AGENDA

2025-2026 BUDGET COMMITTEE WORKSHOP
WEDNESDAY, MAY 14, 2025 - 1:00 P.M.
Board of Commissioners' Meeting Room 106
Virtual: 1-971-254-3149, Conference ID: 866 914 607#

The purpose of this workshop is to receive information regarding 2025-2026 budget requests from County Departments and Non- Department Entities. *If you will* ***not*** *be able to attend during your appointed time, please contact Shawn Blanchard at shawn.blanchard@tillamookcounty.gov or 503-842-3439.*

1)	Call To Order – 1:00 p.m.	Michael Weissenfluh
2)	Fiscal Year 2025-2026 Budget Message	Shawn Blanchard
3)	County Departments and Other Funded Agencies Comments	
4)	Public Questions and Comments	
5)	Budget Committee Deliberations	
6)	Budget Committee Approval of Budget	
7)	Budget Committee Approval of Tax Levies	
8)	Non-Agenda Items	
9)	Adjourn	

TILLAMOOK COUNTY BUDGET COMMITTEE WORK SESSION – 2025-05-14 BUDGET COMMITTEE AUDIO.MP4

CALL TO ORDER: Wednesday, May 14, 2025 1:11 p.m.

1.	00:33	Fiscal Year 2025-2026 Budget Message/Shawn Blanchard, Budget Officer
2.	09:10	County Departments and other Funded Agencies Comments
3.	14:23	Public Questions and Comments: There were none.
4.	15:07	Budget Committee Deliberations
	15:13	Budget reflects committee's requests; continue being transparent about future budget/Commissioner Erin Skaar
	17:38	Appreciates Treasurer's work; also concerned about future budget balancing; Parks Dept. contribution critical; codify that Parks agreed to contribution to contribute an amount to general fund and replace it with TLT facility funds/Commissioner Mary Faith Bell
	22:02	Thank you to departments for conservative budgets and Treasurer's Office; optimistic about future with everyone's efforts/Commissioner Paul Fournier
	25:46	Agree with others, no additional comments/M.J. Basti
	25:49	Thank commissioners, department heads, and Treasurer's Office; encourage people to continue to think creatively about revenue generation and cost reduction/Ken Henson
	26:59	Fiscally conservative, economically optimistic; concern about spending down reserves but optimistic; appreciates everyone work together, commends budget committee for balanced budget/Chair Michael Weissenfluh
5.	30:04	Budget Committee Approval of Budget
		A motion to approve the budget as presented was made by Ken Henson and seconded by Mary Faith Bell. The motion passed unanimously with six aye votes.
8.	30:44	Budget Committee Approval of Tax Levies
		Budget Chair Michael Weissenfluh read the County's official tax rates and levies to be authorized effective the next fiscal year: Tillamook County General Services Permanent Rate \$1.4986/\$1,000; Library Local Option Tax of \$0.65/\$1,000; Veteran Service Local Option Tax of \$0.07/\$1,000.00; Road Debt Service Levy of \$357,200.00; Radio Debt Service Levy of \$1,899,770.00. A motion was made by M.J. Basti to approve the amounts read into the record to be levied the next fiscal year. The motion was seconded by Ken Henson. The motion passed unanimously with six aye votes.

9. 32:30 Non-Agenda Items – There were none.

10. **Adjourn – 1:44 p.m.**

BOARD OF COMMISSIONERS
BUDGET COMMITTEE MEETING
May 14, 2025 – 1:00 p.m.

PLEASE PRINT

Name	**Email**
There were no sign-ins	

(Please use reverse if necessary)

2025 – 2026
BUDGET

TILLAMOOK COUNTY

TREASURER'S OFFICE

Shawn Blanchard, County Treasurer

BUDGET MESSAGE

To the Tillamook County Board of Commissioners, Budget Committee Members, and Residents,

I am honored to present Tillamook County's Proposed Budget for the 2025-2026 Fiscal Year. Developed through extensive collaboration, thoughtful analysis, and the dedicated efforts of County leadership, the Budget Committee, and staff, this budget reflects our commitment to fiscal responsibility, strategic planning, and long-term financial sustainability. It ensures that County resources are aligned with service priorities and community needs.

