



## BOARD OF COMMISSIONERS

1300 NW Wall Street, Bend, Oregon

(541) 388-6570

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## DESCHUTES COUNTY BUDGET COMMITTEE MEETING

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The 2024 Budget Hearings for the week of May 20-24, 2024 were held in the Barnes Sawyer room at 1300 NW Wall Street, Bend, broadcast live stream on YouTube and through the virtual meeting platform Zoom. Audio and video recordings of the budget hearings are accessed at: [www.deschutes.org/meetings](http://www.deschutes.org/meetings)

Present were Budget Committee members Jim Fister (Chair) and Krisanna Clark-Endicott, and Commissioners Patti Adair, Tony DeBone and Phil Chang. Budget Committee member Judy Trego was absent. Also present were County Administrator Nick Lelack, Deputy County Administrators Whitney Hale and Erik Kropp, Chief Financial Officer Robert Tintle, Budget and Financial Planning Manager Dan Emerson, Senior Budget and Financial Planning Analyst Camilla Sparks, Management Analyst Laura Skundrick, and BOCC Administrative Assistant Angie Powers.

**Welcome and convene the Deschutes County Budget Meeting of Monday, May 20, 2024:** Chair Fister called the meeting to order at 9:00 a.m. Commissioner DeBone thanked the budget team for their work in assembling the proposed budget for FY25.

**Nomination of Representative to the Investment Advisory Committee:** County Administrator/Budget Officer Nick Lelack clarified that the Budget Committee nominates the Investment Advisory Committee representative, and that representative is a County Commissioner. Commissioner DeBone is currently the Budget Committee representative on the Investment Advisory Committee. Commissioner Adair expressed interest in filling this role for the upcoming year.

**MOTION:** Krisanna Clark-Endicott moved the appointment of Commissioner Adair to the Investment Advisory Committee. Commissioner Chang seconded the motion, which carried 5-0.

**Deschutes County Proposed Budget:**

Public Comment: None

Deschutes County Budget Message: Lelack provided opening remarks and welcomed Krisanna Clark-Endicott to the committee as its newest member. He noted that Judy Trego was unable to attend this week's meetings due to a family emergency, and that she and her family are in his thoughts. He thanked Budget Committee members, Department Heads, Budget and Financial Managers, Deputy County Administrators, and the entire Finance team, for this year's team effort in putting together the proposed FY25 budget.

Big Picture Budget Process Overview – Lelack reported that the proposed budget is balanced and makes significant investments in key priority projects while sustaining quality and efficient services to its residents. The total proposed operating budget for FY25 is \$423 million, a 5.7% increase over FY24. This excludes county service districts, contingency, unappropriated balances, and internal transfers and best reflects the County's total spending. The total proposed budget is \$727.8 million, a 0.6% increase over FY24. The total FTE in the proposed budget is 1,250, a slight decrease of 4.7 employees primarily due to reductions in CDD staffing. The County has 84 active funds, and most of these funds are restricted by federal/ state requirements or county practices. The General Fund (GF) is the County's primary discretionary fund and provides the most flexibility. There is also some discretion in the allocation of video lottery funds and full discretion for General Government Purposes (70% of the County's Transient Room Tax (TRT) funds).

The County receives 56% of its revenue from state and federal governments and generates 44% of our revenues from property taxes and fees for services. When looking at the overall budget, including service districts, 28% of funds are allocated towards health and human services, 27% towards public safety, 23% in support of general government services, 13% towards county roads, and 8% support the County's enterprise funds. Within the GF, 51% of the budget goes towards public safety. The County has levied its full property tax rate.

Current Financial Condition – Lelack reported that the County's financial condition is stable, but there are challenges due to sustained inflationary pressures and increasing demands from its growing and changing population. The assessed value and growth in property taxes was 5.2%. TRT has declined slightly. The Community Development Department's (CDD's) revenues from fees and permits declined this year. Fair and Expo continues to generate revenue. The State of Oregon has provided some funding towards the courthouse expansion project, 24/7

Stabilization Center operations, and creation of a deflection program to implement Measure 110 reform.

