



## BOARD OF COMMISSIONERS

1300 NW Wall Street, Bend, Oregon

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### DESCHUTES COUNTY BUDGET COMMITTEE MEETING

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The 2025 Budget Hearings for the week of May 12-14, 2025 were held in the Barnes Sawyer room at 1300 NW Wall Street, Bend, broadcast live stream on YouTube and through the virtual meeting platform Zoom. Audio and video recordings of the budget hearings are accessed at [www.deschutes.org/meetings](http://www.deschutes.org/meetings)

Present were Budget Committee public members Jim Fister (Chair), Krisanna Clark-Endicott and Judy Trego, and Commissioners Tony DeBone, Patti Adair and Phil Chang. Also present were County Administrator and Budget Officer Nick Lelack, Deputy County Administrators Whitney Hale and Erik Kropp, 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 Administrative Assistant Angie Powers.

**Reconvene the Deschutes County Budget Meeting:** Chair Fister called the meeting to order at 8:31 a.m.

**Review Agenda changes and follow-up items:** None

**Public Comment:** None

#### **PUBLIC SAFETY (CONTINUED):**

**Community Justice:** Funds 030, 355 (page 81, 86/62, 257):

In attendance were Deevy Holcomb, Director; Trevor Stephens, Business Manager; and Tanner Wark, Deputy Director Adult Division. Holcomb provided an overview of the Community Justice department, which consists of two

divisions: Adult Parole and Probation and Juvenile Community Justice. Holcomb said the department will show resilience and innovation in times of uncertainty.

Holcomb summarized the Juvenile Justice division's accomplishments, in the areas of restitution, community service, risk reduction and recidivism, noting that the department has had a positive impact on youth, victims and their communities. Responding to Commissioner Adair, the total number of youth served last year is estimated at +/- 200 individuals.

Holcomb spoke about the division's current challenges and futures initiatives. Some challenges include maintaining effective operations with fewer resources, aging facilities, and remaining responsive in the face of unknown juvenile justice trends. Future initiatives include substance use disorder treatment, gender responsive services, meaningful accountability and community service opportunities for youth.

Stephens summarized fiscal issues in the juvenile justice department. Transfers-in account for 78% of the division's resources, the bulk of which are from the General Fund (GF). In FY26, they are requesting a 3.26% increase in GF transfers, staying below the limited growth strategy of 3.3%. The five-year forecast illustrates that revenues won't meet expenses beginning in FY27. Trevor Stephens is working towards gaining Medicaid reimbursement certification, while continuing to actively pursue other funding sources including grants.

Juvenile Justice anticipates an increase in overtime due to staffing reductions. Commissioner Chang spoke about the threshold at which it makes sense to hire an FTE to avoid paying out additional overtime. Holcomb noted this is currently being examined, and as of the end of April Juvenile Justice had paid out \$92,000 in overtime and may reach \$150,000 by the end of FY25.

Responding to Commissioner DeBone, Holcomb reported that an assessment of detention facility operations determined that a minimum of 16 FTE are required for adequate operations. Historically, the number had been around 19 FTE. If this staffing reduction doesn't work effectively, it may be necessary to evaluate future needs for the tri-county area.

Discussion ensued regarding whether the detention facility meets current needs. As the facility was constructed of steel and concrete as a detention center, substantial investments would be required to repurpose the facility. Commissioner Adair highlighted the design elements of Rimrock Trails' youth facility in Prineville. Erik Kropp reported that he and Holcomb plan to meet with Commissioners individually to develop a stakeholder group for brainstorming ideas for the juvenile detention facility's future.

Responding to Chair Fister, Stephens noted the increase in contract services was tied directly to grant funds for working with youth in the facility and those on supervision.

Tanner Wark spoke about the Adult Parole and Probation (P&P) division. Adult P&P has a positive impact on the community by reducing prison usage and decreasing or neutralizing recidivism. There has been a concerted push to provide timely risk and needs assessments, with a current rate of 68% and a target rate of 75%. Much to the division's benefit, opioid settlement funds have enabled them to staff a Behavioral Health Specialist at Adult P&P.

Wark spoke about current challenges. Commissioner DeBone shared that he recently advocated for Community Justice formula funding during a recent Ways and Means roadshow at Warm Springs. Wark said a continuing challenge is securing housing and resources for justice involved individuals.

