



For Recording Stamp Only

Deschutes County Board of Commissioners
1300 NW Wall St., Bend, OR 97701-1960
(541) 388-6570 - Fax (541) 385-3202 - www.deschutes.org

MINUTES OF BUDGET MEETINGS
COMMUNITY DEVELOPMENT AND GENERAL FUND
DESCHUTES COUNTY BOARD OF COMMISSIONERS

WEDNESDAY, JUNE 1, 2016

Allen Room, Deschutes Services Building

Present were Commissioners Anthony DeBone, Alan Unger and Tammy Baney. Also present were Tom Anderson, County Administrator; Erik Kropp, Deputy County Administrator; Mike Maier, Jimm Burton and Bruce Barrett, citizen members of the Budget Committee; Wayne Lowry and Loni Burk, Finance; and Nick Lelack and many others from the Community Development Department; Steve Swisher, Planning Commissioner; citizen Phil Henderson; and Ted Shorack representing The Bulletin.

Meeting minutes were taken by Bonnie Baker.

The topics of discussion were Community Development's budget and General Fund.

Chair Bruce Barrett opened the meeting at 2:10 p.m.

Nick Lelack gave a PowerPoint presentation explaining how budget themes have changed over the past few years. The mission statement remains much the same. This is handled through four different locations in the County and through fieldwork. They handle a lot of work for La Pine through contract, and will be doing the same thing for Sisters soon.

He gave an overview of the coordinated services provided through the different divisions. Commissioner DeBone asked if there is flexibility with clients in La Pine and Sisters. Lori Furlong replied that they are there on established days but also respond as needed. Demand has increased and they may have to commit to more time in the future.

The number of applications processed has increased dramatically. Code enforcement cases have also escalated this year. They close about 80% every year. Building has increased as well but not to the level seen in the early 2000's.

There are many intangibles in the work that they do, especially when it comes to appeals and code enforcement cases. Things are getting far more complex.

Revenue has gone up as well. They have been conservative with hiring staff and have had to add some. Two positions are limited duration, depending on future demand.

Regarding debt, they propose next year to have the building paid off. General fund support is following this same trend. They are beginning to rebuild the reserve fund.

A user fee study was done and it recommended a COLA of 2.5%, with fees for inspections, planning and other services increasing.

Their investment in Accela system is paying off, even after training costs, and is more efficient. They have been replacing vehicles with those that are fuel efficient and easier to maintain. Technology and training is helping to be more effective and reduce staffing costs. There are some tenants in part of the CDD building that bring in lease payments.

Expenses are increased staffing and training, and the necessity of replacing a few vehicles. This will include vehicle maintenance and replacement reserves.

Commissioner DeBone asked if vehicle use and replacement are tracked. Mr. Lelack said the County has a vehicle tracking program through the Road Department. Some need a vehicle every day because they are in the field; others are shared as needed. Mr. Anderson stated that this is being audited to see if use can be shared with other departments.

Fund 296 holds \$67,000, and is the groundwater septic system upgrade program. There is a non-conforming loan program with Neighbor Impact with minimal funds. The \$67,000 could be used to fund septic system upgrades or work with Neighbor Impact on the same kind of thing.

Fund 297 has \$214,000. There is debt service to be paid in the amount of \$55,593 each for 16 payments, to be paid as things build out in the New Neighborhood. SDC payments will determine the debt repayment.

Performance measures address customer service, managing assets and working towards preserving the County as a desirable place to be.

Mr. Anderson clarified that the five positions, two of which are limited duration, may be proposed to be permanent in the next budget. Mr. Maier asked how big the reserves should be. Mr. Lelack said they are going to study this and determine the best amount or duration reserves should cover. Mr. Maier asked if the General Fund has to be used in the future, whether there is a policy in place as to how this would be repaid. Mr. Lelack said he has a skeleton idea to develop in this regard, and it should be include in the financial plan. Commissioner Baney stated that the Board had asked about long-range planning to take place during the recession, and the General Fund helped to cover this. A lot of bigger projects got done this way.

Mr. Maier does not want to see a subsidy again for normal work without some kind of repayment plan. He would like to see this developed while they are not in a crisis. Commissioner DeBone stated that they are adjusting fees and they are busy. Mr. Lelack said they have been playing catch up in recent years and have not had a lot of time to meet some of their plans. Commissioner DeBone wants to know what kind of triggers they need to watch to know when adjustments need to be made. Mr. Lelack said that one performance measure consists of targets per day. If it becomes lower or higher, staffing changes might be needed.

Steve Swisher, current Planning Commission Chair, said that the Planning Commission reviewed the work plan and made some minor adjustments. They feel it is an aggressive plan in terms of need, and with population growth coming back, the Department's staffing may be too conservative. The reserve is growing, and the need is as well, and it is feasible that this upcoming year's work plan will not be completed and will have to be carried forward. The Planning Commission feels that by the next budget year they need another long-range planner to help address this curve and anticipated issues. They support the proposed budget but want the Department to think down the road about additional staffing.