The County continues to experience cost increases due to sustained inflationary pressures, geographic isolation, increases in the costs of labor and materials, the high cost of living in the region, and a growing population with changing needs. Lelack acknowledged the need for the expansion of County facilities, highlighting the Public Safety Campus Plan, the Road Capital Improvement Plan, and Fair and Expo upgrades. He noted some additional space constraints impacting other departments.

Lelack noted there has been a shift from the County paying cash for capital improvement projects to financing these projects. He emphasized that the County's greatest asset is its employees, and it's at its best when it recruits and retains the best talent. It is critical that the County continue to provide strong financial management and maintain its high credit rating while exercising conservative budgeting practices.

Highlights of the Proposed Budget and What it Aims to Accomplish – Lelack reported that the budget is structurally-balanced. It reflects the collective efforts of each department to deliver critical services in an efficient manner and implements the Board's goals and objectives while investing in key service areas. Lelack highlighted some of these goals, including road capital improvement fund, siting a new landfill, the Fair & Expo master plan, maintaining 24/7 operation of the Stabilization Center, the courthouse expansion for additional courtrooms and increase security, and a wage equity study currently underway. Lelack noted that numerous counties across Oregon are experiencing significant budget shortfalls, but our budget is structurally balanced, adding that fiscal stewardship is necessary to ensure continued financial stability while continuing to deliver efficient and impactful services to the community. Chair Fister thanked Lelack for his budget message, stating that he is pleased with the thoughtfulness of the proposed budget.

**Deschutes County Proposed Budget Overview:** Robert Tintle, Chief Financial Officer, thanked the Budget Committee for their dedicated service. He then recognized Dan Emerson for ten years of service to Deschutes County, as the County's Budget and Financial Planning Manager. Tintle credited Emerson's long-term financial planning and forecasting for ensuring the County's financial stability and positioning the County well for facing the upcoming challenges. He presented Emerson with a plaque and expressed appreciation for his invaluable contributions to the County. Chair Fister, Commissioner Adair, Commissioner DeBone, and Commissioner Chang echoed Tintle's remarks, thanking Emerson for his service.

Tintle reminded Budget Committee members that the County has a balanced budget policy, in which the County's total resources must equal its requirements. Additionally, this year they'll begin discussing a "structural budget" in which ongoing revenues equal ongoing

expenditures without using reserves for ongoing expenditures. He explained another policy related to the use of one-time revenues, in which one-time revenues should be used for one-time expenditures, rather than funding ongoing operations.

The Board approved a policy in January 2024 for the General Fund (GF) Reserve policy, in which the County strives to maintain 15% of tax revenues (\$6 million) into a GF Reserve to serve two purposes: 20% for an emergency response reserve (natural disaster assistance to the public) and 80% for financial stability. He urged the committee to consider where reserves come from and as these reserves dry up, how projects will be financed, while stressing that the County must also be able to afford debt service payments. This year's budget decisions will lay the foundation for the years to come. He shared that the property tax revenue received for the GF is approximately \$46 million, and the Sheriff's Office receives property tax revenues in the amount of \$56 million.

Commissioner DeBone stated that his goal for the County is for it to live within its means while providing quality, cost-effective services to the community. He is appreciative of the structural budget concept.

Daniel Emerson, Budget & Financial Planning Manager, thanked the Budget Committee for their time and commitment. He acknowledged the budget team, Cam Sparks and Laura Skundrick, and thanked them for their hard work. He also thanked the administrative support staff and department managers.

Emerson highlighted some areas of the Budget Document for review. Beginning on page 31 is the Revenue and Highlights section, which provides some insight into the County's assessed value, taxes, discretionary funds, and some major operating funds. The Fund Structure of the County appears on page 43. Page 74 highlights the General Fund (GF) transfers out, illustrated by a graph with historical amounts. The final three tabs include FTE summaries by fund/function with a historical context, special requests (both those included in the proposed budget and those not included), and the supplemental materials section covers service districts, as well as the GF and TRT forecast.

Tintle noted the committee has before them two binders, the first of which is the budget document, and the second is the line-item detail. The agenda notes the page number for each item in the budget document and the line-item detail binder.

## **SUPPORT SERVICES:**

- 1. Fiscal Entities** – Emerson noted that the General Fund (GF) and Transient Room Tax (TRT) are the two main funds to be discussed.