Gender responsive services are one of Adult P&P's future initiatives, as studies show improved outcomes for justice involved women. Commissioner Adair applauded the work being done by M Perfectly, an organization helping women to regain their self-esteem. Another exciting initiative are plans to enter into an agreement with First Watch, a wellness program tailored for law enforcement staff.

Stephens spoke about short and long-term fiscal issues for Adult P&P. Holcomb noted that there will be more clarity when Oregon's revenue forecast is released on May 14, as 72% of the division's revenue comes from the state.

Responding to Chair Fister, Wark said that many funding streams have dried up. The administrative burden on collecting fees from clients in the past was large, and Holcomb noted this is no longer allowed by state law. As previously stated, they are hopeful to gain Medicaid reimbursement certification and continue to actively pursue outside grant funding to supplement their budget.

Stephens echoed Wark's statements regarding the difficulty in securing housing for justice involved individuals, reporting that \$142,000 in grant funding has provided 227 person months of housing. Holcomb noted that some of their clients have utilized Mountain View Community Development's Safe Parking program. Responding to Krisanna Clark-Endicott, Stephens will later provide data on how many adults on supervision successfully transitioned into more stable housing. Importantly, Medicaid funds can be used for Health-Related Social Needs (HRSN). Commissioner Chang suggested researching whether the governor's houselessness prevention funding could be used for some transitional housing for justice involved individuals.

Stephens shared the five-year forecast model for Adult P&P which reflects a structural imbalance after FY26 when expenditures exceed revenue. Management has been honest with staff in that they will not be hiring new staff but emphasized that caseloads must be workable in size to prevent staff burnout. Chair Fister applauded the division for controlling costs.

Wark spoke about efficiencies in data collection. Krisanna Clark-Endicott discussed the importance of seeking funding based on each individual clients' personal circumstances, including those who are houseless. Wark emphasized that face-to-face contact is essential, so electronic monitoring alone is not the solution, but it is possible that AI could be utilized to the PO's benefit for data entry and reporting.

Commissioner DeBone stated the Community Justice department's mid-year budget presentation will be an important update for the committee to consider.

**Justice Court: Fund 220 (page 95/120)**

In attendance were Charles Fadeley, Justice of the Peace and Kristal Cozine, Court Administrator. Kristal Cozine summarized the Court's mission and organizational chart, noting that the travelling court holds court in Sisters, La Pine and Redmond. The Court Administrator positions have been revamped noting that over the past year, challenges were experienced with multiple staff members on leave at the same time. She applauded the court administrators for being skillful at de-escalation and diffusion in the face of difficult situations with angry clients, noting the department's recent participation in a multi-agency active threat training.

To meet requirements in FY26, \$400,521 from Transient Room Tax (TRT) will be required. Cozine spoke about short and long-term fiscal issues. They plan to submit a mid-year budget request to increase FTE to three full-time Court Services Assistant I positions and the promotion their lead senior clerk to a newly created Court Services Assistant II position. Their Majic software is DOS-based and will soon require replacement. She noted the increasing costs of health insurance and PERS causing additional strain on the budget.

Cozine discussed current challenges and future initiatives. They continue to balance fair enforcement with the financial realities of defendants. Judge Fadeley spoke about workload impacts due to legislative amendments and a continually understaffed DMV. They are preparing for an increased workload due to Redmond's automated traffic enforcement initiative, which utilizes red light and radar speed cameras. Citation volume is anticipated to increase from 6,000 to 20,000 per year.

Judge Fadeley said that the first \$65 from each traffic infraction fine goes to the state, and anything beyond that is split between the city and the county. Judge



Fadeley enjoys plans to remain at 0.60 FTE, so an additional judge will be required to meet the increased caseload. Increased fine revenue will pay for the additional pro tem judge.

As presented, the department's budget is status quo and does not include any new FTE nor the increased workload from the Redmond photo radar project.

***BREAK:*** At 10:06 a.m., a brief recess was taken, and the meeting was reconvened at 10:11 a.m.

**District Attorney/Victims' Assistance:** Funds 001-11, 212 (page 87, 93/18, 114)

In attendance were Steve Gunnels, District Attorney; Jessica Chandler, Business Manager; Stacy Neil, Supervising Deputy District Attorney; and Andrew Doyle, Lead Deputy District Attorney. DA Gunnels read the department's mission statement and outlined their organizational chart, highlighting that authority goes through the Office of the District Attorney, not the DA himself.

