

RESOLUTION NO. 3130

**A RESOLUTION APPROVING SUPPLEMENTAL BUDGETS AND BUDGET APPROPRIATION ADJUSTMENTS FOR THE 2017-2019 BIENNIAL BUDGET PERIOD BEGINNING JULY 1, 2017.**

THE CITY COUNCIL OF THE CITY OF BEND RESOLVES AS FOLLOWS:

1. In accordance with ORS 294.473, the proposed supplemental budgets will provide for appropriation adjustments in the funds listed below that were not anticipated when the 2017-2019 Biennial Budget was developed. A public hearing is required because fund expenditures will be adjusted by more than 10%. In accordance with ORS 294.473, public notice that a supplemental budget will be considered is required, and this notice was published on or before June 15, 2018.

<u>Economic Improvement District (EID) Fund</u>	Increase	Decrease
Resources:		
Assessment Revenue	\$ 54,900	
Requirements:		
Community & Economic Development Program	\$ 52,100	
Interfund Transfers	\$ 2,800	

To authorize additional assessment revenue from the EID, increase Materials & Services appropriations in the Community & Economic Development program to allow payment to the Downtown Bend Business Association, and increase Interfund Transfers related to the administrative fee retained by the City.

<u>Transportation Construction Fund</u>	Increase	Decrease
Resources:		
Interfund Transfer Revenue	\$ 4,115,160	
Developer Contributions	\$ 1,400,000	
Requirements:		
Infrastructure Program	\$ 5,740,360	
Interfund Transfers	\$ 30,108	
Reserved for Future Expenditures		\$ 255,308

Authorize additional Interfund Transfer Revenue from the System Development Charge (SDC) Fund of \$1,234,400 and reduce Developer Contribution Reserves by \$225,200 and increase Capital Outlay appropriations by \$1,459,600 in the Infrastructure Program to pay for Empire and Murphy Corridor Improvements.

Authorize Interfund Transfer Revenue of \$2,880,760 (\$672,760 from the SDC Fund, \$910,000 from the Water Fund and \$1,298,000 from the Stormwater Fund) and Developer Contribution Revenue of \$1,400,000 and increase Capital Outlay expenditure appropriations in the Infrastructure program by \$4,280,760 for the 14th Street Reconstruction Project.

To reduce Developer Contribution Reserves and increase Interfund Transfer appropriations by \$30,108 for a transfer to the General Obligation Bond Fund to offset costs incurred on the Reed Market project.

<u>System Development Charge Fund</u>	Increase	Decrease
Resources:		
SDC Revenue	\$ 1,234,400	

Requirements:

Interfund Transfers	\$	2,073,760	
Reserved for Future Expenditures			\$ 839,360

To increase Interfund Transfer appropriations to pay the Transportation Construction Fund for eligible work on Empire and Murphy Corridors (\$1,234,400) paid for by additional SDC revenue as a result of the Transportation SDC fee increase.

To increase Interfund Transfer appropriations to pay for the 14th Street Reconstruction project (\$672,760) and for carryforward expenditures from the 2015-2017 biennium related to the timing of consulting costs & project costs for the Citywide Safety Improvements & Galveston Corridor Improvements projects (\$166,600) and reduce reserves.

**Community Development Block Grant Fund**

**Increase                      Decrease**

Resources:

Grant Revenue	\$	55,100	
Loan Repayment Revenue	\$	21,500	

Requirements:

Community & Economic Development Program	\$	535,978	
Contingency			\$ 459,378

To increase expenditure appropriations in Materials & Services in the Community & Economic Development Program for grant/loan recipients and administrative expenses offset by the authorization of additional grant revenue from Community Development Block Grant (CDBG) funds from unused prior year grant allocations, additional loan repayment revenue already received, and a reduction of contingency for the use of Oregon Neighborhood Stabilization Funds approved for use in fiscal year 2018-19.

