BOARD OF COMMISSIONERS

1300 NW Wall Street, Bend, Oregon

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DESCHUTES COUNTY BUDGET COMMITTEE MEETING

Tuesday, May 12, 2026

The Budget Committee meetings were held in the Barnes Sawyer room at 1300 NW Wall Street in Bend and were livestreamed on YouTube and through the virtual meeting platform Zoom. Audio and video recordings may be accessed at www.deschutes.org/meetings.

Present were Budget Committee members Krisanna Clark-Endicott, David Cosper and Jim Fister, and County Commissioners Patti Adair, Phil Chang and Tony DeBone. Also present were County Administrator Nick Lelack, Deputy County Administrator Erik Kropp, Deputy County Administrator Whitney Hale, Chief Financial Officer Robert Tintle. Budget and Financial Planning Manager Cam Sparks, Senior Budget and Financial Planning Analyst Dan Kieffer, Management Analyst Laura Skundrick, and BOCC Executive Assistant Brenda Fritsvold.

Call to Order: As Chair of the Board of County Commissioners, Commissioner Chang called the meeting to order at 8:32 am.

Determination of Budget Committee Chair:
Commissioner Chang called for nominations for Chair of the Budget Committee for 2026.

> **ACTION:** Adair nominated Fister to serve as Chair. Clark-Endicott seconded the nomination. There being no other nominations, a vote was taken to appoint Fister as Chair, which carried 5 – 0, with Fister abstaining.

Chair Fister noted that all six members of the Budget Committee were in attendance.

Representative to the Investment Advisory Committee:
Chief Financial Officer Robert Tintle explained that a 1995 resolution establishing the Investment Advisory Committee (IAC) requires that the Budget Committee annually select a

Budget Committee member to serve as its representative on the IAC. Noting that the next IAC meeting is planned for October, Tintle clarified that the representative must be a Budget Committee member and does not have to be a Commissioner, although the role has traditionally been filled by a Commissioner.

> **ACTION:** Clark-Endicott moved to appoint Commissioner DeBone to the Investment Advisory Committee. Cosper seconded the motion, which carried 5 – 0, with Commissioner DeBone abstaining.

Commissioner Chang asked what process would apply in the event of a mid-year vacancy. Tintle said in such a case, the Board of County Commissioners would appoint an interim replacement until the Budget Committee next convened.

Public Comment: None

Introduction: FY 2027 Proposed Budget

Nick Lelack, County Administrator, introduced the proposed FY 2027 budget, saying it is balanced and intended to maintain core services while reflecting priorities identified by the Board of County Commissioners (BOCC) such as safe communities, healthy people, resiliency, housing stability and supply, and service delivery. Lelack spoke to upcoming changes in several key department leadership positions as well as impacts from the expansion of the BOCC from three to five members. After recounting steps taken in recent budget cycles to address forecasted pressure on the General Fund, he summarized the County's continued emphasis on fiscal discipline and limited growth before highlighting selected organization-wide accomplishments and initiatives, including progress on the courthouse expansion project, the upgrade of the County's website, and ongoing work to address houselessness and behavioral health needs.

Commissioner DeBone commented on efforts to locate a site for a new landfill and said securing a new landfill site would be preferable to other options such as shipping waste outside of the area.

Deschutes County Proposed Budget Overview

Chief Financial Officer Robert Tintle and Budget and Financial Planning Manager Cam Sparks presented an overview of the proposed FY 2027 budget and reviewed the schedule for budget deliberations and adoption, including the required public hearings.

Members of the Budget Committee asked questions regarding property tax forecasting and assessed value assumptions. Tintle said in accordance with the County's conservative budgeting method, assessor-provided collection estimates are reduced to account for early payment discounts. Tintle and Sparks described year-to-year variability in assessed value growth and some of the pertinent factors which weigh into that.

Chair Fister commented on the recent completion of the wage equity work which was done to support consistent and fair compensation practices across the organization.

