale or for limited periods.

Control: The Beginning Fund Balance is the cumulative result of decisions across all General Fund activities. Two primary areas under direct control significantly affect this balance:

1. **Personnel Management** – Recruiting and retention efforts impact vacancy rates, which directly influence whether personnel costs come in over or under budget.
2. **Stabilization and Reserve Planning** – Policies governing the use of volatile revenues such as timber dictate whether surpluses are preserved for future needs or spent on current operations.

By carefully monitoring these drivers, the County can achieve a stable financial foundation and mitigate risks associated with volatility.

Key Data

Analysis period: FY2017-18 to FY2024-25

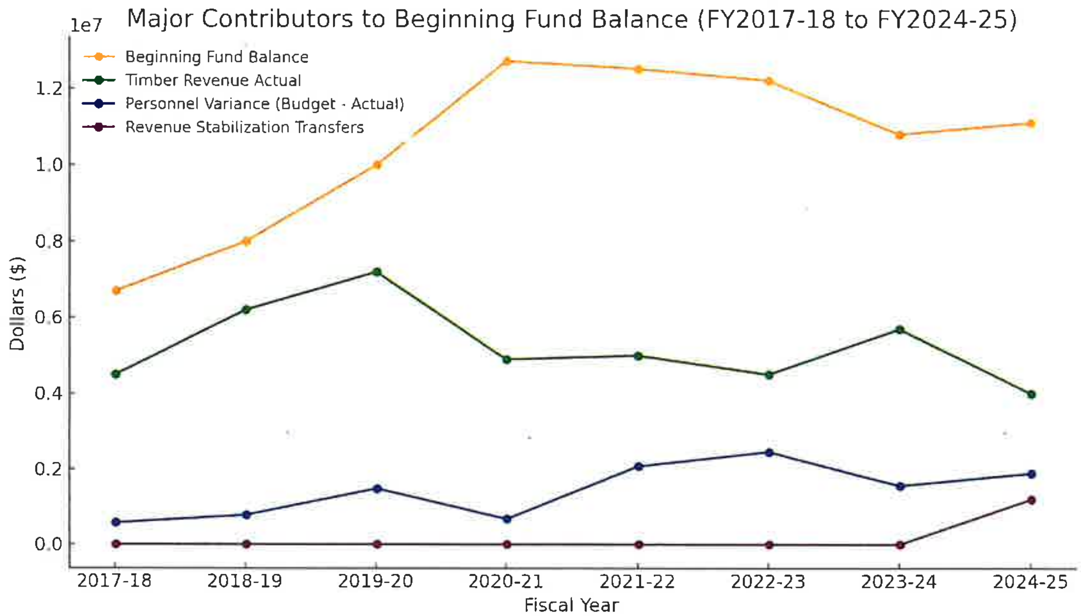
- **FY2024-25 Beginning Fund Balance:** $11,210,177, landed within baseline forecast.
- **Timber Revenue Actuals (FY2024-25):** $4,020,135, variance $-500K.
- **Personnel Variance (FY2024-25):** $1,889,852 underspent due to vacancies (unintentional savings, no formal policy).
- **Revenue Stabilization Fund Transfers:** $1.2M in both FY2023-24 and FY2024-25
- **ARPA-funded General Fund Expense Offsets:** $729,833 in FY2024

GENERAL FUND - RESERVES

BEGINNING FUND BALANCE

Analysis period: FY18 - FY25

The chart below shows how Beginning Fund Balance trends interact with Timber Revenue, Personnel Variance, and Revenue Stabilization Transfers impacts.



Key Findings

- The Beginning Fund Balance grew sharply between FY2018-19 and FY2020-21, driven by a combination of high timber revenues and significant personnel underspending during periods of elevated vacancies and turnover.
- FY2019-20 recorded the highest timber revenue in the analysis period at $7.16M, which was approximately $2.6M above the historical average range. This one-time surge accounted for over 20% of the FY2020-21 Beginning Fund Balance, materially strengthening the County's financial position for that year.
- Personnel underspending consistently supported higher balances, with vacancy-driven savings exceeding $2M in both FY2021-22 and FY2022-23. These savings represented approximately 15–16% of the Beginning Fund Balance for the subsequent years.
- In FY2023-24 and FY2024-25, declining timber revenues, stabilizing personnel costs, and the drawdown of Revenue Stabilization funds resulted in minimal growth and an overall negative change when Revenue Stabilization funds depleting balance is considered.
- ARPA funding temporarily offset $729,833 in FY2024 expenses, boosting the fund balance for that year only.

