



BOARD OF COMMISSIONERS

AGENDA REQUEST & STAFF REPORT

MEETING DATE: April 22, 2024

SUBJECT: FY 2025 Video Lottery Fund Allocations

RECOMMENDED MOTION:

Consider varying funding packages for the allocation of video lottery proceeds.

BACKGROUND AND POLICY IMPLICATIONS:

Each year, the Board considers anticipated revenue from the County's portion of video lottery proceeds for the upcoming fiscal year and develops an expenditure plan that has historically included funding for economic development activities, support for other organizations, and grant programs.

In order to maintain a healthy contingency and fund balance for FY25 and future years, staff continues to recommend that the Board allocate FY25 funds in alignment with expected FY25 revenue. In FY25, staff anticipates that the County will receive \$1,370,000 in revenue from video lottery proceeds.

As the Board knows, the County is experiencing revenue contraction in the General Fund and is also experiencing reductions in Transient Room Tax (TRT) revenue and increasing demands on TRT as a funding source. As a result of these concerning revenue forecasts, County Administrator Lelack requested that staff prepare four funding packages for Board consideration for this discussion of allocating video lottery funds.

These packages include:

1. Full support for Deschutes County core services. This model includes support to:

- a. Offset Environmental Health fees. Earlier this year the Board expressed support for offsetting Environmental Health fees for restaurants, mobile food units, pools, and spas with TRT funds. Using Video Lottery Funds (VLF) instead of TRT to offset these costs would provide additional TRT capacity, which is a more flexible funding source.
- b. Fund the permitting and design process to prepare for a remodel to

accommodate the District Attorney's Office's space needs in the Grey Courthouse after State Courts vacates this area in 2026.

- c. Provide the remaining funding needed to complete the Fair and Expo Center market analysis and strategic planning project.

2. A hybrid model allocating resources for core services and external entities at 50% of requests.

This model assumes full funding support for Economic Development of Central Oregon.

3. A hybrid model allocating resources for core services and external entities at 30% of requests.

This model assumes full funding support for Economic Development of Central Oregon.

4. Full support for external organizations and projects.

Funding models that include support for County core services will help to provide relief to other County funds such as the General Fund and Transient Room Tax.

Alternatively, the Board could opt to fund a combination of projects outside of the draft packages prepared by staff.

Attached are supporting documents intended to assist with this process.

BUDGET IMPACTS:

Planned expenditures will be included in the FY 2025 budget.

ATTENDANCE:

Whitney Hale, Deputy County Administrator
Dan Emerson, Budget & Financial Planner Manager
Laura Skundrick, Management Analyst