Fiscal Entities

Budget and Financial Planning Manager Cam Sparks reported that the overall proposed FY 2027 budget, excluding service districts, amounts to $705.6 million and the overall operating budget (excluding service districts, reserves, contingencies, and transfers) is $437.8 million. Sparks reviewed the County's limited growth strategy, describing how baseline General Fund department budgets and General Fund-supported transfers were developed within a 4% growth framework, and acknowledged the effect of wage equity adjustments on overall General Fund expenditures.

Sparks then reviewed selected countywide budgeting assumptions, including a 2.7% cost-of-living adjustment (COLA) assumption for FY 2027 based on the relevant Consumer Price Index, and no increase in departmental health insurance premium rates due to satisfactory reserve levels in the Health Benefits Fund.

Continuing, Sparks reviewed General Fund forecasts and identified challenges and future initiatives, including funding for capital needs. Reminding that $350,000 has been set aside for special requests from departments, she noted the submittal of special requests totaling $815,000 from Health Services ($256,000), Community Justice ($209,000), and the Assessor's Office ($350,000).

Commissioner Adair asked about County funding provided to the Little Kits childcare program managed by OSU Cascades. Laura Skundrick, Management Analyst, said OSU Cascades had received two separate ARPA grants: $1,000,000 associated with the construction of the facility, and $750,000 for the internship program. Commissioner Chang noted that the internship program places interns at early learning facilities across the County and is not exclusive to one site.

Sparks next reviewed Transient Lodging Tax (TLT) forecasting, noting the volatility in TLT revenues and the relationship between TLT allocations and support for County capital needs. She relayed a special request from the Solid Waste department for $126,000 in TLT revenues to fund the USDA Wildlife Services contract under which wildlife management services are provided, explaining that, if approved, allocating those funds to this contract would reduce the amount of TLT revenues otherwise available for transfer to the County's Capital Reserve Fund.

During discussion related to long-term capital needs and debt service, Sparks and Tintle responded to questions regarding the debt service totals of the courthouse expansion project, as compared with net interest costs over time. Commissioner Adair reminded of the successful lobbying which resulted in the State Legislature allocating $15 million for the courthouse expansion project.

A break was announced at 10:18 am. The meeting resumed at 10:28 am.

Finance Department

Chief Financial Officer Robert Tintle presented the proposed FY 2027 budget for the Finance Department, narrating an overview of the department's mission, divisions, staffing and general responsibilities. He referred to accomplishments from FY 2026, including earning the prestigious Government Finance Officers Association "Triple Crown" recognition, and described ongoing work related to financial reporting, budgeting and forecasting, procurement and contracting support, tax collections, and internal controls. Tintle noted that software and subscription costs remain a major driver of the department's materials and services expenditures.

In response to Commissioner Chang, Tintle discussed the PERS reserve fund and the County's most recent PERS side account investment, reminding that the County's $5 million appropriation resulted in the receipt of a 25% state match for a new PERS side account. Saying there are no short-term plans to rebuild the PERS reserve fund, Tintle spoke to considerations related to department cost pressures and projected PERS rate trends.

Commissioner Chang asked about potential savings if the County Treasurer position was consolidated with the CFO role. Saying that the separate Treasurer position costs approximately $144,000 annually, Tintle explained that this cost is paid from investment earnings. Any reduction in that cost would result in more earnings being credited back to departments, minus any stipend associated with a consolidated function.

Board of Commissioners and County Administration

Deputy County Administrator Whitney Hale presented the FY 2027 proposed budget for Administrative Services and the Board of County Commissioners. Hale described Administrative Services as a small team with responsibilities that support the BOCC and County operations with administrative coordination, communications support, work on strategic initiatives, and related functions. Hale also described the shared-FTE staffing model planned for the Digital Communications Coordinator position, explaining the position would be reallocated as 0.60 FTE in Administrative Services and 0.40 FTE in Information Technology to support departments following the transition to the new County website platform and to provide ongoing technical support to more than 90 website editors across the organization.

Hale also addressed needs associated with the upcoming Board expansion, saying that the proposed budget reflects partial-year materials and services costs associated with the January transition. Hale further discussed future initiatives, including continued work with Information Technology on AI tools and planned implementation of an AI-based public-facing chatbot on the County website.

