



CITY OF BEND

**ADOPTED BUDGET
FISCAL YEAR 2006/07**



Conceptual Image of the Newport Avenue Bridge Replacement

CITY OF BEND, OREGON

Adopted Budget for Fiscal Year 2006/07



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Oregon**

For the Fiscal Year Beginning

July 1, 2005

President

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the City of Bend, Oregon for its annual budget for the fiscal year beginning July 1, 2005.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communication device.

The award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

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City Manager's Budget Message



Fiscal Year 2006/2007

May 3, 2006

To the City of Bend Budget Committee:

This Fiscal Year 2006/07 Proposed Budget addresses the rate of growth such as has been experienced over recent years: revenues are more aggressively predicted than in past years' budgets; the number of employees are increased and infrastructure development - planning, design, and construction expenditures - are scheduled to increase. This budget anticipates a 7.85% growth in population and a 3.3% inflation factor. Generally, operational budgets increase by 11.15% for these reasons. However, the *total* Proposed Budget increases only 3.7% over the current year's Adjusted Budget because the current year's original Adopted Budget increased substantially, primarily for an \$8 million wastewater bond refinancing and the \$4.7 million purchase of a potential City Hall site.

The following is a comparison of the City of Bend's current and next year's budgets, with a view as to how the budget is proposed to be spent by service area:

Comparative Budgets for Fiscal Years:		FY05/06	FY06/07
Budget Appropriations by Service Area:		(Amounts in 000s)	
Public Safety (Police and Fire) & Municipal Court		27,380	31,289
(A) Transportation System (Operations/Construction/Debt)		28,064	25,251
(A) Wastewater Utility (Operations/Construction/Debt Service/LIDs)		30,604	23,546
(A) Water Utility (Operations/Construction/Debt Service)		20,804	23,344
Community Development (Building and Planning)		12,284	15,477
Juniper Ridge Urban Renewal		550	7,893
Downtown Urban Renewal		15,092	7,058
Engineering		4,391	5,385
Airport		2,442	5,198
Public Transit		2,311	2,653
Downtown Parking		2,030	1,687
Tourism and Economic Improvement District		1,084	1,137
Other (Stormwater; Cemetery; CDBG grant funds; other)		1,751	1,516
Total Direct Service Area Budgets:		<u>148,787</u>	<u>151,435</u>
Internal Services (funded by/included also in above service areas):			
Garage		1,998	2,314
Information Technology		2,010	2,026
Facilities Management		8,672	8,617
Departmental Administration Divisions		3,351	4,235
City Administration / General Government / Finance		4,155	4,609
Risk Management and PERS Debt Service		11,797	12,023
General Fund Transfers Out / Loans / Reserves		<u>18,095</u>	<u>20,906</u>
Total City of Bend Budget Appropriations		<u>198,866</u>	<u>206,165</u>

Note (A): Includes operations, infrastructure construction, debt service, contingencies and reserves that are legally dedicated to these systems.

A number of issues are addressed in this Proposed Budget in regards to continuing growth:

1. The number of city employees serving a larger population is proposed to increase to avoid declining service levels or a deterioration in the quality of services;
2. The Public Safety budgets for Police and Fire protection increase substantially, funded by general discretionary revenues of the city well beyond property tax revenue;
3. The rate of construction spending will increase to provide the water, wastewater and transportation infrastructure needed for a larger city;
4. Reserves for specific future needs are recommended to increase, reflecting some accumulation of funds collected in past years for these purposes;
5. Debt financing is proposed for an expanded Police building and a replacement/ increased fleet of ambulances and wild land / urban interface fire engines. Debt is also anticipated to be issued to construct Cooley Road in the new Juniper Ridge Urban Renewal area.
6. Financial stress points remain apparent as has been discussed over recent years: infrastructure funding for future needs, particularly in the transportation and wastewater systems; funding for maintenance of the road system, public transit and storm water services.

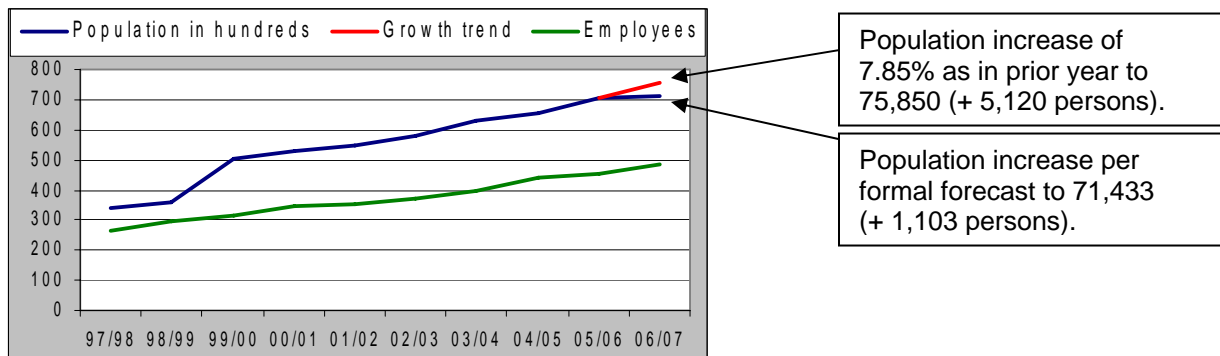
Issue 1 - Number of Employees:

Twenty-eight and a fraction positions are proposed to be added in next year's budget, for a total of 483.6 employees. Proposed added positions are as follows:

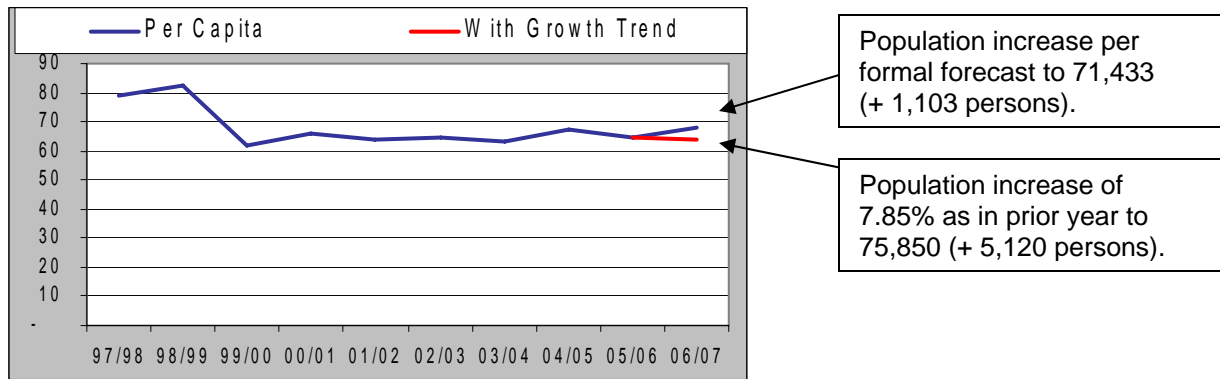
Proposed New Positions:	FTE
Public Works -	
Systems maintenance	8
Infrastructure & Development	3
Public Safety -	
Police Officers	6
Firefighters	5
Administrative & specialized assistants/Clerical	
5 positions, all but one are part time	2.7
Code Enforcement Officers	2
Information Technology Specialists	1.5
Total new full time equivalent (FTE) positions	28.2

If service levels are to be maintained, the number of city employees must increase to respond to the larger population being served. This includes not only Police and Fire/Emergency Medical Services and their calls for service, but also increased operations and maintenance for the more heavily used street, wastewater and water systems.

Increases in a municipal budget and its number of employees need not be viewed as permanent or unalterable. If this city's trend of rapid growth declines, the City of Bend organization is of sufficient size and sophistication to manage its way through staffing level changes. However, the growth trend is continuing and service demands must be met. For perspective on the increased number of personnel proposed for the city, the population growth needs to be considered:

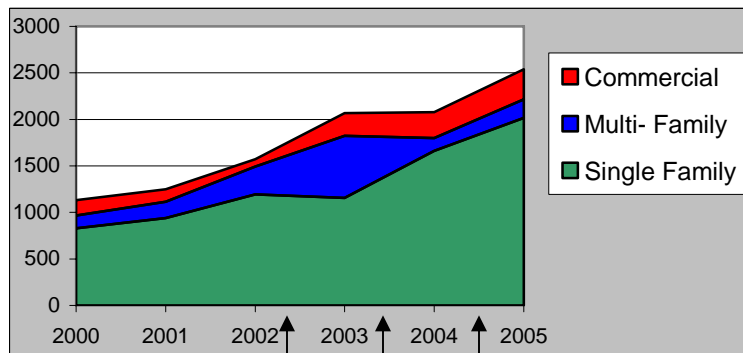


The number of city employees per capita show the following trend over time:



This budget presumes the population of Bend is increasing as it did last year; predicting another 7.85% (or 5,120 persons) by July 1, 2006. This is significantly faster than the formal population forecast for the city.

Building permit activity shows the following:



Formal population estimates by PSU: 62,900 (2002), 65,210 (2003), 70,330 (2004)

With housing starts increasing as they have over the past two calendar years, there is a high probability of commensurate population increase occurring now. Official population estimates for July 1, 2006 will be available to cities this Fall, 2006. Even without these formal estimates, service demands and calls for services are such that more staff is needed across all city operations. Added positions have been deliberately kept to a minimum.

Issue 2 – Public Safety Budgets and Funding Sources:

The city’s assertion is that it can afford its law enforcement, fire protection and emergency medical services from current revenues. Particularly in the prior year, when the accounting for all discretionary revenues was reorganized for them to flow through the General Fund, sufficient funding for public safety services was made clear. However, that reorganization points out the financial stresses in funding for transportation operations / road maintenance, public transit and storm water services. (See later discussion of financial stress points.)

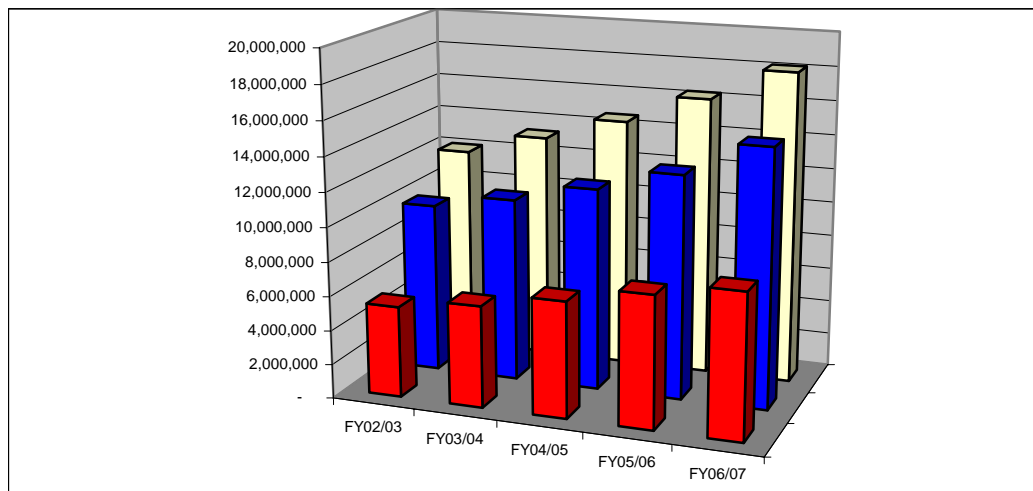
It has been a number of years since property tax revenue alone supported Police and Fire protection services within the city. The following chart shows a two year comparison of the General Fund support to the public safety services:

	FY05/06		FY06/07
	Budget	Projected	Budget
Police General Fund Subsidy	14,033,523	13,031,700	14,981,727
Fire General Fund Subsidy	7,617,500	7,677,000	8,393,700
	<u>21,651,023</u>	<u>20,708,700</u>	<u>23,375,427</u>
Property Tax Revenue	16,131,200	16,292,000	18,147,700
Other discretionary revenues of the city	5,519,823	4,416,700	5,227,727
	<u>21,651,023</u>	<u>20,708,700</u>	<u>23,375,427</u>

A few items of note in the above chart:

- Public Safety services consume all property tax revenue of the General Fund plus about \$4 to \$5 million more per year;
- The amounts for Police and Fire stated above are the total operating budgets less all applicable revenues – fees for services and grants, and particularly for the Fire Department, contract revenues (RFPD#2) and debt proceeds of \$1.8 million.
- The cost of the planned Police building expansion is not included above (see later issue regarding debt issuances), but does include the first ½ year of debt service.

For more of a history, presented graphically:



- Property Tax Revenues, including delinquencies
- Police Expenditures, net of grants and program revenues
- Fire Expenditures, net of RFPD #2, ambulance and other revenues

The Police and Fire services remain of high quality but are under pressure to meet the service demands of a rapidly growing city. There are six police officers and five firefighter/ paramedics proposed to be added in the FY06/07 budget.

Issue 3 – Construction Spending and Systems Development Charges:

The **Transportation Systems Development Fund** accounts for all street system and new bridge construction. Systems Development Charge (SDC) revenue is predicted in this budget to keep the pace of growth such as the city has recently experienced. For the first time in recent history, this fund is budgeted to construct the year’s capital projects without debt financing. This does not mean that the rate of SDCs charged is sufficient - to the contrary: The city faces a funding gap in building the transportation capital improvement projects that were identified in 2000 to support the Transportation System Plan (the listing that was utilized in developing the SDC methodology). That 2000 master

listing of projects identified \$191 million of capital improvements needed. Today, that same list of projects would cost \$261 million to construct before right of way acquisition costs because of recent years' rapid increase in materials, oil and labor costs. This analysis supports the full amount established for transportation SDCs in 2001. These SDCs are levied in the current year at 85%.

Transportation capital improvements cannot be funded entirely by SDCs. Only the portion related to growth can be paid with SDC improvement fees. The SDC reimbursement fees are about 75% utilized to pay debt service on past projects.

The City has the responsibility for significant deficiencies in the current transportation system that are estimated to exceed one hundred million dollars. The City has achieved some success in obtaining grants (Newport Bridge construction) and establishing new funding from the Juniper Ridge Urban Renewal area, but the future will require improved funding for transportation infrastructure (see later discussion of financial stresses).

Any changes that the City Council may make to the scheduled increase in Transportation SDCs in the upcoming months have not been anticipated in this budget.

Transportation, Wastewater and Water System capital improvements are as follows:

Capital Improvement Programs:	FY05/06		FY06/07
	Budget	Projected	Budget
Transportation	13,256,000	9,319,500	12,090,100
Wastewater	5,596,000	2,983,500	9,801,000
Water	7,858,000	6,051,000	7,506,500
	<u>26,710,000</u>	<u>18,354,000</u>	<u>29,397,600</u>

In the future, capital programs will remain at high levels as the city expands systems to serve the larger population and meet future growth needs. Even if growth declines or flattens, capital construction will remain high because of the lag time in planning and constructing these long lived assets after the growth has occurred.

Issue 4 – Reserves:

Compared to the current year's original adopted budget, the FY06/07 Proposed Budget for reserves has increased by \$11.4 million across a number of funds, and decreased \$4.4 million among other funds, for a total net increase of \$6.9 million. Primary reasons for the changes in reserves are:

	<u>Inc./(Decr.)</u>
Unforeseen needs/opportunities for the General Fund:	721,196
Future water utility system construction:	2,481,372
Debt & future liabilities from dedicated revenues:	2,380,700
Debt proceeds for continuing 2007 construction:	2,937,729
Parking Fund (new structure) funding:	453,535
New City Hall future construction reserves:	2,323,204
Unavailability of funding beyond budget needs:	(2,457,334)
Downtown Urban Renewal declines in business:	(1,640,312)
Planned reduction/use of funds for specified purpose:	(276,370)
Balancing effects of numerous funds:	<u>31,511</u>
	<u><u>6,955,231</u></u>

The budget presented here begins to address the future need for new facilities for City Hall. Reserves in the amount of \$3,428,200 are included in this budget: \$2,390,000 in the Building Fund; \$838,200 in the Facilities Fund, and \$200,000 in the Engineering Fund. These reserves include an accumulation of amounts set aside in the current year, FY05/06. Additionally, debt service is being paid on the purchase of the new potential site for City Hall.

