



BOARD OF COMMISSIONERS

FY 2026 BUDGET COMMITTEE MEETING

8:30 AM, MONDAY, MAY 12, 2025

Barnes Sawyer Rooms - Deschutes Services Building - 1300 NW Wall St – Bend

(541) 388-6570 | www.deschutes.org

MEETING FORMAT: In accordance with Oregon state law, this meeting is open to the public and can be accessed and attended in person or remotely, with the exception of any executive session.

Members of the public may view the meeting in real time via YouTube using this link: <http://bit.ly/3mmlnzy>. To view the meeting via Zoom, see below.

Public Comment: There will be time specified each day for public comment.

Zoom Meeting Information: This meeting may be accessed via Zoom using a phone or computer.

- To join the meeting from a computer, copy and paste this link: bit.ly/3h3oqdD.
- To join by phone, call 253-215-8782 and enter webinar ID # 899 4635 9970 followed by the passcode 013510.

AGENDA AND MATERIALS

1. FY 2026 Budget Committee Agenda
2. FY 2026 Budget Committee PowerPoint Presentations
3. FY 2026 Budget Committee Supplemental Materials



Deschutes County encourages persons with disabilities to participate in all programs and activities. This event/location is accessible to people with disabilities. If you need accommodations to make participation possible, call (541) 388-6572 or email brenda.fritsvold@deschutes.org.



FY 2026 BUDGET COMMITTEE AGENDA

Day 1 - Monday, May 12, 2025

8:30 - 8:45 AM	Deschutes County Budget Meeting Nominate Budget Committee Chair Welcome and Convene the Deschutes County Budget Committee Meeting Nominate representative to the Investment Advisory Committee Honoring Larry Kimmel	Chair Bill Kuhn, County Treasurer Commissioner DeBone
8:45 - 9:00AM	Public Comment	
9:00 - 9:20 AM	Deschutes County Proposed Budget Deschutes County Budget Message	Nick Lelack, County Administrator
9:20 - 9:35 AM	Deschutes County Proposed Budget Overview	Robert Tintle, Cam Sparks
SUPPORT SERVICES		
9:35 - 10:15 AM	Fiscal Entities General Fund and funds 135, 160, 170, 060, 200 (Page 75, 193, 194, 195/84, 92, 97, 71, 100)	Cam Sparks
10:15 - 10:20 AM	Recess	
10:20 - 10:35 AM	Finance Funds 630, 001-18 (Page 187, 191/347)	Robert Tintle
10:35 - 11:00 AM	Administrative Services/Board of County Commissioners Fund 625 (Page 159, 175/325, 343)	Whitney Hale
11:00 - 11:10 AM	Legal Counsel Fund 640 (Page 207/354)	Dave Doyle
11:10 - 11:25 PM	Risk Management Fund 670 (Page 173/370)	Erik Kropp
11:25 - 11:30 AM	Cannabis Advisory Panel Recommendations	Erik Kropp
11:30 - 12:00 PM	Property Management Funds 001-25, 090 (Page 167, 170/37, 76)	Kristie Bollinger
12:00 - 12:30 PM	Lunch	
12:30 - 12:45 PM	Veterans' Services Fund 001-23 (Page 165/32)	Erik Kropp
12:45 - 1:35 PM	Facilities and Facilities Improvement Plan Funds 620, 070, 463 (Page 181, 184, 185/73, 264, 320)	Lee Randall
1:35 - 1:45 PM	Human Resources Fund 650 (Page 197/350)	HR Director
1:45 - 2:00 PM	Health Benefits Fund Fund 675 (Page 200/376)	HR Director/Finance
2:30 - 3:00 PM	Information Technology Funds 660, 661, 305, 040 (Page 201, 205, 206/69, 223, 363, 368)	Tania Mahood
3:00 - 3:05 PM	Recess	



FY 2026 BUDGET COMMITTEE AGENDA

Day 1 - Monday, May 12, 2025 (continued)

PUBLIC SAFETY

3:05 - 3:35 PM	Deschutes County 9-1-1 Service District Funds 705, 710 (Page 213, 215/384, 391) Open Public Meeting Introductions Budget Discussion Public Comment Close Public Meeting	Sara Crosswhite Chair Chair
3:35 - 4:25 PM	Sheriff's Office Fund 255, 256 (Page 97, 105/125, 136)	Kent van der Kamp, Sheriff
4:25 - 4:40 PM	SO - Countywide Law Enforcement District #1 Fund 701 (Page 104/382) Open Public Meeting Introductions Budget Discussion Public Comment Close Public Meeting	Kent van der Kamp, Sheriff Chair Chair
4:40 - 4:55 PM	SO - Rural Law Enforcement District #2 Fund 702 (Page 104/383) Open Public Meeting Introductions Budget Discussion Close Public Meeting	Kent van der Kamp, Sheriff Chair Chair
4:55 - 5:00 PM	Debrief Request for any department(s) to return Wednesday	Cam Sparks

At conclusion of presentation, Deschutes County budget meeting will recess and will reconvene Tuesday, May 13, 2025 at 8:30am.

Fiscal Year 2026 Proposed Budget Presentation

Fiscal Entities

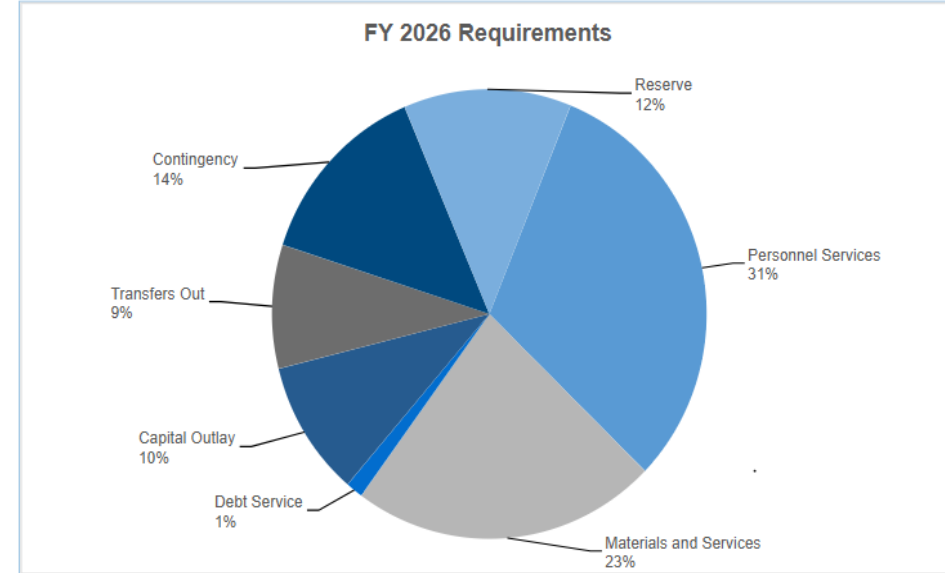
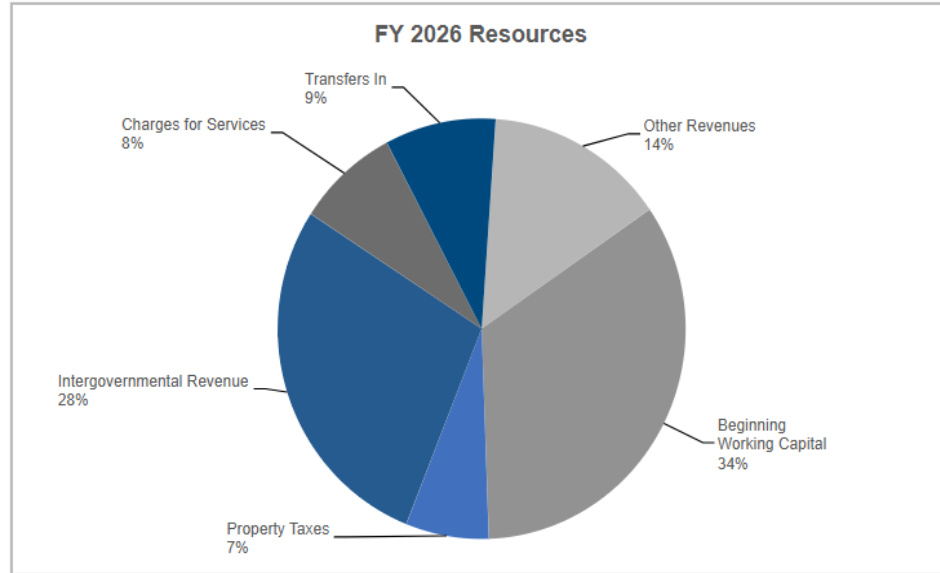
General Fund, Capital Reserve Fund, TRT Fund, PERS
Reserve and ARPA

Presenter: Cam Sparks
Budget & Financial Planning Manager



Budget Committee Meeting | May 12, 2025

Countywide Overview



- The overall budget for FY 2026 (excluding Service Districts) is \$658.7 million, which is a 0.30% increase over FY 2025 revised budget.
- The overall operating budget (excluding Service Districts, Reserves, Contingency and Transfers) is \$430.3 million which is a decrease of \$2.2M or 0.5% from the FY 2025 revised budget.
- Total FTE is being reduced by 8.62 for FY 2026.



Countywide Overview

FY 2026 Budget Assumptions

- COLA: 2.5% based on average CPI increase from February 2024 – January 2025
- Health Insurance Premium Increase: 1.0%
- PERS: Average increase beginning 7/1/25 is 4.6%. These rates will be the same for FY 2027.
 - PERS increase added approximately \$6.5M in additional costs Countywide.
- Assessed Value Growth for Property Taxes: 4.58%
 - Actual for FY 2025 was 4.64%
- Interest Earnings: 3.6%



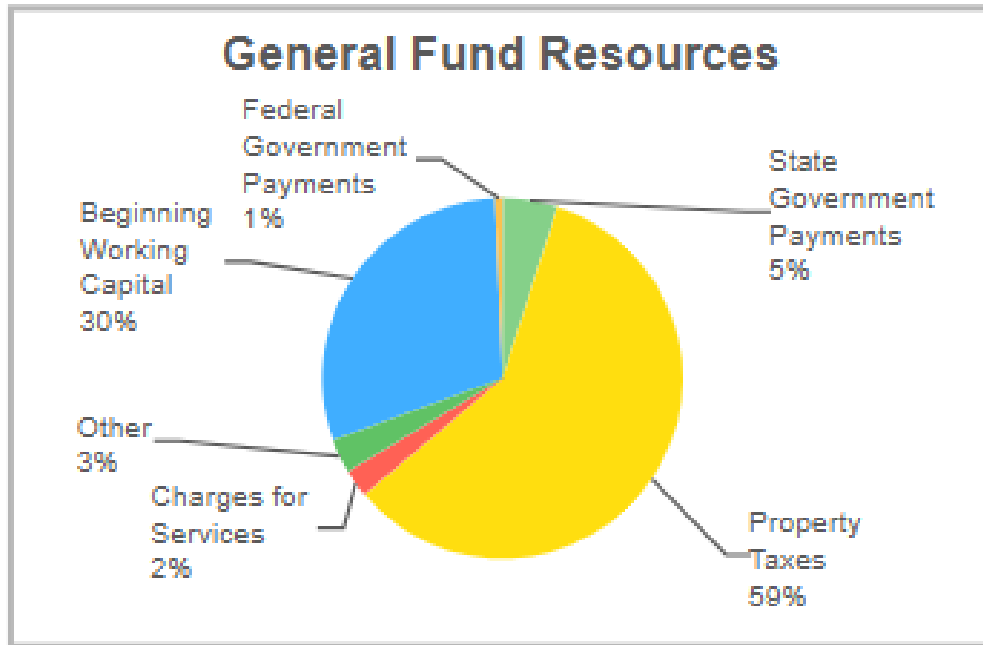
General Fund (001)

General Fund Operations

- The GF accounts for the financial operations of the County which are supported primarily by Property Tax revenue.
- GF departments include the County Assessor, County Clerk, District Attorney, Tax, Veterans' Services and Property Management.
- The GF supports other departments through transfers including, Health Services, Juvenile, Adult P&P, Victim's Assistance and Dog Control.
- County Financial Policy requires the General Fund to hold 4 months (or 33%) of property tax revenue in Contingency.
 - FY 2026 requirement is \$13.6M



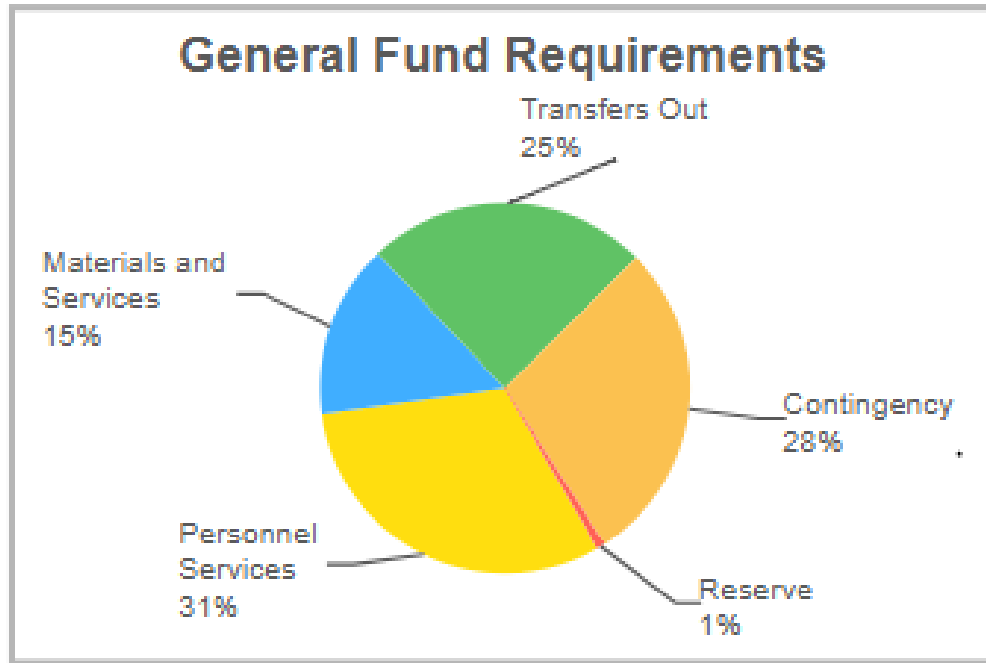
FY 2026 General Fund Resources



- Majority of funding is from property taxes.
 - Excluding BWC, property taxes comprise 85% of revenue in the General Fund.
- 4.58% budgeted assessed value (AV) growth.
- Beginning working capital increased \$5.6M or 36% from FY 2025.
 - Opioid restricted funds: \$1.2M
 - Recategorized ARPA funds: \$2.0M
 - Emergency Reserves: \$500K



FY 2026 General Fund Requirements



- General Fund expenditures and transfers out to departments were limited to a 3.3% increase in FY 2026.
- Limited growth and re-allocation of approximately \$1.0M in GF non-departmental expenditures saved the GF \$2.5M in ongoing costs, which helped reset the expenditure growth curve.
- Establishing baseline budgets at 3.3% growth required all General Fund departments/users to diligently assess their budgets and reduce or eliminate expenditures.



General Fund Fiscal Issues

Short-term Fiscal Issues

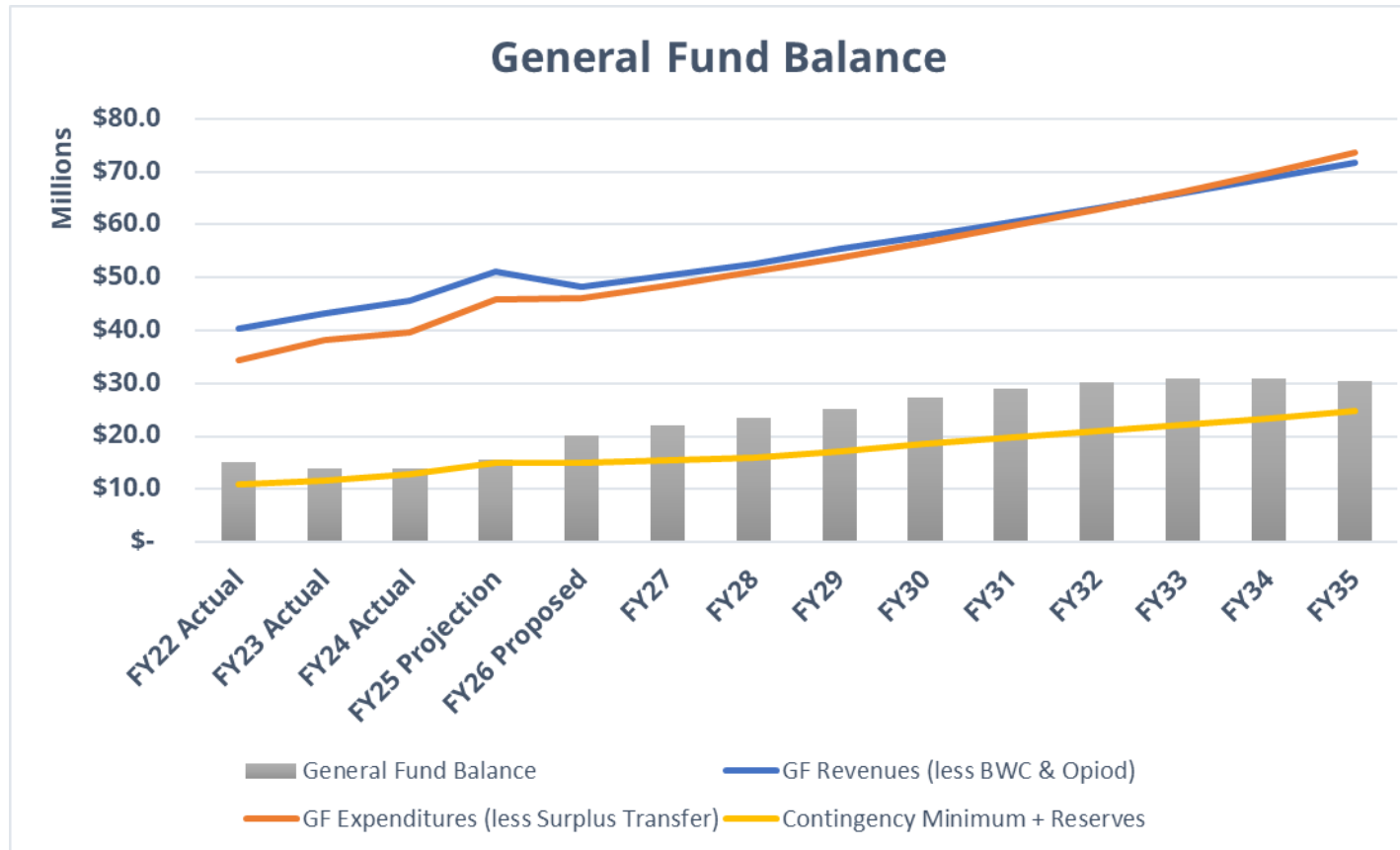
- Status of inflation and COLA.
- Impacts of the pay equity and market evaluation project.
- High interest rates which have kept Clerk's recording fees low.
- Potential tariff impacts on costs.

Long-term Fiscal Issues

- Federal funding uncertainty (e.g., PILT funds).
- Capital and maintenance needs.
- Future PERS increases.
- Possible recession which could slow growth and lower property tax revenue.



General Fund Forecast



- County was projecting a budget shortfall in FY 2027.
- By implementing a strategic framework to limit expenditure growth, new projections indicate financial sustainability thru FY 2035.
- Model assumes 4% limited growth in FY 2027 and 5% going forward.
- Prudent financial planning and forecasting has placed the County in a strong position to plan for the current and next fiscal years while continuing to provide core services to the community.



Current Challenges and Future Initiatives

Challenges

- Continuing to limit growth could challenge operations, especially if inflation remains high.
- While the General Fund is operationally structurally balanced, the fund no longer has the resources to contribute to capital reserves.

Current & Future Initiatives

- Potential legislation: HB 3518 – Assessment & Taxation Funding
- Establish a mechanism to fund ongoing capital maintenance.



Transient Room Tax Fund (160 & 170)

Transient Room Tax (TRT) Overview

First 6%

- 20% to VCO (Allocated)
- 80% to General County Operations (Discretionary)

Next 1%

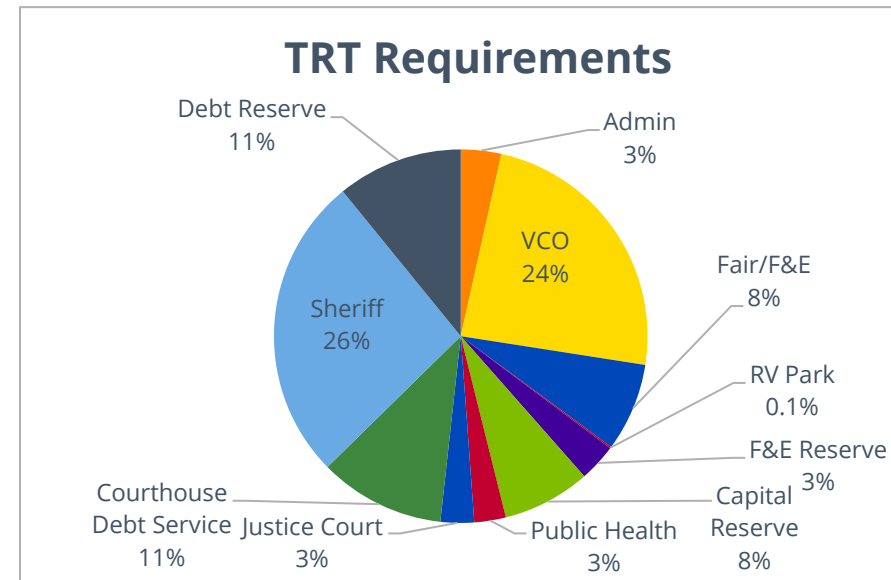
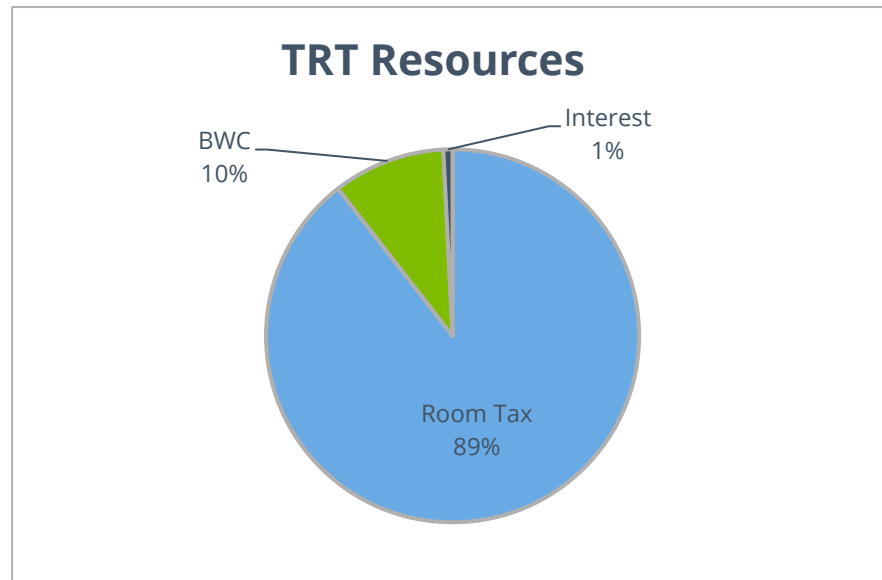
- 100% to VCO (Allocated)

Newest 1%

- 70% Fair and Expo (Allocated)
- 30% Fair and Expo Capital Reserve (Discretionary)



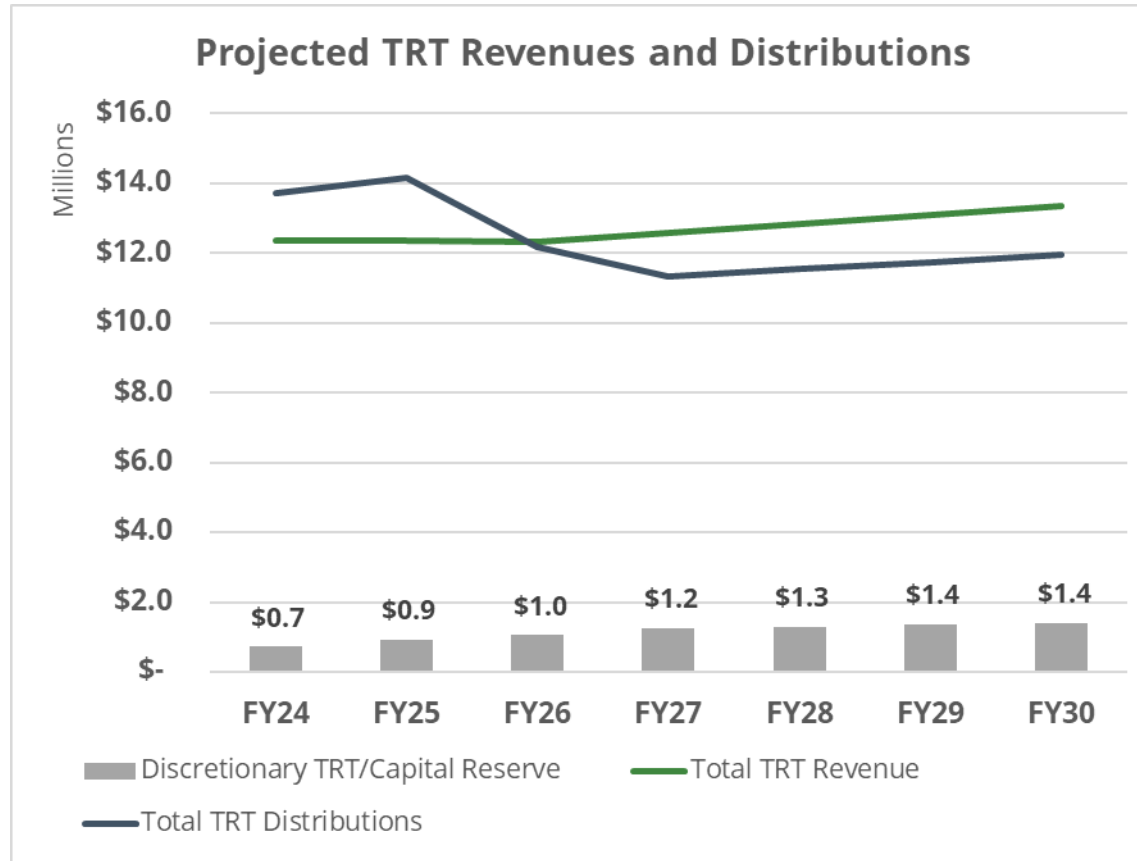
FY 2026 TRT Resources & Requirements



- TRT revenue is budgeted to increase 2.0% from FY 2025 revised budget and flat from FY 2025 projection of \$12.3M.
- Approximately 32% of TRT distributions are for tourism.
 - VCO: \$3.3M
 - F&E/Fair: \$1.0M
- Unallocated discretionary funds, of ~\$1.0M are transferred to the Capital Reserve Fund.
 - TRT contributions to capital reserve are the only source of revenue as the GF no longer has the resources to transfer.



TRT Forecast



- Assumes 2.0% revenue growth year over year.
- The forecast anticipates ~\$1M per year in unallocated TRT surplus being transferred to the Capital Reserve Fund annually.
- \$30.5M in debt service payments for the courthouse expansion is funded from TRT dollars. The County's priority is to pay debt service.
- Reserves equal to one year of debt service or \$1.5M, have been established in the FY 2026 budget.
- Surplus TRT funds are necessary for capital maintenance and expansion.
- Of the \$1.0M transferred to the Capital Reserve fund, 68% of those funds are utilized for capital maintenance funding gap.



