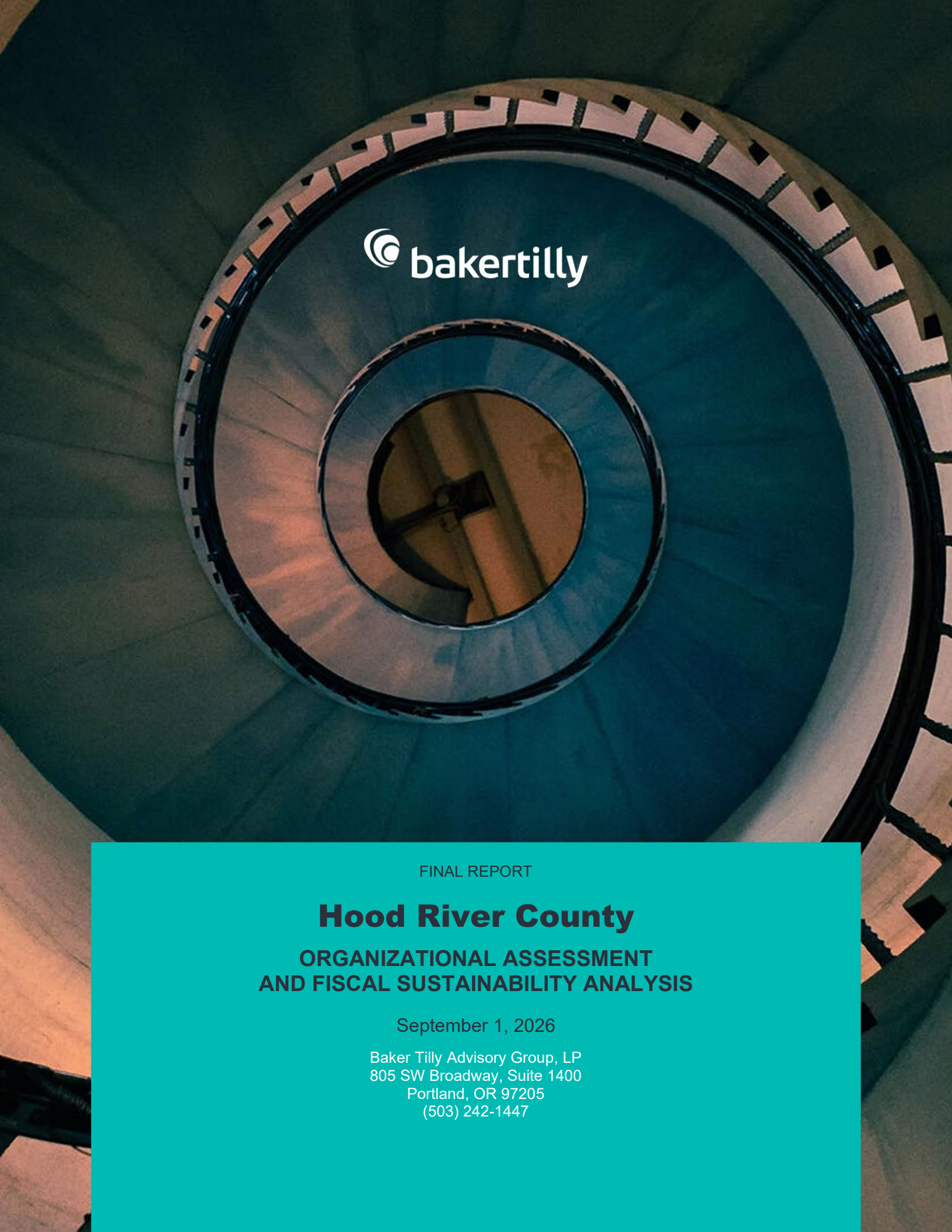

FINAL REPORT

Hood River County

ORGANIZATIONAL ASSESSMENT AND FISCAL SUSTAINABILITY ANALYSIS

September 1, 2026

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I. Executive Summary

A. Background

Hood River County (the County) was established in 1908. It is located generally between Mt Hood and the Columbia River. Geographically it is one of the smaller counties in Oregon. Today, the County is at a critical turning point. While the County continues to provide essential services to its approximately 24,000 residents, it is facing a growing gap between available resources and the cost of delivering those services. This gap reflects a long-term structural imbalance driven by limited revenue growth, rising costs, and increasing service demands. Without action, the County's current financial trajectory will lead to the depletion of reserves and an inability to sustain core services.

Local governments in the state of Oregon are severely constrained by Measure 5 and Measure 50. Measure 5 limits the total taxes from general governments to $10 per $1,000 of market value. If combined general government taxes exceed this level, the levy rates are "compressed" to stay under the $10 limit. Measure 50 was passed in 1997 and set a permanent operating levy limit for each taxing authority in the state. For Hood River County, the permanent rate was set at $1.41 per $1,000 of assessed value. This rate reflects the revenues the County received from federal forest lands and County timber sales at the time. As economic conditions and the County's revenue mix have changed over time, the County has not been able to change its permanent levy rate to compensate.

In addition to the limits imposed by Measures 5 and 50, the County is also constrained by its development patterns. Approximately three-quarters of land within the County is tax-exempt. In the remaining portion of the County, four Urban Renewal Areas serve to reduce the effective property tax rate to $1.26 per $1,000 in assessed value. These circumstances put the County at a disadvantage in terms of generating revenue to sustain its operations.

The County has previously taken steps to address revenue shortfalls created by the conditions described above. It implemented a Public Safety levy to provide resources to maintain its law enforcement services. More recently, the County began participation in a carbon credit program, which is expected to provide revenues related to the County's timber portfolio. These efforts are intended to help narrow the gap between County revenues and the costs of providing services to the community. However, the County continues to face significant fiscal pressures, including the cumulative effects of elevated inflation during and following the COVID-19 pandemic, which increased the cost of labor, materials, equipment, and contracted services. While inflation rates have moderated in recent years, the higher cost base established during this period remains, and existing revenue sources are not sufficient to fully offset these ongoing expenditure pressures.

Within this context, the County engaged Baker Tilly to conduct a comprehensive organizational assessment and fiscal sustainability analysis. This report combines a long-range financial forecast, organizational assessment, and fiscal sustainability plan to outline both the challenges ahead and a path forward.

B. Financial Condition and Outlook

The County's financial outlook reflects a clear and growing structural imbalance between revenues and expenditures. Based on current projections, the County is entering a period of sustained deficits that will significantly impact its ability to maintain services if not addressed.

In the near term, the County is projecting a General Fund deficit of approximately $2.75 million in fiscal year (FY) 2026–27, representing a significant gap between ongoing revenues and expenditures. If we assume that the County will realize some savings due to vacancies in its personnel complement, we still estimate a deficit of $2.1 million for FY 2026-27. Looking beyond the next fiscal year, the situation worsens considerably. The County's long-range forecast indicates that annual deficits are expected to grow to approximately $2.7 million by FY 2027-28 and reach $9.1 million by FY 2030-31 if no corrective actions are taken.

This pattern of recurring deficits is particularly concerning, given the County's limited reserve capacity. At the end of FY 2024–25, the General Fund held approximately $8.5 million in reserves, representing about 44% of annual expenditures. However, under current budget assumptions, these reserves are expected to be fully depleted by FY 2028–29. Once reserves are exhausted, the County will no longer have a financial buffer to absorb revenue shortfalls or unexpected costs, significantly increasing fiscal risk.

Recent budget data further underscores the magnitude of the challenge. For FY 2026–27, the County is projecting total general fund revenues of approximately $14.2 million, compared to expenditures of approximately $21.7 million, resulting in an overall funding gap of more than $13 million. Within the General Fund alone, which is the focus of this analysis, the projected deficit is approximately $2.1 million, highlighting the extent to which ongoing operations are outpacing available resources.

To stabilize its financial position and maintain minimum reserve levels, the County will need to implement a combination of revenue increases and expenditure adjustments totaling at least $5 million annually by FY 2027-28, growing to approximately $9.5 million annually by FY 2032-33. These figures represent the minimum level of ongoing solutions required to prevent further deterioration of the County's financial position.

C. Organizational Assessment Results

The organizational assessment found that the County is operating with dedicated staff who are committed to serving the community, but the County is under significant strain. Across departments, staffing levels, processes, and systems have not kept pace with growing service demands and increasing operational complexity.

GOVERNANCE AND STRATEGIC ALIGNMENT

The County currently lacks a consistent, County-wide approach to decision-making and coordination with the inconsistent administrative code and dated strategic plan. The County is a home rule county with a charter that delegates administrative authority to the county administrator. Departments often operate independently, which can lead to misalignment with broader priorities and missed

opportunities to work more efficiently across functions. Survey results reinforce this challenge, with relatively low agreement that leadership decisions are aligned with strategic priorities.

WORKFORCE CAPACITY AND SUSTAINABILITY

Workforce strain is a recurring theme. Many employees report being able to meet expectations, but not always in a sustainable way. Staffing levels are uneven across departments, and turnover rates are elevated compared to typical public-sector benchmarks. A significant portion of the workforce is also approaching retirement eligibility, creating additional risk for continuity and knowledge loss.

SERVICE DELIVERY AND ORGANIZATIONAL STRUCTURE

Several service areas—such as recreation, juvenile services, and emergency management—are either separated or operating with limited capacity. In some cases, operational responsibilities are split across departments (e.g., Forestry and Public Works) without clear coordination, leading to inefficiencies and inconsistent service delivery.

PROCESS AND TECHNOLOGY CHALLENGES

The County relies heavily on manual processes and outdated or disconnected systems across many functions, including finance, HR, records management, and permitting. These limitations increase administrative workload, reduce efficiency, and limit the County's ability to use data to make informed decisions. Technology governance, cybersecurity, and data management practices are also underdeveloped, increasing operational risk and limiting the County's ability to modernize.

D. The Path Forward

Addressing the County's structural deficit will require a combination of revenue increases, cost recovery improvements, operational efficiencies and, if necessary, targeted service adjustments. Based on current projections, the County must implement solutions totaling approximately $5 million annually in the near term, with the long-term gap approaching $10 million annually. Capital investments needed in future years will require additional revenues.

No single strategy will be sufficient. A balanced, phased approach will be required, with priority placed on high-impact, sustainable actions. Many of these measures have been considered by the County in the past; however, the County's financial position has deteriorated to the point that timely implementation is now critical to preserving its long-term fiscal sustainability and maintaining essential services to the community.

PRIORITY 1: INCREASE AND DIVERSIFY REVENUE

The County cannot close its fiscal gap through cost reductions alone. In many areas, staffing and service levels are already lean, making new revenue the most critical component of the solution.

Key opportunities include:

- Local option property tax levies (operations and capital), generating approximately $1.0–$1.5 million annually, although it must be acknowledged that this approach is limited by the fact that 75% of County lands are not taxable
- Public safety levy adjustments, generating up to $2.75 million annually
- Food and beverage tax, generating approximately $2.6 million annually
- User fee updates, generating approximately $1.2 million annually
- Improved property tax collections, generating approximately $1.0 million annually

These strategies should be prioritized early, as they offer the largest and most sustainable impact.

PRIORITY 2: IMPROVE COST RECOVERY AND FINANCIAL PRACTICES

The County should ensure services are funded as efficiently as possible by:

- Strengthening cost allocation and grant recovery (~$150,000 annually)
- Ensuring full cost recovery for contracted services
- Reducing General Fund subsidies where appropriate
- Evaluating County properties and leases for cost recovery

These actions are generally high-feasibility and can be implemented in the near term.

PRIORITY 3: IMPROVE EFFICIENCY AND SERVICE DELIVERY

While not sufficient on their own, operational improvements are important to long-term sustainability. Key actions include:

- Invest in updated technology that can help decrease administrative burden
- Exploring shared services and partnerships with local organizations

These efforts can reduce administrative burden and improve service delivery over time.

PRIORITY 4: EVALUATE SERVICE ADJUSTMENTS (IF NEEDED)

If other strategies are not sufficient, the County may need to consider targeted service changes, including:

- Reducing or restructuring non-mandated services
- Transitioning services to partners or other providers
- Evaluating facility ownership and programs

These decisions should be carefully prioritized by community input, evaluated in relation to statutory requirements and informed by the availability of locally provided services.

E. Summary

The County has a narrow but important window to act. While the financial challenges are significant, they are not insurmountable.

With timely decisions, the County can stabilize its finances, improve operations, and maintain essential services. However, delaying action will reduce available options and increase the likelihood of disruptive cuts.

Taking a proactive, transparent, and balanced approach by combining operational improvements with new revenue strategies will enable the County to build a more sustainable and resilient future.

II. Project Introduction

A. Project Scope

In November 2025, the County engaged Baker Tilly to conduct a comprehensive organizational assessment and fiscal sustainability analysis. The purpose of this engagement was to develop actionable, long-term strategies that align the County's organizational structure and financial resources with evolving community needs and service priorities.

This engagement was designed to provide recommendations that enhance operational effectiveness, improve efficiency, and strengthen financial resilience. Through this process, the County will be better positioned to modernize operations, address near-term service demands, plan for long-term needs, and maintain core service levels while preserving programs that benefit the community.

Key components of the project included:

- Developing a long-range financial forecast
- Preparing a fiscal sustainability plan
- Assessing organizational structure and service delivery
- Identifying opportunities to improve operational alignment and resource allocation
- Delivering a phased implementation roadmap to guide execution over time

While near-term considerations will inform the analysis, implementation of recommendations is anticipated to begin in 2027 and continue over multiple fiscal years. Organizational and fiscal sustainability is a multi-year effort that requires thoughtful sequencing, stakeholder engagement, and ongoing monitoring to ensure long-term success.

B. Project Methodology

The engagement was organized into three integrated phases:

- Phase 1: Long-Range Financial Forecast Development
- Phase 2: County-Wide Organizational Assessment
- Phase 3: Fiscal Sustainability Plan Development

Phases 1 and 2 were conducted concurrently where appropriate, with Phase 3 informed by the findings of the first two phases.

Collectively, the three phases provide the County with an integrated framework linking long-term financial forecasting, organizational alignment, and actionable sustainability strategies, equipping leadership with the tools necessary to make informed, forward-looking decisions.

Baker Tilly began the engagement with a project launch meeting to confirm objectives, refine the schedule, and align expectations with the County's leadership team. Following this meeting, we issued a comprehensive data request and began a detailed review of the County's financial condition.

The following serves as a summary of the data we received and reviewed:

FINANCIAL	ORGANIZATIONAL
• Multi-year budgets and financial statements • Budget vs. actual revenue and expenditure data • Capital improvement plans (CIPs) • Reserve policies • Labor agreements and intergovernmental agreements (IGAs) • Prior financial planning analyses	• Organizational charts • Previous organizational assessment 2022 • Staffing and compensation data • Recruitment and retention trends • Policies and procedures • Workforce demographics • Departmental work plans

PHASE 1: LONG-RANGE FINANCIAL FORECAST

Baker Tilly conducted a comprehensive review of the County's financial condition to evaluate its long-term fiscal capacity and sustainability. This analysis included an assessment of historical revenue performance and volatility, major expenditure drivers, structural cost trends, and the accuracy of past budget assumptions compared to actual results. By identifying patterns in financial performance and underlying cost pressures, we developed an updated, forward-looking perspective on the factors influencing the County's financial trajectory.

A key component of this phase was the identification and quantification of unfunded or underfunded obligations that pose long-term fiscal risk. These included capital infrastructure reinvestment needs, fleet replacement schedules, deferred maintenance, and technology lifecycle funding. Understanding these obligations was essential to accurately portray the County's structural financial position rather than relying solely on annual operating results.

Interviews with finance staff and departmental leadership informed the economic, demographic, and operational assumptions incorporated into the fiscal model. These insights ensured that projected growth rates, expenditure trends, staffing assumptions, and service demands reflected both quantitative data and on-the-ground realities.

Using this information, Baker Tilly developed a multi-year fiscal model encompassing the General Fund, Capital Improvement Funds, and Special Revenue Funds, as applicable. The model projected revenues, expenditures, and long-term obligations over a 10-year horizon based on clearly documented assumptions grounded in County financial records.

Draft assumptions and projections were reviewed collaboratively with leadership to validate reasonableness and alignment prior to finalization. The result is a transparent, defensible forecasting tool that provides a sound basis for evaluating the County's ability to fund services and strategic priorities over the next decade.

PHASE 2: COUNTY-WIDE ORGANIZATIONAL ASSESSMENT

The organizational assessment evaluated the County's structure, staffing levels, operational effectiveness, and service delivery practices to determine whether current resources and systems are aligned with long-term service demands and fiscal realities.

To inform this evaluation, Baker Tilly conducted leadership interviews, employee focus groups, a workforce retirement eligibility analysis, and an employee engagement survey (complete results are included in Appendix B – Employee Survey). This approach provided both qualitative and quantitative insight into organizational strengths, operational challenges, communication gaps, and opportunities for improvement.

In addition, we conducted peer benchmarking with six comparable counties to assess the County's organizational structure, staffing ratios, compensation competitiveness, service delivery models, and selected performance indicators relative to similarly situated counties. This benchmarking analysis provided external context to determine whether observed conditions reflected broader industry trends or County-specific challenges. Peer counties included Clatsop, Crook, Deschutes, Lincoln, Tillamook, and Wasco. Complete benchmarking results can be found in Appendix A – Detail of Peer Benchmarking.

Baker Tilly prepared draft and final reports, synthesizing insights from both the organizational and financial phases of the engagement. Recommendations were structured to improve operational efficiency, clarify organizational alignment, and strengthen financial and overtime management practices.

PHASE 3: FISCAL SUSTAINABILITY PLAN

This phase translated diagnostic findings into actionable policy choices to address structural gaps and support long-term financial sustainability. We prepared a comprehensive strategy matrix organized across four primary dimensions:

1. Expenditure controls and cost shifts
2. Service delivery model changes
3. Revenue enhancements
4. Service reductions

Each strategy included estimated fiscal impact, priority, and feasibility. Baker Tilly presented these scenarios to County leadership to solicit feedback and obtain policy direction and align on strategic priorities. Following this discussion and selection strategies, we developed a draft implementation action plan outlining recommended next steps, sequencing, accountability considerations, and timeline assumptions to support successful execution.

III. Implementation Action Plan

The Implementation Action Plan (IAP) translates the recommendations from the Organizational Assessment in Section V. into a clear, actionable roadmap for execution. Its purpose is to guide implementation in a structured and transparent manner, strengthen task ownership across the organization, and ensure responsibilities are distributed strategically so that no single individual or team is overburdened.

On June 24, 2026, Baker Tilly facilitated an implementation workshop with the County's leadership team to review the draft recommendations, discuss implementation sequencing, and establish initial ownership for execution. During this session, leadership identified the Priority A recommendations as the County's highest near-term priorities and worked collaboratively to identify executive sponsors, responsible leads, and initial implementation steps for each initiative. The workshop also provided an opportunity to validate implementation dependencies, identify resource considerations, and build organizational alignment around the recommended path forward.

Recommendations are organized into four implementation priority levels based on their urgency, strategic importance, and role in advancing the County's long-term organizational and fiscal sustainability:

- **Priority A – Critical Priorities:** Initiatives that require immediate attention because they establish the foundation for organizational improvement, address significant operational or fiscal risks, or enable successful implementation of other recommendations.
- **Priority B – High Priorities:** Important initiatives that strengthen organizational capacity, improve service delivery, and build upon the foundational work established through Priority A actions. These should begin after or concurrently with critical priorities as resources allow.
- **Priority C – Moderate Priorities:** Recommendations focused on process improvements, technology modernization, and operational enhancements that increase organizational efficiency and effectiveness over the medium term.
- **Priority D – Lower Priorities:** Longer-term initiatives that provide additional organizational value but are less time-sensitive and can be implemented after higher-priority recommendations are substantially underway or as resources become available.

This IAP outlines the key action areas, associated implementation steps, executive sponsors, responsible leads, anticipated timelines, and key dependencies for each recommendation. It is intended to serve as a living management tool that supports accountability, informed decision-making, and ongoing progress monitoring as the County advances implementation over the coming years.

PRIORITY	REC#	RECOMMENDATION	SPONSOR	LEAD	TIMELINE						DEPENDENCIES
					FY2026-27	FY2027-28	FY2028-29	FY2029-30	FY2031-32	FY2032-33	
A	1	Establish a strategic plan and enterprise-wide governance framework	County Administrator, Board Chair	Office Manager							Determination of whether to perform services in-house or use an external facilitator, which may have financial dependencies
	2	Implement a centralized public information and communication function	County Administrator	County Administrator							Funding or reassignment for PIO capacity
	5	Evaluate patrol staffing model and optimize law enforcement service delivery	Sheriff	Sheriff							Workload/deployment analysis; overtime and call data; public safety levy strategy
	11	Implement an integrated asset and infrastructure management framework	Public Works Director, Forestry Director	GIS Coordinator							Countywide asset inventory; condition assessment standards
	13	Centralize and strengthen financial	County Administrator, Director of	Finance Director,							Priority areas can be selected initially: Caselle workflow review; payment

PRIORITY	REC#	RECOMMENDATION	SPONSOR	LEAD	TIMELINE						DEPENDENCIES
					FY2026-27	FY2027-28	FY2028-29	FY2029-30	FY2031-32	FY2032-33	
		management processes	Technology Services	AR&E Director							portal integration; procurement standards
	17A	Conduct a user fee and cost-of-service study to improve cost recovery and reduce General Fund reliance	Community Development Director, Finance Director	Office Manager							Budget to complete a fee study; Finance support; Community Development workload data; Board adoption
B	3	Establish succession planning and leadership continuity programs	Human Resources Director	Human Resources Coordinator							Retirement risk analysis; leadership development; mentoring/job shadowing; knowledge-transfer templates
	12	Establish a formal Capital Improvement Planning (CIP) process	County Administrator; Public Works Director	Finance Director							Project prioritization criteria; department capital lists; long-range financial forecast; reserve/debt policy
	9	Address Public Works staffing vacancies and restore operational capacity	Public Works Director, Human Resources Director	Roads Maintenance Supervisor; Maintenance Supervisor,							Budget/funding; recruitment strategy; service level definitions; road/facility condition data

PRIORITY	REC#	RECOMMENDATION	SPONSOR	LEAD	TIMELINE						DEPENDENCIES
					FY2026-27	FY2027-28	FY2028-29	FY2029-30	FY2031-32	FY2032-33	
	14	Establish formal technology governance and lifecycle management	Director of Technology Services	Information Services Manager							Steering committee; Microsoft Intune rollout; cybersecurity standards; technology roadmap; budget/CIP integration
C	4	Improve recreation service delivery structure and coordination	County Administrator	Public Works Director; Forestry Director; Recreation Program Manager							Forestry/Public Works role decision; standardized fees; reservation/payment system
	8	Expand Technology Services capacity and transition to a strategic operating model	Director of Technology Services	Information Services Manager							Service intake/prioritization; knowledge transfer; contracted/shared service decisions; budget capacity
	10	Develop and implement a workforce plan that aligns staffing and workload expectations	County Administrator	Human Resources Director							Workforce plan; turnover/workload data; classification and compensation study; succession planning; budget capacity; department workload assessments.

PRIORITY	REC#	RECOMMENDATION	SPONSOR	LEAD	TIMELINE						DEPENDENCIES
					FY2026-27	FY2027-28	FY2028-29	FY2029-30	FY2031-32	FY2032-33	
	15	Redesign and modernize Human Resources processes	Director of Human Resources; Director of Technology Services	HR Generalist							HRIS/e-timekeeping procurement or configuration; payroll/finance integration; policy/procedure documentation; manager training; employee self-service rollout
D	6	Strengthen Emergency Management capacity and organizational support	Sheriff	Undersheriff							Emergency management staffing/funding decision; Sheriff/Admin/Health coordination; backup roles; regional/shared service
	7	Strengthen Juvenile Services structure and service delivery model	Juvenile Department Director	Juvenile Supervisor							Caseload/workload assessment; OYA/JCP and other grants; Health coordination; Sheriff's Office coordination
	16	Implement a County-Wide records management and digitization strategy	AR&E Director, Director of Technology Services	Deputy County Clerk							Records retention policy; records inventory; document management system; County/municipal code repository; department records

PRIORITY	REC#	RECOMMENDATION	SPONSOR	LEAD	TIMELINE						DEPENDENCIES
					FY2026-27	FY2027-28	FY2028-29	FY2029-30	FY2031-32	FY2032-33	
											coordinators; staff training.
	17B	Modernizing planning and permitting processes, update the Comprehensive Plan, and improve permitting system functionality and operational efficiency.	Planning and Building Director	Planning Manager							Accela assessment; workflow mapping; finance/payment integration; Comprehensive Plan scope; statewide planning goal alignment; staffing capacity

IV. Financial Forecast

Baker Tilly developed a baseline financial forecast for the County to visualize the existing baseline FY 2025–26 budget and a set of realistically conservative revenue and expenditure assumptions for the County's long-term fiscal health. The model is based on the past five years of the County's financial performance in addition to the adopted FY 2026–27 budget. It uses a set of realistically conservative assumptions to generate a 10-year forecast of the County's fiscal health and includes the ability to change various assumptions in order to model the expected impacts of different revenue and spending scenarios.