Legal Counsel

Senior Assistant Legal Counsel Kim Riley presented the FY 2027 proposed budget for County Legal Counsel, describing the department's role in providing legal services to County departments and noting that Legal also provides general counsel services for

Deschutes County 9-1-1 and, through contracts, to the Sunriver and Black Butte Ranch service districts. Saying that the department's budget is primarily driven by personnel costs and that materials and services costs include internal service fees, legal subscriptions and resources, and training and licensure, Riley described workload impacts associated with the office's assumption of legal counsel services for the Sheriff's Office and spoke to current challenges including complex land use matters, homelessness and housing priorities, and potential litigation related to the siting of a new landfill.

In response to Commissioner Chang, Riley said once a landfill site is determined, the County can anticipate potential challenges based on environmental and land use issues.

Commissioner Adair noted the growing use of AI for legal filings and related petitions. Riley recounted recent court actions concerning inaccurate citations associated with AI-generated materials.

Risk Management

Deputy County Administrator and Risk Manager Erik Kropp presented the FY 2027 proposed budget for Risk Management, explaining the management of the County's insurance programs for unemployment insurance, vehicle insurance, property insurance, general liability coverage, workers' compensation, and cybersecurity insurance. Kropp shared information on the self-insurance thresholds and excess policies and discussed planned adjustments to general liability coverage associated with state reimbursement changes related to the aid and assist population. He further described risk trends and cost drivers reflected in the proposed budget relating to claims experience and fleet changes.

Commissioner Adair asked about the County's exposure related to assuming liability for the planned managed camp in Redmond. Saying that the County already carries insurance policies for unsanctioned activity on County property, Kropp said the managed camp will differ as a structured environment.

In response to Commissioner Chang, Kropp spoke to the cost of PTSD-related workers' compensation claims from public safety staff, noting that such claims can continue for a decade or longer.

Kropp also responded to questions regarding vehicle insurance resources and said higher vehicle-related charges are driven by increased vehicle counts, with per-vehicle rates remaining the same.

Cannabis Advisory Panel

Deputy County Administrator Erik Kropp reminded that the County's Cannabis Advisory Panel (CAP) develops recommendations regarding how Deschutes County should spend its annual marijuana tax revenue. The County expects to receive $183,000 in marijuana tax revenue for FY 2027. After hearing proposals, the CAP deliberated and determined recommended budget allocations.

Chair Fister opened the public meeting regarding the recommendations of the Cannabis Advisory Panel and invited public comment—none was received.

> **ACTION:** Chang moved approval of the recommendation from the Cannabis Advisory Panel to allocate the County's FY 2027 marijuana tax revenues as follows: $20,000 to Community Development Department Code Enforcement, $33,000 to Community Justice, $50,000 to Health Services, and $80,000 to the Sheriff's Office. Cosper seconded the motion, which carried 6 – 0.

Chair Fister closed the public meeting.

Property Management

Property Manager Kristie Bollinger presented the proposed FY 2027 budget for Property Management, explaining the division oversees the County's real estate portfolio—including asset, foreclosed, and park-designated properties—and describing associated duties including the management of leases, licenses, acquisitions, dispositions, and easements, in addition to work supporting homeless initiatives.

Bollinger summarized key FY 2026 accomplishments, including acquisition of a commercial office building to support Health Services, work under contract to sell property in South County for eventual housing development, work under contract to purchase a duplex for an adult foster care home, execution of a long-term lease with Mountain View Community Development for the development of permanent supportive housing in East Redmond, and ongoing work associated with the CORE3 project. Bollinger further described cost increases associated with internal service fund charges, saying the division reduced materials and services expenditures to offset those, and spoke to the request to increase the annual transfer from Fund 090 from $95,000 to $115,000.

Property Analyst Ryan Dunning added that Fund 090 is used in part for expenses associated with addressing unsanctioned encampments on County-owned property. Saying that costs have been incurred for fencing, signage, cleanup, and security, Dunning reviewed budgeted costs by location and described anticipated reimbursements from partner jurisdictions such as Bend and Redmond.