The DA's Office is funded 97% from the GF. Other funding sources include federal and state government payments, and Jessica Chandler summarized these non-GF funding sources. The impacts of the limited growth strategy were summarized, with DA Gunnels noting that Chandler has been masterful at cutting expenses without sacrificing service. Commissioner DeBone reiterated that a common theme amongst departments is that the first year of limiting growth is achievable but the second and subsequent years are more difficult.

DA Gunnels emphasized that it becomes difficult to retain quality staff when more and more is asked of them. The subject manner of their work takes its toll and cumulatively more of this work wears people out and it is very difficult to replace a good prosecutor.

The Victim Assistance Program Supervisor recently resigned, and the department determined it is necessary to have more Victim Advocates. They are considering leaving the supervisor position vacant with the Business Manager and Office Manager stepping in to supervise the program.

DA Gunnels summarized some key accomplishments. A four-person fatality car crash prosecution resulted in a 24-year sentence. Significant prison sentences were handed down in many complex sex abuse cases, along with the successful prosecution of drug dealers. 64 youth graduated from the Emerging Adults program. The Veterans Intervention Strategy has reduced recidivism to 5%. Additionally, an organized retail theft partnership with local law enforcement has been established.

DA Gunnels discussed the office's short-term and long-term fiscal issues. With an increased number of serious crimes comes increased costs. Reviewing digital

evidence is time-intensive, with over 6,000 hours of body-worn camera footage reviewed last year.

DA Gunnels spoke about key challenges, including but not limited to, rising case complexity and staffing shortfalls. He is cautious about not overworking current staff.

Future initiatives include a Victim Portal, which will provide victims with timely information on case status. A slide illustrated DUII caseloads between 2020 and 2024. 1,119 DUIIs were filed in 2024. These cases take a long time to resolve, with an average of 259 days to dispose. Another slide illustrated murders by year, from 2015 to 2024. An upward trend beginning in 2020 represents a major challenge. DA Gunnels said there is a direct correlation between murder, drug and/or alcohol use and mental illness. The next slide illustrated the high prosecutor workload, DA Gunnels stating that a high caseload creates a pressure cooker. A murder case takes an average of 815 days to resolve.

Stacy Neil, Supervising Deputy District Attorney, provided a compelling snapshot of a week in her life as a prosecutor, highlighting countless demands on her time. Her area of focus is child sex abuse cases. There is a tremendous amount of work behind the case counts. One case does not equal one case, and it is difficult to quantify her work. There are massive amounts of evidence to comb through and keeping up with the demands of this work can be challenging. There are over 100 cases on the court docket each day.

Additionally, increased pre-trial litigation is becoming the trend. Prosecutors are on-call evenings and weekends and their work cuts into their personal time. Her supervision duties suffer as she has little to no time for mentorship and training junior prosecutors. Additionally, there is reduced time for law enforcement support and guidance. She is very concerned with burnout and often counsels those who are overwhelmed about prioritization.

Andrew Doyle, Lead Deputy DA and Federal Prosecutor, provided insight into his typical workload. Criminal law is no longer generalist and is now an area for specialization. Trials are increasing in complexity due to technology and other factors. If the Office is not adequately funded, they are unable to sentence individuals, and this creates a public safety concern. He is on call 24/7/365 without overtime pay, noting there is a human cost associated with this kind of work. Counsel Doyle takes pride in community outreach, but this can only happen if staffing capacity allows.

DA Gunnels spoke about the Victim Assistance Program (VAP) which provides services for victims of crime to navigate the system, as required under Oregon Statute. The number of victims served has risen dramatically over the past 20 years. From 2020 to 2024, 14,160 total victims were served by the VAP in

Deschutes County. Chandler detailed the program's budget and spoke about how they are managing within the limited growth strategy.

Responding to Judy Trego, DA Gunnels said there is a disproportionate number of homicide victims who are homeless, and many offenders are in and out of homelessness. Homicides are directly correlated with drug and/or alcohol abuse and mental illness. DA Gunnels outlined the process for civil commitment.