The model is not intended to be a budgeting tool, though it is expected to provide useful information to the County's budgeting process. Rather, the model is intended to show the County's fiscal trajectory based on defined assumptions and to identify potential imbalances between revenues, operating expenses, and capital needs before these imbalances become urgent issues. The hope is that by keeping focus on the County's fiscal position 5–10 years out, County staff and policy makers can make budget adjustments far enough in advance to minimize the need for disruptive last-minute changes.

A. Key Forecasting Terms

There are four key terms used in this report that require clarity:

1. **Annual Surplus/(Deficit)**

   For the purposes of this report, we define the term "annual surplus/(deficit)" to mean the variance between revenues and expenditures (including all transfers, in or out, between other County funds) in each fiscal year.

2. **Fiscal Gap**

   To the extent that there are years when expenditures exceed revenues, we consider that imbalance to represent a "fiscal gap" that will have the impact of depleting available reserves in the General Fund if not otherwise corrected. A one-time fiscal gap due to capital outlays or other one-time costs can often be managed without significant issues, but multiple years of deficits due to ongoing imbalances between revenues and expenditures usually represent an unsustainable path that will need to be addressed before the County's reserves are exhausted.

3. **Fund Balance or Reserves**

   This report references both "fund balance" and "reserves". Consistent with Oregon Local Budget Law, fund balance generally represents the net resources available within a fund after accounting for liabilities and reserves, while reserves represent amounts set aside for specific purposes or future needs. For purposes of this analysis, these terms are discussed collectively as available financial resources that support the County's fiscal stability and future operations. In fiscal sustainability planning, the focus is on available reserves, meaning reserves that are within the discretion of the County to use in support of General Fund operations. County Commissioners may choose to set aside a portion of those reserves for specific purposes, but to the extent that any set-aside is intended to be used to support General Fund operations, those reserves are considered to be available for purposes of the long-range forecast. The County may also

establish a minimum reserve policy to ensure that the County always has a certain level of resources available to address unanticipated revenue shortfalls or expenditure needs. Minimum reserves represent a target to be achieved throughout the forecast period in a fiscal model. For the County, the minimum fund balance policy was established by Resolution 2223 in 2018 with a target set at 10% of operating expenses.

4. **Balanced Budget**

   In this report, we define a “balanced budget” as a budget where revenues meet or exceed expenditures (including transfers in or out) in any single year. Oregon State budget law allows for a budget to be balanced using existing fund reserves as a revenue source, and the financial policies adopted by County Commissioners follow the state definition. The use of reserves as a regular revenue source can often mask an ongoing fiscal imbalance that needs to be resolved before available reserves are depleted. As such, we do not treat fund reserves as normal revenues; instead, we look at the level of reserves available each year based on annual surpluses or deficits. The use of reserves may be an acceptable short-term strategy, but the focus of the long-range forecast must be the preservation of reserves above the County’s minimum reserve policy.

B. Key Assumptions Used in Preparing the Forecast

The long-range forecast is built on a set of baseline assumptions that reflect both historical experience and current policy direction. These assumptions address the County's major revenue sources, expenditure categories, reserve policies, and broader economic factors such as inflation and potential recessionary cycles. Together, they establish a realistic but conservative framework for projecting future fiscal conditions. While no significant new development or one-time revenues are assumed, the forecast incorporates expected growth trends in taxes, fees, salaries, benefits, and operating costs. The table below summarizes these key assumptions, which form the foundation for the County's long-range financial outlook.

ASSUMPTIONS USED IN FISCAL PROJECTIONS

General Assumptions	Reserves
• **Federal Policy:** At the time of this report, federal policies related to tariffs, Federal Reserve interest rates, employment/job growth, and other key economic areas have caused considerable economic volatility. Many of these policies are changing unpredictably, and many are the subject of court cases that are yet to be resolved. No long-term impacts have been introduced into the forecast for these issues, but they will need to be watched closely in the coming months. • **Recessions:** No recessionary impacts are assumed in the baseline forecast. Impacts from potential recessions in the future can be modeled as part of the County's alternative planning scenarios. • **Service Levels:** Maintain existing service levels. • **Development Activity:** No major/significant development activity or retailers that would significantly impact property or lodging taxes. • **Licenses and Permits:** Permits, licenses, and other charges are assumed to remain relatively stable over the forecast period. While the County reviews its fee schedules twice annually and departments have proposed fee increases in recent years, including additional increases under consideration, the forecast assumes only modest growth in these revenues. This assumption reflects the County's historically conservative approach to fee adjustments and the fact that revenues from permits, licenses, and related charges have remained relatively flat over the past five years despite periodic updates to fee schedules. • **Property Taxes:** Annual 3% growth consistent with state requirements.	• **Minimum Reserves:** A General Fund minimum reserve policy of 10% of annual operating expenditures is assumed, consistent with Resolution 2223, adopted by the Board of Commissioners in 2018. • **Capital Reserves:** The County maintains several capital and reserve funds that serve different purposes. ○ Fund 315 functions primarily as a vehicle replacement reserve fund, with participating departments making annual contributions based on anticipated replacement schedules and future vehicle replacement needs. Because not all County vehicles are managed through this fund, Fund 315 should be viewed as one component of the County's broader vehicle and equipment replacement strategy rather than a comprehensive vehicle replacement program. ○ Funds 302 and 310 serve as reserve or holding funds for future equipment purchases, allowing resources to be accumulated over time in advance of planned capital expenditures. ○ Fund 407 supports larger Public Works capital projects and is funded through a combination of development fees and intergovernmental revenues. ○ Fund 460 serves as a holding fund for affordable housing projects and is funded primarily through construction excise tax revenues. ○ Collectively, these funds help the County plan for and finance significant capital and infrastructure needs by accumulating resources over multiple years, reducing the need for large one-time impacts on operating funds when expenditures occur.

ASSUMPTIONS USED IN FISCAL PROJECTIONS

- **Sales Taxes:** Not allowed under Oregon State Law; although a prepared food and beverage tax has been successfully implemented in other tourism-centric Oregon cities.
- **Investment Earnings:** Assumed rate of return of 2%.
- **Other Taxes:** Projected to grow at an annual pace of 2% per year.
- **Other Sources:** Modest growth of 2% from other revenue sources, including state grants, which are assumed to remain relatively stable over the forecast period but are inherently cyclical in nature and subject to changes in state funding priorities, economic conditions, and legislative appropriations.
- **Payroll Costs:** The long-term assumption of salary adjustments averages 7% per year (subject to meeting and conferring with labor groups). The model includes an adjustment to account for vacant positions. The County's recent experience shows a vacancy rate of approximately 6%; our model uses a vacancy rate of 5% per year to keep from overestimating such savings in future years.
- **Pension Costs:** Based on the most recent available information from the Oregon Public Employee Retirement System (PERS), the County is expected to make pension contributions equivalent to 25.8% of wages for general service employees and 32.9% for public safety employees. These amounts include the County's normal cost rate in addition to surcharges meant to reduce the County's unfunded pension liability. The County also pays the employee portion of PERS, which is an additional 6% of wages.
- **Services and Supplies:** The model assumes 3% annual growth based on economic long-term inflation assumptions.
- **Capital Improvements:** In recent years, the County's approach to capital planning was limited to immediate needs, with little in the way of long-term project planning. The County recently developed a long-term CIP. The CIP identifies approximately $13.4 million in General Fund projects over the next five years (excluding the courthouse project), with an additional $6.7 million in projects through FY 2035–36. In addition, $2.1 million in Forestry projects were identified.
    - One very significant component of the County's capital planning will be to identify funding for needed Courthouse facilities, whether through replacement or renovation. Initial estimates for the project come to over $300 million between FY 2028–29 and FY 2036–37. This figure includes components for moving the Courthouse, relocating the Public Works and Forestry departments, and providing working space during the period when construction is ongoing. Compared to the total General Fund CIP of $20 million, the Courthouse project represents capital investment an order of magnitude greater than the County's baseline level.

C. Results of Updated Long-Range Forecast

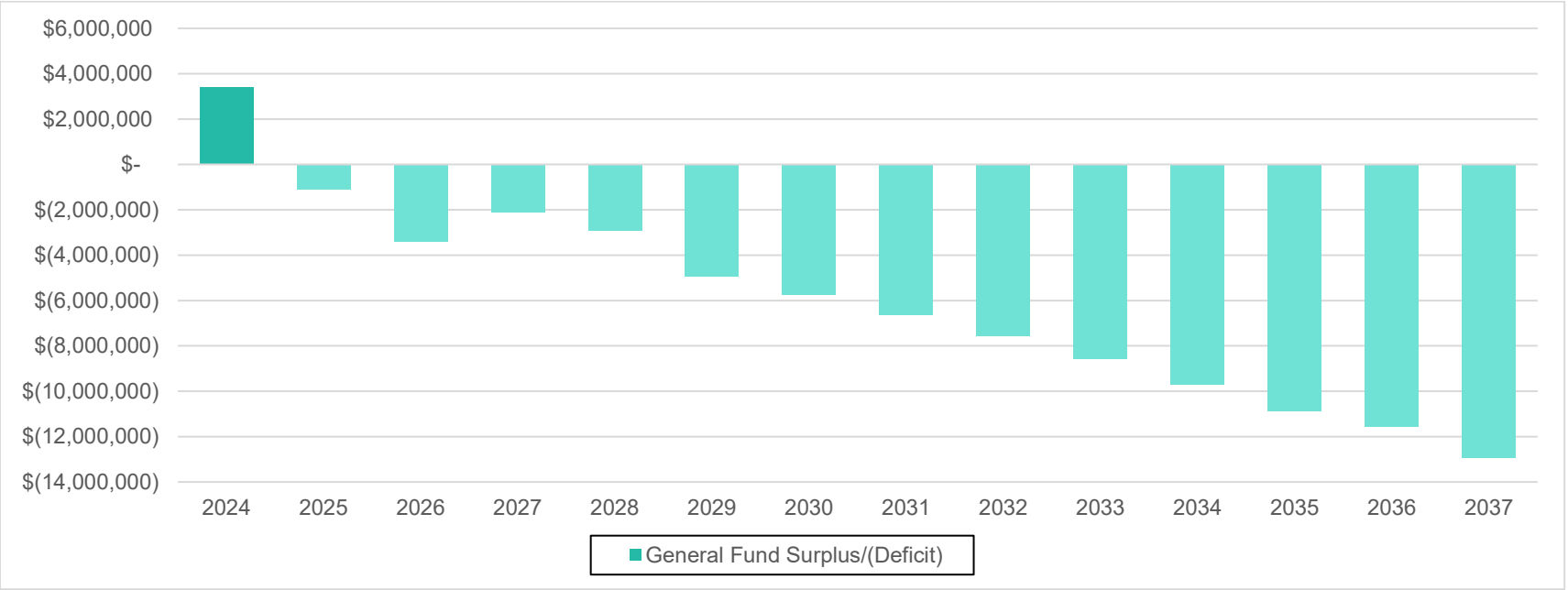
GENERAL FUND

Baker Tilly, in collaboration with County staff, has updated the fiscal model based on the latest revenue and expenditure information and trends through January 2026 in addition to the current budget. The results of the financial forecast indicate that the General Fund saw a large surplus in 2024 due to federal grant monies, followed by a deficit of $1.1 million in FY2024-25. As of June 5, 2026, the proposed FY 2026–27 budget shows a General Fund deficit of $2.1 million. Our model includes an assumption that some cost savings will be realized as a result of vacant positions going unfilled in various General Fund departments. This adjustment would reduce the annual deficit to $2.1 million, which remains a significant gap.

The County's long-term structural gap stems from the mismatch between revenues growing at a relatively modest pace versus expenditures rising faster due to inflationary pressures. As a result, the fiscal model anticipates annual deficits growing each year throughout the planning period. The General Fund is expected to reach an annual deficit of $2 million in FY 2027, increasing to $5.7 million in FY 2031. These results are presented below.

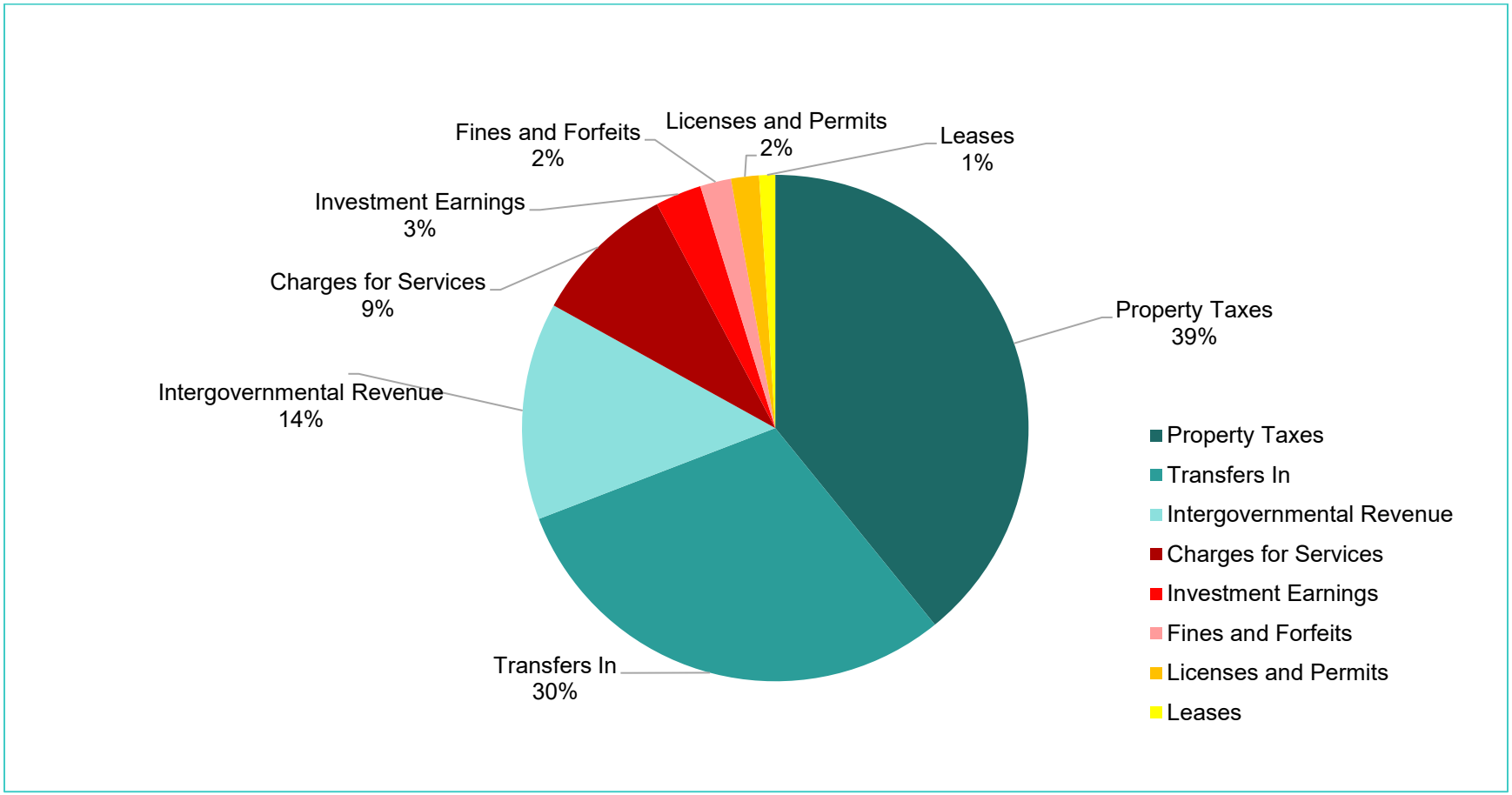
General Fund reserves at the end of FY 2024–25 stood at approximately $8.5 million, which represented about 43% of annual expenditures. The County's most recent budget anticipates that the General Fund will end FY 2026–27 with an available fund balance of $0.5 million, in addition to contingency funds of approximately $1.0 million and unappropriated funds of $1.4 million. Without corrective action, the General Fund will have no way of covering revenue shortfalls in future budgets.

Projected Annual Change in General Fund Balance



Looking at the County's revenue mix, property tax is the largest revenue source (39% of total revenues in FY 2025), and its growth is constrained to 3% annually under state law. While total property tax revenues can grow faster than 3% due to new construction, property improvements, and voter-approved measures, these factors are difficult to predict reliably and are largely outside the County's control. As a result, the financial model uses the more predictable 3% annual growth assumption for existing assessed value to provide a conservative and defensible baseline forecast. Transfers in from other funds are the next largest source of revenues (30%); these funds are usually limited to providing General Fund services aligned with the purpose of specific special revenue funds. Intergovernmental funds are the third largest source of revenue (14%), and the County has no practical means of controlling the growth of this source. A comparison of revenues for FY 2025 is shown below.

General Fund Revenues – FY 2025



OTHER FUNDS

In addition to the General Fund, the County maintains a number of special funds dedicated to specific purposes. Some of these funds exist to provide budgets to meet grant requirements for statutory separation or for specific programs related to road maintenance, law enforcement, 911 communications, and health programs. Others are related to funding for capital projects, whether from grants earmarked for a specific project or from funds transferred from General Fund departments annually to accumulate funding for larger outlays.

In most cases, the revenues and expenditures related to these funds are limited to supporting the programs, facilities, or capital outlays for which each fund was established. The statutory restrictions on most of these funds leave few resources available for General Fund purposes; where these funds currently make transfers to the General Fund, the transferred funds are limited to specific activities related to the funding source.

Other funds that have contributed to General Fund activities in recent years include:

- **Timber Projects Fund:** This fund includes revenues associated with the County's timber program as well as certain other nonrecurring revenues, such as property sales and other asset-related transactions. Timber harvest receipts are deposited into the Timber Deposit Fund, where annual revenues can vary significantly based on harvest activity, timber markets, and other factors. In recent years, annual timber receipts have ranged from approximately $2 million to more than $8 million. To reduce the impact of this volatility on County operations, the County transfers an amount based on the rolling 10-year average of timber harvest receipts to the Forest Fund within the General Fund. As a result, transfers supporting operations have been more stable, increasing from approximately $2.8 million in FY 2020 to about $3.7 million in FY 2025 and FY 2026. Because this fund also includes certain non-timber revenues, annual activity should not be interpreted solely as reflecting timber harvest performance.
- **Timber Deposit Interest Fund:** This fund accounts for investment earnings generated from balances held in the County's Timber Deposit Fund. Annual revenues have ranged from approximately $80,000 to $1.0 million since FY 2020, reflecting both fluctuations in interest rates and the level of resources maintained within the Timber Deposit Fund. Pursuant to County administrative code, the fund is under the oversight of the Budget and Finance Director, and the Budget Committee may direct the transfer of interest earnings for General Fund purposes.
- **911 Communications Fund:** The Hood River County 911 Communications District was established in 1995 to provide emergency communications and dispatch services for law enforcement, fire protection, emergency medical services, and other public safety agencies throughout Hood River County. The District operates as a separate special district and is funded through a combination of dedicated revenues, including property taxes, state 911 taxes, service charges, grants, and other public safety funding sources. District expenditures support dispatch operations, emergency communications personnel, equipment, technology systems, facility costs, and ongoing investments necessary to maintain reliable emergency response capabilities. The District and County maintain a service relationship under which the District reimburses the County for administrative support and facility-related costs. In recent years, the District has contributed approximately $200,000 annually to the General Fund for administrative services, rent, and other shared support functions.
- **Public Works/Road Fund:** The Public Works/Road Fund accounts for revenues and expenditures associated with the construction, maintenance, preservation, and operation of the County's transportation infrastructure. Primary revenue sources include state highway user revenues (fuel taxes, vehicle registration fees, and weight-mile taxes distributed through the State Highway Fund), federal transportation grants, timber-related road revenues where applicable, permits, and other transportation-related revenues. Under Oregon law, many of these revenues are restricted and may only be used for transportation-related purposes, including road and bridge maintenance, preservation, capital improvements, traffic safety, and related Public Works activities. Annual operating results within the fund can fluctuate significantly due to the timing of grant reimbursements, capital project expenditures, emergency repairs, and other transportation-related projects. As a result, transfers and changes in fund balance do not necessarily reflect ongoing operating performance in a given year. Since FY 2020, transfers related to road maintenance and project activities have ranged from approximately $1.4 million to negative $265,000, with year-to-year

variations largely attributable to the timing of project-specific revenues and expenditures rather than changes in the County's underlying transportation program.

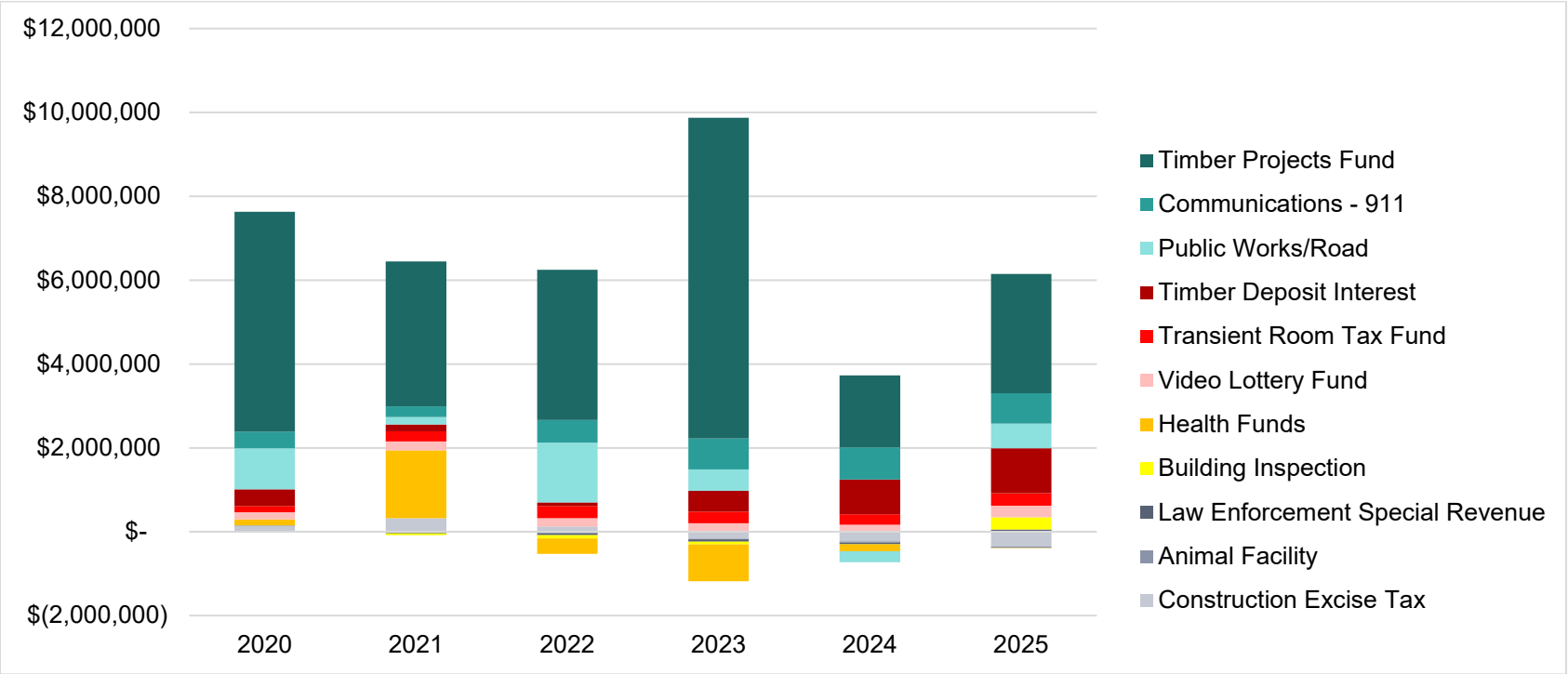
- **Transient Room Tax Fund:** The Transient Room Tax (TRT) Fund accounts for revenues generated from taxes imposed on overnight lodging accommodations within Hood River County. Because tourism is a significant component of the local economy, TRT revenues are influenced by visitor activity, lodging demand, economic conditions, and seasonal tourism trends. Consistent with Oregon law and local ordinance requirements, a substantial portion of these revenues is restricted for tourism-related purposes, including tourism promotion, destination marketing, visitor services, and activities intended to enhance and support the local tourism economy. Transfers and expenditures for tourism-related purposes have averaged approximately $250,000 annually in recent years.
- **Video Lottery Fund:** The Video Lottery Fund accounts for revenues distributed to the County from the State of Oregon's video lottery program. Under Oregon law, these revenues are intended to support economic development activities and are generally restricted to projects and programs that promote economic opportunity, business development, workforce investment, infrastructure improvements, and other initiatives that contribute to long-term economic growth within the county. Transfers from the fund for economic development purposes have averaged approximately $200,000 annually in recent years.
- **Health Fund:** The Health Fund accounts for the County's public health programs, which are supported primarily through a combination of federal and state grants, intergovernmental agreements, fees for services, and other program-specific revenues. These funds support a broad range of services, including communicable disease prevention, environmental health, maternal and child health programs, behavioral health services, community health initiatives, and other public health responsibilities mandated or delegated by state and federal agencies. Financial activity within these funds can vary significantly from year to year due to the timing of grant awards, reimbursement-based funding arrangements, one-time program funding, and changes in state and federal funding priorities. Since FY 2020, transfers associated with Health programs have ranged from approximately $1.6 million to negative $880,000, reflecting the timing of grant revenues, program expenditures, and cost allocation methodologies used to support County health services.