FY 2026 TRT Fiscal Issues / Initiatives

Fiscal Issues

- Revenue is variable and difficult to forecast.
- General Fund's fiscal challenges is putting extra pressure on TRT discretionary funds.
- Room Tax revenue has been relatively flat since FY 2022.

Initiatives

- Implement a Transient Room Tax Certificate of Authority fee to offset administrative expenses, thereby freeing up \$200K to \$400K of discretionary TRT funds.



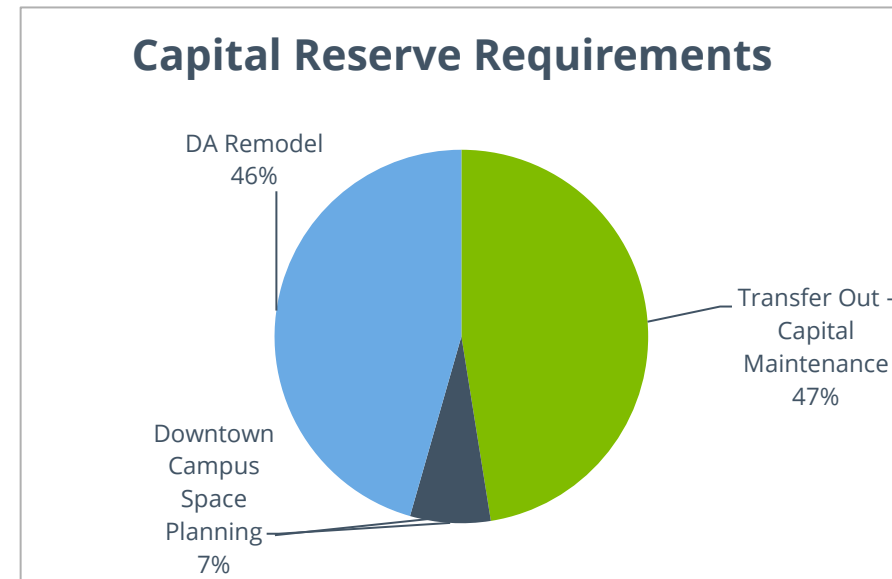
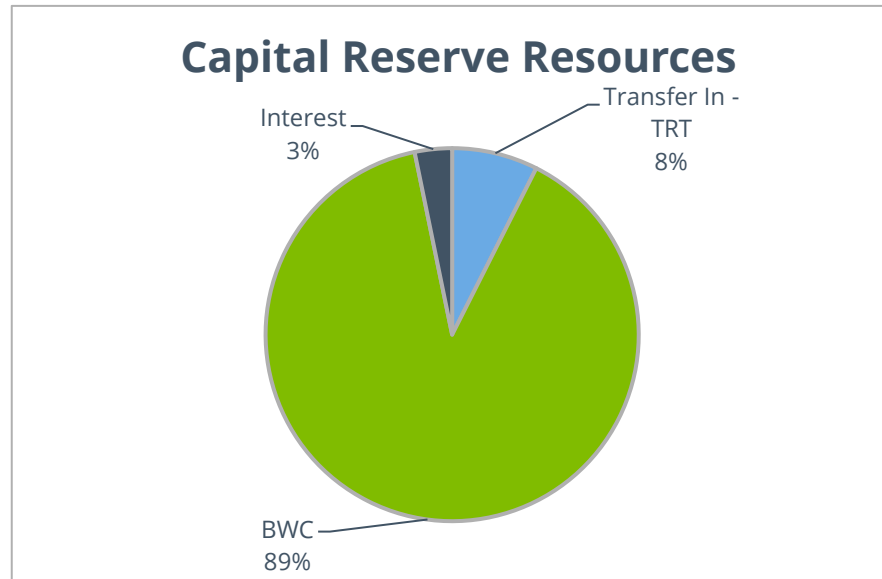
Capital Reserve Fund (060)

Capital Reserve Overview

- The Capital Reserve Fund is used to accumulate County resources to fully or partially fund future projects for capital investments related to Board of County Commissioner goals and objectives.
- Funded by the unallocated Transient Room Tax surplus.
- The Capital Reserve is an aggregation of the County's discretionary funds.
- Approximately \$683,000 is transferred from the Capital Reserve Fund to the General Capital Maintenance Fund (070) to cover funding gap. The other funding source for capital maintenance is 3% of the County's property taxes.
- The long-term model assumes the maintenance transfer grows by 5% annually, but even with these transfers, Fund 070 is projected to have a budget shortfall by FY 2032 based on the County's general maintenance needs.



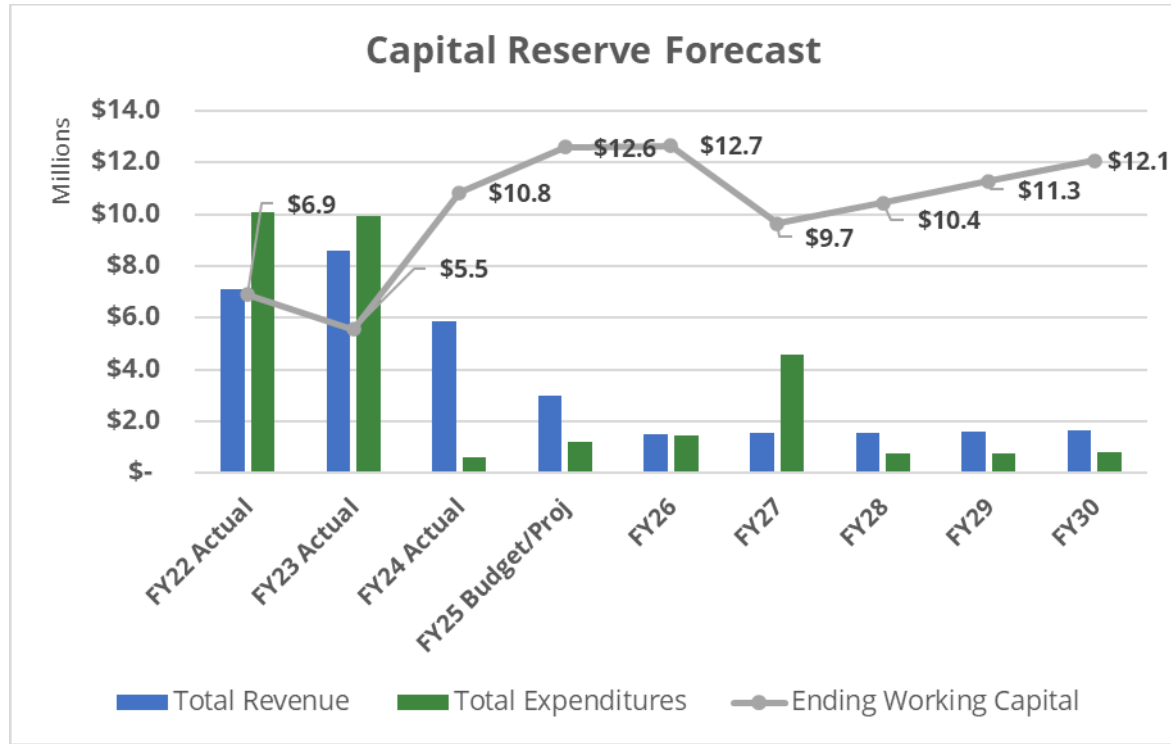
FY 2026 Capital Reserve Resources & Requirements



- The majority of the fund's resources represent a carryforward from previous year's contributions.



Capital Reserve Forecast



- Last large expenditure of \$3.8M is in FY 2025 to finish the DA remodel.
- The forecast does not include spending on additional projects as those have not been prioritized and approved (e.g., downtown campus plan).
- Ongoing costs are a transfer to General County Projects Fund (070) for capital maintenance of ~\$680K/year with a 5% growth assumption.
- Revenue source beginning in FY 2026 is from the TRT fund only.



Capital Reserve Fiscal Issues

- Capital expansion needs are greater than available funds.
- GF can no longer transfer discretionary funds to the reserve.
- There are competing demands on surplus TRT funds.
- 68% of annual TRT transfers are need for capital maintenance and cannot be reserved for future capital.



PERS Reserve Fund (135)

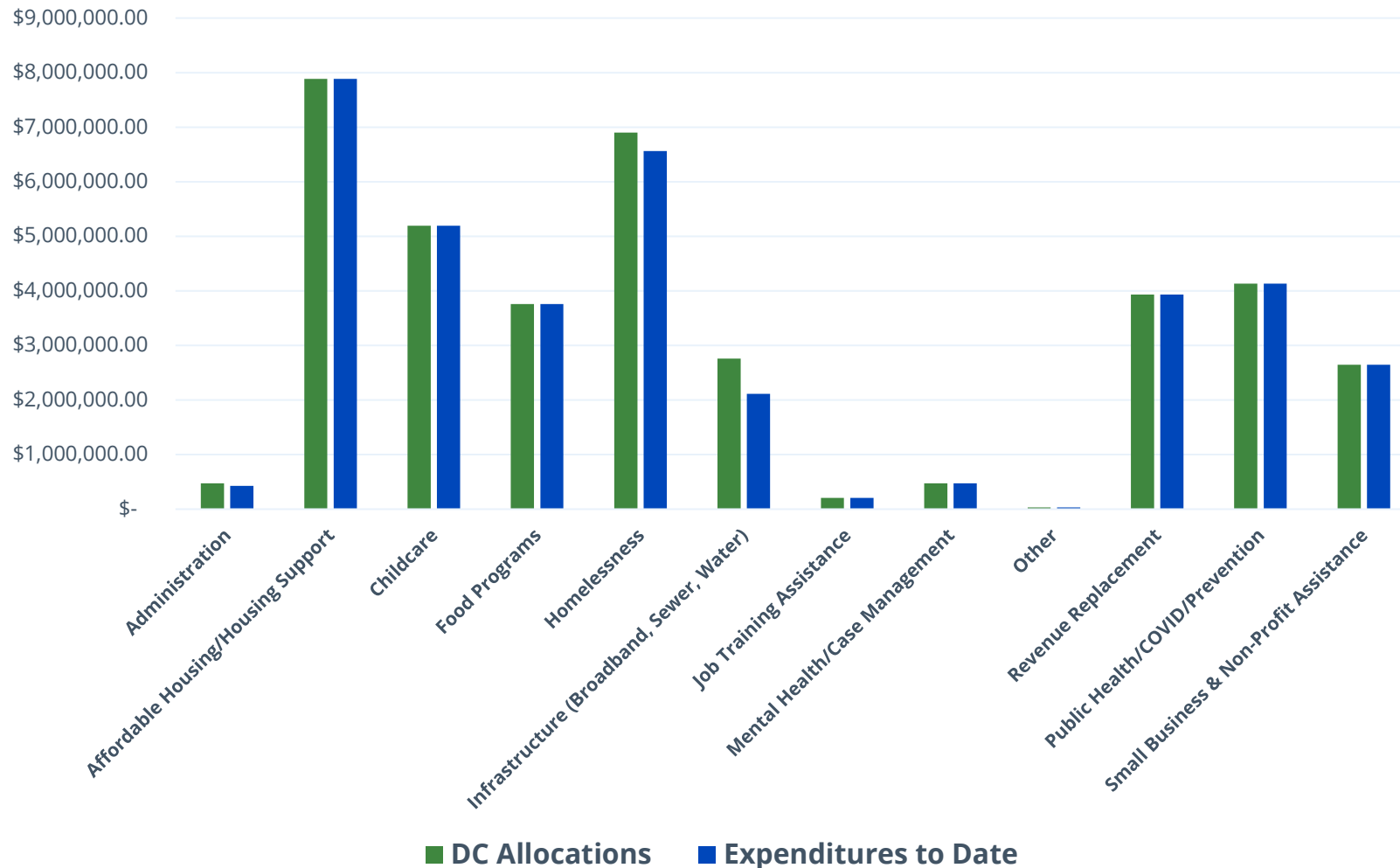
PERS Reserve Fund 135

- The PERS Reserve is made up of available resources from previous years charges to County departments for partial payment of future PERS charges resulting from increases in the PERS rates.
- The PERS Reserve has ~\$5.1M to off-set future PERS increases.
- PERS Side Account:
 - The County's side account contribution in FY 2020 of \$13.0M (State match of \$3.3M) has saved the County an estimated \$9.9M thru FY 2025.
 - Had the \$13.0M been invested instead, the County would have earned an estimated \$1.5M in interest earnings.
 - The County's side account still has a balance of \$16.7M as of December 31, 2023, which will continue to be used to offset future increases.



American Rescue Plan Act Fund (135)

American Rescue Plan Act (ARPA) Fund



- This fund is the largest ever pass through of federal funds to state and local governments.
- The County successfully allocated all \$38,399,353 of ARPA funds.
- The County has expended \$37,339,841 of ARPA funds as of March 31, 2025.
- The remaining balance is scheduled to be spent prior to the Treasury's December 31, 2026 expenditure deadline.



Thank you



Fiscal Year 2026 Proposed Budget Presentation

Finance

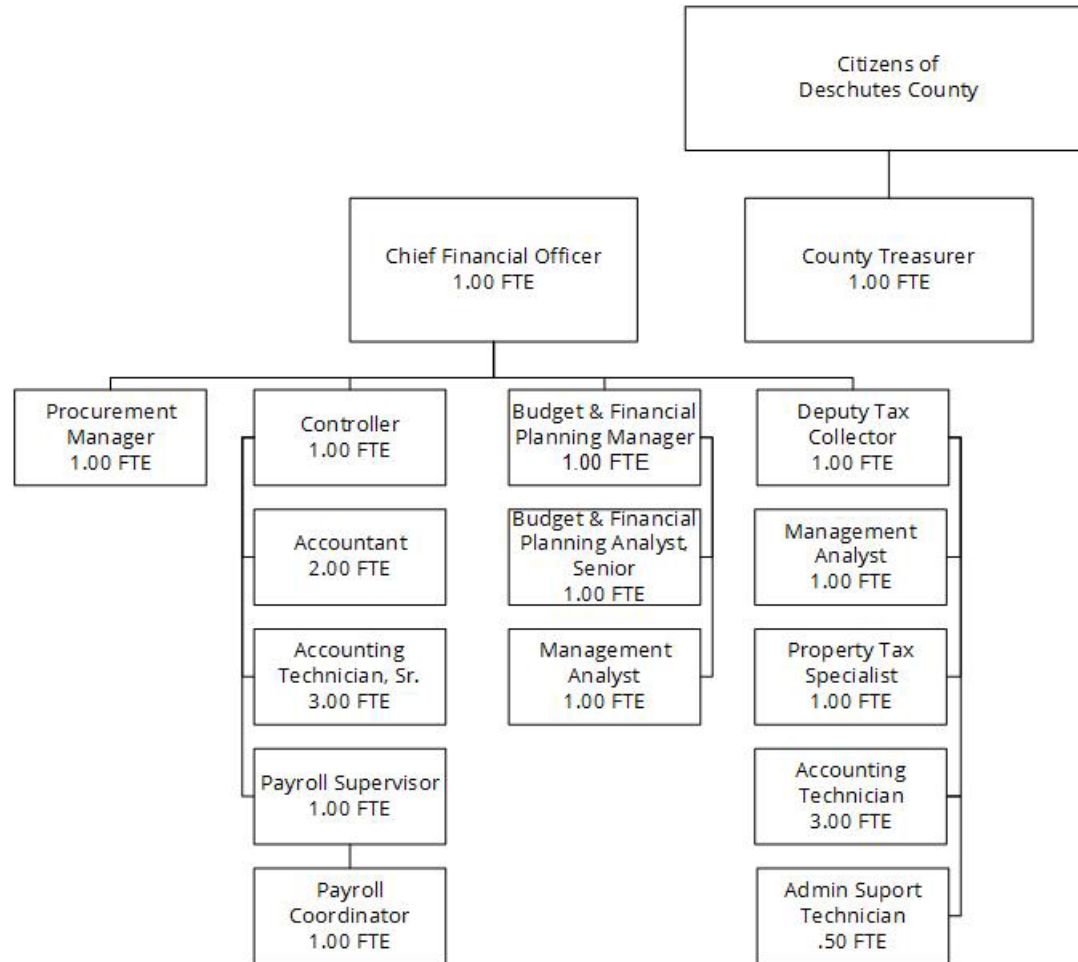
Presenter:

Robert Tintle, Chief Financial Officer



Budget Committee Meeting | May 12, 2025

Finance Overview



20.50 FTE

Mission:

The Finance Department manages the financial activities of the County in accordance with generally accepted accounting principles, with prudence, integrity and transparency.



Finance Overview (continued)

Budget – 3 FTE

Annual Budget
Financial Planning
Financial
Forecasting
ARPA
Administration

Accounting – 8 FTE

Financial Reporting
Payroll
Accounts Payable /
Receivable
General Ledger
Capital Assets
Cash Management

Tax – 6.5 FTE

Property Tax
Collections (3.95 FTE)
Transient Room Tax
Administration
Dog Licensing



Finance Overview (continued)

Procurement – 1 FTE

Procurement
Processes/Resource

Procurement Card

Oregon Buys

Tyler Purchasing
Module

Internal Audit
Recommendations

Treasurer – 1 FTE

Investment
Portfolio

Property Tax
Distribution

General
Banking/Merchant
Services

Community
Engagement

CFO – 1 FTE

Direct Department

Financial Health &
Stability of County

Cash Management

Debt Management

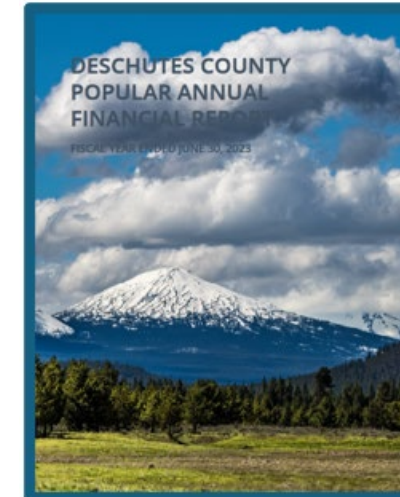
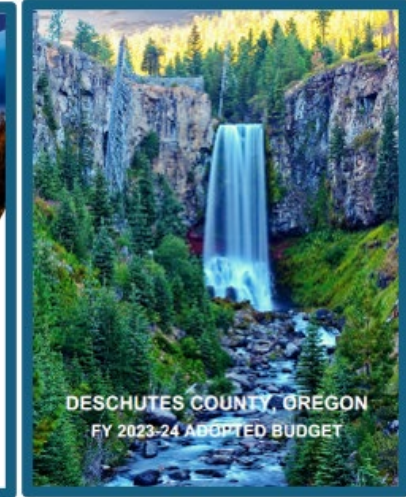
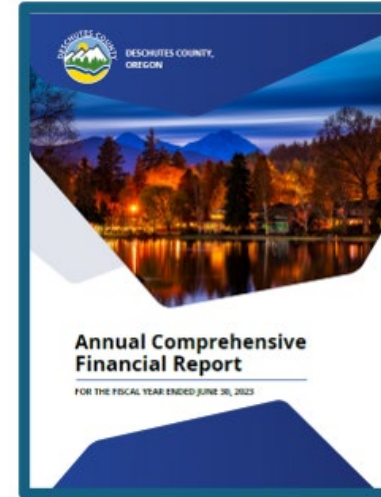
Tax Collector

Room Tax
Administrator



Finance Accomplishments

- Certificate of Achievement for Excellence in Financial Reporting – 23 years
- Distinguished Budget Presentation Award – 17 years
- Popular Annual Financial Report Award – 5 years
- Triple Crown Designation (2 of 36 counties – Deschutes, Jackson)



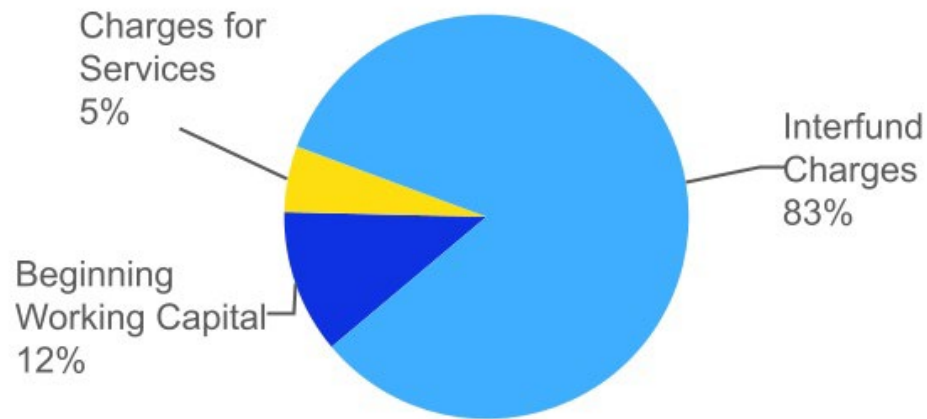
Finance Accomplishments

- Long-term financial forecasts - moving toward a structurally balanced and sustainable budget
- Dog Licensing transitioned to a new convenient, cost-effective online platform - DocuPet
- Implemented Gravity's Annual Comprehensive Financial Report (ACFR) financial reporting solution



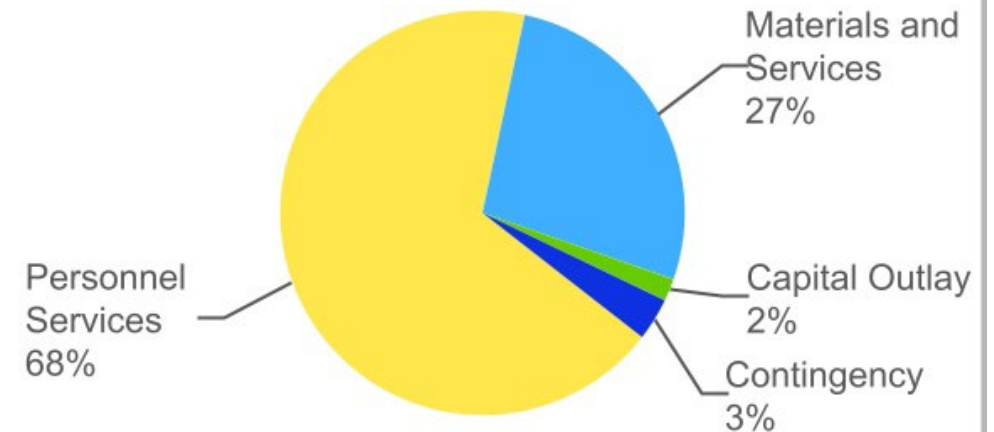
FY 2026 Finance Budget Details

Finance Resources



- Revenue: ISF charges, Investment fees, Misc contracts

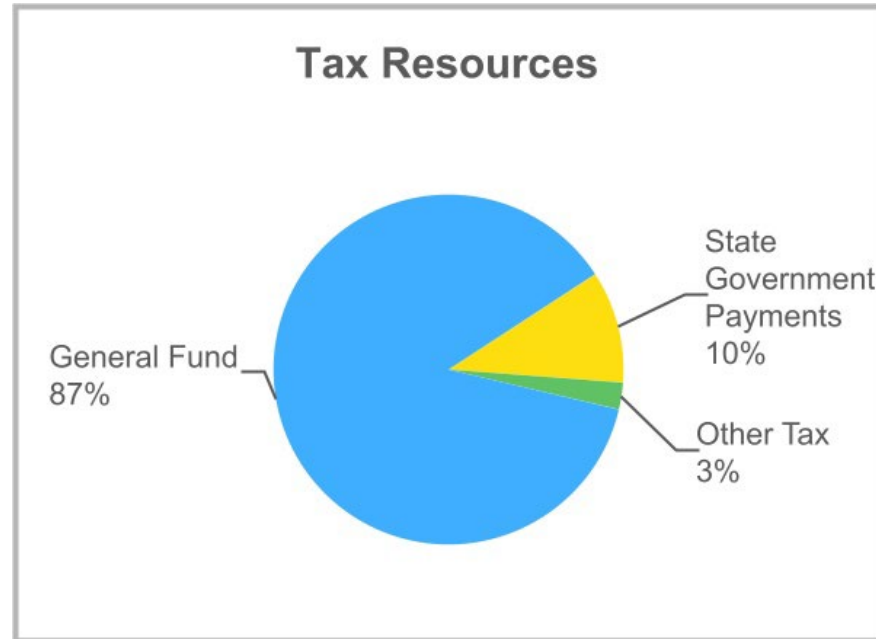
Finance Requirements



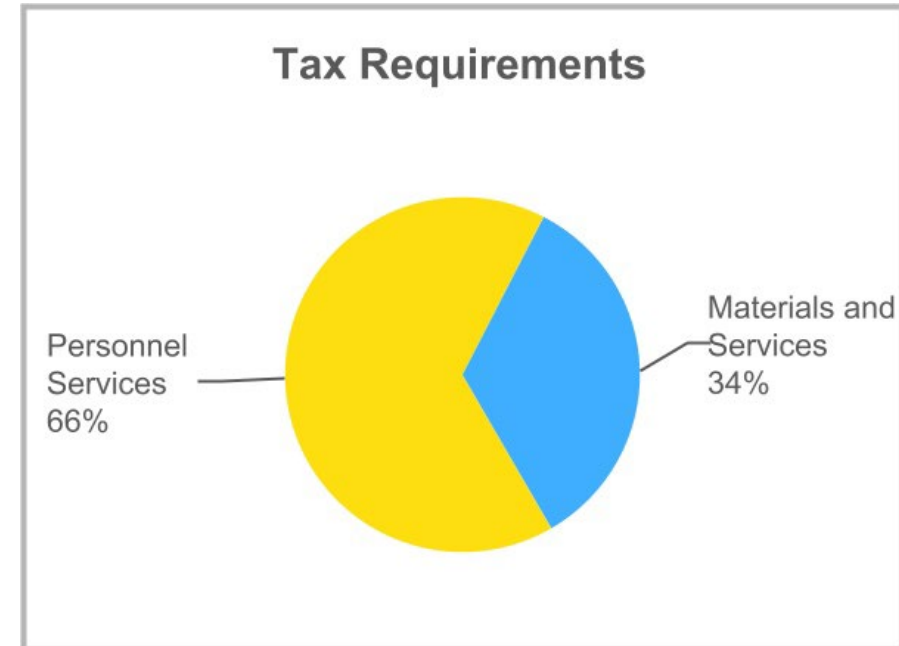
- M&S: audit contract, financial systems software (Tyler, NovaTime, Workiva, Debtbook, Gravity)



FY 2026 Tax Office Budget Details



- State: CAFFA payments
- Other: Tax warrant fees and tax foreclosure fees



- ISF charges
- Building rental
- Postage, printing tax statements
- Helion software



FY 2026 Finance Fiscal Issues

Short-term Fiscal Issues

- County: Sustaining fiscal stability
- Tax: CAFFA funding
- Increased costs for software subscriptions
- Reduced M&S expenditures to balance budget

Long-term Fiscal Issues

- County: Long-term forecast for GF, TRT, Capital Reserve, and major funds
- Maintain Aa1 rating
- Tax: Ongoing CAFFA funding levels
- Monitor delinquent taxes



Current Challenges and Future Initiatives

Challenges

- Foreclosure proceeds under Tyler v. Hennepin
- Implementing new GASB financial reporting standards
- Efficiencies in Enterprise ERP (Munis) system and other software
- Implement a new timekeeping system

Future Initiatives

- Administration of Transient Room Tax program and monitoring of revenues and expenses
- Develop user friendly finance dashboards for public use



Thank you



Fiscal Year 2026 Proposed Budget Presentation

Board of Commissioners and County Administration

Presenters:
Whitney Hale



BUDGET COMMITTEE | MAY 12, 2025

Board of County Commissioners

The Commissioners adopt policies, create and enforce County ordinances, hold hearings and review, amend and adopt the County's budget.