Commissioner DeBone looks forward to the courthouse expansion project completion, and the department's mid-year budget update.

## **DIRECT SERVICES:**

### **1. Solid Waste: Funds 610-614 (page 141, 144, 145/286, 294, 296, 297, 299)**

In attendance were Tim Brownell, Director and Sue Monette, Management Analyst. Chair Fister thanked Tim Brownell for the department's detailed budget spreadsheet through FY38. Brownell thanked the Budget and Finance team for their support. He read the department's mission statement and provided an overview of the five separate funds that fall under the department, highlighting Operating Fund 610. The organizational chart has 44 FTE.

Some accomplishments include moving the hazardous waste disposal program in house. This program consists of 3 FTE and is now available to customers two days per week, 52 weeks a year. The department has successfully diverted 28% of the solid waste stream (target is 45%). A solar feasibility study for Knott Landfill post-closure was completed and new franchise agreements for the management of haulers have been developed.

85% of revenue is from charges for services. The budget assumes there is no growth in waste tonnage and assumes a tip fee increase from \$80/ton to \$90/ton. This will result in a 3% increase in costs for residential curbside trash collection. Responding to Commissioner DeBone, Deschutes County has kept tip fees low, as the statewide range is \$73 (Pendleton) to \$153 (Portland) per ton.

Brownell summarized budget details. Solid Waste proposes a 17% personnel budget increase which includes 4 new FTE to replace contracted services and 3 FTE for the hazardous waste program team. Additionally, a 5% M&S budget increase is proposed due in part to a large increase in wood debris waste from fire fuels reduction.

The department's five-year forecast is favorable. Revenues keep pace with expenses.

Short and long-term fiscal issues were summarized. In the short term, they will need to construct a new flare at Knott Landfill that meets the state's new

requirements. Knott Landfill is expected to close in spring or summer 2031, and \$50 to \$90 million will be required for a new landfill and transfer station upgrades.

Current challenges and future initiatives were discussed. Noting that nearly 40% of the waste stream is estimated to come from the construction industry, they are working to develop public and private partnerships to meet diversion goals. The flare takes methane gas created by the landfill, cleans it and converts it. By contributing to the natural gas pipeline, revenue generation of \$500,000 is anticipated.

Important work continues towards siting of the new landfill and the post-closure plan for Knott Landfill. Responding to Commissioner Chang, Brownell said the waste characterization study confirmed the previous Solid Waste Management Plan, which shows that a large volume of waste is from the construction industry. OSU-Cascades is located at the old pumice mine and demolition landfill site, and although they have not yet moved any materials off-site, Solid Waste has a potential \$1.5 million liability in the case that hazardous materials remediation should be required. Responding to Commissioner Chang, tires found on the site are currently grinded and blended into the soil substrate to aid drainage.

Brownell summarized the five-year forecast for Fund 611, noting that one-third of Knott Landfill's site has already been closed.

Fund 612 is the landfill post-closure fund. Responding to Commissioner DeBone, Brownell said that post-closure, Knott will be a restricted site due to active gas wells and interpretive signage is planned. After closure, 60 to 80 acres will be utilized as a transfer station. Bend Park and Rec plans to develop 500 acres south of the site.

Capital Reserve Fund 613 is for facilities and upgrades. \$2.15 million will be transferred into this fund from Operations Fund 610. Brownell summarized requirements for FY26 and shared the five-year forecast. In FY27, a significant investment of \$5.5 million will be spent for the development of new cells at Knott.

Equipment Fund 614 will receive a \$1 million transfer from Operations Fund 610, for purchasing and upgrading heavy equipment.

In FY26 the tip fees will increase from \$80/ton to \$90/ton. Over the next several years, it will continue to increase incrementally. Brownell referred to the long-term forecast which can be found in the supplemental materials section.



Responding to Commissioner DeBone, Brownell said they have waived approximately \$10,000/annually in fees for homeless encampment cleanups on public lands. Additionally, nearly \$500,000 in fees have been waived for Fire Free. Additional waivers are provided for property cleanups related to code enforcement.

