



BOARD OF COMMISSIONERS

1300 NW Wall Street, Bend, Oregon

(541) 388-6570

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DESCHUTES COUNTY BUDGET COMMITTEE MEETING

Tuesday, May 21, 2024

The 2024 Budget Committee meetings for May 20-23, 2024 were held in the Barnes Sawyer room at 1300 NW Wall Street, Bend and broadcast via livestream on YouTube and through the virtual meeting platform Zoom. Audio and video recordings of the budget hearings may be accessed at www.deschutes.org/meetings

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

Call to Order: Chair Fister called the meeting to order at 9:00 a.m.

Public Comment: None

Facilities Department:

Lee Randall, Facilities Director, provided an overview of the Facilities department, sharing an organizational chart and listing recent projects, including the relocation of approximately 150 staff to the North County services campus in Redmond.

Eric Nielsen, Capital Projects Manager, reviewed work undertaken over the past year, including the completion of the 2024 Public Safety Campus Plan and finalization of the design for the Courthouse expansion project which is currently undergoing permit review.

Randall then presented the department's proposed FY 2024-25 budget, noting an increase in contracting and material costs. He shared short- and long-term fiscal issues, including the need to budget funds to cover capital asset replacement costs for aging facilities. He spoke to current challenges and future initiatives—including conducting assessments to aid in planning for future capital maintenance needs—and shared information on key capital maintenance projects for the upcoming year.

Continuing, Randall described two special requests, as follows:

1. An all-wheel drive van to enhance staff safety and improve the efficiency of necessary deliveries and small furniture moves; and
2. A new 1.0 FTE Operations Specialist to oversee computer systems and technology needed for staff card access controls, HVAC controls, lighting systems, etc.

Nielsen reviewed key capital improvement projects for the upcoming fiscal year, including the downtown campus parking and accessibility improvements and the move and redesign of the District Attorney's offices.

In response to Commissioner Adair, Randall said the Licensed Trade Supervisor position, which was converted to an Operations Manager, is currently vacant but expected to be filled this year.

Chief Financial Officer Robert Tittle asked about future funding for capital maintenance and repair, which was previously funded by General Fund excess monies which are no longer anticipated to be available. Randall agreed that maintaining current facilities is critical, and adding new buildings will increase capital maintenance costs. He proposed an ongoing transfer of 4.0% to hedge against future needs and inflation, and stressed the importance of establishing realistic expectations for capital projects going forward.

Risk Management:

Deputy County Administrator Erik Kropp shared the purpose and strategic vision of the Risk Management division. Noting that the highest number of property damage claims arise from the chip sealing of County roads, Kropp said this maintenance is critical to extending the useful life of streets. He explained the County's insurance programs, including unemployment insurance, vehicle insurance, and property insurance, the latter of which has a \$25,000 per incident deductible, and said other insurance programs include general liability, workers compensation and cyber insurance. Kropp noted that the per-vehicle insurance premium amount has not changed, but the total cost of insuring County-owned vehicles has gone up due to additional vehicles being covered.

Kropp next reviewed current challenges of the division, including workers comp PTSD claims and the significant rise in the cost of vehicle repairs.

Responding to Commissioner Chang, Kropp said because workers comp claims submitted by law enforcement staff are presumed to result from PTSD, the County has experienced a significant increase in these claims from DCSO and 9-1-1 over the last four years.

Cannabis Advisory Panel Recommendations:

Deputy County Administrator Erik Kropp reminded the Board of its decision last month to accept the recommendations of the Cannabis Advisory Panel for allocating anticipated marijuana tax revenues of \$185,811 in FY 2024-25, as follows:

1. \$20,000 - Community Development for Code Enforcement work related to complaints involving marijuana regulations
2. \$60,000 - Health Services for media advertising focused on supporting parents and guardians to talk with their kids about marijuana and other drugs
3. \$100,000 - Sheriff's Office to support funding for a marijuana detective
4. \$5,811 - Community Justice

A break was announced at 10:29 am. The meeting resumed at 10:40 am.

Veterans' Services:

Sean Kirk, Manager of the Veterans' Service Office, shared the department's vision and mission statements as well as its strategic goals, which are to mobilize partnerships, target veteran services, and engage veterans. Kirk described the services offered and assistance rendered to veterans and their families and shared the department's proposed FY 2024-25 budget.