Conversely, there are a handful of special revenue funds that receive additional funding from the General Fund:

- **Law Enforcement Special Revenue Funds:** Accounts for a variety of specialized public safety programs administered through the Hood River County Sheriff's Office. Revenue sources vary by program and may include fees, fines, forfeiture proceeds, grants, donations, state funding, and other dedicated revenues. These resources support activities such as animal control services, search and rescue operations, ATV patrol and enforcement activities, property forfeiture programs, and deflection initiatives designed to connect individuals with appropriate services and resources. Transfers have varied between $50,000 and -$56,000 since FY 2020 but, on average, the General Fund has transferred $18,000 annually to subsidize these programs through the Sheriff's Office.
- **Animal Facility Fund:** This fund was established from an endowment intended to support animal shelter operations in Hood River County. The County makes an annual appropriation from the fund to support the operations of Hood River Adopt a Dog, the nonprofit organization that operates the animal shelter. The endowment is nearing the end of its available resources. In recent years, the fund has experienced operating shortfalls of approximately $35,000 annually, reflecting the gap between available endowment resources and the costs of supporting shelter operations.

Focusing on the funds that provide resources for operations in various General Fund departments, we observed that annual surpluses and deficits vary widely from year to year for many funds. Much of this variability is attributable to the State of Oregon's biennial budget process, under which many grants and pass-through revenues are allocated over two-year periods and carried forward between fiscal years as funds are expended. As a result, annual fund balances may fluctuate significantly due to the timing of revenues and expenditures. A look at non-General Fund performance is shown below. Bear in mind that annual surpluses do not necessarily generate transfers into the General Fund on a one-to-one basis.

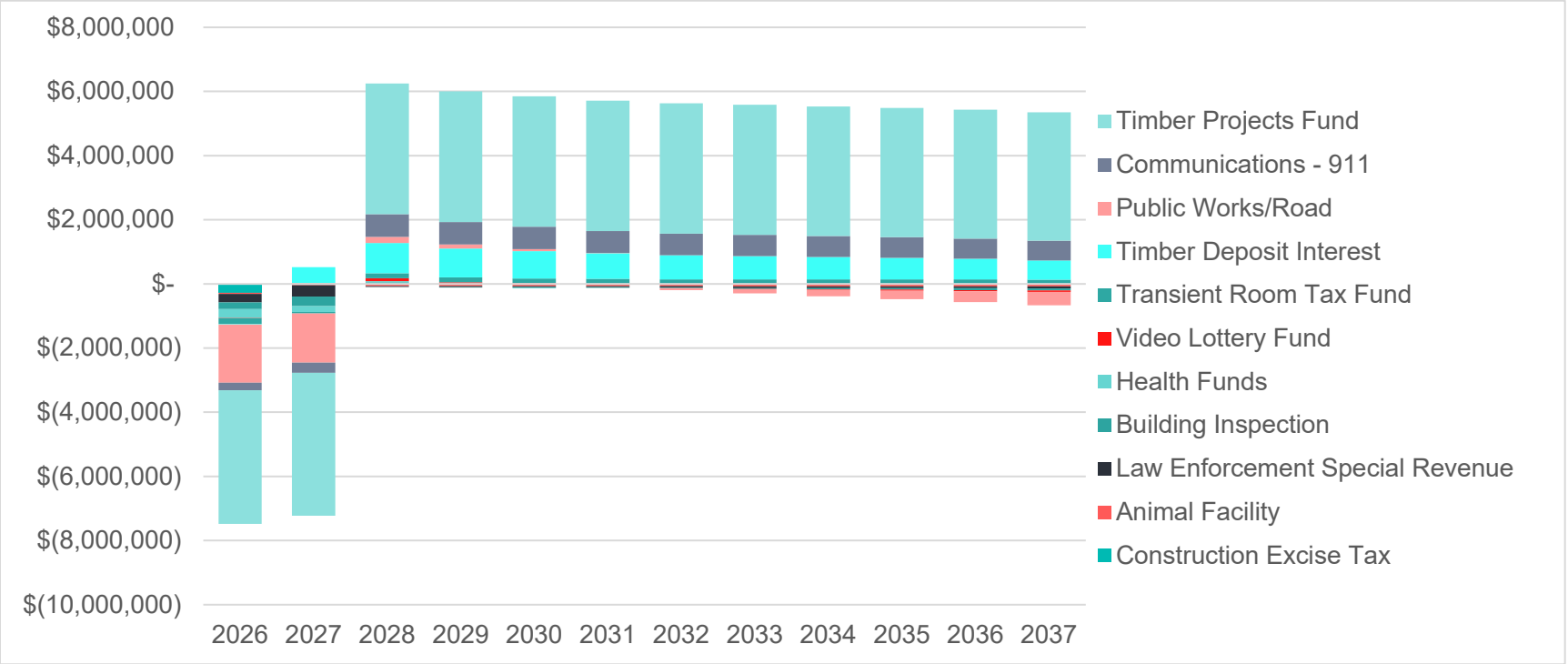
Annual Surplus/(Deficit) of Non-General Funds



Turning our attention to future years, we anticipate that the funds providing resources for General Fund activities are likely to see reductions in available resources as expenses continue to grow more quickly than revenues. Deficits shown in FY2025-26 and FY2026-27 are primarily due to planned capital outlays by the Public Works/Road Fund and the Timber Projects Fund. Budgets anticipate that the Timber Projects Fund will continue to make its regular fund transfers to the General Fund, and make its capital investments from existing fund reserves.

Our projections after FY2026-27 are based on the average performance of each fund in recent years, and do not show the impacts of year-over-year variability. In essence, our projections indicate that while fund transfers are likely to fluctuate each year, the long-term trend shows a reduction in available resources from these non-General Fund sources. This reduction is likely to put additional pressure on the General Fund to maintain positive income in the future.

Projected Performance of Non-General Funds



Based on the outputs of the long-range forecast, the County will need to implement a combination of new revenues and reduced expenditures exceeding $2.1 million by FY 2026-27 to keep the General Fund in balance. This mix of strategies will need to grow to $5.4 million by FY 2028-29, and continue growing to a level of $9.5 million by FY 2032-33 to maintain this balance. These budget adjustments would address the County's general fund operations only; additional steps would be required to pay for anticipated capital projects.

To the extent that additional budget measures are identified, these actions may allow the County to maintain the scope of the programs it offers without exhausting its reserves. If budget measures provide the County with revenues in excess of its operating needs, these resources may provide funding for future capital projects expected to be needed for County facilities. If sufficient strategies cannot be implemented, the County will need to reduce its overall spending in order to maintain adequate reserves in the General Fund.

V. Organizational Assessment

Based on the input gathered from interviews, document review, and surveys as well as comparisons to best practices, we prepared a comprehensive set of observations and recommendations.

A. Strategy and Governance

ESTABLISH A STRATEGIC PLAN AND ENTERPRISE-WIDE GOVERNANCE FRAMEWORK

1.	Observation	The County lacks a formal, enterprise-wide governance and strategic planning framework, resulting in fragmented decision-making, limited cross-department coordination, and weak alignment between daily operations and County-wide priorities.
	Recommendation	Develop a refreshed multi-year Strategic Plan that clearly defines County-wide priorities, measurable goals, and alignment with departmental activities and use this foundation to establish a formal enterprise-wide governance framework that supports coordinated implementation, strengthens cross-departmental decision-making, and reinforces accountability for both strategic initiatives and ongoing operations.

Observation

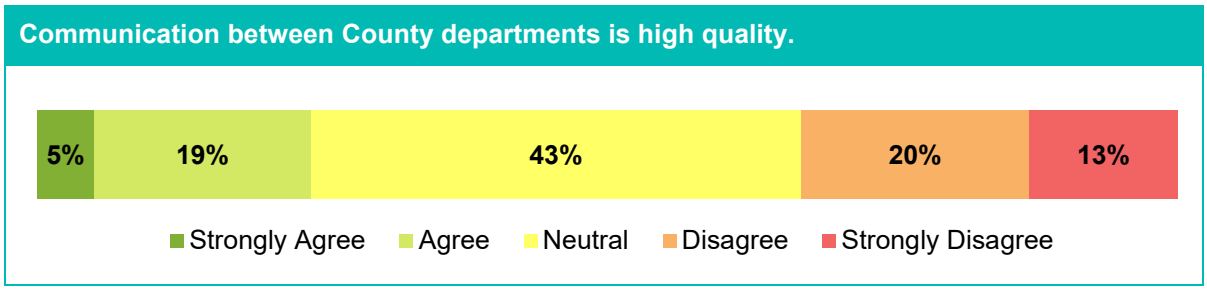
The County currently operates with limited enterprise-wide governance and coordination, which contributes to siloed decision-making, inconsistent accountability, and a lack of alignment between departmental activities and broader County priorities. Departments largely function independently, focusing on their own operations, budgets, and service delivery with few formal mechanisms in place to enable cross-functional collaboration or to advance shared, County-wide outcomes. As a result, opportunities to leverage resources, coordinate initiatives, and address complex, cross-cutting challenges are often missed.

These challenges are influenced in part by the County's governance structure, where certain functions operate under independently elected officials (e.g., Sheriff and District Attorney), while the County Administrator's direct oversight is limited to non-elected departments. While this reflects statutory authority, it can complicate the establishment of consistent County-wide priorities, communication, and accountability.

The County is approaching the end of its 2021–2026 Strategic Plan, and this report is intended to inform a new Countywide plan. The Administrative Code, which governs organizational structure, is outdated and is expected to be updated following this process to better reflect the County's structure and provide clearer policy and procedural guidance. The strategic plan must be actively owned and driven by County leadership; prior adoption of the 2021–2026 plan was not fully representative or embedded in operations and was not viewed as reflective of organizational needs. Although the 2023–2025 Strategic Plan identified the need to strengthen cross-departmental coordination, progress toward implementation has been limited and uneven. In practice, long-standing

organizational structures—coupled with a high proportion of tenured staff in certain areas—have reinforced existing ways of working and contributed to resistance to change, particularly when it comes to adopting more modern processes, technologies, and collaborative approaches.

Findings from the employee survey further underscore that this is a systemic, enterprise-wide issue rather than an isolated concern. Only 35% of respondents agreed that County leadership operates in alignment with strategic priorities, and just 24% reported effective cross-department communication. These results highlight a clear gap between strategic intent and day-to-day execution. Establishing a formal governance model would help bridge this gap by clarifying decision-making authority, strengthening accountability, and creating structured mechanisms for coordination across departments, ultimately improving alignment with County-wide goals.



Recommendation

Develop a refreshed multi-year Strategic Plan through a structured, inclusive process that engages leadership and departments. The plan should define clear County-wide goals, measurable objectives, and performance indicators, with an intentional focus on strengthening alignment between enterprise priorities and departmental activities. Departments should be encouraged to align their annual work plans, budgets, and initiatives with the Strategic Plan to reinforce this connection and establish a clear line of sight from County-wide goals to day-to-day operations.

Once the County has a strong strategic plan in place, it should establish a County-wide approach for how decisions are made and how work gets done across departments. The strategic plan should include shared deliverables, measurable outcomes, and clear expectations that support statutory responsibilities while advancing County-wide goals. To support implementation, the leadership team should adopt consistent communication, coordination, and accountability practices to ensure priorities, decisions, and progress are shared across departments. This should make it easier for departments to work together, make decisions more transparently, and clearly define who is responsible for what. It should also include consistent ways of communicating and following through on decisions.

As part of this, the County should create a few regular cross-department groups focused on key areas like capital projects, purchasing, technology, or major initiatives. These groups should include staff from different departments and have a clear purpose, scope, and understanding of what decisions they can make versus what needs to be elevated. These groups can help turn big-picture priorities into coordinated action and make sure decisions consider both department needs and overall County goals.

To stay aligned and accountable, the County should also put in place tools and processes to track progress. This could include a shared way to prioritize projects, basic dashboards to track key goals,

and regular check-ins across departments. Assigning a lead or sponsor for major projects can also help keep efforts on track while still allowing departments to manage their own work. The County should use a consistent approach to tracking and reporting progress. Regular updates, leadership check-ins, and easy-to-understand reports will help everyone see what's working and what needs attention. Tying this work to the budget and regular planning cycles will help make it part of everyday operations and ensure it continues over time.

IMPLEMENT A CENTRALIZED PUBLIC INFORMATION AND COMMUNICATION FUNCTION

2.	**Observation**	The County's decentralized and inconsistent communication approach limits effective information sharing internally, and results in fragmented external messaging, reducing organizational alignment, transparency, and the County's ability to engage residents and stakeholders with a clear, cohesive voice.
	Recommendation	Develop a coordinated, enterprise-wide communications approach that includes a centralized Public Information Officer (PIO) function to improve consistency and transparency, enabling the County to clearly communicate financial challenges and build public trust needed for future revenue measures.

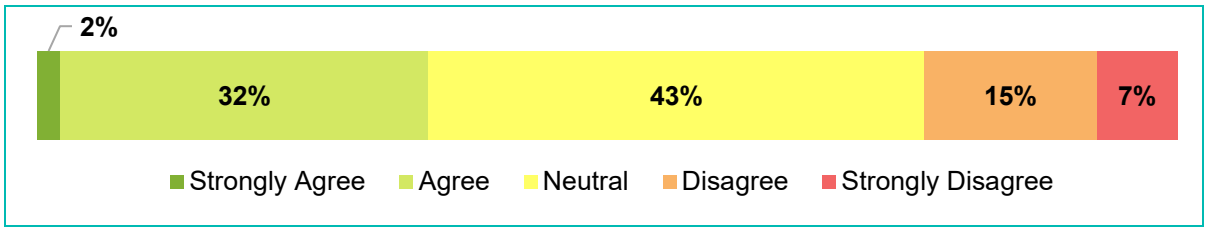
Observation

Communication across the County—both internal and external—is decentralized and inconsistent, limiting the effectiveness of information sharing, coordination, and public engagement. Internally, communication practices do not reliably reach all employees. While "all employee" emails have improved information distribution, not all staff have access to email or digital tools, creating gaps in awareness.

Employee survey results reinforce these challenges. Seventy-six percent of survey respondents felt that communication from a direct supervisor was timely and clear. As the distance between employees increases, results became more mixed. When asked about communication from department leadership, a 13 percentage point drop in the "agree" category was observed, accompanied by a nine percentage point increase in the "neutral" category. A similar drop occurs when respondents were asked about communication from County leadership This suggests a reliance on informal or hierarchical channels rather than standardized, organization-wide approaches.

Externally, communications are similarly decentralized, with departments independently managing public messaging, often without dedicated resources or strategic coordination. In many cases, communication responsibilities are assigned on a part-time basis or added to existing roles, limiting consistency, capacity, and focus. The absence of a centralized function for key activities—such as branding, media relations, website management, and legislative coordination—has resulted in fragmented messaging and uneven engagement with the public and external partners. As a result, the County Administrator is often required to fill gaps in external coordination, including state-level engagement. Just over a third (34%) of employees reported that the County provides meaningful information to the public.

Information Hood River County provides to the public meets community needs.



Benchmarking with peer Oregon counties indicates that dedicated, centralized communications functions are not consistently established across similarly sized jurisdictions. Among the counties reviewed, Deschutes County stands out as having a formal PIO and centralized communications structure, while Crook, Wasco, Tillamook, Clatsop, and Lincoln counties appear to rely on more decentralized or part-time approaches to managing communications. This suggests that while the County's current model is not uncommon, counties with more formalized communications functions may be better positioned to deliver consistent messaging, coordinate across departments, and engage more effectively with residents and external stakeholders.

These internal and external challenges are interconnected. Inconsistent internal communication and limited access to information can lead to misalignment in messaging, leaving employees and stakeholders underinformed and reducing the County's ability to present a clear, cohesive voice. Together, these factors highlight an opportunity to strengthen communication structures, standardize channels, and improve coordination to better support both organizational effectiveness and public transparency.

Recommendation

The County would benefit from a more coordinated, enterprise-wide communications approach that strengthens both internal information sharing and external public engagement—particularly as it navigates ongoing financial constraints and pursues revenue measures. Clear, consistent, and transparent communication will be critical to building shared understanding of fiscal challenges, aligning internal stakeholders, and fostering public trust and support.

As a foundational step, establishing a centralized PIO function could help provide greater consistency and alignment across communications activities, including media relations, branding, website management, and legislative coordination. This role could serve as a central point for developing shared messaging, supporting departments, and helping ensure communications are aligned with County-wide priorities and financial realities.

Building on this structure, the County should consider developing standardized communication protocols, messaging guidelines, and brand standards to promote greater consistency across departments while maintaining flexibility for operational needs. In parallel, the County should establish a more structured framework that clarifies how information is shared across the organization. Expanding access to communication tools for field-based employees may further help ensure that all staff are informed and equipped to communicate effectively with the public.

Together, these enhancements could help address current gaps in both internal and external communication while positioning the County to more effectively communicate its financial situation, articulate service impacts, and build the trust and understanding needed to support future funding decisions.

ESTABLISH SUCCESSION PLANNING AND LEADERSHIP CONTINUITY PROGRAMS

3.	**Observation**	The County lacks a formal succession planning framework despite much of its workforce being eligible to retire within the next five years, creating risk of leadership gaps, loss of institutional knowledge, and potential disruption to operations and service delivery.
	Recommendation	Establish a succession planning and workforce continuity program to identify critical roles, strengthen internal pipelines, and support knowledge transfer.

Observation

The County currently lacks a formal, enterprise-wide succession planning framework, despite a notable portion of its workforce approaching retirement eligibility. As of March 1, 2026, approximately 20 of the County's 156 budgeted full-time equivalent (FTE) positions are eligible to retire within the next five years based on age-related criteria in labor agreements (including elected positions), with an additional 14 employees eligible when considering the 30-year public service threshold—together representing a meaningful share of the workforce. This trend is expected to affect several key leadership and hard-to-replace roles, increasing the urgency for proactive planning.

At the departmental level, exposure to retirement risk varies, with some departments more heavily impacted than others, as shown below.

NUMBER AND PERCENTAGE OF POSITIONS ELIGIBLE TO RETIRE IN 2031

Department	Positions Eligible for Retirement in 2031 (#)	Positions Eligible for Retirement in 2031 (%)
911 Communications	1	11%
Administration	2	25%
Assessment, Records, and Elections	1	10%
Budget and Finance	2	29%
Community Development	2	18%
Forestry	1	33%
Health	5	31%
Justice of the Peace	1	50%
Public Works	3	20%
Sheriff	1	5%

However, across the County, there are limited formal mechanisms in place to support knowledge transfer, document critical processes, or systematically prepare internal candidates for advancement. Succession-related efforts tend to be informal or reactive, and while recent leadership development and training initiatives represent a positive step, they are not yet part of a comprehensive, coordinated strategy. As a result, the County faces an increased risk of leadership gaps, loss of institutional knowledge, and potential disruption to service delivery and operations, particularly in areas with higher concentrations of retirement-eligible staff or specialized expertise.

Recommendation

Establish a succession planning and workforce continuity program to help the County prepare for upcoming retirements and reduce the risk of knowledge loss and service disruption. As an initial step, the County should consider identifying a set of critical roles—particularly those that are leadership, hard to recruit, or essential to service delivery—and assessing the level of internal readiness or "bench strength" for those positions. This effort can be scoped to focus on the most critical roles first, allowing the County to prioritize impact while managing workload.

Building on this foundation, the County could expand existing leadership development efforts into a more structured, yet practical, pipeline approach. This may include targeted training for emerging leaders, mentorship or job shadowing opportunities and the use of stretch assignments to build readiness over time. Leveraging low-cost or existing resources—such as partnerships with regional associations (e.g., Association of Oregon Counties or Citycounty Insurance Services), online learning platforms, or shared trainings with neighboring jurisdictions—can help advance development efforts without significant new investment.

To support continuity, the County should also consider implementing simple, standardized knowledge transfer practices. This could include documenting key processes and contacts for critical functions, developing brief role "playbooks," and incorporating cross-training where feasible. Rather than large-scale documentation efforts, focusing on high-risk roles and using lightweight templates can make this more manageable and sustainable within current capacity.

While early retirement incentives are sometimes used as a workforce tool, they are likely not well-aligned with the County's current needs due to associated costs and the importance of retaining institutional knowledge during this transition period.

B. Staffing and Service Levels

IMPROVE RECREATION SERVICE DELIVERY STRUCTURE AND COORDINATION

4.		
	Observation	Recreation services are split across multiple departments with different processes and no shared systems, leading to inconsistent user experience, inefficiencies, and limited ability to track usage and revenue.
	Recommendations	A. Unify responsibility for recreation services and standardize key processes such as fees, maintenance, and operations to improve coordination, consistency, and overall service delivery. B. Implement a centralized online reservation and payment system for campsites and recreation facilities to make access easier for users and give the County better data on usage, costs, and revenue. C. Explore alternative ways to deliver and fund parks and recreation services, such as creating a self-supporting County program, partnering with other agencies, or evaluating a regional parks district to improve long-term sustainability and better align services with community needs.

Observation

Recreation services in the County are split between the Forestry and Public Works departments, and each operates in a different way. These departments use different fee and payment structures, manage campsites differently, and handle maintenance separately. This setup does not appear to be intentionally designed and leads to an inconsistent experience for users, inefficiencies in day-to-day operations, and limited visibility as to how the overall system is performing. Because there is no shared approach or centralized oversight, the County has difficulty maximizing revenue potential, coordinating maintenance, or planning for the long-term sustainability of its recreation assets.

These challenges are made more noticeable by the lack of standard processes and shared data. For example, the County does not have a centralized reservation system for campsites or recreation facilities. This makes it harder for residents and visitors to access services, limits the County's ability to understand how its assets are being used, and reduces opportunities to generate and manage revenue effectively.

Across peer Oregon counties, recreation services are typically organized under more clearly defined governance and operating models. Generally, counties maintain a centralized parks or recreation function with clear responsibility for operations, maintenance, and user experience. Tillamook County provides a relevant example, operating a centralized Parks Department that manages campgrounds and related assets under a unified structure. This function is largely supported via an enterprise-style model where user fees and dedicated revenues fund the majority of operations, enabling more consistent pricing, centralized performance tracking, and a clearer link between service delivery and financial sustainability.

In other peer counties, including Deschutes, Clatsop, and Lincoln counties, a significant portion of recreation services is delivered through independent parks and recreation districts or state-managed facilities, rather than directly by the county. In these models, the county plays a limited role in parks

and recreation maintenance and operations and may leverage TLT to help support any remaining parks-related operations.

Recommendation

The County should reorganize how recreation services are managed so they fall under a unified structure. Bringing recreation services under a single department would help standardize how things are done and improve the overall experience for residents and visitors. As part of this effort, the County should standardize key elements of how recreation services operate. This includes establishing consistent fee structures and payment processes, clearly defining maintenance standards, and using the same processes for managing campsites.

The County should also use a centralized online reservation and payment system for campsites and recreation facilities. This would make it easier for users to book and pay, while also giving the County better information about usage, demand, and revenue. It would also improve the County's ability to track cost recovery, which is especially important, given current budget constraints.

