



## BOARD OF COMMISSIONERS

1300 NW Wall Street, Bend, Oregon

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### DESCHUTES COUNTY BUDGET COMMITTEE MEETING

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The 2023 Budget Meetings for the week of May 22-25, 2023 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 meetings may be accessed at [www.deschutes.org/meetings](http://www.deschutes.org/meetings).

Present were Budget Committee Members Bruce Barrett, Jim Fister, and Judy Trego, and Commissioners Anthony DeBone, Patti Adair, and Phil Chang. Also present were County Administrator Nick Lelack, Deputy County Administrators Whitney Hale and Erik Kropp, Chief Financial Officer Robert Tintle, Budget Manager Dan Emerson, Budget Analyst Camilla Sparks, Management Analyst Laura Skundrick and (via Zoom) BOCC Executive Assistant Brenda Fritsvold.

#### **Call to Order of Tuesday, May 23, 2023:**

Chair Barrett reconvened the Deschutes County Budget Meeting at 9:04 a.m. on Tuesday, May 23, 2023.

#### **SUPPORT SERVICES continued from 5/22/23—**

#### **Fiscal Entities (Funds 135, 160, 170, 060, 200):**

Budget Manager Dan Emerson presented an overview of the General Fund, including revenue sources, expenditure requirements, and a graph illustrating the joint revenue and expenditure forecast out to 2035. Emerson explained that any available General Funds left at the end of the year are transferred to the General Reserve Fund, which is historically used for capital maintenance and projects. He identified factors affecting the lower-than-anticipated transfer from the General Fund to the General Reserve this year; these include

inflation, higher actuals to budget, and lower than anticipated growth in assessed values which has resulted in less property tax collections than projected.

Discussion ensued regarding the courthouse expansion project, its timing, the current cost of capital construction, the request that the State contribute up to \$25 million, and the possibility of buying down the debt service by \$10 million or more to save on financing costs.

Emerson next described short- and long-term pressures on the General Fund and said current challenges include maintaining current service levels and covering debt service costs. One decision before the Budget Committee is whether to levy the full allowed County property tax rate of \$1.2783 per \$1,000 assessed value, which would generate an additional \$1,800,000 annually.

Emerson then presented an overview of the Transient Room Tax, which is primarily used to fund tourism promotion and facilities as well as for the provision of general government services. Saying that the TRT is highly variable and thus difficult to forecast, Emerson explained the TRT's revenue sources and how the funds are allocated. He noted that the Sheriff's Office has requested a \$500,000 increase in TRT in FY24 from \$3,651,787 to \$4,151,787 to support the department's operations.

Emerson gave an overview of the General Reserve Fund, including budget details, long-term forecasted expenditures, and fiscal issues. Items for the Budget Committee to consider include whether to pay down the debt service for the courthouse expansion project by \$10 million, which could affect the Local Assistance and Tribal Consistency Fund, among others.

Chief Financial Officer Robert Tittle said because it is not yet known whether the State will contribute funding for the courthouse expansion project, the draft FY24 budget does not presume any State contribution. The budget would be amended if the State appropriates funds for this project.

**Legal Counsel (Fund 640):**

County Counsel David Doyle characterized the Legal department's FY24 proposed budget as a status quo budget due to the department not seeking additional staff or capital funding at this time. The proposed budget's minimal rise in expenditures reflects anticipated salary step increases and other higher costs incurred as a result of inflation.

Responding to questions, Doyle said some of work of the Legal department involves civil commitments, which are impacted by the region's lack of mental health services and treatment beds. He concluded that retention of the department's high-quality staff is always a concern as the County cannot match the pay offered by the private sector.

*A break was announced at 10:21 a.m., and the meeting resumed at 10:31 a.m.*

## **PUBLIC SAFETY—**

### **Community Justice Department (Funds 030, 355):**

Community Justice Director Deevy Holcomb was joined by Business Manager Trevor Stephens and Deputy Directors Sonya Littledeer-Evans and Tanner Wark.

Littledeer-Evans shared statistics from 2018 to 2022 indicating how many juvenile clients succeeded in making payment restitutions and how many completed community service obligations. Stephens presented an overview of the Juvenile division's proposed FY 23-24 budget, noting a 4.1% increase in the transfer from the General Fund in 2023. He said expenses are up approximately 7.8% due in part to shifting staff previously shared with the Adult division to the Juvenile division full-time.

Holcomb referred to increasing health insurance costs and said long-term fiscal issues for the Juvenile division include anticipated retirements as well as an aging building and facility and the associated need for specialized maintenance and upgrades. She identified the biggest challenge to be a 60% turnover in detention facility staff, saying this section currently has five vacancies and has not been fully staffed in four or five years.