**Airport Fund**

**Increase                      Decrease**

Resources:

Debt Proceeds	\$	2,850,000	
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Requirements:

Debt Service	\$	2,850,000	
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To recognize Debt Proceeds from a short-term operating loan from the General Fund to cover a negative cash balance in the Airport Fund in fiscal year 2017-18 and increase appropriations in Debt Service to repay the loan in fiscal year 2018-19. The negative cash balance is due to capital expenditures that will be reimbursed by the Federal Aviation Administration in 2019 of \$2.4M and an operating loan of \$450,000, which is an estimate of a one-time General Fund investment in the Airport for the 2017-2019 biennium that will support continued growth at the Bend Municipal Airport. Council will be asked to approve a budget adjustment at the end of the biennium for the actual General Fund subsidy required.

**General Fund**

**Increase                      Decrease**

Resources:

Beginning Working Capital	\$	6,650,676	
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Requirements:

Interfund Transfers	\$	6,650,676	
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To recognize additional Beginning Working Capital and increase Interfund Transfer expenditure appropriations to allow for a transfer of \$6,650,676 for Other Post Employment Benefit (OPEB) funds to the newly created fund, the Internal Service Fund: Other Post Employment Benefit (OPEB).

**Stormwater Fund****Increase****Decrease**

## Requirements:

Interfund Transfers

\$ 1,298,000

Reserved for Future Expenditures

\$ 1,298,000

To increase appropriations in Interfund Transfers and decrease Reserves to transfer funds to the Transportation Construction Fund for stormwater infrastructure improvements associated with the 14th Street Reconstruction Project.

2. In accordance with ORS 294.471, the following supplemental budgets will provide for appropriation adjustments that were not anticipated when the 2017-2019 Biennial Budget was adopted. These adjustments will not increase total fund expenditures by more than 10%; therefore, a public hearing is not required. Public notice that a supplemental budget will be considered is required, and this notice was published on or before Friday, June 15, 2018.

**Fire/EMS Fund****Increase****Decrease**

## Resources:

Intergovernmental Revenue

\$ 509,830

Miscellaneous Revenue

\$ 60,000

## Requirements:

Public Safety Program

\$ 569,830

To authorize additional Intergovernmental revenue from the State of Oregon and the Federal Government (\$496,700), from Deschutes County (\$7,300) and from Tri-County fire departments (\$5,830) as well SAIF reimbursement revenue (\$60,000) and increase Personnel Services & Materials & Services expenditure appropriations for: reimbursement of expenses incurred from conflagration fires (\$496,700), survey costs related to the recent Local Option Levy (\$7,300), additional equipment for employees on light duty paid for by SAIF (\$60,000) and radio accessories related to the Tri-County radio project (\$5,830).

**General Fund****Increase****Decrease**

## Resources:

Property Tax Revenue

\$ 81,000

## Requirements:

Interfund Transfers

\$ 81,000

Recognize \$81,000 in additional 2017-2018 Property Tax Revenue and increase Interfund Transfer expenditure appropriations related to the City's required contribution of Property Tax revenue to the Fire/EMS Fund.

**Internal Service Fund: Departmental Administration****Increase****Decrease**

## Resources:

Interfund Transfer Revenue

\$ 656,300

## Requirements:

Administration &amp; Central Services Program

\$ 228,400

Community &amp; Economic Development Program

\$ 427,900

To authorize additional Interfund Transfer revenue in the Garage Division accounted for in the Administration & Central Services Program from the Fire Department (\$156,400) and the Police Department (\$72,000) and increase expenditure appropriations in Materials & Services and Capital Outlay in Garage Services for: the purchase of Fire's fuel (\$92.4K), and tire purchases as well as vehicle up fitting costs for Fire (\$64K) and Police (\$72K). Historically these purchases were made through an external vendor, but in an effort to centralize and reduce costs, these purchases will be handled by the Garage directly beginning July 1, 2018.

To authorize additional Interfund Transfer revenue from the Building (\$256,700), Planning (\$107,000) and Private Development Engineering (\$64,200) Funds, and increase appropriations in Personnel Services in the Community Development Department (CDD) Development Services division within the Community & Economic Development Program to increase appropriations related to new positions including two Data & Analytics Team positions and one Limited Term Program Technician.

<b><u>General Obligation Bond Construction Fund</u></b>	<b>Increase</b>	<b>Decrease</b>
Resources:		
Interfund Transfer Revenue	\$ 30,108	
Requirements:		
Infrastructure Program	\$ 30,108	

Recognize \$30,108 in Interfund Transfer revenue from the Transportation Construction Fund for Developer Contributions related to the Reed Market project and increase Capital Outlay expenditure appropriations to offset costs incurred.