General Fund - The GF funds departments (the largest of which is the District Attorney's Office) and supports other departments' operations via transfers out. The largest transfers out of GF are to Health Services and Juvenile Community Justice. The main source of GF revenue is property taxes, and other sources include grants



and Clerk's Office fees. The GF is the chief operating fund for the County and serves as the primary support for operational funds facing short-term financial instability. Emerson emphasized that the GF's fiscal health reflects the County's financial stability. It was noted that Fund 070 is the Capital Maintenance Fund and is funded by 3 cents of property tax from the GF and a transfer from the GF that goes through capital reserve then onto Fund 070.

Discussion ensued regarding Internal Service Funds (ISF) charges. Emerson noted that out of every \$5 in the ISF only \$1 is charged to the GF. Tintle recognized ISF as the cost of service to the GF and as the costs of service are increasing, the ISF charges are increasing. Tintle said the County is in a good financial position and is not facing a structural imbalance, urging thoughtful planning moving forward. Commissioner Chang noted that we've been building towards this position for many years, and with future planned capital expenditures, such as the Public Safety Campus and Fair & Expo improvements, the County may need to consider going to voters with bond measures. Commissioner DeBone added that inflationary pressures are continuing to put a strain on our budget. Chair Fister said it's important to show taxpayers that the County has been responsible fiscal stewards with their tax dollars. Emerson noted that neither the Public Safety Campus Plan nor the Fair & Expo improvements are included as line items in the proposed FY25 budget.

Related to GF resources, 64% of the GF's funding is from property taxes, and 5.2% in assessed value growth is factored into the FY25 proposed budget. Emerson noted that the state grants funding source is down \$400K from FY24. Responding to Commissioner Adair, Emerson shared that many counties are discussing reductions to meet their budget shortfalls in lieu of asking the state for help.

Related to GF requirements, personnel services have increased 11% year over year. Transfers Out to Capital Reserve is \$2.6 million, \$1.5 million less than forecasted in FY24. This is attributed to sustained high inflation, new max bargaining COLA and increases in health insurance rates.

Emerson discussed short-term and long-term fiscal issues related to the GF. A forecasted structural imbalance was highlighted as one of the key long-term fiscal issues. Commissioner Chang wished to flag the \$700K+ decline in Clerk's Office Revenue and their fee structure (FY22) as a potential legislative matter. Tintle noted another important long-term fiscal issue is PERS rates, noting that the County recently opened a PERS side account, which will lower our rates. Responding to Commissioner Adair, Tintle confirmed that opening the PERS side account was a good decision.

Responding to Commissioner DeBone, Tintle and Lelack spoke about other counties' budget remarks. Lelack noted that coastal counties have experienced significant fiscal impacts due to reductions in timber harvest coupled with continued

inflationary pressures. Additionally, many other counties must live within their means with year over year property tax increases in the range of 3 to 4% while Deschutes County is fortunate in projecting 5.2% in assessed value growth. Tintle noted that the long-term forecast is more conservative.

There are no special requests this year for the GF. Service levels will remain constant in future years, with a 7% assumption. A 3.6% COLA is assumed, Emerson noting that results of the wage and salary study are not included in the GF forecast for the FY25 proposed budget. Other items which are not included include the new courthouse operating expenses, the fiscal impacts of rank choice voting, and the Housing Trust Fund.

Tintle noted that excess GF is used to fund capital maintenance and projects. It is projected to decline rapidly and will be depleted by FY27 when expenditures are expected to surpass revenues. Emerson noted it is critical to ensure the GF continues to have available funds so operations may continue at their current service levels. Several fiscal options were summarized. Commissioner Adair stated now is the time to look ahead, and she expressed some caution at using the word "strong" when describing the County's fiscal position as shown on the Emerson's GF Next Steps slide. Three GF requests, from the DA's Office and Adult Parole and Probation, were covered but are not in the proposed budget. These requests are shown on page 5 of the special requests section.

**BREAK:** *At the time of 10:44 a.m., a brief recess was taken, and the meeting reconvened at 11:00 a.m.*

- Funds 160 and 170 (Transient Room Tax TRT): Emerson noted that TRT is the County's second largest discretionary fund which funds departmental operations. TRT predominately funds tourism promotion/facilities, is highly variable and difficult to forecast. It is broken up into three taxes: 6% (80% unallocated, to support internal operations and other various projects), 1% (fully allocated to Visit Central Oregon (VCO)), and the new 1% (70% allocated to Fair & Expo for marketing/tourism, 30% unallocated but used to support Fair & Expo capital maintenance).

