AGENDA

2026-2027 BUDGET COMMITTEE MEETING
WEDNESDAY, MAY 13, 2026
1:00 P.M.
Virtual/BOC Conference Room 106

The purpose of this meeting is to receive the budget message, deliberate on the proposed budget and to receive comment from the public on the budget.

1)	Call To Order – 1:00 p.m.	Michael Weissenfluh
2)	Fiscal Year 2026-2027 Budget Message	Debra Jacob
3)	County Departments and Other Funded Agencies Comments	
4)	Public Questions and Comments	
5)	Proposed Budget Presentation	Debra Jacob
6)	Budget Committee Deliberations	
7)	Budget Committee Approval of Budget	
8)	Budget Committee Approval of Tax Levies	
9)	Non-Agenda Items	
10)	Adjourn	

TILLAMOOK COUNTY BUDGET COMMITTEE WORK SESSION – 2026-05-13 BUDGET COMMITTEE AUDIO.MP4

CALL TO ORDER: Wednesday, May 13, 2026 1:00 p.m.

1. 00:20 Fiscal Year 2026-2027 Budget Message/Debra Jacob, Director of Financial Services/Treasurer

2. 10:12 County Departments and Other Funded Agencies Comments:

   46:03 Supports Option B; money in reserve will put in same position next year; supports doing what's critical now/Sheriff Josh Brown

   AGENDA ITEM OUT OF ORDER

3. 10:13 Public Questions and Comments: There were none.

4. 10:32 Proposed Budget Presentation/Debra Jacob

Chair Weissenfluh recessed the meeting at 2:42 p.m.

Chair Weissenfluh reconvened the meeting at 2:58 p.m.

5. 1:38:14 Budget Committee Deliberations

   138:30 Pioneer Museum archive historical records/Ken Henson
   1:39:20 Making decisions for people not in the room/Commissioner Erin Skaar
   1:42:37 Would like commissioners to talk to departments affected by vacancy funds/Commissioner Mary Faith Bell
   1:48:14 Structural differences between Options A, B, and C/Michael Weissenfluh
   1:54:44 Bargaining payroll significant investment/Commissioner Mary Faith Bell
   1:55:59 Spending down reserves of $2.6 million far from comfortable/Michael Weissenfluh
   1:57:05 Solid Waste post closure reserve fund for DEQ requirements in need of solution/Ken Henson
   1:58:39 Reliance on non-recurring influxes of money needs to be resolved for long-term sustainability/Commissioner Erin Skaar

6. 2:13:58 Budget Committee Approval of Budget

   Discussion by Treasurer Debra Jacob regarding $11.25 million going into the beginning fund balance for the general fund, capitol transfers of $500,000 and $250,000,000 for the annex and building improvements funds, and moving position vacancies into the contingency line item. Commissioners to contact liaisons regarding further streamlining budgets.

8. 2:14:10 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 \$367,200.00; Radio Debt Service Levy of \$1,899,770.00. A motion was made by Commissioner Mary Faith Bell to approve the amounts read into the record to be levied the next fiscal year and seconded by Commissioner Erin Skaar. The motion passed unanimously with six aye votes.

9. 2:15:27 Non-Agenda Items – There were none.

Adjourn – 3:28 p.m.

BOARD OF COMMISSIONERS
Budget Committee Meeting
May 13, 2026 – 1:00 p.m.

PLEASE PRINT

Name	Email
There were no Signins	

(Please use reverse if necessary)

2026 – 2027
BUDGET

TILLAMOOK COUNTY

FINANCE DEPARTMENT

BUDGET MESSAGE

> *To the Budget Committee Members and Residents,*
>
> I am honored to present Tillamook County's Proposed Budget for the 2026-2027 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.

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 $102.5 million (54% of the budget), including the $19.4 million Health and Human Services Fund and the $24,500 Juvenile Trust Fund, both restricted for specific uses.
3. Debt Service Funds – Supports infrastructure projects, including the Road Debt Service Fund and the newly adopted 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: Providing 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 2026-2027

The newly established strategic plan included key objectives that have been incorporated into the 26-27 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:

- Incorporating enhanced, recurring intercounty transfers, an innovative funding strategy that leverages cross-county opportunities.
- Timely recognition of one-time versus recurring resources and capitalizing on the ability to conserve one-time reserve funds for long-term planning.

County leadership, Budget Committee members and staff have worked diligently to move top priority items forward in the last year. While a few projects remain underway and may require mid-year budget adjustments, the collective effort reflects a clear commitment to responsible stewardship and continuous improvement.

