

Crook County Road Agency

Crook County, Oregon

Proposed Budget
For Fiscal Year 2026

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Budget Message

Crook County Road Agency
Fiscal Year 2026

Road Agency Board directors, Budget Committee members, and citizens of Crook County:

I am pleased to present the proposed fiscal year 2026 budget for the Crook County Road Agency. This is the third full fiscal year for the Road Agency, which was created through an intergovernmental agreement between Crook County and the City of Prineville in 2023. The Road Agency was established to receive and disburse federal Secure Rural Schools (SRS) payments allocated for road construction and related purposes within Crook County.

As anticipated, Congress has not reauthorized the SRS Act as of this budget message. Consequently, no SRS revenue was received for FY 2025 and no new revenue is projected for FY 2026. The Road Agency's only resource is a carryforward fund balance of approximately \$7,000, representing interest earnings from the prior year. These remaining funds are budgeted to cover minimal required expenditures, including the cost of insurance, audit services, and financial statement preparation.

The FY 2026 budget contains no appropriations for new projects or special payments. The entire fund balance is appropriated for materials and services necessary to maintain legal compliance and financial oversight of the Road Agency's prior-year activity.

Unless Congress reauthorizes the SRS program or other revenue sources become available, FY 2026 may represent the final active year of the Road Agency's financial operations. The Board may wish to evaluate the long-term viability of the Agency later this year, especially in light of continued uncertainty at the federal level.

In the meantime, this budget ensures the Road Agency remains in compliance with Oregon budget law and fulfills its audit and reporting obligations for the prior fiscal year.

I welcome any questions from the Budget Committee or members of the public.

Respectfully submitted,

Will Van Vactor
Budget Officer

About the Crook County Road Agency

Crook County Road Agency was formed under ORS 190.010 in January 2023 to receive and distribute certain Secure Rural Schools Act (SRS) funds. This agency has responsibility and authority to receive and distribute Crook County's apportionment of SRS road funds for road construction, including functions related thereto, within the boundaries of Crook County. See the Ordinances from Crook County and the City of Prineville in the Appendix starting on page 9.

Crook County Road Agency is governed by the Board consisting of a member appointed by the City of Prineville, a member appointed by Crook County, and a third member appointed by the first two members from the City and County.

Members of the Board

Brian Barney, Chair
Jerry Brummer
Steve Forrester

Budget Committee

Russ Deboodt
Lori Hooper Antram
Casey Kaiser

Road Agency Fund

Summary

The Road Agency Fund will receive and distribute Secure Rural Schools (SRS) funding. In fiscal year 2023 the County created the Road Agency for this purpose. In fiscal year 2025, the Road Agency transferred \$835,000 received in fiscal year 2024 as a special payment to the Road Fund of Crook County. Interest earned remains in the fund to pay expenditures such as insurance, financial statement preparation, and audit.

Resources

Crook County Road Agency will not receive any SRS funding in fiscal year 2025 and is not anticipated to receive any SRS funding in fiscal year 2026 due to the legislature not reauthorizing the Act. Including an anticipated fund balance of \$7,000 rolled forward from the prior fiscal year, the total Crook County Road Agency resources are \$7,000.

Appropriations

In fiscal year 2026, the Road Agency appropriates \$7,000 for Materials and Services for insurance, audit, and financial statement preparation.

Budget

FY 2026 BUDGET, numbers shown in thousands

	2023	2024	2025 ADJ	2025 YE	2026	2026	2026
	ACTUALS	ACTUALS	BUDGET	ESTIMATE	PROPOSED	APPROVED	ADOPTED
Resources							
Beginning Fund Balance	\$ -	\$ 885	\$ 829	\$ 831	\$ 7	\$	
Revenue							
Intergovernmental	885	811	800	-	-		
Miscellaneous	-	22	20	17	-		
Total Revenue	885	833	820	17	-		
Total Resources	\$ 885	\$ 1,718	\$ 1,649	\$ 848	\$ 7	\$	
Requirements							
Appropriation							
Materials & Services	\$ -	\$ 2	\$ 6	\$ 6	\$ 7	\$	
Special Payments	-	885	843	835	-		
Contingency	-	-	800	-	-		
Total Appropriation	-	887	1,649	841	7		
Total Requirements	\$ -	\$ 887	\$ 1,649	\$ 841	\$ 7	\$	

Slight differences due to rounding

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Crook County Official Records
Commissioners' Journal
No Fee

CJ2023-013

01/18/2023 1:22:03 PM



2023-013

I, Cheryl Seely, County Clerk for Crook County,
Oregon, certify that the instrument identified
herein was recorded in the Clerk records.