In addition to improving current operations, the County should consider longer-term options for how recreation services are organized and funded. There are a couple approaches used by other counties that could be explored:

1. Create a more centralized, self-supporting parks function within the County where recreation services are managed together and largely funded through user fees, similar to the model used in Tillamook County. This can make costs and revenues more transparent and help ensure funds are reinvested into maintaining and improving assets.
2. Explore partnering with, or eventually joining, a regional parks and recreation district, particularly given the presence of multiple entities in the community that already provide park-related services. While establishing or joining a district is a longer-term and more complex option, it may provide a path to sustainable service delivery that is less reliant on the County's constrained general fund. See Budget Strategy 3.1 for additional information on this option.

Given the County's financial constraints, changes should be phased and practical. Starting with improvements like a centralized reservation system, clearer roles, and more consistent processes can deliver immediate benefits. At the same time, the County can explore longer-term structural options that better support sustainable, efficient, and high-quality recreation services.

EVALUATE PATROL STAFFING MODEL AND OPTIMIZE LAW ENFORCEMENT SERVICE DELIVERY

5.	Observation	The Sheriff's Office operates with comparatively lean staffing and funding levels relative to peer counties, limiting patrol flexibility and capacity to sustainably meet concurrent service demands and mandated public safety responsibilities.
	Recommendation	Evaluate long-term public safety staffing, funding, and service delivery options, including levy adjustments, expanded intergovernmental partnerships, or potential service consolidation opportunities to improve operational resilience and align resources with mandated service expectations.

Observation

The Sheriff's Office operates with a lean patrol staffing model with single deputy coverage that may limit its ability to consistently meet service demands and respond effectively to concurrent incidents. Its goal is to staff patrol with two deputies on duty per shift whenever possible, providing baseline coverage. However, staffing levels do not always allow this objective to be consistently achieved. Many calls for service require a second deputy for safe and effective resolution. Even when two deputies are on duty, the Department has limited capacity to provide timely backup while also maintaining coverage for additional calls, particularly when both deputies are committed to a single incident. This can result in increased response times, reduced proactive patrol activity, and added strain on available staff.

The Sheriff's Office averages approximately 29–31 incidents per day. Maintaining 24-hour coverage with a total of 10 patrol deputies places sustained pressure on staffing, contributing to scheduling challenges, increased reliance on overtime, and reduced flexibility to accommodate training, leave, or unplanned absences. Intergovernmental service arrangements also affect deployment capacity; for example, one deputy position is assigned to Cascade Locks through an IGA, with associated costs reimbursed by the City. While this arrangement offsets direct County costs, it still requires staffing depth and operational coordination within an already limited patrol structure.

Benchmarking indicates that the Sheriff's Office operates with comparatively constrained staffing and funding levels relative to peer counties. The County maintains approximately 15.9 Sheriff's Office FTE per 10,000 residents, which is below the peer average of 18.6 and below counties such as Clatsop, Crook, Lincoln, Tillamook, and Wasco. Similarly, expenditures per capita are approximately $348 compared to a peer average of $436. While Deschutes County operates at a lower staffing ratio per capita, it benefits from substantially greater organizational scale, staffing depth, and specialization that provide operational flexibility not available in smaller agencies.

COUNTY	FTE COMPARISON		BUDGET COMPARISON	
	FTE	FTE per 10,000 residents	Expenditures	Expenditures per Capita
Hood River	38.8	15.9	$8,479,672	$348.14
Clatsop	75.9	18.2	$20,376,390	$487.65
Crook	61.7	23.4	$15,235,000	$577.83

COUNTY	FTE COMPARISON		BUDGET COMPARISON	
	FTE	FTE per 10,000 residents	Expenditures	Expenditures per Capita
Deschutes	271	12.9	$68,770,866	$329.66
Lincoln	98	19.2	$19,528,789	$381.77
Tillamook	63	22.8	$14,241,155	$516.47
Wasco	46	17.4	$10,792,335	$408.12
Peer Average	68.91	18.6	$10,798,5432	$435.66

This suggests that the County is not operating with excess public safety resources, but rather with a comparatively lean staffing model relative to service expectations and mandated responsibilities. This is particularly significant, given the Sheriff's Office responsibility for patrol services, emergency response, parole and probation, contracted service obligations, civil process, court security, and jail-related functions through Northern Oregon Regional Corrections (NORCOR). Rural law enforcement best practices generally emphasize maintaining sufficient staffing depth to ensure timely backup availability, preserve county-wide coverage during simultaneous incidents, and reduce reliance on overtime for minimum staffing.

The County's Parole and Probation Division serves as the local community corrections function and currently supervises 71 clients, including 33 high- and medium-risk cases requiring at least 80 monthly contacts, while operating with 50% fewer staff than in 2022. During this period, the division also lost several programs and support services, including work crew operations, treatment subsidies, peer support services, and most reentry programming. These trends highlight the County's broader challenge of sustaining mandated public safety services and specialized functions with constrained staffing and resources. The County currently provides community corrections services independently, despite participating in regional public safety service models in other areas, most notably through the NORCOR.

However, the County's participation in NORCOR represents a significant component of its public safety expenditures, with annual costs of approximately $2.3 million. This includes costs for the two facilities for juvenile and adults. Both facilities, juvenile and adult, have different statutory requirements with the adult facility having more heavy regulation. As a regional correctional facility, NORCOR allows participating jurisdictions to share facility, staffing, medical, transportation, and administrative costs that might otherwise be difficult for a smaller county to support independently. Hood River County, like all Oregon counties, has a statutory responsibility to provide jail services. While participation in NORCOR helps fulfill this obligation, the cost of jail operations remains a significant long-term financial commitment for the County.

County voters approved a public safety levy intended to support and stabilize core law enforcement services. The levy currently funds two deputy positions and one civil technician position, directly

[1] Average does not include Deschutes County, which is an outlier given its size.

[2] Average does not include Deschutes County, which is an outlier given its size.

contributing to patrol and operational support capacity. This demonstrates community investment in maintaining public safety services.

Recommendation

The County should consider evaluating long-term public safety service delivery and funding strategies to ensure patrol staffing, response capacity, and mandated law enforcement functions remain sustainable and aligned with community expectations. Given current staffing levels, operational demands, and fiscal constraints, the Sheriff's Office appears to be operating with limited redundancy and flexibility, suggesting that maintaining existing service levels over time may require additional resources, structural changes, or a combination of both.

As an initial step, the County should consider conducting a comprehensive workload and deployment analysis to evaluate patrol demand, minimum staffing requirements, overtime usage, coverage expectations, and the operational impacts of contracted services and NORCOR-related responsibilities. This analysis could help identify whether current staffing levels appropriately align with service expectations and rural law enforcement best practices related to backup availability, response coverage, and officer safety.

Based on those findings, the County could evaluate several potential service and funding options:

- **Adjusting or expanding the public safety levy to more fully fund anticipated patrol, jail, and operational costs.** The current levy provides important support for patrol and administrative capacity; however, staffing and expenditure levels remain below peer average. A future levy adjustment could provide a more sustainable funding source for maintaining or enhancing patrol staffing, reducing overtime dependence, and addressing inflationary cost pressures. See Budget Strategy 1.4 for additional information.
- **Exploring enhanced service integration or consolidation opportunities with the City of Hood River Police Department.** This could range from incremental collaboration—such as shared specialty services, joint records, coordinated patrol coverage, or shared facilities—to a more formal consolidated policing model. While consolidation can be operationally and politically complex, some jurisdictions pursue integrated models to improve staffing flexibility, reduce duplication, and achieve administrative efficiencies over time. See Budget Strategy 3.2 for additional information.
- **Expanding intergovernmental or regional partnerships with neighboring jurisdictions for shared specialty services, mutual aid coordination, training, investigations, or administrative support functions; potentially developing a regional Community Corrections function.** Oregon statute contemplates the formation of multi-county community corrections organizations, which may provide a framework for regional collaboration in parole and probation services. Given the County's existing participation in NORCOR, a regional jail system serving multiple counties, Hood River County has already evaluated whether certain community corrections functions could be delivered more effectively or efficiently through a similar regional approach.
- **Evaluating alternative staffing and deployment models within the Sheriff's Office, including the use of civilian support positions, adjusted shift structures, or targeted investments in technology and reporting systems.** This would reduce administrative burden on sworn staff and maximize patrol availability.

Regardless of the option selected, future planning efforts should focus on aligning staffing, service expectations, and dedicated funding sources to ensure the County can continue to meet its mandated public safety responsibilities while maintaining adequate patrol coverage and operational resilience.

STRENGTHEN EMERGENCY MANAGEMENT CAPACITY AND ORGANIZATIONAL SUPPORT

6.	**Observation**	The County's reliance on a single-position for emergency management limits capacity and continuity for this mandated function, increasing the risk of gaps in preparedness, coordination, and response.
	Recommendation	Explore a more sustainable emergency management model through enhanced internal capacity, shared services, or regional partnerships to improve resilience, ensure continuity, and better meet mandated responsibilities within existing resource constraints.

Observation

Emergency management is a mandated County function; however, the County currently operates with limited dedicated capacity, relying on a single position within the Sheriff's Office that has proven difficult to retain. This places pressure on the County's ability to maintain readiness, coordinate planning efforts, and respond effectively to emergencies, particularly as expectations for preparedness, mitigation, and interagency coordination continue to grow.

Across peer Oregon counties, emergency management is commonly housed within or closely aligned with the Sheriff's Office, but staffing models generally include more than one dedicated role or are supplemented through formal partnerships. For example, Deschutes County maintains a small team within the Sheriff's Office, including an emergency services manager and multiple coordinators, providing greater capacity for planning, training, and response. Similarly, Clatsop County operates with both a director and a coordinator role. Even in smaller counties such as Crook County, emergency management responsibilities are supported by more than one position (e.g., an emergency manager and a technical or deputy support role), helping to distribute workload and ensure continuity. In Lincoln County, emergency management functions are coordinated across roles that include public health and sheriff's office personnel, illustrating a more integrated, cross-functional approach.

In addition to internal staffing, many counties rely on regional partnerships and multi-agency coordination structures to augment capacity. Oregon counties commonly participate in Local Emergency Planning Committees (LEPCs), regional coordination groups, and partnerships with cities, special districts, and state agencies to support preparedness and response efforts. These models help distribute responsibilities such as planning, training, and public communication across multiple entities, reducing reliance on a single county position. The County has already taken steps in this direction through its participation in the All Lands partnership for wildfire mitigation, demonstrating the value of collaborative approaches.

Compared to peers, the County's current model represents a relatively lean and vulnerable structure, particularly given the increasing complexity of emergency management requirements, including hazard mitigation planning, grant administration, community outreach, and coordination with state and

federal partners. The combination of a single-position model and ongoing retention challenges increases the risk of gaps in preparedness, loss of institutional knowledge, and reduced effectiveness during emergency response. This structure suggests an opportunity for the County to explore more sustainable staffing and service delivery models—potentially including shared services, regional partnerships, or cross-functional integration—to ensure continuity of this critical function while recognizing existing fiscal and workforce constraints.

Recommendation

The County should consider evaluating and implementing a more sustainable service delivery model for emergency management to ensure continuity, compliance, and operational resilience. Given current staffing constraints and retention challenges, a single-position model may continue to present risk, particularly for a mandated function with increasing complexity and year-round responsibilities. The following are options for the County to consider:

1. **Enhance internal capacity by expanding or stabilizing the existing structure within the Sheriff's Office or through a more cross-functional County approach.** This could include redistributing certain responsibilities (e.g., planning, grants management, public outreach) across departments such as Administration or Health, or identifying backup roles to improve redundancy and continuity. Emergency Management could be among the newly formed governance committees to help solidify roles and responsibilities across departments.
2. **Formalize shared service or regional partnership models with neighboring jurisdictions.** Many peer counties supplement internal capacity through IGAs, shared staffing arrangements, or regional coordination structures that distribute workload and provide greater depth of expertise. This approach could extend to broader emergency management functions, including planning, training, and grant administration.
3. **Explore a more integrated, multi-agency model within the County, aligning emergency management more closely with related functions such as public health, law enforcement, and community resilience efforts.** This could help embed emergency management responsibilities across the organization while maintaining a central coordination role, improving both capacity and organizational alignment.

Despite the County's fiscal constraints, strengthening redundancy, clarifying roles, and ensuring dedicated capacity for core emergency management functions will be important to maintaining readiness and reducing operational risk.

STRENGTHEN JUVENILE SERVICES STRUCTURE AND SERVICE DELIVERY MODEL

7.		
	Observation	The Juvenile Department operates with comparatively low staffing and elevated caseloads relative to peers, limiting its capacity to meet service, compliance, and workload demands for this mandated function.
	Recommendation	Evaluate and adjust Juvenile Department staffing, caseloads, and coordination with the Health Department and Sheriff's Office (adult probation) to improve capacity and service delivery while leveraging grants, shared services, and partnerships to enhance sustainability within fiscal constraints.

Observation

The Juvenile Department operates as a small, standalone County function, consistent with the broader structure of juvenile services across Oregon where counties are statutorily responsible for delivering these services. However, compared to peer jurisdictions, the County's Juvenile Department operates at a smaller scale with more limited staffing and administrative capacity, which constrains its ability to absorb workload demands and maintain service levels.

Juvenile Counselors manage approximately 23–24 active cases each, with leadership staff also carrying caseloads. While Oregon does not prescribe a uniform caseload standard, commonly referenced best practice ranges suggest lower caseloads (12–20), particularly for higher-risk youth, to support effective supervision, case planning, and compliance requirements. Elevated caseloads at current levels may limit the County's ability to provide individualized services, maintain documentation and court requirements, and support positive outcomes while also contributing to staff strain and potential burnout.

Benchmarking against peer counties reinforces that the Juvenile Department operates with comparatively limited resources relative to both workload and population served. The County maintains the lowest overall staffing level among the peer group with approximately four FTE dedicated to juvenile services compared to a peer average of just over 10 FTE. While total staffing levels are influenced by county size, the ratio of residents to Juvenile FTE provides additional context for service capacity. The County serves approximately 6,089 residents per Juvenile FTE, which is significantly higher than the peer average of 4,220 and among the highest ratios in the comparison group. Only Clatsop County has a higher ratio, while several counties—including Crook, Lincoln, and Wasco—maintain substantially lower ratios, indicating relatively greater staffing capacity to support service delivery.

COUNTY	FTE	RESIDENTS: JUVENILE FTE
Hood River	4	6,089.3
Clatsop	6.03	6,929.5
Crook	7.3	3,611.8
Deschutes	47	4,438.6

COUNTY	FTE	RESIDENTS: JUVENILE FTE
Lincoln	21.1	2,424.3
Tillamook	5	5,514.8
Wasco	11	2,404.0
Peer Average	**10.08**	**4,220.5**

Recommendation

The County should evaluate the Juvenile Department's staffing levels, caseload distribution, and organizational structure to better align resources with workload demands and best practice ranges while recognizing current fiscal constraints. As an initial step, Juvenile Department leadership should consider conducting a workload-based assessment to differentiate between high-, moderate-, and low-risk cases and adjust supervision intensity accordingly. This may include prioritizing intensive supervision for higher-risk youth, expanding diversion or administrative supervision for lower-risk cases where appropriate, and reducing the need for leadership staff to carry active caseloads.

To strengthen capacity within existing resources, the County could explore targeted, lower-cost strategies such as leveraging Oregon Youth Authority (OYA) Juvenile Crime Prevention (JCP) funding or other grant opportunities to support specific positions or programs. Additional options may include utilizing interns or limited-duration staff for administrative and case support functions, and improving case management workflows and documentation practices to reduce administrative burden on Juvenile Counselors.

There is also an opportunity to enhance coordination and efficiency through closer alignment with existing County functions, particularly the Health Department and the Sheriff's Office. This could include:

- Sharing administrative support (e.g., intake coordination, data entry, scheduling, grant reporting) across justice or health-related functions
- Expanding collaboration with the Health Department to improve referrals, case coordination, and access to treatment resources for youth
- Continuing to explore cross-training or shared roles in areas such as case planning, compliance tracking, or program delivery with the Central and Eastern Oregon Juvenile Justice Consortium

While maintaining the standalone juvenile department structure typical in Oregon, these approaches can help achieve greater efficiency, coordination, and resilience without requiring full organizational consolidation. Over the longer term, the County could evaluate whether modest staffing adjustments are needed to bring caseloads closer to manageable levels, particularly if current workload trends persist.

EXPAND TECHNOLOGY SERVICES CAPACITY AND TRANSITION TO A STRATEGIC OPERATING MODEL

8.	**Observation**	Limited IT staffing and a largely reactive service model constrain the County's ability to modernize systems, improve efficiency, and support strategic initiatives.
	Recommendation	Enhance the IT service model by prioritizing high-impact initiatives, strengthening governance, and leveraging partnerships or shared services to expand capacity for modernization within fiscal constraints.

Observation

Technology Services resources are currently insufficient to meet both the County's day-to-day operational needs and longer-term strategic objectives. The department operates with three full-time staff who are primarily focused on maintaining core systems, troubleshooting issues, and providing end-user support. While the recent addition of a Technology Services Director strengthens leadership capacity and provides an opportunity for more strategic direction, the pending retirement of the Technology Services Manager introduces a near-term continuity risk and potential loss of institutional knowledge.

At present, there are no dedicated resources for key enabling functions such as project management, system implementation, or long-term technology planning. As a result, the department largely operates in a reactive service model, prioritizing immediate operational demands over proactive improvements. This limits the County's ability to modernize systems, streamline workflows, and implement technology-enabled process improvements that could enhance efficiency, reduce manual work, and improve service delivery. These constraints are particularly significant given the County's current fiscal environment, where opportunities to leverage technology for cost savings and productivity gains are increasingly important. Despite these constraints, the County has made meaningful progress in targeted areas. Most notably, the County recently strengthened its cybersecurity posture through the purchase of Sophos MDR, a Managed Detection and Response service.

Benchmarking against peer counties further highlights this resource constraint. The County has the highest ratio of County staff to IT staff among the peer group, with approximately 49.7 FTE employees per IT FTE compared to a peer average of 33.2. While Deschutes County has a slightly higher ratio (57.1), it operates at a significantly larger scale with more specialized roles and greater overall capacity. Most similarly sized counties—including Clatsop, Crook, Lincoln, Tillamook, and Wasco—maintain lower ratios, suggesting relatively greater IT staffing capacity to support operations and strategic initiatives.

COUNTY	FTE	COUNTY FTE : IT FTE
Hood River	3	49.7
Clatsop	8	31.7
Crook	6	37.5

COUNTY	FTE	COUNTY FTE : IT FTE
Deschutes	22	57.1
Lincoln	9.2	27.0
Tillamook	7	19.3
Wasco	6	26.3
Peer Average	**7.243**	**33.2**

This combination of limited staffing, reliance on generalist roles, and lack of dedicated strategic capacity increases the risk of service disruptions, slows project delivery, and constrains the County's ability to respond to evolving technology needs. Without sufficient capacity to focus on modernization and process improvement, the County may miss opportunities to improve efficiency and better align resources with service demands over time.

Recommendation

The County should transition to a more balanced and sustainable Technology Services model that maintains reliable day-to-day operations while building capacity for strategic initiatives and process modernization. Given current resource constraints, a more intentional alignment of roles, priorities, and service delivery approaches can help with these initiatives. The County can think about outsourcing certain functions rather than staffing increases.

As an initial step, the County should consider clarifying priorities and establishing a structured technology roadmap aligned with organizational goals, identifying a limited number of high-impact initiatives that improve efficiency, reduce manual processes, and support service delivery. Many counties take a focused approach by prioritizing a small number of enterprise systems or process improvements that deliver measurable operational benefits. To address capacity gaps, the County could explore a combination of targeted role augmentation and alternative service delivery models. This may include:

- Assigning or developing internal capacity for project management or business analysis to better support system implementations.
- Leveraging contracted or shared services for specialized needs such as cybersecurity, cloud services, or system implementation.
- Establishing intergovernmental partnerships with nearby jurisdictions—such as neighboring counties or the City of Hood River—to share IT resources, jointly procure systems, or provide mutual support. These arrangements are increasingly common among smaller jurisdictions and can help offset costs while expanding access to technical expertise. See Budget Strategy 3.3 and 3.4 for additional information on this option.

The County should also consider strengthening governance and intake processes for technology requests to better manage workload and reduce the current reactive service model. Establishing clear

[3] This average does not include Deschutes County since it is an outlier among the peer counties.

prioritization criteria—along with basic project tracking and accountability mechanisms—can help ensure limited resources are focused on the highest-value activities. Given the pending retirement and associated continuity risks, the County should also prioritize knowledge transfer, documentation, and cross-training within Technology Services to improve resilience and continuity.

ADDRESS PUBLIC WORKS STAFFING VACANCIES AND RESTORE OPERATIONAL CAPACITY

9.	**Observation**	Public Works staffing capacity, organizational structure, and funding mechanisms are insufficient to sustainably maintain County facilities, parks, roads, and infrastructure assets, resulting in reactive operations, deferred maintenance risks, and constrained project delivery.
	Recommendation	Implement a phased Public Works service and staffing plan that prioritizes filling critical vacancies and aligns resources with documented service levels, asset conditions, and operational priorities.

Observation

Across Public Works divisions, staffing shortages and vacancies are constraining the County's ability to maintain assets, deliver projects, and meet service expectations. Without targeted investments, the County will likely continue to operate in a reactive mode, increasing long-term costs, reducing service quality, and elevating the risk of infrastructure degradation.

Parks and Buildings

The Parks and Buildings Division within Public Works is responsible for maintaining over 112,000 square feet of County-owned facilities, in addition to supporting parks, grounds, and public-use spaces across the County. This combined portfolio creates a broad and operationally diverse set of responsibilities, spanning indoor facilities, outdoor assets, and recreational areas. Current staffing includes one Maintenance Supervisor and a mix of full-time and seasonal staff, totaling 4.6 budgeted FTE; however, existing vacancies further reduce available capacity.

From a facilities maintenance perspective, current staffing levels are below industry benchmarks. The Association of Physical Plant Administrators (APPA) provides widely accepted custodial and maintenance staffing guidelines. For facilities with moderate traffic, APPA identifies Level 3 (casual inattention) as a reasonable service standard in many public sector environments. Under this standard, one FTE can maintain approximately 28,000–31,000 square feet of mixed-use space during an eight-hour shift, depending on building type and complexity. Applying this range to the County's 112,000 square feet of facilities suggests a need for approximately 3.6 to 4.0 FTE dedicated solely to facilities maintenance to meet a Level 3 standard. While the County's total budgeted staffing of 4.6 FTE appears sufficient at a high level, this capacity is split across buildings, parks, and grounds, and further reduced by vacancies and the use of seasonal staff. As a result, the County does not currently have sufficient dedicated facilities staff to consistently meet even a moderate APPA standard.

In practice, staff must balance competing priorities across facilities and parks, limiting their ability to perform routine and preventive maintenance. This contributes to a reactive service model where issues are addressed as they arise rather than proactively managed. Over time, this approach can

accelerate asset deterioration and increase long-term repair and replacement costs. At the same time, recent voter approval of a property tax measure for the Hood River Valley Parks and Recreation District to fund improvements to the community pool and other recreational facilities may signal a shift in community sentiment regarding investment in public assets. Given the District's historical challenges in maintaining public trust, the measure's passage suggests a growing willingness among residents to support funding for community infrastructure and recreation amenities when a clear need and investment strategy are presented.

Roads Division

The Roads Division is currently experiencing significant staffing challenges, with five vacant positions contributing to 10 total vacancies across the Public Works Department. These shortages directly affect the County's ability to maintain roadway infrastructure, respond to service requests, and perform preventive maintenance.

Peer benchmarking indicates that the County maintains approximately 15.8 miles of road per FTE, compared to a peer average of 20.8 miles per FTE. While this suggests relatively stronger staffing levels on a purely quantitative basis, this metric does not account for road condition, terrain, weather impacts, or service expectations. Given current vacancy levels, the County's effective service capacity is likely lower than the benchmark suggests.

COUNTY	FTE	MILES PER FTE
Hood River	12	15.8
Clatsop	25.95	11.6
Crook	19.2	24.6
Lincoln	19	26.3
Peer Average	**21.4**	**20.8**

Best practices in road maintenance emphasize condition-based management (e.g., pavement condition indexing), preventive maintenance strategies, and sufficient staffing to respond to both routine and emergency needs. Without adequate staffing, the County risks deferring maintenance, which can accelerate deterioration and significantly increase future capital costs.

