



## BOARD OF COMMISSIONERS

1300 NW Wall Street, Bend, Oregon

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### DESCHUTES COUNTY BUDGET COMMITTEE MEETING

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**Wednesday, May 14, 2025**

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](http://www.deschutes.org/meetings).

Present were Budget Committee members Krisanna Clark-Endicott, Jim Fister and Judy Trego, and 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:** Chair Fister called the meeting to order at 8:32 am.

**Public Comment:** None

#### **Health Services**

Health Services Director Janice Garceau introduced the presentation of the proposed FY2026 budget for Health Services, narrating an overview of the department's mission, divisions, staffing and general responsibilities. She listed accomplishments from FY2025 and reported her upcoming retirement at the end of May.

Cheryl Smallman, Health Services Business Officer, provided an overview of the Health Services Department and its three divisions—Behavioral Health, Public Health, and Administrative Services—saying the department's proposed FY2026 budget reduces total staff by 6.67 FTE (two limited duration positions and 4.67 regular). She described the positions which will be eliminated and said that although the County applied for \$10 million in BHRN funding, it has recently learned that it will receive just \$6.6 million over the next four years.

Smallman next reviewed information on Fund 274 – Operations, and Fund 270 – Behavioral Health Reserve. Noteworthy expenses in Fund 274 include major one-time expenditures for the remodel of the La Pine facility and the acquisition of additional workspace in Bend.

Commissioner Adair said the most recent State financial forecast anticipates available revenues will be down by \$755 million.

Discussion ensued regarding the receipt of CCBHC funds from the State. Garceau explained that these revenues are transferred to reserves when received and then used as needed. In response to Commissioner Adair, Smallman confirmed that the Behavioral Health reserve is projected to be \$35.6 million at the end of FY2025.

Responding to Commissioner Adair, Garceau said the County-owned facility at 236 Kingwood in Redmond is closed to the public two days every week due to staffing limitations, although services are still offered at this location. It's expected to reopen full-time on July 1st.

Garceau listed short-term fiscal issues facing Health Services, including funding instability and increasing personnel and indirect costs. Long-term fiscal issues include the uncertainty of continued Medicaid and Public Health funding levels, the cost of offering after-hours services at the Stabilization Center, and the need for more workspace in downtown Bend.

Garceau then spoke to the possible long-term impacts of client and case acuity as many people struggle with chronic disease, serious addictions, and mental health illnesses. As the number of such cases and their acuity increases, it becomes harder to hire and retain staff to address them. She shared initiatives to be undertaken in 2026, including the opening of a residential treatment facility in Redmond.

Behavioral Health Director Holly Harris listed programs and assistance offered by the County, which is designated as a mandated provider of mental health services under ORS 430.610. Discussion ensued of the number of clients in the Aid & Assist program, the growing number of persons being civilly committed, and the lack of sufficient funding from the state to shoulder these services.

Continuing, Harris said the County has served as a Certified Community Behavioral Health Clinic (CCHBC) since 2017. The services provided are integrated with primary care to address disease and decrease mortality; all costs are reimbursed by Medicaid. She next reviewed division highlights from FY2025, including the purchase of a five-bed adult foster home. Health Services is currently in negotiations to purchase another residence for adults with mental health conditions, and the Oregon Health Authority has submitted a letter of intent to contribute \$3 million towards a 15-bed children's psychiatric facility in Central Oregon.

Commissioner Adair reported that Rimrock's facility for teenagers is now accepting girl patients as well as boys.

Following Smallman's review of Behavioral Health's five-year budget forecast, Public Health Director Heather Kaisner explained the County's mandated role of serving as a Local Public Health Authority which requires providing certain services and programs. She shared division highlights from 2025, including work done by the Healthy Schools program and its successful prevention of one in five behavioral health-related emergency department visits for youth aged 11 to 17.

Fister asked to see more data from the results of the Healthy Schools program.

Smallman then reviewed Public Health's five-year budget forecast, noting the transfer of \$112,000 of General Fund monies from Behavioral Health to Public Health to meet the latter's programming and operational needs. Opportunities and unknowns in the short-term for Public Health include federal funding appropriations, community partner collaborations, and efforts to secure state funding for Public Health modernization efforts.