Cheryl Seely - County Clerk



IN THE COUNTY COURT OF THE STATE OF OREGON
FOR THE COUNTY OF CROOK

AN ORDINANCE RATIFYING THE)
CREATION OF AN O.R.S. CHAPTER)
190 INTERGOVERNMENTAL ENTITY) **ORDINANCE NO. 335**
ENTITY ENTITLED THE "CROOK)
COUNTY ROAD AGENCY" AND)
DECLARING AN EMERGENCY)

WHEREAS, Crook County is eligible to receive Secure Rural School (SRS) Act funds from the Federal Government as the Act may from time to time be reauthorized by Congress. Such reauthorizations establish the programs and purposes to which SRS funds may be employed by the receiving public entities; and

WHEREAS, the portion of SRS funds the County receives is subject to diminution on account of other federal programs and funds which the County also receives. These other funds may be unrelated to the SRS program; and

WHEREAS, Oregon Legislature House Bill 2174 (2021), amending ORS 294.060, created flexibility for county governments to increase federal Payment in Lieu of Taxes (PILT) dollars that flow into rural communities by allowing a county government to elect to divert the 75% of their SRS forest reserve payment (ORS 293.560) that is statutorily reserved for the county road fund to a separate public body; and

WHEREAS, if a separate public body receives the payment instead of the County, the amount is not deducted from the next year's PILT payment as a prior payment. The movement of funds allowed under ORS 294.060 could potentially bring an estimated additional \$10 million federal dollars into Oregon's counties; and

WHEREAS, Crook County and the City of Prineville are units of local government as defined by ORS 190.003, and have authority pursuant to ORS 190.010 to form an intergovernmental entity by written agreement for the performance of any or all functions and activities that a party to the agreement, its officers or agencies, have authority to perform. This can include receiving and spending SRS funds; and

WHEREAS, Crook County and the City of Prineville have executed a written agreement (hereinafter the "Intergovernmental Agreement") to create the Crook County Road Agency, an ORS Chapter 190 intergovernmental entity, which is eligible to receive SRS under the provisions of HB 2174 (2021); and

WHEREAS, in accordance with ORS 190.085, this Ordinance ratifies the execution of the Intergovernmental Agreement and the creation of the Crook County Road Agency.

NOW, THEREFORE, the Crook County Court ordains as follows:

Section One: The above Recitals are adopted as the County Court's Findings of Fact.

Section Two: Pursuant to ORS 190.085, this Ordinance declares that it is the intent of Crook County to create an intergovernmental entity by intergovernmental agreement with the City of Prineville.

Section Three: The intergovernmental agreement will have an Effective Date of February 1, 2023, as described in the agreement.

Section Four: The public purposes for which the Crook County Road Agency is created are: to receive and distribute U.S. Forest Service Secure Rural Schools (“SRS”) funds for road construction in Crook County, Oregon, and all other necessary or appropriate functions related thereto.

Section Five: The powers, duties, and functions of the Crook County Road Agency are:

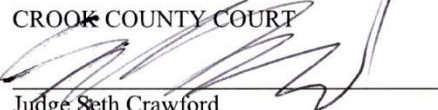
- The Agency will have responsibility and authority to receive and distribute Crook County’s apportionment of Secure Rural Schools road funds for road construction, including functions related thereto, within the boundaries of Crook County, and subject to the terms of the formation Intergovernmental Agreement and/or ORS chapter 190, perform such other functions as may be assigned by Crook County and the City of Prineville from time to time.
- The Agency shall have the power to adopt, through action of its Board of Directors (the “Board”), such bylaws, rules, regulations, and policies necessary to further the purposes of the Agency and/or the Intergovernmental Agreement.
- The Agency shall have the power to enter into agreements with other public or private entities and to exercise all powers pursuant to the Laws (as defined below), including, without limitation, the principal acts of the County and City and ORS chapter 190. The term “Law(s)” means all federal, state, and local laws, statutes, ordinances, and/or regulations directly or indirectly affecting the Agency, the formation Intergovernmental Agreement, and/or Agency’s purposes, including, without limitation, the Americans with Disabilities Act of 1990 (and the rules and regulations promulgated thereunder) and ORS chapter 190, all as now in force and/or which may hereafter be amended, modified, enacted, or promulgated.