BEGINNING FUND BALANCE

Analysis period: FY18 - FY25

Additional Drivers

While timber revenue and personnel underspending are the dominant factors, other contributors play meaningful roles in certain years:

- Revenue Stabilization Fund Transfers provided $1.2M in both FY2023-24 and FY2024-25 to support ongoing operations during periods of lower timber revenue.
- ARPA and federal relief funding provided temporary offsets to General Fund expenses, most notably in FY2024.
- Materials & Services savings contributed minor variances but were smaller in scale than personnel.
- Capital transfers for vehicles and building improvements remained under $500K annually and had limited long-term impact.

Final Assessment of Drivers

Driver	Influence	Predictability	Recurring vs One-Time
Timber Revenue	Very High	Low	Volatile, External
Personnel Variance (Vacancies)	High	High	Recurring, Structural
Revenue Stabilization & ARPA	Moderate	Low	One-Time, Temporary
Materials & Services Savings	Low-Moderate	Moderate	Gradual, Trend-Driven
Capital/Vehicle Transfers	Low	High	Stable, Small Amounts

Conclusion

The Beginning Fund Balance reflects the combined impact of volatile timber revenues and controllable factors like personnel management. While timber and vacancies are the most influential drivers, temporary external revenues such as ARPA and Revenue Stabilization transfers can create short-term boosts. By focusing on reserve planning, recruitment strategies, and clear distinctions between recurring and one-time revenues, the County can strengthen its fiscal resilience and ensure a sustainable future for General Fund operations.

GENERAL FUND - FORECAST

QUARTERLY FORECAST

Analysis period: FY25 - FY29

This report provides a preliminary overview of the Tillamook County General Fund financial outlook based on current assumptions and known decisions as of FY25-26. These figures are subject to change as additional analysis is completed.

The County is actively working with Tiberius to refine long-range forecasts and evaluate future funding opportunities. A forthcoming financial assessment will add further clarity to these projections, including economic factors, capital project timing, and staffing levels.

Key Adjustments – FY25-26

The FY25-26 financial position has been stabilized through several approved actions that offset projected shortfalls.

Adjustment	FY25-26 Impact
Revenue Stabilization Transfer	$1,200,000
Parks Transfers (Annual)	$1,000,000
Projected Vacancy Rate (10% Savings)	$1,900,000

Forecast Overview

While the current fiscal year has been stabilized with Parks and revenue stabilization transfers, future years project continuing gaps between resources and expenditures with revenue stabilization funds largely depleted beyond FY25-26.

Beginning in FY26, the projected annual gap between anticipated revenues and expenditures averages approximately $2 million. This figure reflects the amount needed to maintain the minimum recommended ending fund balance for cash flow purposes. To support additional reserves beyond the minimum threshold, the target gap—or required cost savings—increases to $3 million annually.

Capital Project Overlap

The forecast reflects two major capital projects, that result in larger gaps in FY26-27 and FY27-28 due to overlapping costs:

- Courthouse Roof & HVAC replacement (FY25-26 through FY27-28
- Jail HVAC replacement (FY27-28 through FY28-29)

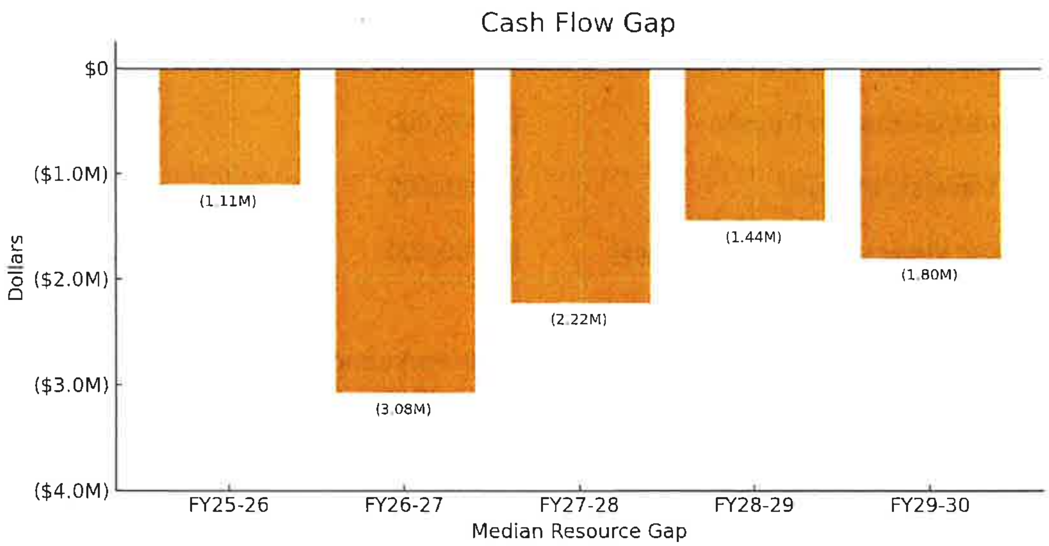
GENERAL FUND - FORECAST

QUARTERLY FORECAST

Analysis period: FY25 - FY29

Current projections show that, without further adjustments, the General Fund balance will fall below recommended levels starting in FY28. A temporary dip below the recommended ending fund balance each July is anticipated and reflects the typical cash flow cycle tied to Property Tax revenue timing.