He feels as a citizen that as more people move and build in the County and with marijuana production, there will be more complaints. There will be an expectation that this will be addressed. There is one more code enforcement officer being added, but based on what other counties have done, code enforcement should work with the Sheriff's Office and animal control and cross-train. The result is that one visit from the team tends to get greater results. However, this does affect budgeting. He suggested this be considered, as it might be more effective and efficient.

Mr. Lelack stated that he wanted all the Planning Commission members to review the budget ahead of time, and a couple of them were just appointed.

Discussion then occurred about the General Fund. Wayne Lowry said that this is the core of the budget. He referred to page 68 of the budget document, which shows a summary of the funds. About 95 FTE's are funded from this. The line item budget under General Fund includes forty pages that are General Fund related. Some departments have their own expenses and revenue in this fund.

Pages 85 and 86 summarize those pages. He detailed the revenue sources beyond property taxes. There are requirements for each department that is embedded in the General Fund. The largest three departments are the District Attorney, the Assessor and the Clerk, followed by Tax. There is a contingency of \$9.4 million that meets the requirements of law, to cover four months.

Page 86 details the resources brought in by the General Fund departments. The page also shows the cost of the department and the revenue generated, and the net gain. The Clerk historically is the only department that adds revenue to the budget, but there were lean years during the recession when General Fund had to support the department.

One of the goals for financial sustainability is to do some projections and long-range planning for various funds. They started doing this with the General Fund, along with the Sheriff's fund and Road fund. He wants to be able to compare and show these, and how they play out into the future. The General Fund is healthy and can continue to build reserves.

Mr. Maier asked about the transfer to dog control. He asked if this is down due to a campaign to increase licensing fees. Mr. Lowry stated that they restructured this with the shelters. The number of licenses obtained is too low. Mr. Maier feels that they are fortunate to have relationships with shelters so that the County does not need to have a dog pound. No one wants to handle this obligation in most places.

Mr. Lowry stated that they balance this fund out with the General Fund. Bend and Redmond dog control gets a share of the licensing fees as well.

Commissioner Baney asked what 'other transfers' means. Mr. Lowry said this is explained on page 53 under capital reserves. Mr. Anderson added that they have proposed a study that will be done of capital needs on all facilities, and this work would be handled under this fund. Mr. Maier asked if there is any talk of a federal judge in this area. Mr. Anderson stated that this is not likely but there will probably be an expansion of State judges over time.

Commissioner Baney said they have been put on the back of the line even for improving State facilities, because they have managed to keep the facilities in much better shape here than in other places. Therefore, the neglected ones get funding first. Mr. Maier said he suspects they have invested far too much in the existing facilities. Jefferson County is now building a whole new courthouse.

Being no further discussion, the session ended at 3:40 p.m.

DATED this 6th Day of July 2016 for the
Deschutes County Board of Commissioners

Alan Unger
Alan Unger, Chair

Tammy Baney
Tammy Baney, Vice Chair

ATTEST SIGNATURES:

Bonnie Baker
Recording Secretary

Anthony DeBone
Anthony DeBone, Commissioner

BUDGET COMMITTEE

Community Development Department
Proposed Budget FY 2016-17



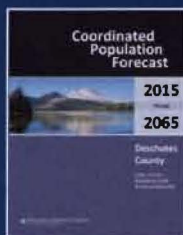
AGENDA

- CDD Overview & Budget Themes
- Business & Financial Trends
- Budget Highlights & Performance Measures
- Questions / Discussion



BUDGET THEMES

- 2013-14 Beginning the recovery
- 2014-15 Sustaining the recovery
- 2015-16 A new normal?
- 2016-17 A new era – financial stability, heightened complexity, strengthened partnerships



CDD Mission Statement

The Community Development Department facilitates orderly growth and development in Deschutes County through coordinated programs of Planning, Environmental Soils, Building Safety, Code Enforcement education and services to the public.



Main Office
117 NW Lafayette Ave.
Bend, OR 97701
Mon., Tues., Thurs., Fri. 8-5
Wed. 9-5



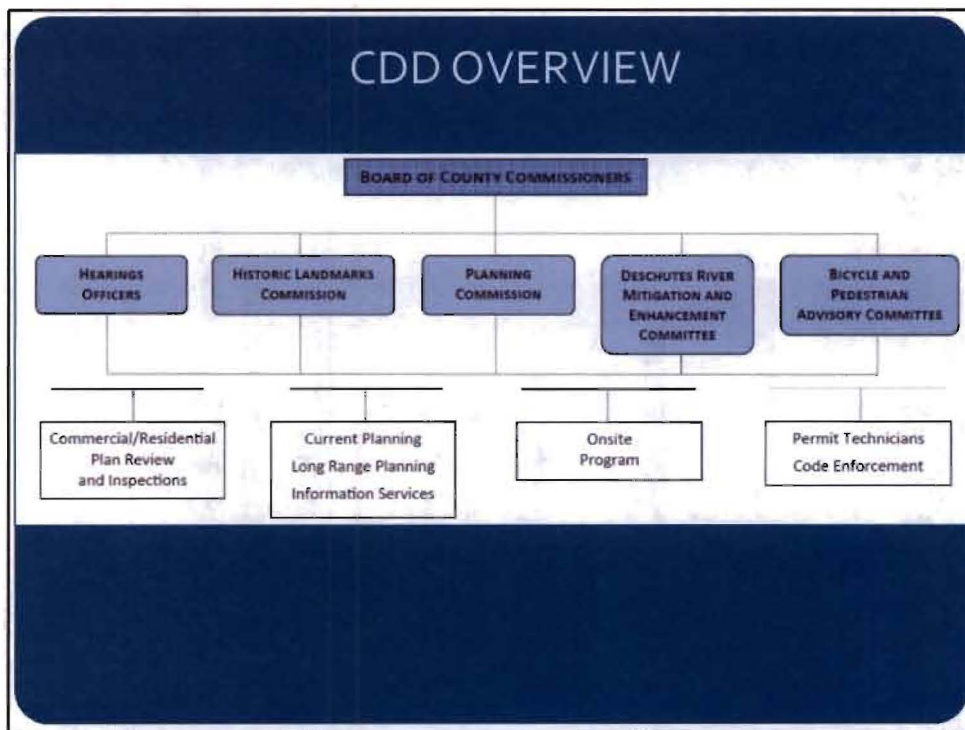
La Pine City Hall
16345 Sixth Street
La Pine, OR 97739
Tuesday 8:00-4:00