Clark-Endicott asked if Health Services is at risk of losing federal funding if it does not eliminate its DEI Strategist. Garceau explained that this position is responsible for work which is required of the County by the State. Saying the County would end that work if so directed by contracts which it enters into to receive funding, Garceau added that she personally valued the work done by this position and appreciated all of the good results it has had in the community.

County Administrator Nick Lelack added that counties in many other states are not subject to requirements like those of the Oregon Health Authority, and Deschutes County must continue DEI work in order to receive funding from OHA.

In response to Commissioner Chang, Kaisner said measles is not a benign disease, and because a 75% vaccination rate is needed to stave off a community outbreak, any decrease in vaccination rates is concerning. Adding that the County's aim is to protect children younger than one year of age who cannot be vaccinated, she described the work involved in contact tracing and community outreach when a case is discovered and the infectious person has been in public areas.

*A break was announced at 10:30 am. The meeting resumed at 10:42 am.*

At Fister's suggestion, the Committee modified the agenda to take up the recommendations from the Elected Officials Compensation Board before recessing for lunch.

*The Budget Committee convened as the Budget Committee for the Deschutes County Extension & 4-H District.*

### **Deschutes County Extension & 4-H District**

Nicole Strong, Regional Director of the OSU Extension & 4-H District, provided an overview of the District, noting it serves approximately 700 4-H club members.

*Comment from the public was invited. There was no one who wished to speak.*

Dan Denning, Advisory Council Member, said the District's Master Gardeners program has more than 100 volunteers.

Strong listed the Extension's programs and shared accomplishments from the past year, citing workshops offered in emergency preparedness, food preservation, and food safety as well as work done to mentor middle and high school students in career and college readiness. The Extension also offers workshops in forestry and fire prevention. Strong then reviewed the District's proposed FY2026 budget, describing resources and expenditures.

Commissioner Chang commented that the available contingency in FY2025 of \$302,000 has significantly decreased to \$137,000. Explaining this reduction was due to large one-time costs such as upgrades to the Extension's hybrid classroom technology, Strong hoped to experience lower materials and services expenses in FY2026.

Strong next reviewed current challenges and future initiatives, the latter of which includes a mobile Extension vehicle. She reported that Kristopher Elliott was named Vice Provost and Director of the Extension and invited the Budget Committee members to attend the High Desert Garden Tour on July 19<sup>th</sup>.

**ACTION:** Trego moved approval of the Deschutes County Extension & 4-H Service District FY2026 budget of \$1,076,000 and to set the tax rate at \$0.0224 per \$1,000 of assessed valuation. Clark-Endicott seconded the motion, which carried 6 – 0.

*The Budget Committee convened as the Budget Committee for the Sunriver Service District.*

### **Sunriver Service District**

Fister stated that in view of his status as a Sunriver Service District Board Member, he will recuse himself from voting on the SSD budget but still participate in the discussions.

*Comment from the public comment was invited. There was no one who wished to speak.*

Mindy Holliday, Sunriver Service District (SSD) Administrator, introduced Police Chief Pete Rasic, who was recently hired, and Deputy Fire Chief Rod Bjorvik. She reviewed accomplishments from the last year, including completing construction of and moving into the new Public Safety Building and the implementation of a license plate reader system.

Holliday next presented information on Fund 715, Fund 716 and Fund 717, saying that negotiations are in process for the fire and police collective bargaining agreements, and work is being done to replace end-of-service lifesaving equipment. She listed short- and long-term fiscal issues, current challenges, and future initiatives.

Fister elaborated on the work being done to develop a Building Reserve Fund and shared the intention to transfer surplus funds from the Public Safety Building project to reserves.

In response to Commissioner Chang regarding ideas for increasing SSD revenues, Holliday said the District could apply for grants or possibly offer to expand the reach of District services (including law enforcement) to surrounding areas.

**ACTION:** Adair moved approval of the Sunriver Service District FY2026 budget of \$11,061,403 and to set the tax rate at \$3.4500 per \$1,000 of assessed valuation. Trego seconded the motion, which carried 5 – 1 – 0, with Fister abstaining.