Budget Overview

The County budget serves as a financial roadmap, guiding decisions on how resources are allocated to deliver essential services. Once adopted, it authorizes funding for the upcoming year and establishes long-term priorities.

Budget Structure

The budget is organized into four types of funds:

1. General Fund – The County's primary operating fund, supporting core departmental functions.
2. Special Revenue Funds – Forty-six dedicated funds totaling $97.13 million (54% of the budget), including the $17.2 million Health and Human Services Fund and the $22,800 Juvenile Trust Fund, both restricted for specific uses.
3. Debt Service Funds – Supports infrastructure projects, including the Road Debt Service Fund and the newly approved Radio Debt Service Fund, which enhances emergency communications for first responders.
4. Capital Funds – Four funds supporting large-scale projects such as broadband expansion, radio system upgrades, building improvements, and road construction grants.

Expenditure Categories

County funds are distributed across six expenditure categories:

- Personal Services – Employee salaries, benefits, and uniforms.
- Materials and Services – Operational costs, including office supplies, utilities, fuel, and facility maintenance.
- Capital Outlay – Major purchases or projects exceeding $5,000 with a lifespan of more than one year.
- Operating Transfers – Contributions to Public Health programs and reserves for vehicles, computers, and facility improvements.
- Contingency – Funds set aside for unexpected needs, accessible through budget amendments.
- Unappropriated Ending Fund Balance – Reserves maintained to ensure financial stability at the start of the next fiscal year before major revenue inflows.

Accounting Method

Tillamook County follows cash basis accounting, recording revenues upon receipt and expenses when paid.

Guiding Our Future Through Strategic Investments

Tillamook County continues to navigate a complex financial landscape, balancing challenges with opportunities. In recent years, leadership, the Budget Committee, and staff have worked diligently to assess fiscal realities, explore revenue strategies, and implement operational efficiencies, ensuring the County will be on a stable financial trajectory.

In 2024, County leadership adopted the Strategic Plan Tillamook County 2024-2028, which defines our mission, vision, and values:

- Mission: Delivering excellent public services for the people, places, and communities of Tillamook County.
- Vision: A responsible, strategic, resilient, and responsive local government—a great place to work.
- Values: Serving with integrity, excellence, and commitment.

Strategic Budget Objectives for 2025-2026

The newly established strategic plan included key objectives that have been incorporated into the 25-26 budget, these include: Revenue generation, cost reductions, policy and departmental evaluations as well as long-term financial planning. All objectives that can be categorized as Strengthening Fiscal Stability of Tillamook County.

Strengthening Fiscal Stability

This budget takes a measured approach to balancing expenditures with available revenue, incorporating new revenue responsibly and prioritizing long-term planning. Key actions include:

- Including enhanced intercounty transfers, an innovative funding strategy that leverages cross-county opportunities.
- Drawing down one-time reserve funds to stabilize the General Fund while further assessments and long-range planning are developed.
- Reducing capital maintenance investments while developing a long-term infrastructure plan.

County leadership, budget committee members and staff have worked diligently to move top priority items forward in the last year, a handful of which are still work in progress and are not included in the proposed budget but may lead to a need for mid-year budgetary adjustments. County teamwork has put forth the following in progress items:

- Personnel Services Studies & Negotiations: Ongoing evaluations of salary structures and benefits may lead to adjustments beyond currently budgeted rates, requiring potential budget amendments to manage potential costs.
- Measure 29-183 – Transient Lodging Tax Increase: This measure, currently up for a vote, could raise the Transient Lodging Tax (TLT) to 12% or 14%, generating additional recurring revenue to support various County services.
- Transient Lodging Tax Allocation Reform: Legislative efforts are underway to reformulate the allowable uses of TLT revenue through statutory revisions, potentially expanding funding flexibility for County initiatives.
- Indirect Cost Allocation software migration which may result in mid-year updates.