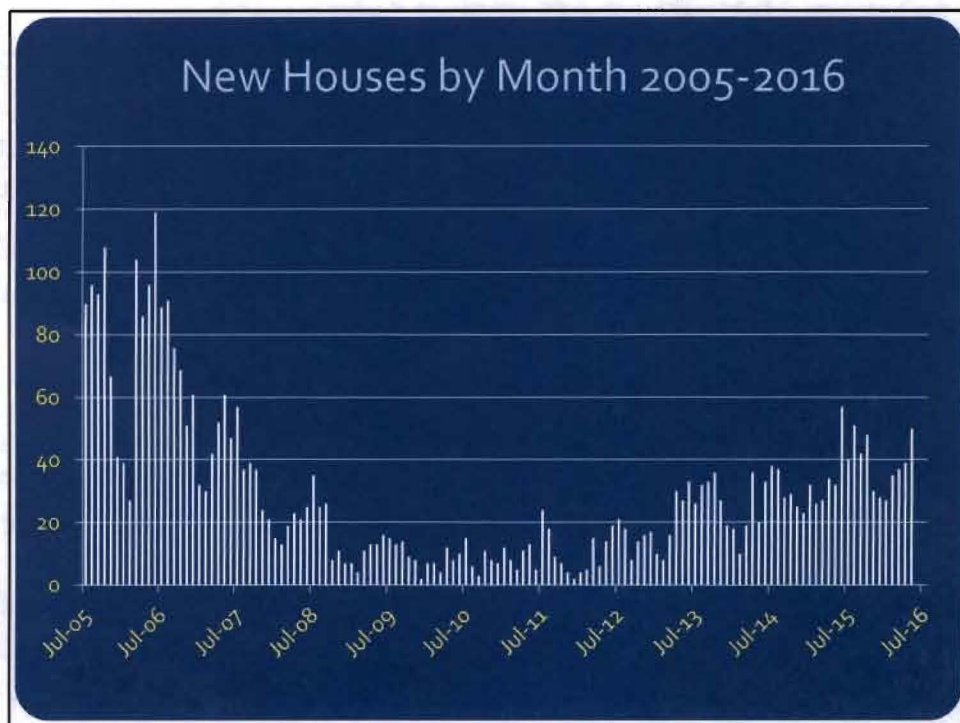
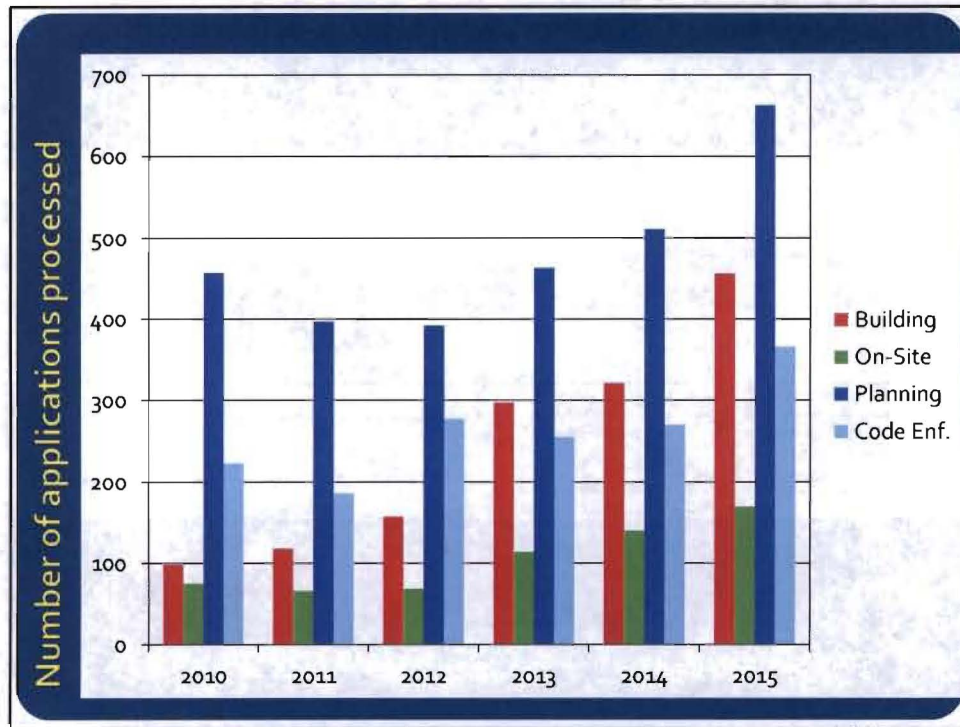
Deschutes County Fair & Expo
3800 SW Airport Way
Redmond, OR 97756
Thursday 8:00-4:30
(Note: This location will change to
Redmond City Hall at Evergreen in mid 2016-17)