Wark reported that the Adult Parole and Probation division is successful in getting 87% of new clients a comprehensive risk and needs assessment within 60 days of admission. He shared information on partnerships with the District Attorney's Office, Circuit Court and community organizations.

Stephens presented an overview of the Adult division's proposed FY 23-24 budget, referring to an anticipated 13% reduction in grant in aid revenue from the State due to the lower number of clients being supervised. He said the department will continue to request support from the General Fund to pay for supervision of persons convicted of certain misdemeanors, which the State does not fund.

Holcomb said the Adult division is currently spending down some of its reserves to meet expenses, although it expects its population of parolees and those on probation to grow in the next two years which would increase revenues. Holcomb referenced a handout showing community corrections population trends over time from 2019 to 2025 in addition to a chart which depicted revenue and expenditure trends based on population numbers. She anticipated holding five positions open until greater revenues are realized and said one challenge is how to balance caseload sizes while achieving optimal behavioral change.

### **Justice Court (Fund 220):**

Judge Charles Fadeley and Court Administrator Jodi Stacy presented the department overview for the Justice Court.

Responding to a question, Stacy referred to a document showing revenue collected by the court during the last four fiscal years for agencies across the County, including the State, the cities of Redmond and Sisters, and Sunriver. She noted one increased cost for this year



relates to her upcoming retirement and the need to train her replacement; another will be the necessary replacement of outdated computers and peripherals.

*A break was announced at 11:23 a.m.; the meeting resumed at 11:30 a.m.*

**District Attorney's Office and Victim's Assistance (Funds 001-11, 211):**

Steve Gunnels, District Attorney, presented the department overview, saying the office is not requesting additional staff at this time although it has left open a Chief Deputy District Attorney position which it will look to convert to a Supervisor Deputy DA in the near future. Gunnels provided details of the department's proposed FY 23-24 budget, including revenue from federal and state grants, and shared information on costs associated with education, training, investigations and legal research.

Gunnels described current challenges facing the department, including employee retention and recruitment and the volume of public records requests. Future initiatives include partnering with Community Justice to develop an equity plan and offering pertinent data and metrics via a dashboard on the department's website.

Gunnels said one special funding request for FY 23-24 involves moving files from the fourth floor of the courthouse and storing them off-site at a one-time cost of \$39,200 to move the materials and an annual charge of \$10,200 to store them. The second special funding request for FY 23-24 is \$50,000 for a feasibility study to determine whether the fourth floor could be remodeled for office or meeting space, and if so at what cost.

Ashley Beatty, Victims Assistance Program Manager, explained that the Victims Assistance program offers services for victims of crime—these services are required under Oregon statute and not replicated by any other agency in the community. Beatty provided an overview of the program's budget and explained the division's special funding request for FY 23-24 to contract with an outside vendor for proactive online/social media threat monitoring which would attempt to identify concerns so those could be addressed before a person's actions escalate into violence. The full annual cost of this monitoring service is \$87,200, of which the County is asked to contribute \$12,200.

*At 12:01 p.m., the meeting was recessed to 3:45 p.m. The meeting reconvened at 3:45 p.m.*

**Sheriff's Office (Funds 255-256):  
Countywide Law Enforcement District #1 (Fund 701) and  
Rural Law Enforcement District #2 (Fund 702)**

*At 3:45 p.m., the Committee convened as the budget authority for the Countywide Law Enforcement District #1 (Fund 701) and the Rural Law Enforcement District #2 (Fund 702).*

Sheriff Shane Nelson introduced the presentation of the DCSO's proposed FY 23-24 budget. Joe Brundage, DCSO Business Manager, shared a graphic showing budget highlights, including the amounts charged for the rural law enforcement property tax rate and the

countywide law enforcement property tax rate since FY08. Brundage said due to the DCSO's decisions to not levy the maximum permitted rates in previous years, the savings to taxpayers over time amounted to more than \$80 million. Brundage then described cost increases being experienced in various areas, including salaries and benefits and for the inmate food and concessions contract. He provided information on the 2022 year-end of each District's reserve accounts and the projected year-end of FY 2023 reserve amounts.

In response to Committee Member Fister, Sheriff Nelson said the DCSO is seeing a consistently high position vacancy rate of about 12%. This means that the office has had, on an ongoing basis, about 33 FTE openings for the third fiscal year in a row. The sheriff attributed this situation in part to public perceptions of law enforcement, explaining that the wrongful actions of some persons who should not be in law enforcement reflect negatively on the entire profession and render it less attractive to good candidates.