The fourth quarter - beginning April 1 - is a key period to monitor, as it often reflects the most significant cash flow pressures. Importantly, the ending fund balance in this quarter becomes the beginning balance for the following fiscal year. Until the General Fund reaches a more stable, net positive position, maintaining the minimum recommended balance is essential to support continued budgeting at current levels.



Context and Ongoing Analysis

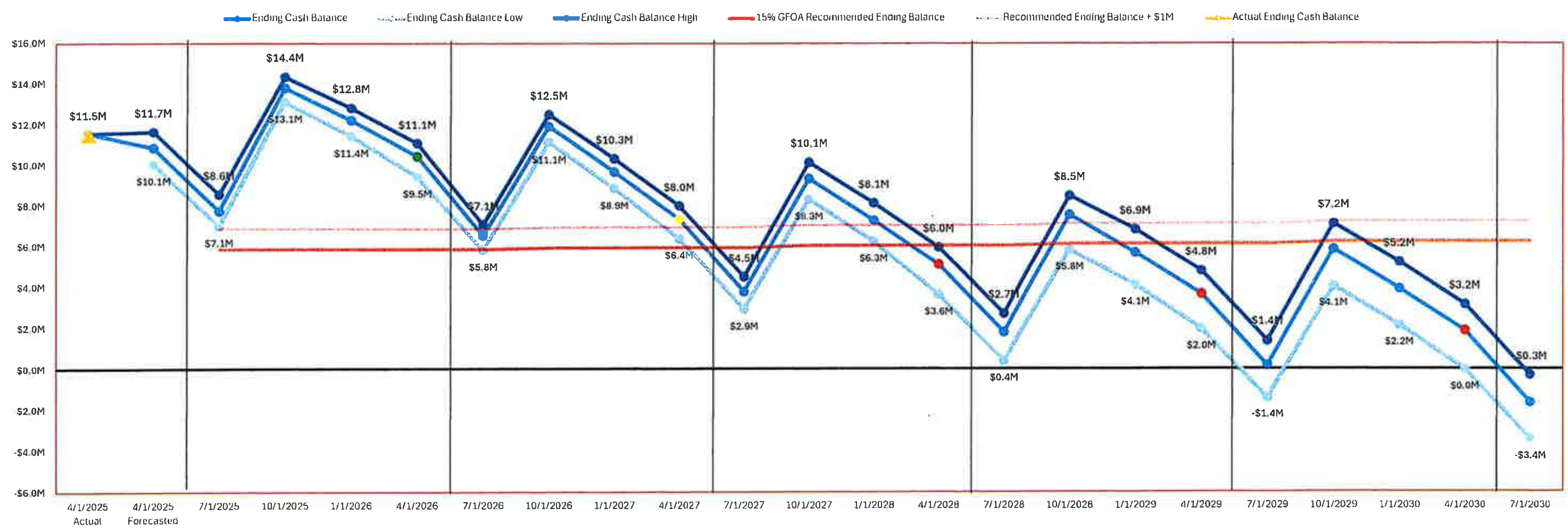
These projections represent preliminary modeling and do not reflect final decisions or strategies.

The Tiberius Opportunity Analysis will provide a deeper review of potential strategies to address gaps and fund capital needs.

A forthcoming financial assessment will refine forecasts with updated assumptions on revenue trends, staffing, and cost drivers.

Both processes will provide additional context to these figures and help to establish a more detailed picture of the County's long-term financial position.

General Fund Long Range Forecast



ADJUSTMENTS INCLUDED:

One-Time (FY Specified)

FY25-26 Revenue Stabilization Transfer to GF	1,200,000
FY25-26 Compensation Adjustments	1,800,000
FY25-26/FY27-28 Courthouse Roof & HVAC (Capital)	(1,610,000)
FY27-28/FY28-29 Jail HVAC (Capital)	(2,323,000)

Annual Recurrence

PERS Retirement Savings	311,000
10% Vacancy Rate Savings	1,900,000
Parks Transfer	1,000,000
3% CPI - per Oregon State Economist July Forecast	

To aid in planning and oversight, April 1 markers on the chart have been color-coded to indicate fund health:

Green: Balance meets or exceeds recommended levels
Yellow: Balance is at risk
Red: Balance is projected to dip into the negative in the following first quarter