**ACTION:** Trego moved approval of the Sunriver Service District Reserve FY2026 budget of \$3,166,902. Chang seconded the motion, which carried 5 – 1 – 0, with Fister abstaining.

**ACTION:** Adair moved approval of the Sunriver Service District Capital FY2026 budget of \$1,140,900 and to set the local option capital improvement tax rate at \$0.4700 per \$1,000 of assessed valuation. DeBone seconded the motion, which carried 5 – 1 – 0, with Fister abstaining.

*The Budget Committee convened as the Budget Committee for the Black Butte Ranch Service District.*

### **Black Butte Ranch Service District**

Black Butte Ranch Chief of Police Todd Rich presented an executive summary of BBRSD's FY2026 budget, explaining personnel costs as well as expected expenses for materials, services and capital.

*Comment from the public comment was invited. There was no one who wished to speak.*

Chief Rich added that the District is down to four patrol officers, one lieutenant, and himself. Although a new CBA was negotiated which resulted in some staff cost increases, these costs will reduce overall by \$63,000 by keeping the fifth officer position vacant.

In response to Commissioner DeBone, the Chief said the District has placed a new, increased five-year local option levy on the May 20<sup>th</sup> ballot. If approved, the levy would result in increased revenues of \$128,000 per year.

Adding that the BBRSD has just 300 registered voters, District Board Member Lee Ferguson said the ballot measure did not state it was for law enforcement, nor did it make clear that the measure is for a partial replacement levy and not entirely new. To address possible confusion, the members of the District Board called every registered voter to explain after the ballots were mailed out.

**ACTION:** Adair moved approval of the Black Butte Ranch Service District FY2026 budget of \$3,363,860 and to set the tax rate at \$1.0499 per \$1,000 of

assessed valuation. DeBone seconded the motion, which carried 6 – 0.

**ACTION:** Trego moved to set the local option operating tax rate of the Black Butte Ranch Service District at \$0.7800 per \$1,000 of assessed valuation, based on the results of the May 20, 2025 election, if approved by voters. Chang seconded the motion, which carried 6 – 0.

In response to Fister, CFO Tintle said if the levy is not approved, the matter of Black Butte's local option operating tax rate would come back to the BOCC.

*The Budget Committee reconvened as the Deschutes County Budget Committee.*

### **Elected Officials Compensation Board Recommendations**

Deputy County Administrator Whitney Hale reviewed that the Elected Officials Compensation Board (EOCB) met in February and March. After assessing current compensation levels and comparing them with the information returned from the designated comparables, the EOBC recommended adjustments in salaries for the District Attorney and the County Commissioners only.

Commissioner DeBone stated his appreciation for the work of the EOCB. Noting that the BOCC will expand by two members in January of 2027, he appreciated discussing the budget impact of adding those positions.

As a member of the EOCB, Trego explained her reasons for proposing that the Commissioner salaries be reduced and said it is important that people who are considering running for a Commissioner position know the compensation amount before making that decision.

Commissioner Chang said when the County's voters approved the proposal to expand the BOCC from three members to five, they did not indicate that they opposed paying for that expansion. He suggested that the Budget Committee consider reverting Commissioner salaries to what they were two years ago before an 11% pay increase was approved. Another option may be to make four of the BOCC positions part-time instead of full-time.

Trego did not support making any of the BOCC positions part-time as she believed that the reason the BOCC expansion was approved was because voters seek more Commissioner connection with constituents.

Commissioner Adair reminded that she has saved the County about \$175,000 by refusing a PERS retirement account. Adding that Deschutes County is still growing, she did not support lowering the Commissioner's salaries at this point.

Commissioner DeBone said Commissioner Chang's statement that the voters approved expanding the BOCC because the current Commissioners are not doing a good job was offensive. He supported making zero adjustment to the BOCC salaries at this time.

Clark-Endicott said the BOCC serves to determine policy, while the County Administrator is responsible for the day-to-day operations of the County. Saying the proposal for a reduced salary is not a reflection of the quality of work done by current Commissioners, she spoke to the County's current financial outlook and said adding two new Commissioners will divide the BOCC's responsibilities among five Commissioners instead of three. She agreed that the question of compensation should be decided before people file for the two added positions.