Patti Adair



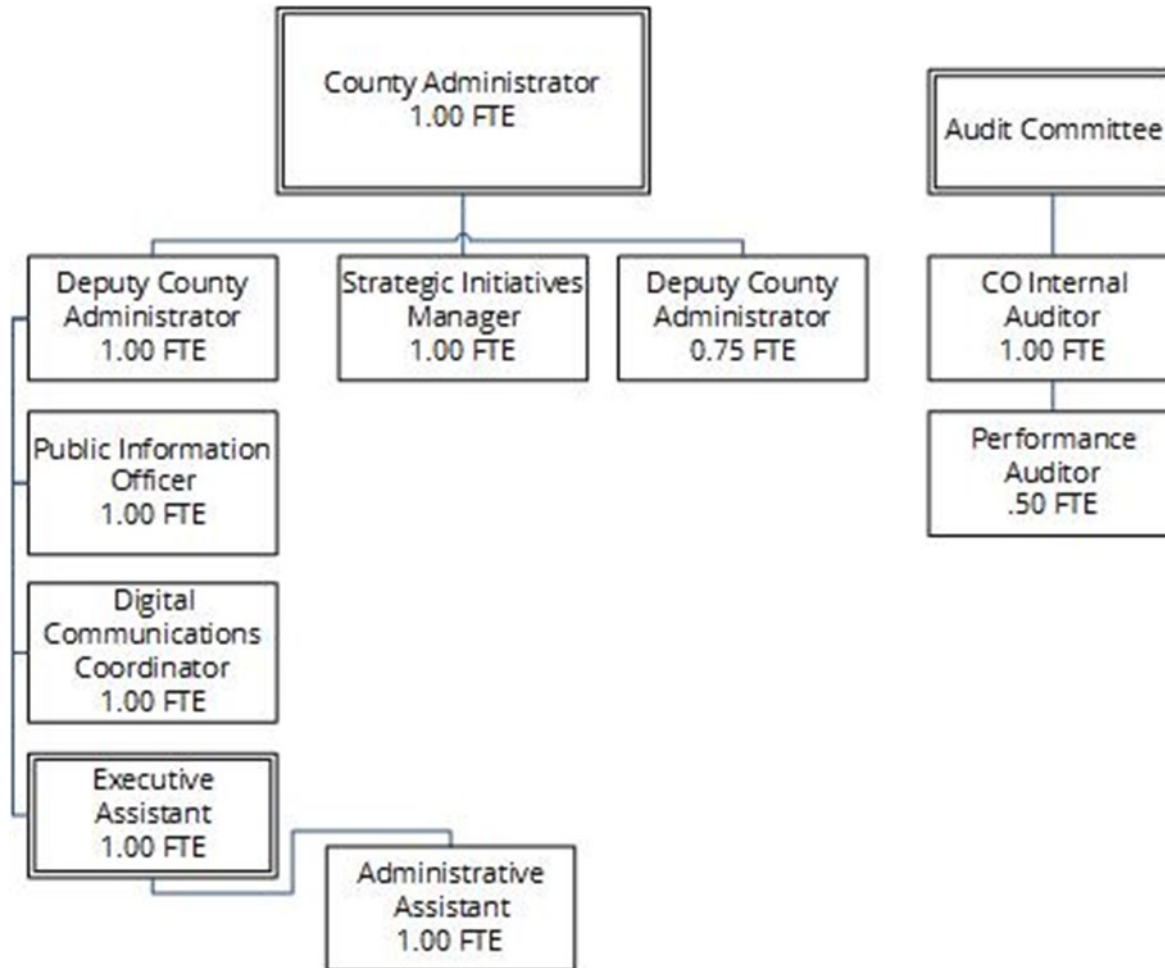
Tony DeBone



Phil Chang



Department Overview



County Administration works collaboratively within the organization and the region to align County work with the County Commissioners' goals and direction, support elected and appointed officials and promote an informed public.



Department Overview

- Administration
- Strategic Initiatives
- Communications
- Committee / Board Support
- Economic Development
- Legislative Affairs
- Performance Management



Department Accomplishments



- Supported departments and staff with retention, recruitment, training, and recognition; office and workspace needs; policy analysis and updates; and major facility projects.
- Supported the Human Resources Department during significant staffing transitions, including the Wage and Equity Study.
- Supported the Coordinated Houseless Response Office, the County's Wolf Depredation Compensation Committee and the Cannabis Advisory Panel.



Department Accomplishments



- Supported departments with public information and marketing campaigns including photos, videos, paid advertising, earned media and more.
- Managed contracted lobbyist to support County legislative priorities and pursue State funding for core County priorities and projects.
- Supported Discretionary Grant Program, and economic development and performance management programs.



Internal Audit Accomplishments

- Internal audit report satisfaction at 92%.
- Internal Audit issued recent performance audits that included recommendations for positive change in: alcohol sales at the County Fair, the Sheriff's Office transition, language access, the Public Health department, the health benefits program, and the Fair and Expo Center RV Park.
- Internal audit provided follow-up to all unresolved recommendations, including issuance of follow-up reporting on: 2024 global follow-up, County Legal, Clerk's Office, custom-developed software, wage equity, Fair and Expo Center, and the Behavioral Health department.
- Continued monitoring of the anonymous whistleblower hotline including investigation and reporting on one substantiated case.
- Oversaw contract with Moss Adams, LLP to conduct review of County financial reporting.



Challenges and Future Initiatives

Challenges

- Continued work with the Coordinated Houseless Response Office to have the strategic plan adopted and continue implementation, transition the Office, establish or designate an existing committee to serve as the required Advisory Body and establish a framework with the Regional Housing Council and related bodies.

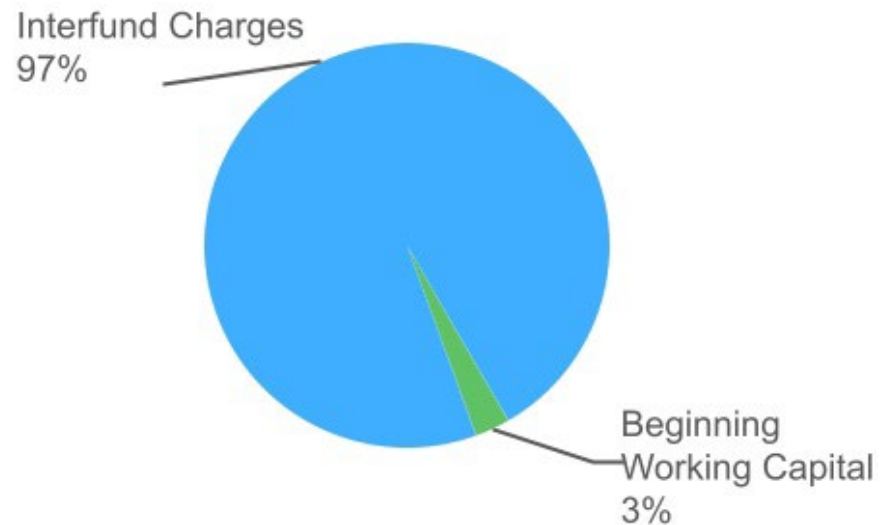
Future Initiatives

- Implement outcomes of Salary, Market, and Equity Review project.
- Continuation of Policy and Rules updates.



FY 2026 Budget Details

Board of County Commissioners Resources



2026 RESOURCES

Total Budget = \$1,032,597

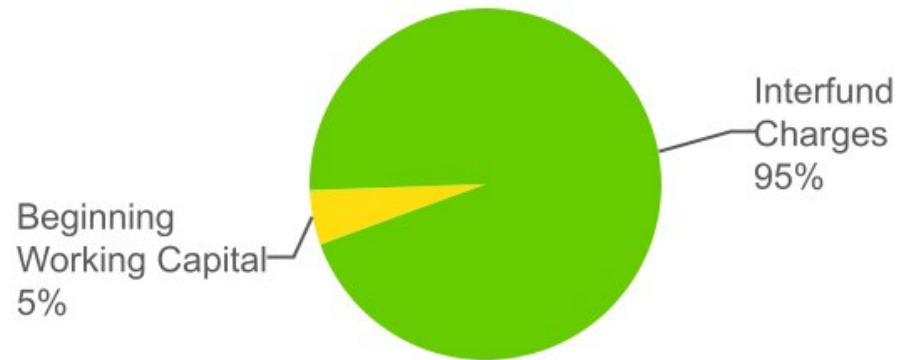
Budget Change = 8.70%

Department charges are based on size of FY 2025 revised budget.



FY 2026 Budget Details

Administrative Services Resources



2026 RESOURCES

Total Budget = \$2,596,991

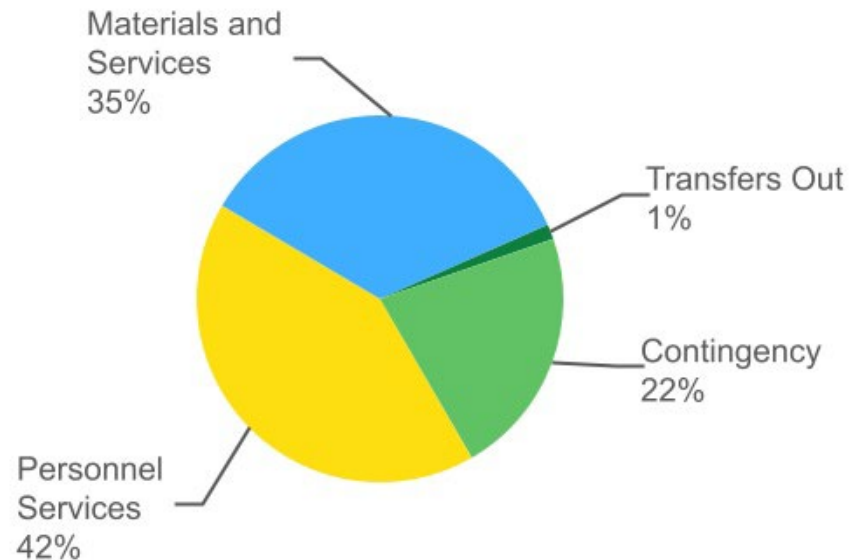
Budget Change = 5%

Department charges are based on size of FY 2025 revised budget.



FY 2026 Budget Details

Board of County Commissioners Requirements



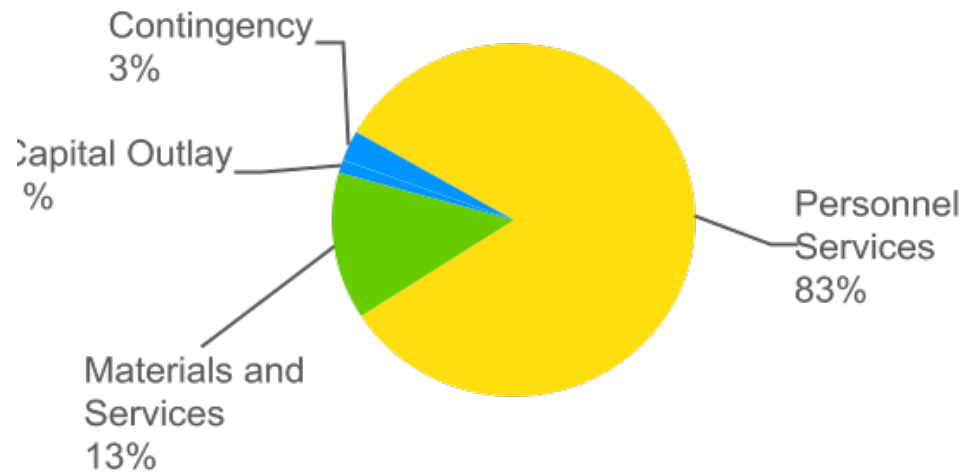
2026 REQUIREMENTS

- Budgeted personnel costs reflect the recommendation from the Elected Officials Compensation Committee for proposed changes to commissioner salaries.
- The difference between the full personnel costs and the EOCC recommendation has been budgeted in Contingency.



FY 2026 Budget Details

Administrative Services Requirements



2026 REQUIREMENTS

- No proposed FTE changes.
- Reduction of Performance Auditor from 1.0 to .5 occurred mid-year.
- Materials and Services: Reductions in Public Information and Audio Visual programs.



Thank you



FY 2026 Proposed Budget Presentation

County Legal

Presenter: Dave Doyle



Budget Committee Meeting | May 12, 2025

Legal Overview

Mission: Provide full service legal advice, support and representation to all county departments; handle ALL transactional and litigation work (except bond work due to ORS requirements); public meetings, public records, contracts, labor negotiations, dog board hearings, property tax appeals, real property transactions, etc.

Also provide General Counsel to DC 911, SRSD, and BBR PD.



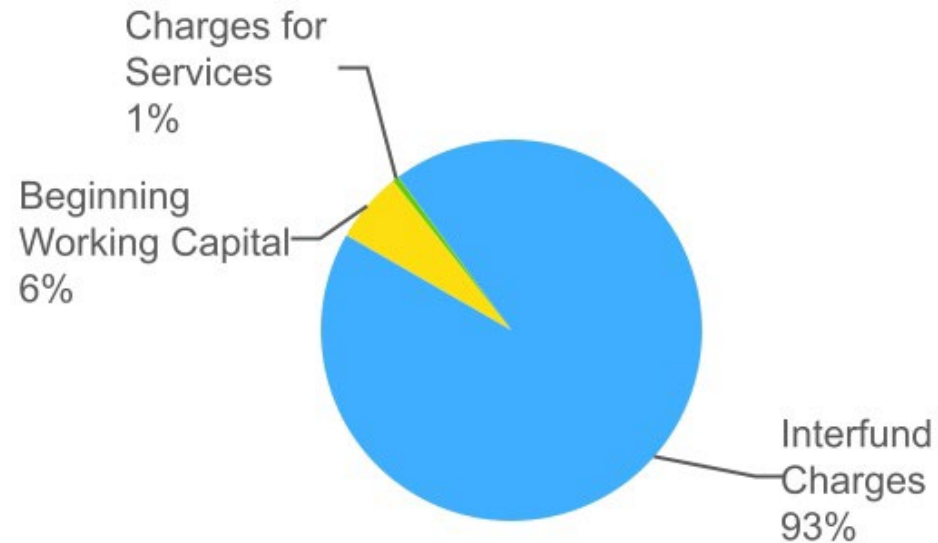
Legal – Who we are? What we do?

- Two paralegals
- One Legal Counsel
- Four Sr. Assistant Legal Counsels –
 - * Litigation
 - * HR/Personnel
 - * Land Use
 - * General Practice

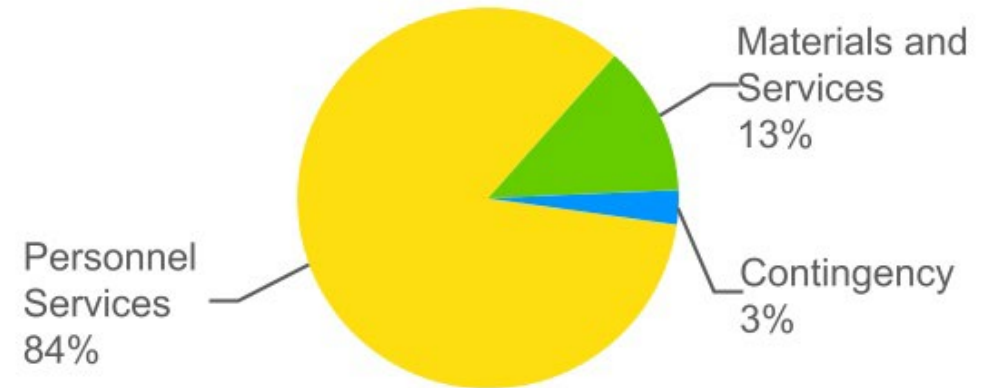


FY 2026 Legal Counsel Budget Details

Legal Counsel Resources



Legal Counsel Requirements



- Status quo budget



Current Challenges and Future Initiatives

Workload & Staffing Challenges

- Upon elimination of Sheriff's Office Legal Counsel (1.5 in house attorneys and 3 external attorneys) providing full legal support for DCSO (savings \$300,000 annually).
- Workload volume increases continuing (has averaged 5% increase annually).

Future Initiatives

- No anticipated capital needs.



Current Challenges and Future Initiatives

Challenges (continued)

- Primary Areas: Health Department; Contract support; emerging issues and programs associated with Homelessness and Housing; litigated land use matters, support for HR & employee matters; BOCC meeting staffing and support; solid waste issues associated with purchase and siting of new landfill.
- Workplace: continue to manage hybrid remote work model; should reduce future office space needs.
- Staffing challenges - staff retention.
- Extended litigation associated with new landfill site.



Thank you



Risk Management

Presenter:
Erik Kropp,
Risk Manager/Deputy County
Administrator



Insurance Programs

Unemployment

-Fully self-insured
(proposed
legislation related
to workers striking)

Vehicle

-Fully self-insured

Property

-Insure buildings
and equipment



Insurance Programs (cont.)

General Liability

- Self-insured up to \$1 million
- Excess GL policy for \$1 million - \$10 million
- Super Excess GL policy for \$10 - \$20 million

Workers Comp

- Self-insured
- Purchase excess policy: \$1 million for sworn; \$500k other

Cyber

- Costs more for less every year



Current Challenges

- Cross training of staff
- Workers comp PTSD claims
- More conversations on insurance requirements for contracts
- Condition of Skid Car pad



Thank you



FY 2026 Proposed Budget Presentation

Property Management



Budget Committee Meeting | May 12, 2025

Department Overview

Property Management is a Division of Administration

Mission: Cost effectively manage the County's real estate portfolio, advise the Board of County Commissioners of property acquisition and disposition opportunities, and provide quality customer service to those we serve.

- ✓ Inventory consists of approximately 630 properties,
 - Asset
 - Foreclosed
 - Park Designated
- ✓ +/- 40 Leases and Licenses
- ✓ Acquisitions, dispositions, easements, misc. homelessness, etc.



Property Management Accomplishments

Initiated and completed several transactions/projects to support affordable housing, economic growth, and public interest, including:

Real Estate Transactions

- 3.27-acres Drafter Road, La Pine, Foundation for Affordable Housing
- 3.38 -acres La Pine Industrial, private sales
- 0.57-acres La Pine Industrial, City of La Pine
- 0.21-acres Newberry Neighborhood, City of La Pine
- 67 NW Greenwood, Bend, private sale
- 907 SW 12th Street, Redmond, Adult Foster Care Home for Intellectual/Developmental Disabilities program
- 9.48-acres East Redmond, Mountain View Community Development
- 300-acres East Redmond, CORE3/COIC (in process)
- 137.27-acres East Redmond, Department of State Lands (in process)

Other

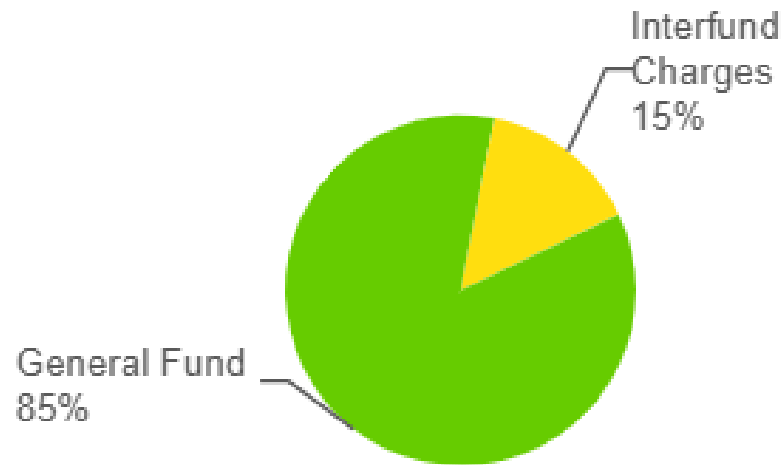
- 10-acres East Redmond, Managed Camp (in process)
- 50-acres Juniper Ridge, Temporary Safe Stay Area
- 3,200 LF Juniper Ridge, Swalley Irrigation District fortification
- 30-acres fire fuels mitigation, La Pine
- 62-acres fire fuels mitigation, Bend



FY 2026 Property Management Budget Details

Fund 001-25 Property Management

Property Management Resources



FY 2026 RESOURCES

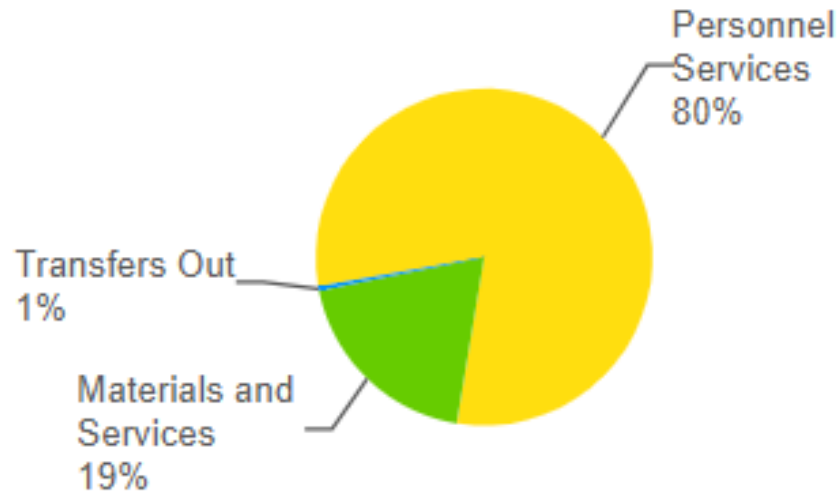
- Interfund Charges includes funds from Property Development & Debt Reserve fund



FY 2026 Property Management Budget Details

Fund 001-25 Property Management

Property Management Requirements



FY 2026 REQUIREMENTS

- 74% increase to ISFs, since FY 2023



FY 2026 Property Management Budget Details

Fund 090 Project Development & Debt Reserve

	FY 2023 Actual	FY 2024 Actual	FY 2025 Budget	FY 2026 Proposed	FY 2026 Approved	FY 2026 Adopted	% Chg FY 2026
Beginning Working Capital	\$2,507,565	\$2,667,847	\$3,377,784	\$5,408,196	\$ —	\$ —	60.11 %
Charges for Services	16,218	6,082	9,500	385,500	—	—	3957.89 %
Interest Revenue	41,757	95,985	88,186	122,036	—	—	38.38 %
Other Non-Operational Revenue	341,868	362,729	316,322	198,149	—	—	(37.36)%
Interfund Charges	490,453	490,704	490,704	30,780	—	—	(93.73)%
Transfers In	—	644,964	—	—	—	—	— %
Sales of Equipment	737,040	15,850	1,015,000	70,000	—	—	(93.10)%
Total Resources	\$4,134,900	\$4,284,161	\$5,297,496	\$6,214,661	\$ —	\$ —	17.31 %
Materials and Services	\$ 173,587	\$ 374,038	\$1,010,574	\$1,245,652	\$ —	\$ —	23.26 %
Capital Outlay	574,495	—	2,787,277	4,610,909	—	—	65.43 %
Transfers Out	718,971	532,339	712,600	12,003	—	—	(98.32)%
Reserve	—	—	787,045	346,097	—	—	(56.03)%
Total Requirements	\$1,467,053	\$ 906,377	\$5,297,496	\$6,214,661	\$ —	\$ —	17.31 %



FY 2026 Property Management Fiscal Issues

Short-term Fiscal Issues

- The costs associated with supporting encampments, and accumulated trash, debris and other related challenges on County-owned property
- Increased costs for goods and services
- Impacts resulting from House Bill 4056 and pending 2025 Legislation

Long-term Fiscal Issues

- Impacts from encampments
- Fire fuel mitigation on County-owned property



Current Challenges and Future Initiatives

Challenges

- Continued increase of workload demands within Property Management, which includes complex project management and competing priorities
- Ongoing training of staff
- Navigating the complexities associated with encampments
- Outcome of House Bill 4056 and pending 2025 Legislation

Future Initiatives

- Determine best practices, processes and procedures, and recommend policy changes resulting from 2025 Legislative changes
- Examine real estate portfolio management system
- Explore the opportunity and feasibility to implement a real estate asset management plan



Thank you



FY 2026 Proposed Budget Presentation

Veterans' Services

Presenter:

Erik Kropp for Sean Kirk

Manager, Veterans' Services Office



Budget Committee Meeting | May 12, 2025

Deschutes County Veterans Services

Vision Statement:

To honor Veterans of our community, state, and country by ensuring accurate and timely submissions of benefit packets to the appropriate approving agencies to ensure eligible benefits are received with the earliest possible effective date without delay.

Mission Statement:

Help increase the quality of life for our Veterans regardless of rank or service through advocacy and support with our community partners. Ensure our Veterans know their sacrifices matter and are not forgotten. Honor the Veteran's family and support them just as they supported their hero.



Strategic Goals & Lines of Effort

LOF1: Mobilize Partnerships

Partner with County, State, and Federal agencies for encompassing support and pathways forward. Reach private and non-profit sectors for outreach support. Connect all networks in support of Veterans and their families.

LOF2: Target Veteran Services

Ensure we are always trained and accredited with the most recent developments, court cases, and curriculums available. Staff Veterans' Services with the correct amount of personnel to provide all necessary services.

LOF3: Veteran Engagement

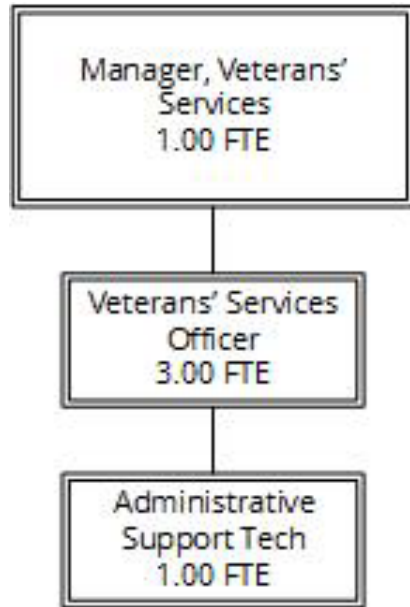
Amplify awareness through outreach within the community and Veteran services. Help build the Veteran and family brand with a deeper connection and positive experience of provided services.

Directly support both county and state concepts, initiatives, and goals in support of federal benefit programs for all qualifying Veterans with honor and dignity.