Commissioner DeBone communicated concerns regarding funding and governance for homeless response work on County property, noting that the County does not have a dedicated department for these functions and neither does it have a dedicated revenue source to support such activities. Discussion ensued about operational needs and planning for managed camp operations, including costs associated with fire response and property impacts.

Committee members asked questions regarding House Bill 2089 and its relationship to tax foreclosure proceeds and associated litigation. Staff described ongoing work to interpret statutory requirements and litigation-related uncertainties.

Commissioner Chang asked about disposition proceeds associated with potential future property transactions. Bollinger said disposition proceeds are typically directed to Fund 090, subject to Board discretion.

A lunch recess was announced at 12:01 pm. The meeting reconvened at 12:35 pm.

Veterans' Services

Veterans Services Manager Sean Kirk presented the proposed FY 2027 budget for the Veterans Services department, explaining the program's mission and partnerships and describing the services provided to assist veterans and their families with accessing benefits including disability compensation, pensions, and healthcare. Kirk summarized accomplishments and performance measures, including maintaining a wait time of ten days or less for services and facilitating more than $4.851 million in claims for veterans and their families. He described current operational challenges including equipment replacement needs and training requirements. Commissioner Chang suggested that the program measure the impacts of its outreach and advertising activities.

Facilities

Facilities Director Lee Randall presented the FY 2027 proposed budgets for Facilities and related funds, describing Facilities staffing and core services and reminding that a custodial FTE was added mid-year to account for the expansion of the Courthouse and ensure an appropriate level of custodial services at the larger facility. Capital Improvement Manager Eric Nielsen reviewed planned projects, including the Downtown Campus Plan, and use of State grant funding to purchase and remodel houses for adult foster care homes.

Reminding that the Public Safety Campus plan was completed in 2023, Randall spoke to resuming substantial work on that plan in the near future.

Referring to State funding for park acquisition and development, Commissioner Chang asked how the funds allocated to the County in association with its RV sites are determined (see the follow-up on page 8).

Human Resources

Human Resources Director Susan DeJoode presented the FY 2027 proposed budget for Human Resources, saying that departmental responsibilities include recruitment, labor relations, training, and compensation administration. DeJoode described the wage equity work completed for AFSCME-represented and non-represented staff and reviewed recruitment activity and turnover trends, noting that turnover is slowing. DeJoode further spoke to the status of negotiations of multiple collective bargaining agreements and reviewed current challenges and short- and long-term fiscal issues facing the department.

Health Benefits Fund

Cam Sparks presented the FY 2027 proposed budget for the Health Benefits Fund, explaining that this Fund supports the County's self-insured health insurance model, which includes the on-site clinic and pharmacy, and stating that approximately 1,320 participants are enrolled. Adding that plan costs continue to trend below prior budget projections, Sparks reminded that the fund's forecast had improved following plan design changes implemented in FY 2024. As a result, the estimated ending fund balance for FY 2026 was $14.5 million, above the required contingency level and allowing for no increase in departmental premium rates in FY 2027.

In response to questions, Sparks reminded that after departmental rates increased significantly in both FY 2024 and FY 2025, those increased again by 1% in FY 2026 and are proposed to remain flat in FY 2027.

Information Technology / IT

Information Technology (IT) Director Tania Mahood introduced the proposed FY2027 budget for the department, reviewing staffing, service areas, and accomplishments. Mahood described work completed to strengthen cybersecurity controls and incident readiness and explained work to improve workflow efficiency across departments. She reported on the County's .gov transition work, noting that the County's new .gov website launched earlier in May. Mahood also reported on IT's contract review process, explaining that contracts are now reviewed from a security perspective to better identify and mitigate risks. Mahood further described use of AI tools and reported usage levels as well as ongoing work to advance the safe and effective use of AI across the organization.

Mahood and staff reviewed fiscal issues and fund-specific forecasts for the IT funds, including the IT Reserve fund. Staff also presented GIS budget information and explained that the majority of GIS revenue comes from clerk and surveyor fees. Staff further described challenges related to increasing personnel and licensing costs and the impacts of decentralized data systems and inconsistent data formats.