Section Six: Staff are directed to provide a copy of this Ordinance to the Oregon Secretary of State’s office within thirty days of its effective date in compliance with ORS 190.085.

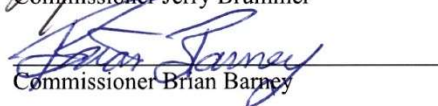
Section Seven: Emergency: This Ordinance being necessary for the health, welfare and safety of the people of Crook County, an emergency is hereby declared to exist, and this Ordinance shall become effective on the date of signing.

DATED this 18 day of January, 2023.

CROOK COUNTY COURT


Judge Seth Crawford


Commissioner Jerry Brummer


Commissioner Brian Barney

<u>Vote:</u>	Aye	Nay	Abstain	Excused
Seth Crawford	—	—	—	—
Jerry Brummer	—	—	—	—
Brian Barney	—	—	—	—

ORDINANCE NO. 1282

**AN ORDINANCE RATIFYING THE CREATION OF AN ORS CHAPTER 190
INTERGOVERNMENTAL ENTITY ENTITLED THE CROOK COUNTY ROAD AGENCY**

Whereas, Crook County ("County") is eligible to receive Secure Rural School ("SRS") Act funds from the Federal Government as the Act may from time to time be reauthorized by Congress. Such reauthorizations establish the programs and purposes to which SRS funds may be employed by the receiving public entities.

Whereas, the portion of SRS funds the County receives is subject to diminution on account of other federal programs and funds which the County also receives. These other funds may be unrelated to the SRS program.

Whereas, Oregon Legislature House Bill 2174 (2021), amending ORS 294.060, created flexibility for county governments to increase federal Payment in Lieu of Taxes ("PILT") dollars that flow into rural communities by allowing a county government to elect to divert the 75% of their SRS forest reserve payment (ORS 293.560) that is statutorily reserved for the county road fund to a separate public body.

Whereas, if a separate public body receives the payment instead of the County, the amount is not deducted from the next year's PILT payment as a prior payment. The movement of funds allowed under ORS 294.060 could potentially bring an estimated additional \$10 million federal dollars into Oregon's counties.

Whereas, County and the City of Prineville ("City") are units of local government as defined by ORS 190.003, and have authority pursuant to ORS 190.010 to form an intergovernmental entity by written agreement for the performance of any or all functions and activities that a party to the agreement, its officers or agencies, have authority to perform. This can include receiving and spending SRS funds.

Whereas, County and City have negotiated a written Intergovernmental Agreement ("Intergovernmental Agreement") to create the Crook County Road Agency, an ORS Chapter 190 intergovernmental entity, which is eligible to receive SRS under the provision of HB 2174. Said Intergovernmental Agreement is attached hereto and incorporated herein.

Whereas, in accordance with ORS 190.085, this Ordinance shall ratify and approve the execution of the Agreement and creation of the Crook County Road Agency.

**NOW, THEREFORE, THE PEOPLE OF THE CITY OF PRINEVILLE DO ORDAIN AS
FOLLOWS:**

1. The above Recitals are adopted as the City Council's Findings of Fact.
2. Pursuant to ORS 190.085, this Ordinance declares that it is the intent of the City of Prineville to create an intergovernmental entity by intergovernmental agreement with Crook County.
3. The Intergovernmental Agreement will have an Effective Date of February 1, 2023.
4. The public purposes for which the Crook County Road Agency is created are to receive and distribute U.S. Forest Service Secure Rural Schools ("SRS") funds for road construction in Crook County, Oregon, and all other necessary or appropriate functions related thereto.

5. The powers, duties, and functions of the Crook County Road Agency ("Agency") are:

a. The Agency will have responsibility and authority to receive and distribute Crook County's apportionment of Secure Rural Schools road funds for road construction, including functions related thereto, within the boundaries of Crook County, and subject to the terms of the formation Intergovernmental Agreement and/or ORS chapter 190, perform such other functions as may be assigned by Crook County and the City of Prineville from time to time.