For FY26, there are four new FTE in the proposed budget, including 1 FTE Customer Service Clerk and 3 FTE Landfill Site Attendants. The 3 new FTE comes out of contracted services. Historically, Heart of Oregon Corps has provided litter control, but this will now be handled in-house. The Recycling Modernization Act is on the horizon, which provides for some funding to the County towards contamination reduction education work. In the event this funding begins on July 1, Heart of Oregon Corps may be utilized for this work.

*A working lunch began at the start of the Natural Resources department presentation. No break was taken.*

**2. Natural Resources: Fund 326 (Page 137/234)**

Kevin Moriarty, County Forester, provided an overview of the department, which consists of 3 FTE. Programs and partnerships include Project Wildfire, FireFree, FireWise USA, Noxious Weed Advisory Committee, Deschutes Collaborative Forest Project, Oregon Living with Fire, and Deschutes Soil and Water Conservation District.

Moriarty spoke about the department's robust accomplishments under the Buttes to Basin, the Oregon State Fire Marshal, and FireFree programs. Nearly 30,000 cubic yards of debris were collected in 2024 for FireFree. Deschutes is the #1 county in Oregon for FireWise sites, with 73 FireWise communities. Currently, there are 23 active Project Wildfire committee members, and they are working to expand its reach by holding meetings in different locations across the county.

A map highlighted fuels reduction projects across the county. Other accomplishments relate to noxious weed outreach and treatment. The noxious weed program is decentralized (Road and Natural Resources departments), and they are considering streamlining it for improved compliance and enforcement.

Notably, a 200-foot fuel break surrounding City of Bend property at North Juniper Ridge has been completed. This will help to protect neighboring communities from the threat of wildfire.

The Natural Resources staff is almost entirely funded by PILT (Payment In Lieu of Taxes) and Title III funds. Most of the revenue comes from grants and agreements. The uncertainty of federal funding is a primary fiscal issue.

Commissioner Adair noted that FY25 budgeted for \$596,692 in federal grants, however \$0 in federal grants have been received. Sparks and her team will research this and respond later in the day.

**BREAK:** At 12:35 p.m., a brief recess was taken, and the meeting was reconvened at 12:41 p.m.

**3. Community Development:** Funds 295-303 (Page 117, 121, 122, 123/179, 217, 218, 220, 301, 221, 222)

In attendance were Peter Gutowsky, Director and Sherri Pinner, Senior Management Analyst. Gutowsky acknowledged the resiliency of his department. In 2023, he made the difficult decision to lay off five employees due in large part to declines in permit activity and reserve funds. Lobby hours were subsequently reduced but they have now resumed regular hours.

The Community Development Department consists of 53 FTE among five divisions: building safety and electrical, code compliance, administration and coordinated services, onsite wastewater and planning. Gutowsky highlighted some accomplishments. The Board of Commissioners recently approved RVs as rental dwellings, with certain requirements. They are simplifying their onsite wastewater operation and maintenance annual billing. Gutowsky credited Todd Cleveland for providing technical assistance for the Terrebonne Sanitary District, Tumalo Sewer District and Central Oregon Intergovernmental Council. He also credited Angie Havnear for increasing voluntary code compliance.

2 FTE have been added to the building safety division to help increase capacity for plan review and plumbing/electrical inspections.

Pinner showed a line graph of permit/application volume from FY16 through FY25, which illustrates permit instability. FY25 experienced an 18.8% increase in land use applications over FY24. Pinner summarized a proposal for some fee increases for FY26. Permits for an average 2,600 square foot structure would total approximately \$11,000, an increase of \$535. Responding to Commissioner Adair, Gutowsky did reach out to comparable jurisdictions when determining these increases, while noting that CDD is targeting certain divisions rather than proposing blanket fee increases. Pinner spoke about the proposed fee increases.

Many short and long-term fiscal issues were discussed, with unfunded legislative mandates discussed at length.

Gutowsky discussed challenges and future initiatives. Staff turnover has slowed but retention remains a challenge as it can take up to two to three years to fully train staff. An important consideration is managing difficult customer interactions. Additionally, applications and code compliance cases are increasing in complexity.

CDD has four reserve funds which are funded through transfers from/to Operating Fund 295. The five-year forecast shows the Building Safety Reserve Fund 301 plunging steeply.