The TRT forecast assumes a 2.0% growth in revenue. \$30 million in debt service payments for the courthouse expansion is funded with discretionary TRT, and the County's top priority is to pay this debt service.

Emerson said the only leverage they have with TRT is related to Environmental Health fees, as they are currently subsidizing these fees. This would result in an increase in EH fees, such as restaurant inspection fees. Commissioner Adair noted that due to inflation, individuals are dining out at restaurants less, and this industry is already struggling. Tintle added they don't keep a contingency in the

TRT fund and each dollar that comes in goes out, and maintaining an excess in TRT is vital for capital expenditures.

Lelack highlighted that the discretionary capital TRT reserve is estimated at \$1 million, and the Sheriff's Office has requested \$809K of this. Should this be approved by the Budget Committee, this would reduce the amount of funds going towards capital maintenance projects.

Emerson shared that the Sheriff's Office is requesting a \$700K increase in TRT for FY25 to begin saving for implementation of the Public Safety Campus Master Plan. They are requesting an ongoing flat 3% increase in discretionary TRT to fund operations (\$109K in FY25).

- Fund 060 (Capital Reserve): This consolidates available funds after expenditures from the GF and TRT and uses the funds for capital maintenance and minor space additions. Tintle noted that they do not keep a reserve within the GF, so Fund 060 is the capital reserve fund. Emerson highlighted the capital reserve budget details. The capital reserve balance is \$14.4 million. At the historical expenditure rate, the Capital Reserve will no longer receive GF by FY27.

Emerson shared a graph that summarizes the Capital Reserve forecast with no additional TRT expenditures. Without having a GF transfer, they project expenditures to be greater than illustrated should they have a capital project plus they would also need to subsidize core services.

Chair Fister said this rather bleak outlook is concerning and feels that capital project needs are being underestimated. Commissioner Adair emphasized the inflated costs of materials and labor should capital repair issues arise. Lelack noted that some departments have their own reserve funds to finance some of their needs. Chair Fister suggested communicating a consistent message to those departments that are not dependent upon the GF that they will need to fund their own future space needs.

Responding to Commissioner Chang, Emerson shared that the debt service for the Deschutes Services Building will be paid off in 2032, at which time there will be an influx of \$800K.

Additional graphs illustrate forecasted reserve levels given various TRT contributions and forecasted reserve levels given GF operational subsidy. Emerson said that a five-year maintenance schedule was used in these forecasts.

- Fund 135 (PERS Reserve): This fund is made up of available resources from previous years' charges to County operating funds and departments for partial payment of future PERS charges resulting from increases in PERS rates. The

PERS Reserve is healthy and has \$5 million for future pay down. Tintle highlighted the County's PERS side account which provides a buffer against the impacts of PERS rate increases.

- Fund 200 (American Rescue Plan Act ARPA): The largest pass-through of federal funds to state and local governments is through this fund. Emerson reported that the County has allocated all ARPA funds (\$38.4 million) and expended \$29.6 of these funds. Funds were allocated to organizations working on homelessness, affordable housing, public health and COVID response, childcare, food assistance, infrastructure (water, sewer, broadband), and small businesses affected by COVID. Videos featuring the Commissioners were shown, highlighting some of these ARPA fund recipients.

Chair Fister said the County did a good job of distributing the ARPA funds but noted that the County doesn't have the opportunity to provide ongoing funding to the entities who received ARPA funding. He suggested a conservative approach towards future outbound grant funding.

***BREAK:*** At the time of 12:10 p.m., a lunch recess was taken, and the meeting reconvened at 1:11 p.m.

## 2. Finance

- Funds 630, 001-18 (Page 183/28): CFO Tintle provided an overview of the Finance department's funds. The department has a total of 19.5 FTE. Department accomplishments were summarized. For the 22<sup>nd</sup> consecutive year, the County received the Certificate of Achievement for Excellence in Financial Reporting. For the 15<sup>th</sup> consecutive year, it's received the Distinguished Budget Presentation Award, and for the 4<sup>th</sup> consecutive year it's received the Popular Annual Financial Report Award and the Triple Crown Designation. Tintle credited his staff for their superior work. The main revenue stream for the Finance department is from internal revenue charges. Outside of payroll, the department's largest requirements are for financial systems software. Responding to Chair Fister, Tintle stated that the NOVAtime timekeeping system is near the end of its useful life, and they are looking into a replacement that integrates with Tyler/Munis.