Engineering

The Engineering Division is currently operating at approximately 50% capacity, limiting its ability to design, manage, and deliver capital projects. In addition, the County has an intergovernmental agreement with Wasco County for surveying. This constraint creates bottlenecks across Public Works, as engineering resources are essential for planning, permitting, procurement, and construction oversight. Best practices suggest maintaining sufficient in-house engineering capacity to manage capital improvement programs, while using consultants strategically to supplement, not replace, internal expertise. At current staffing levels, the County does not have the staffing and financial levels to complete a capital program to replace infrastructure. Grant funding is required to do capital work, managed by the Oregon Department of Transportation. These projects will likely

experience project delays reliance on higher-cost external resources, and challenges advancing priority infrastructure initiatives.

Recommendation

Given the County's severe fiscal constraints, the County should pursue a phased Public Works sustainability strategy that prioritizes role clarity, workload management, asset preservation, and alternative funding before adding significant new General Fund obligations.

Parks and Buildings

The County should evaluate whether certain County park assets or services could be sold, transferred to, contracted with, or jointly funded through the existing Hood River Valley Parks and Recreation District, rather than creating a wholly new service structure. The District was formed in 1988 to build and manage a pool, and voters later supported expanding its authority to include broader parks and recreation services; however, its permanent tax rate was frozen at $0.3498 per $1,000 of assessed value under Measure 50. The County and its partners should also assess whether a broader regional parks district or expanded district boundary/service model is feasible. Oregon law provides for park and recreation districts under ORS Chapter 266, and special district formation typically requires a feasibility study, public meeting, and petition process. This should not be treated as an immediate fix, but as a structured long-term funding and governance option to reduce fragmentation, align service standards, and create a dedicated revenue stream for parks operations and capital needs. See Budget Strategy 3.1 for additional information.

The County should also evaluate its facilities to determine whether there are opportunities to sell them to recover operating and maintenance costs. For example, the County-owned History Museum facility and Animal Control building could be evaluated for a sale or transfer to a partner organization. See Budget Strategy 2.3 for additional information.

Roads

For the Roads Division, the County should focus first on filling existing vacancies and using condition-based asset management to prioritize work. Although the County's road miles per FTE appear lower than the peer average, the metric does not account for terrain, weather, road condition, traffic, or emergency response needs. The County should therefore use pavement condition, maintenance backlog, response times, and seasonal workload as the primary basis for staffing and funding decisions.

Engineering

For the Engineering Division, the County should restore capacity strategically by prioritizing positions or contracted support tied to capital delivery, grant administration, permitting, and project management. Because Engineering is operating at approximately 50% capacity, limited investment in this area may have a high return if it enables the County to deliver funded capital projects, pursue grants, and reduce project delays.

STRENGTHEN WORKFORCE STABILITY

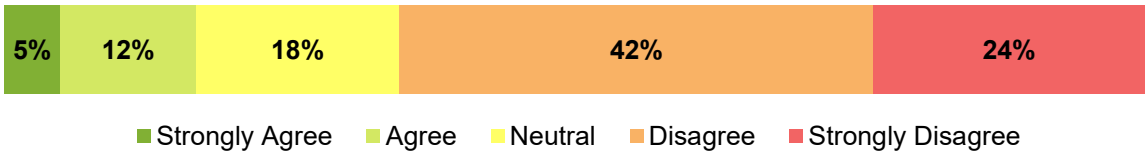
10.	**Observation**	The County is experiencing organization-wide workforce strain driven by staffing shortages, elevated turnover, increasing operational complexity, and limited administrative support capacity, creating risks to employee retention, service delivery, and long-term organizational sustainability.
	Recommendation	Develop and implement a multi-year workforce and organizational capacity plan that aligns staffing, workload expectations, succession planning, and operational support functions with strategic priorities, service demands, and long-term financial constraints.

Observation

A recurring theme identified throughout this assessment is that the County is experiencing significant workforce strain driven by sustained workload demands, staffing shortages, turnover, and limited organizational capacity to reinvest in employees and operational support functions. These challenges are not isolated to a single department, but instead reflect broader organizational pressures affecting service delivery, employee morale, and long-term sustainability.

County leadership and staff consistently described an environment in which employees are managing expanding responsibilities with limited additional support. This perception is reinforced by employee engagement survey results, in which approximately 64% of respondents indicated they do not believe their department is staffed appropriately for its workload. Additionally, the County's reported turnover rate of approximately 17% also exceeds commonly cited public-sector benchmarks of roughly 10%, suggesting elevated retention challenges relative to peer organizations.

The staffing level in my department is appropriate for our workload.



Interviews and survey feedback indicate many employees feel overextended, underappreciated, and at risk of burnout. Fiscal constraints are widely perceived as limiting the County's ability to reinvest in staffing, compensation, technology, training, and process improvements. Over time, this dynamic can create a cycle in which understaffing increases workload burdens, contributing to turnover and making recruitment and retention more difficult. These conditions also elevate organizational risk by reducing institutional knowledge retention, limiting succession planning opportunities, and increasing vulnerability to service disruptions when vacancies occur.

Another consistent theme is the need for stronger alignment between workforce planning, compensation practices, and evolving operational demands. In several areas, staffing models and support structures have not kept pace with increasing service complexity, regulatory requirements, or workload expectations:

- **Property Appraiser and Sheriff's Office positions were excluded from the County's most recent compensation study, creating the potential for compensation misalignment relative to market benchmarks and internal equity standards.** In addition to concerns regarding competitiveness, staff perception of exclusion may contribute to broader morale concerns and reinforce a sense of inequitable treatment across departments. This issue is particularly important given the increasingly technical nature of property valuation work, evolving statutory requirements, and the specialized expertise required to recruit and retain qualified appraisal staff in a competitive labor market. Without periodic market evaluation and compensation alignment, the County may face increased difficulty retaining institutional knowledge and maintaining operational continuity within critical functions.
- **The Health Department reflects a related, though operationally distinct, indicator of workforce and capacity strain.** While the department is responsible for delivering a broad range of mandated and discretionary public health services, it currently lacks dedicated programmatic and budget analytical support to manage increasingly complex funding and reporting requirements. Health Department operations rely heavily on grants, reimbursements, and restricted funding streams, all of which require ongoing financial oversight, compliance monitoring, and administrative coordination. Without dedicated analytical capacity, operational staff may be required to absorb administrative and financial responsibilities in addition to program delivery, reducing efficiency and increasing the risk of missed reimbursements, compliance gaps, and reporting deficiencies.

Collectively, these examples illustrate a broader County-wide challenge: organizational systems, staffing structures, and support functions have not consistently evolved alongside increasing operational complexity and service expectations. While fiscal constraints remain a significant limitation, the County's long-term sustainability will depend on its ability to strategically prioritize workforce investments, strengthen organizational support capacity, and align staffing models with current and future service demands.

Recommendation

The County should develop a structured and proactive approach to workforce and organizational capacity planning that aligns staffing, compensation, workload expectations, and operational support functions with current service demands, financial capabilities, and long-term organizational priorities. While the County's fiscal constraints limit the ability to address all staffing pressures through additional FTE, targeted investments in workforce planning and process improvement can improve organizational sustainability and reduce operational risk.

A key priority should be shifting from reactive staffing decisions toward a multi-year workforce planning model integrated with strategic and financial planning processes. This includes regularly evaluating workload trends, turnover patterns, critical positions, succession risks, and organizational support needs to better prioritize limited resources. Counties facing similar workforce pressures have increasingly focused on identifying high-risk operational areas—particularly positions tied to mandated services, regulatory compliance, revenue generation, or specialized technical expertise—and directing resources accordingly.

As the County advances these efforts, it should leverage existing public-sector workforce planning and organizational management frameworks developed by organizations such as the International

City/County Management Association (ICMA)[4], the Government Finance Officers Association (GFOA)[5], and related local government associations. These resources provide scalable tools for workforce analysis, succession planning, staffing prioritization, and long-range organizational planning that can help the County implement a more sustainable and data-informed approach without creating entirely new systems or processes.

C. Process and Systems

IMPLEMENT AN INTEGRATED ASSET AND INFRASTRUCTURE MANAGEMENT FRAMEWORK

11.	**Observation**	Asset management practices are fragmented and lack standardization, limiting coordination, visibility into asset conditions, and the County's ability to effectively manage lifecycle costs and replacement planning.
	Recommendation	Implement an integrated asset management framework that centralizes data, standardizes practices, and links to capital planning to support proactive maintenance, data-driven decisions, and improved asset longevity.

Observation

A recurring operational theme across the County is the absence of a coordinated, enterprise-wide asset management framework. While departments are generally aware of their immediate maintenance and replacement needs, asset management practices are largely decentralized and vary by department, division, and asset type. As a result, the County lacks a consistent methodology for tracking asset condition, maintenance history, useful life, deferred maintenance, replacement schedules, and lifecycle costs across its facilities, fleet, roads, parks, and equipment.

Currently, asset-related decision-making is driven by immediate operational needs, available funding, or asset failure rather than long-range planning and condition-based prioritization. This reactive approach increases the risk of deferred maintenance, unplanned replacement costs, service disruptions, and inefficient allocation of limited capital resources. It also limits the County's ability to clearly communicate infrastructure needs, quantify long-term liabilities, or prioritize investments across departments using standardized criteria. Without standardized replacement criteria or lifecycle analysis, the County may be retaining aging assets beyond their optimal service life or replacing assets without a comprehensive assessment of operational need, cost effectiveness, or utilization patterns.

These challenges are compounded by the lack of centralized maintenance and work order tracking systems within Public Works. Work order requests are currently submitted and managed primarily through email, limiting visibility into maintenance demand, response times, backlog, labor allocation, recurring issues, and asset performance trends. This approach makes it difficult to systematically prioritize work, track completion status, or generate the operational data needed to support preventive

[4] https://icma.org/documents/workforce-development-planning-guide

[5] https://www.gfoa.org/planning-and-budgeting-overview

maintenance and long-term planning. In practice, the absence of centralized tracking reduces organizational visibility into both workload and asset condition. Departments may have limited ability to identify recurring maintenance issues, assess whether staffing resources are aligned with service demand, or evaluate the true cost of maintaining aging infrastructure. It also constrains the County's ability to establish service level expectations, measure performance, or support data-informed capital planning decisions.

Best practices increasingly emphasize enterprise asset management practices that integrate maintenance operations, capital planning, and financial forecasting. These approaches typically include centralized asset inventories, condition assessments, standardized replacement criteria, preventive maintenance schedules, and work order management systems capable of generating operational and lifecycle data. Importantly, effective asset management does not necessarily require immediate implementation of complex or expensive software platforms; many organizations begin by standardizing inventories, maintenance tracking, and replacement planning processes before advancing toward more sophisticated systems.

Recommendation

The County should implement a phased, enterprise-wide asset management strategy that improves visibility into infrastructure conditions, standardizes maintenance and replacement planning practices, and better aligns operational decision-making with long-term financial sustainability. Given the County's fiscal constraints, this effort should focus initially on establishing foundational processes, improving data consistency, and strengthening coordination across departments before pursuing more resource-intensive technology solutions.

As a first step, the County should develop a centralized inventory of major assets—including facilities, fleet, roads, parks infrastructure, and critical equipment—and establish standardized information for each asset category such as age, condition, maintenance history, expected useful life, replacement value, and criticality to operations[6]. Many local governments begin this process using existing spreadsheets or low-cost database tools before transitioning to more advanced enterprise systems. Establishing a common asset framework would allow the County to prioritize investments based on risk, operational impact, and lifecycle cost rather than responding primarily to failures or immediate operational pressures.

The County should also formalize preventive maintenance and replacement planning practices across departments. Best practices in local government asset management emphasize shifting from reactive maintenance toward condition-based and preventive approaches that extend asset life and reduce long-term costs. This is particularly important in fiscally constrained environments, where deferred maintenance can compound infrastructure liabilities and create larger future capital obligations. Replacement schedules and maintenance planning should be integrated into the County's capital improvement and long-range financial planning processes to improve forecasting and support more predictable budgeting[7].

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[6] https://www.apwa.org/resource-center/resources/asset-management-roadmap/

[7] https://www.gfoa.org/materials/capital-asset-management-framework

Within Public Works, the County should prioritize implementation of a centralized work order management process to replace the current email-based system. Even a relatively simple computerized maintenance management system (CMMS) or cloud-based work order platform would improve visibility into maintenance demand, response times, recurring issues, labor allocation, and deferred maintenance backlog.

ESTABLISH A FORMAL CAPITAL IMPROVEMENT PLANNING (CIP) PROCESS

12.	**Observation**	The County lacks a formal capital planning process, resulting in decentralized decision-making, inconsistent asset management practices, and limited visibility into lifecycle costs and long-term financial impacts.
	Recommendation	Implement a standardized multi-year CIP process that integrates asset lifecycle planning, fleet and equipment replacement forecasting, project prioritization criteria, and long-range financial planning to improve transparency, support data-informed investment decisions, and better manage the County's long-term infrastructure and fiscal sustainability risks.

Observation

The County does not currently have a standardized, enterprise-wide CIP process to guide long-term infrastructure, facility, fleet, and equipment investment decisions. While departments identify capital needs independently, the County lacks a formal framework to consistently prioritize projects, evaluate lifecycle costs, assess funding capacity, or align capital investments with strategic and financial planning efforts.

As part of this engagement, the County developed a preliminary five-year capital list identifying approximately $13.4 million in anticipated capital projects and equipment needs (excluding Courthouse renovations). This exercise highlighted the scale of the County's future infrastructure obligations and demonstrated the absence of a formalized process for evaluating project prioritization, timing, replacement planning, funding strategies, and long-term operating impacts.

Without a coordinated CIP process, capital decisions are more likely to be reactive and driven by immediate operational needs, asset failure, or available short-term funding rather than long-range planning and risk-based prioritization. This limits the County's ability to forecast future obligations, plan for replacement reserves, evaluate debt capacity, or understand the long-term financial implications of deferred maintenance and aging infrastructure.

Recommendation

The County should establish a formal, multi-year CIP process that integrates capital planning, asset management, and long-range financial forecasting to support more strategic and sustainable infrastructure investment decisions. Given the County's fiscal constraints and approximately $13.4 million in identified capital needs over the next five years, a structured CIP process is critical to improving visibility into future obligations and prioritizing limited resources.

The County's initial development of a five-year capital project list provides a strong foundation for implementing a more comprehensive CIP framework. Moving forward, the County should formalize a standardized process for identifying, evaluating, prioritizing, funding, and monitoring capital projects

across departments. This process should incorporate consistent criteria such as asset condition, operational risk, regulatory requirements, service impacts, lifecycle costs, funding availability, and alignment with County strategic priorities.

The CIP should not function solely as a project list, but as a financial planning tool that links infrastructure investment decisions with the County's long-term operating and fiscal capacity. Best practices among counties and guidance from organizations such as GFOA emphasize integrating capital planning with long-range financial forecasting, reserve planning, debt management, and asset lifecycle analysis[8]. This approach improves transparency into future infrastructure liabilities and allows decision-makers to better evaluate tradeoffs between maintaining existing assets, replacing aging infrastructure, and funding new projects. Implementing a formal CIP process would improve the County's ability to proactively manage infrastructure obligations, reduce reactive replacement cycles, support more transparent financial decision-making, and better align limited capital resources with long-term operational and community priorities.

CENTRALIZE AND STRENGTHEN FINANCIAL MANAGEMENT PROCESSES

13.	**Observation**	The County's decentralized and manual financial, procurement, payment, and grants management processes create inefficiencies, increase administrative burden, and limit financial oversight and operational consistency.
	Recommendation	Standardize and centralize core business processes including procurement, grants management, payment processing, and financial workflows and improve system functionality and integration to reduce manual processes, increase operational efficiency, and strengthen financial oversight.

Observation

A recurring operational theme across the County is the reliance on decentralized, highly manual administrative and financial processes that limit efficiency, reduce transparency, and constrain the County's ability to scale operations effectively. Many core business functions, including financial processing, procurement, grant administration, and payment reconciliation, are fragmented across departments and dependent on manual coordination.

The County's current financial management system, Caselle, has functionality that has not been fully implemented. As a result, the current processes require substantial manual intervention for key processes such as accounts payable, purchase orders, requisitions, and timesheet processing. These limitations reduce operational efficiency, create processing delays, and limit reporting and analytical capabilities. Integration gaps between Caselle and other operational systems further contribute to duplicative data entry, inconsistent information flow, and administrative burden across departments.

These challenges are particularly evident in the County's online payment processes. The current payment infrastructure is not integrated with the County's financial systems, and payments cannot be automatically coded to the appropriate department, service, fund, or revenue source. As a result, staff

[8] https://www.gfoa.org/capital-planning

must rely on County-wide email inquiries and manual reconciliation processes to determine how payments should be applied. This approach increases the risk of coding errors, delayed revenue posting, and inconsistent financial tracking, while also consuming staff time.

The County's grants management processes reflect similar decentralization challenges. Although the County recently hired a Grants Manager, grant administration responsibilities remain distributed across departments without standardized oversight or centralized tracking mechanisms. Departments independently manage grant applications, reporting requirements, reimbursement tracking, and compliance obligations, limiting enterprise-wide visibility into funding sources, deadlines, reporting status, and financial exposure. In addition, several positions and operational functions rely on time-limited grant funding without formal contingency or sustainability planning. This creates financial and workforce risks if grant funding is reduced, delayed, or discontinued.

Procurement practices are also highly decentralized. Departments independently purchase recurring goods and services such as office supplies, janitorial services, cell phone plans, and administrative support, often without centralized coordination or consolidated purchasing strategies. Staff reported that purchasing thresholds and approval processes are perceived as cumbersome and burdensome, contributing to delays and inefficiencies in routine purchasing activities. In some cases, these challenges have reportedly led employees to bypass established procurement procedures in order to meet operational needs more efficiently.

Collectively, these conditions limit the County's ability to leverage purchasing power, standardize business practices, ensure compliance, and generate consistent operational data for management and decision-making. They also increase administrative workload at a time when departments are already experiencing staffing strain and limited organizational capacity.

Recommendation

The County should focus on improving financial system functionality, standardizing core business processes, and centralizing selected administrative functions to reduce manual workload, improve financial oversight, and increase organizational efficiency. Given the County's fiscal and staffing constraints, implementation should prioritize process standardization, workflow improvements, and targeted system enhancements without requiring immediate large-scale organizational restructuring or enterprise software replacement.

As an initial step, the County should evaluate opportunities to optimize and standardize workflows within its existing financial systems before pursuing major technology investments. This includes reviewing accounts payable, purchasing, requisition, timesheet, and payment reconciliation processes to identify duplicative steps, approval bottlenecks, manual workarounds, and opportunities for automation.

The County should also strengthen integration between online payment systems and core financial operations to reduce reliance on manual reconciliation processes. Standardized payment coding structures, automated routing, and improved system integration would increase transparency, reduce administrative burden, improve the timeliness of revenue recognition, and reduce the risk of coding errors or delayed postings.

Within grants management, the County should build upon the recent addition of a Grants Manager by establishing more centralized oversight and standardized grant administration practices. This should

include maintaining a centralized grant inventory, standardized tracking of reporting and compliance deadlines, and periodic review of grant-funded positions and programs for long-term financial sustainability. Counties with limited staffing capacity often improve grant management effectiveness by centralizing monitoring and compliance functions while allowing departments to retain operational ownership of grant-funded programs.

Procurement practices should likewise be standardized and strategically centralized where operationally feasible. The County should evaluate opportunities to consolidate recurring purchases, standardize vendor contracts, and streamline purchasing thresholds and approval workflows to reduce administrative burden while maintaining appropriate internal controls. Strategic sourcing and cooperative purchasing arrangements are commonly used by counties to improve purchasing leverage and reduce costs without increasing staffing levels.

These efforts should be approached as organizational efficiency and risk-reduction initiatives rather than solely technology projects. Modernizing administrative operations through standardized processes, clearer accountability, improved system integration, and selective centralization can help the County better manage workload demands, improve compliance and financial visibility, and support more sustainable operations within its constrained fiscal environment.

ESTABLISH FORMAL TECHNOLOGY GOVERNANCE AND LIFECYCLE MANAGEMENT

14.	**Observation**	The County lacks formal IT governance and a comprehensive technology asset inventory, resulting in limited visibility, inconsistent decision-making, and inefficient use of already constrained technology resources.
	Recommendation	Implement an enterprise-wide IT governance framework supported by a centralized technology inventory and lifecycle management processes to prioritize investments, improve oversight, and align technology resources with County-wide strategic and operational needs..

Observation

The County lacks, but is currently developing a formal, enterprise-wide technology governance framework . The Countydoes not maintain a comprehensive, centralized inventory of its technology assets, resulting in limited visibility, fragmented decision-making, and inconsistent oversight of technology investments.Key elements of effective governance such as standardized policies for system acquisition, cybersecurity, service levels, lifecycle management, and performance monitoring are either absent or not consistently applied. As a result, hardware and software systems are acquired, managed, and retired without a structured evaluation of utilization, cost-effectiveness, integration requirements, or long-term support needs.

In addition, the absence of a centralized technology inventory means that critical information—such as system ownership, functionality, usage, costs, contract terms, and lifecycle status—is not consistently documented or readily accessible. This lack of transparency increases the risk of redundant or underutilized systems, limits the County’s ability to coordinate across departments, and constrains strategic planning and resource optimization.

In contrast, best practices among local governments emphasize establishing formal IT governance structures that define decision-making authority, standardize procurement and lifecycle processes, and align technology investments with organizational priorities. Leading jurisdictions also maintain comprehensive asset inventories and technology portfolios to support data-driven decision-making, cybersecurity risk management, and long-term capital and operational planning. Without these foundational elements in place, the County is limited in its ability to effectively manage its technology environment, control costs, and ensure that technology investments deliver intended value.

Recommendation

The County should finish and establish a formal, enterprise-wide IT governance framework to improve oversight, prioritize investments, and ensure technology resources are aligned with organizational needs and strategic priorities. This framework should define clear decision-making authority, roles, and responsibilities, supported by standardized policies and procedures for technology acquisition, cybersecurity, service levels, system integration, and lifecycle management. The County can use the newly established cross-departmental technology steering committee will help ensure that technology decisions are transparent, consistently applied, and aligned with County-wide objectives rather than individual departmental preferences.

As a foundational step, the County should develop and maintain a centralized, comprehensive inventory of all technology assets across departments. This inventory should capture key attributes including system ownership, functionality, utilization, costs, contract terms, lifecycle status, and integration dependencies. A complete and accurate inventory will provide the visibility needed to support data-driven decision-making, reduce redundancies, and identify opportunities for cost savings and system consolidation. The County is moving to Microsoft Intune which will help with this initiative,

Building on this baseline, the County should conduct a structured, enterprise-wide systems assessment to evaluate performance, utilization, security risks, and alignment with operational needs. The results of this assessment should inform a prioritized, multi-year technology roadmap that identifies which systems should be maintained, modernized, consolidated, or retired. This roadmap should incorporate total cost of ownership considerations and be integrated with the County's budgeting and capital planning processes.

To sustain these improvements, the County should implement formal lifecycle management practices that require periodic review of all major systems, including evaluation of performance, supportability, integration capability, and ongoing value to the organization. Governance processes should also include standardized criteria for new technology investments to ensure they meet security, interoperability, and long-term sustainability requirements.

REDESIGN AND MODERNIZE HUMAN RESOURCES PROCESSES

15.		
	Observation	County HR processes rely heavily on manual, paper-based workflows and disconnected systems, resulting in inefficiencies, inconsistent practices, and limited visibility into workforce data.
	Recommendations	A. Create clear, County-wide HR policies and step-by-step procedures for key activities such as hiring, onboarding, performance reviews, and employee records to make processes consistent, easier to follow, and less time-consuming. B. Implement a modern HR system and electronic timekeeping tools to replace paper processes, keep employee information in one place, automate routine tasks, and give managers better, real-time insight into staffing and labor costs.

Observation

The County's HR and workforce management processes are fragmented, highly manual, and supported by systems with limited functionality, resulting in inefficiencies and inconsistent practices. Core HR functions such as recruitment, onboarding, employee records management, leave tracking, performance evaluations, and payroll-related processes are managed through a combination of paper-based workflows and disconnected systems. The County's current Human Resources Information System (HRIS) does not provide sufficient functionality to support integrated operations, limiting the ability to track employee data, generate meaningful reports, and streamline routine processes.