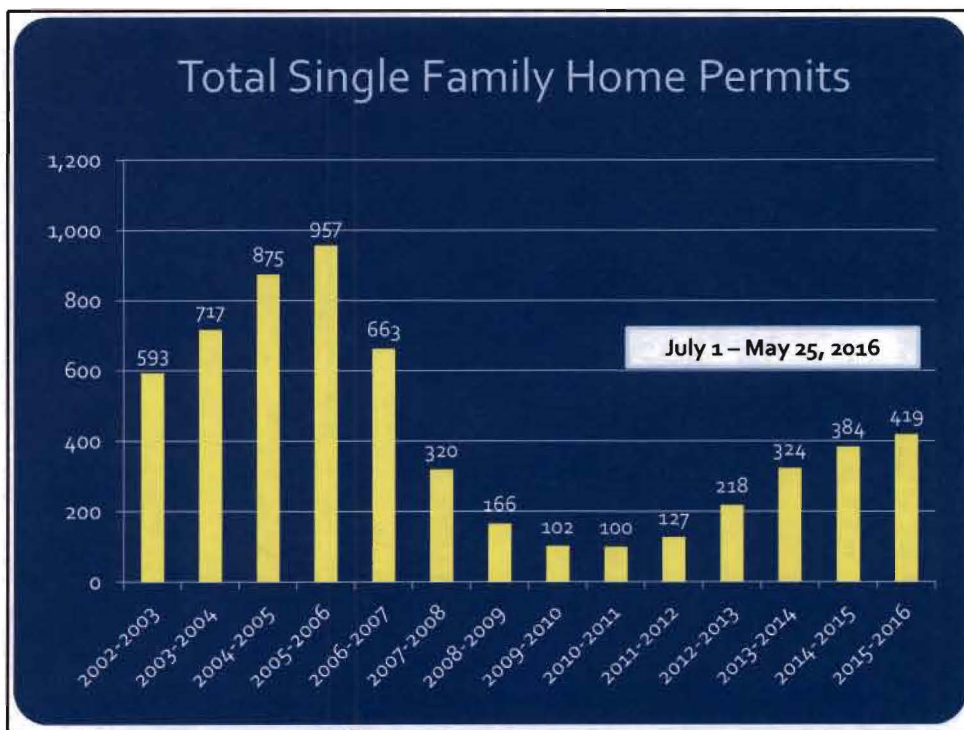


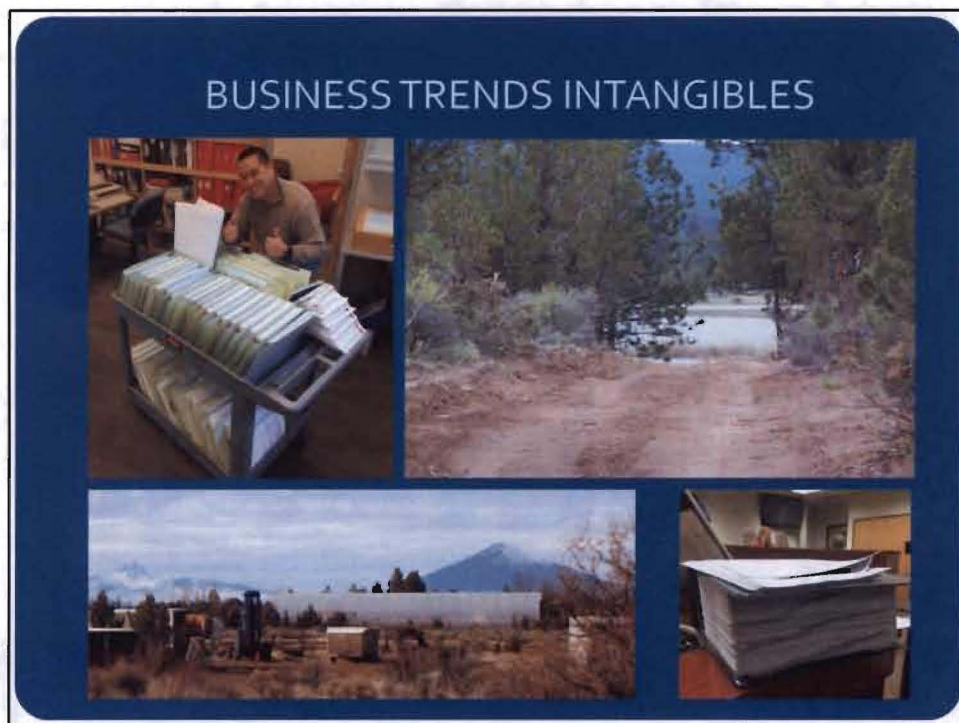
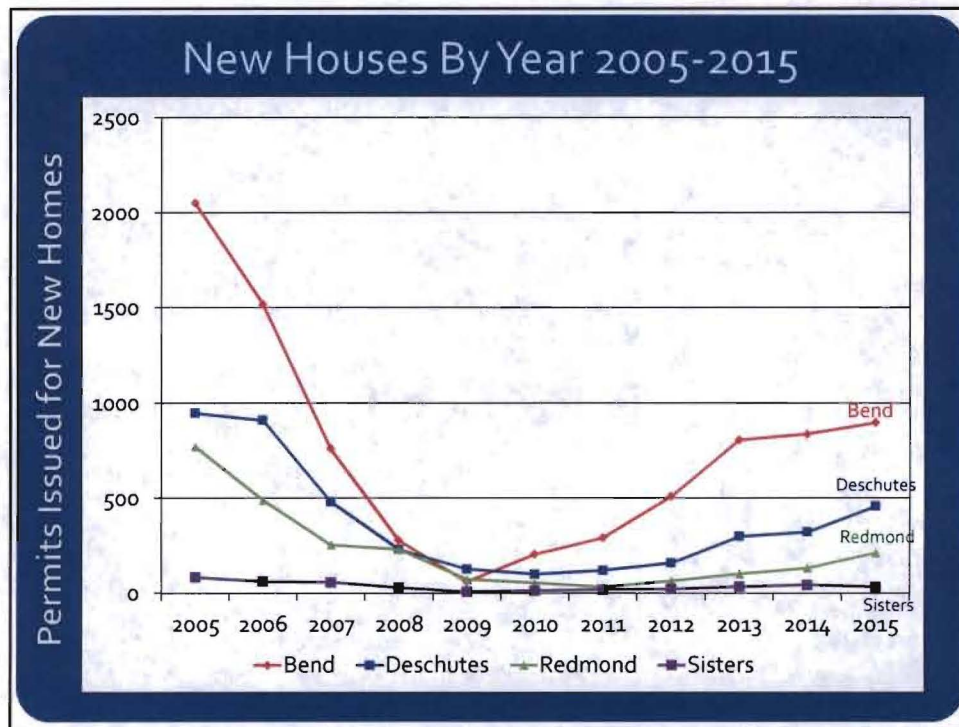
Sisters City Hall
520 East Cascade Ave.
Sisters, OR 97759
(Hours to be
determined)