Fister explained his earlier support for the EOCB's recommendation to increase Commissioner salaries in FY2024 as well as his support for trying to control costs at this point in time. Noting that the BOCC currently has three members, not five, he said the EOCB could look at Commissioner duties next year after a districting proposal has been developed. He concluded that a temporary compensation change for the upcoming year only was worth discussing.

Trego stressed the condition of the County's finances at this time and said she was open to considering adjustments when the financial situation improves.

Referring to the provided information from the selected comparables, Commissioner Chang disputed the relevance of data from two private industry survey sources in the context of Commissioner salaries. Discussion ensued regarding the use of data from private industry positions and whether that is appropriate.

**MOTION:** Trego moved that the Budget Committee accept the recommendations from the Elected Officials Compensation Board as submitted. Clark-Endicott seconded the motion, which *failed* 3 – 3 (Chang, Clark-Endicott, and Trego in favor).

*A lunch recess was announced at 12:10 pm. The meeting reconvened at 12:40 pm.*

### **Continued Discussion of Elected Officials Compensation Board Recommendations**

**ACTION:** Clark-Endicott moved that the Budget Committee accept the recommendations from the Elected Officials Compensation Board with respect to all positions except the District Attorney and County Commissioners. Trego seconded the motion, which carried 6 – 0.

Commissioner Chang advised that next year, the Budget Committee take a careful look at what the Treasurer position would pay if it were re-consolidated with the CFO position as was the case for many years.

Saying that staff in the DA's office are experiencing significant pressure due to a very high workload, Commissioner Adair suggested not changing the current compensation paid to the District Attorney as recommended but instead adding another Deputy DA position.

Discussion ensued of the DA's compensation and the EOCB's recommendation to increase the County's portion of the DA's salary by about \$25,000 in FY2026.

**MOTION:** Trego moved that the Budget Committee accept the recommendation from the Elected Officials Compensation Board to adjust the County-paid portion of the District Attorney's salary to bring the position's total pay to \$255,031.71. Clark-Endicott seconded the motion, which **failed** 3 – 3 (Adair, Trego and Fister in favor).

Commissioner Chang said the current salary paid to Deschutes County's District Attorney is in line with that paid by both Lane County and Marion County.

In response to Commissioner Chang, Sparks said applying a 2.5% COLA to his current Commissioner salary of \$120,514 would result in an annual salary of \$123,219.

**MOTION:** Chang moved to modify the recommendation from the Elected Officials Compensation Board to set Commissioner salaries at \$123,219 for FY2026. Clark-Endicott seconded the motion, which **failed** 2 – 4 (Chang and Clark-Endicott in favor).

There being no further motions with respect to compensation for elected officials, the compensation paid to the District Attorney and the County Commissioners will be unchanged in FY2026 from FY2025.

### **Deliberations of Special Request and Limited Growth Proposals**

Following discussion, the Budget Committee was in consensus to leave the listed special requests in the FY2026 Budget:

- DCSO: \$400,000 in capital outlay to replace the jail's computer control system
- Solid Waste: add one FTE Customer Service Clerk
- Solid Waste: add three FTE site attendants

Commissioner Adair spoke to her request to add one Deputy District Attorney (DA) FTE. Discussion ensued regarding the possibility of adding another Deputy DA position, whether that would be a regular position or limited duration, and how it could be funded. Sparks shared that a median-level Deputy DA position costs about \$208,000 annually.

In response to discussion, Lelack stressed that ARPA interest funds represent one-time revenues. Tintle added that County policy states that one-time funds should not be used for recurring staff costs.

*A break was announced at 1:46 pm. The meeting resumed at 1:57 pm.*

Discussion ensued regarding possible sources of funding to add a Deputy DA position, including using savings realized from not increasing the District Attorney's salary (and

attendant benefits)—in FY2026, these would have totaled \$36,011. Adding a new Deputy DA position would cost \$211,906 in FY2026—utilizing the cost savings from not approving the recommendation of the Elected Officials Compensation Board to raise the District Attorney's salary would result in a FY2026 cost of \$175,895 for the new position.