Issue 5 - Planned Debt Issuances:

There are a number of planned, long-term debt issuances proposed in this budget:

\$1,830,000	Full faith and credit bonds are proposed to be issued for the replacement of an aging ambulance fleet of four vehicles plus the purchase of an additional two. The Fire Department has reviewed the options for replacement versus refurbishment. Additionally, two wild land interface firefighting engines are proposed to be purchased with debt proceeds. One engine has already been retired due to age. An extrication tool ("Jaws of Life") is also included. At its Financial Retreat in January of this year, the City Council gave conceptual approval to these purchases.
\$7,000,000	Full faith and credit bonds are proposed to be issued for the construction of Cooley Road in the Juniper Ridge Urban Renewal Area. A portion of these funds would be expected to be carried over into the following fiscal year to continue with construction through the 2007 construction season.
\$3,136,000	Full faith and credit bonds are proposed to be issued for the construction of the full build out of the Police building, as originally designed. The need currently exists for a new Municipal Court / meeting / training room and for new offices. Because interest rates are still low and there are economies of scale in the soft costs of building out this facility, this proposal is to proceed soon with the full expansion of the Police Building. At its Financial Retreat, the City Council gave conceptual approval to proceeding with developing this proposal.
<u>\$11,966,000</u>	Total long term debt proceeds included in this Proposed FY06/07 Budget.

Issue 6 - Financial Stress Points:

In spite of the growing economy of the City of Bend and the growth in discretionary revenues of the General Fund, lack of funding for the following areas continue to be apparent; these financial stress areas will grow in urgency in the years to come:

- Funding the expansion of the wastewater treatment plant and collection system;
- Funding the development of the transportation infrastructure;
- Funding for the transportation operations (e.g., road maintenance; snow removal);
- Funding for storm water management utility, and
- Funding for the Public Transit system to provide affordable and sustainable service.

At its Financial Retreat in January, 2006, the City Council reviewed each of these financial stress points and provided guidance:

- Affordable housing needs must also be addressed in considering funding needs of the city;
- Systems Development Charges and rates will pay for the capital and operational needs of the Wastewater system;
- Authorized proceeding with evaluating a range of funding mechanisms to address transportation infrastructure, transportation system maintenance, storm water operations and the public transit system. Options considered were fees and property, real estate and gas taxes.
- Members of the City Council also noted that piecemeal funding was less desirable than a more comprehensive mechanism and that a vote of the citizenry for new funding should be required.

City staff will be evaluating the various options for new funding for the above financial stress areas of the city throughout the next fiscal year, and work through a process with stakeholders and the City Council to review and prioritize a recommended approach.

There are no new funding mechanisms proposed in the FY06/07 budget.

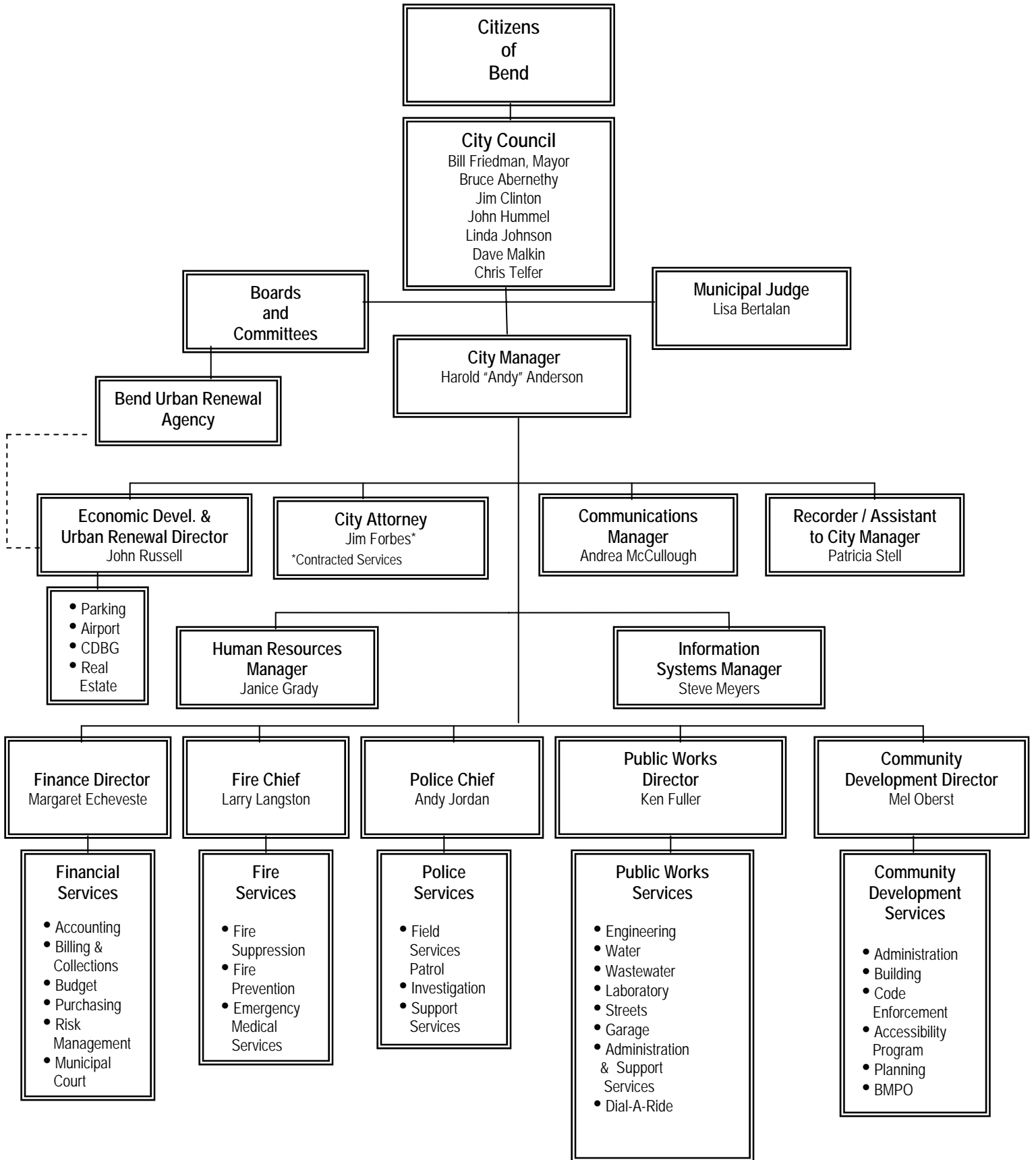
In summary, the City of Bend is generally experiencing good fortune in its financial picture. While there are looming pitfalls around which management must seriously negotiate, and certain financial stress points that are growing urgent, these issues can be solved with management's careful consideration of options and timely implementation of solutions, guided by the vigorous leadership demonstrated by this City Council.

City staff stands ready to support the City of Bend Budget Committee in accomplishing its role of reviewing and deliberating towards a consensus approval of a one year financial plan (annual budget) for the city. Longer term policies and capital improvement plans are provided in this process to offer context within which to address next year's financial plan.

I offer my sincere appreciation to members of city staff throughout the organization who have worked diligently at developing this Proposed FY2006/07 Budget.

Respectfully submitted,

Harold "Andy" Anderson
Budget Officer / City Manager



INTRODUCTORY SECTION

The City of Bend, Oregon



In addition to being a service and retail center for the area, agriculture and horse and cattle ranching were also staples of the early Bend economy.

In 1909, two competitive railroad barons, E.H. Harriman and James J. Hill, entered into a multi-million dollar battle to see who would first lay the track to Bend. In 1911, Hill's Oregon Trunk Railroad was completed,

providing a short cut for rail freight from Northern California to the Columbia River. With the stimulus of the railroad, two large Minnesota based lumber companies (Brooks-Scanlon and Shevlin-Hickson) built mills in Bend in 1914, and timber became the mainstay of the local economy.

Bend continued to grow and became increasingly reliant on the timber industry until the mid 1970's when tourism began to change the face of the town. Still, it wasn't until the 1980's that timber as a mainstay in the City's economic diet, became a thing of the past. After the recession of the mid 1980's, Bend was quick to come back and was once again experiencing significant growth by the late 1980's and early 1990's.

Largest Employers 2006

- St. Charles Medical Center
- Mt. Bachelor, Inc.
- Columbia Aircraft Manufacturing
- iSKY
- Bend Memorial Clinic
- Jeld-Wen Windows & Doors
- Safeway
- Hap Taylor & Sons

What is now Bend, Oregon was known only to Native Americans until the winter of 1824. It was then that Peter Skene Ogden's fur trapping party became the first non-native visitors to the region. John Fremont and other army survey parties followed soon thereafter, as did caravans of pioneers who forded the Deschutes at a bend in the river known as "Farewell Bend". A small community grew up around that historical crossing, and the City of Bend was officially incorporated in 1905, boasting a start-up population of 300.

Unemployment Rates

	<u>Central Oregon</u>	<u>Oregon</u>	<u>United States</u>
2005	5.60%	6.10%	5.10%
2004	6.90%	7.30%	5.50%
2003	7.80%	8.10%	6.00%
2002	7.70%	7.60%	5.80%

Median Income

Family of 4, within Deschutes County

2006	\$58,000
2005	\$57,800
2004	\$57,800
2003	\$54,200

Growth was triggered by several factors. First, Mt. Bachelor Ski Resort matured as a ski area achieving national status. This then became the catalyst for the visitor industry, which simultaneously generated industrial and commercial expansion. Coupled with an already popular summer season, a year around tourism industry was developed, which stimulated the development of other major destination resorts.

Lumber remanufacturing firms settled in Bend, and wood products continue to be a leading economic factor, along with tourism, and other diversified industries developing. This economic growth, and accompanying population expansion, established Bend as the largest Oregon city east of the Cascade Mountain Range and is the region's principle tourism, wood products, professional, retail, medical, and governmental service center.



With over 2.5 million acres of public land and open space the area offers something for everyone. Opportunities abound for golf, white water rafting, fishing, hunting, mountain bike riding, boating, hiking, rock climbing, snow skiing, snowmobiling, water skiing, rock hounding, fishing, camping, and horseback riding. Local attractions include Mt. Bachelor, Smith Rock State Park, Deschutes National Forest, Newberry National Volcanic Monument, Lava Butte, Tumalo Falls, Lava Cast Forest, Deschutes River, and Cascade Lakes. Pole-Peddle-Paddle, Cascade Cycling Classic, and the Chainbreaker Mountain Bike Race are just several of the local events that attract outdoor enthusiasts from professional to beginners.

Bend is nestled on the Eastern side of the Cascade Mountain Range and little of the precipitation that is so often associated with "Oregon" actually makes it across the mountains. In fact, Bend receives an average of only 8-15 inches of precipitation per year and enjoys lots of sunny, blue skies.

Bend is also host to a variety of annual events and cultural attractions such as the High Desert Museum, the Deschutes Historical Center, Cascade Festival of Music, Bend Winter and Summer Festivals, Munch 'n Music, Community Theatre of the Cascades, Pine Mountain Observatory, and the Deschutes County Fair and Expo Center.

Recreational Amenities

Bend and the surrounding area are a recreational mecca.

- Skiing
- Snowboarding
- Snowmobiling
- Rafting
- Kayaking
- Canoeing
- Hiking
- Camping
- Boating
- Fishing
- Golf

Demographic Highlights

Date of Incorporation	1905
Form of Government	Council/Manager
Number of Employees	501.4
Area in Square Miles	32.5

City Facilities and Services:

Miles of streets 355

Fire protection:

Number of stations	5
Number of personnel	84
Number of calls answered:	
Fire	366
Ambulance	5,492
Miscellaneous	1,661
Number of inspections	2,936

Police protection:

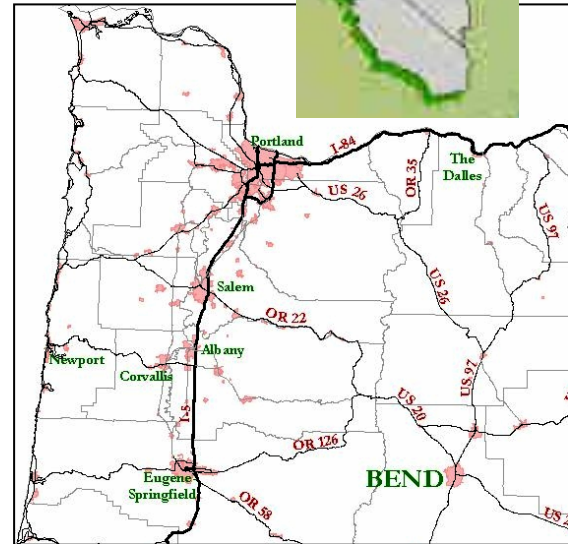
Number of stations	1
Number of police officers	87
Number of civilian personnel	24.5
Number of patrol units	25
Number of law violations:	
Physical arrests	4,166
Traffic violations	9,101
Calls for service	59,093

Water system:

Miles of water mains	447
Number of fire hydrants	4,433
Service connections	20,300
Daily average consumption (in millions of gallons)	11.72
Maximum daily capacity of plant (in millions of gallons)	33.35

Water Reclamation system:

Miles of sanitary sewers	410
Number of treatment plants	1
Service connections	24,195
Daily average treatment (in millions of gallons)	5.3
Maximum daily capacity of plant (in millions of gallons)	7.2



Principal Taxpayers

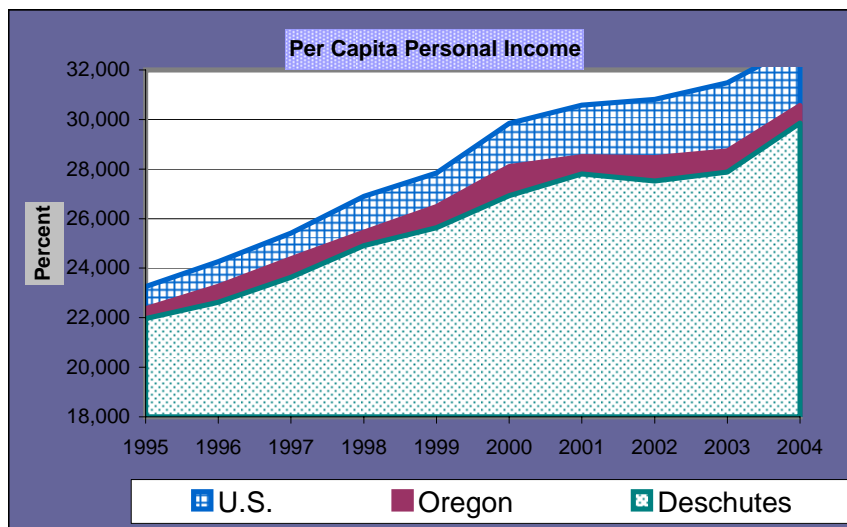
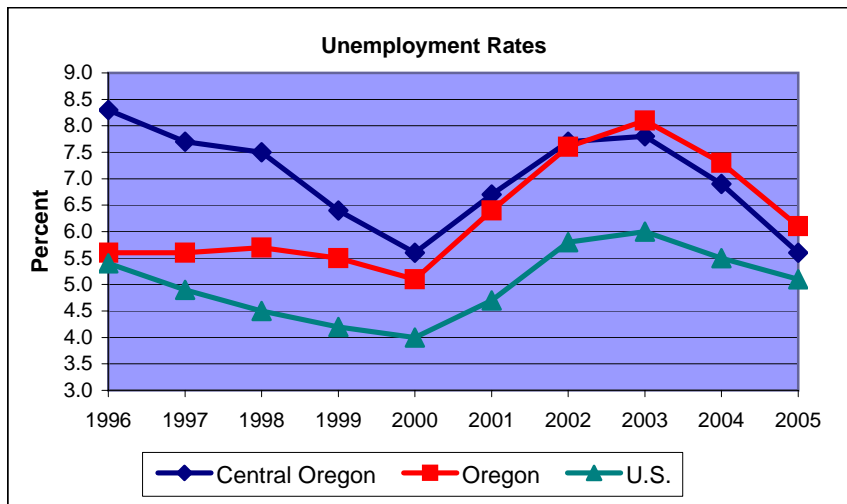
2005/06 Tax Roll (amounts in 000's)

Taxpayer	Type	Taxable Assessed Valuation	% of Total Valuation
Qwest Corporation	Telephone utility	\$32,474	0.5%
Bend Millwork Systems, Inc.	Construction products	24,407	0.4%
Deschutes Brewery, Inc.	Industrial manufacturing	24,327	0.4%
Pacificorp (PP&L)	Electric utility	18,448	0.3%
SIMA Mountain View, LLC	Shopping center	17,795	0.3%
Cascade Natural Gas Corp.	Natural gas utility	17,194	0.3%
RPP Bend I, LLC	Shopping center	16,801	0.3%
Forum Associates II, LLC	Shopping center	16,523	0.3%
River Bend LP	Real estate developer	16,258	0.3%
Touchmark at Mt Bachelor Village, LLC	Resort community	15,414	0.3%
Total		\$199,641	3.3%

Note: Total Taxable Assessed Valuation for all taxpayers was \$6.02 billion.