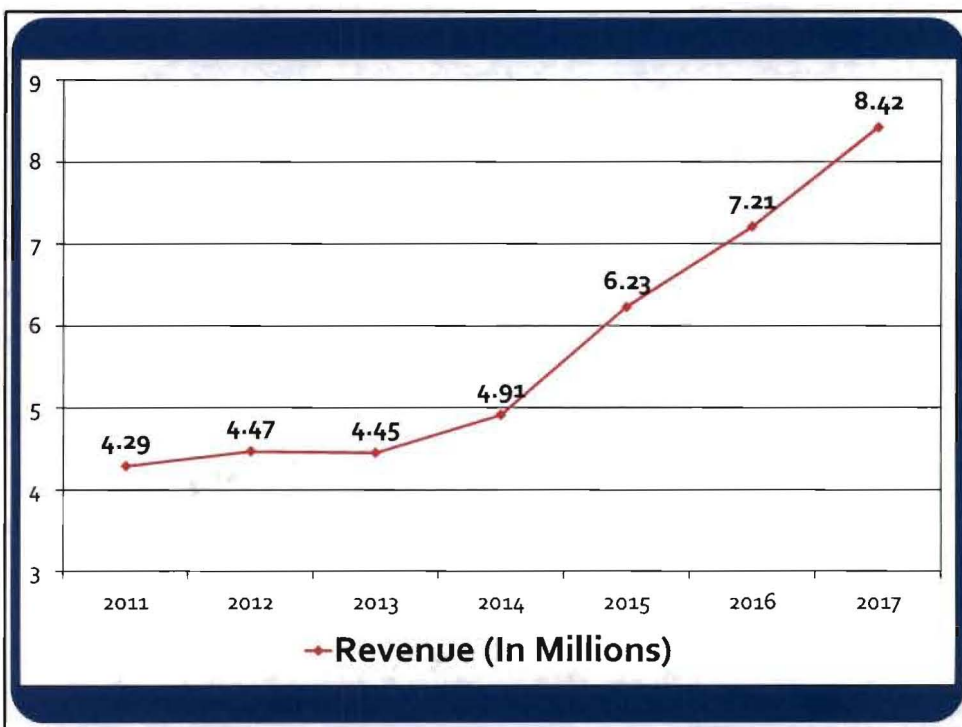
BUSINESS TRENDS

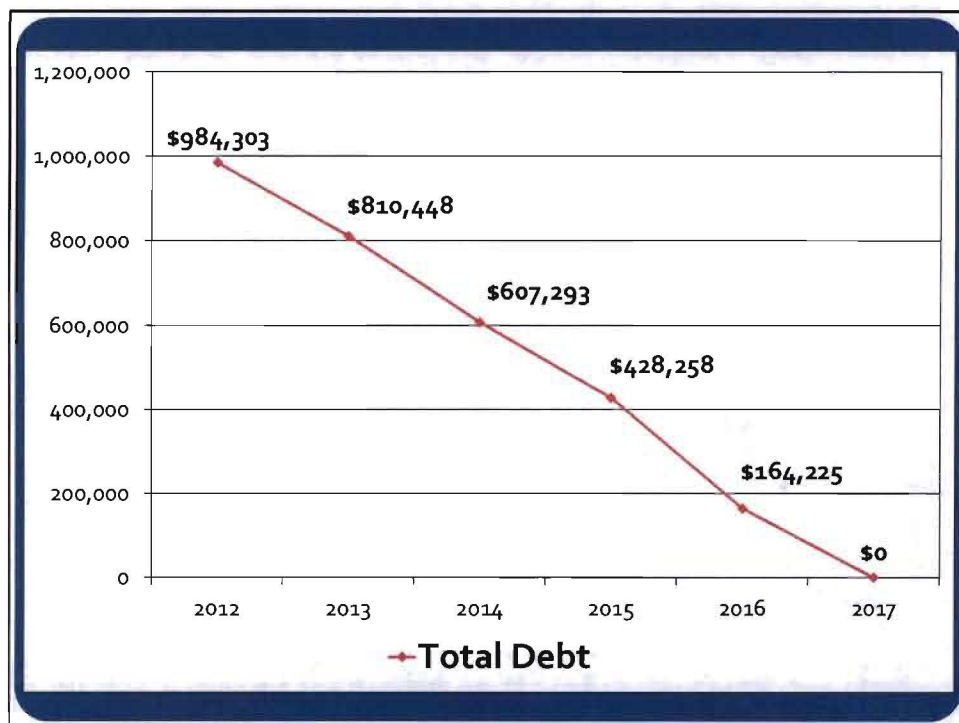
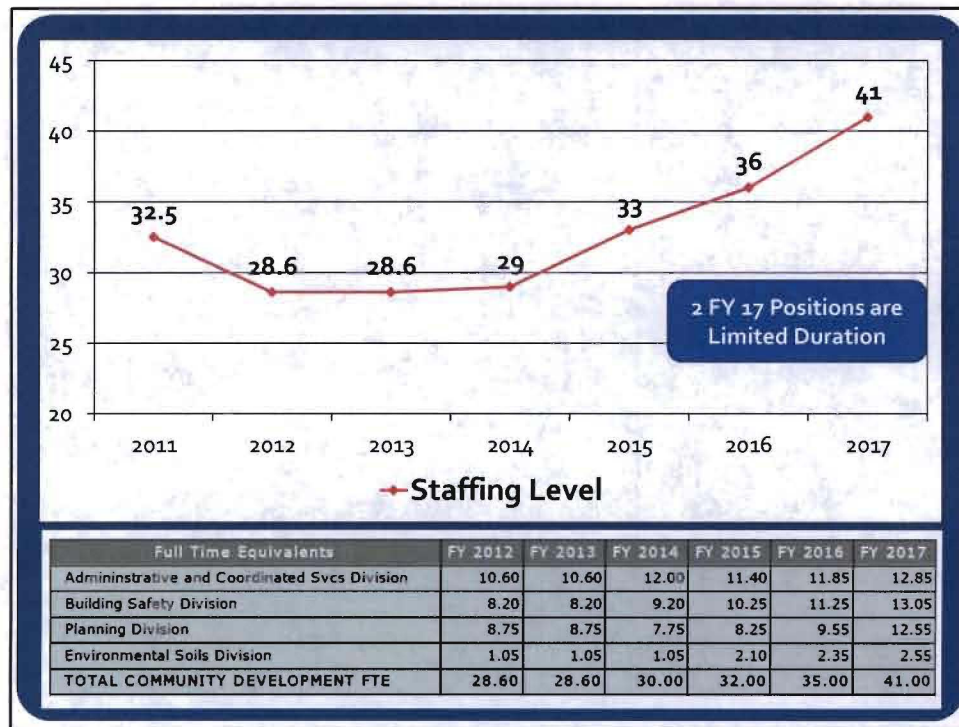