<b><u>Internal Service Fund: City Wide Administration</u></b>	<b>Increase</b>	<b>Decrease</b>
Resources:		
Insurance Proceed Revenue	\$ 19,800	
Interfund Transfer Revenue	\$ 26,500	
Requirements:		
Administration & Central Services Program	\$ 46,300	

Recognize additional insurance proceeds of \$19,800 and increase Materials & Services appropriations in Facility Management by the same amount to reimburse expenditures incurred for an emergency replacement of the HVAC system at the Police Department.

Recognize Interfund Transfer revenue of \$26,500 from the Building Fund to reimburse Facility Management for remodel work completed to accommodate the Building Safety Division expansion.

**3. ORS 294.463(2) authorizes budget transfers from Contingency to appropriation categories or programs within the same fund.**

<b><u>Fire/EMS Fund</u></b>	<b>Increase</b>	<b>Decrease</b>
Requirements:		
Public Safety Program	\$ 900,200	
Contingency		\$ 900,200

To reduce Contingency by \$900,200 and increase expenditure appropriations in Personnel Services, Materials & Services and Capital Outlay for the following items that were not anticipated when the 2017-2019 budget was developed: \$27,100 to complete extrication pad for fire operations; \$348K for additional appropriations to purchase and up fit two interface fire engines; \$150K for Personnel Services as a result of the one-year Collective Bargaining Agreement extension; \$50K in data charges related to iPad and Deschutes County 911; \$117K for an increase to medical supplies and drugs used in the field; \$30K for Personnel Services due to increased health insurance premiums; \$23,400 in additional costs associated with the Tri-County radio project; \$94,700 for Consulting costs; \$60K for new uniforms due to additional hires and retirements.

<u>General Fund</u>	Increase	Decrease
Requirements:		
Public Safety Program	\$ 130,800	
Interfund Transfers	\$ 2,995,000	
Contingency		\$ 3,125,800

To reduce Contingency by \$130,800 and increase expenditure appropriations in Personnel Services and Materials & Services in Municipal Court for the following items that were not anticipated when the 2017-2019 budget was developed: \$12,800 for the re-appointment of the Judge; \$6K for share of overflow parking agreement shared with the Police Department; \$8K for one-time SunGard improvement; \$104K for 12-month LEAP backfill to support the Court system upgrade.

To reduce Contingency by \$2,995,000 and increase expenditure appropriations in Interfund Transfers for the following items that were not anticipated when the budget was developed: \$35,000 for an additional subsidy to the Cemetery Fund; \$2,850,000 for an overnight loan to the Airport Fund and \$110,000 to increase the overnight loan to the Metropolitan Planning Organization (MPO).

<u>Internal Service Fund: City Wide Administration</u>	Increase	Decrease
Requirements:		
Administration and Central Services Program	\$ 365,800	
Contingency		\$ 365,800

To reduce Contingency by \$365.8K and increase expenditure appropriations in Materials & Services and Capital Outlay for the following items that were not anticipated when the 2017-2019 budget was developed: \$9K in City Council for closed captioning equipment in Council chambers, \$30K for a community survey and \$50K for a consultant dedicated to the council-appointed Neighborhood Leadership Alliance, \$40K for consulting for a Pay Equity Study in response to the new Oregon Equal Pay Law and \$236.8K total in Facility Management for furniture purchased in relation to the Community Development Department office expansion (\$140K), Council Chambers equipment and improvements (\$60K), an increase in the 2018-2019 Fratzke rental agreement (\$20K); and Economic Improvement District Assessments for the 2017-2019 biennium (\$16.8K).

<u>Private Development Engineering Fund</u>	Increase	Decrease
Requirements:		
Interfund Transfers	\$ 64,200	
Contingency		\$ 64,200

To increase appropriations in Interfund Transfers and decrease Contingency by \$64,200 to transfer funds to the CDD Development Services division to pay for a portion of two Data & Analytics Team positions and one new Program Technician Limited Term Employee (LTE).