Statistical Comparisons

2005-06 PROPERTY TAX AND POPULATION COMPARISON						% Increase from 1998-99		
	Population	Real Market Value	Assessed Value	RMV per Capita	Tax Rate	Population	Real Market Value	Tax Rate
City	\$ in millions					City		
Bend	70,328	9,252	6,015	131,555	2.8035	97.36%	232.93%	-0.15%
Redmond	21,110	1,850	1,225	87,636	6.1643	69.76%	181.58%	-16.76%
Sisters	1,706	326	211	191,090	2.6417	100.71%	239.58%	4.12%
County						County		
Deschutes	143,481	21,513	13,349	149,936	1.2783	36.78%	140.96%	-24.86%



City Government

Form of Government

The City of Bend was founded by ballot measure November 1904 and incorporated in 1905. Organized under a council/manager form of government, the City is served by a seven-member City Council, elected to terms of four years, who elect from among themselves a mayor for a term of two years. A full-time City Manager administers the affairs of the City for the Council.

The City Council meets twice a month to conduct City business, exercising legislative, quasi-judicial and administrative powers. They vote on budgets, ordinances and resolutions (legislative), hear various appeals of administrative decisions (quasi-judicial), and provide direction to management staff (administrative).

The Mayor presides over Council meetings but, like the other Councilors, has only one vote on Council matters. In this respect, the council form of government places the duties and responsibilities of directing the City in the hands of a group of elected officials of equal rank and power. Municipal leaders are elected at large and are accountable to the voting public citywide.



City Hall

City Council Meetings

City Council meetings are held:

- 1st and 3rd Wednesday of each month
- at 7:00 pm
- in the Council Chambers at City Hall

Meetings

The City Council meets the first and third Wednesday of each month at 7:00 pm. Meetings are held in the Council Chambers in City Hall. If a Council meeting day falls on a legal holiday, the meeting will be held on the next regular business day. All Council meetings are open to the public. Additional meetings may be held as necessary and are advertised as to time, place and agenda prior to the meeting.

Council Agenda

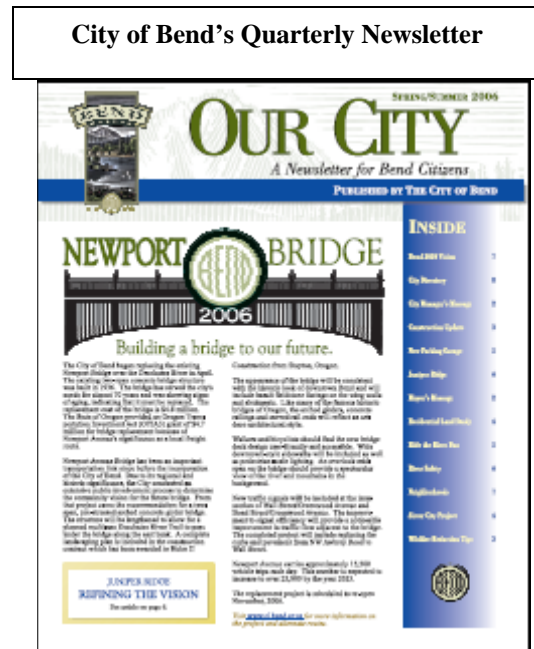
On the Monday preceding each regularly scheduled Council meeting, the Council agenda is published in The Bulletin newspaper. The agenda can also be found on the Internet, www.ci.bend.or.us, providing a listing and summary of all matters to be discussed by the Council at the meeting. Ordinances and resolutions are listed by title and also include a summary.

City Government

The Process

During Council meetings, legislative business is done by passing an Ordinance (law) or Resolution. Reports and miscellaneous documents may also be presented for Council action.

- ◆ A resolution states a policy or directs that an action be taken. It is not a binding legal restriction. Rather, it announces to the public what the Council intends to happen.
- ◆ An ordinance is a binding legislative act. It is often written by the department that oversees the issue being addressed and is reviewed by the City Attorney and the other department heads. The City Manager places the ordinance on the Council agenda to be discussed by the entire Council.



Proposed ordinances may be discussed by the Council and the public. After all testimony is heard, the Council may choose to either vote on the issue or table it for further discussion or more information. If an affirmative vote is taken, the ordinance will be placed on the next Council agenda to be read a second time. Only if an ordinance is passed a second time, with four or more affirmative votes, will it be considered binding and become law.

Becoming A Law: The Final Step

After an ordinance is passed by the City Council, it goes to the Mayor to be signed. The original ordinance goes to the Recorder's office where it becomes a part of the City's permanent records.

Resolutions, including those that provide appropriations and annual tax levies or relate to local improvements and their assessment, as well as all emergency ordinances, take effect immediately upon passage or on any date within 30 days as specified in the ordinance. All other ordinances take effect 30 days after passage unless a later date is declared.

Minutes are taken of all formal City Council meetings. The minutes are kept in the Recorder's office where they are available for public inspection.

Initiative and Referendum

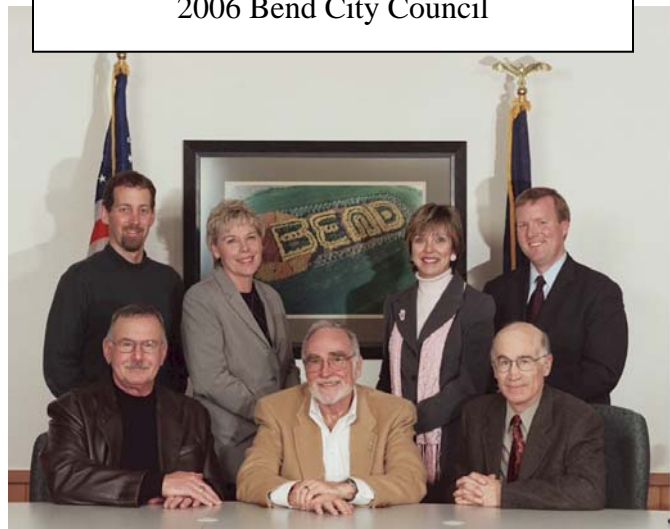
There is always opportunity for citizens to become involved in the decisions made by the City Council. Oregon was one of the first states to allow citizens to bring issues to a vote of the people through the initiative process, and Bend citizens can offer their opinion on pending Council actions through testimony and communication with decision-makers and by voting on referendums. Citizens can also create laws through these processes:

- ◆ Before an ordinance becomes a law, it may be referred to a vote of the people through the referendum process. Any registered voter may do this by sponsoring a petition. A certain number of valid signatures must be gathered and verified within thirty days of the passage of the ordinance. Check with the City Recorder for specific instructions on sponsoring a petition for a referendum, the number of signatures necessary, and the time allotted.

- ◆ If an ordinance has already gone into effect, an initiative drive can be brought before the voters to repeal the ordinance. In this case, more time is allotted to gather signatures. However, more names are required for the petition to be valid. Again, check with the Recorder's office for the specifications of the process.

The City Council may refer any proposed ordinance to the voters.

2006 Bend City Council



Budget Process

The budget process followed in the preparation of this budget complies with local budget law established by the State of Oregon. Oregon's Local Budget Law does two important things:

- ◆ It establishes standard procedures for preparing, presenting, and administering the budget.
- ◆ It requires citizen involvement in the preparation of the budget and public disclosure of the budget before its formal adoption.

To give the public ample opportunity to participate in the budgeting process, Local Budget Law requires that a budget officer be appointed and a Budget Committee be formed.

FY 2005/06 Budget Meetings
▪ December 5, 2005 – Staff Budget Kick-off Meeting
▪ March 27, 2006 - City Manager/Department Manager Budget Review
▪ May 3, 2006 – Budget Committee Meeting to Distribute Proposed Budget
▪ May 23-25, 2006 – Budget Committee Meetings to Deliberate and Take Public Comment
▪ June 21, 2006 – City Council to Hold Public Hearing and Adopt FY 2006/07 Budget
▪ July 1, 2006 – start of new Fiscal Year

Preparing the Budget

- ◆ Budget Officer appointed. The City Manager serves as the Budget Officer for the City of Bend.
- ◆ Proposed budget prepared. The City Manager is responsible for supervising the preparation of the proposed budget and presentation of it to the Budget Committee.

Approving the Budget

- ◆ Publish meeting notice. When the City Manager is ready to present the budget and the budget message, a "Notice of Budget Committee Meeting" is published.
- ◆ Budget Committee meets. One to two weeks before the Budget Committee meetings begin, the City Manager distributes a copy of the budget document to each member of the Budget Committee. It is at this time that the budget is considered a public record and must be made available for public inspection. The budget message, which explains the proposed budget and significant changes in the City's financial position, is delivered at the time the budget is distributed. All Budget Committee meetings are open to the public and it is at these meetings that an opportunity is provided to citizens to ask questions about or comment on the proposed budget.
- ◆ Budget Committee approves budget. When the Budget Committee is satisfied with the proposed budget, including any additions to or deletions from the one prepared by the City Manager, it is approved. The Budget Committee also approves a rate of total ad valorem property taxes to be certified for collection.

Advertising and Holding Hearings

- ◆ Budget Summary and "Notice of Budget Hearing" published. After the budget is approved by the Budget Committee, a public hearing is held by the City Council. A "Notice of Budget Hearing", which includes a summary of the approved budget, is published prior to the public hearing.
- ◆ Budget hearing held. The budget hearing is held by the City Council on the date specified in the public notice. The purpose of the hearing is to receive citizens' testimony on the budget approved by the Budget Committee.

Adopting the Budget

- ◆ After the budget hearing, and after considering relevant testimony, the City Council adopts the budget. A resolution is prepared and signed by the City Council to (1) formally adopt the budget, (2) make appropriations, (3) levy tax and (4) categorize tax.
- ◆ Budget filed and levy certified. A notice of levy and certification of tax is submitted to the Deschutes County Assessors Office.

Budget Calendar

December	<ul style="list-style-type: none"> ◆ Budget Kick Off - the budget calendar for 2006/07 is reviewed, and changes or key issues to address in preparation of the budget are discussed. ◆ Expenditure estimates for 2005/06 are entered by Departments and reviewed by Budget Staff, with updates in March and May. ◆ Revenue projections for 2005/06 and 2006/07 are completed by Budget Staff, with updates in March and May.
January	<ul style="list-style-type: none"> ◆ Proposed FY 2006/07 personnel requirements and estimated salary and benefits changes are sent to Budget Office/Finance Department. ◆ 2006/07 Overhead, Interfund Transfers, and Debt Service expenditures are analyzed and entered by Budget Staff
February	<ul style="list-style-type: none"> ◆ Budget Office develops and distributes Billable Rates schedule for use in preparing Memorandums of Understanding among departments.
March	<ul style="list-style-type: none"> ◆ Capital Improvement Program draft submitted to Public Works. ◆ Five-year capital plans prepared by departments and delivered to Budget Office. ◆ First draft of budget narratives submitted to Budget Office. ◆ Budget Office completes and distributes proposed 2006/07 budget documents to City Manager. ◆ City Manager reviews the budget and capital improvement plans with Department Heads and Budget Staff.
April	<ul style="list-style-type: none"> ◆ Publish first and second notice of Budget Committee meeting ◆ Capital Improvement Program reconciled and delivered to Budget Office. ◆ Budget Office updates 2006/07 budget to reflect changes made by City Manager
May	<ul style="list-style-type: none"> ◆ 2006/07 City Manager Proposed Budget distributed to Budget Committee and available for public review ◆ Budget Committee receives budget message ◆ Budget Committee deliberates, receives public comments, and approves the budget
June	<ul style="list-style-type: none"> ◆ “Notice of Budget Hearing” and summary is published ◆ City Council holds public hearing and adopts the 2006/07 budget.
July	<ul style="list-style-type: none"> ◆ 2006/07 Adopted Budget is in effect

Budget Amendment Procedures

Oregon local budget law sets forth procedures to be followed to amend the budget as events occur after budget adoption. The type of event determines the procedures to be followed.

The adopted budget appropriates certain funds for contingencies in each fund to be used at the discretion of the governing body. Contingencies in each fund can only be appropriated for specific unforeseen events by approval of a resolution by the City Council. Specific appropriations of contingencies may include funding for service level policy changes, unforeseen catastrophic events or redirection of resources.

Local budget law provides for other budget changes that may be made by the governing body without Budget Committee action. Such changes include:

- ◆ Award of a grant for a specific purpose.
- ◆ Refunds of prior expenditures.
- ◆ Voter approved bond sales.
- ◆ Expenditure of special assessments.
- ◆ Expenditure of insurance proceeds.

Most other budget changes after budget adoption require a supplemental budget. A supplemental budget can be acted on by the City Council at a regularly scheduled meeting. If, however, the supplemental budget includes any changes greater than 10 percent in any fund, the supplemental budget must be published prior to the meeting. If at least ten taxpayers request, in writing, within ten days of the notice, the Council must refer the supplemental budget to the Budget Committee prior to consideration and action.

Fiscal Policies

The City of Bend has an important responsibility to its citizens to carefully account for public funds, manage municipal finances wisely, and plan adequate funding of services and facilities desired and needed by the public.

The goals of Bend's fiscal policies are as follows:

- ◆ To enhance City Council's policy-making ability by providing accurate information on program and operating costs.
- ◆ To protect and enhance the City's credit rating.
- ◆ To assist sound management of City government by providing accurate and timely information on current and anticipated financial conditions.
- ◆ To provide sound principles to guide important decisions of the Council and management which have significant fiscal impact.
- ◆ To employ revenue policies which prevent undue or unbalanced reliance on any one source, distribute the cost of municipal services fairly and provide adequate funds to operate desired programs.
- ◆ To provide and maintain essential public facilities, utilities, and capital equipment.
- ◆ To insure that all surplus cash is prudently invested in accordance with the investment policy adopted by the Council to protect City funds and realize a reasonable rate of return.