The Tax Office receives 12% of its resources from the state via County Assessment Function Funding Assistance (CAFFA) funding. 86% of its resources are from the GF. There was an increase of 1,500 tax accounts this year over last. Requirements consist of ISF charges, building rental, printing/postage for tax statements and Helion software. Fiscal issues include ongoing CAFFA funding levels and increased software costs. Maintenance of the County's Aa1 rating is a high priority. An upcoming challenge will be establishing a process to deal with the proceeds of foreclosed properties (Tyler v Hennepin ruling).



Two special requests from Finance are included in the proposed FY25 budget: PCI (Payment Card Industry) Compliance Consulting and adding 1 FTE payroll position. Paid Leave Oregon benefit administration is one of the main reasons for the 1 FTE request. Treasurer Kuhn explained that the PCI Compliance Consulting is for increased cybersecurity in keeping data transactions outside of the network traffic. Both of those requests are covered by the GF.

### **3. Board of Commissioners**

- Fund 628 (Page 157/316): Whitney Hale, Deputy County Administrator, and Jen Patterson, Strategic Initiatives Manager, provided a brief overview of this fund. Hale described this year's budget as status quo. The removal of the GF subsidy (\$396K) is a major change in the FY 24-25 resources. There is a corresponding increase in ISF charges. On the requirements side, there has been a transition of on-call Audio-Visual Technician support from BOCC to Administration. Lobbying services make up the other large expense from this fund. Municode software remains part of this fund's budget and costs remain stable this year.

### **4. Administrative Services**

- Fund 625 (Page 171/311): Hale and Patterson spoke about this fund. There are 9.75 FTE in Administration, including two Internal Audit FTE. There have been some staffing changes since last year, with Elizabeth Pape replacing David Givans as Internal Auditor and a new Public Information Officer FTE, which replaced the outgoing Grants and Operations Manager FTE.

Patterson oversees Cannabis Advisory Panel and the Wolf Depredation and Financial Assistance Compensation Committee. The CAP meets quarterly and oversees the distribution of marijuana tax revenue dollars from the state. The Wolf committee was established in spring 2023 due to known wolf activity in Deschutes County. The Oregon Department of Agriculture oversees grant funding for confirmed depredations and non-lethal preventative measures to mitigate wolf-livestock interactions. The committee applied for grant funding in January 2024 and these grant funds have been received.

Hale summarized some department accomplishments. Of note was the increase in public relations and community engagement, as well as EDCO partnerships. Patterson discussed some notable grant awards and the completion of a Camping Feasibility Study.

There has been an increase in translation/interpretation requirements with a corresponding decrease under the public information line. Responding to Clark-Endicott, Hale said the Translation/Interpretation services are contracted out.

One special request from this department is Audio/Visual system upgrades for the DeArmond room, with an estimated project cost of \$30K. The Zoom cart has reached the end of its useful life, and a built-in system for the Deschutes Services Building's second-largest meeting room is a much-needed upgrade.

Hale shared some of Internal Audit's accomplishments. Of note on the resources side was a reduction of \$226K in prior GF support, along with a corresponding increase in ISF charges. A new organizational code has been created for Internal Audit.

## 5. Legal Counsel

- Fund 640 (Page 201/327): County Counsel, Dave Doyle, provided an overview of the County Legal department. This department has a total of 7 FTE. He described the department's requested budget as a status quo budget, with increases attributed to step increases and COLA.

Responding to Chair Fister, Doyle stated that Legal anticipates some challenges related to the upcoming landfill siting, related to the potential for litigation.