In response to Fister, Kirk said last year, the department contracted with an outside agency for advertising. That contract will not be renewed-- instead, staff will evaluate other promotional opportunities such as magazines, billboards, and a booth at the Fair.

Commissioner DeBone noted that retired Coast Guard veteran Paul Bowen is turning 103 on June 9th. Commissioner Adair commented that last Saturday was Armed Forces Day.

Community Justice:

Deevy Holcomb, Community Justice Director, provided a brief overview of the department, which has two divisions: Juvenile Community Justice and Adult Parole & Probation.

Sonja Littledeer-Evans, Deputy Director, said a key accomplishment of the Juvenile Community Justice division in the past year was initiating a substance use disorder pilot program to meet the needs of at-risk youth. In addition, the department has applied for authorization from OHA to conduct assessments and outpatient treatment.

Holcomb spoke to current challenges facing the division, including staff recruitment and retention due to the nature of the work, the unconventional shifts, and no opportunity to work remotely.

After Littledeer-Evans reviewed future initiatives for the division, Holcomb listed short- and long-term fiscal issues—these include the impacts of inflation and a building that is aging along with its security system.

Trevor Stephens, Business Manager, presented the division's proposed FY 2024-25 budget, noting a 20% increase in the General Fund request from 2024 and a \$350,000 decrease in beginning working capital. No major changes in State revenue are anticipated. Stephens then reviewed anticipated expenditure increases for next year, saying the interfund transfer to the Sheriff's Office is projected to rise by 51% from 2023-24.

Commenting on the amounts budgeted for employee recognition and employee meals, County Administrator Nick Lelack appreciated the creative thinking about what can be done to recruit and retain staff when remote work is not possible.

Tanner Wark, Deputy Director, shared accomplishments of the Adult Parole & Probation division along with current challenges, including uncertainty of the results of the State's cost study for parole and probation services.

Holcomb spoke to the collaborative partnership with Behavioral Health, utilizing opioid settlement funding, to establish effective ways to work with persons experiencing substance use disorder. In particular, she described efforts to help clients secure needed housing.

In response to Emerson, Holcomb said some of the opioid settlement funds may be used to provide peer support services.

Continuing, Holcomb shared future initiatives of the division, including flexible staffing structures and efforts to address secondary trauma stress on those who work with persons who are on parole or probation. She reviewed short- and long-term fiscal issues, noting concerns about the ability to maintain current service levels in FY 2026 and beyond.

Stephens presented the division's proposed FY 2024-25 budget along with a five-year forecast, stressing that the department is holding some vacant positions open as a way to achieve cost savings.

Fister expressed appreciation for the five-year budget forecasts.

Commissioner DeBone acknowledged the need for legislative advocacy in 2025 and encouraged coordinating lobbying efforts with AOC and others.

Emerson clarified that the five-year forecast for the Adult P&P division shows a transfer in FY 2026 from the General Fund which is \$1.7 million more than is anticipated to be available. Lelack said the need for more resources elevates the need to advocate for action from the State.

Justice Court:

Kristal Cozine, Court Administrator, reminded that the Justice Court conducts operations in Redmond, Sisters and Black Butte. Cozine presented the Court's proposed FY 2024-25 budget and described short- and long-term fiscal issues, noting the recent change that the Court cannot sanction driver's licenses for failure to comply with a court order, but can only sanction for failure to appear.

Charles Fadeley, Justice of the Peace, added that the Governor's directive relating to the remission of fines, while well-intended, has resulted in collections decreasing by 25%.

Continuing, Cozine shared challenges and future initiatives, noting that the City of Redmond is considering red light and speed cameras. If installed, these could result in additional revenue to the court.

In response to Fister, Judge Fadeley said the amount of revenue collected per citation depends on the jurisdiction and which authority issues the ticket.

A lunch break was taken at 12:21 pm. The meeting reconvened at 1:00 pm.

District Attorney's Office/Victims' Assistance Program:

District Attorney Steve Gunnels spoke to how the shortage of public defenders is affecting law enforcement operations, due to the need to release persons who are not assigned representation within a certain timeframe. He explained that three consortia in Deschutes County handle public defender cases and said the idea of awarding a contract for these services to one firm is worth discussing.

Continuing, Gunnels said department accomplishments over the past year included expanding staff background investigations for potential hires. He shared the department's proposed FY 2024-25 budget as well as short- and long-term fiscal issues, which include the redesign of the department's office space to accommodate growing staff and operational needs.