Revenue Policy

- ◆ A diversified and stable revenue system will be maintained to shelter the government from short-run fluctuations in any one revenue source.
- ◆ One-time revenues will be used only for one-time expenditures. The City will avoid using temporary revenues to fund mainstream services.
- ◆ All revenue forecasts shall be conservative.
- ◆ Regular reports comparing actual to budgeted revenues will be prepared by the Administrative and Financial Services Department and presented to the City Manager and the City Council.
- ◆ All City funds shall be safely invested to provide a sufficient level of liquidity to meet cash flow needs and to provide the maximum yield possible in that order. One hundred percent of all idle cash will be continuously invested.
- ◆ The City will maximize utilization of user charges in lieu of property taxes for services that can be individually identified and where the costs are directly related to the level of service. User fees will be reviewed each year to ensure that related costs are recovered in accordance with City Council policy.

Operating Budget Policy

- ◆ Oregon budget law requires each local government to prepare a balanced budget and Oregon Administrative Rules state: 1) the budget must be constructed in such a manner that the total resources in a fund equal the total of expenditures and requirements for that fund, and 2) the total of all resources of the district must equal the total of all expenditures and all requirements for the district.
- ◆ Regular reports comparing actual to budgeted expenditures will be prepared by the Administrative and Financial Services Department and be distributed to the City Manager.
- ◆ Departmental objectives will be integrated into the City's annual budget and monthly departmental reports.
- ◆ Before the City undertakes any agreements that create fixed costs, both operating and capital, the implications of such agreements will be fully determined for current and future years.
- ◆ All non-salary benefits, such as social security, pension, and insurance, will be estimated and their impact on future budgets assessed annually.
- ◆ Cost analysis of salary increases will include the effect of such increases on the City's share of related fringe benefits.
- ◆ The City will annually submit documentation to obtain the Award for Distinguished Budget Presentation from the Government Finance Officer's Association (GFOA).
- ◆ The operating budget will be constrained to the total increase approved by the Budget Committee and adopted by the City Council.

Capital Improvement Policy

- ◆ Systems development charges (SDC's) will be used for infrastructure capacity expansion and improvements including in-house engineering and design.
- ◆ Future operating costs associated with new capital improvements will be projected and included in the operating budget forecast.
- ◆ The City will determine and use the most effective and efficient method for financing all new capital projects.
- ◆ Special funds dedicated for capital improvements will be segregated in the accounting system and used only for the intended capital purposes.

Accounting Policy

- ◆ The City will maintain high standards of accounting. Generally Accepted Accounting Principles (GAAP) will be used in accordance with the standards developed by the Governmental Accounting Standards Board and endorsed by the Government Finance Officer's Association (GFOA).

- ◆ An independent audit will be performed annually by a public accounting firm who will then issue an official opinion on the annual financial statements and a management letter detailing areas that need improvement.
- ◆ Full disclosure will be provided in the financial statements and bond representations.
- ◆ Financial systems will be maintained to monitor expenditures and revenues on a monthly basis, with thorough analysis.
- ◆ The accounting system will provide monthly information about cash position and investment performance.
- ◆ The City will annually submit documentation to obtain the Certificate of Achievement for Excellence in Financial Reporting from GFOA.

Debt Policy

- ◆ Capital projects financed through bond proceeds shall be financed for a period not to exceed the useful life of the project.
- ◆ Long-term borrowing will be confined to capital improvements too large to be financed from current available resources.
- ◆ Issuance of Assessment Bonds, secured by the benefited property, will be pursued to finance local improvement projects and repay interim financing approved by the City Council.
- ◆ The City will use its credit line, as needed, to provide interim funds for the construction of local improvements approved by the City Council.

Reserve Policy

- ◆ The City will maintain an unallocated fund balance or retained earnings equal or greater than two months of general operating expenditures or expenses. This reserve will be calculated based on the adopted annual operating budget of the City. These funds will be used to avoid cash-flow interruptions, generate interest income, reduce need for short-term borrowing, and assist in maintaining an investment grade bond rating capacity.

Fund Accounting

For accounting purposes, a state or local government is not treated as a single, integral entity. Rather, a government is viewed as a collection of smaller, separate entities known as “funds”. A fund is a fiscal and accounting entity with self-balancing accounts to record cash and other financial resources, related liabilities, balances and changes, which are segregated for specific activities and objectives.

All of the funds used by a government must be classified into one of seven fund types: general, special revenue, debt service, capital projects, enterprise, internal service, and fiduciary. Four of these fund types are used to account for the government’s “governmental-type” activities and are known as Governmental Funds. Two of these fund types are used to account for a government’s “business-type” activities and are known as Proprietary Funds. Finally, the seventh fund type is reserved for a government’s fiduciary activities.

Governmental Type Activities – Governmental Funds

Many government services are financed through taxes and intergovernmental revenues, which are often called non-exchange revenues because there is not normally a direct relationship between the cost of the service provided and the amounts being paid by either individual tax payers or other government agencies. When a service is largely funded through non-exchange revenues it can be called a governmental-type activity. The accounting for a governmental-type activity focuses on available spendable resources and the near-term demands upon them.

General Fund

The General Fund accounts for police and municipal court operations and general services not accounted for within another fund. The principal sources of revenue include property taxes, franchise fees, intergovernmental revenue, transient room taxes and fines. Primary expenditures are for police and municipal court operations.

Special Revenue Funds

The Special Revenue fund type is used when certain revenues have been earmarked or are legally restricted to expenditure for a specific purpose.

Transportation Operations Fund

The Transportation Operations Fund provides the accounting of all street related activity of the City including street, right-of-way and storm water maintenance. The funding sources include state highway gas tax, franchise tax and transient room tax allocations, and various intergovernmental grants and agreements.

Engineering, project oversight and public works administration and support services costs, are accounted for through transfers to the Internal Service Fund for the estimated costs of the provision of these services.

Special Revenue Funds - continued

Transportation SDC Fund

The Transportation SDC Fund provides the accounting for system development charges reserved for future use in accordance with the terms of their collection. Currently, Transportation SDC's are imposed at one hundred percent of their maximum level of qualified costs.

Fire/EMS Fund

The activity within this fund includes fire suppression, fire prevention and education, fire investigation services and emergency medical services. Revenues for this fund are derived from a transfer from the General Fund of a portion of the City's property taxes, as well as intergovernmental and private agreements for the provision of fire protection in outlying areas.

Building Fund

Activities within the Building Fund include inspection, building and code compliance. The principal sources of revenue for this fund are permit fees and interfund transfers from those funds who benefit from inspection services on capital improvement projects.

Planning Fund

This fund is used to account for the expenditures necessary for the City to provide current and long-range planning. Funding for this program is provided through both planning fees and a general fund transfer to support long-range planning efforts.

Community Development Block Grant Fund

This fund is used to account for the receipt and distribution of Community Development Block Grants funds.

Public Transit Operations Fund

This fund accounts for activities related to the City's developing public transit operations. Currently, the Dial-A-Ride system provides transportation for the senior and disabled citizens of Bend, as well as general public ridership. Funding sources include Transient Room Tax, State Shared Revenues, state and local grants and ticket sales.

Tourist Promotion/Economic Development Fund

The activity within this fund, which receives a portion of transient room tax dollars, includes a City partnership with the Visitors Convention Bureau for tourist promotion efforts.

Economic Improvement District Fund

This fund was created in fiscal year 2005/06 at the request of downtown Bend property owners, to provide a funding program for the maintenance of downtown Bend improvement and beautification efforts.

Debt Service Funds

This fund type accounts for the accumulation of resources for the payment of debt principal and interest.

Improvement District Debt Service Fund

This fund accounts for the debt service associated with Special Assessment Debt with Governmental Commitment. The principal source of revenue is collections from the property owners on bonded and unbonded liens. The revenue is used to redeem improvement bonds and coupons maturing during the fiscal year. Assessments receivable are recorded as deferred revenue.

Fire Station Debt Service Fund

This fund was established to account for the debt service associated with a lease obligation (Certificates of Participation) issued in May 1999 to provide funding for the construction and/or remodeling and equipping of four fire stations and the construction and equipping of a new fire administration facility. The principal sources of revenue are payments from the Deschutes Rural Fire Protection District #2 and City rent payments.

PERS Debt Service Fund

Created in fiscal year 2005/06, this fund accounts for the payment of debt issued to fund the City's unfunded pension liability with the Oregon Public Employees Retirement System (PERS).

**Bend Urban Renewal Agency (BURA) -
Downtown Plan Area Debt Service Fund**

This fund was established to account for the debt service associated with the downtown plan area construction projects. The principal source of revenue to pay the debt comes from urban renewal taxes.

**Bend Urban Renewal Agency (BURA) -
Juniper Ridge Plan Area Debt Service Fund**

This fund was established in fiscal year 2006/07 to account for the debt service associated with the Juniper Ridge plan area construction projects. The principal source of revenue to pay the debt comes from urban renewal taxes.

Capital Project Funds

This fund type accounts for the financial resources to be used for the acquisition or construction of major capital facilities.

Improvement District Construction Fund

The purpose of this fund is to account for the recoverable portion of improvement work (paving streets, parking lots, sidewalks, etc.) done by the City at the request of property owners or as directed by the City Council. This fund also serves as a revolving account for handling materials and supplies. The principal source of revenue is bond proceeds to finance construction for improvements.

Capital Project Funds - continued

BURA - Downtown Plan Area Construction Fund

This fund accounts for construction projects related to the Downtown Plan Area of the Urban Renewal District. As required by law, funding for this activity is derived through debt financing.

BURA - Juniper Ridge Plan Area Construction Fund

This fund was created to account for construction projects related to a new technology and research park, mixed use development being proposed as a potential Urban Renewal project. While it is uncertain at this time how the project will proceed funding has been included in this budget to begin the process of hiring a qualified professional to provide oversight for project development.

Business Type Activities – Proprietary Fund Types

Other government services are financed through user charges for which the cost to the individual is proportionate, at least to some degree, to the benefit received by the individual. When a fund receives a significant portion of its funding through user charges, it can be referred to as a “business-type” activity. The accounting for a proprietary fund focuses on cost and long-term cost recovery.

Enterprise Funds

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private enterprises.

Airport Fund

This fund accounts for the operation of the municipal airport. The principal sources of revenue are hangar and land lease income, and an operator's lease. Expenditures are for the administration, maintenance and improvement of the airport facility.

Cemetery Fund

This fund accounts for the operation of the Pilot Butte cemetery, which is City owned and operated. The principal sources of revenue are user fees and interest income derived from a reserved permanent maintenance cash balance. Expenditures are for the operations of the cemetery and capital improvements.

Water Fund

This fund accounts for the operation of the City's water utility. The principal source of revenue is user fees. Expenditures are for the administration, maintenance and expansion of the system.

Enterprise Funds - continued

Water Reclamation Fund

This fund accounts for the operation of the City's sewage utility. The principal source of revenue is user fees. Expenditures are for administration, maintenance and new construction.

Downtown Parking Fund

This fund accounts for the downtown parking program. The principal sources of revenue are parking rentals, assessments and fines. Expenditures are for administration, maintenance and capital improvements.

Stormwater Fund

This fund accounts for the development of a new surface water utility. Start-up costs for this operation will be funded with an interfund transfer from the General Fund.

Internal Service Fund

The Internal Service Fund is used to account for the financing of goods and services provided by one department or agency to other departments or agencies of the City, on a cost-reimbursement basis.

Garage Division

This division accounts for the maintenance and service of all City vehicles and heavy equipment, excluding the police department fleet. Revenue is generated by charges to other funds. Expenditures are for equipment and vehicle maintenance.

Information Services Division

This division accounts for the operation of the City's computer and phone systems. Revenue is generated by charges to other funds. Expenditures are for equipment, software, maintenance and training.

Facility Management Divisions

These divisions account for the operation of the following City owned buildings; City Hall, Bond Annex, Franklin Annex, the Public Works Facility on Forbes Road, and the Police Administration facility. Revenue is generated by rent charges to other funds and tenants. Expenditures include repairs and maintenance and debt service.

Engineering Division

Beginning with the 2002-03 budget year the Engineering Division has been removed from the Community Development Department and now is a division of the Internal Services Fund. Revenue is generated by user charges to other funds and private developers. Expenditures include personal services, material and services, capital outlay and transfers.

Internal Service Fund - continued

Public Works Administration and Support Services Division

This division accounts for the activity associated with the public works administration and support services including, clerical support and lab services. Revenue is generated by user charges to funds utilizing these services. Expenditures include the personal service, material and services, and capital requirements.

Risk Management Division

This division accounts for the City's various insurance programs that include cost sharing/risk elements. Revenue is generated through charges to user departments for premium allocations, and insurance settlements. Expenditures are for premiums, deductibles and transfers.

Administrative and Financial Services Division

Both the General Government and Administrative & Financial Services departments are accounted for in this division. Revenues are generated through user charges for the cost of providing the services. Expenditures are for personal services, material and services, and transfers.

Urban Renewal/Economic Development Department

This fund was established to account for the multiple services associated with both urban renewal and economic development. Revenues are generated through user charges for the cost of providing the services. Expenditures are for personal services, material and services, and transfers.

Community Development Administration Division

This fund was created in fiscal year 2006/07 to account for the services provided to the Building, Planning, and Metropolitan Planning Organization departments. Revenues are generated through user charges for the cost of providing the services. Expenditures are for personal services, material and services, and transfers.

Fiduciary Activities

Assets held in a trustee capacity for others and not used to support the City's own programs qualify as fiduciary. The City has only one fiduciary fund, described below, which is not a budgeted fund and therefore is not included in this document.

Agency Fund

The Agency Fund accounts for various monies received on behalf of third parties. Agency activity is custodial in nature and does not involve the measurement of results of operations.

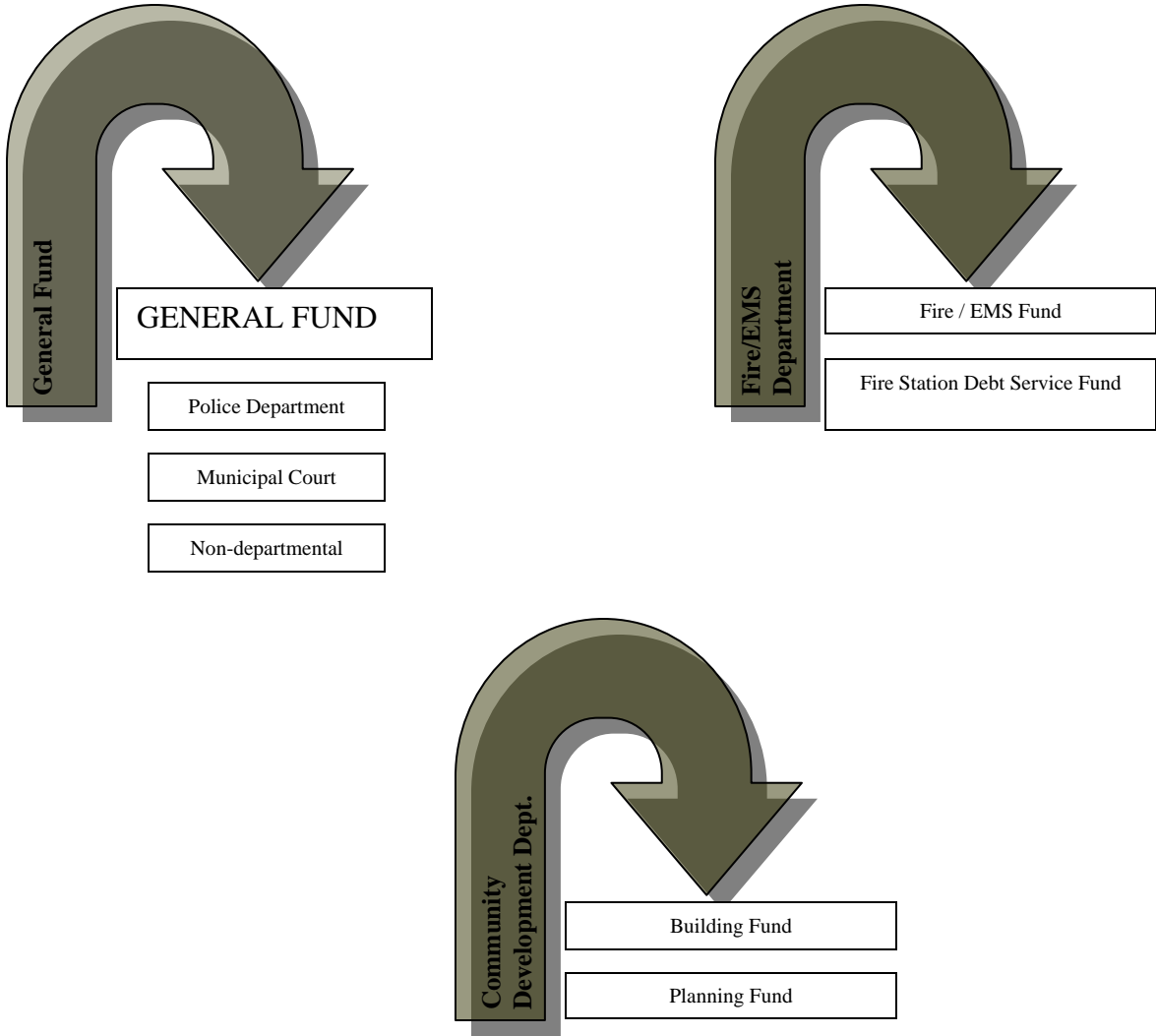
Basis of Budgeting

The City maintains accounting records on a budget basis as well as a GAAP (Generally Accepted Accounting Principles) basis. For financial reporting purposes, governmental funds use the modified accrual basis of accounting and proprietary funds use full accrual. Under the modified accrual basis revenues are recognized when they are both measurable and available and expenditures are recognized when incurred. Under the full accrual method revenues are recorded when earned and expenses are recorded when the liability is incurred.