Commissioner Chang asked that staff evaluate who uses County GIS products and services, how GIS costs could be more accurately allocated or recovered, and what alternative funding sources could better support the service level being provided.

Following up on Commissioner Chang's inquiry about revenues associated with the County's RV sites, Dan Kieffer distributed a document showing that 50% of these revenues are distributed according to the number of campsites; 20% are distributed according to the number of registered RVs; and 30% are based on the County's population.

Justice Court

Justice of the Peace Charles Fadely and Justice Court Administrator Annie Small presented the proposed Justice Court budget for FY2027 and reviewed court operations and accomplishments. Discussion ensued regarding anticipated operational changes associated with Redmond's red-light camera citations, including expected increases in arraignment volume and the likelihood that citation volumes may decrease over time. Small described facility planning issues, including uncertainty about the renewal of the Court's office lease in Redmond.

A break was announced at 2:23 pm. The meeting resumed at 2:40 pm.

Sheriff's Office

Sheriff Ty Rupert and DCSO staff presented the FY 2027 proposed budget for the Sheriff's Office, reviewing the department's organizational structure, operational workload, and accomplishments. Proposed FY 2027 expenditure levels for personnel, materials and services, and capital needs were discussed, along with a five-year forecast of revenues, expenditures, and contingency levels.

Countywide Law Enforcement District #1

The Budget Committee convened as the Budget Committee for the Countywide Law Enforcement District (District #1) and opened the public hearing at 3:22 pm. There being no one who wished to speak, the public hearing was closed at 3:22 pm.

Sheriff Rupert spoke to current fiscal issues and operational challenges, including inflation, economic uncertainty, slowing revenue growth pressures, and recruiting and retention needs. Other items discussed were jail operations and booking trends, impacts experienced with respect to pretrial release and deflection efforts, and operational issues such as maintenance concerns related to aging HVAC and plumbing systems.

Rural Law Enforcement District #2

The Budget Committee convened as the Budget Committee for the Rural Law Enforcement District (District #2) and opened the public hearing at 3:59 pm. There being no one who wished to speak, the public hearing was closed at 3:59 pm.

Chair Fister noted that the proposed FY 2027 budget for the Rural Law Enforcement District had been presented and discussed.

The Budget Committee convened as the governing body for the Black Bute Ranch Service District Budget Committee.

Black Butte Ranch Service District

Chief Todd Rich presented the proposed FY 2027 budget for the Black Butte Service District. *Chair Fister opened the public meeting at 4:01 pm and invited public comment; no public comment was received in person or remotely.*

> **ACTION:** DeBone moved to approve the Black Butte Ranch Service District budget of $3,540,762 and set the tax rate at $1.0499 per $1,000 of assessed valuation. Clark-Endicott seconded the motion, which carried 6 - 0.

ACTION: Adair moved to set the local option operating tax rate at $0.7800 per $1,000 of assessed valuation, based on the results of the May 20, 2025 election. Clark-Endicott seconded the motion, which carried 6 - 0.

Chair Fister closed the public meeting at 4:02 pm. and the Budget Committee reconvened as the Deschutes County Budget Committee.

Debrief

Chair Fister facilitated a debrief of the day's presentations.

County Administrator Lelack referred to a General Fund special request relating to AI technology for the Assessor's Office and asked whether the Committee wished to invite Information Technology staff back for the discussion of that special request. Commissioner DeBone stated interest in a brief demonstration if time permitted.

Referring to the contract with USDA Wildlife Services, Commissioner Chang suggested inviting USDA Wildlife Services staff to join the Budget Committee during its deliberations of the special request from the Solid Waste Department to afford the opportunity to USDA to describe its services and assist in the evaluation of that contract.

ADJOURNMENT:

Upon no further business, Chair Fister recessed the Budget Committee meeting at 4:08 pm to be continued at 8:30 am on Tuesday, May 13, 2026.

DATED this 5th day of Aug. 2026 for the Deschutes County Board of Commissioners.

PHIL CHANG, CHAIR

ANTHONY DEBONE, VICE CHAIR

ATTEST:

RECORDING SECRETARY

PATTI ADAIR, COMMISSIONER