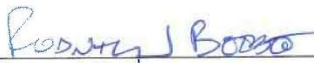
b. The Agency shall have the power to adopt, through action of its Board of Directors ("Board"), such bylaws, rules, regulations, and policies necessary to further the purposes of the Agency and/or the Intergovernmental Agreement.

c. The Agency shall have the power to enter into agreements with other public or private entities and to exercise all powers pursuant to the Laws (as defined below), including, without limitation, the principal acts of the County and City and ORS chapter 190. The term "Law(s)" means all federal, state, and local laws, statutes, ordinances, and/or regulations directly or indirectly affecting the Agency, the formation Intergovernmental Agreement, and/or Agency's purposes, including, without limitation, the Americans with Disabilities Act of 1990 (and the rules and regulations promulgated thereunder) and ORS chapter 190, all as now in force and/or which may hereafter be amended, modified, enacted, or promulgated.

6. This Ordinance shall authorize the City Manager to sign the Intergovernmental Agreement on behalf of the City. Staff is directed to provide a copy of this Ordinance to the Oregon Secretary of State's office within thirty days of its effective date in compliance with ORS 190.085.

7. This Ordinance being necessary for the health, welfare and safety of the people of the City of Prineville, an emergency is hereby declared to exist, and this Ordinance shall become effective on the date of signing.

Presented for the first time at a regular meeting of the City Council held on January 10, 2023 and for the second presentation on January 24, 2023.


Rodney J. Beebe
Mayor

ATTEST:


Lisa Morgan, City Recorder

AMENDMENT 1
To Intergovernmental Agreement to Create
The Crook County Road Agency

This Amendment 1 is entered into by the **City of Prineville**, an Oregon municipal corporation (hereinafter "City"), and **Crook County**, a political subdivision of the State of Oregon (hereinafter "County"); collectively, City and County may be referred to as "the Parties."

RECITALS

WHEREAS, City and County are parties to that certain Intergovernmental Agreement (hereinafter "the Agreement") effective on or about February 1, 2023, for the provision of services as more fully described in the Agreement; and

WHEREAS, the Parties wish to modify specified terms of the Agreement, as described in this Amendment 1.

AGREEMENT

NOW, THEREFORE, in exchange for the mutual covenants contained below, City and County agree as follows:

Section One: Effective Date: This Amendment 1 becomes effective on March 1, 2025, regardless of the date signed by the parties.

Section Two: Section 1.4 "Offices" of the Agreement is deleted in its entirety, and replaced with the following:

"1.4 Offices. The Board may meet at any location permitted by Oregon public meetings law. The County may, without charge, make space available for the Board's use. For the purposes of sending and receiving correspondence, City and County agree that the Board and Agency may specify 203 NW Court Street, Prineville, OR 97754 as its offices."

Section Three: Section 2.1 "Membership" of the Agreement is deleted in its entirety, and replaced with the following:

"2.1 Membership. Agency shall be governed by the Board consisting of three (3) members, as follows: One (1) member appointed by the County; one (1) member appointed by the City; and one (1) member appointed by

the other two members." City hereby agrees that it's City Manager shall be able to make such appointment on City's behalf.

Section Four: Section 3.1 "Budget" of the Agreement is deleted in its entirety, and replaced with the following:

"3.1 Budget. Agency shall prepare the annual operating budget of the Agency in accordance with ORS 294.900 to 294.930. The budget shall be on a fiscal year basis beginning on the first of July each year. The County agrees to provide personnel to facilitate the adoption of the budget, provided, however, that the County may not charge for staff time or other expenses related thereto. The Board will consider and adopt the budget on behalf of the Agency. If there are any program changes, any supplemental budget shall proceed through the stages set forth herein and comply with all applicable budget policies and Oregon local budget law."

Section Five: Section 3.3 "Expenses" of the Agreement is deleted in its entirety, and replaced with the following:

"3.3 Expenses. Except as otherwise provided herein, Agency is responsible for providing all funds necessary to pay for Agency's costs, expenses, obligations, and/or liabilities; provided, however, that County at its option may supplement the Agency's budget in amounts and on a schedule as County and Agency may agree. Notwithstanding anything contained in this Agreement to the contrary, City will not be responsible for (and will not pay) any funds for Agency's costs, expenses, obligations, and/or liabilities."

Section Six: Section 3.4 "Revenue" of the Agreement is deleted in its entirety, and replaced with the following:

"3.4 Revenue. Revenue or fees derived from the functions of activities of the Agency will be allocated in accordance with the Oregon local budget law, and upon Board approval, may be distributed to Oregon local governments for uses in furtherance of the provisions of Section 1.2 Purpose."

