



BOARD OF COMMISSIONERS

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

FOR RECORDING STAMP ONLY

BOCC BUDGET MEETING MINUTES

12:00 Noon

MONDAY, December 13, 2021

BARNES & SAWYER ROOMS
Virtual Meeting Platform

Present were Budget Committee Members Bruce Barrett, Bill Anderson and Mike Maier. Commissioners Phil Chang, Patti Adair, and Anthony DeBone. Also present were County Administrator Nick Lelack; Chief Financial Officer Greg Munn; County Counsel David Doyle (via Zoom Conference Call); Budget Manager Dan Emerson; Budget Analyst Betsy Tucker, and Sharon Keith, Board Executive Assistant (via Zoom Conference Call).

Attendance was limited due to the Governor's pandemic order.

This meeting was audio and video recorded and can be accessed on the Public Meeting Portal at www.deschutes.org.

CALL TO ORDER: Chair Bruce Barrett called the meeting to order at 12:04 PM

OPENING COMMENTS: County Administrator Nick Lelack provided opening comments and reviewed the agenda for the meeting. Chair DeBone congratulated Nick Lelack and his new position and commented on the budget process and items to highlight for the upcoming year. Commissioner Chang commented on capital projects, construction needs, and services to the community. Commissioner Adair expressed concern with inflation and the impacts to our community and stressed the need for the County to help our local businesses. Mike Maier commented on

recreation opportunities and the benefit to our County. Bill Anderson commented on the growth in the County and health insurance rates.

BUDGET COMMITTEE REAPPOINTMENT: Mr. Lelack noted the terms for the appointed members of the budget comment and reported the term for Bill Anderson is expiring December 31, 2021 and inquired if he would be interested in serving another term. Commissioner DeBone supported the reappointment.

ADAIR: Move approval of Bill Anderson's reappointment for an additional three years.

CHANG: Second

VOTE: ADAIR: Yes

CHANG: Yes

DEBONE: Chair votes yes. Motion Carried

FY 2021-2022 UPDATE: CFO Greg Munn introduced Budget Manager Dan Emerson and Senior Analyst Betsy Tucker. Mr. Munn provided the County finance update.

RECESS: At the time of 12:56 p.m. the meeting went into recess and was reconvened at 1:12 p.m.

DEPARTMENTAL BUDGET ISSUES: County Administrator Lelack presented departmental issues for fiscal year 2023.

- *Health Services:* Public health modernization continues to receive additional funds and revenues. Personnel costs are under budget due to vacancies.
- *Behavioral Health:* Trends show they will have less revenue coming in than projected. Business Officer Cheryl Smallman commented via Zoom regarding behavioral health funds. Mr. Lelack acknowledged several capital improvement needs of the department.
- *Solid Waste Operations:* The Knott Landfill cell 9 project has been postponed until the next fiscal year due to the volume of exaction. Perimeter fencing

and siting projects are underway. Negus Transfer Station is in the planning stages. Interviews are scheduled tomorrow for a new operations director.

- *Fair and Expo:* Trending positive in fund balance. Additional funds are expected for capital improvement needs.
- *Road Department:* Highway fund revenue is exceeding expectations.
- *Community Development Department:* Revenue has increased primarily due to fees with increased valuations and expenditures have decreased. Peter Gutowsky was promoted to the new department director position.
- *Community Justice:* Anticipating less than budgeted resources yet significant personnel savings.
- *Adult Parole and Probation:* Anticipating more resources than budgeted due to state funding. Deevy Holcomb was promoted to the new department director position.
- *Facilities:* Mr. Lelack reviewed the projects on the horizon.
- *9 1 1 Operations:* Additional unplanned revenue received for telephone reimbursement.
- *District Attorney's Office:* No changes
- *Legal:* Current position vacancy for Assistant Counsel.
- *Natural Resources:* There will be matching funds needed for a FEMA grant for a fuels reduction project.
- *Clerk's Office:* Trending behind budget amount but nothing significant.

RECESS: At the time of 1:55 p.m. the meeting went into recess and was reconvened at 2:13 p.m.

OTHER UPDATES: County Administrator Lelack reported Whitney Hale was promoted to Deputy County Administrator and Morgan Emerson was hired as Public Information Officer.

- **Room Tax Update:** Mr. Munn reported on the transient room tax update.
- **Long-Term Capital and Financing:** Facilities Director Lee Randall presented an update on capital improvement projects.
- **Financial Impacts of Recent Litigation:** Deputy County Administrator Erik Kropp reported on the expenses of recent litigations coming from personnel

issues at the Sheriff's Office and impacts to general liability insurance and to the risk management fund.

- **Healthy Schools Project with Bend La Pine Schools:** Public Health Director Nahad Sadr-Azodi presented regarding the healthy schools project along with Health Services Supervisor Jessica Jacks, Health Services Supervisor Aimée Snyder and Deputy Superintendent Lora Nordquist.
- **Impact on Labor Shortage:** Human Resources Director Kathleen Hinman presented the analysis.
- **Update on District Attorney's Consultant Plan:** District Attorney John Hummel presented the consultant plan for recommendations for the District Attorney's Office.
- **County Homeless Activity Discussion:** Erik Kropp and Program Manager Molly Wells Darling (via Zoom Conference Call) presented an update on the joint office for homelessness pilot program.

FY 2022-2023 BUDGET:

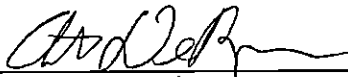
- **Assumptions:** Mr. Emerson reported on assessed value increases that will make up revenues. Cost of Living and inflation are high this year. There are no changes to PERS rates for the current fiscal year. Health insurance rates may need to be increased in the next fiscal year for the department and employee. No change in property tax rates. Labor contracts are in negotiations and expected general fund transfers to be similar to last fiscal year.
- **Calendar/Budget week timing options:** Senior Analyst Betsy Tucker presented options for the budget hearing week in 2022 based on comparisons with other Oregon counties. Recommendations were to reduce the department presentation times, create a three day agenda: two days for presentations and one day for deliberation, and start the budget week with a high level financial overview. The other consideration was to hold the hearing week prior to Memorial Day. Commissioner Adair is supportive of moving the budget week to the week prior to Memorial Day. Bruce Barrett supports tightening the department presentations. Mr. Emerson will send out an online poll.
- **Number of Health Services presentations:** Mr. Emerson reported the Health Services department is requesting additional presentations. Mr.

Lelack suggested a draft budget schedule and the plan will be to move the budget hearing week the week prior to Memorial Day starting on Monday.

- **New Budget book software:** The new software will provide flexibility.

ADJOURN: Being no further items to come before the Budget Committee, the meeting was adjourned at 5:02 p.m.

DATED this 13 Day of December 2021 for the Deschutes County Board of Commissioners.



ANTHONY DEBONE, CHAIR



PHIL CHANG, VICE CHAIR



PATTI ADAIR, COMMISSIONER

ATTEST:



RECORDING SECRETARY