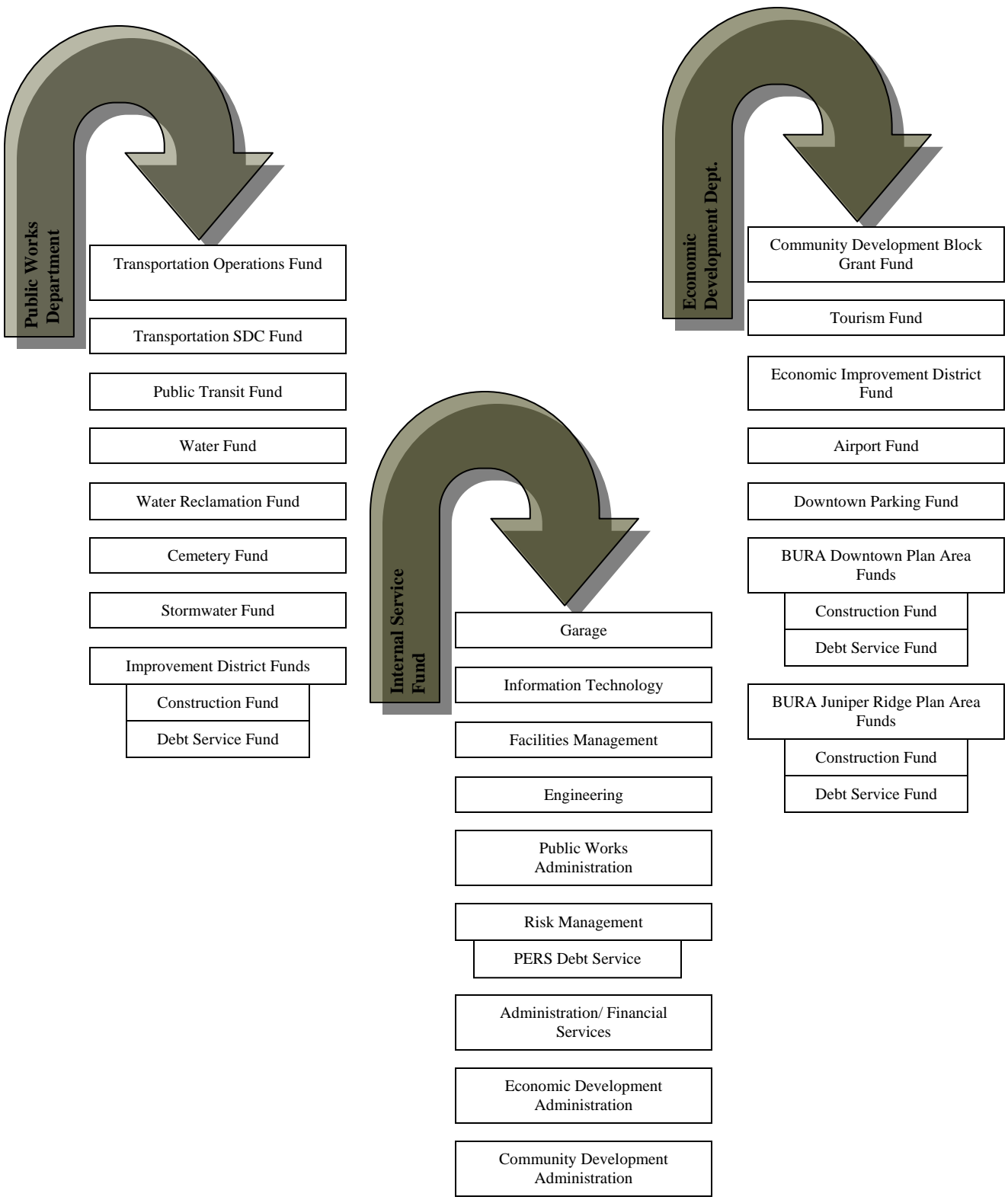
Budgets for all City funds are prepared on a modified accrual basis consistent with GAAP.

For transactions which were initially recorded in compliance with Oregon Local Budget Law, adjustments may be required for GAAP-basis financial reporting. Examples of these adjustments include: the acquisition of proprietary fund fixed assets which are considered expenditures under Oregon Local Budget Law but are not reported as current year expenditures under GAAP; receipts of proceeds of proprietary fund debt financing and principal payments received on interfund loans are considered budgetary resources but are not reported as revenues under GAAP. Depreciation, amortization and non-cash contribution are also examples of transactions that are not reported under the budget basis but are reported in GAAP-basis financial reporting

Budget Organization



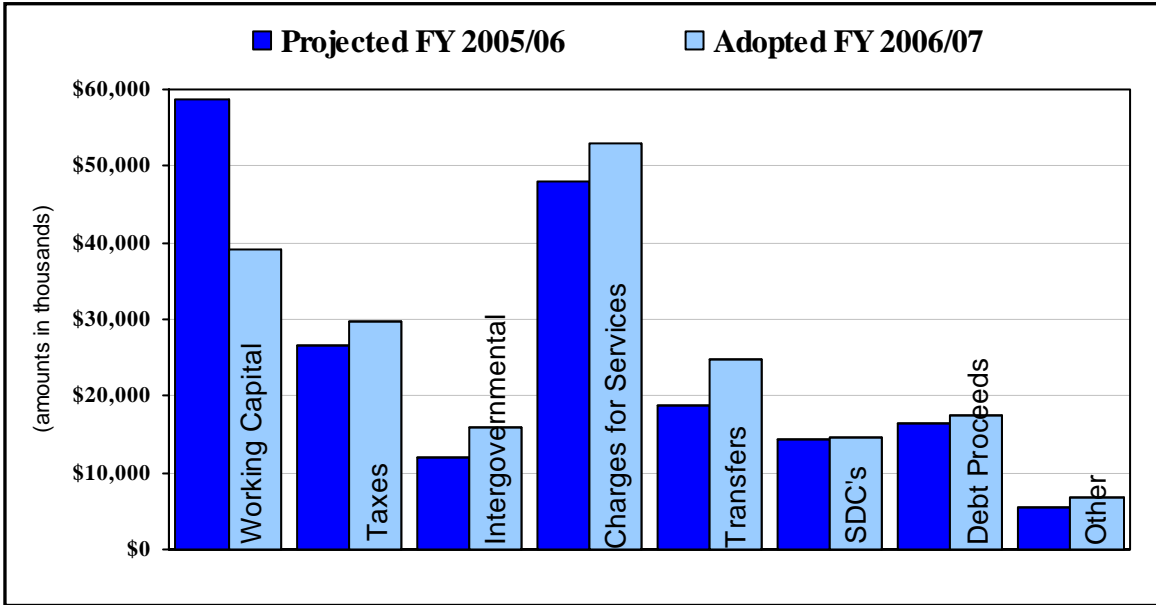
Budget Organization



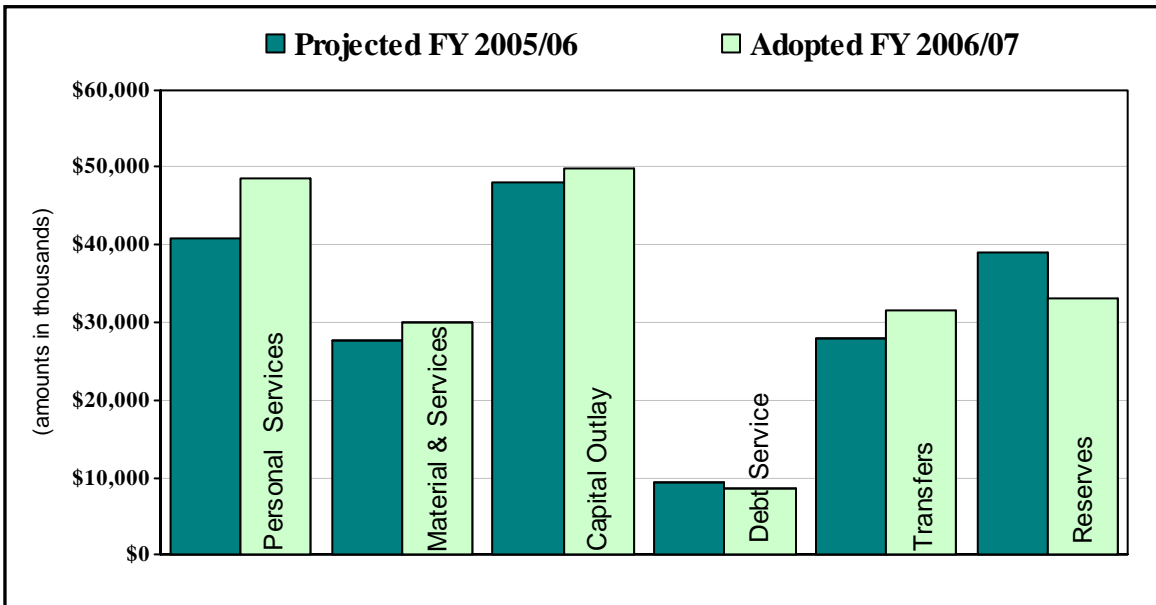
FINANCIAL SECTION

Combined Summary of Financial Sources and Uses

2006/07 Budgeted Resources All Funds - \$201 Million



2006/07 Appropriations & Unappropriated Ending Fund Balances All Funds - \$201 Million

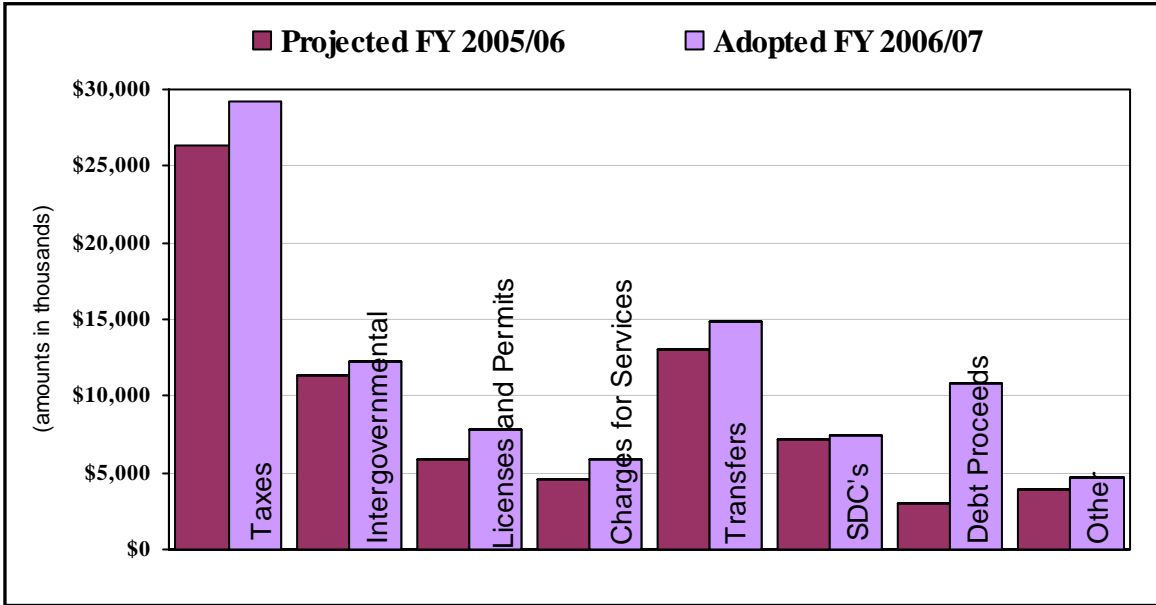


**Summary of Financial Sources and Uses
All Funds
Three Year Comparison**

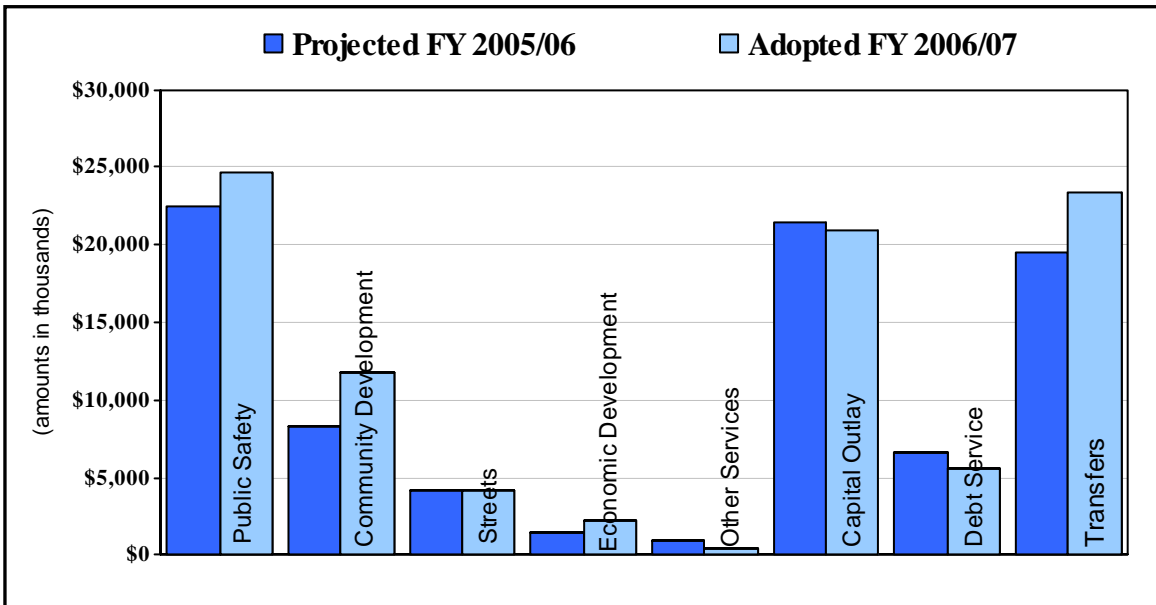
(amounts in thousands)	Total of All Funds		
	Actual 2004/05	Projected 2005/06	Adopted 2006/07
Financial Sources:			
Property Taxes	16,720	18,462	20,757
Transient Room Tax	2,799	3,131	3,445
Franchise Tax	4,283	4,901	5,508
Intergovernmental Revenues	10,041	12,022	16,056
Licenses and Permits	5,109	5,970	7,991
Charges for Services	36,912	41,979	44,899
Fines	870	910	1,189
Interest Revenue	1,467	2,275	1,982
Miscellaneous Revenues	851	699	500
Interfund Charges	5,329	18,896	24,729
System Development Charges	13,496	14,509	14,658
Private Developer Contributions	17	24	470
Assessments	4	391	103
Sale of Fixed Assets	7	1,244	2,664
Total Sources	97,905	125,413	144,951
Financial Uses			
Personal Services	35,061	40,781	48,566
Material and Services	20,307	27,621	29,993
Capital Outlay	16,665	48,097	49,903
Debt Service:			
Principal	5,615	5,837	4,721
Interest	3,715	3,628	3,775
Interfund Charges	13,002	28,041	31,526
Total Uses	94,365	154,005	168,484
Other Financing Sources and Uses			
Loan Repayments	1,446	1,581	1,530
Debt Proceeds	1,786	14,938	15,953
Permanent Maintenance Fees	21	17	18
Other Financing Use	-	(7,483)	-
Total Other Sources (Uses)	3,253	9,053	17,501
Net Increase (Decrease) in Fund Balance	6,804	(19,539)	(6,032)
Beginning Fund Balances	51,745	58,549	39,010
Ending Fund Balances	58,549	39,010	32,978
Contingency	-	-	15,174
Reserved for Other Requirements	-	-	11,004
Unappropriated Ending Fund Balance	-	-	6,800
	-	-	32,978

