



## BOARD OF COMMISSIONERS

1300 NW Wall Street, Bend, Oregon  
(541) 388-6570

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# BOCC MEETING MINUTES

1:00 PM

**MONDAY March 17, 2025**

Barnes Sawyer Rooms  
Live Streamed Video

Present were Commissioners Anthony DeBone, Patti Adair and Phil Chang. Also present were Erik Kropp, Deputy County Administrator; Whitney Hale, Deputy County Administrator; Kim Riley, Senior Assistant County Counsel; and Brenda Fritsvold, BOCC Executive Assistant (via Zoom).

This meeting was audio and video recorded and can be accessed at the Deschutes County Meeting Portal website [www.deschutes.org/meetings](http://www.deschutes.org/meetings).

**CALL TO ORDER:** Chair DeBone called the meeting to order at 1:00 pm.

### PLEDGE OF ALLEGIANCE

### AGENDA ITEMS:

- 1. Discussion with agency partners of HB 3556, a proposed bill to allow Transient Room Tax revenue to be used for public safety and certain infrastructure costs**

Doug Riggs from Northwest Policy Advocates explained that the purpose of today's group discussion is to talk about how to meet the needs of the tourism industry while responding to the impacts which tourism has on communities. A hearing is scheduled for this Thursday on HB 3556 which would extend the permissible uses of net revenue from a new or increased local transient lodging tax (aka TRT) to include public safety services and certain costs related to community infrastructure.

Bend Mayor Melanie Kebler spoke to the impacts of tourism on transportation and other infrastructure and the possible use of TRT revenues to mitigate those impacts.

Commissioner DeBone noted that the BOCC has taken a position of support for HB 3556.

District Attorney Stephen Gunnels said about 10% of referrals to the DA's office from law enforcement agencies across the County are related to tourism. These include cases involving DUI and domestic violence.

Deschutes County Chief Financial Officer Robert Tintle commented on the pressure exerted on the County's budget and agreed that because many County services and public infrastructure are impacted by tourism, additional flexibility in allocating TRT revenues could help alleviate those impacts.

In response to Commissioner Chang, Tintle said the County collects approximately \$12 million each year in TRT revenues, of which \$3 million is allocated to Visit Central Oregon for marketing and promotion. Tintle explained that some TRT revenues are allocated to the Fair & Expo for its capital and operating needs, other TRT revenues are used for debt service, and some are appropriated to the Sheriff's Office.

Bend City Administrator Eric King supported protecting tourism dollars to ensure the availability of future opportunities. He explained how Bend allocates its TRT revenue.

Commissioner DeBone agreed that tourism marketing is important, and some investments are one-time funding.

Mayor Kebler reminded that criminal activity can affect tourism and said Bend's Police Department is short-staffed.

Responding to Commissioner DeBone, Cheri Helt, representing the Oregon Restaurant & Lodging Association, said ORLA is opposed to HB 3556. Helt said lodging numbers are down, and the restaurant industry is still experiencing inflation and economic instability. While ORLA supports marketing efforts to grow lodging and restaurant sales, adding another tax would work against that.

Commissioner Chang shared his commitment to maintaining the current level of investment in tourism promotion and marketing.

Discussion ensued whether HB 3556 relates to reapportioning current TRT revenues or increasing the TRT tax. Points made were that Deschutes County has lower TRT rates than many other counties; residents want to make sure that tourists are paying their fair share of tourism impacts; the fact that Visit Bend and Visit Central Oregon apportion some TRT revenues to trail maintenance; the impact of wildfires on tourism in the summer months, even if most of the smoke experienced here is from fires occurring hundreds of miles away; and the view that operating with a frozen millage rate is impossible in a growing city.

Riggs said HB 3556 would allow TRT revenue to be used for community infrastructure, which includes "... facilities for water, wastewater, transportation, recreation, including but not limited to parks, trails and tourism access points, and public amenities, including but not limited to public parking and public restrooms." He said the measure does not change the County's current 70/30 allocation or the current tax rates.

Oregon Destination Association Managing Director Mackenzie Ballard cautioned against reducing marketing dollars by reapportioning TRT revenue.

Commissioner Chang sought specific clarification that HB 3556 refers to new TRT revenues and not to the allocation of current TRT revenues.

Tintle reminded that if the County asked the voters to approve an additional 1% in the TRT millage rate, another \$1.5 million would be generated, with Visit Central Oregon receiving \$1 million of that and the County receiving \$500,000.

The Board of County Commissioners was in consensus that Deschutes County supports flexibility in allocating future TRT rate increases.

Commissioner Adair commented on the region's dubious distinction of having the third-most smoke-filled days in the country in 2024.