As a result, departments often rely on inconsistent procedures and workarounds, reducing standardization and increasing administrative burden. This fragmentation also limits the County's ability to effectively support workforce planning, monitor performance, and make data-driven decisions related to staffing and resource allocation.

Best practices among local governments include implementing integrated HRIS and workforce management systems that centralize employee data, automate core processes, and provide real-time reporting and analytics. In contrast, the County's current approach limits efficiency, reduces data reliability, and constrains its ability to effectively manage and plan for its workforce in a sustainable and strategic manner.

Recommendation

The County should take steps to simplify, standardize, and modernize its HR processes to improve efficiency and reduce reliance on manual work. Recent staffing changes in HR create a good opportunity to step back and redesign how core processes are handled. The County should develop clear, written procedures for key HR functions such as hiring, onboarding, performance evaluations, employee records, and employee relations. Consistent processes will help ensure employees and managers across departments have the same experience and expectations.

A key part of this effort is implementing a modern HRIS that serves as a single, reliable source for employee information. This system should support the full employee lifecycle—from recruiting and hiring to benefits, leave tracking, and performance evaluations—and connect with payroll and finance

systems. It should also include self-service features so that employees can update their information, submit requests, and access records without relying on paper forms or HR staff for routine tasks.

The County should also move away from paper timesheets and manual payroll processes by implementing an electronic timekeeping system. This system should allow employees to enter time digitally, with clear approval workflows and real-time tracking of hours worked. For field staff, mobile or kiosk-based options can ensure time can be entered easily and accurately. This change will reduce errors, speed up payroll processing, and give the County better visibility into labor costs.

Finally, the County should strengthen how it plans for and manages its workforce by using better data and more consistent performance practices. This includes setting clear expectations for employee performance, conducting regular evaluations, and using system data to understand staffing needs and trends over time.

IMPLEMENT A COUNTY-WIDE RECORDS MANAGEMENT AND DIGITIZATION STRATEGY

16.		
	Observation	The County's fragmented and largely manual records management practices—highlighted by the lack of a centralized, accessible repository for County codes—limit efficiency, transparency, and compliance with public records requirements.
	Recommendations	A. Implement a County-wide records management program that standardizes retention schedules, digitization priorities, storage protocols, and access controls, supported by a centralized digital document management system to improve efficiency, compliance, and accessibility. B. Centralize, digitize, and maintain all County and municipal codes in a single, publicly accessible online repository with standardized formatting, version control, and governance processes to improve transparency, consistency, and ease of use for both staff and the public.

Observation

Records management practices across the County are fragmented and inconsistently applied, with no centralized strategy, standards, or systems to guide how records are created, stored, retained, and accessed. Departments rely on a mix of paper-based files and decentralized digital storage solutions, resulting in limited visibility, inconsistent access controls, and inefficiencies in information retrieval. The absence of a unified records management framework—including clear policies for retention, digitization, and storage—creates administrative burden, constrains the County's ability to effectively leverage information, and introduces compliance risks related to public records requirements, particularly in ensuring timely access, accuracy, and proper retention.

These challenges are especially evident in the management of County and municipal codes, which represent a critical and highly visible category of public records. Codes are not centrally maintained or consistently available in an accessible digital format, limiting transparency for residents and creating inefficiencies for staff who rely on this information for implementation and enforcement. Without a unified, authoritative repository, departments may rely on outdated or inconsistent versions of code, increasing the risk of misinterpretation, inconsistent application, and potential legal exposure.

Recommendation

The County should develop and implement a comprehensive, enterprise-wide records management program to improve consistency, accessibility, compliance, and operational efficiency. This effort should begin with the establishment of a formal records management policy that standardizes retention schedules, digitization priorities, storage protocols, and access controls across all departments. The policy should align with state public records requirements and incorporate best practices for classification, retention, and disposition of records to reduce risk and ensure compliance.

As a foundational step, the County should prioritize the digitization of high-value records—particularly those that are high-use, high-risk, or essential for transparency and service delivery. This includes County and municipal codes, which should be centralized, standardized, and made available through a single, publicly accessible online repository. Establishing a unified code library with consistent formatting, version control, and update protocols will improve internal efficiency, reduce the risk of inconsistent interpretation or outdated information, and significantly enhance public transparency. Governance procedures should be implemented to ensure codes are regularly reviewed, updated, and maintained as the authoritative source of record.

To support broader records management improvements, the County should invest in a scalable electronic document and records management system or comparable digital platform that enables secure storage, searchability, role-based access, audit trails, and integration with existing systems. This platform should serve as the centralized repository for County records, replacing fragmented storage approaches and reducing reliance on paper-based processes.

Strong governance and coordination will be critical to success. The County should designate a centralized records management function or lead (e.g., Records Officer or cross-departmental governance group) responsible for overseeing implementation, ensuring consistency, and maintaining compliance. Departments should be supported with clear policies, procedures, and guidance as well as training programs to promote adoption and long-term sustainability.

DEVELOP AND STREAMLINE SHORT- AND LONG-TERM PLANNING

17.	**Observation**	The County's Community Development function lacks an updated Comprehensive Plan, operates with limited permitting system functionality, and recovers only approximately 26% of service costs, resulting in operational inefficiencies and significant ongoing reliance on General Fund support compared to peer jurisdictions.
	Recommendations	A. Conduct a User fee and cost-of-service study to improve cost recovery and reduce General Fund reliance. B. Modernizing planning and permitting processes, update the Comprehensive Plan, and improve permitting system functionality and operational efficiency.

Observation

The County lacks an updated Comprehensive Plan to guide land use, infrastructure investment, economic development, and future growth. As a result, the County's ability to proactively align departmental priorities, coordinate with external stakeholders, and plan for long-term community and

infrastructure needs is limited.In terms of fiscal impact, the Planning division recovered nearly 30% of its costs through charges for services in FY2024-25. In the FY2025-26 and FY2026-27 budgets, the recovery percentage is expected to be closer to 20% due to additional expenses in the budget and limited charges to offset them. The GIS division is budgeted to recover around 55% of its costs through charges for services. Combined, the department is budgeted to recover approximately 26% of costs, or $330,000 of its $1.27 million budget.

Benchmarking in this area is complicated due to the differing proportions of current and long-term planning (which are generally supported by tax revenues) versus land use petitions and development agreements (which are generally funded in part or in whole by charges for services). Additionally, planning-related fees are not indexed to inflation or regularly evaluated for full cost recovery, further increasing reliance on General Fund support.

Operational challenges within the County's permitting environment further compound these issues. The current state-provided version of Accela lacks several key functionalities commonly used to support efficient permitting operations, including workflow automation, integrated reporting, performance tracking, and seamless integration with financial systems. These limitations require more manual processing, reduce visibility into permit activity and service timelines, and constrain the County's ability to improve customer service, monitor operational performance, and support data-informed planning and development decisions.

Recommendation

The County should prioritize modernization of its Community Development planning, permitting, and fee structures to improve long-term financial sustainability, operational efficiency, and service delivery capacity. Given the County's constrained fiscal environment and the significant gap between current and peer cost recovery levels, the most immediate priority should be conducting a comprehensive development services fee study and cost-of-service analysis. At approximately 26% cost recovery, the County's Community Development Planning function is substantially below peer jurisdictions, many of which recover between 90% and 100% of planning, permitting, and development review costs through fees and charges. This gap indicates that a significant portion of development-related operational costs are currently being subsidized by the General Fund rather than borne by applicants and service users who are receiving the benefit. See Budget Strategy 1.8 for additional information. If the County recovered 100% of costs it could generate another $763,000 in revenue on top of the $227,000 it is currently receiving.

The County should continue improving permitting and planning operations by first conducting an assessment of current system functionality, business processes, workflow configuration, reporting capabilities, and operational needs across the Community Development Department. This assessment should evaluate the extent to which the County's existing Accela environment can be optimized to better support permitting, planning, code enforcement, workflow standardization, reporting, and performance tracking. Based on the results of the assessment, the County can then determine whether continued investment and optimization of Accela or implementation of an alternative enterprise permitting and land management system would best support the County's long-term operational, customer service, and technology objectives. Regardless of the platform ultimately selected, targeted process improvements and enhanced system integration opportunities could help reduce manual processing, improve transparency into permit activity and timelines, and support more efficient service delivery.

The County should also consider updating its Comprehensive Plan to support Oregon's 19 statewide planning goals (only 14 statewide planning goals apply to Hood River County) and aligning development review processes with broader infrastructure, housing, and economic development priorities. Integrating planning, permitting, and financial sustainability strategies will better position the County to proactively manage future growth while balancing operational capacity and fiscal constraints.

VI. Fiscal Sustainability Plan

A. Overview of Fiscal Sustainability Planning

A fiscal sustainability plan is a plan that includes a variety of budget strategies that will address any fiscal gap identified in a long-range forecast. A fiscal sustainability plan is different than a fiscal solvency plan, the latter of which is focused primarily on cash liquidity of the agency to meet its debt obligations. A fiscal solvency plan has the ability to use debt financing or find means by which to extinguish or absolve the agency of its existing debt obligations, among other tools, to avoid the event of fiscal insolvency (which some might refer to as bankruptcy). Rather, a fiscal sustainability plan is focused on attempting to maintain services to the fullest extent possible to address a budgetary shortfall that is projected in future years. It is less focused on liquidity and more focused on managing reserves.

TYPES OF BUDGET STRATEGIES

Budget strategies are used to address any fiscal gap present in the long-range forecast. They are developed along a continuum that includes three categories:

1. **Expenditure Control/Cost Shifts:** Strategies that focus on reducing the cost of service delivery through such means as process improvements, organizational restructuring, renegotiating existing contracts for services/supplies, updating cost allocation plans within an organization, or otherwise shifting costs borne by the General Fund to other funding sources that currently exist.
2. **Service Delivery Changes:** Strategies that focus on changing how services are delivered that reduce costs while maintaining service levels. Examples might include contracting for services, shared service delivery with other agencies, providing services with existing capacity to other agencies, and public-private partnerships.
3. **Revenue Enhancement Opportunities:** Strategies that seek to increase the financial resources available to provide services such as economic development, new taxes, existing tax increases, and increasing cost recovery through new/enhanced/increased fees and charges.

To the extent that these three categories fail to deliver fiscal sustainability in a timely manner, the agency might need to exercise strategies from the fourth category:

4. **Service Level Reductions:** Identifying services or programs that can be reduced or eliminated, typically based on a prioritization strategy.

DETERMINING BUDGET STRATEGY FEASIBILITY

While all the strategies identified in our analysis are technically feasible and have been implemented in other settings, they are distinguished by differing levels of community support, complexity of implementation, implementation timing, and disruption to the organization relative to the financial return.

Certain revenue changes such as tax measures require voter approval to implement and vary in terms of complexity and community support. Some have a greater impact on voters (e.g., local

property tax levy lid lift measures), while others have a combined impact on residents and those from outside the County (e.g., food and beverage taxes).

Increasing fees and charges to full cost recovery may help the County's structural deficit somewhat but may have adverse impacts on community participation in those services. Voters are more likely to support measures when they know their tax dollars are being spent efficiently, requiring County staff to review cost efficiencies prior to taking those measures to voters. These factors require careful consideration in determining the feasibility of revenue enhancements.

Changes that would be disruptive to the organization can take time. Substantial changes in service delivery methodologies or employee benefit programs should also be weighed against the reality that they might result in ongoing employee relations issues, which can impair more incremental change. Key decisions will need to be made in the next 12 months in order to address the fiscal challenges faced by the County.

The strategies identified in this report have been quantified to the extent possible based on current information available to Baker Tilly and County staff. In many cases, they have been programmed into the fiscal model so that County leaders can explore the cumulative impact of implementing any package of actions.

B. County Setting

The County's proposed budget for FY 2026–27 is $50.2 million. The majority (97%) of this spending comes from the General Fund and Special Revenue Funds. Smaller amounts come from the Capital Projects Fund, Reserves Fund, and Debt Services Fund. Because the County's sustainable funding sources are found in the General and Special Revenue Funds, they are the focus of our analysis.

The budget is roughly split between General and Special Revenue funds. However, most personnel service funding is placed in the General Fund budget, while most capital outlay funding is found in the Special Revenue funds. The Special Revenue fund also supports a significant portion of the General Fund.

Actual, estimated, and budgeted spending shows a significant structural deficit, as shown below.

ACTUAL, ESTIMATED AND BUDGETED GENERAL AND SPECIAL REVENUE FUNDING				
Revenue	**2023–24 Actual**	**2024–25 Actual**	**2025–26 Estimated**	**2026–27 Budget**
General Fund Revenues	22,132,403	18,605,010	19,365,844	19,560,651
Special Revenues	23,026,540	22,938,993	20,178,514	20,288,538
Total Revenues	**45,158,944**	**41,544,003**	**39,544,358**	**39,849,189**
General Fund Expend.	18,356,278	19,703,827	22,764,246	21,651,562
Special Revenue Expend.	23,878,087	21,331,132	29,839,654	27,619,472
Total Expenditures	42,234,364	41,034,959	52,603,900	49,271,034

ACTUAL, ESTIMATED AND BUDGETED GENERAL AND SPECIAL REVENUE FUNDING				
Net Overall	2,924,580	509,044	(13,059,542)	(9,421,845)
Net General Fund	3,776,126	(1,098,818)	(3,398,402)	(2,090,911)
Net Special Revenue	(851,546)	1,607,862	(9,661,140)	(7,330,934)

Based on the information available from County budget documents, the General Fund had a fund balance of approximately $9.6 million at the close (June 30) of FY 2023–24. Since then, the County has drawn down the fund balance each year. It is expected that the fund balance will be approximately $5.1 million at the end of FY 2025-26, and projections show a fund balance of $3.0 million at the end of the following year. Fund balance is expected to drop to $200,000 in FY 2027-28 and shows a negative balance of $12.2 million by the end of FY 2029-30. While the County does budget some contingency and unappropriated amounts in its budget, these amounts are not nearly enough to make up for the significant deficits seen when comparing ongoing revenues with expenditures in the planned FY 2026–27 budget and beyond.

Outside of the General Fund, projections show a more positive trajectory. Most of the County's special revenue funds are dedicated to specific purposes, and expenditures from these funds are linked to the special revenues coming into the funds. Some variation in these funds is routine, due to the timing of revenues and expenses, biennial allocations that are spent down, and the timing and magnitude of various grant programs. Other special revenue funds make regular contributions to the General Fund to help pay for services related to the special purposes of those funds

To the extent that special revenue funds are self-contained and self-sustaining, these funds should have little impact on the County's overall fiscal health. For the special revenue funds which contribute to the General Fund, the future performance of these funds will have an impact on the amount of funds transferred, which will have an impact on the County's financial planning. For this reason, it is important that County staff include these funds as part of the budget planning process in order to generate accurate estimates of fund transfers into the General Fund.

As evidenced by our analysis, the County desperately needs new revenue sources. Unfortunately, Oregon's local government finance structure makes this very difficult, especially when it comes to any permanent property tax levy. Oregon does allow for two different types of voter-approved temporary local option property tax levies (OR Rev Stat § 280.060): one for operations and one for capital. The County can make a good case for both.

The County currently has the highest or second highest residential housing valuations of any county in the state at approximately $660,000 (the state average is $287,300). The County also has the fifth-highest median household income of the state's 36 counties. While Hood River County has been identified in *Oregon Counties by the Numbers* as having the 14th-highest per capita tax burden among Oregon counties, this measure reflects the combined impact of taxes paid by residents and should not be interpreted as indicating that the County's property tax rates are comparatively high. In fact, despite having some of the highest residential property values in the state—approximately $660,000 compared to a statewide average of $287,300—and the fifth-highest median household income among Oregon's 36 counties, Hood River County ranks among the lowest counties in terms of property tax levels, ranking 32nd out of 36 counties.

The table below includes several options for revenue development, followed by options for expenditure reduction. Our organizational assessment of the County did not demonstrate that the County is overstaffed or duplicating efforts in any meaningful way. Indeed, the opposite is generally true; due to funding constraints, day-to-day operations and maintenance is typically not addressed to the level necessary, and services are typically delivered at low levels due to staffing constraints.

Therefore, rather than cutting the existing organization further, top priority should be trying to build additional revenue capacity. However, revenue and expenditure adjustments must be made so that the County can balance its budget in the long-term. In the absence of additional revenues, the County likely be forced to consider further reductions in service levels, program offerings, staffing or other operational capabilities to maintain fiscal sustainability and comply with balanced budget requirements. Reserves will soon be exhausted if revenues and expenditures are not brought into alignment.

To avoid this, changes need to be made on a scale that totals approximately $10 million per year by FY2033-34. It will not be easy to make changes of this magnitude, given a current General Fund budget of only approximately $19.6 million in revenues with expenditure needs of approximately $21.6 million, compounded by an imbalance between the expected growth in revenues and expenditures, in addition to the County's capital needs.

C. Budget Strategies

Each budget strategy identified includes a brief description, the potential fiscal impact, and comments to help inform the evaluation of the strategies for future consideration.

REVENUE ENHANCEMENTS

The following are strategies that seek to increase the financial resources available to provide services such as economic development, new taxes, existing tax increases, and increasing cost recovery through new, enhanced, and/or increased fees and charges.

<table>
<tr><th>#</th><th>STRATEGY</th><th>DESCRIPTION</th><th>POTENTIAL ANNUAL FISCAL IMPACT</th><th>FEASIBILITY</th><th>PRIORITY</th></tr>
<tr><td>1.1</td><td>Food and Beverage Tax</td><td>Implement a local Food and Beverage tax. County staff should collaborate with the Board of Commissioners to determine a rate that balances revenue needs with economic competitiveness and community acceptance. Based on the County's updated 2022 census data for food and beverage sales, estimated annual revenues for 2026 are as follows. Two cities in Oregon, Ashland and Yachats, have this revenue source at 5%; therefore, this rate is recommended:
<table>
<tr><th>Food and Beverage Tax (%)</th><th>Approx. Revenue Generated ($)</th></tr>
<tr><td>1%</td><td>$525,857</td></tr>
<tr><td>2%</td><td>$1,051,715</td></tr>
<tr><td>3%</td><td>$1,577,572</td></tr>
<tr><td>4%</td><td>$2,103,429</td></tr>
<tr><td>5%</td><td>$2,629,286</td></tr>
<tr><td>6%</td><td>$3,155,144</td></tr>
</table></td><td>$2.6 million</td><td>Medium</td><td>High</td></tr>
</table>

#	STRATEGY	DESCRIPTION	POTENTIAL ANNUAL FISCAL IMPACT	FEASIBILITY	PRIORITY
		7% | $3,681,001 8% | $4,206,858 9% | $4,732,715 10% | $5,258,573			
1.2	**Property Tax: 10-Year Capital Levy**	Pursue voter approval of a 10-year local option property tax levy dedicated to capital investments. The County is already allocating $1.4 million toward capital outlay and could request authorization for up to an additional $1.5 million annually. This long-term, stable funding source would support major infrastructure, facilities, and equipment needs, preventing reliance on debt and enabling better long-range planning.	$1.5 million	Medium	High
1.3	**Property Tax: Five-Year Operations Levy**	Implement a five-year local option levy focused on operations and deferred maintenance. While temporary in nature, this funding could address a backlog of critical infrastructure needs, particularly road maintenance. A levy generating $1 million annually would allow the County to rehabilitate assets before they deteriorate further, ultimately avoiding significantly higher reconstruction costs in the future. This "pay-now-or-pay-more-later" approach can be framed as fiscally responsible asset management.	$1.0 million	Medium	High
1.4	**Property Tax: Increase the Public Safety Levy**	Increase the public safety operations levy to more intentionally cover the full cost of providing Sheriff services, similar to Deschutes County. This would require up to an additional $2.75 million annually to replace the general fund contribution to the Sheriff's Department, including Corrections.	$2.75 million	Medium	High
1.5	**Transient Lodging Tax (TLT) Increase**	Increase the TLT from 8% to 12% to more closely align with tourism-heavy peers. Based on FY 2025–26 budget data, current TLT revenue of $272,142 at 8% implies a taxable base of approximately $3.4 million. Raising the rate to 12% would increase annual revenue to an estimated $408,213, producing an additional $136,071 for the general fund. These funds will have to be	$136,000	High	Medium

#	STRATEGY	DESCRIPTION	POTENTIAL ANNUAL FISCAL IMPACT	FEASIBILITY	PRIORITY
		used partially to support tourism, but the County funds numerous programs that partially benefit visitors. Some examples are parks, search and rescue, and patrol.			
1.6	**Transient Lodging Tax (TLT) Increase on top of the City of Hood River's TLT**	Currently the County does not levy the TLT in the City of Hood River, where most lodging choices are located. With the City's permission the County should be able to layer an additional TLT amount on the existing tax. The City budgeted $2,036,000 in the current fiscal year for TLT revenues based on an 8% levy. If the County added a 4% levy to bring the City total rate equal to that proposed in Strategy 1.5, revenues of approximately $1,018,000 could be anticipated by the County based on the City budget estimate. The funds will need to be used for purposes that also benefit visitors, as well as bring some direct benefit to the City, but there are a number of County programs that do both. The County Attorney will need to provide an opinion to authorize such a levy.	$1,018,000	High	High
1.7	**Optimize Property Tax Collection**	Maximize existing property tax capacity by ensuring accurate and up-to-date property valuations. According to County staff, investing in additional appraisal staff can help recoup the approximately $5 million in tax revenue that is currently not being captured for the taxing districts, as each new appraiser typically results in increased assessed value and corresponding tax revenue. This process is already underway with the 25/26 budget, which authorized an additional staff person. This estimate is based on a total increase in tax of $5 million, with 20% accruing to the County annually.	$1.0 million	High	High
1.8	**Update User Fees**	Conduct a comprehensive review of user fees across departments including Community Development (about $900,000 general fund subsidy), Recreation (about $229,500 general fund subsidy for the Parks and Structures budget), Forest Recreation (annual gap of around $230,800 for recreational trails) Environmental Health Services (EHS) (about $100,000 general fund subsidy), and Public Works, with the goal of achieving full or near-full cost recovery.	$1.46 million	High	High

EXPENDITURE CONTROL/COST SHIFTS

The following are strategies that focus on reducing the cost-of-service delivery through such means as process improvements, organizational restructuring, renegotiating existing contracts for services/supplies, updating cost allocation plans for shared services, or otherwise shifting costs borne by the General Fund to other funding sources that currently exist.

#	STRATEGY	DESCRIPTION	POTENTIAL ANNUAL FISCAL IMPACT	FEASIBILITY	PRIORITY
2.1	**Timber Revenue Allocation**	Timber funds transferred to the General Fund have grown from $2.7 million in FY 2019-20 to an estimated level of $3.6 million in the FY 2026-27 budget. Establish a more conservative and sustainable approach to timber revenue use by limiting General Fund contribution to no more than the lowest annual timber receipts realized over the prior past 10 years, rather than the currently used formula in Resolution No. 2344. Any revenue above this baseline should be transferred to a Capital Projects Fund and reserved for one-time expenditures. This approach reduces reliance on a volatile revenue source for ongoing operations and helps stabilize the County's financial position over time. This would put the targeted timber revenue budget at $2,115,000 annually. **Due to fiscal constraints, this recommendation may not be able to be implemented until the County is in a stronger fiscal condition.**	($1.0–1.2 million)	Medium	Low
2.2	**Cost Allocation Plan**	Evaluate and refine the County's cost allocation methodologies to ensure that allowable administrative and overhead costs are appropriately charged to special revenue funds, enterprise activities, and grant programs. Strengthening cost recovery practices can increase reimbursements to the General Fund, ensuring that it is not disproportionately subsidizing services that should be supported by restricted or external funding sources.	$150,000	High	High
2.3	**Asset Management Plan**	Develop a comprehensive asset inventory to evaluate all County-owned facilities and assets for alignment with core services and financial sustainability. Assets that are not mission-critical or cannot recover their operating and maintenance costs should be considered for divestiture, alternative ownership, or partnership models. Given current fiscal constraints, continued subsidy of such assets may not be sustainable. Examples include: • The County-owned History Museum facility (budgeted at $89,000 annually) serves a relatively small number of visitors, warranting a cost-benefit review.	$358,000	High	High

#	STRATEGY	DESCRIPTION	POTENTIAL ANNUAL FISCAL IMPACT	FEASIBILITY	PRIORITY
		• The Animal Control building could be evaluated for potential sale or transfer to a partner organization, such as Adopt-A-Dog. The annual subsidy to the Animal Control program should be discontinued ($39,522). • Parks, campgrounds, and trail systems should also be assessed to determine whether user fees fully cover costs or operations/ownership could be consolidated with the Recreation District or other regional governmental entity. General Fund costs for Parks and Structures come to $229,500 per year after offsetting revenues are included (see Budget Strategy 3.1).			
2.4	**Full Cost Recovery for School Resource Officer**	Ensure full cost recovery for School Resource Officer services provided. In FY 2024–25, the District reimbursed $69,000, which does not reflect the full cost of salary, benefits, equipment, and administrative overhead (estimated at 50% of total cost at $34,500). This employee also teaches a course at the District, the time for which should be fully paid by the District. Agreements should be renegotiated to achieve full reimbursement.	$34,000	Medium	High
2.5	**Implement PERS Cost Sharing**	Review and renegotiate employee benefit structures in labor agreements to better manage long-term personnel costs. This may include implementing employee contributions toward retirement PERS. For example, some peer counties (e.g., Tillamook and Wasco) require employees to cover the full 6% PERS contribution. Aligning benefit structures with regional peers could generate meaningful cost savings while maintaining competitive compensation.	$481,000	Medium	Medium

SERVICE DELIVERY CHANGES

Strategies that focus on changing how services are delivered reduce costs while maintaining service levels. Examples might include contracting services, shared service delivery with other agencies, providing services with existing capacity to other agencies, and public-private partnerships.