<u>Building Fund</u>	Increase	Decrease
Requirements:		
Interfund Transfers	\$ 283,200	
Contingency		\$ 283,200

To increase appropriations in Interfund Transfers and decrease Contingency by \$256,700 to transfer funds to the CDD Development Services division to pay for a portion of two Data & Analytics Team positions and one new Program Technician Limited Term Employee (LTE).

To increase appropriations in Interfund Transfers and decrease Contingency by \$26,500 to transfer funds to Facility Management in the City Wide Administration Internal Service Fund for repayment of remodel work that was necessary to accommodate the Building Safety Division expansion.

<u>Planning Fund</u>	Increase	Decrease
Requirements:		
Community & Economic Development Program	\$ 107,800	
Interfund Transfers	\$ 107,000	
Contingency		\$ 214,800

To increase expenditure appropriations in Personnel Services in the Community & Economic Development Program to pay for a limited term Assistant Planner and increase expenditure appropriations in Interfund Transfers to transfer funds to the CDD Development Services division to pay for a portion of two Data & Analytics Team positions and one new Program Technician Limited Term Employee (LTE), offset by a decrease in contingency.

<u>Water Fund</u>	Increase	Decrease
Requirements:		
Interfund Transfers	\$ 910,000	
Contingency		\$ 910,000

To increase appropriations in Interfund Transfers and decrease Contingency to transfer funds to the Transportation Construction Fund for water system improvements that will be performed in conjunction with the 14th Street Reconstruction Project.

- 4. ORS 294.463(1) authorizes budget transfers between appropriation categories within the same fund. Adjustments are proposed in the following fund to transfer budget appropriations between appropriation categories. The proposed adjustments do not result in a budget increase.**

<u>Internal Service Fund: Departmental Administration</u>	Increase	Decrease
Requirements:		
Administrative & Central Services Program		\$ 6,800
Community & Economic Development Program		\$ 8,800
Infrastructure Program		\$ 42,700
Interfund Transfers	\$ 58,300	

To decrease Materials & Services expenditure appropriations in Garage (\$6,800), Community Development Department Administration (\$8,800), Engineering & Infrastructure Planning (\$31,200) & Utilities Laboratory (\$11,500) and increase Interfund Transfer appropriations. During the 2017-2019 budget development, these Overhead Transfer costs were inadvertently budgeted in a Materials & Services general ledger account, but will actually be paid for out of an Interfund Transfer account.

**Transportation Construction Fund**

**Increase**

**Decrease**

Requirements:

Infrastructure Program

\$ 124,450

Interfund Transfers

\$ 124,450

To decrease Interfund Transfer appropriations by \$124,450 and increase appropriations in Materials and Services by the same amount. Streets & Operations and Transportation Construction entered into two contracts and the costs were split between the two funds and paid for out of Materials & Services. During budget development, it was anticipated that Streets & Operations would fully fund the contracts and Transportation Construction would transfer funds to the Streets & Operations Fund for their share of the costs. Transportation Construction is paying directly; therefore appropriations are no longer needed in Interfund Transfers.

**Fire/EMS Fund**

**Increase**

**Decrease**

Requirements:

Public Safety Program

\$ 144,000

Interfund Transfers

\$ 144,000

To decrease Materials & Services and Capital Outlay expenditure appropriations and increase Interfund Transfers to Garage Services by the same amount for vehicle fuel (\$80K), as well as Tire purchases and up fitting costs (\$64K) being centralized in Garage services beginning on July 1, 2018.

**General Fund**

**Increase**

**Decrease**

Requirements:

Public Safety Program

\$ 72,000

Interfund Transfers

\$ 72,000

To decrease Materials & Services and Capital Outlay expenditure appropriations and increase Interfund Transfers to Garage Services by the same amount for tire purchases (\$23K), as well as up fitting costs (\$49K) being centralized in Garage services beginning on July 1, 2018.

Adopted by the Bend City Council on June 20, 2018.

YES: Casey Roats, Mayor  
Sally Russell  
Bill Moseley  
Nathan Boddie  
Justin Livingston  
Barb Campbell

NO: none

  
Casey Roats, Mayor

ATTEST:

  
Robyn Christie, City Recorder

APPROVED AS TO FORM:

  
Mary A. Winters, City Attorney