*A break was announced at 2:03 pm. The meeting resumed at 2:09 pm.*

**CITIZEN INPUT:** None

## **2. Consideration of extending the Deschutes County Rural Renewable Energy Development Zone**

Erik Kropp, Deputy County Administrator, reminded that on January 22, 2025, the Board discussed extending the Rural Renewable Energy Development Zone (RREDZ). RRED zones offer a tax exemption incentive to encourage new investments in renewable energy. The incentive is a 100 percent (full) exemption

from the property taxes normally assessed for the first three to five years of project operation. The current RRED zone in Deschutes County, which is set to expire on June 30, 2025, encompasses the entire territory of the county except for property inside the urban growth boundary as acknowledged for the City of Bend. Staff seeks Board direction on whether to set a public hearing to consider extending the County's RRED zone to June 30, 2036.

In response to questions, Patricia Lucas, Executive Director of Sunriver La Pine Economic Development, said while some alternative energy projects are under consideration, these are in the exploratory stage and it is not known whether their proponents might seek this tax incentive.

Commissioner Chang stated his interest in helping to promote alternative energy projects, saying that more power generation is needed and expressing his support for economic activity associated with clean energy projects.

Discussion ensued of a biochar facility in Grant County which was built but has not been operated.

In response to Commissioner Adair, Patricia Lucas said no projects applied for the exemption within the past ten years it has been available.

Chair DeBone noted the consensus of the Board to schedule a public hearing on this matter.

### **3. Proposed Policy Updates**

Whitney Hale, Deputy County Administrator, said the County's Policy Advisory Committee was established in December of 2023 to review and update County policies. Two updates and one new policy are being recommended at this time.

CFO Robert Tintle reviewed changes to two Finance policies: F-7 – Bank Accounts and Cash Handling, and F-1 – Reimbursement for Miscellaneous Expenses Incurred While Travelling on County Business.

Tania Mahood, IT Director, explained that the proposed new policy IT-3, Custom Software Development Standards, has the key goals of establishing security and privacy requirements and unifying coding standards to protect County IT assets.

There being no questions or concerns, Hale said the updated policies will be brought back on a future consent agenda for formal approval by the Board.

#### **4. Treasury Report for February 2025**

Bill Kuhn, County Treasurer, presented the Treasury Report for February 2025.

#### **5. Finance Report for February 2025**

Robert Tintle, Chief Financial Officer, and Jana Cain, Controller, presented the Finance Report for February 2025.

Janice Garceau, Health Services Director, spoke to possible federal decisions which may impact Medicare and Medicaid funding, and in turn services and programs provided by the County's Health Services department. Stressing that the County must provide services to anyone who needs them, regardless of ability to pay, Garceau said decisions made on the national level may result in reduced resources but not a reduced service population.

Tintle added that Health Services is confident that the legislation passed by Congress last week continues the department's expected federal funding through September 30, 2025.

Continuing to review the Finance Report for February, Tintle noted that the staff vacancy rate of the Sheriff's Office is less than 40 at 38.5. In response to Commissioner Chang, Tintle said DCSO is working with Finance to determine how many vacant positions it could fill and still balance its budget.

Commissioner Adair asked about the footnote on page 95 of the report regarding a Medicaid \$857,000 variance. Tintle said based on previous revenue, the County projects it will receive \$857,000 more Medicaid funds than budgeted.

#### **OTHER ITEMS:**

- Commissioner Chang was in Salem last week attending meetings of the Oregon Transportation Commission.
- Commissioner DeBone testified for A&T funding last week.
- Commissioner DeBone reported on his travel to Denver for a CORE3 training facility tour last week.
- Commissioner DeBone said next Friday, he will be in Salem to testify to the Joint Committee on Technology in support of the SEIC effort.
- Senior Assistant Legal Counsel Kim Riley said after the Board directed staff to not file an appeal of LUBA's decision concerning the psilocybin application at Juniper Preserve, the applicant filed to recoup \$71,000 in attorney's fees from the County.

In light of this action on the part of the applicant, a majority of the Board subsequently indicated support for staff filing a notice of appeal, and that notice has now been filed with the Court of Appeals.

- Deputy County Administrator Erik Kropp presented an updated draft letter from the Board to the Deschutes Civic Assembly regarding its recommendations to address youth homelessness.

CHANG: Move Board signature of the letter to the Deschutes Civic Assembly cataloguing the County's current and future commitments towards the Civic Assembly's goals

ADAIR: Second

VOTE: ADAIR: Yes  
CHANG: Yes  
DEBONE: Chair votes yes. Motion Carried

#### **EXECUTIVE SESSION:**

At 3:43 pm, the Board entered executive session under ORS 192.660 (2) (e) Real Property Negotiations.

At 4:13 pm, the executive session concluded and the public was invited to return to the room. The Board then directed staff to proceed as discussed during the executive session.

#### **ADJOURN:**

Being no further items to come before the Board, the meeting was adjourned at 4:13 pm.

DATED this 16<sup>th</sup> day of April 2025 for the Deschutes County Board of Commissioners.

#### **ATTEST:**

Brenda Fitzroy  
RECORDING SECRETARY

Anthony DeBone  
ANTHONY DEBONE, CHAIR

Patti Adair  
PATTI ADAIR, VICE CHAIR

Phil Chang  
PHIL CHANG, COMMISSIONER