	HONORABLY SERVE THOSE WHO HAVE SERVED US WITH DIGNITY AND RESPECT. EVERY VETERAN'S STORY IS UNIQUE.	
V E T S		F A M I L I E S



Veterans' Services Overview



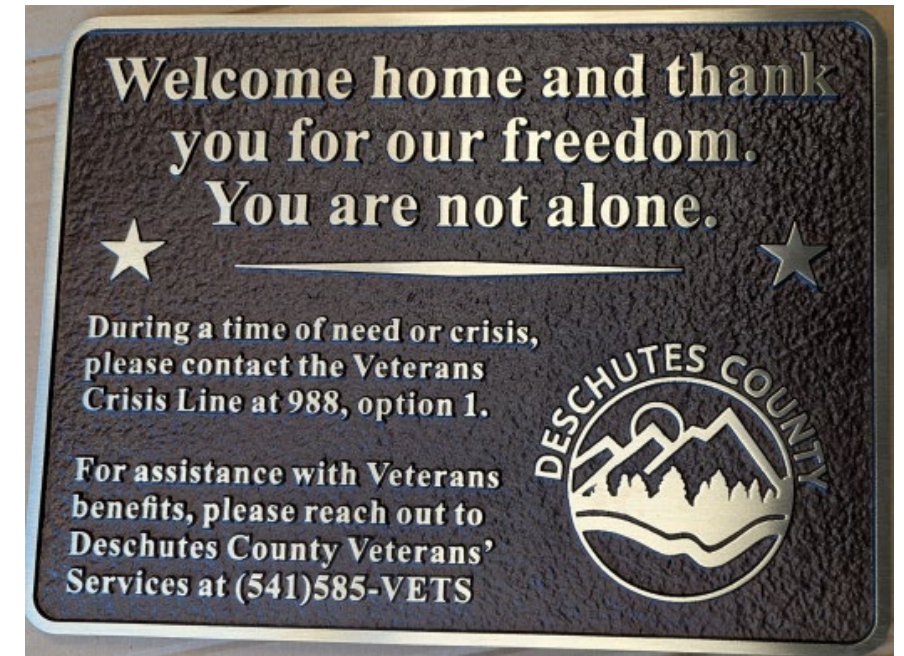
Honoring Veterans' service and helping them navigate state and federal systems in pursuit of benefits they qualify for.



Veterans' Services Overview (cont.)

We assist in connecting Veterans and their families with:

- Disability compensation
- Pension
- Healthcare
- Vocational Readiness
- Survivor's benefits
- Death benefits
- Limited education benefits
- State benefits
- Ordering records
- Referrals to other community resources



Veterans' Services Accomplishments



- Attended seven community events this year (two events the previous year).
- Maintained a 10 day or less wait time for services.
- Conducted 2,463 appointments with veterans and family members this year (1,773 last year) (as of 31 Mar 25).
- Brought in over \$4.476 million to our veterans thus far this year (compared to \$2.2 million this time last year) (as of 31 Mar 25).



Veterans' Services Accomplishments

Completed file conversion:

Compiled over 15 years of hard copy records. Project took just over one year to complete. Files were uploaded to our Tyler system then shredded.

We hired a full-time temp employee for the project duration which enabled to maintain 100% of active daily operations.

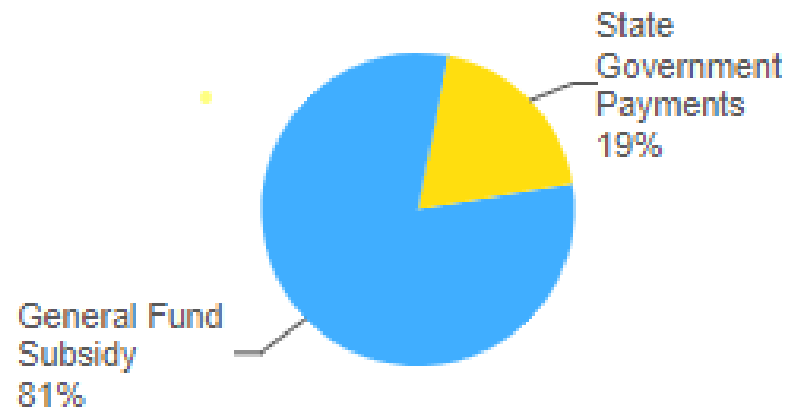


Room is now used for outreach event storage.



FY 2026 Finance Budget Details

VETERANS' SERVICES RESOURCES



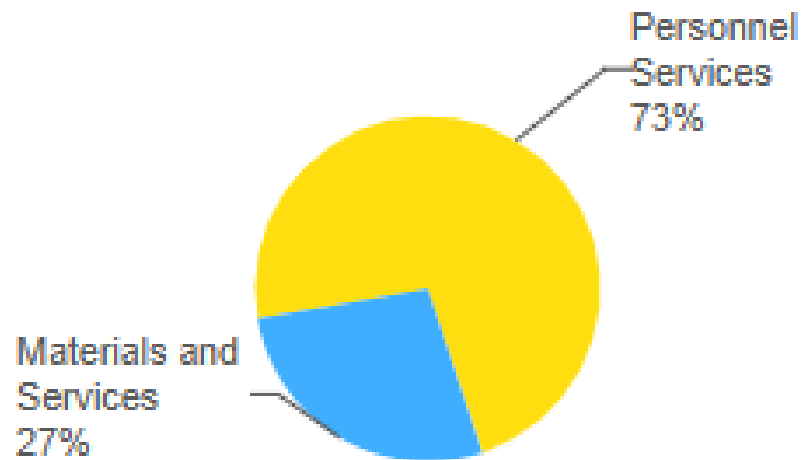
FY 2026 RESOURCES

- State pass through funds
- County General Fund



FY 2026 Finance Budget Details

VETERANS' SERVICES REQUIREMENTS



FY 2026 REQUIREMENTS

- 73% of requirements is used for personnel.
- 27% of requirements goes toward materials and services.



FY 2026 Finance Fiscal Issues

Fiscal Issues

- We have no fiscal issues even with limited growth.

Operational Challenges

- Maintaining the 10 day wait time for services
- Conducting outreach services to other areas of the county
- Attending outreach events within the county



Remember: Every Veteran's story is different.

Thank you



FY 2026 Proposed Budget Presentation

Facilities

Presenters:

Lee Randall, Director

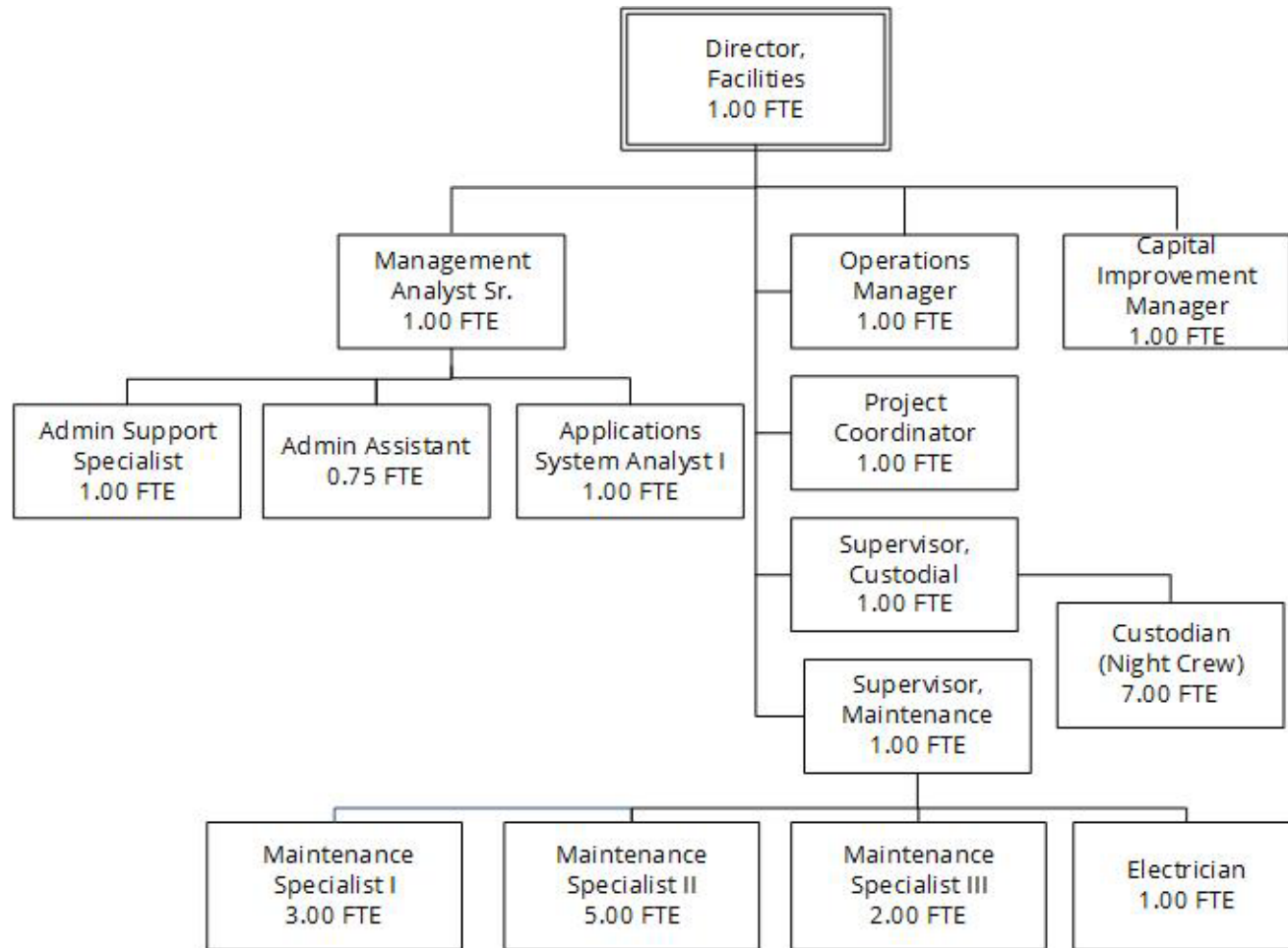
Jessica Campbell, Management Analyst

Eric Nielsen, Capital Improvement Manager



Budget Committee Meeting | May 12, 2025

Facilities Overview



Develop and manage County-owned facilities and buildings to protect and enhance the value of public assets, provide a safe and efficient workplace for County employees and visitors and support future opportunities for community improvement



Facilities Overview (cont.)



- Facility Management
- Building and Grounds Maintenance
- Custodial Services
- Capital Improvement





Department Accomplishments: Operations and Maintenance



- Recovery Center HVAC system replacement
- Xeriscape water conservation project at the 9-1-1 Dispatch/Oregon State Police facility
- Carpet replacement in existing courtrooms
- HVAC controls and LED lighting upgrades
- 9-1-1 Dispatch/Oregon State Police—LED lighting upgrade and energy conservation project



Department Accomplishments: Capital Improvements

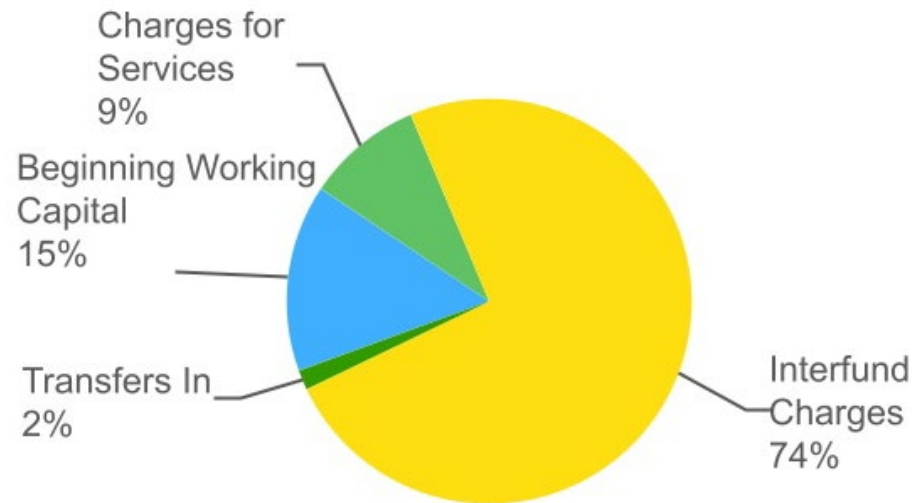


- Courthouse Expansion: construction of concrete structure underway
- Downtown Bend Campus Parking and Accessibility Improvements: design and permitting complete
- Development of Fairgrounds Solar Project
- Development of Construction Management Manual



FY 2026 Facilities Budget Details

Facilities Resources



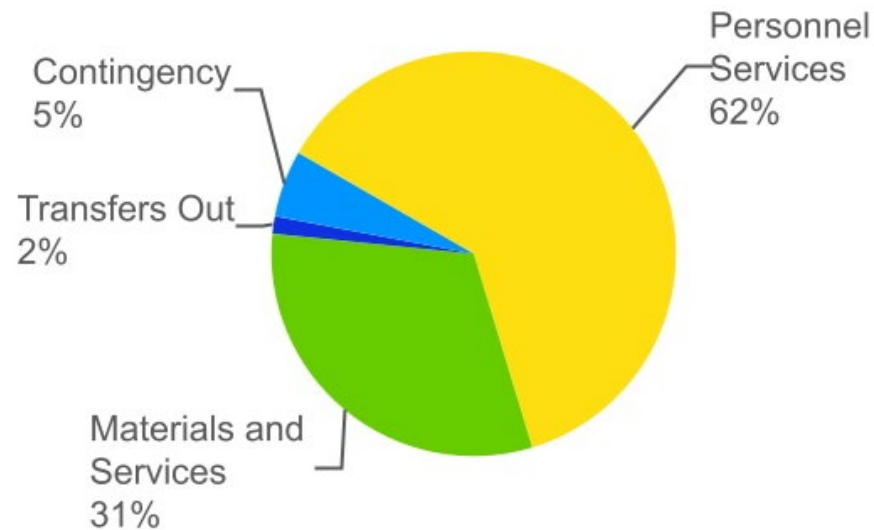
FY 2026 RESOURCES

- Majority of our resources come from internal service charges
- Facilities also receives resources from services provided to tenants (OSP, ODHS)



FY 2026 Facilities Budget Details

Facilities Requirements



FY 2026 REQUIREMENTS

- Total increase of 6.9%
- Reduced escalation in contracting and material costs versus previous year
- Slower rate of personnel cost increases over previous year
- Less than 4% increase to Internal Service Fund charges



FY 2026 Facilities Fiscal Issues

Short-term Fiscal Issues

- Increased demand for service and maintenance
- Increased custodial contracting costs
- Uncertain impact of tariffs and economic instability

Long-term Fiscal Issues

- Preparation of accurate conceptual project budgets due to changing economic and construction environments
- Increased cost of capital asset replacement for aging segments of our facility portfolio



Current Challenges and Future Initiatives

Challenges

- Expanding capacity in response to increased work orders due to county-wide growth and aging facilities.
- Maintaining service delivery levels in response to the growth of direct service departments.

Future Initiatives

- Refinement of Facility Condition Assessments to determine future capital maintenance needs
- Technical training for HVAC technicians to increase capacity for maintenance of direct digital control (DDC) of HVAC systems
- Focus on safety and resiliency through seismic upgrades and building safety and security improvements



FY 2026 Capital Maintenance and Capital Improvement

- Two programs:

Capital Maintenance - Repair and replacement of building systems, exterior envelope and hardscapes (Fund 070)

Capital Improvement - Construction, remodels, and facility and campus planning (Fund 463)



FY 2026 Key Capital Maintenance Projects



- Elevator Modernization: Juvenile Community Justice
- HVAC Equipment Replacement: Deschutes Services Building
- Major Envelope Improvements: South County Services Building exterior paint and roof replacement
- LED Lighting Upgrades: Juvenile Community Justice
- Parking Lot Improvements: Community Justice Redmond Services Building



FY 2026 Key Capital Improvement Projects



- District Attorney's Office Remodel
- Courthouse Expansion
- Parking and Accessibility Improvements: Bend Downtown Campus
- Planning: Bend Downtown Campus
- Adult Foster Care Homes—state grant funded purchase and remodel of residential homes



FY 2026 Capital Maintenance and Capital Improvement

- FY 2026 Proposal:

Capital Maintenance -

\$ 4,096,279

Capital Improvement -

\$ 26,332,661



Fund 070: Five-Year Projection



Fund 070 General County Projects 5-Year Projection

	FY2026	FY2027	FY2028	FY2029	FY2030
Property Tax (4.7% increase annually)	\$ 1,274,000	\$ 1,333,878	\$ 1,396,570	\$ 1,462,209	\$ 1,530,933
Fund 060 Transfer (5% increase annually)	682,500	716,625	752,456	790,079	829,583
Beginning Cash	1,943,779	1,730,279	1,545,782	1,435,609	928,921
Total Resources	\$ 3,900,279	\$ 3,780,782	\$ 3,694,809	\$ 3,687,897	\$ 3,289,437

PROJECT	FY2026	FY2027	FY2028	FY2029	FY2030
Major Envelope	\$ -	\$ 75,000	\$ 175,000	\$ 750,000	\$ 750,000
Roofs	465,000	600,000	550,000	550,000	500,000
Major Maintenance	755,000	640,000	659,200	678,976	699,345
HVAC	690,000	650,000	600,000	500,000	500,000
Elevator modernization	125,000	125,000	125,000	125,000	125,000
Miscellaneous	135,000	145,000	150,000	155,000	160,000
	-	-	-	-	-
Total Expenses	\$ 2,170,000	\$ 2,235,000	\$ 2,259,200	\$ 2,758,976	\$ 2,734,345

	FY2026	FY2027	FY2028	FY2029	FY2030
Reserve for future expenditure	\$ 1,629,678	\$ 1,170,000	\$ 760,000	\$ 400,000	\$ 300,000
Ending fund balance	\$ 100,601	\$ 375,782	\$ 675,609	\$ 528,921	\$ 255,091



Fund 463: Five-Year Projection



Fund 463 Capital Projects 5-Year Projection

PROJECT	FY2026	FY2027	FY2028	FY2029	FY2030
Downtown Parking & Accessibility Improvements	\$ 3,352,000	\$ -	\$ -	\$ -	\$ -
Courthouse Expansion	20,933,998	874,960	-	-	-
Gray Courthouse Improvements	655,000	3,845,000	-	-	-
BOCC Remodel	110,000	-	-	-	-
South County Services Behavioral Health Remodel (Health transfer)	216,000	1,750,000	-	-	-
Downtown Campus Plan	390,000	100,000	-	-	-
Potential Future Downtown Campus Projects	-	100,000	2,000,000	2,500,000	2,500,000
Total Expenses	\$ 25,656,998	\$ 6,669,960	\$ 2,000,000	\$ 2,500,000	\$ 2,500,000

Capital Projects Managed by Facilities and Funded by Departments 5-Year Projection

PROJECT	FY2026	FY2027	FY2028	FY2029	FY2030
Health Services - Adult Foster Care	\$ 600,000	\$ -	\$ -	\$ -	\$ -
9-1-1 Service District - Dispatch Console Replacement and Remodel	1,350,000	-	-	-	-
Solid Waste - Material Recovery Facility	1,000,000	20,000,000	14,000,000	-	-
Solid Waste - Compost Facility Expansion	500,000	3,000,000	-	-	-
Solid Waste - Southwest Transfer Station	-	2,000,000	5,000,000	15,000,000	-
Solid Waste - New Landfill	-	-	1,000,000	2,000,000	4,000,000
Public Safety Campus Projects	-	-	1,500,000	8,500,000	8,500,000
Total Expenses	\$ 3,450,000	\$ 25,000,000	\$ 21,500,000	\$ 25,500,000	\$ 12,500,000



Thank you

Questions?



Fiscal Year 2026 Proposed Budget Presentation

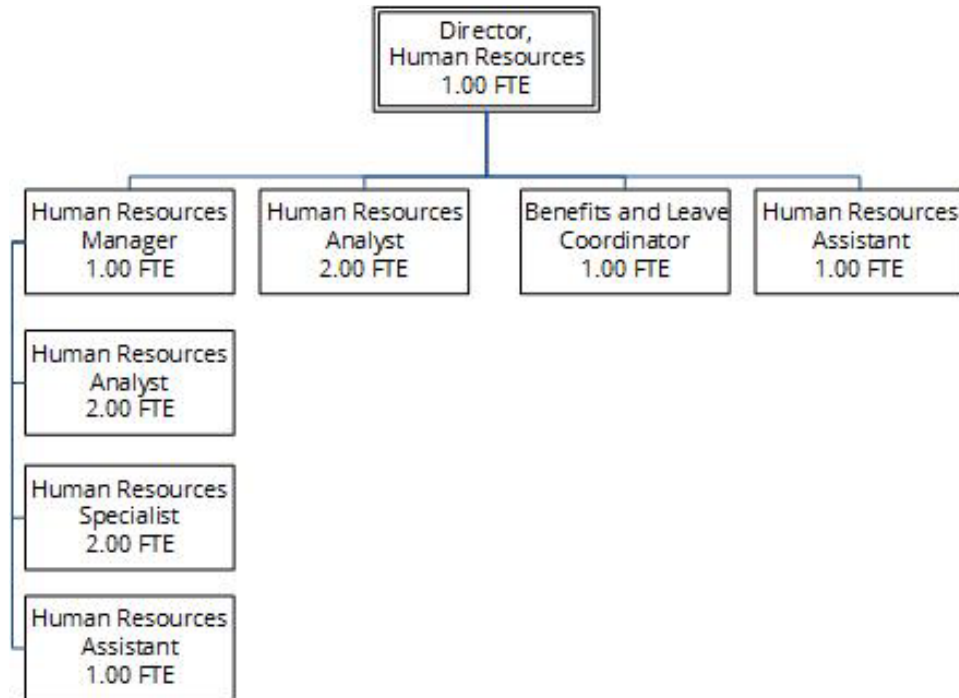
Human Resources

Presenters:
Whitney Hale



Budget Committee Meeting | May 12, 2025

Department Overview



Mission: *We partner to develop people and an organization to meet the vision and objectives of Deschutes County.*



Department Overview

- Employment Services
- Talent Acquisition
- Classification & Compensation
- Performance Development
- Employee & Labor Relations
- Benefits & Leave Administration



- E.

Department Accomplishments

	FY22			FY23			FY24			FY25 (as of Feb)		
	# of Recruitments	Total Apps Received	Apps per Recruitment	# of Recruitments	Total Apps Received	Apps per Recruitment	# of Recruitments	Total Apps Received	Apps per Recruitment	# of Recruitments	Total Apps Received	Apps per Recruitment
<i>Deschutes County</i>												
Grand Total	299	3744	13	314	5444	17	248	5699	23	177	3497	20
% from prior year	38%	-23%	-44%	5%	45%	38%	-21%	5%	33%	-29%	-39%	-14%

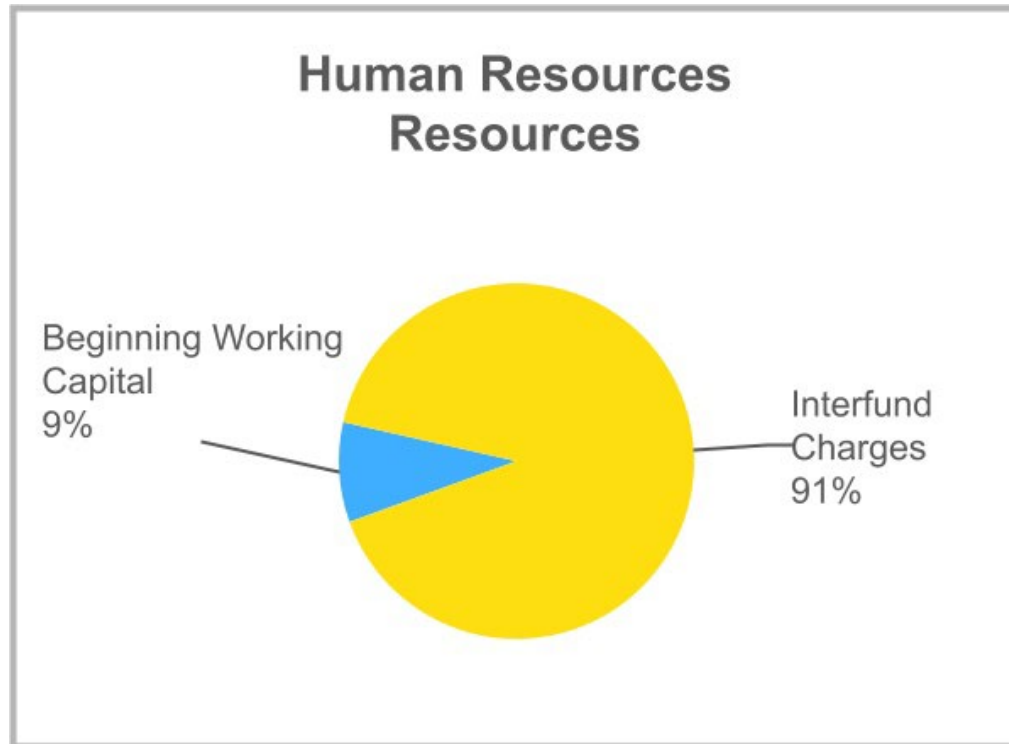
	FY22	FY23	FY24	FY25 (as of Feb)
Deschutes County FTE				
Budgeted FTE	1154	1233	1254.96	1255.96
FTE increase over prior year	83	78	22	1
FTE % increase over prior year	8%	7%	2%	0%
Vacancy rate	10.26%	10.43%	10.55%	10.29%

Turnover Report	FY22	FY23	FY24	FY25 (as of Feb)
All Employees				
Total Turnover - All Employee	162	170	119	72
Total Percent of FTE	15.1%	15.1%	10.6%	6.4%
Supervisors				
Total Turnover - Supervisor	16	16	11	18
Total Percent of Supervisor	8.6%	8.2%	13.1%	10.6%

On pace to complete over 200 recruitments this fiscal year.



FY 2026 Department Budget Details



2026 RESOURCES

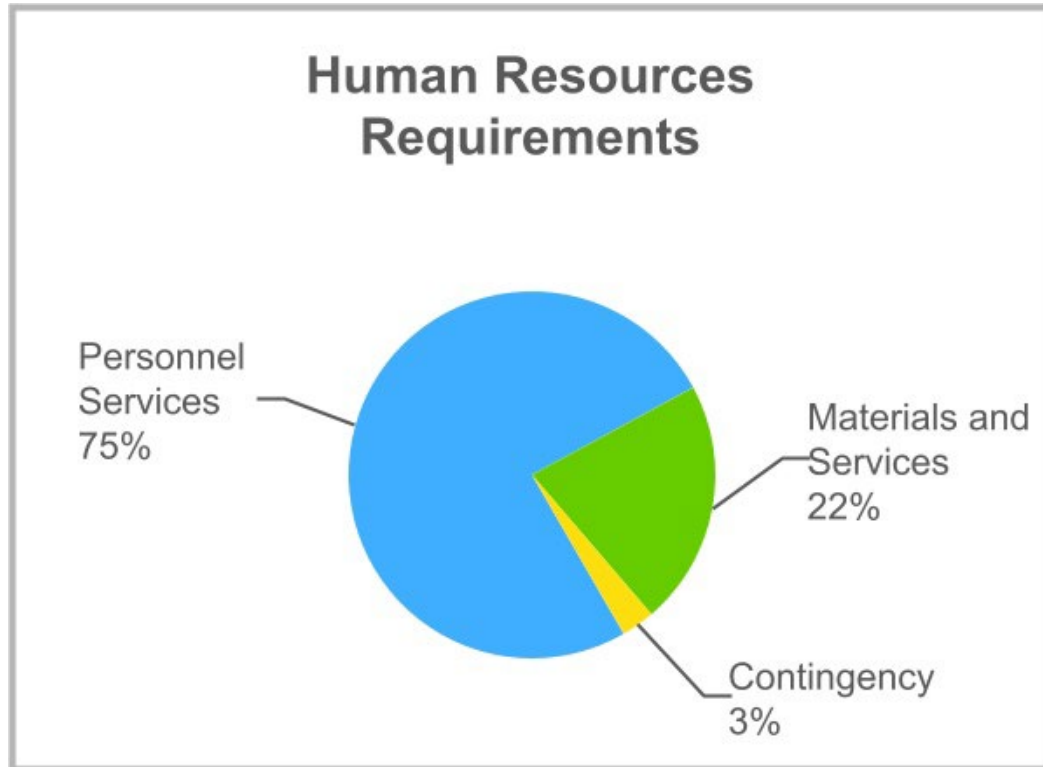
Total Budget = \$2,650,520

Budget Change = 8.5%

*Department charges are based
on budgeted FTE.*



FY 2026 Department Budget Details



2026 REQUIREMENTS

Reallocated 1 FTE to support increased workload in leave administration (PLO).