Commissioner Chang remarked that most of the recent population growth in Deschutes County is in incorporated areas, which Sheriff Nelson confirmed.

Brundage presented a projected five-year financial forecast and described the effects of tourism on the DCSO in terms of arrests, traffic stops and search and rescue activities. He explained the Transient Room Tax (TRT) revenues received by the DCSO.

Sheriff Nelson proposed that the DCSO receive an additional \$500,000 in TRT in FY 23-24 for a total of \$4.1 million to fund core law enforcement and public safety services, given that many of these involve non-residents who are visiting the area. Commissioner Chang commented on the number of persons who own second homes in the county, including in destination resorts, and said some businesses in unincorporated Deschutes County depend on tourism in order to pay their property taxes.

Captain Paul Garrison shared the request of the DCSO to add one criminal analyst and two detectives in FY2024. He said the role and duties of the criminal analyst would include assisting with long-term planning and optimizing the department's workforce. Saying that one of the new detectives would be assigned to criminal cases and the other would be a street crimes detective, he said the office's detectives currently average a load of 30 cases, but best practice is that each have no more than 20.

Captain William Bailey added that the DCSO is also requesting to add three field law enforcement technicians ("field techs") and one wellness coordinator. He explained the kind of duties that would be handled by a field tech, including animal control calls, and described the need for a separate wellness coordinator to improve the physical, mental and emotional wellness of DCSO staff.

In response to Chief Financial Officer Robert Tintle, Brundage estimated that the annual cost of one field tech would be approximately \$110,000 with benefits. Saying that these positions would be shared between the DCSO's two tax districts, Brundage added that in 2016, four field tech positions in the DCSO were converted to deputies to resolve a staff

shortage in commissioned personnel. He agreed it is less expensive and appreciated by the community to have some department duties handled by non-armed staff.

Captain Michael Shults of the DCSO's Corrections Division said Corrections is not seeking additional staff at this time. He provided an update on the ongoing project to develop a public safety campus master plan and said the next step is to begin work on the schematic design for the campus. Noting that the number of persons jailed is less than it was pre-pandemic due to the ability to release certain persons ahead of their trials, Captain Shults reminded that the DCSO has contributed nearly \$2 million to the operations of the Stabilization Center and said ongoing needs include suicide prevention and integration of mental health treatment.

Responding to a question about the DCSO's request for a wellness coordinator, Sheriff Nelson announced his decision to remove this position from the list of FY 2024 requested positions.

Sheriff Nelson spoke to the issue of homelessness and associated concerns including assaults, thefts, firearms, drug activity and fires. He reported that his office has offered resources to unhoused persons who desire to change their living situation.

Nelson said the County's courthouse expansion project should be delayed as the economy may suffer a recession in 2024 and 2025, and now is not the best time to build anything. He concluded that adjudication is critical but does not happen without law enforcement.

Chair Barrett called for public comment; none was received.

Commissioner Chang asked how much revenue would be gained by the DCSO if the property tax rates for District #1 and District #2 were raised to the maximum allowed, as requested. After this was estimated to be about \$6 million, Budget Manager Dan Emerson said even with the proposed increases in the property tax rates of each district, the DCSO expects to use about \$4.3 million from its beginning working capital in FY 2023-24 for operations.

Commissioner Adair hoped the jail will assist more people to detox from alcohol and drugs. Captain Shults concurred and said helping inmates break the cycle of addiction is exactly the intention behind the jail's new medication-assisted treatment program.

Commissioner Chang expected pushback from property owners if property tax rates are increased. Sheriff Nelson was confident that residents support funding the DCSO and its services, and offered to field any calls asking about the increases.

CFO Tittle asked how the DCSO plans to grow its reserve funds, in particular for the Rural Law Enforcement District. Brundage referred to the request for an additional \$500,000 in TRT funding and said the DCSO will continue to hold some vacant positions open to achieve cost savings as necessary.



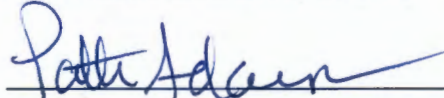
At 5:24 pm, Chair Barrett declared the public meetings closed for Countywide Law Enforcement District #1 and Rural Law Enforcement District #2.

**CONTINUED:** At 5:26 pm, Chair Barrett declared the Budget Committee meeting continued to Wednesday, May 24, 2023.

DATED this 8<sup>th</sup> Day of June 2023 for the Deschutes County Board of Commissioners.



**ANTHONY DEBONE, CHAIR**



**PATTI ADAIR, VICE CHAIR**

**ATTEST:**



**RECORDING SECRETARY**



**PHIL CHANG, COMMISSIONER**