Commissioner Chang referenced Portland State University's population growth forecast for the unincorporated county, which predicts slow growth for the next two decades followed by a declining population which could translate to decreased permit volume. Gutowsky remains optimistic that second home development and remodels will provide for steady permit volume. He cited destination resorts and noted that our region continues to be the only part of Oregon which continues to grow.

**4. Assessor's Office: Fund 001-02 (page 109/3)**

County Assessor, Scot Langton, presented his department's proposed FY26 budget. He described it as a status quo budget, with little changes from last year. The department utilizes two FTE for IT applications to maximize their use of technology. 88% of the department's funding is from the GF, with the remainder from state grants and charges for services. There is current pending legislation for more stable assessment and taxation funding, which if passed, would increase the state's contribution from 11% of the department's revenue to 25%.

The Assessor's Office has been able to maintain a consistent number of FTE despite the continued growth in our county. Over the last 25 years, the department has increased only 2.51 FTE despite a growth of 33,200 new properties. Efficiencies stem from leveraging technology and evaluating business practices. His department faces a significant number of retirements, and succession planning and retention are important. Large commercial and industrial property appeals are complex, and they must be able to adequately defend the tax rates. Staff must stay informed about voter approved measures to timely and accurately respond to taxpayers.

Langton described the impacts of limited growth on his department and utilized several strategies to meet the baseline budget with a targeted savings of \$234,000. He is not proposing any additional FTE or dollars for new technologies. As the department's primary software is increasing 8%, they may need to utilize vacancy savings.

His department has tabled any current or future technology initiatives, including iPads, dedicated IT staff, cross-training staff and exploring AI, noting that one way they have been able to maintain stable FTE over the years is by leveraging the use of technology.

Langton said he believes the limited growth scenario is wrong sizing his department's budget. Sparks noted that \$234,000 is equivalent to approximately 1.7 FTE.

Langton spoke about tax dollar distribution, noting that 7.7% of \$42 million in tax collections go to the GF, with all other taxing districts receiving 92.3%. Commissioner Chang emphasized that all taxing districts benefit from his department's service but only the County contributes towards the department's operation.

Sparks said that taxes will increase 4.58% in FY26. It is crucial that Langton can defend appeals. The cost of doing business includes factors that he has no control over, such as increases in PERS and health benefits costs. He will do his best to operate in FY26 within the limited growth strategy but is very concerned about the following year. Langton spoke about compression, as it relates to local option tax levies and permanent tax rates.

Lelack celebrated the department's ability to maintain consistent FTE over the past two decades despite the growth in population. He noted that over the last four years, the department has averaged 2.39 to 5.62 vacancies annually. Sparks said that Finance recommended vacancy savings be budgeted to balance the department's budget, noting that since 2021, the average savings has been \$439,000 annually so roughly half of the full budget savings is currently being utilized.

**5. Office of Coordinated Houselessness: Fund 205 (page 163/111)**

Erik Kropp, Deputy County Administrator, provided a brief overview of this budget. The FY26 budget has no staff, only M&S with much of it going to Central Oregon Intergovernmental Council (COIC). Legislation didn't specify an end date for the Coordinated Houseless Response Office. Cities and counties have signed an IGA to coordinate through June 2027. Not including obligations, the fund has roughly a \$700,000 balance.

**6. Road Department and Road Capital Improvement Plan (CIP): Funds 325, 328-336, 465, 680 (page 129, 133, 134, 135/226, 248, 249, 250, 252, 274, 380)**

In attendance were Chris Doty, Director and Cody Smith, Assistant Director and County Engineer. Doty said the Road Department contains four divisions: Operations and Maintenance, Fleet and Equipment, Engineering and Surveying, and Administration and 61 FTE. Budgeting priorities are in the following order: maintain, operate, then improve the system. Six funds fall under Operating Fund 325. 69% of the department's funding is from state government payments (State Highway Fund allocation). Additional revenue is from Payments in Lieu of Taxes (PILT), timber receipts (reverted back from Secure Rural Schools (SRS) as SRS was not reauthorized), Fund Exchange revenue, System Development Charges (SDCs), grants, and partnerships .

Legislatively, in 30 years, it is important to note that this is the fourth time transportation funding has been on the table. If the Legislature approves funding, the revenue will not be realized by the Road Department until the 3<sup>rd</sup> or 4<sup>th</sup> quarter. Federally, PILT has not been reauthorized for FY26 yet.