Materials and Services:
Increase in cost of services generally and especially for training and technology.



FY 2026 Department Fiscal Issues

Short-term Fiscal Issues

- Plan for potential impacts of the Salary, Market, and Equity Review project.
- Continue to build the Health Benefit Fund reserve.

Long-term Fiscal Issues

- Increased cost of living and rising mortgage rates will continue to be a factor in attracting talent to the area.
- Balancing fiscal sustainability and increased costs of personnel expenses.
- Balance providing robust and competitive health insurance and benefits package while managing the surging costs of health care.



Current Challenges and Future Initiatives

Challenges

- Leadership transition within HR (HR Director and Manager changes within one year).
- Managing Paid Leave Oregon and integration with County leave programs.
- Address skill gaps in next generation supervisors with enhanced trainings and support.
- Review, evaluate, and create improved processes within HR systems.

Future Initiatives

- Implement outcomes of Salary, Market, and Equity Review project.
- Continuation of Policy and Rules updates.



Fiscal Year 2026 Proposed Budget Presentation

Health Benefits Fund

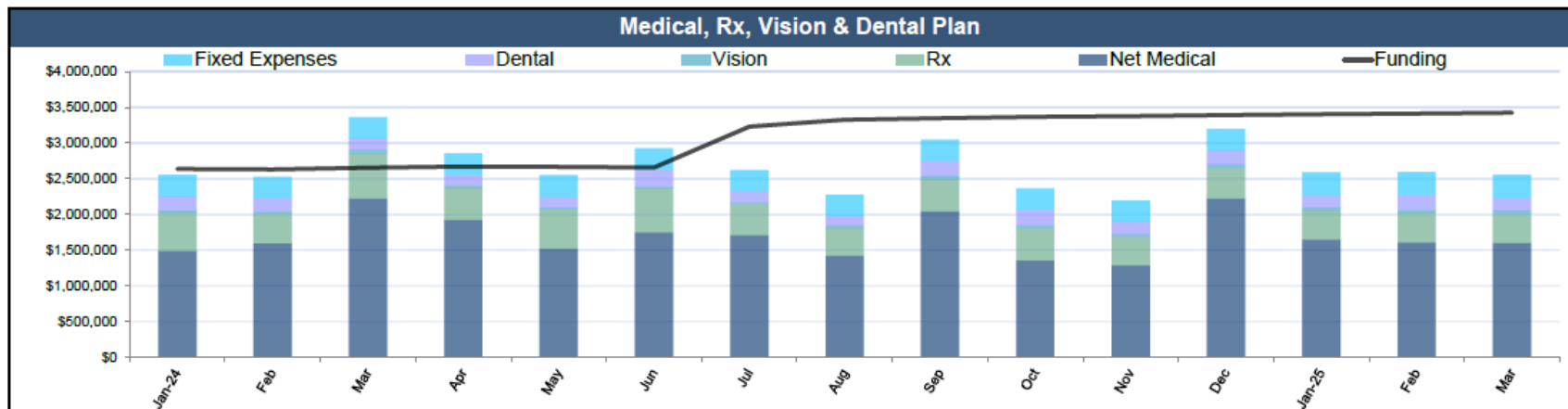
Presenter:
Whitney Hale



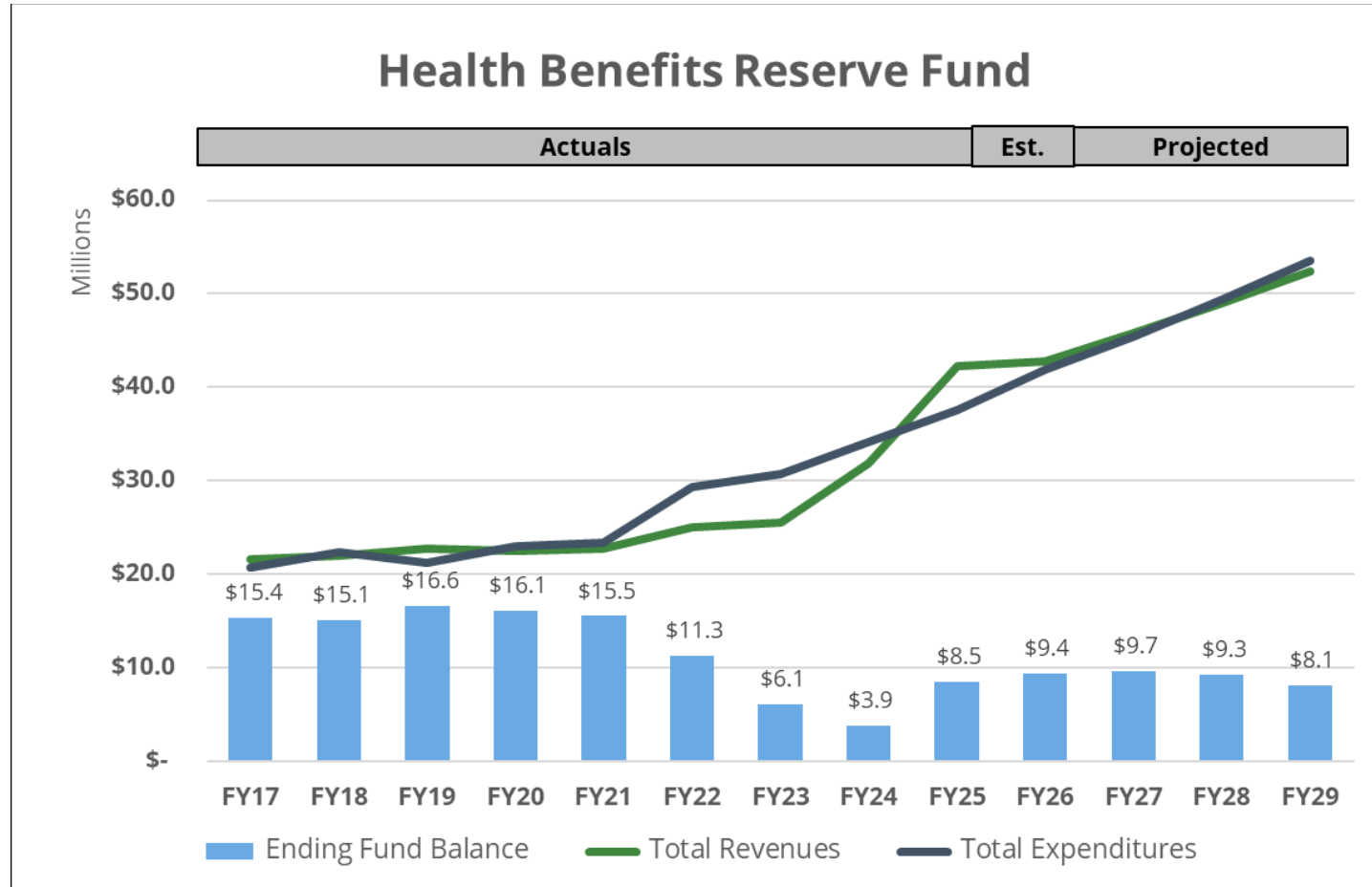
Budget Committee Meeting | May 12, 2025

Health Benefits Fund (HBF) Overview

- Interfund charges support self-insured health insurance coverage including employee health benefit functions such as the Deschutes On-Site Clinic and pharmacy.
- The impacts of inflation, delayed care and the cost of pharmaceuticals created significant economic challenges for the entire industry as well as increased costs for Deschutes County over the last few years, but the HBF's financial forecast has improved.
- The funding levels for the County, which were below expenses at this time last year, have surpassed expenses over the last three quarters.



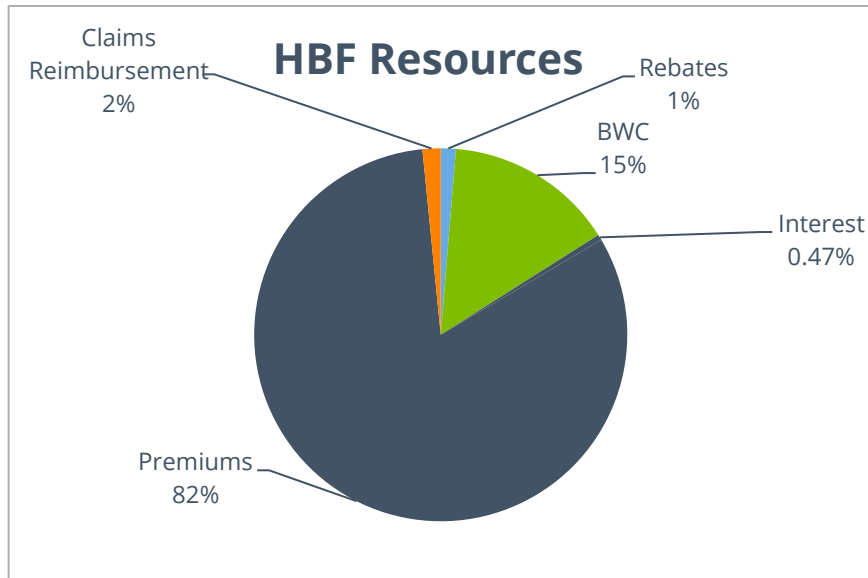
Health Benefits Fund Forecast



- To stabilize the fund and bring the estimated ending fund balance close to the target of \$8M in FY 2025 and allow for lower increases in the future, the following occurred:
 - 30% increase to department rates in FY 2024 and FY 2025.
 - The Board approved EBAC's recommended plan design changes saving \$1.4M annually.
- Future premium increases are projected to be between 1-5%.



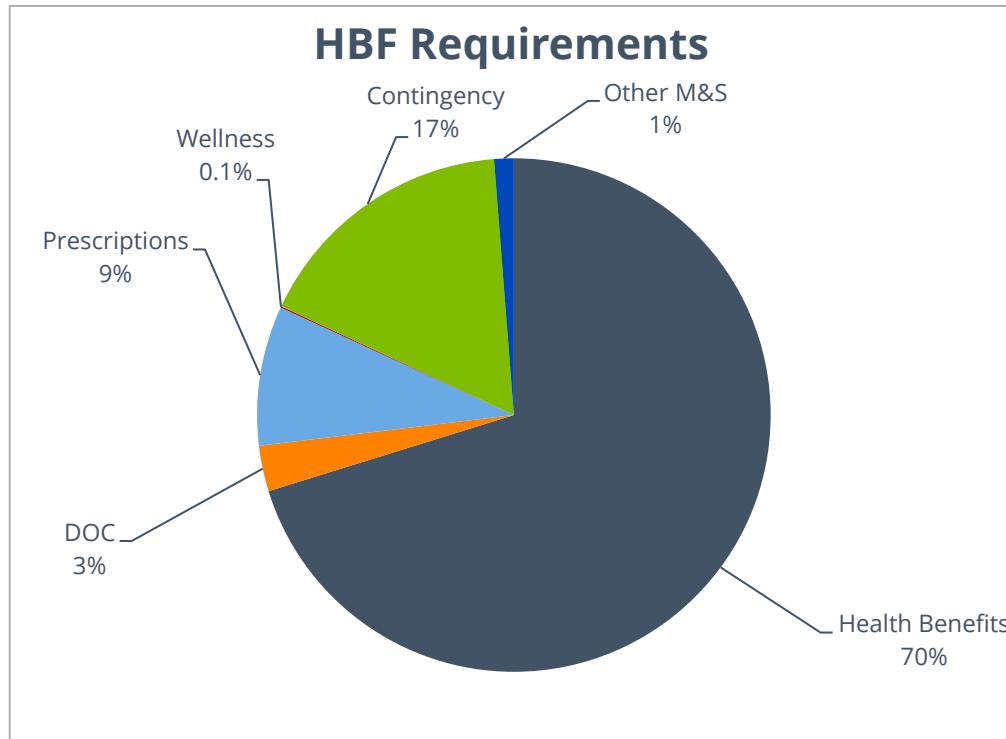
FY 2026 Health Benefits Resources



- FY 2026 proposed budget includes a 1% increase for departmental premium rates.
- BWC is budgeted at \$7.5M, but is expected to be closer to \$8.0M - \$8.5M.



FY 2026 Health Benefits Requirements



- The FY 2026 proposed budget includes a 12% increase over the FY 2025 revised budget for potential claims costs.
 - Consultants anticipate increases to be closer to 8% - 9%.
- All other costs increased approximately 4% over FY 2025 revised budget.



Health Benefits Fund Fiscal Issues

- Projected medical costs, while decreasing in growth rate compared to previous years, remain a significant expense concern.
- Claims are difficult to predict.
- Potential tariff impacts on prescription costs.



Thank you

The Deschutes County Human Resources Team

Make the work you do matter.



FY2026 Proposed Budget Presentation

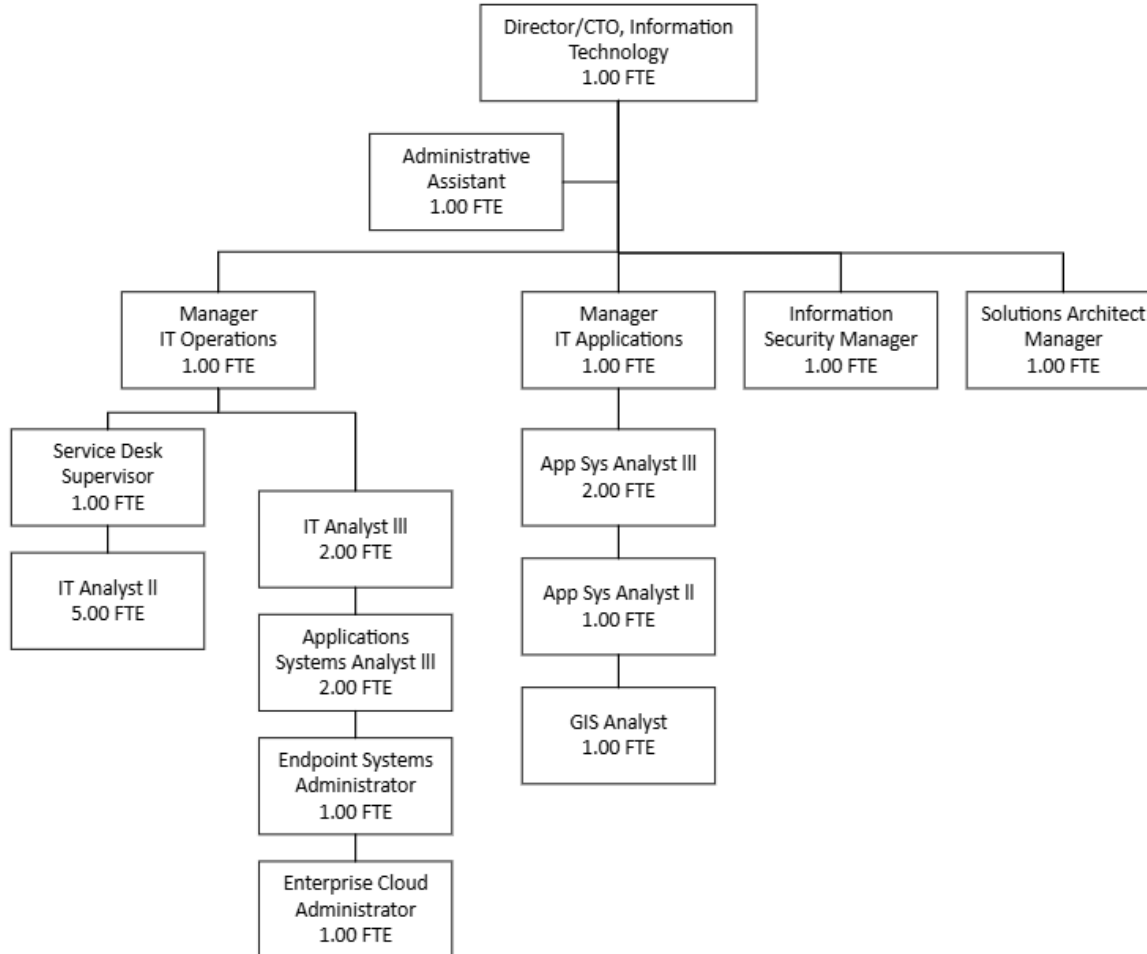
Information Technology

Presenter:

Tania Mahood
Shad Campbell
Vojta Borovian
Zach Neemann



IT Overview



The IT Department's mission is to deliver professional solutions, support, and consultation that enables Deschutes County to contribute to the success of our residents.



IT Accomplishments



- Microsoft Licensing Upgrade
- Office 365 Migration
- Optimized Microsoft Licensing
- Cybersecurity Framework
- Cybersecurity Vendor Change
- Cybersecurity Preparedness
- Cybersecurity Benchmarking
- 3rd Party Risk Assessment
- Elimination of External Security Risks
- Endpoint Management
- Service Desk Hours
- IT Restructuring
- Monetized IT Services
- New IT Policies
- Process Standardization
- IT Staffing Compliance
- AI Investment
- Custom Development Pilot
- Product Offerings Expansion
- Software Purchasing Process
- GIS Knowledge Expansion
- Enhanced Communication

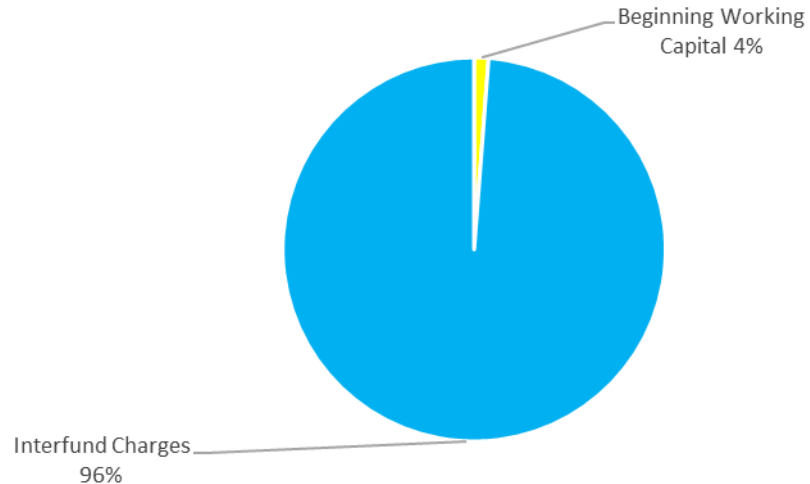


FY 2026 IT Budget Details

Fund 660 - IT

25-26 RESOURCES

Information Technology - Resources for 660



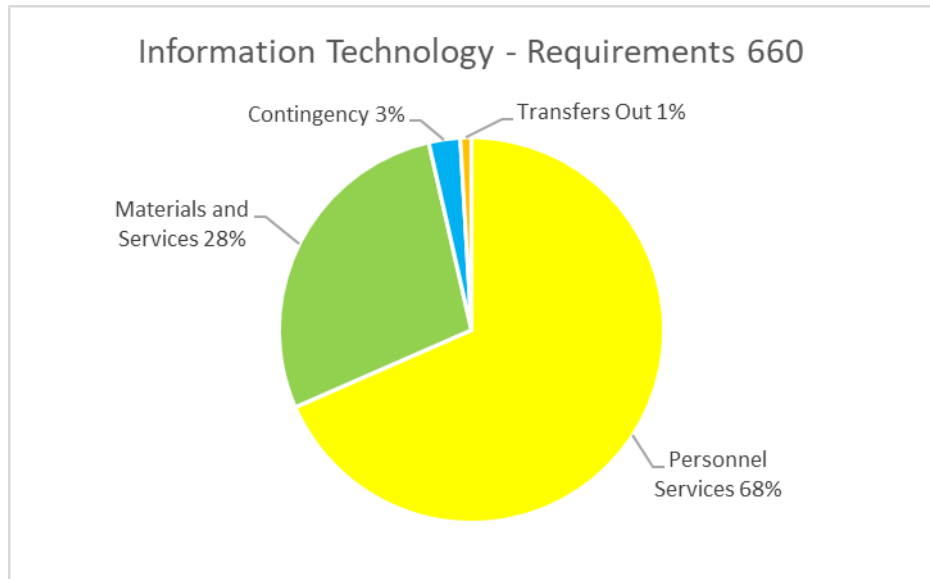
- IT is funded by internal service charges.
 - ISF Calculates impact on IT using a combination of computer, FTE, printer, and server count.
- ISF charges were limited to growth of 8% from the previous budget year.



FY 2026 IT Budget Details

Fund 660 - IT

25-26 REQUIREMENTS



- Personnel Services and the cost of employees projected at \$4.1M for FY 2026.
- Major expenditures in this fund consist of employee costs, \$431K for software maintenance and agreements, and \$390K for contracted services.



FY 2026 IT Fiscal Issues

Fund 660 - IT

Short-term Fiscal Issues

- Adequate personnel resources to meet the diverse needs of departments/offices.
- Prioritizing the needs of a growing organization that has become more reliant on technology while striving to overcome technical debt.
- Resources needed for agility with unexpected disruptive technology such as Artificial Intelligence.
- Reacting to emergencies being the priority.
- The resources to harness data effectively for the organization to make data informed decisions.
- Managing the costs associated with meeting security requirements and needs.

Long-term Fiscal Issues

- Staffing needs.
- Technical Debt.
- Preparing for and managing the increased cost of labor, acquisition of technology, and maintaining systems to sustain current and expanding services.
- On-going costs of security and compliance needs.



Current Challenges and Future Initiatives – 660 & 661

Challenges

- Resources available to optimize the products and services the County provides through technology and meet the diverse needs of the organization.
- Resources available to support the County in becoming more efficient with technology during a period of financial constraint.
- As visibility into cybersecurity threats increases, additional resources are required to effectively manage threat detection, incident response, and ongoing protection efforts.
- Resources and funding required to implement changes necessary for compliance and regulatory requirements.
- Proliferation of software applications and tools across the organization.
- The resources and risk associated with custom developed software.

Future Initiatives

- Meeting cybersecurity best practices and regulatory compliance requirements.
- Become a trusted partner to effectively deliver strategic business projects for the County.
- Implement a data initiative to ensure structured, accessible, and validated data.
- Equip employees with the right scalable and supportable tools leveraging best practices with a fit-to-standard philosophy.
- Standardizing software purchasing and management.

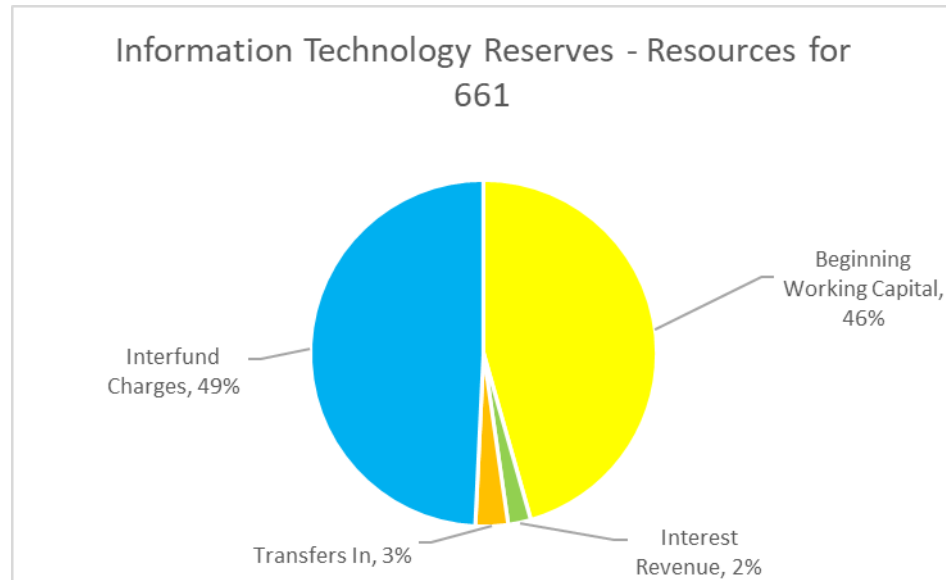


FY 2026 IT Budget Details

Fund 661 – IT Reserve

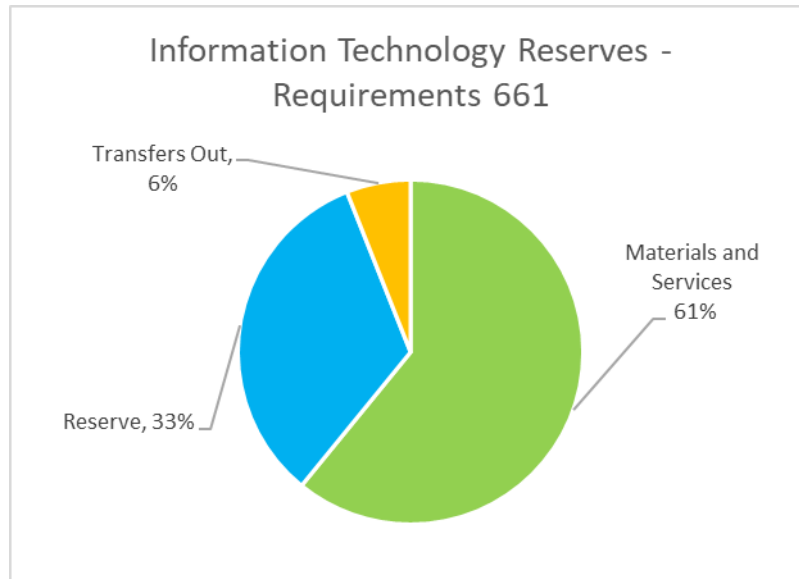
25-26 RESOURCES

- IT Reserve is funded by internal service charges.
- ISF charges were limited to growth of 8% from the previous budget year.



FY 2026 IT Budget Details

Fund 661 – IT Reserve



FY 2026 REQUIREMENTS

- Major Expenditures in this budget include \$820K for Microsoft 365 licensing and \$237K for hardware replacements.