These options align with County Administrative Code Section 60-11, which states “The Board of Commissioners shall coordinate its efforts with those of other public jurisdictions, and particular emphasis shall be placed on eliminating duplication of services, thereby providing the taxpayers of the County with the best services and facilities possible in the most efficient and economical manner.” Each of these options would require the Board of Commissioners to coordinate with other local governmental agencies and are reliant on a shared interest to reduce costs in order to be effective.

In most cases, we are unable to estimate fiscal impacts on these actions because of the numerous unknowns, but based on past experience, they can be substantial. The key for estimated annual savings as depicted in dollar signs is as follows: $ - under $50,000; $$ - $50,000 -$500,000; $$$ - over $500,000

#	STRATEGY	DESCRIPTION	POTENTIAL ANNUAL FISCAL IMPACT	FEASIBILITY	PRIORITY
3.1	**Recreation District**	Explore developing an IGA with Hood River Valley Parks and Recreation District to operate and potentially assume ownership of County parks and campgrounds. This model has been successfully implemented in jurisdictions such as Tualatin and Willamalane, where special districts provide efficient and sustainable service delivery. The Parks & Structures Division within the Public Works Department has budgeted expenditures averaging $786,700 between 2026 and 2027, against revenues of $557,200, leaving an average annual gap of $229,500. Currently there are four other jurisdictions in the County that are involved in these services in some capacity. It is recognized that there are several complicating factors when it comes to divesting the County's parks and recreation facilities including the fact that they may include dedicated forest lands and be included in the Forestry Climate Program. Nevertheless parks and recreation is not a core County function and as such facilities should cover all costs as an enterprise or the County should exit the function.	Up to $229,500	Medium	Medium
3.2	**Public Safety Consolidation**	Evaluate opportunities to integrate or more closely coordinate public safety services with the City of Hood River to reduce duplication and achieve economies of scale. Potential areas of collaboration include training, fleet management, equipment, dispatch, and administrative support. This approach could also extend to related functions such as code enforcement and patrol if the City is interested in a more robust consolidation. While full consolidation may be complex, incremental shared service models could yield meaningful cost savings and operational	$-$$$	Medium	Medium

#	STRATEGY	DESCRIPTION	POTENTIAL ANNUAL FISCAL IMPACT	FEASIBILITY	PRIORITY
		efficiencies. There are many examples of joint county/city law enforcement across the US.			
3.3	**Administrative Services Consolidation**	Explore shared services or consolidation of back-office administrative functions between the County and the City of Hood River. Key areas for potential collaboration include physical plant, HR, payroll, finance, procurement, fleet operations, and IT support. Pooling these functions can reduce overhead, standardize processes, and improve service quality while allowing entities to focus resources on core service delivery.	$-$$	Medium	Medium

#	STRATEGY	DESCRIPTION	POTENTIAL ANNUAL FISCAL IMPACT	FEASIBILITY	PRIORITY
3.4	**IT System Piggybacks**	Consider establishing either the City of Hood River or the County as a centralized IT service provider to deliver shared technology services across both jurisdictions. This approach could consolidate core functions such as help desk support, cybersecurity, cloud infrastructure, and software licensing, reducing duplication and improving service quality. Additional opportunities include aligning or integrating key enterprise systems such as permitting platforms, payment portals, service request systems, and ERP (Finance and HR). Given the City of Hood River's less-developed IT infrastructure, the County could also expand support in specialized areas such as GIS services to improve capabilities without duplicating resources. A good source for understanding shared services in a variety of settings is A County Manager's Guide to Shared Services in Local Government published by the IBM Center for the Business of Government.[9]	$-$$	Medium	Medium

SERVICE DELIVERY REDUCTIONS

The following strategies involve identifying services or programs that can be reduced or eliminated, typically based on a prioritization strategy. While service reductions are not considered a high priority in the County, because existing service levels are at the lower end of the spectrum generally considered reasonable, if revenue increases to not materialize this will be an option the County will have to seriously consider before reserves are exhausted.

[9] https://www.businessofgovernment.org/report/county-manager%E2%80%99s-guide-shared-services-local-government

#	STRATEGY	DESCRIPTION	POTENTIAL ANNUAL FISCAL IMPACT	FEASIBILITY	PRIORITY
4.1	**OSU Extension Agreement**	Upon expiration of the current IGA, the County should consider reducing its financial support for OSU Extension services or finding an alternative funding mechanism for this support (anticipated after 2030). Of Oregon's 36 counties, 26 have a dedicated Extension-funding mechanism such as a service district or tax levy, which presents a potential alternative to supporting this service. Other counties without this funding mechanism contribute a smaller amount; for example, Multnomah County contributes only $40,000.	Up to $117,000 annually	Medium	Medium
4.2	**Health Department**	Explore transitioning responsibility for public health services back to the state. This would shift significant operational and financial obligations away from the County, though it would require careful coordination to ensure continuity of services and compliance with state requirements. The EHS Environmental Health Division would need to be moved to a different department and should achieve full cost recovery for its services which are permit based. It should be noted that this option has been explored previously and it was determined that some grants the County currently receives may be impacted, but this analysis should at minimum be updated in light of the County's fiscal challenges and the fact that some Health Department services are not mandated.	$540,000	Low	Medium
4.3	**History Museum Support**	The County currently supports the History Museum through facility ownership and operating agreements, with annual costs of approximately $90,000 in the proposed budget. Given limited fiscal capacity, the County should evaluate divesting the building or transitioning ownership to a nonprofit or community partner. This is not a statutorily required service (see Budget Strategy 2.3).	$90,000 plus one-time value of building sale	High	High
4.4	**Veterans Services**	The veterans services offering through the Health Department currently operates at an annual shortfall that is subsidized by the General Fund. Revenues from Oregon State Veterans Services were $87,884 while total expenditures were $172,158, resulting in an annual shortfall of $84,274 in 2024. The County should evaluate options to reduce or eliminate this gap, such as transitioning the position to part-time, restructuring service delivery, or identifying external funding sources. This is not a statutorily required service.	$84,274	High	Medium

#	STRATEGY	DESCRIPTION	POTENTIAL ANNUAL FISCAL IMPACT	FEASIBILITY	PRIORITY
4.5	**Restrict Wage Growth**	Our projections assume that salaries and benefits will grow 7% annually, based on recent experience regarding employee step progression, cost-of-living adjustments, and longevity pay. The County will conduct a classification and compensation study to see if the County can reduce payroll growth to 4% annually, which could reduce payroll expenses by $2.1 million in FY 2030 and by $5.9 million in FY 2035. If payroll growth is held at 3% annually, expenses would be reduced by $2.8 million in FY 2030 and by $7.6 million in FY 2035. The County should include the full range of benefits that are available to County employees in the classification and compensation evaluation including the PERS contribution of 6%.	Approximately $700,000 per year	Medium	High

RECOMMENDATIONS

Baker Tilly recommends that all the high-feasibility revenue options be implemented immediately. For two of these recommendations, the user fee update and optimization of property tax collections can be done by the County unilaterally. In fact, the County has already began implementation during the recently concluded budget process. These actions should be pursued aggressively to maximize revenue generation. The other revenue options should be assessed with polling and other public opinion research, although the transient occupancy tax increase is probably relatively easy to pass and should be prioritized as such. The same is true for the layering of a County TLT on City of Hood River based lodging establishments.

Given the County budget situation, a sense of urgency should be attached to all of these actions as well as other ideas the County staff have generated. Time is short to avoid completing depleting reserves.

As a last resort, the County may have to consider selling some of the 34,500 acres of timberland it has acquired. This would have to be done with an eye towards maintaining enough lands to be able to generate at least $2 to $3 million per year in timber sales revenues. This should be avoided if at all possible, because the County has an innovative strategy with the Climate Trust whereby the County is contractually obligated to maintain carbon stocks in the form of trees over the next 40 years, in exchange for receipt of carbon credits which would be monetized for additional land purchases and potentially additional timber revenue, but the value of the carbon credits is currently unknown and somewhat speculative.

Finally, it must be noted that the County is a small county, both in terms of geographic size and population. It is the second smallest of the 36 counties in geographic size, and it is 26th out of 36 in terms of population. Given these facts, it is difficult to operate efficiently and effectively as a county government.

VII. Conclusion

The County must take immediate action to avoid financial distress. This places the County in a reactive mode that strikes against any strategic plans or policies a county may have. When such a circumstance becomes imminent, the only thing a county can do is leave positions vacant when employees retire or separate from employment (sometimes called a “hard hiring freeze”) and/or lay off employees to reduce costs and maintain a balanced budget. This will have significant impacts on the County’s ability to serve the community

The County faces a clear structural imbalance between revenue growth and expenditure pressures that, if left unaddressed, will deplete reserves and jeopardize essential services within the next year. While the County’s current reserve position provides a short window of opportunity, decisive action is required now to ensure long-term fiscal health.

This report demonstrates that fiscal sustainability is achievable, but only through deliberate choices that balance community priorities with financial realities. Peer comparisons show that the County already operates with constrained fiscal capacity relative to neighboring counties, leaving little room to absorb rising costs without recalibrating its revenue structure or reconsidering how services are delivered.

The strategies and scenarios outlined here illustrate a spectrum of options, from revenue-focused approaches to expenditure-driven reductions, each with distinct trade-offs. What is evident across all scenarios is that efficiencies and cost controls alone are insufficient to close the projected gap. Without additional revenue sources that grow in line with expenditures, the County will be forced into increasingly disruptive reductions that would erode service quality and organizational capacity.

Moving forward, the Board of Commissioners must take timely action to shape a fiscal sustainability plan that diversifies revenues, manages costs, and aligns service levels with available resources. Early implementation will preserve reserves, strengthen public confidence, and position the County to weather future economic cycles. By engaging the community transparently, sequencing strategies carefully, and acting with urgency, the County can secure a stable financial foundation that protects essential services and supports the community’s long-term vision.

To support informed decision-making, the County should evaluate multiple fiscal scenarios, including: (1) full implementation of new revenue sources; (2) partial revenue generation combined with operational efficiencies and cost reductions; and (3) a status quo scenario in which no additional revenue is realized during the current fiscal year, requiring identification of service reductions, staffing impacts, or program eliminations necessary to maintain a balanced budget.

BAKER TILLY CONTACT INFORMATION

We are pleased to have had the opportunity to serve as a strategic partner with the County on this project. The Baker Tilly project team would like to thank the County project sponsors, the project steering committee, staff, and stakeholders for their participation in this project and all the effort dedicated to producing this report. We look forward to continuing to serve as your valued business

advisor. Should you have any questions regarding this report, please do not hesitate to reach out. Contact information is provided below.

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Appendix A – Detail of Peer Benchmarking

PEER COMPARATIVE DATA ANALYSIS

Baker Tilly conducted a comprehensive benchmarking analysis to evaluate budget, staffing, and service delivery metrics between the County and six peer counties. Peer agencies were identified in collaboration with the County based on factors such as population size, geographic proximity, median household income, and tourism.

COMPARABLE AGENCIES AND STAFFING LEVELS

The County was compared against Clatsop, Crook, Deschutes, Lincoln, Tillamook, and Wasco counties. The table below presents the selected peer agencies used for this comparison, including county staffing levels and FTE positions per 1,000 residents. The County maintains 6.12 FTEs per 1,000 residents, which is aligned with the peer average of 6.06.

COMPARABLE AGENCIES SELECTED FOR PEER RESEARCH AND COUNTYWIDE TOTAL FTE PER 1,000 RESIDENTS[10]

County	Population	Geographic Size (sq mi)	Economic Drivers	Total County-Wide FTE[11]	FTE per 1,000 Population
Hood River	24,357	533	Agriculture, industry, tourism, and services including health care	149.00	6.12
Clatsop	41,785	1,085	Fishing, tourism, and forest products	253.52	6.07
Crook	26,366	2,991	Forest products, agriculture, livestock raising, recreation, tourism, manufacturing, and wholesale trade	225.10	8.54
Deschutes	208,612	3,055	Tourism, retail trade, forest products, recreational equipment; aviation, software, and high technology	1,255.96	6.02
Lincoln	51,153	922	Tourism, government, services and retail, forest products, and fishing	248.10	4.85

[10] County population, geographic size, and economy figures sourced from Oregon Secretary of State, Oregon Blue Book, Almanac & Fact Book

[11] Source: Adopted FY 2025-26 budgets

COMPARABLE AGENCIES SELECTED FOR PEER RESEARCH AND COUNTYWIDE TOTAL FTE PER 1,000 RESIDENTS[10]					
Tillamook	27,574	1,125	Agriculture, forest products, tourism, fishing, and recreation	135.41	4.91
Wasco	26,444	2,396	Agriculture, forest products, manufacturing, electric power, aluminum, and transportation	158.00	5.97
Peer Average	**63,656**	**1,929**	**-**	**379**	**6.06**
Peer Median	**34,680**	**1,761**	**-**	**237**	**6**

ADMINISTRATION

The County's Administration has eight FTE, which is 2.9 FTE below the peer average. Additionally, per capita expenditures are approximately $106, which is also below the average of $154 among peers. This suggests that Administration is potentially slightly under-resourced relative to peer counties.

ADMINISTRATION DEPARTMENT ACROSS PEERS			
County	**Administration FTE**	**FY 2026 Expenditure**	**Per Capita Expenditure**
Hood River	8	$2,575,285	$105.73
Clatsop	32.09	$7,075,226	$169.32
Crook	8.75	$2,012,000	$76.31
Deschutes	24.25	$4,648,988	$22.29
Lincoln	13	$2,358,038	$46.10
Tillamook	6.8	$2,797,574	$101.46
Wasco	13	$13,445,469	$508.45
Peer Average	**16.32**	**$5,389,549**	**$153.99**

ADMINISTRATION DEPARTMENT ACROSS PEERS			
Peer Median	**10.9**	**$3,723,281**	**$88.88**

BUDGET AND FINANCE

The County's Budget and Finance FTE count is generally aligned with the peer median but falls slightly below the peer average, likely due to the size of Deschutes County. However, the County spends notably more per capita on this function than peers.

BUDGET AND FINANCE DEPARTMENT ACROSS PEERS			
County	**Budget and Finance FTE**	**FY 2026 Expenditure**	**Per Capita Expenditure**
Hood River	7	$2,816,932	$115.65
Clatsop	4.5	$740,540	$17.72
Crook	7.1	$1,934,000	$73.35
Deschutes	20.5	$4,736,500	$22.70
Lincoln	10.25	$1,516,507	$29.65
Tillamook	4	$695,972	$25.24
Wasco	N/A[12]	N/A	N/A
Peer Average	**9.27**	**$1,924,704**	**$33.73**
Peer Median	**7.1**	**$1,516,507**	**$25.24**

[12] Wasco's Budget and Finance FTEs are allocated under Administrative Services.

HR DEPARTMENT

The County's HR Department has ~2 FTE, which is slightly below the peer median but appears appropriately staffed in relation to the Total FTE per HR FTE average. Expenditures per capita are slightly elevated from the peer average.

HR DEPARTMENT ACROSS PEERS				
County	**HR FTE**	**Total FTE : HR FTE**	**FY 2026 Expenditure**	**Per Capita Expenditure**
Hood River	2	74.5	$525,143	$21.56
Clatsop	3	84.51	$735,640	$17.61
Crook	3	75.03	$772,000	$29.28
Deschutes	11	114.18	$2,650,520	$12.71
Lincoln	5	49.62	$867,148	$16.95
Tillamook	4	33.85	$738,926	$26.80
Wasco	2	79	$414,137	$15.66
Peer Average	**4.67**	**72.7**	**$1,029,729**	**$19.83**
Peer Median	**3.5**	**77.02**	**$755,463**	**$17.28**

COMMUNITY DEVELOPMENT

The County spends $134 per resident on Community Development, compared with a peer average of about $103 per resident. Staffing intensity is close to the peer average, so the department does not appear overstaffed. Revenue recovery for the Department as a whole (encompassing Planning, GIS, and Building) is approximately 69%, below the peer average of about 84%. The County's net Community Development burden is $41 per resident, compared to a peer average of about $13 per resident.

Building Services and building-related reserves are balanced. The net burden is concentrated primarily in Planning Services and, to a lesser extent, Geographic Information Systems (GIS). Planning Services show a large gap between revenues and expenditures. Community Development is a strong candidate for a fee study that would more closely align the cost of service with fees.

COMMUNITY DEVELOPMENT DEPARTMENT ACROSS PEERS					
County	Community Development FTE	FY 2026 Revenue	FY 2026 Expenditure	Per Capita Revenue	Per Capita Expenditure
Hood River	11	$2,260,519	$3,270,224	$92.81	$134.26
Clatsop	6.81	$1,138,880	$1,138,880	$27.26	$27.26
Crook	20.6	$2,654,000	$3,843,000	$100.66	$145.76
Deschutes	53	$11,796,777	$11,796,777	$56.55	$56.55
Lincoln	8.5	$591,000	$1,318,036	$11.55	$25.77
Tillamook	18.87	$5,465,000	$5,643,857	$198.19	$204.68
Wasco	15	$3,880,314	$4,213,230	$146.74	$159.33
Peer Average	**20.46**	**$4,254,329**	**$4,658,963**	**$90.16**	**$103.22**
Peer Median	**16.9**	**$3,267,157**	**$4,028,115**	**$78.60**	**$101.15**

FORESTRY/NATURAL RESOURCES

Hood River spends $41.62 per resident in Forestry / Natural Resources, compared with a peer average of $12 per resident. Hood River also generates $149.70 per resident in Forestry / Natural Resources revenue

FORESTRY/NATURAL RESOURCES DEPARTMENT ACROSS PEERS					
County	Forestry/Natural Resources FTE	FY 2026 Revenue	FY 2026 Expenditure	Per Capita Revenue	Per Capita Expenditure
Hood River	8	$3,646,200	$1,013,756	$149.70	$41.62
Clatsop	N/A[13]	$1,336,810	$1,336,810	$31.99	$31.99

[13] Wasco's Forestry FTE is allocated to the County Sheriff's Office.

FORESTRY/NATURAL RESOURCES DEPARTMENT ACROSS PEERS					
Crook	.55	$74,000	$74,000	$2.81	$2.81
Deschutes	3	$2,794,995	$2,794,995	$13.40	$13.40
Lincoln	N/A[14]	$0	$0	$0.00	$0.00
Tillamook	N/A15	$49,420	$49,420	$0.00	$0.00
Wasco	N/A16	$552,949	$552,949	$20.91	$20.91
Peer Average	**2.95**	**$801,362**	**$801,362**	**$11.52**	**$11.52**
Peer Median	**3**	**$313,475**	**$313,475**	**$8.10**	**$8.10**

HEALTH

The County's Health Department spends $176 per resident, compared with a peer average of ~$533 per resident. On the surface, the County appears far below the peer average. However, the peer average is distorted by counties with much broader Health and Human Services operations due to the different population demographics in each county. Compared with smaller rural peers such as Crook and Wasco, the County's Health spending is much more comparable. Staffing intensity is below the peer average but revenue recovery is about 81%, which is below the peer average and should be evaluated.

HEALTH DEPARTMENT ACROSS PEERS					
County	**Health FTE**	**FY 2026 Revenue**	**FY 2026 Expenditure**	**Per Capita Revenue**	**Per Capita Expenditure**
Hood River	24.54	$3,470,692	$4,279,592	$142.49	$175.70
Clatsop	21.1	$13,599,750	$13,606,670	$325.47	$325.64

[14] Lincoln does not have a forestry department.
[15] Tillamook's Forestry FTE is not reported.
[16] Wasco's Forestry FTE is allocated to the County Sheriff's Office.

HEALTH DEPARTMENT ACROSS PEERS					
Crook	29.15	$4,208,000	$4,594,000	$159.60	$174.24
Deschutes	418.63	$125,793,970	$125,793,970	$603.00	$603.00
Lincoln	227.75	$65,060,243	$65,062,390	$1,271.88	$1,271.92
Tillamook	72.93	$18,085,983	$18,085,983	$655.91	$655.91
Wasco	N/A[17]	$4,369,726	$4,369,726	$165.24	$165.24
Peer Average	**153.9**	**$38,519,612**	**$38,585,457**	**$530.18**	**$532.66**
Peer Median	**72.93**	**$15,842,867**	**$15,846,327**	**$464.24**	**$464.32**

TECHNOLOGY SERVICES

The County has three Technology Services FTE and almost 50 county employees for each FTE, which is the second-highest among peers.

TECHNOLOGY SERVICES DEPARTMENT ACROSS PEERS				
County	**Technology Services FTE**	**Total FTE : Technology Services FTE**	**FY 2026 Expenditure**	**Per Capita Expenditure**
Hood River	3	49.7	$783,389	$32.16
Clatsop	8	31.7	$1,716,230	$41.07
Crook	6	37.5	$2,045,000	$77.56
Deschutes	22	57.1	$6,514,399	$31.23
Lincoln	11.2	27.0	$3,568,897	$69.77
Tillamook	7	19.3	$1,610,120	$58.39

[17] Wasco does not have a dedicated health department and relies on the North Central Public Health District.

TECHNOLOGY SERVICES DEPARTMENT ACROSS PEERS				
Wasco	6	26.3	$2,248,263	$85.02
Peer Average	**10.03**	**33.2**	**$2,950,485**	**$60.51**
Peer Median	**7.5**	**31.7**	**$2,146,632**	**$64.08**

JUVENILE

The County's Juvenile Department spends $30 per resident, compared with a peer average of about $61 per resident. The County has ~4 Juvenile FTE, which is below the peer average. Staffing intensity is below the peer average and revenue recovery is low at 15%, compared with a much higher peer average. Because revenue recovery is low, the County's net Juvenile burden is higher than the gross spending comparison might suggest.

Juvenile is not a high-spending or overstaffed department. Potential issues are more likely revenue support, program scale, and service capacity. The County may not be receiving or booking the same level of state, grant, or intergovernmental support as peers, and should review whether Juvenile revenues are being booked consistently with expenditures. The County should also compare juvenile referrals, probation caseload, diversion cases, detention days, court-involved youth, behavioral health crossover cases, and state grant funding.

JUVENILE DEPARTMENT ACROSS PEERS				
County	**Juvenile FTE**	**Residents: Juvenile FTE**	**FY 2026 Expenditure**	**Per Capita Expenditure**
Hood River	4	6,089.3	$727,042	$29.85
Clatsop	6.06	6,929.5	$992,030	$23.74
Crook	7.3	3,611.8	$1,337,000	$50.71
Deschutes	47	4,438.6	$11,122,272	$53.32
Lincoln	21.1	2,424.3	$2,948,489	$57.64
Tillamook	5	5,514.8	$849,810	$30.82
Wasco	11	2,404.0	$2,328,894	$150.94

JUVENILE DEPARTMENT ACROSS PEERS				
Peer Average	**16.2**	**4,220.5**	**$3,263,083**	**$61.19**
Peer Median	**9.15**	**4,025.2**	**$2,142,745**	**$52.01**

PUBLIC WORKS

The County spends $741 per resident in Public Works, compared with a peer average of about $503 per resident. The majority of this is dedicated road funding provided by the state. Public Works ranks near the top of the peer group in expenditures per resident.