Doty discussed the Pavement Management Program, for which \$9.2 million is budgeted in FY26.

The Building and Equipment Fund 330 Fund has \$830,000 budgeted for FY26. Doty described site and building upgrades and the department's strategy for cycling through their fleet. The department identified a need for additional supplies and equipment for emergency response and evacuations.

Doty shared the five-year projection for Fund 325 which assumes a moderate revenue increase in FY27 associated with a legislative funding proposal.

Cody Smith spoke about Fund 465, the Road Capital Improvement Plan (CIP). This fund has three primary sources of revenue: Road Fund 325, Transportation SDC Fund 336, state and federal grants. As stated by Doty, Fund 325 utilizes a trickle-down philosophy, with maintenance and operations first, and any remainder towards capital improvements.

Road CIP includes four programs: transportation system, pavement preservation, traffic safety and bridge construction. For FY26, the CIP project total is \$18.9 million in local transportation infrastructure improvements.

Smith highlighted several notable projects completed in FY25 and outlined notable projects for FY26, including paving projects and bridge construction program projects.

The five-year road CIP Plan identifies a total of \$74,945,497 in project expenses identified, noting this figure could look different, based on the state transportation package passed by the legislature.

***BREAK: At 3:01 p.m., a brief recess was taken, and the meeting was reconvened at 3:07 p.m.***

**7. Fair & Expo Center: Funds 615-619 (page 125, 127, 128/301, 307, 313, 315, 319)**

In attendance were Geoff Hinds, Director; Bill Kuhn, Fair Board member; and Steve Curley, Fair Board Vice President. Hinds provided an overview of the department, including its organizational chart (13.5 FTE) and mission, noting that the Fair Board recently discussed plans to update the mission statement. As needed, the department supplements with on-call and seasonal staff, as needed. There are no additional FTE proposed for FY26. The department's Operating Fund operates as an Enterprise Fund.

Hinds spoke about the successful 2024 Fair and Rodeo season, with record attendance seen on Saturday and the highest recorded revenue from food, beverage and carnival sales. This achievement was despite hot weather and a temporary closure on Highway 97 due to fire. Also hosted was the Fairwell Festival,

providing an estimated \$100,000,000 economic impact. DCFE continues to serve as a critical evacuation center and staging area for emergency response.

63% of the department's resources come from charges for services. The Operating Fund 615 five-year forecast illustrates revenue will no longer keep up with expenses effective FY26, without intervention. The department is actively searching for revenue-generating opportunities without raising fees for clients and customers. Utilizing innovative strategies, DCFE will reinvest into the property and right-size the capital reserves beyond FY28.

Responding to Chair Fister, Kuhn noted the importance of pricing multi-year contracts appropriately upon signature. Kuhn noted there is limited additional capacity during peak season. Curley said there has been a learning curve based on larger events being held in recent years.

Hinds shared the Fund 616 five-year forecast, which illustrates a big dip after FY25. He noted this fund will be used to shore up Fund 615. The five-year forecast assumes no changes are made. Hinds is optimistic that through continued investments into the facilities, the numbers will be more favorable. They do not plan to dip into capital reserve funds to supplement.

Responding to Commissioner Chang, Tintle said the County's credit rating is based on the entire County with all funds combined, particularly the General Fund.

Responding to Commissioner Adair, Hinds spoke about 4H exhibitor fees, which includes a 5% fee to the auction committee. RV park fees include TRT which goes to the City of Redmond.

Short and long-term fiscal issues were discussed at length, including but not limited to increased operational costs, repair/replacement of aging infrastructure, and underfunded reserve funds. Current challenges and future initiatives were covered. The facility is nearly 25 years old and well, irrigation, roof repairs/replacements and asphalt repair/replacement are priorities. The center scoreboard in arena is dot matrix (not LED) and they are getting quotes for a replacement, with a new unit to be used for marketing.

Chair Fister shared the County is in active negotiations with the Department of State Lands (DSL) for a land swap which would add 140 acres to the facility. The DCFE Strategic Master Plan will include future opportunities for this potential land acquisition.

Curley spoke about access grants to help fund lighting upgrades. Responding to Chair Fister, they do not have a reserve study.