FY 2026 IT Fiscal Issues

Fund 661 – IT Reserve

Short-term Fiscal Issues

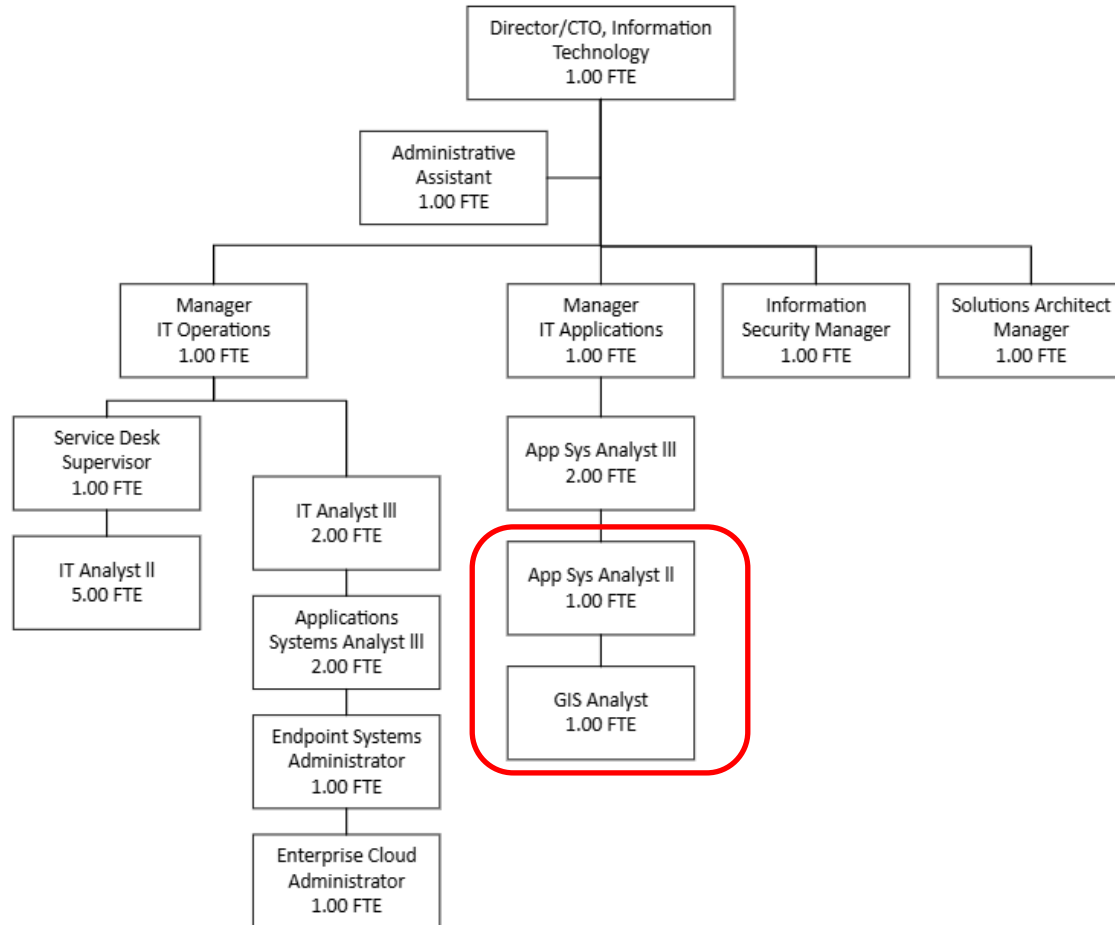
- Based on expected expenditures, the limited growth results in the Fund running a negative balance in FY 2027.
 - \$200K Funds transferred in from 660 (IT) to supplement limited growth.

Long-term Fiscal Issues

- Meeting security and regulatory compliance in our digital environment.
- Increased cybersecurity requirements.
- Addressing technical debt across hardware and software.
- Implementing a sustainable method for funding this unique budget.



305 GIS Overview

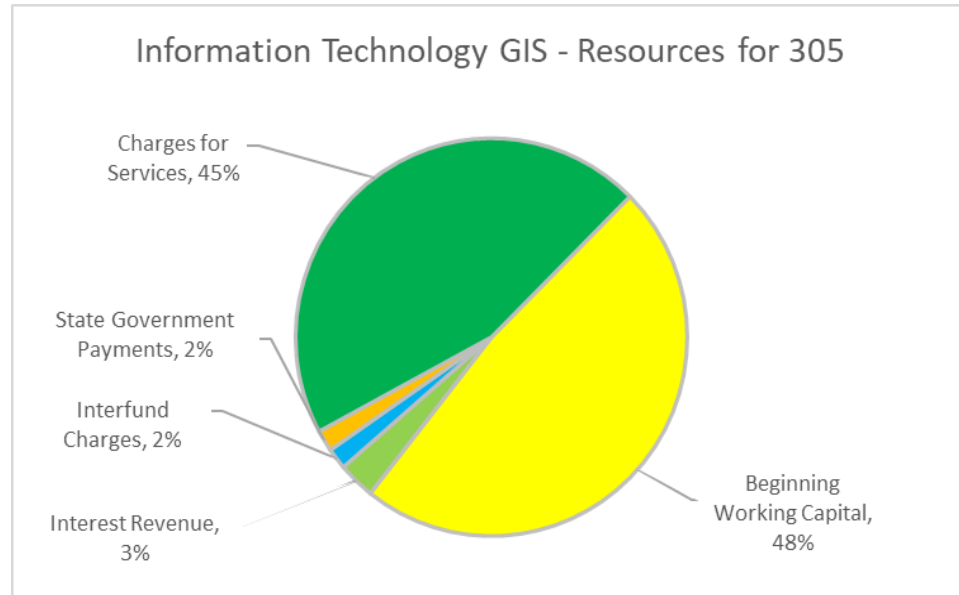


The IT Department's mission is to deliver professional solutions, support, and consultation that enables Deschutes County to contribute to the success of our residents.



FY 2026 IT Budget Details

Fund 305 – GIS Dedicated



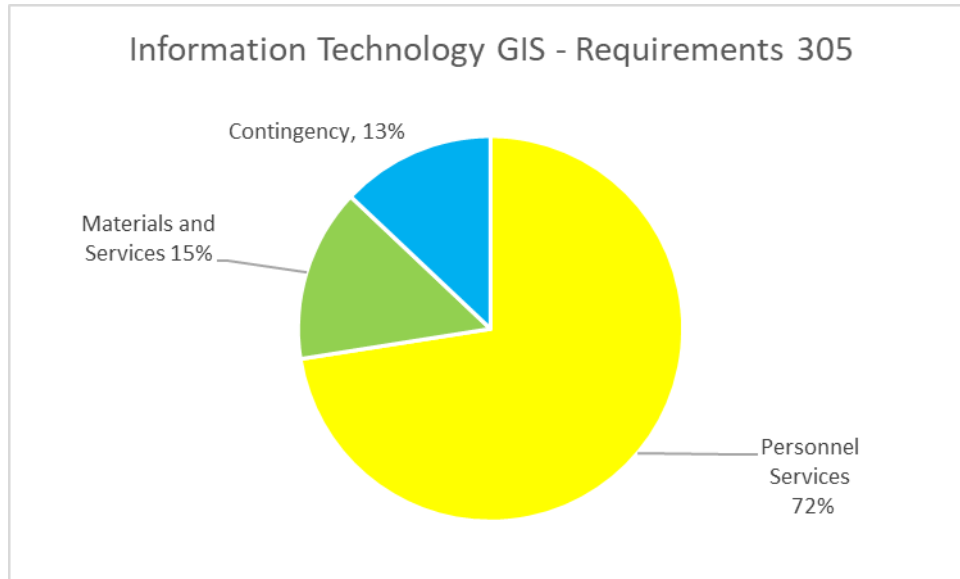
FY 2026 RESOURCES

- Majority of revenues from Clerk and Surveyor fees.
- Have been relying on reserves. Current revenue doesn't support resource needs.
 - Fund has reduced expenses over a decade.
 - BWC continues to decrease.



FY 2026 IT Budget Details

Fund 305 – GIS Dedicated



FY 2026 REQUIREMENTS

- Major expenditures in this fund consist of \$334K for two FTE.



FY 2026 IT 305 Fiscal Issues

Fund 305 – GIS Dedicated

Short-term Fiscal Issues

- Revenue has decreased over the last three fiscal years due to less recording title transfers and security interests.

Long-term Fiscal Issues

- The revenue instability creates challenges with long-term planning.
- Implementing a sustainable method for funding this budget and aerial imagery.



Current Challenges and Future Initiatives

Fund 305 – GIS Dedicated

Challenges

- Instability of funding.
- A sustainable method for funding this budget and aerial imagery.
 - Increased the Clerk Recording Fee starting FY 2026

Future Initiatives

- Finding a sustainable method for funding this budget.



Thank you



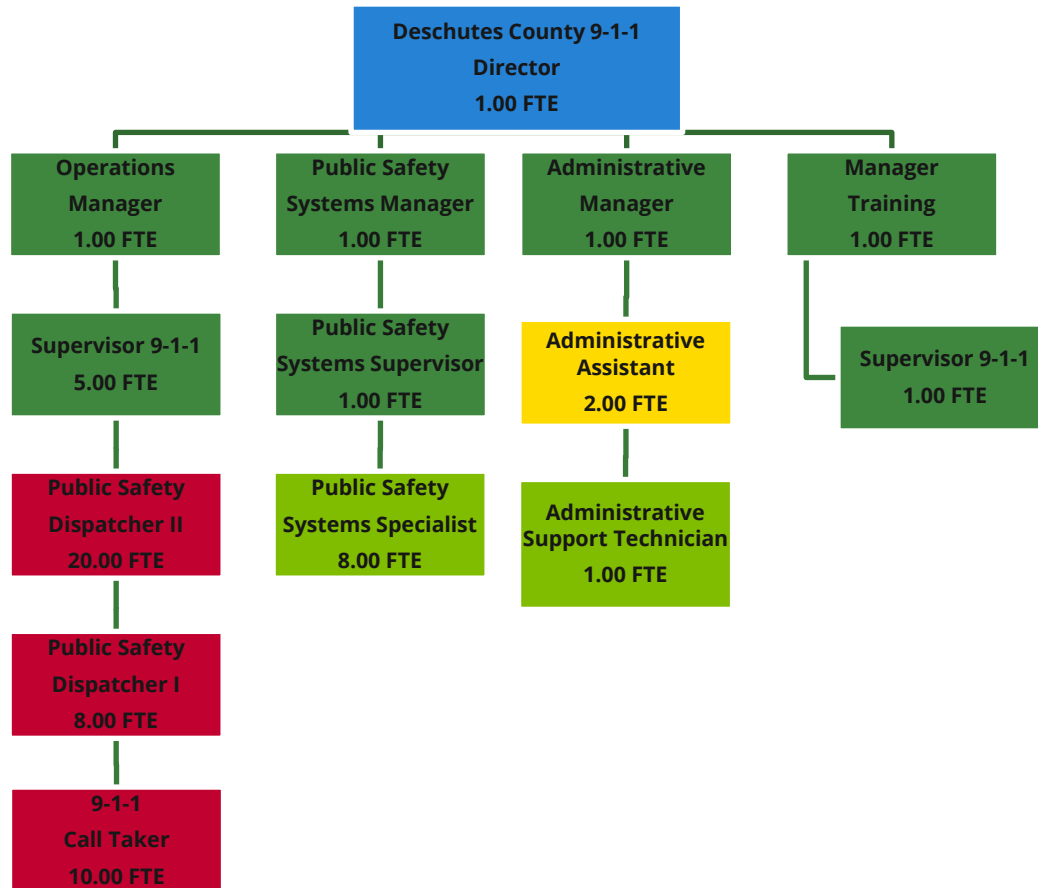
Deschutes County 9-1-1

Presenter(s):

Sara Crosswhite, Chris Perry
and Emily van Siereveld



Department Overview



Mission: To provide prompt service in a caring, resourceful, and professional manner to those we serve.



Department Accomplishments

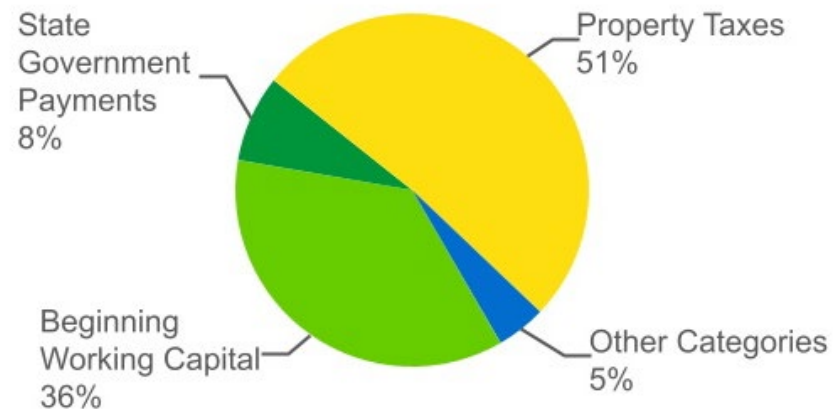


- Successfully completed the relocation and expansion of the 9-1-1 Backup Center.
- Finalized the five-year radio enhancement plan.
- Negotiated new labor agreement with 911 Dispatch Supervisors
- Completed garage bay mezzanine project, enhancing radio repair shop capabilities at the main center.
- Expanded training division staff and remodeled the training area to improve recruitment and training capacity.



FY 2026 911 Budget Details

Deschutes County 9-1-1 Resources



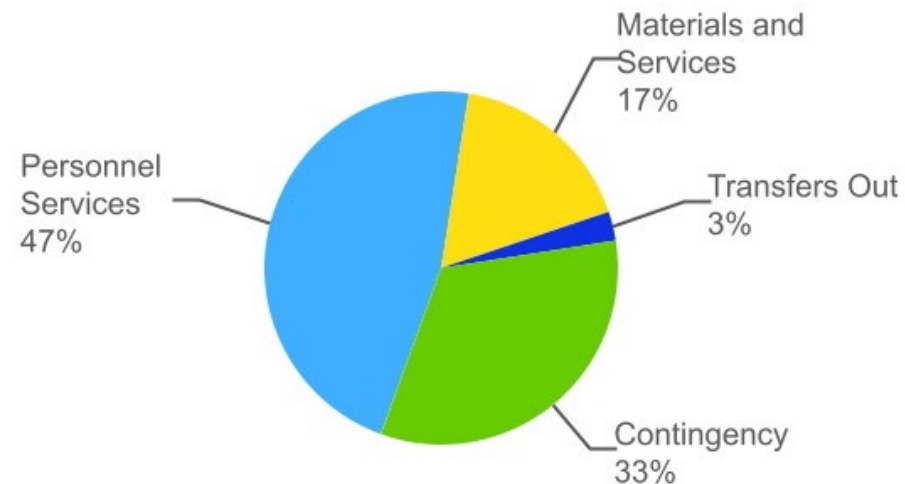
25-26 RESOURCES

- Maintaining current tax levy rate of \$.3618, for the 10th year in a row.
- Statewide Telephone Tax received quarterly from ODEM.
- IT/Radio- Service Level Agreements with police, fire, non-public safety partner agencies.



FY 2026 911 Budget Details

Deschutes County 9-1-1 Requirements



25-26 REQUIREMENTS

- There are no significant changes to current M&S expenses compared to last fiscal. We reached full staffing briefly in February 2025; however, in March and April, two employees retired, and two probationary staff members resigned. Recruitment efforts are underway to hire a new group in both spring and fall.



FY 2026 Fiscal Issues

Short-term Fiscal Issues

- Urgent building improvements needed at the 9-1-1 center to support functionality and staff efficiency.
- Aging District vehicle fleet requiring increased maintenance and phased replacement planning.
- Need to update and improve backup radio system capabilities to ensure operational continuity.
- Ongoing supply chain delays affecting the timely procurement of critical equipment and materials.

Long-term Fiscal Issues

- Delays to technology updates that impact the district and user agencies.
- Challenges in recruiting and retaining lateral employees due to the region's high cost of living.
- Continued investment into infrastructure and technology to enhance service district redundancy and operational resilience.
- Interior and exterior building expansion needs for the 9-1-1 facility to accommodate for long-term growth.



Current Challenges and Future Initiatives

Challenges

- Adapting to new and evolving technologies that integrate with 9-1-1 operations, often increasing the complexity and workload for dispatchers and calltakers.
- Identifying and leveraging technology solutions that improve task efficiency, accuracy, and overall effectiveness for 9-1-1 personnel.
- Ongoing recruitment difficulties, with continued shortage of qualified applicants who possess the resilience and multi-tasking skills critical to success in high-pressure dispatch roles.

Future Initiatives

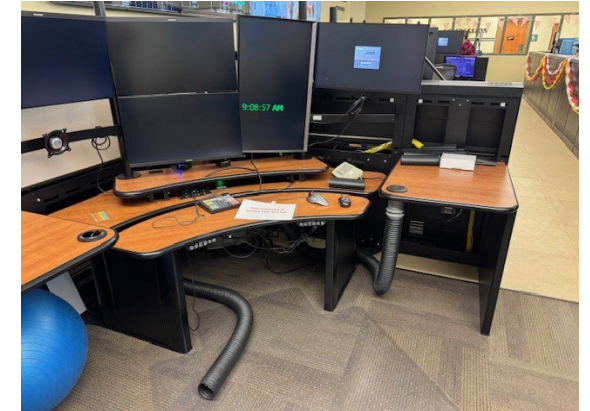
- Evolving business practices and procedures for 9-1-1 call handling when Next Gen 911 is implemented, including budget allocation for training, technology infrastructure, and public awareness campaigns.
- Long-Term Radio Plan. Next steps post-completion: Strategic planning for future needs, such as addressing potential new technology and scalability for growing user demands.
- Integration of Artificial Intelligence into daily work, which could be simple document production, training and quality assurance, or potentially lower priority non-emergent call handling
- Execution of cloud migration initiatives for various telecommunications software applications to include CAD/RMS.



710 Capital- Future Expenditures

See Attachment: DC911 Capital Reserves Plan –Details Sheet

FY26 Capital Projects	Total: \$2,230,000
FY27 Capital Projects	Total: \$1,045,000
FY28 Capital Projects	Total: \$865,000
FY29 Capital Projects	Total: \$2,265,000
FY30 Capital Projects	Total: \$665,000



Fund 705 Five-Year Forecast

	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Ending Working Capital	\$ 8,497,000	\$ 7,785,185	\$ 6,948,955	\$ 8,297,337	\$ 8,576,598	\$ 10,374,136

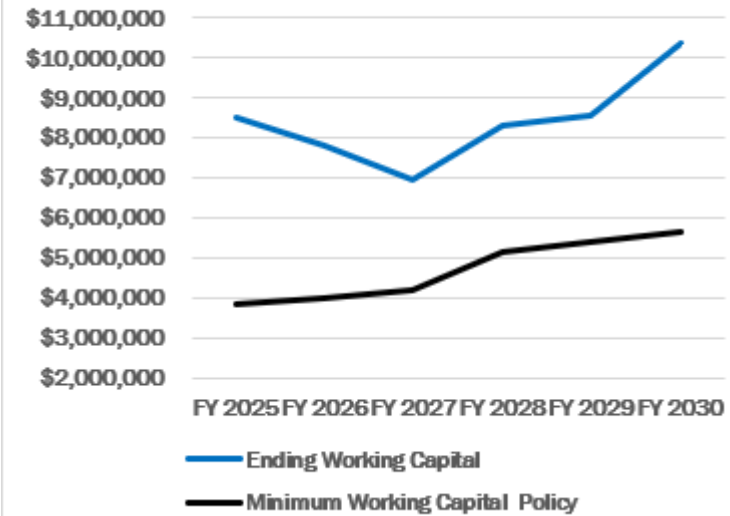
Revenue

Beginning Working Capital	\$ 8,441,444	\$ 8,497,000	\$ 7,785,185	\$ 6,948,955	\$ 8,297,338	\$ 8,576,598
All other Revenues	14,618,317	15,070,100	15,476,611	18,372,156	19,217,215	19,947,591
Total Revenue	\$ 23,059,761	\$ 23,567,100	\$ 23,261,796	\$ 25,321,111	\$ 27,514,552	\$ 28,524,190

Expenditures

Personnel	\$ 9,854,612	\$ 10,456,922	\$ 11,364,878	\$ 12,098,857	\$ 13,568,905	\$ 13,587,208
Materials and Services	4,193,149	4,694,993	3,997,963	4,074,917	3,169,049	4,062,846
Capital	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Transfers Out	515,000	630,000	950,000	850,000	2,200,000	500,000
Total Expenditures	\$ 14,562,761	\$ 15,781,915	\$ 16,312,841	\$ 17,023,774	\$ 18,937,954	\$ 18,150,054
Ending Working Capital	\$ 8,497,000	\$ 7,785,185	\$ 6,948,955	\$ 8,297,337	\$ 8,576,598	\$ 10,374,136

Five-Year Forecast



Five Year Levy Rate Projections -705

Fund 705 Deschutes County 9-1-1 Levy Rate Projections											
	<i>Actuals</i>	<i>Actuals</i>	<i>Actuals</i>	<i>Actuals</i>	<i>Projected</i>	<i>Budget</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>
DESCRIPTION	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Beg Net Working Capital	6,015,808	5,964,818	4,855,508	6,056,572	8,441,444	8,497,000	7,785,185	6,948,955	8,297,338	8,576,598	10,374,136
Annual Revenue	12,035,967	13,451,484	13,991,532	14,209,647	14,618,317	15,070,100	15,476,611	18,372,156	19,217,215	19,947,591	20,804,750
Total Resources	18,051,775	19,416,301	18,847,040	20,266,220	23,059,761	23,567,100	23,261,796	25,321,111	27,514,552	28,524,190	31,178,887
Expenses											
Operations (w/ 94% spend rate)	9,773,699	10,036,165	10,730,923	11,647,646	13,386,331	14,977,515	15,193,388	16,003,937	16,737,954	17,650,054	18,584,853
Transfer for Series 2019 Debt Service	316,001	311,524	309,545	177,130	173,600	174,400	169,453	169,837	-	-	-
Transfer to Reserves	1,997,257	4,213,104	1,750,000	-	515,000	630,000	950,000	850,000	2,200,000	500,000	500,000
Total Expenses	12,086,957	14,560,793	12,790,468	11,824,776	14,074,931	15,781,915	16,312,841	17,023,774	18,937,954	18,150,054	19,084,853
Ending Fund Balance (Contingency)	5,964,818	4,855,508	6,056,572	8,441,444	8,984,830	7,785,185	6,948,955	8,297,338	8,576,598	10,374,136	12,094,034
		33.35%	47.35%	71.39%	63.84%	49.33%	42.60%	48.74%	45.29%	57.16%	63.37%
<i>Fund Balance Requirement - 4 months Property Taxes</i>											
	3,116,716	3,310,581	3,497,904	3,674,721	3,831,305	4,011,376	4,199,911	5,165,438	6,249,525	5,989,518	6,298,001
Balance Above / (Below) Requirement	2,848,102	1,544,927	2,558,669	4,766,723	5,153,525	3,773,809	2,749,044	3,131,900	2,327,073	4,384,618	5,796,032
Tax Rate (max levy = .4250)	0.3618	0.3618	0.3618	0.3618	0.3618	0.3618	0.3618	0.3618	0.4250	0.4250	0.4250
Tax Increase	-	-	-	-	-	-	-	0.0632	-	-	-
New Levy	0.3618	0.3618	0.3618	0.3618	0.3618	0.3618	0.3618	0.4250	0.4250	0.4250	0.4250
FTE	60.00	60.00	60.00	60.00	61.00	61.00	61.00	61.00	61.00	61.00	61.00



Five Year Levy Rate Projections -710

Fund 710 Reserve Projection											
	<i>Actuals</i>	<i>Actuals</i>	<i>Actuals</i>	<i>Actuals</i>	<i>Projected</i>	<i>Budget</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>
DESCRIPTION	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Beg Net Working Capital	3,147,087	4,744,254	7,867,381	7,337,378	5,930,021	4,417,000	3,028,000	2,993,560	3,023,463	3,003,815	2,883,873
Interest	44,459	36,758	129,449	195,460	213,500	211,000	60,560	44,903	45,352	45,057	43,258
Transfer In - 705	1,997,257	4,213,104	1,750,000	-	515,000	630,000	950,000	850,000	2,200,000	500,000	500,000
Total Resources	5,188,803	8,994,116	9,746,830	7,532,838	6,658,521	5,258,000	4,038,560	3,888,463	5,268,815	3,548,873	3,427,131
Expenses											
Operations	-	16,202	103,817	162,594	72,448	1,050,000					
Capital	444,549	518,824	2,305,635	1,440,223	1,349,590	1,180,000	1,045,000	865,000	2,265,000	665,000	515,000
Transfer Out - 705	-	591,709	-								
Total Expenses	444,549	1,126,735	2,409,452	1,602,817	1,422,038	2,230,000	1,045,000	865,000	2,265,000	665,000	515,000
Ending Fund Balance	4,744,254	7,867,381	7,337,378	5,930,021	5,236,483	3,028,000	2,993,560	3,023,463	3,003,815	2,883,873	2,912,131





Thank you
Any Questions?