County teamwork has put forth the following recently completed or in progress items:

- Personnel Services Studies: Human Resources staff, working alongside a contracted firm, spent 18 months completing a State-mandated pay equity review and a comprehensive classification and compensation study. Implemented in January 2026, this work represents the culmination of a long-term initiative and reaffirms Tillamook County's commitment to being a strong and responsible large employer.
- House Bill 4148 revised the Transient Lodging Tax allocation from 70% tourism promotion and facilities /30% general use (Road), to 50%/50%, providing approximately $1.54 million in ongoing revenue available for more flexible uses.
- The Indirect Cost Allocation software migration was completed in March 2026, with enhanced clarity on departmental charges. Additional work is planned for the coming year to modernize the methodology.
- The Financial Assessment, concluded in April 2026, confirmed a General Fund structural gap between recurring revenues and expenditures; its findings delineate the County's fiscal trajectory and clarifies estimated needs into the future.

- Through an interdepartmental collaboration, Fund 123 – Public Safety and Code Enforcement became fully operational in FY25-26, allowing for the enhancement of County code enforcement objectives and cross-departmental partnership.
- Facilities and capital planning remain underway in several funds as we work to include our infrastructure needs in long term fiscal planning.

Together, these milestones reflect a high level of teamwork, effective coordination, and the County's ongoing commitment to delivering complex, high-impact initiatives. With this foundation, the organization is well-positioned to carry its momentum into the 2026–27 fiscal year.

Budget Summary

The proposed Tillamook County budget for 2026-2027 is $187,480,161, compared to the adopted budget of $179,745,016 for 2025-2026. A comparison chart is included for reference in Exhibit A.

Key Changes in Revenue

- The largest revenue increases are from Health program generated revenue, an increase of $3M from the FY25-26 budget.
- Intercounty Transfers In: Increase of $1.2M county-wide. $500K increase for General Fund.

Key Changes in Expenditures

- Personal Services: Increase of $1.8 million.
- Materials & Services: An overall decrease of just under $1 million.
- Capital Expenditures: $12M decrease, this is mostly timing estimate change for Radio Bond, with $13M moved into Unappropriated Ending Fund balance instead of all allocated to capital in one year.

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 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 17, 2026, 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,

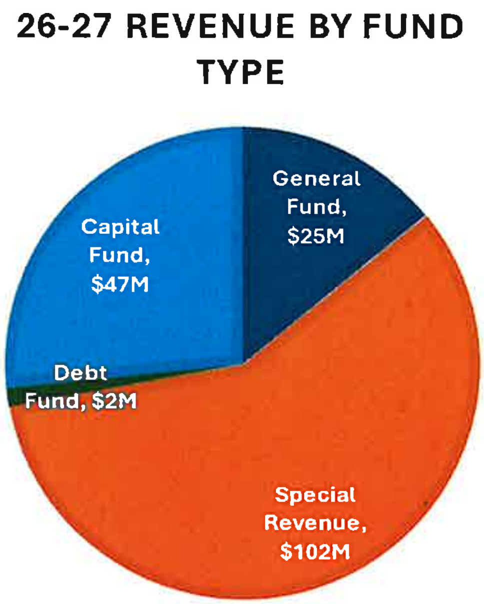
Debra Jacob
Director of Financial Services/County Treasurer

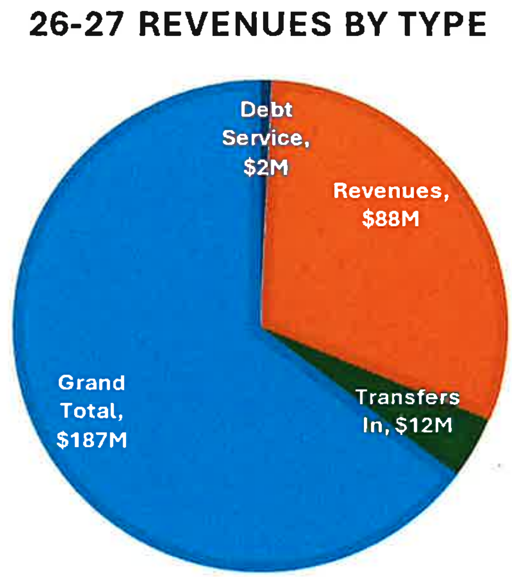
EXHIBIT A

Resources	ADOPTED 25-26	PROPOSED 26-27	INC/(DEC)
Beginning Fund Balance	83,983,094	85,430,581	1,447,487
Revenues	85,108,402	90,182,350	5,073,948
Transfers In	10,653,520	11,867,230	1,213,710
Total Resources	179,745,016	187,480,161	7,735,145
Expenditures			
Personnel Services	40,942,500	42,837,114	1,894,614
Materials & Services	47,466,957	46,449,126	(1,017,831)
Capital Expenditures	48,645,404	35,235,145	(13,410,259)
Transfers Out	11,028,100	11,867,230	839,130
Debt Service	2,150,780	2,213,850	63,070
Total Expenditures	150,233,741	138,602,465	(11,631,276)
Reserves			
Contingency	4,994,306	3,698,775	(1,295,531)
Unappropriated	24,516,969	45,178,921	20,661,952
Total Reserves	29,511,275	48,877,696	19,366,421
TOTAL	**179,745,016**	**187,480,161**	**7,735,145**