Hinds emphasized that although DCFE is operating at a deficit, the facility has a tremendous economic impact on the community. To be deficit neutral and revenue positive will require a reexamination of their revenue strategy model. The Fair and Expo Center continues to be the premier facility on the west coast.

Related to the DSL land exchange, Commissioner Chang stated he is seeking a partnership with the Fair Board, with less pressure. Commissioner Adair thanked Hinds and the Fair Board for their hard work. Hinds said that despite budget challenges, they are looking into the future with foresight and planning to prevent budget deficits.

Fund 619 is the capital reserve for the RV Park, and the RV Park is still cash positive. Although no reserve study has yet been completed, the RV Park capital reserve is fully funded at \$1.8 million.

Chair Fister described the facility as a gem, noting he is well-travelled and other facilities don't compare. He encouraged the department to continue having high standards as an industry leader.

**8. Clerk's Office:** Fund 001-05, 001-06, 218 (page 113, 116/9, 14, 118)

County Clerk, Steve Dennison, read his department's mission statement and provided an overview of their organizational chart with 11 FTE. He noted that twenty years ago, the department had 10.5 FTE. They also utilize on-call staff during election peak seasons.

Dennison provided an overview of the department's functions. Accomplishments include archived document destruction per OAR 166.150, administering the 2024 presidential election with a record number of ballots cast, and succession planning. FY25 saw the retirement of two long-term employees with over 50 years of collective experience. 49% of resources are from charges for services, and 48% from the GF. Revenue is from passport applications, marriage licenses, recording real property records, and some election cost reimbursements. Dennison acknowledged that elections are a burden on the GF.

He described the FY26 budget as status quo. Increases in software maintenance and mailings. This year the department will manage but will need additional funding to conduct another countywide election in FY27.

Recording fees are directly related to the number of pages recorded, which are mostly mortgage records. If mortgage rates drop, refinanced mortgages will result in more pages recorded. Challenges include space needs, state legislation related to elections, and ongoing succession planning. Over the last 8 years, the department's staff has turned over 100%.

They're considering subscription-based access to real property records online which would require a fee-based subscription to access the images. This may allow for some protection from title fraud. The department continues its efforts towards voter education and outreach.

Discussion ensued regarding space needs and downtown campus master planning. Commissioner DeBone pledged to advocate for additional space for the Clerk's Office. Dennison explained the requirement for a multipurpose space, a sorting room, and a secure storage space. The current path is unconventional and not linear, and he described an ideal setup.

**9. Debrief:** Request for any department(s) to return on Wednesday, May 14

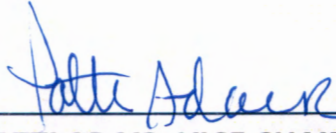
- No departments were requested to return the following day.
- Following up with Commissioner Adair on her previous request related to federal grants in the Natural Resources Fund, Sparks said that approximately \$506,000 in federal grants were budgeted in FY25, consisting of three separate grants:
  - A \$140,000 FEMA fire risk reduction grant was received in FY24 due to all the related work being completed in FY24.
  - \$200,000 in BLM fire risk reduction grants were projected, but they will receive only \$90,000 and this will post by the end of FY25.
  - \$166,000 in Community Development Defense Grants were projected but will not be received.
- Sheriff's Office special requests will be considered at tomorrow's meeting.
- Commissioner DeBone wants to speak more about optimizing Assessment and Taxation (A&T) funding for the Assessor's Office, 24-hour custody for the Juvenile Detention Center, and the DA's Office mid-year FTE request.
- Commissioner Adair wants to learn more about 4H fees from the OSU Extension Service during their presentation tomorrow.
- Chair Fister noted the Elected Officials Compensation Committee discussion will take place tomorrow.

**ADJOURNED:** Upon no further business, Chair Fister adjourned the Tuesday Budget Hearing at 4:33 p.m., to be continued at 8:30 a.m. on Wednesday, May 14, 2025.

DATED this 16th Day of June 2025 for the Deschutes County Board of Commissioners.

  
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**ANTHONY DEBONE, CHAIR**



  
PATTI ADAIR, VICE CHAIR

ATTEST:

  
ANGIE POWERS  
RECORDING SECRETARY

  
PHIL CHANG, COMMISSIONER