FY 2026 Proposed Budget Presentation

SHERIFF'S OFFICE

Presenter:
Sheriff Kent van der Kamp

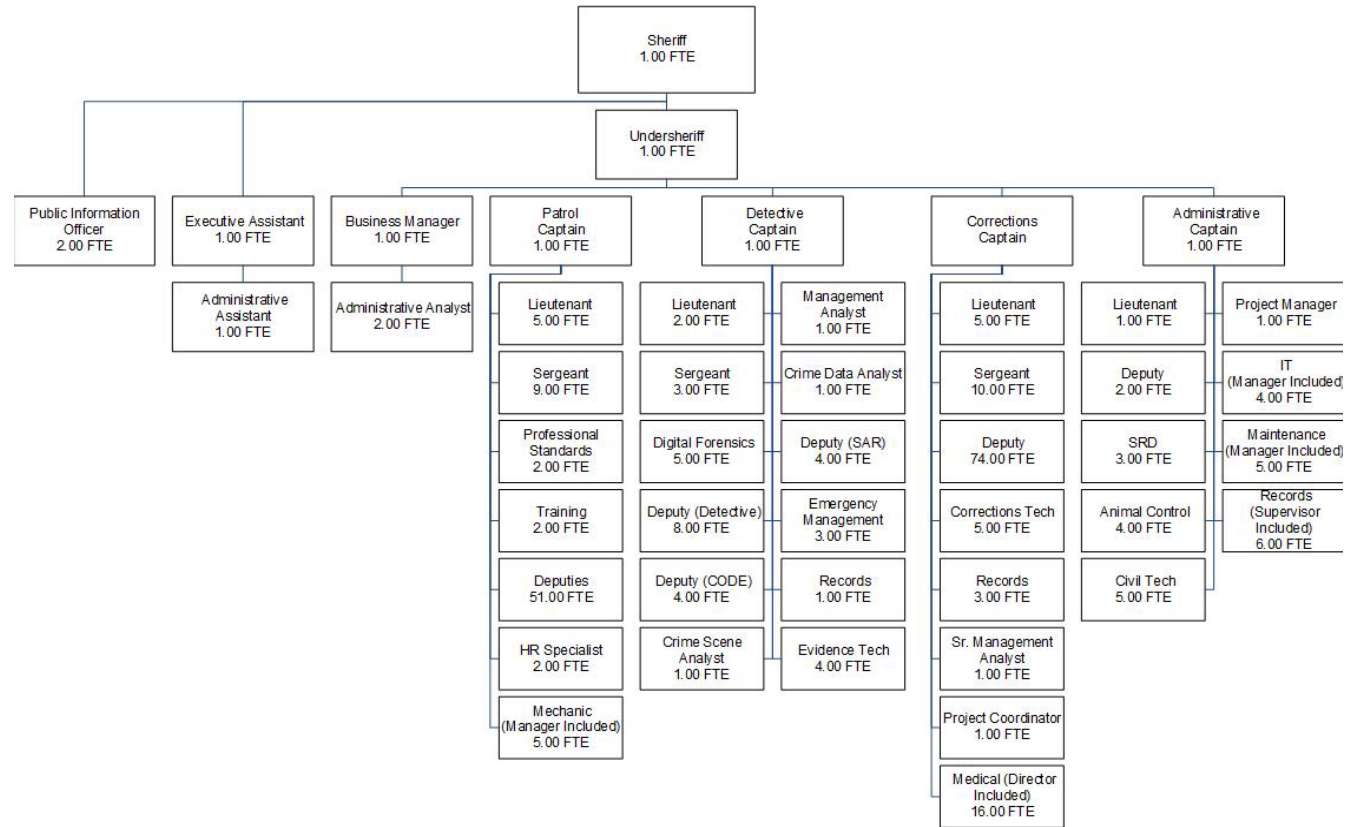


Budget Committee Meeting | May 12, 2025

Sheriff's Office Overview

Mission:

Proudly serving our community by providing superior public safety and customer service



Sheriff's Office Accomplishments

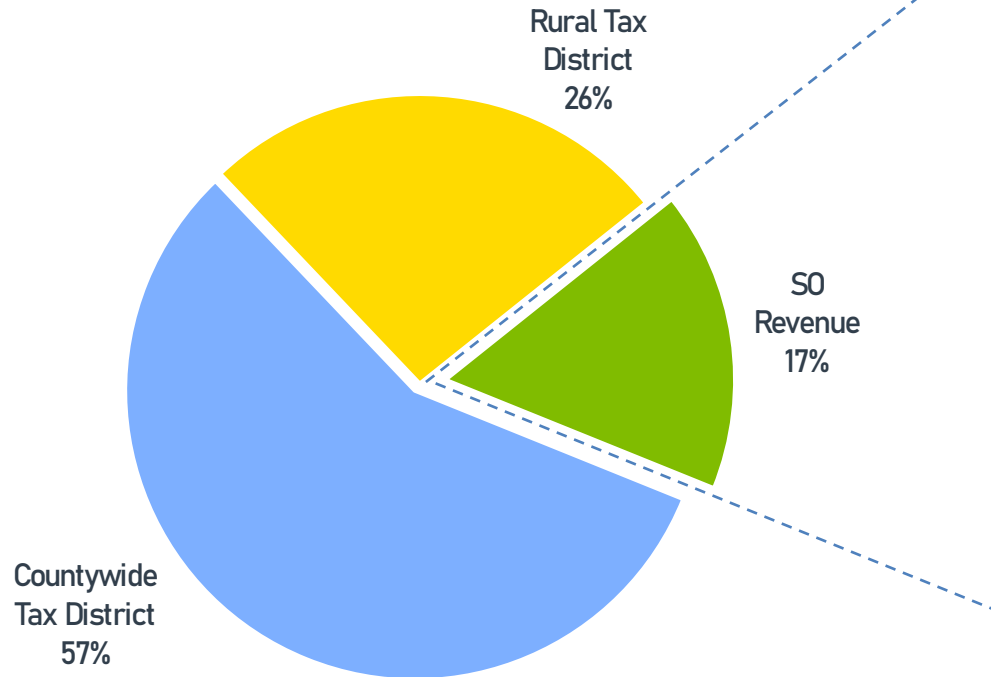


- Continued emphasis on financial accountability and budget optimization to eliminate wasteful spending
- Redesigned recruiting, hiring, and training processes
- Renewed & strengthened relationships with county, city, and community partners
- Continued development of Deflection Program
- Relunched online reporting system for community members to file non-emergency reports
- Fully staffed Animal Control Technicians



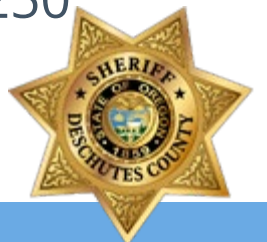
FY 2026 Sheriff's Office Budget Details

Sheriff's Office Resources



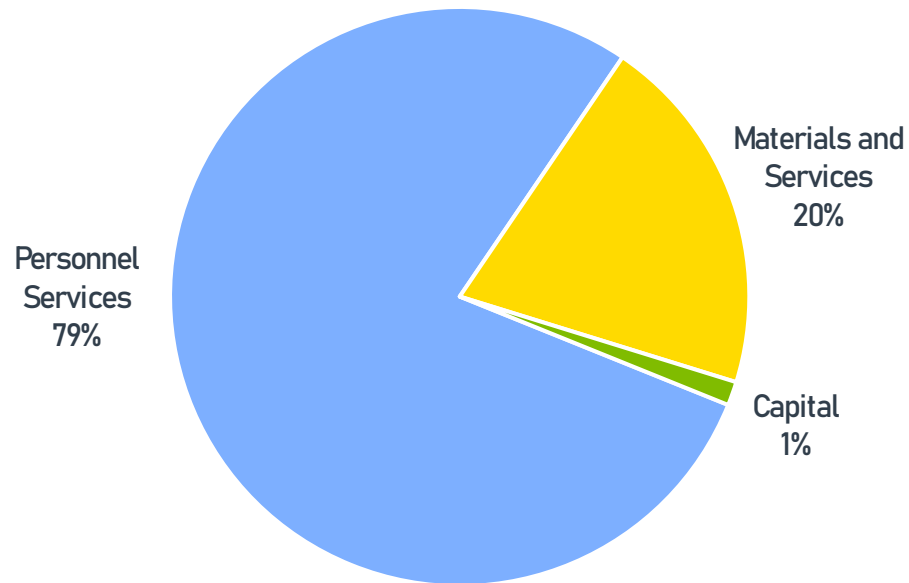
Sheriff's Office Revenue

• State:	4,623,051
• TRT:	3,651,787
• Contracts:	1,534,000
• Fees and Charges:	773,100
• Transfers:	495,672
• Federal:	370,966
• Donations/Other:	130,250



FY 2026 Sheriff's Office Budget Details

Sheriff's Office Requirements



FY 2026 Expenses

Var. FY 2025 Revised

• Personnel	\$53,651,796	\$3,515,618
• M & S	\$13,874,097	-\$1,009,055
• Capital	\$910,595	-\$680,350



FY 2026 Sheriff's Office Five-Year Forecast

	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Ending Working Capital	\$ 18,500,000	\$ 21,449,862	\$ 22,855,796	\$ 23,232,809	\$ 23,204,445	\$ 22,093,019

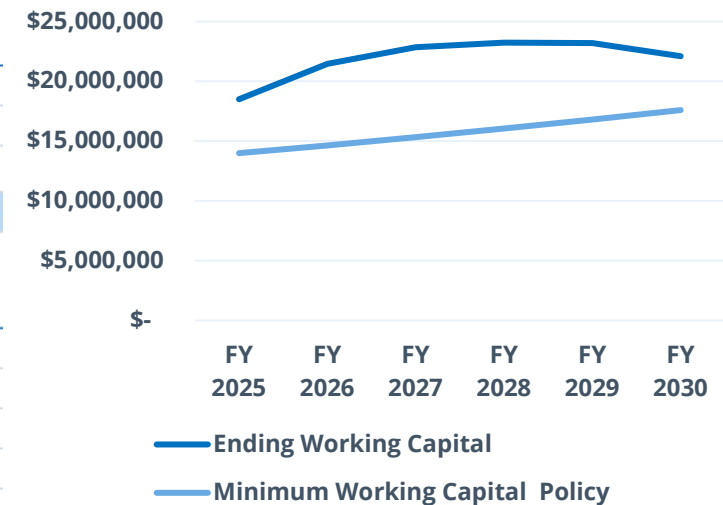
Revenue

Beginning Working Capital	\$ 15,566,862	\$ 18,500,000	\$ 21,449,862	\$ 22,855,796	\$ 23,232,809	\$ 23,204,445
All other Revenues	67,186,242	70,882,779	73,923,826	77,003,050	80,243,228	83,657,929
Total Revenue	\$ 82,753,104	\$ 89,382,779	\$ 95,373,688	\$ 99,858,846	\$ 103,476,037	\$ 106,862,374

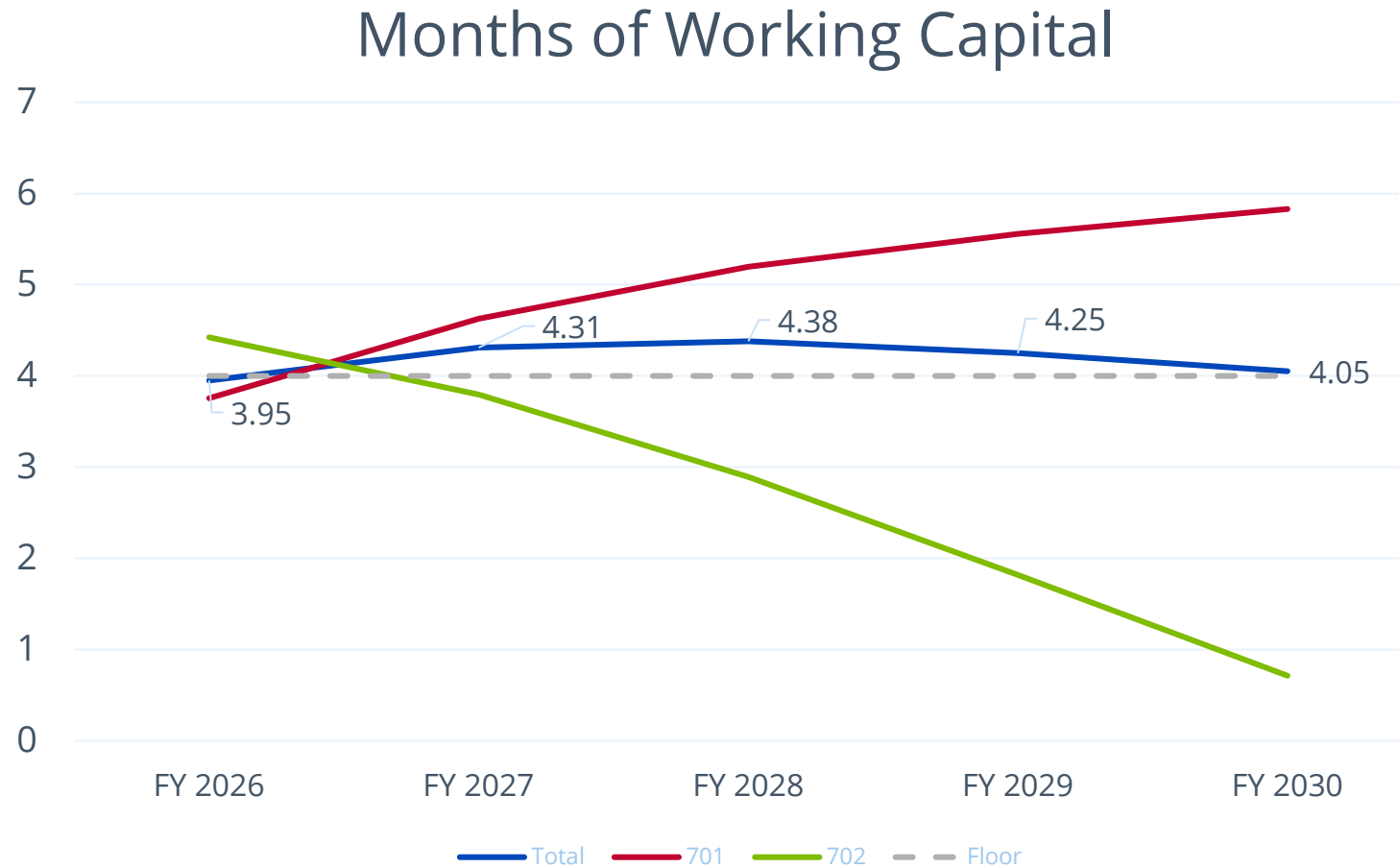
Expenditures

Personnel	\$ 47,436,178	\$ 53,651,796	\$ 57,388,436	\$ 61,079,752	\$ 64,331,550	\$ 68,515,969
Materials and Services	14,991,803	13,098,396	13,360,364	13,627,571	13,900,123	14,178,125
Capital	1,472,523	848,347	1,496,214	1,645,835	1,767,042	1,802,382
Debt Service	-	-	-	-	-	-
Transfers Out	352,600	334,378	272,878	272,878	272,878	272,878
Total Expenditures	\$ 64,253,104	\$ 67,932,917	\$ 72,517,892	\$ 76,626,036	\$ 80,271,592	\$ 84,769,354
Ending Working Capital	\$ 18,500,000	\$ 21,449,862	\$ 22,855,796	\$ 23,232,809	\$ 23,204,445	\$ 22,093,019

Five-Year Forecast



FY 2026 Fund 701 & 702 Contingency Forecast



FY 2026 Fiscal Issues

Short-term Fiscal Issues

- Operating expenses continue to outpace revenue growth
- Technology upgrades to aging systems

Long-term Fiscal Issues

- Escalating operational costs due to rising inmate populations, higher medical expenses, and mental health treatment needs
- Necessity to modernize technology and infrastructure
- Operational inefficiencies and increased maintenance expenditures due to outdated, aging facilities and systems



Current Challenges and Future Initiatives

Challenges

- Managing staffing at optimum levels
- Fentanyl and Methamphetamine crisis
- Behavioral health and homelessness
- Adapting to inmate housing restrictions
- Limited visitation space in the Adult Jail

Future Initiatives

- New work schedules to balance staffing and reduce overtime expenses
- Public Safety Campus Master Plan and ensuing expansion
- Keeping pace with technological changes
- CORE3



FY 2026 Fund 256 Sheriff's Office Reserve

Fund Change

- Through FY2025 this fund-maintained reserves for the radio communications system
- Starting in FY 2026 the purpose has been expanded to include future capital needs
- The reserve will be separated based on taxing district
- These funds will be used for:
 - Radio Communication System
 - Vehicles
 - Public Safety Campus



FY 2026 Fund 256 Five-Year Forecast

	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Ending Working Capital	\$ 498,200	\$ 912,200	\$ 1,327,200	\$ 1,744,200	\$ 2,063,200	\$ 2,384,200

Revenue

Beginning Working Capital	\$ 384,875	\$ 498,200	\$ 912,200	\$ 1,327,200	\$ 1,744,200	\$ 2,063,200
Transfer from Fund 701	\$ 50,000	\$ 200,000	\$ 300,000	\$ 300,000	\$ 250,000	\$ 250,000
Transfer from Fund 702	\$ 50,000	\$ 200,000	\$ 100,000	\$ 100,000	\$ 50,000	\$ 50,000
Interest Earnings	13,325	14,000	15,000	17,000	19,000	21,000
Total Revenue	\$ 498,200	\$ 912,200	\$ 1,327,200	\$ 1,744,200	\$ 2,063,200	\$ 2,384,200



FY 2026 Sheriff's Office Special Requests

- **Replacing Jail Control Computer System**
 - **Need:** This system is used to control all the doors in the Jail facility and integrates with other Jail workflow and inmate service technologies. The current system has reached end of life, most of it was put in place prior to 2013. The cost is estimated to be \$400,000.
 - **Justification:** New parts for the system are no longer readily available for replacement and Jail operations requires new system programming to best meet our operational needs.
 - **Funding:** This request is currently in FY 2026 Fund 255.



Thank you

Kent van der Kamp

Deschutes County Sheriff





Date: September 9, 2024
To: Department Heads
From: Robert Tintle, CFO and Cam Sparks, Budget & Financial Planning Manager
Re: FY26 Budget Initiative

As discussed at previous department head meetings, the General Fund is structurally imbalanced, meaning expenditures are growing at a faster rate than revenues. Without action, long-term financial modeling indicates the General Fund will have a budget shortfall by FY27. Therefore, Finance and Admin are implementing a budget initiative for FY26 with the goal of resetting the expenditure curve by lowering the projected growth rate to ensure the financial sustainability of the County.

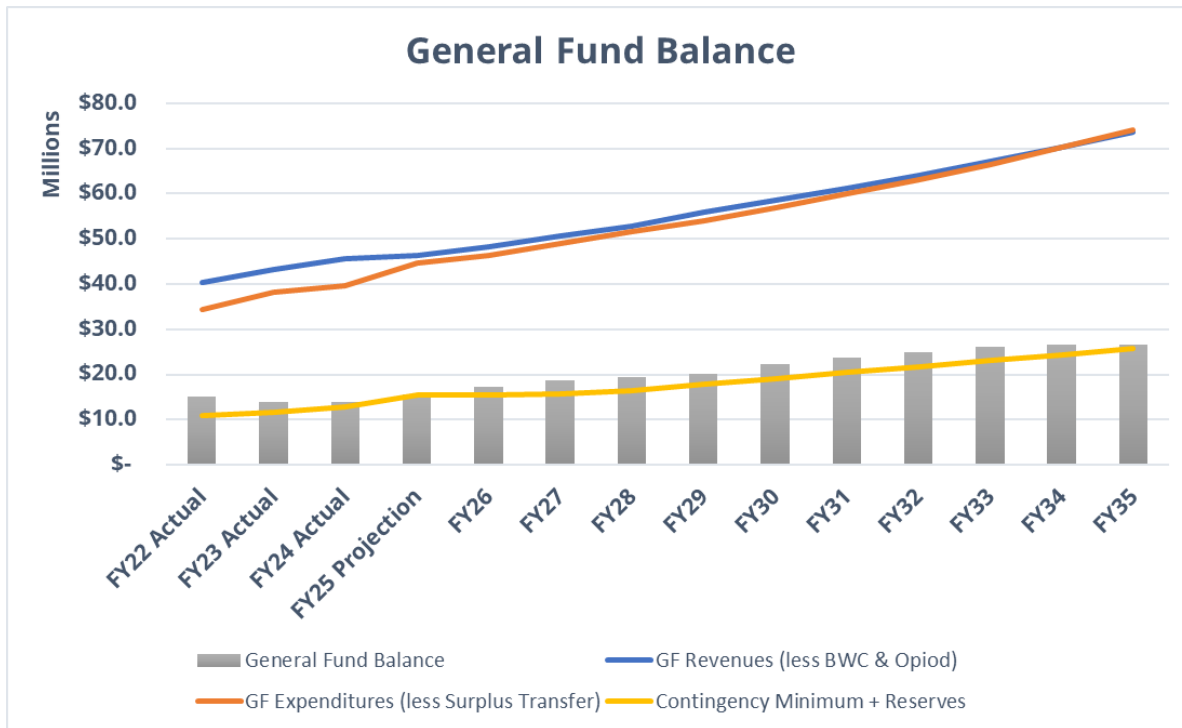
This Budget Initiative sets forth the strategies that will be used to achieve financial sustainability: Focused Savings and Limited Growth. These strategies will help the County set, focus, and summarize strategic direction and key turnaround strategies and tactics. This process also allows the organization to identify and implement necessary changes needed to reach financial sustainability.

Recommendations for FY26 Budget:

1. Budget Process – A customized modified budget process will be used combining the concepts of Line-Item Budgeting, Zero-Based Budgeting and Priority-Based Budgeting. Line-item budgeting provides the detailed control needed and is familiar to departments. Zero-Based budgeting promotes efficient allocation of resources and helps identify and eliminate unnecessary spending. Priority-based budgeting provides the ability to align key programs with organizational goals and priorities allocating funds based on core services and mandated programs.
2. Decision-Making – The Budget Officer, Nick Lelack, will determine which items are included in the proposed budget for all departments, both elected and appointed department heads for the funds included. (The Budget Officer is the person appointed by the governing body to assemble budget material and information and to physically prepare the proposed budget, ORS 294.331).
 - a. To ensure a collaborative process, Finance and Administration is convening a work group comprised of major departments within the General Fund, funds that receive General Fund transfers and Internal Service Funds. The work group will provide feedback to the Budget Officer and will ensure that budget savings recommendations are discussed and reviewed in a collaborative process.
 - b. Nick will confirm the FY26 budget approach with the Commissioners.

- c. The Budget Committee approves the budget. Before approving the budget, the budget committee can make any changes to the budget on which a majority of the committee members agree. However, any changes would require identification of the funding source or alternate reduction to fund the requested change.
 - d. The proposed budget document will include a summary listing and detailed Limited Growth Impact forms indicating specific items to be reduced or eliminated and any related service impacts. Larger departments may have different limited growth options or packages. To achieve greater savings, departments should continue to explore opportunities to provide services even more efficiently or differently, and further explore new revenue sources.
- 3. Funds Included – General Fund, Transient Room Tax, and Internal Service Funds.
 - a. No special requests for ISF, TRT or General Fund.
 - b. General Fund and ISF expenditure growth will be limited (1% -5% range).
 - c. TRT allocations are expected to be held flat (zero growth) in FY26.
- 4. Determine immediate or next fiscal year focused savings or reallocations:
 - a. Finance and Admin will determine if there are items (outside of departmental/office budgets) in the General Fund that can be funded by alternative sources or reduced, in order to reduce ongoing costs.
 - i. Finance and Admin met in September and have identified \$785K of on-going non-departmental expenditures that can be funded differently or reduced within the General Fund.
- 5. Criteria for setting baseline budgets will be established (i.e., financial sustainability for 5 years, 10 years, how much to contribute to reserves, etc.). The Budget Office will run different limited expenditure growth/reserve level scenarios that resets the growth curve.
- 6. The Budget Office will set baseline budgets for General Fund departments, GF and TRT transfers and ISF departments based on most favorable limited growth scenario.
 - a. Impacted funds will be given a “baseline budget” indicating the maximum dollar amount their budget must stay within.
- 7. Budgeting Timeline:
 - End of September
 - Decide on focused savings or reallocations (outside of departmental/office budgets).
 - Early October
 - Run preliminary Payroll model and build estimated unconstrained General Fund budget.
 - Model limited growth scenarios (limited growth from 1% - 5% range) and potential baseline budgets under each scenario to achieve financial stability.
 - November
 - Finance/Admin determines limited growth level and Nick informs the Board.
 - Departments informed of preliminary baseline dollar thresholds.

- December
 - Present agreed upon approach at the mid-year budget committee meeting.
- February
 - ISF Limited Growth Impact forms due at the end of February and reviewed by the Budget Officer.
 - ISF departments meet with Budget Officer to review line-item budgets.
- April
 - General Fund Limited Growth Impact forms due at the end of March and reviewed by the work group in early April.
 - Department meetings with Budget Officer to review line-item budgets.
 - Departments include narrative of limited growth impacts in Fiscal Issues section of Proposed budget book.
- May
 - Limited Growth Impact forms and summary included in proposed budget document (similar to Special Request forms/summary).
 - Departments include slide of limited growth impacts in Budget Week PPTs.



Note: The graph of this long-range forecast includes reallocating approximately \$1.0M of General Fund costs to other funding sources, which is outlined in the policy decision section of this memo.

Department by Department General Fund Impact Summary

The figures below are preliminary and subject to change. These represent estimated budget savings that departments/offices will need to achieve during FY 2026, using the assumptions outlined above. The savings needed for departments receiving a GF transfer may be higher after their FY26 budgets are fully evaluated. The BOCC's priorities and decisions will determine final savings by department, beginning with discussions at the retreat in early January 2025.

GF Department / Office	Budget Savings Needed - \$1.4M	Savings as a % of Department's Budget
Assessor (GF)	\$199,000	2.8%
Clerk (GF)	\$33,000	1.2%
DA (GF)	\$564,000	4.3%
DA – Victims' Assistance (GF)	\$26,000	1.6%
Property (GF)	\$20,000	3.2%
Tax (GF)	\$31,000	2.8%
Veterans' Services (GF)	No Savings Needed	n/a
Parole and Probation (GF Transfer)	\$26,000	0.3%
Dog Control (GF Transfer)	\$3,600	0.9%
Health Services - PH (GF Transfer)	\$190,000	0.8%
Health Services - BH (GF Transfer)	\$77,000	0.1%
Juvenile Justice (GF Transfer)	\$301,000	2.9%

Based on the growth target for FY 2026 and beyond, internal service funds will also need to achieve budget savings of \$624,00. There are a range of savings that are currently projected across internal service funds. Some ISF departments are implementing strategies to achieve partial cost savings in FY 2025, which will minimize the target for FY 2026.

Evaluating Limited Growth Budget Impacts

Our current strategy includes a process for departments and offices to communicate both with the budget workgroup, and also with the Budget Committee, the impact of their limited growth targets.

I will be prioritizing the Board's goals and the workgroup's recommendations as I develop the proposed budget.

The proposed budget document will include both a summary and detailed information about specific items that are proposed to be reduced or eliminated and any related service impacts.

Before approving the budget, the Budget Committee will have the ability to make changes to the budget on which a majority of the committee members agree. However, any changes related to limited growth impact items would require identification of a funding source or an alternate reduction to fund the requested change.

Upcoming Board Policy Decisions Related to the Budget

Later this fall, I would like to discuss the following policy decisions and ask for Board direction on each item. These discussions will help me build a budget that reflects the Board's priorities:

- Shift two Behavioral Health positions from the General Fund to Behavioral Health's budget and use BH reserve if needed to cover costs, which are estimated at \$334,000 annually.
- No external commitments of General Fund and TRT funds.
- Remove CDD Transfer for Hearings Officer - \$100K/year.
- \$20K/year Dispute Resolution moved to Justice Court – this will more accurately show the cost of operating the Justice Court.
- Increase Environmental Health fees to significantly reduce or eliminate the TRT and Video Lottery offsets, which total \$250,000 in Video Lottery funds and \$277,000 in TRT.
- In FY 2026, consider moving \$480,000 of debt service that is currently being paid for by the General Fund to Video Lottery. Jail Expansion Debt Service \$260,000 per year and \$220,000 per year for Jamison Property (P&P). The jail expansion debt service matures in 2038 and the Jamison debt service matures in 2028. (For reference, in 2024, the Board allocated \$500,000 of Video Lottery funds in support of core County services. Staff's proposal is that the debt service allocation proposed above would serve to maintain a similar split in allocated funds for FY 2026.

Next Steps

I plan to continue to update you about the budget development process as we move forward and will also be providing an update to the full Budget Committee during our mid-year meeting. Please let me know if you have any questions about this memo.



BOARD OF COMMISSIONERS

AGENDA REQUEST & STAFF REPORT

MEETING DATE: February 19, 2025

SUBJECT: FY 26 Cannabis Advisory Panel Budget Recommendations

BACKGROUND AND POLICY IMPLICATIONS:

The Cannabis Advisory Panel (CAP) provides recommendations to the Board of County Commissioners on how Deschutes County should spend its annual marijuana tax revenue.

On January 27, 2025 the CAP heard presentations from four County departments requesting marijuana tax revenue. The marijuana tax revenue for the current fiscal year is \$185,811. The forecasted marijuana tax revenue for FY 26 is \$197,000. After the presentations the CAP deliberated and determined recommended budget allocations.

Below are the departmental requests for CAP consideration:

1. Community Justice, \$26,000
 - a. To provide substance use prevention and treatment services specifically for justice-involved youth and their families who are unable to receive timely services elsewhere in the community.
2. CDD, \$20,000
 - a. Code Enforcement related to marijuana code complaints.
3. Health Services, \$56,000
 - a. To continue paid media advertising focused on supporting parents and guardians in the County to talk with their kids about marijuana and other drugs.
4. Sheriff's Office, \$95,000
 - a. To continue the funding support of a marijuana detective.

BUDGET IMPACTS:

The marijuana tax revenue will result in increased revenues by \$197,000 for FY 26. The marijuana tax revenue and associated expenditure will be included in the FY 26 Proposed Budget.

ATTENDANCE:

Jen Patterson, Strategic Initiatives Manager

Estimated time needed for item (presentation/questions/discussion/action): 15 Minutes

FY 2026 Special Request by Fund

<u>Department</u>	<u>Fund</u>	<u>Date</u>
Sheriff's Office	255	3/31/2025
<u>Position Type:</u>	<u>FY:</u>	<u>Priority:</u>
Temporary	2026	1

Project or Position Title
Replacing Jail Control Computer System

Description and Itemized Costs
This will be an upgrade to the current control computer system. The system is no longer meeting our needs.

Describe Specific Personnel Needs

# FTE	0.00
Salary / Wages	
Benefits	
Position Total	0
Materials/Svcs	
Capital Outlay	400,000
Total Cost	400,000
Revenue Offset	
Net Cost	400,000

Justification

The current system has reached the end of life and needs replaced. The majority of the current system was put in place prior to 2013.