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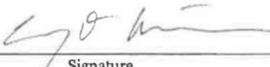
Section Seven: Except as modified by this Amendment 1, the terms of the Agreement (including but not limited to Section 6.3, "Agency and County Indemnification,") remain in full force and effect.

IN WITNESS WHEREOF, City and County have executed this Amendment 1 effective on the date specified in Section 1 above.

CITY

COUNTY

By:


Signature

Casey Kaiser, Assistant City Manager
Print Name

Date March 25, 2025

Crook County Board of Commissioners

Seth Crawford, County Commissioner

Susan Hermreck, County Commissioner

Brian Barney, County Commissioner

Date: _____

Section Seven: Except as modified by this Amendment 1, the terms of the Agreement (including but not limited to Section 6.3, "Agency and County Indemnification,") remain in full force and effect.

IN WITNESS WHEREOF, City and County have executed this Amendment 1 effective on the date specified in Section 1 above.

CITY

COUNTY

Crook County Board of Commissioners

By: _____
Signature

(Not Present)
Seth Crawford, County Commissioner

Print Name

Susan M. Hermreck
Susan Hermreck, County Commissioner

Date _____

Brian Barney
Brian Barney, County Commissioner

Date: March 26, 2025

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PAGE 3 OF 3 – AMENDMENT 1 TO INTERGOVERNMENTAL AGREEMENT

**RESOLUTION NO. 1618
CITY OF PRINEVILLE, OREGON**

**A RESOLUTION AUTHORIZING AN AMENDMENT TO INTERGOVERNMENTAL
AGREEMENT WITH CROOK COUNTY FOR CROOK COUNTY ROAD AGENCY**

Whereas, City of Prineville ("City") and Crook County ("County") are parties to that certain Intergovernmental Agreement (hereinafter "Agreement") effective on or about February 1, 2023, for the creation of the Crook County Road Agency ("Agency").

Whereas, the Agency's purposes included receiving and distributing U.S. Forest Service Secure Rural Schools ("SRS") funds for road construction in Crook County, Oregon.


Whereas, an amendment to the Agreement is required to effectuate the Agency's purpose.

Whereas, County has prepared an Amendment 1 to Intergovernmental Agreement ("Amendment"); and

Whereas, City staff believes it is in the best interest of the City to approve and execute the Amendment;

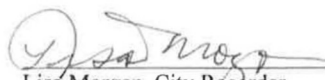
Now, Therefore, the City of Prineville resolves that Amendment 1 to Intergovernmental Agreement attached to this Resolution between the City and County is hereby approved and that the Mayor is authorized and instructed to sign such Amendment on behalf of the City.

Approved by the City Council this 25th day of March, 2025.



Rodney J. Beebe, Mayor

ATTEST:



Lisa Morgan, City Recorder

Appendix | Required Notices and Filings

Notice of Budget Committee Meeting

PUBLIC NOTICE CROOK COUNTY ROAD AGENCY BUDGET COMMITTEE MEETING

A public meeting of the Budget Committee of Crook County Road Agency, State of Oregon, to discuss the budget for the fiscal year July 1, 2025, to June 30, 2026, will be held at the Crook County Meeting Room, located at 320 NE Court St., Prineville, OR, 97754. The meeting will take place on **June 16, 2025**, at **2:00 p.m.** The purpose of the meeting is to receive the budget message and to receive comment from the public on the budget. This is a public meeting where deliberations of the Budget Committee will take place. Any person may appear at the meeting and discuss the proposed budget with the Budget Committee. A copy of the budget document may be inspected or obtained after June 16, 2025, at 200 NE 2nd Street, Prineville, Oregon between the hours of 8:00 a.m. and 4:30 p.m. or online at co.crook.or.us. For complete agenda and scheduled times, please see the website www.co.crook.or.us. For information about remote attendance, or to request assistance due to disability or for assistance with language interpretation or communications aids, please contact the Crook County Administration Office at 541-447-6555 or Eric Blaine at Eric.Blaine@crookcountyor.gov. Assistance to disabled individuals or persons needing language interpretation is provided with advance notice.

Join Zoom Meeting:

<https://crookcountyor.zoom.us/j/95317193030?pwd=CmH4o6OS5HaSbT5JZeZo75XFvZWnTN.1>

Meeting ID: 953 1719 3030

Passcode: 709089