These milestones will require close monitoring and strategic financial planning as they evolve throughout the fiscal year.

Budget Summary

The proposed Tillamook County budget for 2025-2026 is $179,171,763, compared to the adopted budget of $153,452,280 for 2024-2025. A comparison chart is included for reference in Exhibit A.

Key Changes in Revenue

- Radio Bond Proceeds: Increase of $24.4 million.
- Intercounty Transfers In: Increase of $240,000 county-wide. $956,000 increase for General Fund.

Key Changes in Expenditures

- Personal Services: Increase of $1.4 million.
- Materials & Services: An overall decrease of $1.3 million.
- Capital Expenditures: Significant investment in long-term infrastructure projects reflected in a $23M increase, this is mostly the offset of Radio Bond capital outlay.

Looking Ahead: A Collaborative Approach to Fiscal Stewardship

Through proactive planning, strategic partnerships, and responsible fiscal oversight, Tillamook County remains committed to delivering high-quality services while securing a strong financial future. This budget serves as both a roadmap and a commitment to sound fiscal management, operational excellence, and community collaboration.

The preparation of this budget would not be possible without the hard work and contributions of many. I would like to acknowledge Debra Jacob, Chief Deputy Treasurer and the support staff in my office. I would also like to acknowledge the efforts of each of the department heads and managers that participated in completing this budget. Finally, I wish to thank all those who have provided input and I would like to thank the Budget Committee for their participation throughout the process of preparing and ultimately approving the budget.

The Board of County Commissioners is scheduled to adopt the County budget at a public hearing on June 18, 2025, at 10:30 a.m. We look forward to working together to advance our shared priorities and build a sustainable future for Tillamook County.