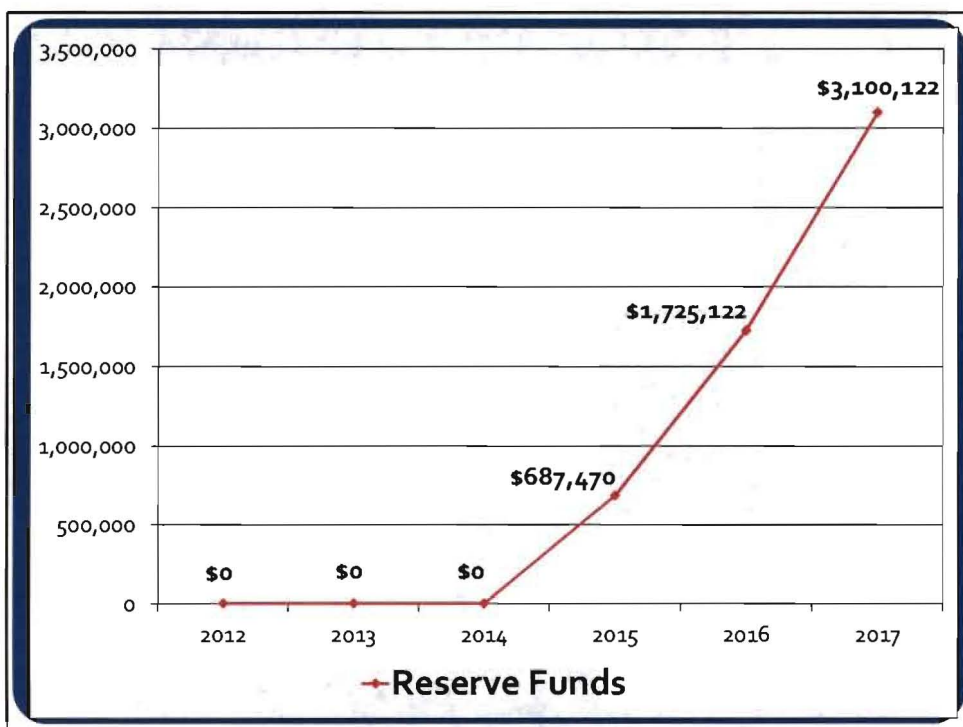
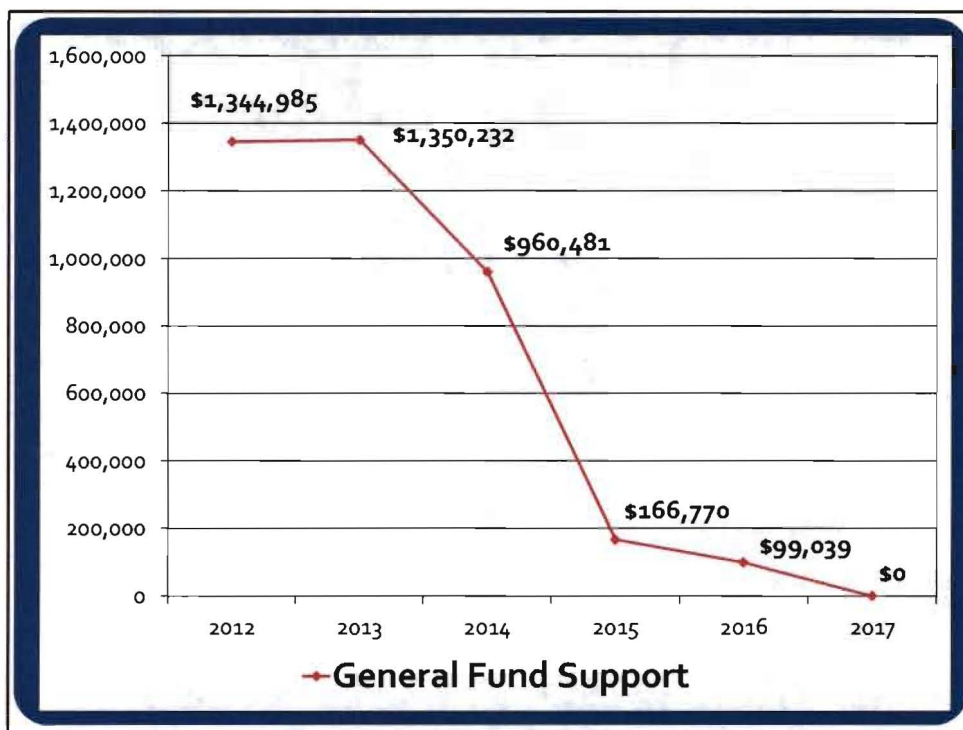




Financial Trends







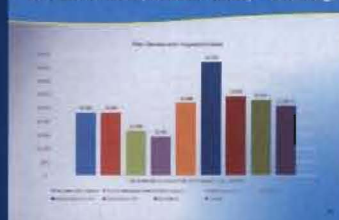
FEES

- Comprehensive User Fee Study Recommendations
- COLA, Inflation Increases: 2.5%; Reserve Fund: 1%
- Building Safety & Environmental Soils Divisions = 3.5% increase; adjustments up and down to some fees
- Code Enforcement Administrative Fee Increase 0.14% to 0.17% of building valuation (first increase in over 10 years)
- Planning Fees increase 3.5% to 10% due to complexity, controversy, and first impression cases