Summary of Financial Sources and Uses - Governmental Funds

2006/07 Budgeted Sources – Governmental Funds Total Sources - \$ 93.14 Million



2006/07 Budgeted Expenditures – Governmental Funds Total Expenditures - \$ 93.10 Million



**Summary of Financial Sources and Uses
All Governmental Fund Types
Three Year Comparison**

(amounts in thousands)

	General Fund			Special Revenue Funds		
	Actual 2004/05	Projected 2005/06	Adopted 2006/07	Actual 2004/05	Projected 2005/06	Adopted 2006/07
Financial Sources:						
Taxes	12,084	22,827	25,018	9,607	1,332	1,529
Intergovernmental Revenues	683	1,541	1,603	7,873	9,545	10,394
Licenses and Permits	36	138	353	5,022	5,745	7,549
Charges for Services	193	146	147	3,397	4,410	5,714
Fines and Fees	685	733	879	-	-	-
Assessments	-	-	-	-	88	103
Miscellaneous Revenues	56	41	116	137	69	59
Interest Income	167	299	310	512	741	682
Total Financial Sources	13,904	25,725	28,426	26,548	21,930	26,030
Expenditures						
Financial Administration	219	274	292	-	-	-
Public Safety	10,667	12,163	13,652	8,773	10,376	10,960
Public Services	143	633	166	-	-	-
Community Development	-	-	-	7,123	8,318	11,772
Streets	-	-	-	3,361	4,211	4,166
Economic Development	-	-	-	796	1,037	1,109
Transfers Out	1,864	13,529	15,617	5,011	5,504	6,407
Capital Outlay	395	321	477	4,972	11,488	16,387
Debt Service:						
Principal	-	-	-	1,492	1,298	1,320
Interest	-	-	-	799	753	716
Total Expenditures	13,288	26,920	30,204	32,327	42,985	52,837
Other Financing Sources						
Loan Repayments	270	80	1,100	37	38	38
Debt Proceeds	-	-	-	-	-	1,830
System Development Charges	-	-	-	6,415	7,221	7,416
Private Developer Contributions	-	-	-	17	24	-
Sale of Fixed Assets	6	593	1,007	-	651	-
Transfers from Other Funds	-	-	-	1,359	10,863	13,821
Total Other Financing Sources	276	673	2,107	7,828	18,797	23,105
Net Increase (Decrease) in Fund Balance	892	(522)	329	2,049	(2,258)	(3,702)
Beginning Fund Balances	6,240	7,132	6,610	13,029	15,078	12,820
Ending Fund Balances	7,132	6,610	6,939 ¹	15,078	12,820	9,118

See page 37 for individual funds.

¹ The change in General Fund fund balance is the result of hiring six new Police Officers and increased transfers out to other funds, coupled with a revenue increase from interfund loan repayments for loans made in FY 2005/06 to BURA-Juniper Ridge and the Airport. The Airport loan allowed pre-engineering services to begin on the runway relocation before FAA grant funds were available. The loan to BURA-Juniper Ridge covered pre-development legal and consultant expenses, and also replaced a loan to Juniper Ridge that was originally budgeted for in the BURA-Downtown fund.

Debt Service Funds		
Actual 2004/05	Projected 2005/06	Adopted 2006/07

2,111	2,161	2,600
262	258	259
-	-	-
92	97	65
-	-	-
-	-	-
-	-	-
90	198	171
2,555	2,714	3,095

1	1	1
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
14	50	69
-	-	-
1,195	2,487	1,700
945	1,727	1,660
2,155	4,265	3,430

623	386	182
-	-	-
-	-	-
-	-	-
-	-	-
1	1,286	1,066
624	1,672	1,248

1,024	121	913
3,006	4,030	4,151
4,030	4,151	5,064

See page 40 for individual funds.

Capital Projects Funds		
Actual 2004/05	Projected 2005/06	Adopted 2006/07

-	-	-
-	-	-
-	-	-
-	-	-
4	303	-
392	60	168
224	188	55
620	551	223

-	-	-
-	-	-
-	-	-
-	-	-
291	472	1,151
116	381	1,225
3,295	9,594	4,035
272	389	210
-	-	-
3,974	10,836	6,621

-	688	-
439	1,803	7,752
-	-	-
-	-	470
-	-	683
-	900	-
439	3,391	8,905

(2,915)	(6,894)	2,507
10,840	7,925	1,031
7,925	1,031	3,538

See page 40 for individual funds.

Total Governmental Funds		
Actual 2004/05	Projected 2005/06	Adopted 2006/07

23,802	26,320	29,147
8,818	11,344	12,256
5,058	5,883	7,902
3,682	4,653	5,926
685	733	879
4	391	103
585	170	343
993	1,426	1,218
43,627	50,920	57,774

220	275	293
19,440	22,539	24,612
143	633	166
7,123	8,318	11,772
3,361	4,211	4,166
1,087	1,509	2,260
7,005	19,464	23,318
8,662	21,403	20,899
2,959	4,174	3,230
1,744	2,480	2,376
51,744	85,006	93,092

930	1,192	1,320
439	1,803	9,582
6,415	7,221	7,416
17	24	470
6	1,244	1,690
1,360	13,049	14,887
9,167	24,533	35,365

1,050	(9,553)	47
33,115	34,165	24,612
34,165	24,612	24,659

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**Summary of Financial Sources and Uses
Special Revenue Funds
Three Year Comparison**

(amounts in thousands)	Transportation Operations Fund			Transportation SDC Fund			Fire/EMS Fund		
	Actual	Projected	Adopted	Actual	Projected	Adopted	Actual	Projected	Adopted
	2004/05	2005/06	2006/07	2004/05	2005/06	2006/07	2004/05	2005/06	2006/07
Financial Sources:									
Taxes	2,370	432	465	-	17	51	6,320	-	-
Intergovernmental Revenues	3,572	3,836	3,987	327	1,920	2,510	1,937	2,367	2,111
Licenses and Permits	-	159	164	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	1,620	1,706	1,764
Assessments	-	-	-	-	-	-	-	-	-
Miscellaneous Revenues	97	25	20	10	34	32	2	2	2
Interest Income	29	41	32	354	482	417	8	-	5
Total Financial Sources	6,068	4,493	4,668	691	2,453	3,010	9,887	4,075	3,882
Expenditures									
Public Safety	-	-	-	-	-	-	8,773	10,376	10,960
Community Development	-	-	-	-	-	-	-	-	-
Streets	3,356	4,206	4,164	5	5	2	-	-	-
Economic Development	-	-	-	-	-	-	-	-	-
Transfers Out	1,204	1,445	1,311	1,583	1,260	490	797	883	1,146
Capital Outlay	1,386	1,927	1,730	3,342	9,320	12,090	76	69	1,913
Debt Service:									
Principal	236	243	249	650	675	690	606	380	381
Interest	27	20	15	672	650	635	100	83	66
Total Expenditures	6,209	7,841	7,469	6,252	11,910	13,907	10,352	11,791	14,466
Other Financing Sources									
Loan Repayments	-	-	-	-	-	-	-	-	-
Debt Proceeds	-	-	-	-	-	-	-	-	1,830
System Development Charges	-	-	-	6,415	7,221	7,416	-	-	-
Private Developer Contributions	-	-	-	17	24	-	-	-	-
Sale of Fixed Assets	-	9	-	-	642	-	-	-	-
Transfers from Other Funds	215	1,871	2,687	12	174	814	469	7,827	8,756
Total Other Financing Sources	215	1,880	2,687	6,444	8,061	8,230	469	7,827	10,586
Net Increase (Decrease) in Fund Balance	74	(1,468)	(114)	883	(1,396)	(2,667)	4	111	2
Beginning Fund Balances	1,913	1,987	519	6,650	7,533	6,137	204	208	319
Ending Fund Balances	1,987	519	405 ²	7,533	6,137	3,470 ³	208	319	321

- continued on page 38

² The decrease in 2006/07 fund balance is the result of increased staffing levels. Without the added staff, the street operations department would not be able to provide enhanced service levels, such as expanding everyday services, and capital projects would be limited.

³ The significant decrease in Transportation SDC fund balance is the result of extensive capital improvement projects. Construction and right-of-way costs have increased substantially due to the thriving real estate and construction markets in Bend. In order to increase funding for future infrastructure improvements, in FY 2006/07, system development charges will be imposed at 100% of the allowable amount, up from 85% in prior years. In spite of the rising costs, infrastructure improvements are a critical response to the real estate boom and the rapid increase in population that Bend has experienced over the last several years.

**Summary of Financial Sources and Uses
Special Revenue Funds
Three Year Comparison**

- continued from page 37

	Building Fund			Planning Fund			CDBG Fund		
	Actual	Projected	Adopted	Actual	Projected	Adopted	Actual	Projected	Adopted
	2004/05	2005/06	2006/07	2004/05	2005/06	2006/07	2004/05	2005/06	2006/07
Financial Sources:									
Taxes	-	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	111	64	73	396	506	430
Licenses and Permits	5,022	5,586	7,385	-	-	-	-	-	-
Charges for Services	11	26	28	1,520	2,562	3,840	-	-	-
Assessments	-	-	-	-	-	-	-	-	-
Miscellaneous Revenues	16	1	2	12	7	3	-	-	-
Interest Income	110	195	203	-	15	15	2	-	-
Total Financial Sources	5,159	5,808	7,618	1,643	2,648	3,931	398	506	430
Expenditures									
Public Safety	-	-	-	-	-	-	-	-	-
Community Development	3,202	4,279	6,084	1,949	2,194	3,708	472	466	462
Streets	-	-	-	-	-	-	-	-	-
Economic Development	-	-	-	-	-	-	-	-	-
Transfers Out	830	1,035	1,571	125	309	1,114	15	39	64
Capital Outlay	168	172	250	-	-	30	-	-	-
Debt Service:									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Total Expenditures	4,200	5,486	7,905	2,074	2,503	4,852	487	505	526
Other Financing Sources									
Loan Repayments	-	-	-	-	-	-	37	38	38
Debt Proceeds	-	-	-	-	-	-	-	-	-
System Development Charges	-	-	-	-	-	-	-	-	-
Private Developer Contributions	-	-	-	-	-	-	-	-	-
Sale of Fixed Assets	-	-	-	-	-	-	-	-	-
Transfers from Other Funds	-	62	140	653	409	286	-	-	-
Total Other Financing Sources	-	62	140	653	409	286	37	38	38
Net Increase (Decrease) in Fund Balance	959	384	(147)	222	554	(635)	(52)	39	(58)
Beginning Fund Balances	3,483	4,442	4,826	-	222	776	94	42	81
Ending Fund Balances	4,442	4,826	4,679 ⁴	222	776	141 ⁵	42	81	23 ⁶

4 Though not significant, the fund balance decrease in the Building Fund is due to staffing increases intended to meet the demands for services, as well as a change in methodology for allocating indirect costs, which increased transfers to other funds. Building permit activity has continued to increase, which has resulted in longer processing times and increased overtime costs. In response, 14 additional employees will be hired in FY 2006/07.

5 The significant decrease in the Planning Fund's fund balance is due to staffing increases intended to meet the demands for services and reduce turnaround times, as well as a change in methodology for allocating indirect costs, which increased transfers to other funds.

6 CDBG entitlement funds have been cut back by the Federal Government, and while program expenses will be reduced accordingly, other costs such as salary, benefits, and overhead costs are fixed.

Public Transit Fund			Tourist Promotion Fund			Economic Improvement District Fund			Total Special Revenue Funds		
Actual 2004/05	Projected 2005/06	Adopted 2006/07	Actual 2004/05	Projected 2005/06	Adopted 2006/07	Actual 2004/05	Projected 2005/06	Adopted 2006/07	Actual 2004/05	Projected 2005/06	Adopted 2006/07
163	-	-	754	883	1,013	-	-	-	9,607	1,332	1,529
1,530	852	1,283	-	-	-	-	-	-	7,873	9,545	10,394
-	-	-	-	-	-	-	-	-	5,022	5,745	7,549
246	116	82	-	-	-	-	-	-	3,397	4,410	5,714
-	-	-	-	-	-	-	88	103	-	88	103
-	-	-	-	-	-	-	-	-	137	69	59
7	5	7	2	3	3	-	-	-	512	741	682
1,946	973	1,372	756	886	1,016	-	88	103	26,548	21,930	26,030
-	-	-	-	-	-	-	-	-	8,773	10,376	10,960
1,500	1,379	1,518	-	-	-	-	-	-	7,123	8,318	11,772
-	-	-	-	-	-	-	-	-	3,361	4,211	4,166
-	-	-	796	954	1,010	-	83	99	796	1,037	1,109
444	507	688	13	22	18	-	4	5	5,041	5,504	6,407
-	-	374	-	-	-	-	-	-	4,972	11,488	16,387
-	-	-	-	-	-	-	-	-	1,492	1,298	1,320
-	-	-	-	-	-	-	-	-	799	753	716
1,944	1,886	2,580	809	976	1,028	-	87	104	32,327	42,983	52,837
-	-	-	-	-	-	-	-	-	37	38	38
-	-	-	-	-	-	-	-	-	-	-	1,830
-	-	-	-	-	-	-	-	-	6,415	7,221	7,416
-	-	-	-	-	-	-	-	-	17	24	-
-	-	-	-	-	-	-	-	-	-	651	-
10	520	1,138	-	-	-	-	-	-	1,359	10,863	13,821
10	520	1,138	-	-	-	-	-	-	7,828	18,797	23,105
12	(393)	(70)	(53)	(90)	(12)	-	1	(1)	2,049	(2,258)	(3,702)
524	536	143	161	108	18	-	-	1	13,029	15,078	12,820
536	143	73 ⁷	108	18	6 ⁸	-	1	-	15,078	12,820	9,118

⁷ In response to citizen demand, the City has committed to expanding the City's transit services, which will result in increasing the bus fleet and extending service hours. As previously discussed, overhead transfers also increased due to a change in allocation methodologies.