REVENUES

Structure





Revenue Metrics

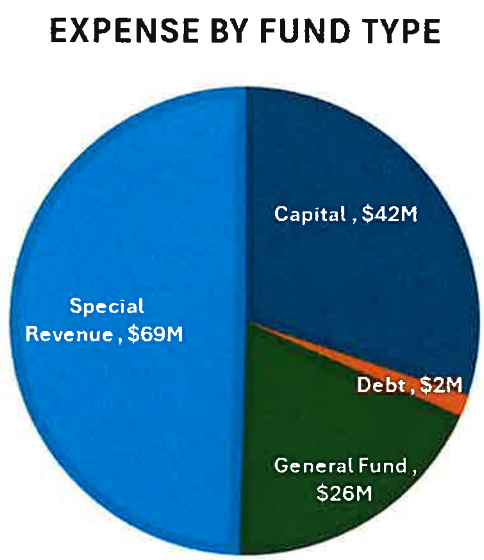
- **Revenue Growth Rate**: *(Current Revenue - Previous Revenue) / Previous Revenue*
    - *Overall revenue has increased by **4.7%**, primarily driven by increased intercounty transfers.*
- **Intercounty Transfers Change:**
    - *Intercounty transfers rose by **$1.2M county-wide.***

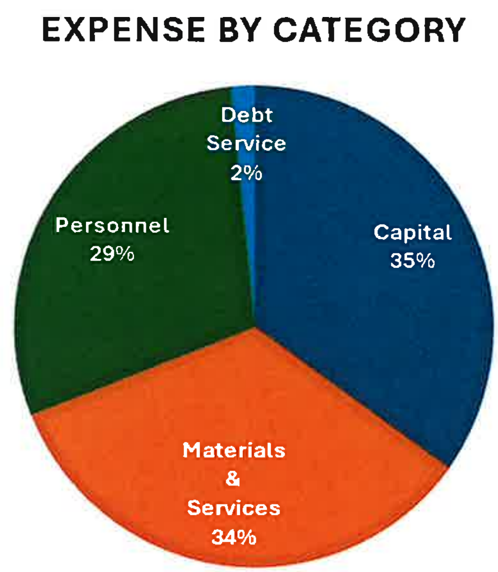
TOP 5 REVENUE INCREASES

Fund Code	Fund Department Title	GL Code	GL Title	25-26	26-27	Increase
170	**Health**	4371	Medicaid	4,000,000	7,000,000	3,000,000
01300	**General County**	4808	Transfer from Transient Lodging Tax	-	1,540,000	1,540,000
192	**County School**	4230	State Timber Revenue	2,500,000	4,000,000	1,500,000
308	**Road**	4802	Transfer from Road Fund	450,000	1,500,000	1,050,000
111	**Transient Lodging Tax**	4020	Transient Lodging Tax	7,000,000	7,700,000	700,000

EXPENSES

Structure





Expenditure Metrics

- **Personnel Cost Growth:** *(Current Personnel Costs - Previous Personnel Costs) / Previous Personnel Costs*
  - *Personnel Services costs have increased by **4.6%** ($1.8 million), reflecting salary adjustments and benefit changes.*
- **Materials & Services Savings:** *(Previous Costs - Current Costs) / Previous Costs*
  - *Materials & Services expenditures decreased by **2%** ($1.0 million).*

TOP 5 EXPENDITURE INCREASES

Fund Code	Fund Department Title	GL Code	GL Title	25-26	26-27	Net Increase
192	**County School**	9103	Tax Distribution	2,510,000	4,030,000	1,520,000
111	**Transient Lodging Tax**	9800	Transfer to General Fund	155,000	1,672,350	1,517,350
160	**Public Works**	9825	Transfer to Road Const Grant	450,000	1,500,000	1,050,000
308	**Road Construction Grant Project**	7899	Miscellaneous	-	670,000	670,000
170	**Health & Human Services**	7105	Contracted Services	2,830,579	3,441,528	610,949

Capital Investment Highlights

CAPITAL EXPENDITURES BY FUND TYPE

Row Labels	25-26	26-27	Net Increase
Capital	36,948,490	24,572,990	(12,375,500)
General Fund	339,040	202,980	(136,060)
Special Revenue	11,357,874	10,459,175	(898,699)
Grand Total	**48,645,404**	**35,235,145**	(13,410,259)