Results of Comparisons Study - Planning



Results of Comparisons Study - Building



OTHER

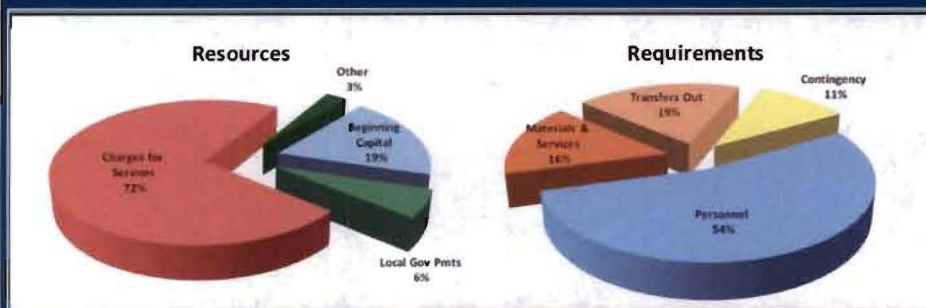
- Investments in Accela paying off
 - Total Accela FY '17 cost: \$26,708
 - IT charges reduced by \$33,394 from FY '16 to FY '17
 - Part of savings offset by additional travel/training for Accela, but IT in-directs may also have been much higher
- Fuel efficient vehicles with lower maintenance costs
- Continued investments in technologies & training are increasing efficiencies, services & reducing the # of new staff hires by at least 2 FTE
- Leasable space in CDD

SUMMARY

- Debt Free
- \$0 General Fund Support
- Reserve Funds Increasing
- Permit Levels Increasing = Revenues, Costs, Staff Increasing
- Fee Changes to cover ACS & Reserve Funds Build-Up
- Other
 - Investments in Accela paying off
 - Investments in technology, vehicles, training
 - Leasable space in CDD



Budget Highlights



EXPENSES

- Increased business costs:
 - 5 new positions to meet service demands
 - 2 limited durations (both already filled) – CE, Planning
 - 2 Building Inspectors
 - 1 Management Analyst
 - Last year to replace several vehicles & rebuild vehicle maintenance & replacement fund
 - Replace 4 existing vehicles, Add 1 new vehicle (Building Division)
 - Allocate \$3,000 per vehicle in addition to \$3,660 per vehicle to rebuild Fund 340 for 23 vehicles in fleet
 - Bank Card Charges to purchase permits
 - Training /Travel – Accela, cross-training, etc. across all divisions

FUND 296

- Total Fund Balance: \$67,000
- FY 2017: Budgeted \$9,050 for septic system upgrade rebates.
 - Assumed 10 rebates (\$3,750 each for FY 2016; only issued 1)
- NeighborImpact – Non-Conforming Loan Program
 - Available: \$5,793. Advised CDD of interest to acquire additional funding to keep program active; 1 loan repaid in program to date
- Question: Allocate \$67,000 to:
 - Fund septic system upgrades; and/or
 - Non-conventional loan program through NeighborImpact; and/or
 - Transfer to Fund 297 to pay debt service on La Pine sewer bond?

FUND 297

- Beginning Fund Balance FY 2017: \$214,000
- Proposed expenditures:
 - Debt service on La Pine Sewer Bond: \$54,888
- Long term (post FY 2017):
 - Approximately \$154,266 Fund Balance (contingency)
 - 16 debt service payments of \$55,593 remain on approximately \$900K debt through 2032
 - New Neighborhood SDC payments will determine debt repayment.



Performance Measures



PERFORMANCE MEASURES

- Align CDD's operations with the BOCC 2016-17 Goals & Objectives
- Address service delivery expectations from the perspectives of CDD's customers
- Effectively manage assets, capacities, and finances
- Preserve & enhance the County as a safe, sustainable, and desirable place to live, work, learn, recreate & more



Budget Committee

Community Development Department
Proposed Budget FY 2015-16



BUDGET COMMITTEE AGENDA

Wednesday, June 1st, 2016

Program
Budget
Tab/Page

9:00 AM	<ul style="list-style-type: none">• Reconvene the Deschutes County budget meeting	
9:00 – 9:30 AM	<p><u>Fair and Expo Center (Funds 617-619 and 601)</u></p> <ul style="list-style-type: none">• Introductions• Budget discussion; Special Requests 14/428	4 / 161
9:30 – 10:00 AM	<p><u>County Assessor's Office (Fund 001-02)</u></p> <ul style="list-style-type: none">• Introductions• Budget discussion	4 / 131
10:00 – 10:15 AM	Break	
10:15 – 10:45 AM	<p><u>County Clerk's Office (Funds 001-05, 001-06 and 218)</u></p> <ul style="list-style-type: none">• Introductions• Budget discussion	4 / 137
10:45 – 11:45 AM	<p><u>Solid Waste (Funds 610-614)</u></p> <ul style="list-style-type: none">• Introductions• Budget discussion	4 / 185
11:45 – 12:30 PM	Elected Officials Compensation Committee (Lunch – Discussion)	
12:30 – 1:00 PM	<p>Natural Resources Protection (Funds 326-327)</p> <ul style="list-style-type: none">• Introductions• Budget discussion	4 / 181
1:00 – 2:00 PM	<p><u>Road (Funds 325, 328-340, 465)</u></p> <ul style="list-style-type: none">• Introductions• Budget discussion; Special Requests 14/427	4 / 168
2:00 – 3:00 PM	<p><u>Community Development (Funds 290-303)</u></p> <ul style="list-style-type: none">• Introductions• Budget discussion; Special Requests 14/422	4 / 145
3:00 – 3:15 PM	Break	