Tintle suggested this new position be construed as an ongoing request to be paid from General Fund dollars after the remaining ARPA interest funds of \$348,171 are exhausted.

### **Deschutes County FY2026 Budget Approval**

**ACTION:** Clark-Endicott moved to add 1.0 FTE Deputy DA position in FY2026 as discussed. Chang seconded the motion, which carried 4 – 2 (Chang and Trego opposing).

*A recess was announced at 2:03 pm. The meeting resumed at 2:13 pm.*

**ACTION:** Adair moved to approve the Deschutes County FY2026 budget of \$658,727,347, adjusted for approved changes, and to set the tax rate at \$1.2783 per \$1,000 of assessed valuation. Trego seconded the motion, which carried 6 – 0.

### **Deschutes County 9-1-1 Service District FY2026 Budget Approval**

*The Budget Committee convened as the Budget Committee for the 9-1-1 Service District and opened the public hearing. There being no one who wished to speak, the public hearing was closed.*

**ACTION:** Adair moved to approve the Deschutes County 9-1-1 Service District FY2026 budget of \$23,567,100 and set the tax rate at \$0.3618 per \$1,000 of assessed valuation (Fund 705). Chang seconded the motion, which carried 6 – 0.

**ACTION:** Trego moved to approve Deschutes County 9-1-1 Service District FY2026 Equipment Reserve budget of \$5,258,000 (Fund 710). Chang seconded the motion, which carried 6 – 0.

### **Countywide Law Enforcement District (District #1) FY 2026 Budget Approval**

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

**ACTION:** Chang moved to approve the Countywide Law Enforcement County Service District FY2026 budget of \$55,439,000, adjusted for approved changes, and set the tax rate at \$1.2500 per \$1,000 of assessed valuation. Clark-Endicott seconded the motion, which carried 6 – 0.

## **Rural Law Enforcement District (District #2) FY 2026 Budget Approval**

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

**ACTION:** Trego moved to approve the Rural Law Enforcement County Service District FY2026 budget of \$22,342,000, adjusted for approved changes, and set the tax rate at \$1.55 per \$1,000 of assessed valuation. Adair seconded the motion, which carried 6 – 0.

*The Budget Committee reconvened as the Deschutes County Budget Committee.*

*A break was announced at 2:59 pm. The meeting resumed at 3:04 pm.*

### **Closing Comments**

Commissioner DeBone reviewed that the County's FY2026 Budget discussions were undertaken with the clarity that the future projected structural imbalance in the General fund is happening now. Adding that Deschutes County is still growing, he spoke to the need for capital funding and looked forward to the mid-year budget meeting when the State's revenue and spending amounts will be known.

Trego spoke to the enormous amount of work done by staff and the need to make difficult decisions. Explaining that she voted against adding a position in the DA's office because every department has needs, she said Health Services in particular has huge challenges ahead and she hoped they are able to advocate for the County at the federal level.

Fister said the discussions this week were very productive, with some deep but necessary cuts made. He suggested reminding the Elected Officials Compensation Board next year of its recommendations for this year.

Commissioner Chang said implementing a limited growth budget was difficult but necessary. Noting the great deal of uncertainty at the federal and state levels for funding related to community wildfire protection and other needs, he encouraged continued advocacy efforts.

Clark-Endicott appreciated the limited growth approach and all the work by staff. She asked to be informed as decisions are made at the federal and state level which impact the County's budget.

Saying that Oregon has even higher taxes than California, Commissioner Adair urged being creative and holding the state accountable for all of its revenues.

### **Adjournment:**

Upon no further business, Chair Fister adjourned the Budget Committee meeting at 3:38 pm.

DATED this 23<sup>rd</sup> day of July 2025 for the Deschutes County Board of Commissioners.

  
ANTHONY DEBONE, CHAIR

  
PATTI ADAIR, VICE CHAIR

**ATTEST:**

  
RECORDING SECRETARY

  
PHIL CHANG, COMMISSIONER