- **Capital Investment Share**: *(Capital Expenditures / Total Budget)*
    - *Capital expenditures now comprise **35%** of the total budget, reflecting major infrastructure investments, mainly through the Radio fund infrastructure enhancements, Road Construction Grant Projects, Tillamook County Community Health Center capital improvements, and various Building Improvement, Library and Road department planned capital projects.*

Financial Resilience

UNAPPROPRIATED ENDING FUND BALANCE

Fund Type	25-26	26-27	Net Increase
Capital	2,090,000	16,149,610	14,059,610
Debt	-	-	-
General Fund	6,500,000	5,233,321	(1,266,679)
Special Revenue	15,926,969	23,795,990	7,869,021
Grand Total	**24,516,969**	**45,178,921**	**20,661,952**

- **Unappropriated Ending Fund Balance**:
    - *The budget preserves an ending fund balance of **$45 million**, planning for the means of financial stability heading into the next fiscal year.*

Budget Comparisons

- **Total Budget Increase**: *(Current Budget - Previous Budget) / Previous Budget*
    - *The overall budget has increased by **4.3%**, growing from **$179.7 million** to **$187.5 million**.*

#	Approach	To Reserve	Reserve Balance	To Beg. Bal.	New Beg. Bal.
A	**Favor flexibility** — more to beginning balance for one-time investments	$350,000	**$2,000,000**	$1,150,000	**$11,900,000**
B	**Balanced split** — half to reserve, half to beginning balance	$750,000	**$2,400,000**	$750,000	**$11,500,000**
C	**Full surplus to reserve** — closest to the Reserve Policy guidance Long-term goal	$1,500,000	**$3,150,000**	—	**$10,750,000**

Current Revenue Stabilization balance: $1,650,000 | Current BFB (before allocation): $10,750,000 | Reserve Policy floor: $2,000,000

Question to sit with	Why it matters
Reserves vs. flexibility How much above $2.0M should Revenue Stabilization be?	What funding strategy most aligns with the County's current financial situation, strategic plan and long term goals.
Vacancy budgeting	Does this budget change better align the plan with the action? Does it support County financial health?
One-time investments Which items feel timely? Which need more context?	Review the list. How much spend-down is comfortable in one year? Are there projects that move the County's overall strategic plan forward?
The structural gap How much weight should the ~$1.3M gap carry?	The gap is real and will need a future-year answer. How much should it constrain this year's one-time investments?

Questions before the meeting? Reach out: debra.jacob@tillamookcounty.gov, (503)842-3425.

	What it prioritizes	What it gives up
A	Floor: Reserve meets the $2.0M Floor: $1.15M back to beginning balance.	Reserve meets policy floor, grows more slowly, leaves the most flexibility in Beginning Fund Balance for use in Decision 3.
B	Balance: reserve exceeds the $2.0M floor ($2.4M); $750K available for Decision 3.	Middle ground, reserve balance back to FYE25 level and increases flexibility for Decision 3
C	Strongest reserve health and policy alignment. Reserve reaches $3.15M.	No additional beginning balance — Decision 3 works only with existing resources.

Coming up at the meeting - Decision 1

The Committee will decide how to split the $1.5M Timber surplus. Context to think about: how important is it to build the reserve above the $2.0M floor right now, versus preserving flexibility for investments in county infrastructure and services in Decision 3?

Vacancy Budgeting: Making the Budget Reflect Reality

The General Fund carries salary and benefit budgets for **17 vacant positions** totaling $2,021,810. For three consecutive years, actual personnel spending has come in approximately **$1.97 million** below budget. The gap shows up as year-end "savings", this shift recognizes the historical spending rate to right size the budget and track the savings up front in reserve.

The proposal: move that $2.02M from departmental personnel accounts into Contingency (Dept. 01410) at the start of the year. Total budget stays the same, the money moves within the General Fund budget, not out of it.

> **What this does not do**
>
> Moving vacant positions to contingency does not eliminate those positions, restrict hiring, or reduce any department's authorized staffing.

Here is what changes in the budget summary - and what does not:

Here is what changes in the budget summary - and what does not:

Budget Line	Without	With Vacancy Budgeting	
Personnel Services	$21,061,776	$19,055,319	↓
Operating Contingency	$370,000	$2,391,810	↑
Total Budget	**$35,742,702**	**$35,742,702**	=
Effective spend-down	$5,532,032	$3,510,222	↓
Estimated structural gap	**($3,625,000)**	**($1,310,501)**	↑

The structural gap improves from ($3.6M) to ($1.3M) because the budget now reflects what we actually expect to spend.