⁸ The decreased fund balance reflects a continued effort to fund tourist promotion activities at a higher level.

Summary of Financial Sources and Uses Three Year Comparison

Debt Service Funds

(amounts in thousands)	Improvement District Debt Service Fund			BURA - Downtown Plan Area Debt Service Fund		
	Actual	Projected	Adopted	Actual	Projected	Adopted
	2004/05	2005/06	2006/07	2004/05	2005/06	2006/07
Financial Sources:						
Taxes	-	-	-	2,111	2,161	2,447
Intergovernmental Revenues	-	-	-	-	-	-
Charges for Services	92	97	65	-	-	-
Interest Income	23	34	35	66	123	95
Total Financial Sources	115	131	100	2,177	2,284	2,542
Expenditures						
Financial Administration	-	-	-	-	-	-
Transfers Out	14	22	66	-	25	-
Debt Service:						
Principal	423	509	367	661	1,868	1,065
Interest	95	66	46	698	692	649
Total Expenditures	532	597	479	1,359	2,585	1,714
Other Financing Sources						
Loan Repayments	623	386	182	-	-	-
Transfers from Other Funds	-	-	-	-	-	-
Total Other Financing Sources	623	386	182	-	-	-
Net Increase (Decrease) in Fund Balance	206	(80)	(197)	818	(301)	828
Beginning Fund Balances	821	1,027	947	2,182	3,000	2,699
Ending Fund Balances	1,027	947	750	3,000	2,699	3,527

Capital Projects Funds

(amounts in thousands)	Improvement District Construction Fund			BURA - Downtown Plan Area Construction Fund		
	Actual	Projected	Adopted	Actual	Projected	Adopted
	2004/05	2005/06	2006/07	2004/05	2005/06	2006/07
Financial Sources:						
Miscellaneous Revenues	-	-	-	392	60	168
Assessments	4	303	-	-	-	-
Interest income	(3)	(10)	-	227	200	35
Total Financial Sources	1	293	-	619	260	203
Expenditures						
Economic Development	-	-	-	291	196	593
Transfers Out	27	28	92	89	178	548
Capital Outlay	200	168	300	3,095	9,426	300
Debt Service:						
Principal	272	389	210	-	-	-
Total Expenditures	499	585	602	3,475	9,800	1,441
Other Financing Sources						
Loan Repayments	-	-	-	-	688	-
Debt Proceeds	439	210	599	-	1,043	-
Private Developer Contributions	-	-	-	-	-	683
Sale of Fixed Assets	-	-	-	-	-	900
Transfers from Other Funds	-	-	-	-	900	-
Total Other Financing Sources	439	210	599	-	2,631	683
Net Increase (Decrease) in Fund Balance	(59)	(82)	(3)	(2,856)	(6,909)	(555)
Beginning Fund Balances	144	85	3	10,696	7,840	931
Ending Fund Balances	85	3	-	7,840	931	376

BURA - Juniper Ridge Plan Area Debt Service Fund		
Actual 2004/05	Projected 2005/06	Adopted 2006/07

Fire Station Debt Service Fund		
Actual 2004/05	Projected 2005/06	Adopted 2006/07

PERS Debt Service Fund		
Actual 2004/05	Projected 2005/06	Adopted 2006/07

Total Debt Service Funds		
Actual 2004/05	Projected 2005/06	Adopted 2006/07

-	-	153
-	-	-
-	-	-
-	-	-
-	-	153

-	-	-
262	258	259
-	-	-
1	1	1
263	259	260

-	-	-
-	-	-
-	-	-
-	40	40
-	40	40

2,111	2,161	2,600
262	258	259
92	97	65
90	198	171
2,555	2,714	3,095

-	-	-
-	-	-
-	-	153
-	-	-
-	-	153

1	1	1
-	3	3
111	110	115
152	148	144
264	262	263

-	-	-
-	-	-
-	-	-
-	821	821
-	821	821

1	1	1
14	50	69
1,195	2,487	1,700
945	1,727	1,660
2,155	4,265	3,430

-	-	-
-	-	-
-	-	-

-	-	-
1	4	4
1	4	4

-	-	-
-	1,282	1,062
-	1,282	1,062

623	386	182
1	1,286	1,066
624	1,672	1,248

-	-	-
-	-	-
-	-	-
-	-	-

-	1	1
3	3	4
3	4	5

-	501	281
-	-	501
-	501	782

1,024	121	913
3,006	4,030	4,151
4,030	4,151	5,064

BURA - Juniper Ridge Plan Area Construction Fund		
Actual 2004/05	Projected 2005/06	Adopted 2006/07

Total Capital Projects Funds		
Actual 2004/05	Projected 2005/06	Adopted 2006/07

-	-	-
-	-	-
-	(2)	20
-	(2)	20

392	60	168
4	303	-
224	188	55
620	551	223

-	276	558
-	175	585
-	-	3,435
-	-	-
-	451	4,578

291	472	1,151
116	381	1,225
3,295	9,594	4,035
272	389	210
3,974	10,836	6,621

-	-	-
-	550	7,153
-	-	470
-	-	-
-	-	-
-	550	7,623

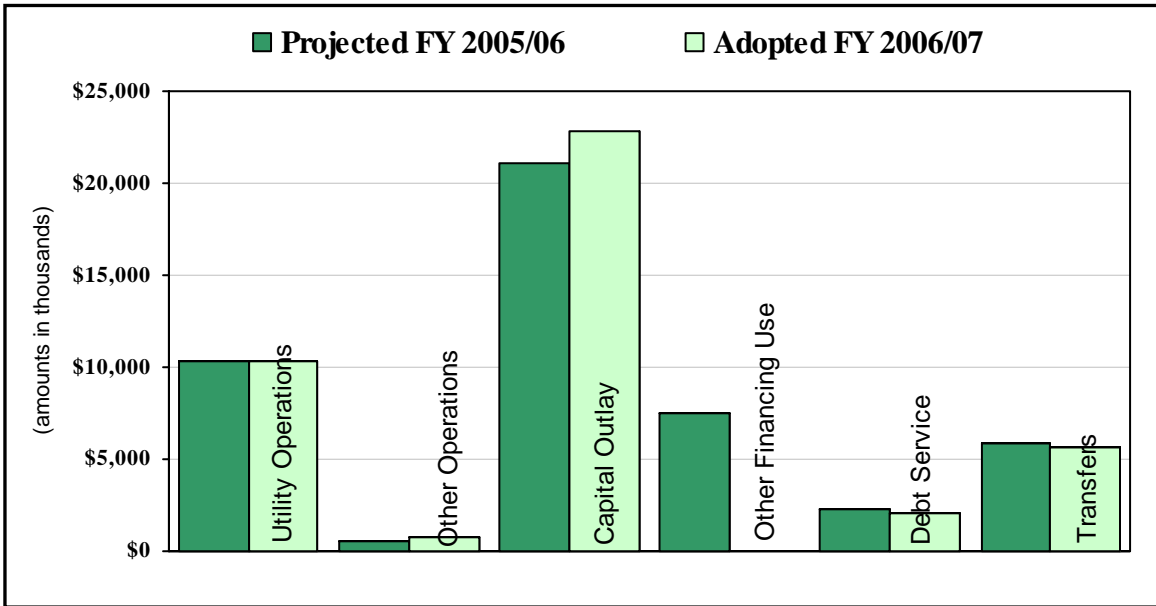
-	688	-
439	1,803	7,752
-	-	470
-	-	683
-	900	-
439	3,391	8,905

-	97	3,065
-	-	97
-	97	3,162

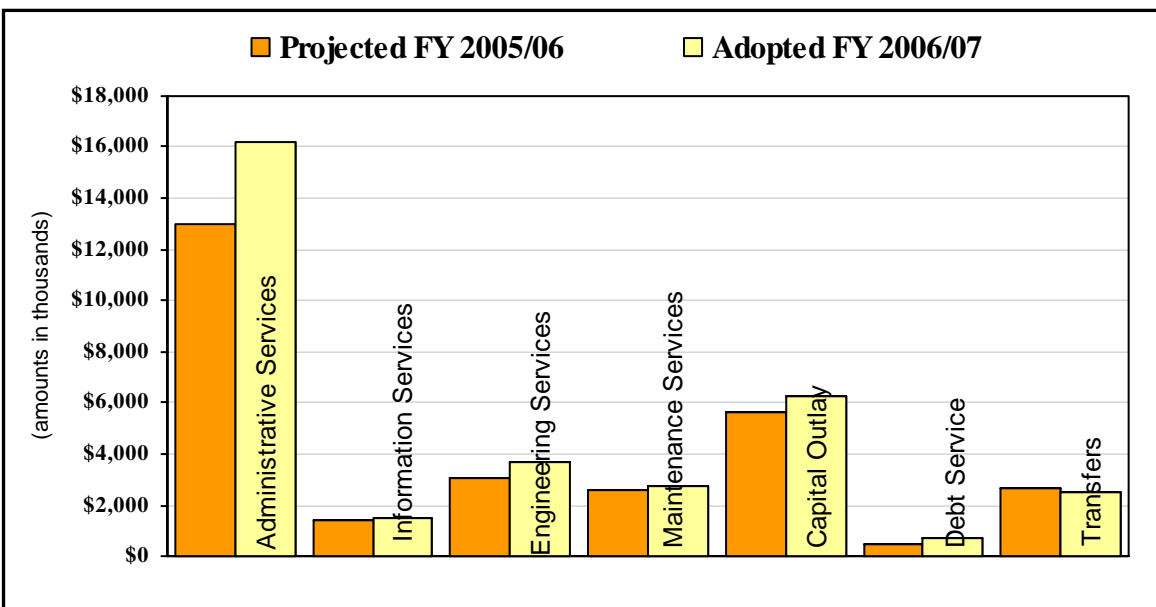
(2,915)	(6,894)	2,507
10,840	7,925	1,031
7,925	1,031	3,538

Summary of Revenues, Expenses and Changes in Financial Position - Proprietary Funds

2006/07 Budgeted Expenses – Enterprise Funds Total - \$ 41.67 Million



2006/07 Budgeted Expenses – Internal Service Funds Total - \$ 33.72 Million



**Summary of Revenues, Expenses
and Changes in Financial Position
All Proprietary Fund Types
Three Year Comparison**

(amounts in thousands)	Enterprise Funds			Internal Services Func		
	Actual 2004/05	Projected 2005/06	Adopted 2006/07	Actual 2004/05	Projected 2005/06	Adopted 2006/07
Revenues:						
Intergovernmental Revenues	1,223	668	3,800	-	10	-
Licenses and Permits	-	-	-	51	87	89
Charges for Services	17,042	18,899	20,721	16,188	18,427	18,166
Franchise Taxes	-	174	563	-	-	-
Fines and Fees	185	177	310	-	-	-
Miscellaneous Revenues	193	522	150	73	7	7
Total Revenues	18,643	20,440	25,544	16,312	18,531	18,262
Expenses						
Utility Operations	6,697	10,336	10,287	-	-	-
Airport Operations	131	227	233	-	-	-
Cemetery Operations	35	109	121	-	-	-
Parking Operations	255	242	500	-	-	-
Administrative Services	-	-	-	11,366	12,950	16,137
Information Services	-	-	-	1,220	1,410	1,508
Engineering Services	-	-	-	2,452	3,069	3,714
Facility and Equipment Maintenance Services	-	-	-	1,827	2,577	2,789
Total Expenses	7,118	10,914	11,141	16,865	20,006	24,148
Operating Income (Loss)	11,525	9,526	14,403	(553)	(1,475)	(5,886)
Non-Operating Revenue						
Interest	355	638	596	119	211	168
Sale of Fixed Assets	1	-	-	-	-	974
Transfers from Other Funds	80	436	420	3,889	5,411	9,508
System Development Charges	7,081	7,288	7,242	-	-	-
Permanent Maintenance Fees	21	17	18	-	-	-
Loan Repayments	273	389	210	243	-	-
Debt Proceeds	1,347	8,355	2,935	-	4,780	3,436
Total Non-Operating Revenue	9,158	17,123	11,421	4,251	10,402	14,086
Non-Operating Expense						
Capital Improvements	7,465	21,070	22,735	535	5,623	6,269
Other Financing Use	-	7,483	-	-	-	-
Debt Service:						
Principal	2,484	1,489	1,310	173	174	181
Interest	1,001	858	821	970	290	578
Transfers to Other Funds	4,631	5,875	5,662	1,366	2,702	2,546
Total Non-Operating Expense	15,581	36,775	30,528	3,044	8,789	9,574
Net Income (Loss)	5,102	(10,126)	(4,704)	654	138	(1,374)
Beginning Working Capital	13,805	18,907	8,781	4,825	5,479	5,617
Ending Working Capital	18,907	8,781	4,077	5,479	5,617	4,243

See page 44 for individual funds.

**Summary of Revenues, Expenses
and Changes in Financial Position
Enterprise Fund Types
Three Year Comparison**

(amounts in thousands)	Airport Fund			Cemetery Fund			Water Fund		
	Actual	Projected	Adopted	Actual	Projected	Adopted	Actual	Projected	Adopted
	2004/05	2005/06	2006/07	2004/05	2005/06	2006/07	2004/05	2005/06	2006/07
Revenues:									
Intergovernmental Revenues	1,216	668	3,800	-	-	-	7	-	-
Charges for Services	430	509	567	97	68	72	8,676	9,807	10,704
Franchise Taxes	-	-	-	-	-	-	-	81	290
Fines and Fees	-	-	-	-	-	-	-	-	-
Miscellaneous Revenues	37	43	61	-	-	-	31	308	49
Total Revenues	1,683	1,220	4,428	97	68	72	8,714	10,196	11,043
Expenses									
Utility Operations	-	-	-	-	-	-	3,647	5,349	5,728
Airport Operations	131	227	233	-	-	-	-	-	-
Cemetery Operations	-	-	-	35	109	121	-	-	-
Parking Operations	-	-	-	-	-	-	-	-	-
Total Expenses	131	227	233	35	109	121	3,647	5,349	5,728
Operating Income (Loss)	1,552	993	4,195	62	(41)	(49)	5,067	4,847	5,315
Non-Operating Revenue									
Interest	(13)	(16)	(20)	12	18	19	185	303	284
Sale of Fixed Assets	-	-	-	-	-	-	1	-	-
Transfers from Other Funds	45	90	90	35	-	-	-	-	-
System Development Charges	-	-	-	-	-	-	3,137	3,788	3,760
Permanent Maintenance Fees	-	-	-	21	17	18	-	-	-
Loan Repayments	-	-	-	-	-	-	-	-	-
Debt Proceeds	1,347	770	600	-	-	-	-	-	-
Total Non-Operating Revenue	1,379	844	670	68	35	37	3,323	4,091	4,044
Non-Operating Expense									
Capital Improvements	2,016	1,162	3,807	12	23	35	3,958	12,161	7,742
Other Financing Use	-	-	-	-	-	-	-	-	-
Debt Service:									
Principal	362	702	403	-	-	-	820	145	155
Interest	114	146	105	-	-	-	189	173	168
Transfers to Other Funds	79	124	635	87	46	34	2,158	2,255	2,258
Total Non-Operating Expense	2,571	2,134	4,950	99	69	69	7,125	14,734	10,323
Net Income (Loss)	360	(297)	(85)	31	(75)	(81)	1,265	(5,796)	(964)
Beginning Working Capital	37	397	100	503	534	459	7,172	8,437	2,641
Ending Working Capital	397	100	15 ¹	534	459	378 ²	8,437	2,641	1,677 ³

1 Change in fund balance is the result of capital expansion involving relocation of the runway. The current runway is rapidly deteriorating and in need of major rehabilitation in order to meet federal safety standards. Interfund transfers also increased based on a change in the City's overhead cost allocation methodology.