Funding Source

Fund 255- 2553750

Administrator Comments:

In Proposed: **Yes**

FY 2026 Special Request by Fund

<u>Department</u>	<u>Fund</u>	<u>Date</u>
Solid Waste	610	4/16/2025
<u>Position Type:</u>	<u>FY:</u>	<u>Priority:</u>
Regular	2026	1

Project or Position Title
Customer Service Clerk

Description and Itemized Costs
Addition of a PW Customer Service Clerk to assist with customer service and communication, tracking statistics, archiving documents, and other clerical needs. Cost is budgeted at step 3 starting July 2025 and requires \$3K in M&S costs for a desk and computer setup.

Describe Specific Personnel Needs
Within the development of the franchise agreement, our IGA requirements include tracking and investigating customer service issues, tracking statistics, and providing reports to Cities.

# FTE	1.00
Salary / Wages	52,197
Benefits	51,251
Position Total	103,448
Materials/Svcs	3,000
Capital Outlay	0
Total Cost	106,448
Revenue Offset	
Net Cost	106,448

Justification

Position is contingent upon an IGA with the Cities of Bend and Redmond for administration of new franchise agreements. This position serves as the primary franchise agreement customer complaint and service hotline contact.

Funding Source

This position would be funded as an ongoing portion of the Solid Waste personnel costs within Fund 610.

Administrator Comments:

In Proposed: **No**

FY 2026 Special Request by Fund

<u>Department</u>	<u>Fund</u>	<u>Date</u>
Solid Waste	610	3/31/2025
<u>Position Type:</u>	<u>FY:</u>	<u>Priority:</u>
Regular	2026	2

Project or Position Title
Site Attendants (3)

Description and Itemized Costs
Addition of 3.0 FTE Landfill Site Attendants for collection of litter and site maintenance activities. Cost reflects total for 3 positions and is budgeted at step 3 starting July 2025 and does not require any additional M&S costs.

Describe Specific Personnel Needs
Provides site cleanup, offsite roadway pickup services, light maintenance, and backup scale house and tip floor staffing.

# FTE	3.00
Salary / Wages	153,354
Benefits	152,538
Position Total	305,892
Materials/Svcs	0
Capital Outlay	0
Total Cost	305,892
Revenue Offset	
Net Cost	305,892

Justification

Been utilizing outside services for site maintenance, cleanup and recycling sorting. These services have limitations, including not being able to provide litter cleanup on public roadways surrounding our facilities and are subject to staffing shortages they may have. The department also lost Juvenile services that historically serviced Knott Landfill exterior roadways.

Funding Source

This position would be funded as an ongoing portion of the Solid Waste personnel costs within Fund 610. Cost savings from reduction of outside services reflected in Fund 610 M&S.

Administrator Comments:

In Proposed: **No**

Final Baseline Budgets/Transfers for Fiscal Year 2026

The following outlines the final baseline budgets or transfers by department, reflecting a 3.3% growth for General Fund expenditures and 8.0% for Internal Service Fund (ISF) charges. All departments met or remained under the baseline amounts.

Individual line-item budgets may show increases exceeding 3.3% or 8.0%, which is due to adjustments made to the baseline from the FY 2025 revised budget. These adjustments account for a 15% increase in health insurance premiums effective August 1, 2024, which are not included in the FY 2025 appropriations.

Each department carefully developed budgets to align with the baseline. Some departments were able to absorb the growth limitations by right-sizing their budgets with minimal operational impact. Others had to identify additional savings to remain within the baseline. The strategies used by the more significantly impacted departments to achieve these savings are detailed in the following pages.

Department	FY 2026 Final Baseline	Budget Savings Needed	Savings as a % of Budget	% Inc/(Dec) From FY 2025 Budget*
General Fund Departments:				
Assessor	\$7,122,900	\$233,576	3.3%	5.6%
Clerk	\$2,859,200	No savings needed	n/a	(6.5%)
District Attorney	\$13,846,311	\$243,933	1.7%	4.4%
Property Value Appeals Board	\$99,400	No savings needed	n/a	7.4%
Property Management	\$621,600	\$40,000	6.2%	9.5%
Tax	\$1,104,300	\$57,000	5.2%	6.6%
Veterans'	\$1,019,400	No savings needed	n/a	(7.0%)
General Fund Transfers:				
Adult Parole & Probation	\$673,300	\$26K from limited growth; \$500K total funding gap	0.3%	(4.0%)
Community Justice Juvenile	\$8,409,500	\$301,000	2.9%	3.3%
Dog Control	\$99,200	\$4,000	0.9%	3.3%
Health Services	\$6,808,300	PH - \$190K from limited growth; \$1.8M total funding gap	0.8%	(5.7%)
Victim's Assistance	\$737,500	\$212,763	15%	(14.8%)

* FY 2025 budget does not include a 15% health insurance premium increase which was included when calculating the 3.3% or 8.0% increase from FY 2025 to FY 2026.

Final Baseline Budgets/Transfers for Fiscal Year 2026

Department	FY 2026 Final Baseline	Budget Savings Needed	Savings as a % of Budget	% Inc/(Dec) From FY 2025 Budget*
ISF Charges:				
Administrative Services/BOCC	\$3,488,800	\$155,000	4.3%	6.6%
Facilities	\$5,539,000	\$309,000	4.2%	8.5%
Finance	\$3,149,900	No savings needed	n/a	4.6%
HR	\$2,293,400	No savings needed	n/a	3.6%
IT	\$5,677,300	No savings needed	n/a	9.5%
IT Reserve	\$810,000	\$150,000	9.1%	8.0%
Legal	\$2,174,300	No savings needed	n/a	3.3%

* FY 2025 budget does not include a 15% health insurance premium increase which was included when calculating the 3.3% or 8.0% increase from FY 2025 to FY 2026.

Department Strategies to Meet Baseline Budgets for Fiscal Year 2026

Department	Budget Savings Required	Savings as % of Total Budget	3-Year Budget Utilization Trends (Average)	3-Year Vacancy Rate Trend (Average)	Strategies to Meet FY 2026 Baseline Budget
Assessor	\$233,576	3.3%	92%	9.15%	<ul style="list-style-type: none"> Budgeted \$233,576 in vacancy savings.
Adult Parole and Probation	\$26,000 from limited growth; \$500,000 total funding gap	0.3%	92%	13.82%	<ul style="list-style-type: none"> Eliminate 1.75 vacant Parole and Probation Specialist FTE. Eliminate 2.00 vacant Parole and Probation Officer FTE. Holding other vacant positions open and assessing during FY 2026.
Community Justice Juvenile	\$301,000	2.9%	94%	7.94%	<ul style="list-style-type: none"> Eliminate 2.00 Community Services Specialist FTE. Holding other vacant positions open and assessing during FY 2026.
District Attorney's Office/ Victim's Assistance	\$456,969	3.0%	96% / 88%	3.90% / 6.15%	<ul style="list-style-type: none"> Hold vacant positions open: <ul style="list-style-type: none"> .25 Deputy District Attorney FTE. 1.00 Victim's Advocate FTE. Downgrade of Victim's Assistance Manager to an Administrative Supervisor position which generates personnel savings. Budget 50% of average vacancy savings for the DA. Temporarily redistribute workload to minimize the impact of unfilled vacancies on service delivery. The underspending in M&S offers a clear opportunity to focus on cost-saving measures: <ul style="list-style-type: none"> Reduce or defer discretionary spending on: <ul style="list-style-type: none"> - On-Call. - Non-essential outreach or promotional activities. - Office supplies through streamlined purchasing.

Department Strategies to Meet Baseline Budgets for Fiscal Year 2026

Department	Budget Savings Required	Savings as % of Total Budget	3-Year Budget Utilization Trends (Average)	3-Year Vacancy Rate Trend (Average)	Strategies to Meet FY 2026 Budget Savings
District Attorney's Office/ Victim's Assistance (continued)					<ul style="list-style-type: none"> ○ Vicarious trauma resources (explore alternative funding). ○ Extra help staffing (limit temporary hires). ○ Travel and training (restrict to mandated or essential needs). • Seek alternative funding: <ul style="list-style-type: none"> ○ Explore grants, community partnerships, or state programs to support essential functions.
Health Services – Public Health	\$190,000 from limited growth; \$1,800,000 total funding gap	0.8%	93%	11%	<ul style="list-style-type: none"> • Closing reproductive health clinical services in FY 2025, which eliminated 3.70 FTE. • Eliminating 1.00 vacant Infection Prevention Specialist. • Eliminating 2.00 limited duration FTE. • Downgrade a vacant Environmental Health (EH) Specialist III to a II, generating personnel savings. • Increase EH fees by 5%. • Receiving \$108,770 in Video Lottery Funds and \$100,000 in TRT funds to fund EH gap. • Actively seeking additional funding – both competitive grants as well as negotiating and leveraging enhanced payment models.

Limited Growth Strategies by Department

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Limited Growth Strategies by Department

1. Department/Office:

Assessor

2. Limited Growth Target:

\$233,576

3. What % of Total Budget is the Department/Office's Limited Growth Target:

3.3%

4. Over the past three years, what trends are observed about the Department / Office's total budget utilization?

92%

5. Over the past three years, what trends are observed about the Department / Office's vacancy rate?

Average of 13.82%. In the past several years due to retirements, employees leaving for various reasons including better salaries, and the difficulty of attracting and retaining staff, there have been continued increased timeframes in filling open positions.

6. Please describe limited growth strategies here.

Looking at the 5-year history and assuming that a department of this size would seldom be close to spending 100% of budget, the Assessor's office will budget anticipated vacancy savings to meet the baseline budget target.

Limited Growth Strategies by Department

1. Department/Office:

Community Justice - Adult Parole and Probation

2. Limited Growth Target:

\$26,000 from limited growth; \$500,000 total funding gap

3. What % of Total Budget is the Department/Office's Limited Growth Target:

0.3%

4. Over the past three years, what trends are observed about the Department / Office's total budget utilization?

Over the past five fiscal years, Adult Parole & Probation expenditures have averaged approximately 92% of the budgeted amounts. The highest budget-to-actual ratio was 96%, while the lowest was 90%. Given this consistency, a 92% ratio appears to be a reliable estimate for future budget-to-actual projections for Adult Parole and Probation.

5. Over the past three years, what trends are observed about the Department / Office's vacancy rate?

Over fiscal years 2022-2024, and including the first half of fiscal year 2025, Adult Parole & Probation's average vacancy rate has been 13.82%, which equates to approximately 5.49 FTEs based on our total FTE of 39.75. In response to anticipated budget reductions for fiscal year 2026 (FY 2026), we have intentionally kept certain positions vacant. We also piloted a new management structure in terms of our front office operations. Currently, we like that structure and don't anticipate making any changes to that. Our strategy moving forward includes reducing some of these vacant positions and budgeting for vacancy savings in FY 2026.

6. Please describe limited growth strategies here.

- Eliminate 1.75 Parole and Probation Specialist FTE (currently vacant)
 - Parole and Probation Specialists perform a variety of essential duties within our department, with one of the primary responsibilities being the facilitation of cognitive behavioral therapy groups. While we have continued to provide these groups despite current vacancies, our ability to cover sessions when a staff member is on leave has been limited. As a result, we have had to either rely on higher-classification staff for coverage or cancel sessions altogether. This change would result in \$210,000 in savings in FY 2026.
- Eliminate 2.00 Parole and Probation Officer FTE (currently vacant)
 - Parole and Probation Officers provide direct supervision of clients in Deschutes County, working to balance accountability, public safety, and behavior change. Over the past year, the overall number of clients on supervision has decreased. While the optimal caseload size for effective behavior change is likely in the 30-35 range, we have been able to maintain manageable caseloads despite these vacancies.

Limited Growth Strategies by Department

- If the supervised population begins to increase, we may need to reassess staffing levels in the future. This change would result in \$300,000 in savings for FY 2026.
- Additionally, we are holding other vacancies and will be assessing them over the next few months. These positions include a Parole and Probation Specialist and a Parole and Probation Officer. Depending on the duration of these vacancies or a decision to eliminate the FTEs, they could generate up to \$280,000 in savings for FY 2026.
- We will continue evaluating services while exploring additional funding opportunities and cost-saving measures. Our goal is to implement strategic reductions through FY 2026 and into FY 2027 to meet budget targets and ensure sustainable growth beyond FY 2027.
- We are also hopeful for legislative changes that will increase the funding for community corrections in Oregon. We have been holding several of these positions vacant in anticipation of this change and depending on the outcome we will either eliminate all or some of the held FTE at the end of FY 2026.
- Deschutes County through its contract with the State of Oregon is responsible for supervision, sanctions and services for justice-involved individuals. Eliminated FTE were responsible for direct supervision of clients and for cognitive groups and other services that provide rehabilitative services.

Limited Growth Strategies by Department

1. Department/Office:

Community Justice – Juvenile

2. Limited Growth Target:

\$301,000

3. What % of Total Budget is the Department/Office's Limited Growth Target:

2.9%

4. Over the past three years, what trends are observed about the Department / Office's total budget utilization?

Over the past five fiscal years, Juvenile Community Justice expenditures have averaged approximately 94% of the budgeted amounts. The highest budget-to-actual ratio was 97%, while the lowest was 89%. Given this consistency, a 94% ratio appears to be a reliable estimate for future budget-to-actual projections for Juvenile Community Justice.

5. Over the past three years, what trends are observed about the Department / Office's vacancy rate?

Over fiscal years 2022-2024, and including the first half of fiscal year 2025, Juvenile's average vacancy rate has been 7.94%, which equates to approximately 3.89 FTEs based on our total FTE of 49. The highest turnover has been with our Detention Community Justice Specialist positions. To address this, we have implemented proactive measures aimed at reducing turnover within this classification. Additionally, we have faced more recent challenges in filling a vacant Behavioral Health Specialist position. In response to anticipated budget reductions for fiscal year 2026 (FY 2026), we have intentionally kept certain positions vacant this fiscal year.

6. Please describe limited growth strategies here.

- Eliminate 2.00 Community Services Specialist FTE.
 - Since the summer of 2024, we have held two Community Service Specialist positions vacant in anticipation of budget savings needed for FY 2026. As a result, we no longer offer adult work crew supervision; instead, adults must complete community service at other locations or through alternative interventions identified by officers. This limits our ability to take on projects that require less supervision or are more labor-intensive, particularly those suited for adults. We are still offering Juvenile work crew services, but due to these staffing changes, we have reduced both the number of work crew days and the number of youth participating. Additionally, we are prioritizing on-site work crew projects because we have only one staff member supervising the youth on crew. This change would result in \$260,000 in savings in FY 2026.
- Additionally, we are holding other vacancies and will be assessing them over the next few months. These positions include a Community Justice Officer, a Community Justice Specialist, and a Community Justice Specialist Supervisor. Depending on the duration of these vacancies or a decision to eliminate the FTEs, they could generate up to \$430,000 in savings for FY 2026.

Limited Growth Strategies by Department

- We will continue evaluating services in Detention and Probation while exploring additional funding opportunities and cost-saving measures. Our goal is to implement strategic reductions through FY 2026 and into FY 2027 to meet budget targets and ensure sustainable growth beyond FY 2027.
- Youth supervision and community service are both mandated under Oregon Juvenile Justice statutes. While reducing FTEs will limit these services, adjustments have been made to ensure statutory requirements are met, allowing the required work to continue with the available staff.

Limited Growth Strategies by Department

1. Department/Office:

District Attorney's Office

2. Limited Growth Target:

\$243,933

3. What % of Total Budget is the Department/Office's Limited Growth Target:

1.7%

4. Over the past three years, what trends are observed about the Department / Office's total budget utilization?

High Budget Utilization with Variance:

- The DA's Office consistently utilized a large portion of its budget, with percentages spent ranging from 89% to 100% in various fiscal years (FY21-FY24).
- In FY23, the DA's Office spent 100% of its budget, indicating tight alignment with allocated resources. This contrasts with FY22, where only 89% of the budget was utilized.
- Personnel services are the primary expense category, consuming the majority of the budget. Spending on personnel consistently approached full utilization, reflecting stable costs tied to staffing needs.
- The materials and services category shows more fluctuation, with spending percentages varying annually (e.g., 81% in FY21 and 99% in FY23). This suggests variability in operational, case, or project-related expenses.
- Despite high utilization rates, the DA's Office typically spent slightly less than its allocated budget. Variances ranged from minor underspending of \$42,783 in FY23 to underspending of \$1,045,611 in FY22 (90% Personnel & 84% M&S). These trends indicate a generally efficient budget management approach, with most variances driven by operational flexibility or unforeseen expenditures within M&S rather than personnel costs.

5. Over the past three years, what trends are observed about the Department / Office's vacancy rate?

Stable Vacancy Rate:

- The DA's Office maintained a relatively low and stable vacancy rate, which reflects consistent staffing levels and efficient hiring practices.
 - FY22: 4.52%
 - FY23: 3.52%
 - FY24: 3.67%
 - FY25: 3.80% (to date)
- Minor Fluctuations:

Limited Growth Strategies by Department

- Between FY 22 and FY25, the unfilled positions fluctuated between 1-6 positions per month, with average of 2 unfilled positions per month. This suggests a manageable turnover rate with quick replacement times.
- Comparison to General Fund Average:
 - The DA's Office vacancy rate is significantly below the General Fund average of 10%, indicating better staffing stability relative to other departments.
- Summary:
 - Over the past few years, DA's Office has consistently maintained a low and stable vacancy rate.

6. Please describe limited growth strategies here.

- Hold Vacant Positions:
 - Planned Vacancies: Maintain the 0.25 FTE Deputy District Attorney II position as vacant for cost savings.
 - Lower-Classification Positions: Hold any lower- classification position (e.g. Legal Assistant) vacancies that occur to avoid backfilling and reduce personnel costs.
 - Budget 50% of average vacancy savings
 - Reduce Materials and Services (M&S):
 - Target non-essential expenses such as:
 - Vicarious trauma resources (explore alternative funding).
 - Extra help staffing (limit temporary hires).
 - Overtime/On Call (limit OT and on call when possible).
 - Travel and training (restrict to mandated or essential needs)
 - Office supplies (consolidate purchases and reduce waste).
 - Evaluate Personnel-Driven Costs:
 - If savings targets are not met, explore:
 - Negotiations with union contracts to pause COLA (Cost of Living Adjustments).
 - Implement furloughs to temporarily reduce salary expenses.
 - Highlight Cost-Saving Contributions:
 - The DAO would like to emphasize that our office has already saved the General Fund approximately \$400,000 through work on an ARPA grant, demonstrating efficiency and added contributions.
 - Advocate for Adequate Resources:
 - The DAO would like to reinforce that the DA's Office is already performing more with less, and further cuts will impact mandated services such as prosecution, victim advocacy, and community safety.
- **Do These Strategies Impact Mandated Services?****
- Yes: The Deschutes County District Attorney's Office faces escalating demands due to rising caseloads, complex crimes, and mandatory services. Cutting

Limited Growth Strategies by Department

funding would severely impair our ability to serve the community and uphold justice.

Caseload Growth

- Total Case Counts Reviewed: Up from 6,573 in 2021 to 7,769 in 2024 (to date).
- Cases Filed: Increased from 3,755 in 2021 to 4,202 in 2024 (to date).
- PCS Cases: Up 91 cases in FY25 (92.9%) since HB 4002 re-criminalized certain drug offenses.

Serious Offenses and Complexity

The office is managing 18 open and active Homicide cases, 13 of these cases are murders, reflecting the growing demand for prosecutorial resources.

Murder cases require significant resources, including two prosecutors, a legal assistant, and a victim advocate for each case, as well as costs for expert witnesses, witness fees, and other trial necessities. These cases are highly complex, requiring substantial staffing and financial investment, and their increasing numbers place added strain on the office.

Stat: The office currently has 188 Measure 11 pending cases, this includes murder, attempted murder, manslaughter, Assault 1, Assault 2, and other serious offenses.

Strained Resources and Limited Mentorship Opportunities

Our supervising attorneys are carrying full caseloads due to the office's needs and the complexity of crimes, leaving little time for mentorship as originally intended. With only limited number of attorneys capable of handling high-level cases, our ability to train and develop staff is severely limited.

Prosecutorial and Administrative Demands

- Expungements: Nearly quadrupled from 217 in 2021 to 868 in 2024 (to date).
- Public Records Requests (PRRs): Consistently high, with 569 in 2024 (to date).
- Digital Evidence Review: Over 6,257 hours of footage in 2024 (to date), representing 50% of case materials compare to 4,402 hours of footage in 2022.

With rising case volumes, complex crimes, and 18 active homicide cases, funding is critical to ensure timely and effective justice. Reducing funding would jeopardize public safety, delay critical services, and weaken confidence in the justice system.

Limited Growth Strategies by Department

1. Department/Office:

District Attorney's Office - Victim's Assistance

2. Limited Growth Target:

\$212,763

3. What % of Total Budget is the Department/Office's Limited Growth Target:

15%

4. Over the past three years, what trends are observed about the Department / Office's total budget utilization?

- Trends in Total Budget Utilization for Fund 212 (Over the Past Three Years):
 - Personnel Services:
 - The average budget utilization for Personnel Services from FY20 to FY24 is 92%, with underspending ranging from 3% to 15% annually.
 - Recent Trends: Over the past three years (FY22–FY24), the trend shows a slight improvement in utilization: FY22: 93%, FY23: 85% and FY24: 91%.
 - Implications: While underspending persists, the fluctuations in percentage indicate variability in staffing levels, vacancies, or delays in hiring processes. The consistent underspending suggests room to refine projections or account for staffing vacancies when budgeting.
 - Materials & Services (M&S):
 - The average budget utilization for M&S is 52%, with underspending ranging from 36% to 51% annually.
 - Recent Trends:
 - M&S utilization has been consistently low but peaked in FY24 at 64%, FY22: 46%, FY23: 48%, FY24: 64%
 - Implications: M&S underspending appears more significant and consistent than Personnel Services. The increased utilization in FY24 suggests better alignment or increased needs but highlights a pattern of underutilization in previous years.

5. Over the past three years, what trends are observed about the Department / Office's vacancy rate?

- Higher Vacancy Rates:
 - VAP experienced notably higher vacancy rates compared to the DA's Office:
 - FY22: 1.04% (minimal vacancies).
 - FY23: 9.95% (higher due to 1-2 unfilled positions monthly).
 - FY24: 7.46%
 - FY25 (to date): 16.84%
 - Increase in Vacancies in FY24:

Limited Growth Strategies by Department

- The increase in FY24 likely reflects challenges in recruitment or retention, potentially impacted by organizational changes or staffing requirements.
- Potential Impacts:
 - The higher vacancy rate in VAP could affect service delivery, especially in a department with specialized roles that may take longer to fill.
- Summary:
 - The VAP saw an upward trend in vacancy rates, peaking in FY25, which our office is focusing to improve hiring efficiency and retention.

6. Please describe limited growth strategies here.

- Hold Vacant Positions/ Optimize Current Staffing:
 - In FY25, we downgraded the VAP Program Manager position to a VAP Administrative Supervisor position, which reduce personnel expenditures.
 - Hold a vacant Victim Advocate position open. These savings could also help offset the budget savings needed in the DA's Office.
 - Temporarily redistribute workload to minimize the impact of unfilled vacancies on service delivery.
- Target Non-Personnel Cost Reductions:
 - The underspending in M&S offers a clear opportunity to focus on cost-saving measures:
 - Reduce or defer discretionary spending on:
 - Training and conferences.
 - On-Call
 - Non-essential outreach or promotional activities.
 - Office supplies through streamlined purchasing.
- Seek Alternative Funding:
 - Explore grants, community partnerships, or state programs to support essential functions.
- Technology Improvements:
 - Invest in or utilize existing tools to streamline workflows and reduce staff burden (VAP Portal), minimizing the impact of vacancies on productivity.

Limited Growth Strategies by Department

1. Department/Office:

Health Services – Public Health

2. Limited Growth Target:

\$190,000 from limited growth; \$1,800,000 original funding gap

3. What % of Total Budget is the Department/Office's Limited Growth Target:

0.8%

4. Over the past three years, what trends are observed about the Department / Office's total budget utilization?

On average, Public Health underspent its budget by approximately \$1.5M, expending 91% of budget. However, this fluctuated from \$2.3M in FY 2022 and \$795K in FY 2024. While Public Health budgets for vacancy savings, the amount under budget correlates to higher levels of vacancy rates (above what was budgeted). For instance, FY 2022 experienced \$2.3M under budget with an average 15% vacancy (3% budgeted) whereas FY 2024's average vacancy was 9% (6% budgeted) and was under budget by \$795K. The amount of reimbursement grants can further misconstrue numbers; meaning, while actuals may be under budget, there may not be revenue received for expenses not incurred.

5. Over the past three years, what trends are observed about the Department / Office's vacancy rate?

Over the past three years, the vacancy rate fluctuated--a high of 23% in June 2022 and low of 4% in July 2024 (which is closer to pre-Covid levels). Over this timeframe, the average vacancy rate has been 11%.

6. Please describe limited growth strategies here.

As Public Health looks ahead to FY 2026, many state awards remain flat, Covid-related emergency funding ends, community needs shift, and county funding becomes limited. The identified funding need of \$1.8 million is addressed through the following strategies:

Approximately 30% of the savings comes from proactively assessing programs and service needs during FY 2025, resulting in ending some direct services (such as the Reproductive Health clinical services) and transitioning other services to community-based organizations (such as the Ryan White Program). The decision to end clinical services took into account decreased patient utilization, increased community access, increased access to OHP, and longer lasting birth control options. This resulted in fiscal savings that will be applied to FY 2026 to mitigate the impacts of limited growth targets and increased personnel and indirect costs in FY 2026.

Approximately 10% savings comes from eliminating 1.0 FTE, a vacant Infection Prevention Specialist. Several other positions are also ending, including 2.0 FTE limited duration staff and 3.7 FTE related to the Reproductive Health Clinic.

Limited Growth Strategies by Department

Approximately 30% of the savings necessary is resolved through actively seeking additional funding—both competitive grants as well as negotiating and leveraging enhanced payment models. (e.g., PacificSource and Medicaid Administrative Claims (MAC) reimbursement).

- The Prevention Program actively sought and was awarded several local and state funding opportunities, a net increase of approximately \$300,000 in FY 2026. This, coupled with a higher indirect rate of 15% instead of 10% on most grants, provided an opportunity to redistribute County General Funds to Environmental Health to assist in offsetting the County investment and higher fees.
- The department negotiated a higher per member per month rate with its Coordinated Care Organization for the Perinatal Care Continuum, increasing revenue by \$50,000 annually.
- The department is training and adding additional individuals to the MAC program in FY 2026, a program that allows for enhanced Medicaid reimbursement with a local match. It is anticipated to add \$240,000 in additional Medicaid revenue.

Approximately 30% of limited growth target-related savings comes from Environmental Health (EH), which had approximately \$665,000 gap when maintaining TRT investment at the FY 2025 level. To address this, the department is employing a number of strategies, such as:

- Reclassify an anticipated vacant Environmental Health Specialist III to an Environmental Health Specialist II, savings of approximately \$34,000;
- Increase EH fees an average of 5 percent, additional revenue of \$100,000;
- Reallocate County General Funds from other departmental programs to offset, including \$140,000 from Prevention (due to new grants identified as stated above), \$86,000 from closure of Reproductive Health Clinics, and \$112,000 from Behavioral Health;
- Request continued Video Lottery Fund investment of \$208,770, a 16 percent reduction from FY 2025 allocation. Board approved \$108,770 of Video Lottery funds and \$100,000 of Transient Room Tax revenue.