**BREAK:** At the time of 2:07 p.m., a brief recess was taken, and the meeting reconvened at 2:10 p.m.

## PUBLIC SAFETY:

### 1. Sheriff's Office

- Fund 255, 256 (Page 95/118, 129): In attendance were Sheriff Shane Nelson, Business Manager Joe Brundage, Captain Michael Shults, Captain William Bailey and Captain Paul Garrison. Brundage spoke to the complexity of the Sheriff's Office, contrasting the management of the Sheriff's Office to that of a commercial jet, citing a National Institute of Justice / Harvard Kennedy School study. Brundage highlighted some of the department's accomplishments, noting some key suspect apprehensions. Sheriff Nelson commended the County's legal team in defending the County in a recent federal lawsuit. Sheriff Nelson said that the jail's Medication-Assisted Treatment (MAT) program is successful, and they hope to increase its bandwidth and treat more individuals in custody.

The department's strategy this budget cycle is to reduce personnel expenses by keeping some positions unfilled and delaying the filling of others. The FY25 budget includes no additional FTE requests. Their vehicle program, modeled after Clackamas County's, was credited for some additional cost savings. Overtime savings in shift coverage reflect \$300K in savings. The delay of capital improvement projects and seeking out additional grant revenue are additional ways to save money.

The FY25 overtime budget is \$2.85 million versus \$1.99 million in FY24. In FY24, they “trued up” the overtime budget to compensate for vacancies.

Captain Shults noted the adult jail hasn’t asked for an increase in operating costs over the past several years. The jail has implemented some cost-saving staffing strategies, including retirees coming out of retirement as on-call employees to prevent critical staffing shortages. In partnership with Ideal Options, the jail’s Medication Assisted Treatment (MAT) program continues to be successful. The National Institute of Corrections reports an average of 70% of inmates in the jail systems have mental health issues, or alcohol/drug abuse issues. Capt. Shults reported they performed a study of their own on/around May 6. Of the 232 individuals in custody, there were 18 individuals with zero identifiers, 112 with one identifier, 72 with two identifiers, and 25 with three identifiers. This puts the Deschutes County jail at a 92% range for inmates with drug, alcohol, or mental health disorders. His concern is that jails are turning into hospitals. Sheriff Nelson added that this will only continue to get worse, citing factors such as the post-COVID and post-Measure 110 climate. Capt. Shults hopes for a trauma-informed jail system. The Public Safety Campus Plan incorporates trauma-informed care, including suicide and death prevention.

Captain Bailey spoke about the Patrol division, and measures it’s taken to control costs. Two new Animal Control Technicians were hired. They respond to animal control calls, and care for animals at the Rescue Ranch. Additionally, two new Community Action Target Team (CATT) positions were filled. DCSO has been mindful about which technology to implement, acknowledging that it can be expensive. Some improvements in technology make processes safer and more efficient with less time spent completing paperwork.

Capt. Bailey said the Patrol Division has been impacted by recruitment challenges, with a lack of qualified applicants. They’ve begun targeting recruitment at colleges and military bases. While offering a competitive wage and benefit package, they also focus on overall health and wellness in an effort to improve retention.

Captain Garrison spoke about the Detectives division, describing improved efficiency through its use of technology. The division has added an Internet Crimes Against Children (ICAC) Investigator, who is housed within the Digital Forensics Laboratory. An expedited Concealed Handgun License (CHL) process has substantially decreased the turnaround time. Responding to Chair Fister, the increase in CHL revenue is attributed to an increase in CHL fees. Additionally, the division has implemented a Tracked Vehicle Program, describing it as a force multiplier.

Brundage reported they’re presenting a balanced budget. The department will no longer provide \$620K annually towards the Stabilization Center operating

costs, and these funds will instead go towards saving for the Public Safety Campus. Some operational challenges include saving for the Public Safety Campus, staffing shortages, and funding. Although the County's population continues to increase, staffing has increased at a much lower rate and remains stagnant. Sheriff Nelson added that vehicle purchases have been challenging and can sometimes take up to 18 months from order to delivery.

The Sheriff's Office has two special requests. Brundage said the department is asking for either or both:

1. A one-time \$700K contribution from TRT to offset increased costs to the Rural Tax District by non-residents visiting the County.
2. A 3% increase to the DCSO TRT to adjust for inflation in accordance with the original plan for the Rural Tax District.

Historically, Sheriff Nelson said their portion of TRT was to offset Sheriff's Office services provided because of those visiting Deschutes County. Over time, their share of TRT has decreased. The department has a 15% vacancy rate despite their best efforts, and this does affect the level of service they are able to provide. Sheriff Nelson added that they'll work within the bounds of what the Budget Committee sets.