Gunnels next reviewed current challenges, which include a surge in high-level cases and the increasing complexity of digital evidence. He spoke to a special request for a 1.0 FTE Deputy District Attorney II position at a total FY 2025 fiscal impact of \$224,635, explaining that this person would aid in managing the impact of HB 4002 and help to address the department's increasing expungement and public records requests.

Another special request is for funding to update the department's AXON enterprise system, which is a digital information management platform that allows necessary information searches and downloads. Currently, the DA's Office uses a guest account courtesy of the Bend Police Department.

With respect to Aid and Assist cases and civil commitments, Gunnels said these cases can involve many court appearances, with some requiring a check-in every seven days. He noted that the Aid & Assist caseload doubled from the beginning of 2020 to the end of 2023.

Ashley Beatty, Victims Assistance Program Manager, provided an overview of the program and projected that program will be awarded the same amount of grant funding revenue in FY 2025 as was received this year.

A break was announced at 1:50 pm. The meeting resumed at 1:55 pm.

Human Resources:

Kathleen Hinman, Human Resources Director, presented an overview of the department, summarizing primary responsibilities and sharing an organizational chart. Noting that the department is on pace to complete more than 230 recruitments this fiscal year, she said another accomplishment involved embarking on a salary, market and equity review project. Hinman referred to table which provided turnover rates in FY 22, FY 23 and FY 24 for all departments (the latter as of May 6, 2024) and another table which compared the total number of recruitments with the amount of applications received for each position.

Next, Hinman presented the department's proposed FY 2024-25 budget, noting a 1.0 FTE is requested to help manage an increased workload in leave administration, recruitment and selection, and personnel actions. She described short- and long-term fiscal considerations and said current challenges include the need to integrate Paid Leave Oregon with the County's leave program.

Hinman then presented detailed information on the Health Benefits fund, saying that health claim costs have increased by an average of 6.6% over the last five years as a result of inflation, labor shortages, delayed care, and increases in the use and cost of prescription medications.

Information Technology:

Tania Mahood, Information Technology Director, provided an overview of the department and said recent accomplishments include upgrading several conference rooms with hybrid meeting technology. She shared the department's proposed FY 2024-25 budget, which anticipates expending \$304,000 for software maintenance and agreements.

Mahood then spoke to short- and long-term fiscal considerations, including ensuring adequate staff resources to meet the diverse needs of other departments and offices and managing the costs associated with addressing security requirements. She said current challenges include standardizing software development, purchasing and management.

Noting that ISF charges are increasing by 317% due to security requirements and data regulation, Mahood said major requirements in FY 2025 include Microsoft 365 licensing (\$750,000) and anticipated hardware replacements (\$120,000).

Mahood summarized three special requests submitted by the department, as follows:

1. An Office 365 Administrator to respond to the need for dedicated expertise to manage this resource;
2. An Endpoint Systems Administrator to maintain, configure and manage personal computers; and
3. Funding to update the County's website at an estimated cost of \$60,000 with subsequent annual costs of \$16,000/year.

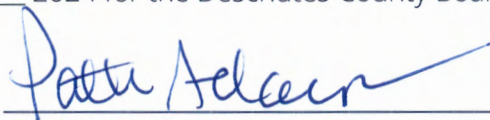
Property Management:

Kristie Bollinger, Property Manager, provided an overview of the department, including its primary responsibilities and key accomplishments over the past year. She presented the department's proposed FY 2024-25 budget and shared a table which compared the total resources and requirements of Fund 090—Project Development and Debt Reserve—for several years going back to FY 2022.

Bollinger next spoke to short- and long-term fiscal considerations, including costs to address encampments on County-owned property, and reviewed current challenges, including the need to develop new processes and procedures in response to HB 4056. She said future initiatives include implementing a real estate portfolio management system.

ADJOURNED: Upon no further business, Chair Fister adjourned the Budget Meeting at 3:15 pm, to be continued at 9:00 am on Wednesday, May 22, 2024.

DATED this 17th day of July 2024 for the Deschutes County Board of Commissioners.



PATTI ADAIR, CHAIR

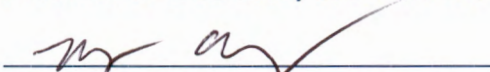


ANTHONY DEBONE, VICE CHAIR

ATTEST:



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PHIL CHANG, COMMISSIONER