Respectfully submitted,

Shawn Blanchard

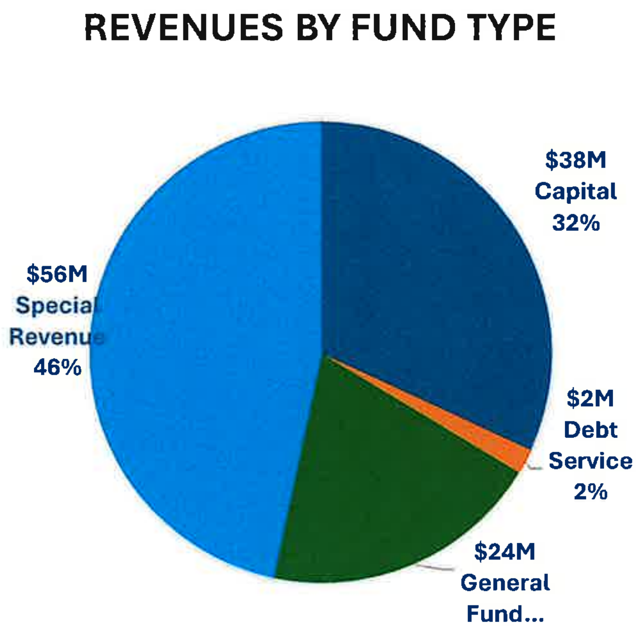
Shawn Blanchard
County Treasurer

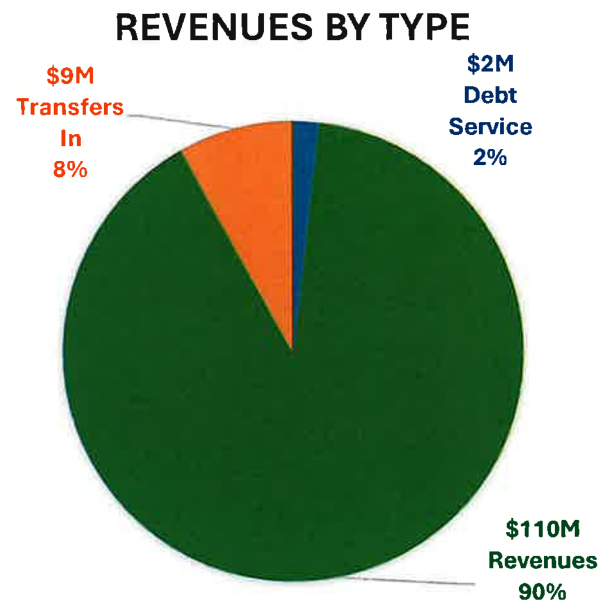
EXHIBIT A

Resources	ADOPTED 24-25	PROPOSED 25-26	INC/(DEC)
Beginning Fund Balance	69,893,110	67,977,994	$ (1,915,116)
Revenues	84,559,090	110,107,124	$ 25,548,034
Transfers In	9,595,480	9,835,865	$ 240,385
Total Resources	153,452,280	179,171,763	$ 25,719,483
Expenditures			
Personnel Services	39,111,390	40,564,408	$ 1,453,019
Materials & Services	48,784,210	47,480,104	$ (1,304,106)
Capital Expenditures	24,932,540	48,803,104	$ 23,870,564
Transfers Out	10,605,960	10,071,100	$ (534,860)
Debt Service	354,600	2,150,780	$ 1,796,180
Total Expenditures	123,788,700	149,069,496	$ 25,280,797
Reserves			
Contingency	6,517,200	5,599,066	$ (918,134)
Unappropriated	23,132,380	24,503,201	$ 1,370,821
Total Reserves	29,649,580	30,102,267	$ 452,687
TOTAL	153,438,280	179,171,763	25,733,484

REVENUES

Structure





Revenue Metrics

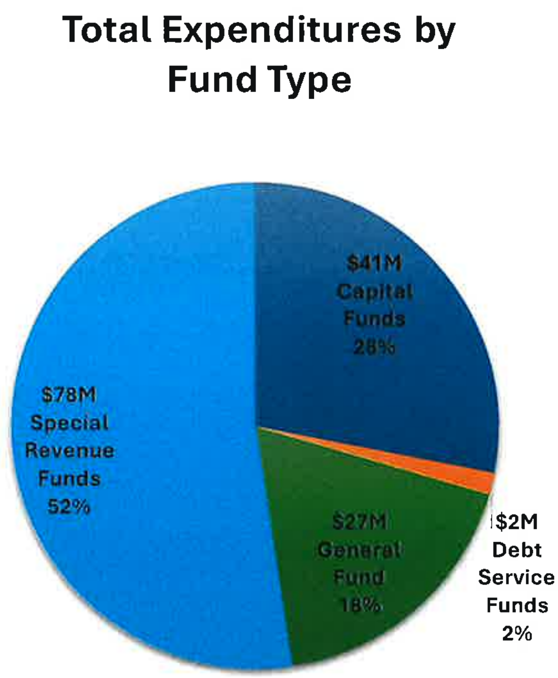
- **Revenue Growth Rate**: *(Current Revenue - Previous Revenue) / Previous Revenue*
  - *Overall revenue has increased by **16.7%**, primarily driven by the $24.4 million in Radio Bond proceeds.*
- **Intercounty Transfers Change**:
  - *Intercounty transfers rose by **$240,000 county-wide**, with a **$956,000 increase** for the General Fund.*