PUBLIC WORKS DEPARTMENT ACROSS PEERS			
County	**Public Works FTE**	**FY 2026 Expenditure**	**Per Capita Expenditure**
Hood River	25	$18,045,029	$740.86
Clatsop	49.54	$25,490,900	$610.05
Crook	25.45	$9,633,000	$365.36
Deschutes	136.75	$176,249,625	$844.87
Lincoln	36.2	$19,750,995	$386.12
Tillamook	27	$12,821,881	$465.00
Wasco	24.4	$9,154,262	$346.18
Peer Average	**49.9**	**$42,183,444**	**$502.93**
Peer Median	**31.6**	**$16,286,438**	**$425.56**

ASSESSMENT, RECORDS, AND ELECTIONS

The County's Assessments, Records, and Elections Department spends $74 per resident, compared with a peer average of about $86 per resident. Staffing levels are also below the peer average.

ASSESSMENT, RECORDS, AND ELECTIONS DEPARTMENT ACROSS PEERS			
County	**Assessment, Records, and Elections FTE**	**FY 2026 Expenditure**	**Per Capita Expenditure**
Hood River	11	$1,808,399	$74.25
Clatsop	18.95	$3,661,790	$87.63
Crook	13.32	$2,512,000	$95.27
Deschutes	46.26	$12,328,654	$59.10
Lincoln	28.6	$3,847,824	$75.22
Tillamook	21	$3,023,992	$109.67
Wasco	14	$2,433,509	$92.02
Peer Average	**23.7**	**$4,634,628**	**$86.49**
Peer Median	**19.9**	**$3,342,891**	**$89.83**

DISTRICT ATTORNEY'S OFFICE

The County's District Attorney's Office function is lean. The County spends $50 per resident, compared with a peer average of about $76 per resident. Staffing levels also fall below the peer average.

DISTRICT ATTORNEY'S OFFICE ACROSS PEERS			
County	**District Attorney FTE**	**FY 2026 Expenditure**	**Per Capita Expenditure**
Hood River	9	$1,219,285	$50.06
Clatsop	20.12	$3,208,260	$76.78
Crook	17.05	$3,362,000	$127.51
Deschutes	70.6	$15,616,360	$74.86
Lincoln	28.1	$3,699,439	$72.32
Tillamook	10	$1,551,160	$56.25
Wasco	10	$1,309,353	$49.51
Peer Average	**25.98**	**$4,791,095**	**$76.21**
Peer Median	**18.5**	**$3,285,130**	**$73.59**

SHERIFF'S OFFICE

The County spends $348 per resident on the Sheriff's Office, compared with a peer average of about $450 per resident. The County also ranks near the low end of the peer group in Sheriff spending per resident.

The Sheriff's Office largest expenditure element consists of the costs for patrol, investigations and the civil actions necessary to support these activities. This work occupies approximately 27 full-time employees, and costs just under $4 million annually in the currently adopted budget.

The next largest cost driver for the Sheriff's Office are the contract payments to the Northern Oregon Regional Correction Facilities consortium (NORCOR), a joint project between Gilliam, Hood River, Sherman and Wasco Counties which provides adult and juvenile detention facilities. Hood River's share of NORCOR's costs are approximately $2,347,000 in the current fiscal year.

. It is important to note that of the portion of the NORCOR cost, approximately $500,000 of this is juvenile related, but the cost is allocated to the Sheriff's Office budget.

SHERIFF'S OFFICE ACROSS PEERS				
County	**Sheriff FTE**	**Residents per Sheriff FTE**	**FY 2026 Expenditure**	**Per Capita Expenditure**
Hood River	38.75	15.91	$8,479,672	$348.14
Clatsop	75.9	18.16	$20,376,390	$487.65
Crook	61.65	23.38	$15,235,000	$577.83
Deschutes	271	12.99	$68,770,866	$329.66
Lincoln	98	19.16	$19,528,789	$381.77
Tillamook	63	22.85	$14,241,155	$516.47
Wasco	46	17.40	$10,792,335	$408.12
Peer Average	**102.6**	**18.99**	**$24,824,089**	**$450.25**
Peer Median	**69.45**	**18.66**	**$17,381,895**	**$447.88**

Appendix B – Employee Survey

As a part of the organizational assessment, an employee survey was developed and distributed to 154 County staff via email and QR code by the County Administrator on February 13, 2026. Throughout the development of the survey, the Baker Tilly team worked closely with County leadership to revise and refine the survey questions, aiding in creating the distinction between the employee engagement survey and the quarterly survey administrated by the County's HR department. Two email reminders were sent before the survey closed on March 11, 2026. A total of 84 employees responded to the survey, yielding an organization-wide response rate of approximately 54%.[18]

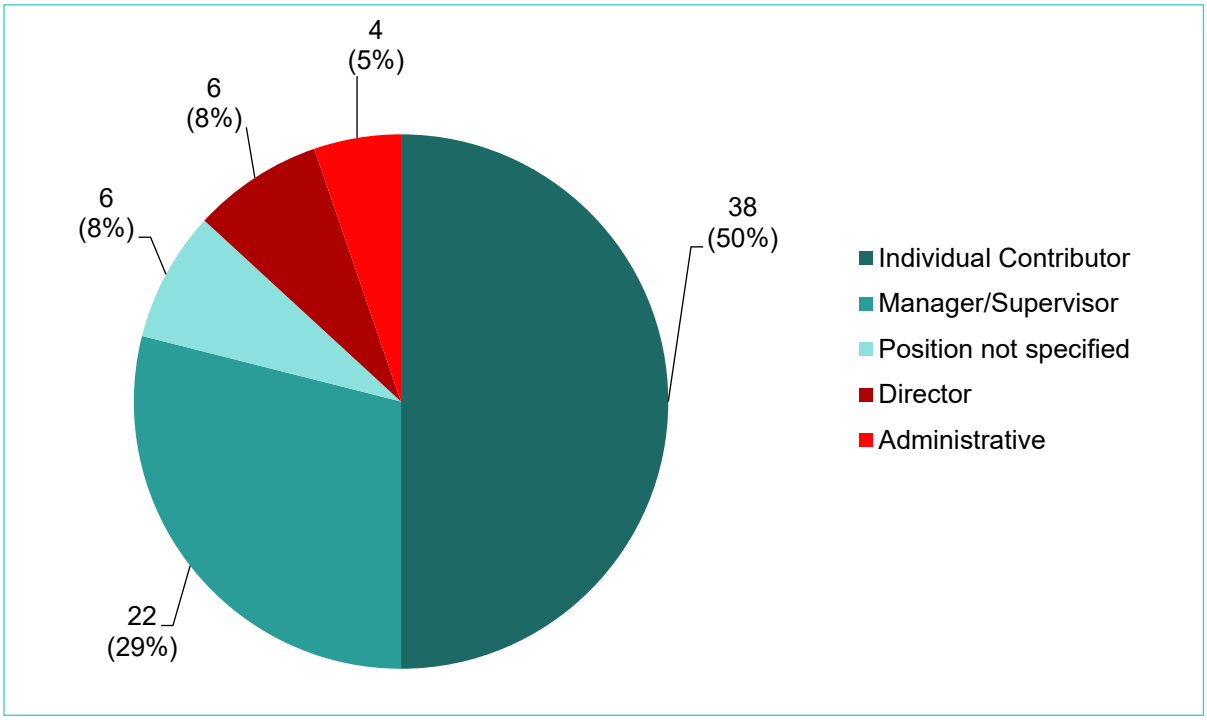
RESPONSE RATE BY DEPARTMENT		
Department	**Response Rate (%)**	**Total Number of Staff**
Sheriff's Office	36.3	44
Health	70	20
Public Works	87.5	16
Assessment, Records, and Elections (ARE)	80	10
Forestry	77.8	9
Community Development	63.6	11
Budget and Finance	85.7	7
County Administrator's Office	36.3	11

Across the eight named departments with four or more respondents (76 total), the position mix is led by Individual Contributors (38 of 76, or 50%) and Managers/Supervisors (22 of 76, or 29%), with smaller groups of Directors (6 of 76, or 8%), Administrative staff (4 of 76, or 5%), and respondents whose position was not specified (6 of 76, or 8%).

[18] Reported percentages in the summary tables may not add up to 100% due to rounding.

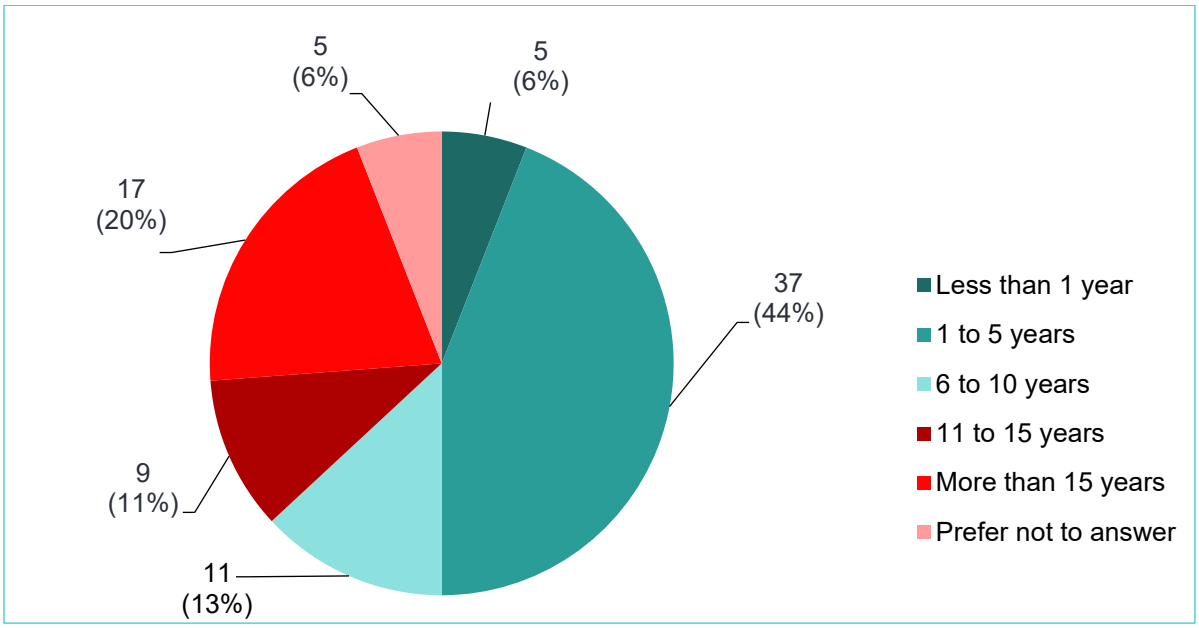
RESPONDENTS BY POSITION LEVEL

Named Departments with Four or More Respondents



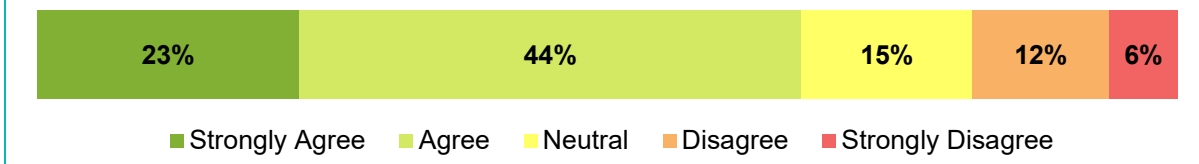
The pie chart below shows the range of years of employment in the County. A total of 50% of respondents have worked for the County for five years or less, suggesting a high potential for growth, development, and institutional knowledge building within each department. A total of 31% of respondents have worked for the County for more than 10 years, suggesting the presence of deep institutional knowledge and mentorship opportunities.

RESPONDENTS BY TENURE

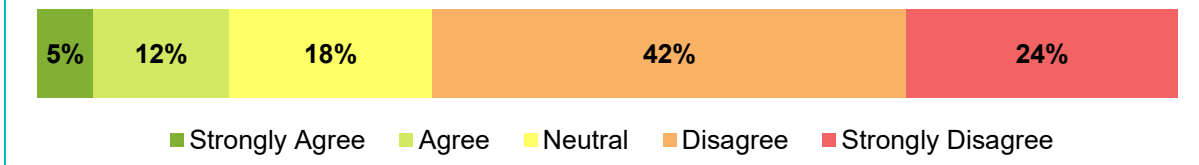


FUNCTION AND CAPACITY ALIGNMENT

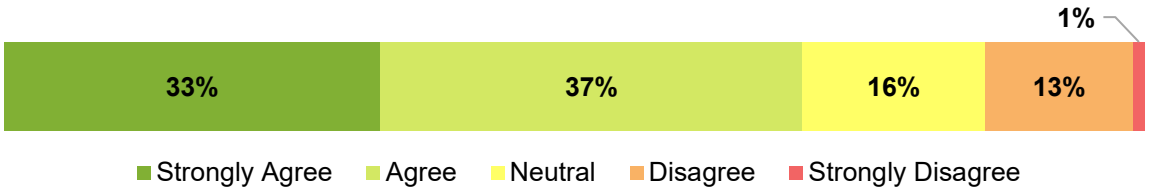
I can generally complete my work and major responsibilities within the expected timeframe.



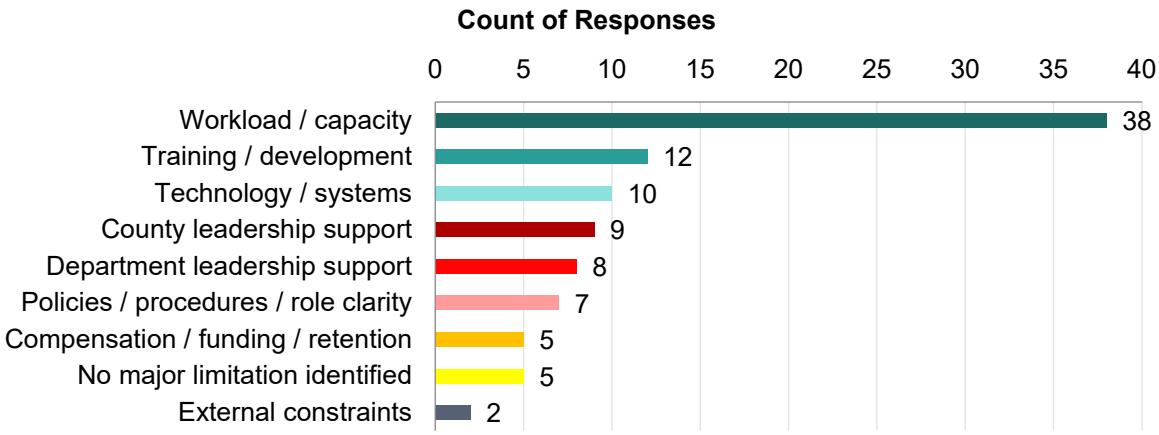
The staffing level in my department is appropriate for our workload.



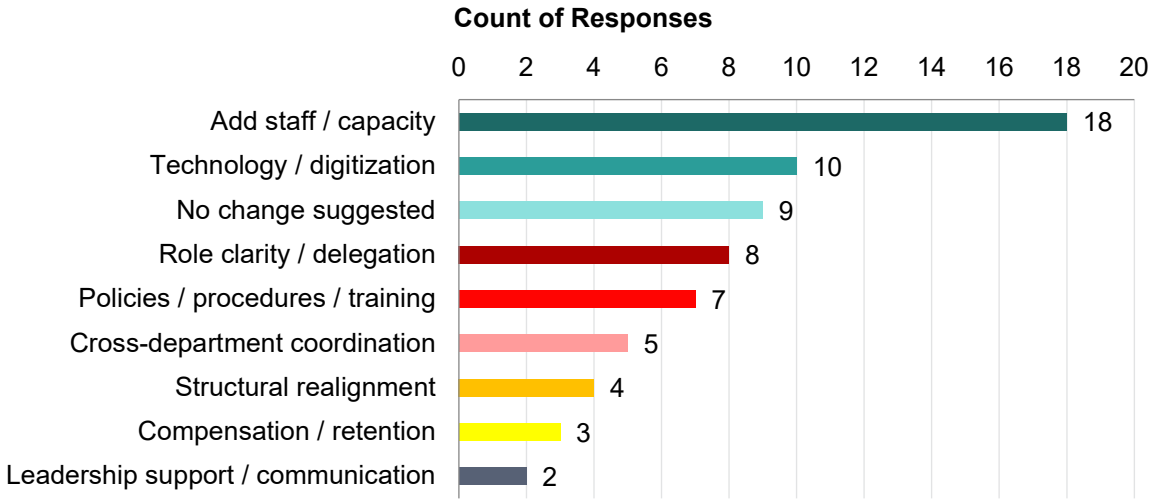
Key processes in my functional area rely on manual data entry or processes.



What are major factors impacting your ability to be successful in your role?

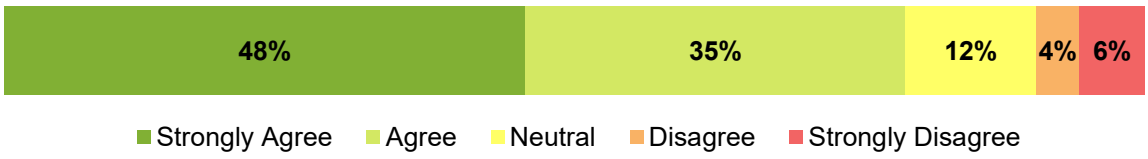


Are there any organizational structure improvements you would suggest to better balance your workload?

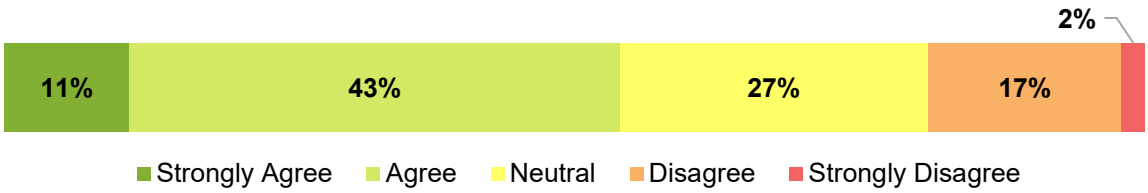


RESOURCE OPTIMIZATION, SUPPORT, AND TECHNOLOGY

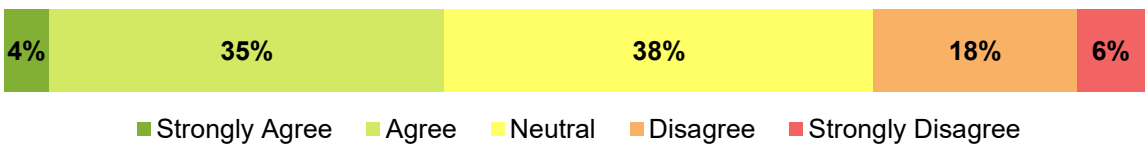
I feel supported by my direct supervisor.



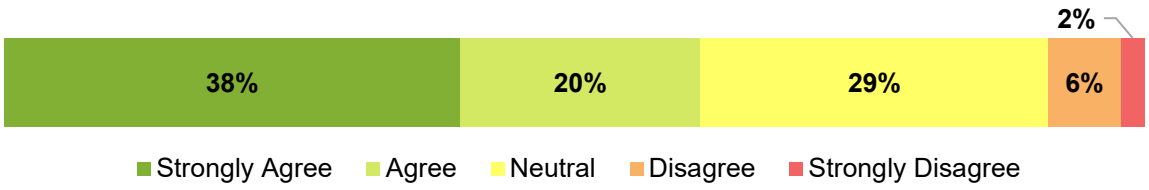
I have the resources, equipment, and technology I need to do my job.



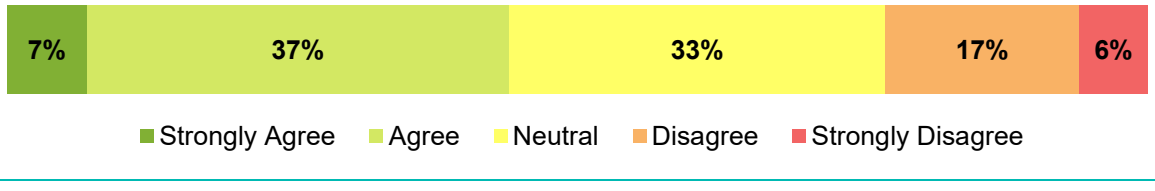
The technology capabilities in Hood River County are used effectively.



I would appreciate if the County offered Work From Home capabilities.

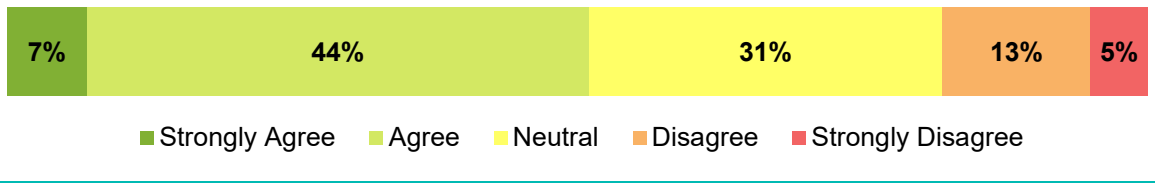


County and department policies and procedures are clear.

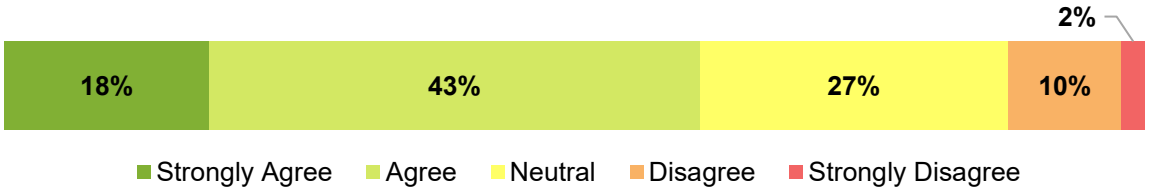


ORGANIZATIONAL COMMUNICATION

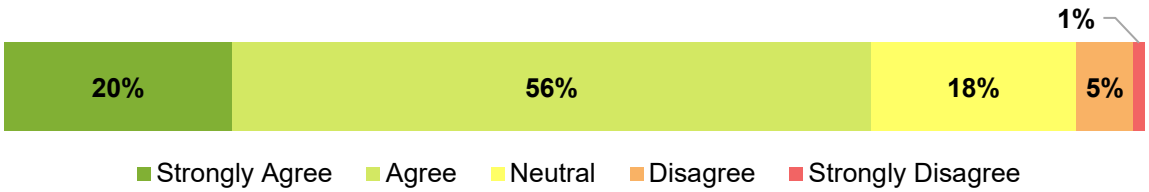
Communication from County leadership is timely and clear.



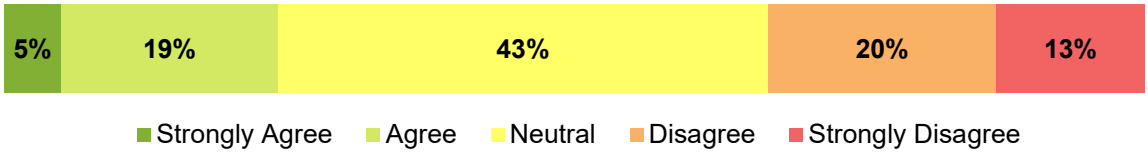
Communication from my department leadership is timely and clear.



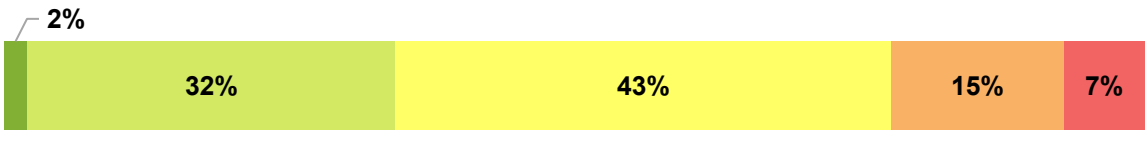
Communication from my direct supervisor is timely and clear.



Communication between County departments is high quality.

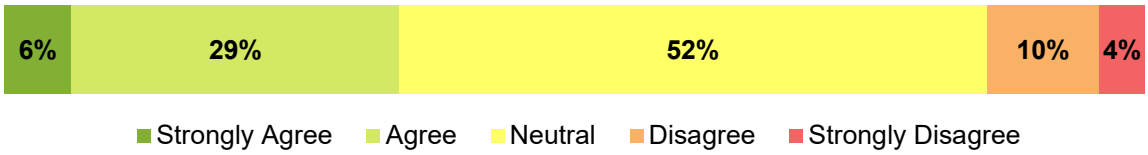


Information Hood River County provides to the public meets community needs.



STRATEGIC PLANNING

County leadership operate in conjunction with Hood River County's strategic priorities.



Department leadership operate in conjunction with Hood River County strategic priorities.