Clark-Endicott asked about the budget line item for inmate services, reflecting a 60% increase between FY23 and FY24. Capt. Shults responded that some of this is due to MAT, and a new recommended medication at a higher cost being utilized. Brundage added that as the requested amount didn't increase in the subsequent year, it's likely due to LexisNexis software that is no longer billed to this line item.

The County Budget Meeting was adjourned at 3:07 p.m.

## **2. SO – Countywide Law Enforcement District #1**

- Fund 701 (Page 102/353):
  - Open Public Meeting:* The public meeting was opened at 3:07 p.m.
  - Introductions:* In attendance were Business Manager Brundage, Sheriff Nelson, Capt. Shults, Capt. Bailey, and Capt. Garrison.
  - Budget Discussion:* No discussion
  - Public Comment:* None
  - Close Public Meeting:* The public meeting was closed at 3:09 p.m.

## **3. SO – Rural Law Enforcement District #2**

- Fund 702 (Page 102/355):
  - Open Public Meeting:* The public meeting was opened at 3:09 p.m.



*Introductions:* In attendance were Business Manager Brundage, Sheriff Nelson, Capt. Shults, Capt. Bailey, and Capt. Garrison.

*Budget Discussion:* No discussion

*Public Comment:* The public meeting was closed at 3:09 p.m.

The County Budget Committee Meeting was reconvened at 3:10 p.m.

Commissioner Chang shared his appreciation for the Sheriff's Office's past contributions towards the operations of the Stabilization Center and stated he appreciates the department's decision to scale back this contribution to save towards the Public Safety Campus. He spoke about the value of the Stabilization Center and the Community Crisis Response Team (CCRT) and its impact on the Sheriff's Office. There are fewer individuals experiencing a mental health crisis ending up in jail. Sheriff Nelson shared that a Deputy might spend 3-5 hours in an Emergency Department for an individual in custody who is experiencing a mental health crisis, and the ED isn't the appropriate location for these individuals. He believes their contribution towards the Stabilization Center should be aligned with what is paid by the City of Bend Police Department (~\$300K/year). The department wants to continue investing in these programs but seeks to "right size" it. Responding to Commissioner Chang, Sheriff Nelson said he'll send out a communication summarizing some data related to the fiscal benefit of the Stabilization Center's operation to the department. Brundage noted that it's difficult to quantify the cost savings of not having someone in a jail bed who is diverted to the Stabilization Center. Responding to Commissioner Adair, Capt. Shults said that on average, the jail houses approximately 270 inmates per day, adding that pretrial diversion programs have reduced the numbers of inmates.

Tintle asked Brundage about the discrepancy between beginning working capital (\$12.3 between rural and countywide), as compared to the monthly financial reports (\$11.2 million), reflecting a difference of \$1.2 million. Brundage said that the figure will probably fall somewhere in-between the two.

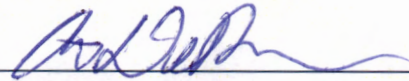
Responding to Chair Fister, Brundage and Sheriff Nelson clarified special requests 1 and 2, stating that these requests serve as a reminder that this money should be going towards core services. Brundage clarified that the intent of special request 2 would be *up to 3% in perpetuity*.

Kropp noted that on tomorrow's agenda, the CAP discussion was already covered by Jen Patterson today, so this item will not appear tomorrow. Copies of the CAP fund allocations will be brought to tomorrow's meeting and provided to the Budget Committee.

**ADJOURNED:** Upon no further business, Chair Fister adjourned the Monday Budget Hearing at 3:30 p.m., to be continued at 9:00 a.m. on Tuesday, May 21, 2024.

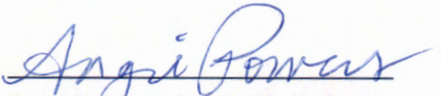
DATED this 12<sup>th</sup> Day of June 2024 for the Deschutes County Board of Commissioners.

  
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**PATTI ADAIR, CHAIR**

  
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**ANTHONY DEBONE, VICE CHAIR**

  
\_\_\_\_\_  
**PHIL CHANG, COMMISSIONER**

**ATTEST:**

  
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**RECORDING SECRETARY**