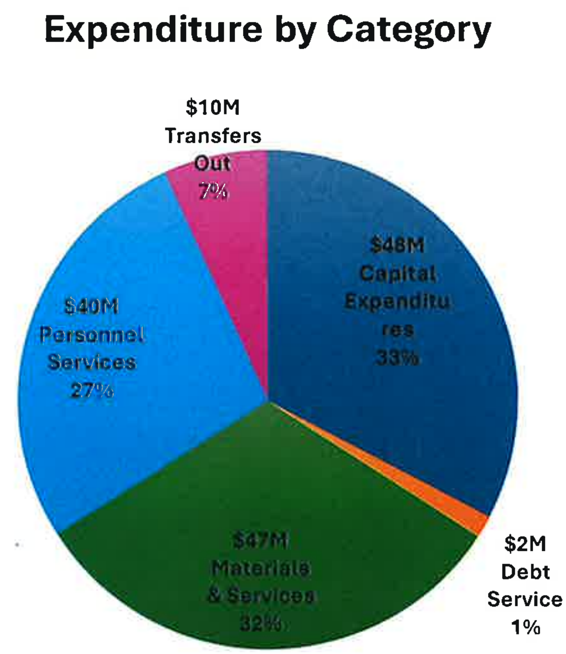
TOP 5 REVENUE INCREASES

Department	GL	24.25 BUDGET	25.26 PROPOSED BUDGET	Increase
311	4903	-	24,400,000.00	24,400,000.00
308	4225	-	5,300,000.00	5,300,000.00
205	4010	-	1,787,780.00	1,787,780.00
311	4904	-	1,705,000.00	1,705,000.00
132	4825	-	1,000,000.00	1,000,000.00

EXPENSE

Structure





Expenditure Metrics

- **Personnel Cost Growth**: *(Current Personnel Costs - Previous Personnel Costs) / Previous Personnel Costs*
  - *Personnel Services costs have increased by **5.7%** ($1.4 million), reflecting salary adjustments and benefit changes.*
- **Materials & Services Savings**: *(Previous Costs - Current Costs) / Previous Costs*
  - *Materials & Services expenditures decreased by **4.2%** ($1.3 million), reflecting county-wide teamwork to identify and incorporate expense reductions.*

TOP 5 EXPENDITURE INCREASES

Department	GL	24.25 BUDGET	25.26 PROPOSED BUDGET	Increase
311	9040	-	28,560,000.00	28,560,000.00
100	9040	3,469,000.00	3,935,520.00	466,520.00
122	7105	400,000.00	845,130.00	445,130.00
121	7105	5,336,550.00	5,743,405.00	406,855.00
01530	5300	3,402,700.00	3,803,600.00	400,900.00

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Capital Investment Highlights

CAPITAL EXPENDITURES BY FUND TYPE

Fund Type	24.25 Budget	25.26 Proposed Budget	Increase / (Decrease)
Capital	10,807,010	36,948,490	26,141,480
Debt Service	0	0	0
General Fund	821,300	339,040	-482,260
Special Revenue	13,304,230	11,515,574	-1,788,656

- **Capital Investment Share:** *(Capital Expenditures / Total Budget)*
  - *Capital expenditures now comprise **27%** of the total budget, reflecting major infrastructure investments, mainly through the Radio fund infrastructure enhancements, Tillamook County Community Health Centers Integrated Pharmacy startup, and various Building Improvement, Library and Road department planned capital projects.*

Financial Resilience

FUND TYPE	REVENUES (EXCLUDING BEGINNING FUND BALANCE)	EXPENSES (EXCLUDING CONTINGENCY & ENDING BALANCE)	BUDGTED FUND BALANCE SPEND DOWN
CAPITAL	38,957,000	41,858,240	-2,901,240
DEBT SERVICE	2,150,780	2,150,780	0
GENERAL FUND	24,039,915	27,006,645	-2,966,730
SPECIAL REVENUE FUND	56,946,074	78,053,831	-21,107,757

- **Unappropriated Ending Fund Balance**:
  - *The budget preserves an ending fund balance of **$24 million**, planning for the means of financial stability heading into the next fiscal year.*
  - *Planned balance spend-down is occurring throughout fund types, largely due to a spend down of grant funding and the fruition of large capital projects such as the Radio Bond, Tillamook County Community Health Centers Integrated Pharmacy build out, etc. The metric that will be monitored closely on this **is how much of the spend down is due to recurring expenses exceeding recurring revenue.***

Budget Comparisons

- **Total Budget Increase**: *(Current Budget - Previous Budget) / Previous Budget*
  - *The overall budget has increased by **16.7%**, growing from **$153.5 million** to **$179.2 million**.*