2 It is important to the community to have a clean, well maintained cemetery. The City has utilized a portion of its permanent maintenance reserves to cover the increasing maintenance costs, resulting in a decreased fund balance.

3 Decrease in fund balances in both the Water and Water Reclamation funds are the result of the verdict in the Juniper Utility lawsuit in FY 2005/06.

Water Reclamation Fund			Parking Fund			Stormwater Fund			Total Enterprise Funds		
Actual 2004/05	Projected 2005/06	Adopted 2006/07	Actual 2004/05	Projected 2005/06	Adopted 2006/07	Actual 2004/05	Projected 2005/06	Adopted 2006/07	Actual 2004/05	Projected 2005/06	Adopted 2006/07
-	-	-	-	-	-	-	-	-	1,223	668	3,800
7,699	8,385	9,168	140	130	210	-	-	-	17,042	18,899	20,721
-	93	273	-	-	-	-	-	-	-	174	563
-	-	-	185	177	310	-	-	-	185	177	310
125	171	40	-	-	-	-	-	-	193	522	150
7,824	8,649	9,481	325	307	520	-	-	-	18,643	20,440	25,544
3,050	4,811	4,347	-	-	-	-	176	212	6,697	10,336	10,287
-	-	-	-	-	-	-	-	-	131	227	233
-	-	-	-	-	-	-	-	-	35	109	121
-	-	-	255	242	500	-	-	-	255	242	500
3,050	4,811	4,347	255	242	500	-	176	212	7,118	10,914	11,141
4,774	3,838	5,134	70	65	20	-	(176)	(212)	11,525	9,526	14,403
160	315	300	11	16	12	-	2	1	355	638	596
-	-	-	-	-	-	-	-	-	1	-	-
-	-	-	-	-	-	-	346	330	80	436	420
2,928	3,150	3,182	1,016	350	300	-	-	-	7,081	7,288	7,242
-	-	-	-	-	-	-	-	-	21	17	18
273	389	210	-	-	-	-	-	-	273	389	210
-	7,585	2,335	-	-	-	-	-	-	1,347	8,355	2,955
3,361	11,439	6,027	1,027	366	312	-	348	331	9,158	17,123	11,421
1,479	7,652	10,990	-	-	-	-	72	161	7,465	21,070	22,735
-	7,483	-	-	-	-	-	-	-	-	7,483	-
1,302	642	752	-	-	-	-	-	-	2,484	1,489	1,310
698	539	548	-	-	-	-	-	-	1,001	858	821
2,218	2,379	2,637	89	1,040	71	-	31	27	4,631	5,875	5,662
5,697	18,695	14,927	89	1,040	71	-	103	188	15,581	36,775	30,528
2,438	(3,418)	(3,766)	1,008	(609)	261	-	69	(69)	5,102	(10,126)	(4,704)
5,637	8,075	4,657	456	1,464	855	-	-	69	13,805	18,907	8,781
8,075	4,657	891 ³	1,464	855	1,116 ⁴	-	69	- ⁵	18,907	8,781	4,077

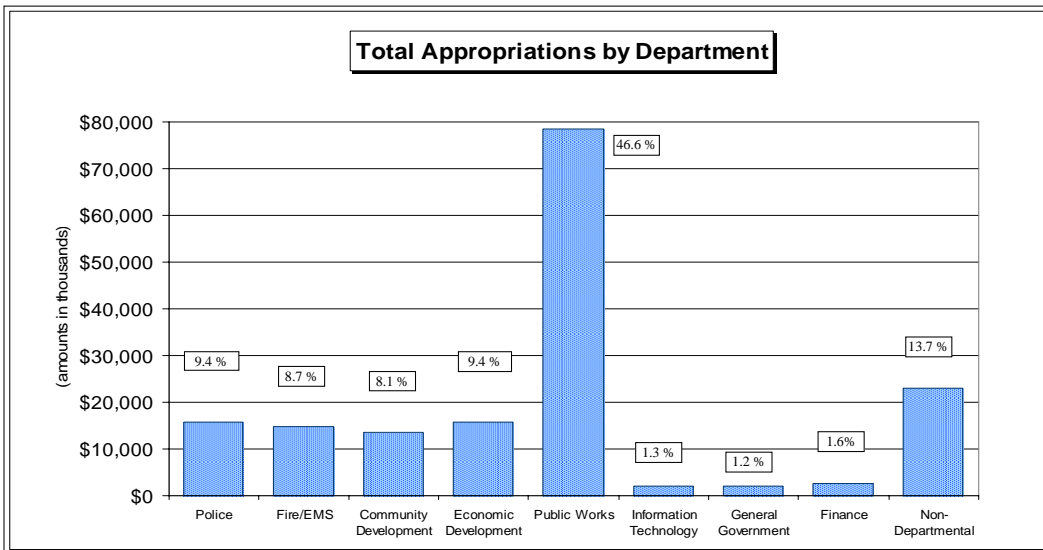
⁴ In FY 2005/06, the Parking Fund transferred a one time charge of almost \$1 million in parking in lieu of fees to BURA-Downtown to cover construction costs related to the new parking structure, which resulted in a significant change in fund balance.

⁵ The City is in the developmental stages of drafting a stormwater master plan and a comprehensive stormwater ordinance. As such, fund balance in the Stormwater Fund was eliminated in order to maximize available expenditures for consulting services. As the master plan and ordinance are developed, funding sources and related expenses will be revisited.

Total Appropriations by Fund and Department Fiscal Year 2006-2007

(amounts in thousands)

Fund	Department										
	Police	Fire/EMS	Community Development	Economic Development	Public Works	Information Technology	General Government	Finance	Non-Departmental	Contingency & Reserves	Total
General	15,895						341	13,968	6,939	37,143	
Transportation Operations					7,469				405	7,874	
Transportation SDC					13,907				3,470	17,377	
Fire/EMS		14,466							321	14,787	
Building			7,905						4,679	12,584	
Planning			4,852						141	4,993	
CDBG				526					23	549	
Public Transit					2,580				73	2,653	
Tourism				1,028					6	1,034	
Econ. Improvement District				104						104	
Debt Service											
Improvement District					479				750	1,229	
BURA-Downtown				1,714					3,527	5,241	
Fire Station		263							5	268	
PERS								821	782	1,603	
BURA-Juniper Ridge				153						153	
Capital Projects											
Improvement District					602					602	
BURA-Downtown				1,441					376	1,817	
BURA-Juniper Ridge				4,578					3,162	7,740	
Airport				5,183					15	5,198	
Cemetery					190				378	568	
Water					16,051				1,677	17,728	
Water Reclamation					19,274				891	20,165	
Downtown Parking				571					1,116	1,687	
Stormwater					400					400	
Internal Services											
Garage					2,280					2,280	
Information Services						2,118				2,118	
Facility Management					7,393					7,393	
Engineering					4,924					4,924	
Public Works Admin.					2,963					2,963	
Risk Management								8,359		8,359	
Admin. & Financial						2,039	2,373			4,412	
Economic Development				456						456	
Community Development			818							818	
Internal Services									4,242	4,242	
	15,895	14,729	13,575	15,754	78,512	2,118	2,039	2,714	23,148	32,978	201,462



City of Bend
Revenue Assumptions and Overview
Fiscal Year 2006/07 Budget



◆ **PROPERTY TAXES**

Taxable Assessed Value has been assumed to increase 11.50% over the 2005/06 value and a 94.5% collection percentage has been used.

2006/07 Tax Rate	\$2.8035/\$1,000
2006/07 TAV	\$6,639,332,900
2006/07 Levy	\$18,613,400

2006/07 Current Tax Revenues:	
General Fund	\$17,590,000

Rural Fire District: A rate of 5.0% growth in TAV has been applied to the Rural District.

2006/07 Rate Applied	\$1.245/\$1,000
2006/07 TAV	\$1,690,900,100
2006/07 Amount	\$2,105,200

◆ **TRANSIENT ROOM TAXES (TRT)**

The City's TRT rate is 9% including a .45% rebate to the operators for administration. Total room rents are projected to grow 10% through 2006/07.

Total Room Rents	\$40,282,400
2006/07 TRT Revenues	\$3,625,400

The Tourism Fund's allocation of TRT has been increased to 29.4% to reflect the continuing annual phase in of a 30% allocation rate as of January 2007 per City Ordinance NS-1813.

Budgeted allocation of TRT is as follows:

General Fund	67%	\$2,431,500
Tourism Fund	28%	\$1,012,700
Rebate to Properties	5%	\$ 181,200
	100%	\$3,625,400

◆ **FRANCHISE TAXES**

Many of the factors that affect Franchise Revenues such as weather conditions, economic downturns, and price fluctuations are difficult to predict. Preliminary research on local utility providers resulted in the following changes to the FY 2006/07 revenue projections over the current year projections:

Pacific Power	3.7% increase	\$1,929,100
Cascade Gas	5.0% increase	\$1,349,900
Bend Cable	10.0% increase	\$649,400
Qwest	20.0% decrease	\$304,700
Central Electric	3.8% increase	\$171,900

Tax rates and contract renegotiation dates for the significant Franchise agreements held by the City are as follows:

Pacific Power	5.0%	5/2007
Central Electric	5.0%	4/2021
Cascade Gas	4.5%	10/2014
Qwest	7.0%	N/A
Bend Cable	5.0%	7/2019

In addition, on March 1, 2006 the City of Bend implemented a 3% Water and Water Reclamation Franchise Fee. The fee is collected from the City's Water and Water Reclamation revenues as well as from the two other private providers within the City. The Water/Water Reclamation Utility Franchise Fees are allocated 100% to the Transportation SDC Fund. FY 2006/07 revenues from the Utility Franchise fee are projected to be:

City Utility	\$563,700
Investor Owned Utility	\$51,000

Garbage Franchise fee revenues are allocated 100% to the Transportation Operations Fund. These fees are charged to two local providers at a rate of 4% of gross revenues. A 7.65% growth rate is assumed to estimate Garbage Franchise revenues of \$465,300 for the 2006/07 fiscal year.

◆ **SYSTEM DEVELOPMENT CHARGES**

System Development Charges (SDC's) may have two components; an improvement fee for future system improvements and a reimbursement fee for existing or in-progress improvements.

Transportation SDC's are scheduled to increase to 100% of the allowable amount, and with a projected ENR adjustment of 3.3% the FY 2006/07 rate would be \$4,217. Transportation SDC revenues for FY 2006/07 are projected at \$7,416,000.

Water SDC's are currently imposed at 85% of the allowable amount. An SDC Study is underway but not far enough along at this time to forecast potential changes to the revenue assumptions. Under current methodology, a projected ENR of 3.3% will result in a rate of \$2,863. Water SDC revenues for FY 2006/07 are projected at \$3,760,000.

Water Reclamation SDC's are currently imposed at 70% of the allowable amount. An SDC Study is underway but not far enough along at this time to forecast potential changes to the revenue assumptions. Under current methodology, a projected ENR of 3.3% will result in a rate of \$1,374. Sewer SDC revenues for FY 2006/07 are projected at \$3,182,000.

◆ **STATE SHARED REVENUES**

Cigarette and Liquor Tax are distributed by the State on a per capita basis using the July 1st Portland State University (PSU) certified population to effect distributions for January – December of the following year. Highway Tax is distributed based on the ratio of Bend's population to that of all other Oregon cities.

The City uses an average population, with an assumed 7.85% growth rate, to project these revenues based on the League of Oregon Cities (LOC) estimated distribution as follows:

PSU Population 7/1/2005	70,330
Est. Population 7/1/2006	75,850
Average Population Est. for FY 2006/07	73,090

LOC per Capita Estimate:	
Cigarette Tax	\$1.59/capita
Cigarette Tax projection	\$116,200

Liquor Tax has been projected using the Oregon Office of Economic Analysis December 2005 "Economic and Revenue Forecast".

Liquor Tax projection	\$757,300
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State Highway Apportionment has been projected using the following information: LOC's per capita estimate of \$46.93, the Oregon Department of Revenue's "Highway Revenue Apportionment Forecast" from September 2005, and historical experience. Final projection was \$47.89 per capita.

Transportation Operations Fund	
Hwy Tax	\$3,500,000

State Revenue Sharing is distributed on a formula basis that compares Bend's consolidated property tax rate, per capita income and population against statewide averages. The City uses Oregon Office of Economic Analysis December 2005 "Economic and Revenue Forecast" to project these revenues, all of which are allocated to the General Fund.

2006/07 Projection:	
State Shared	\$530,100

◆ **DEVELOPMENT FEES & PERMITS**

Permits

Revenues, including a 3.3% CPI, have been projected to increase 32.2% over the FY 05/06 year-end projections mainly due to expectations for significantly increased activity levels.

FY 2006/07 Permit Revenues:

Building Permits	\$3,227,163
Electrical Permits	\$790,254
Plumbing Permits	\$1,019,369
Plan Check Fees	\$2,036,514

Plan Check & Planning Fees

Revenues, including a 3.3% CPI, have been projected to increase 49.9% over the FY 05/06 year-end projections due to a combination of increased activity expectations and significant revisions to the fees schedule.

FY 2006/07 Revenues:

Planning Fees	\$3,825,500
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Engineering

Revenues have been projected to increase by 11.15% representing a 7.85% growth rate and 3.3% CPI.

FY 2006/07

Engineering Fees	\$2,223,000
Plan Review Fees	\$223,000

◆ **UTILITY USER FEES**

Water Revenues

As proposed in the Galardi Study a 5.0% rate increase, including a 3.3% CPI adjustment, has been used to project 2006/07 revenues. The series of annual rate increases recommended by the study were necessary to provide adequate revenue to meet projected capital (debt service) and operation and maintenance costs of the system.

Water Revenues continued

The customer growth rate is projected at 7.85%.

Fire Line Water Sales are credited to the Fire Department, in accordance with an inter-departmental agreement, to cover the cost of a Fire Inspector. Annual inspections of fire sprinkler systems within all commercial occupancies, apartment complexes, schools, motels and hotels ensure proper operation of fire suppression systems.

FY 2006/07
Net Water Sales Revenue \$9,653,900
As a percentage increase over
the 2005/06 Budget 11.5%

Water Reclamation Revenues

As proposed in the Galardi Study a 6.00% rate increase, including a 3.3% CPI adjustment, has been used to project 2006/07 revenues. The series of annual rate increases recommended by the study were necessary to provide adequate revenue to meet projected capital (debt service) and operation and maintenance costs of the system.

The customer growth rate is projected at 7.85% for metered customers and 4.25% for flat rate customers. Sewage Dump Fees are projected to remain steady. The Effluent Level IV water sales program remains below projections with \$60,000 projected for FY 2006/07.

FY 2006/07
Net Sewer Sales Revenue \$9,162,700
As a percentage increase over
the 2005/06 Budget 11.7%

◆ **OTHER USER FEES**

Airport Revenues

Approximately 80% of lease terms include an annual 3% rate increase. Rates for the remaining leases are increased based on CPI or other methods specified in individual lease agreements. Appraisals are performed every 5 years, and rental rates are adjusted to reflect fair market rates. The next appraisal is due in 2010. In the future, all lease terms will be standardized to increase 3% per year.

Cemetery Revenues

The 2006/07 projections will assume activity levels to remain at 100% of current year levels. A 5% fee adjustment will be proposed for Burials and Lot Sales with a 10% Permanent Maintenance Fee adjustment. These fee increases are necessary to provide for both current and long-term maintenance costs at the Cemetery.

Parking Revenues

Parking Ticket revenue has been projected assuming a 30% increase in enforcement activity with the opening of the Centennial Parking Structure and a discontinuation of the Merchant Validation Program.

2006/07 Ticket revenues \$310,000

Lot Rental revenues are proposed to increase by almost 85% with the opening the new Centennial Parking Plaza and a proposed increase in the City Paid Employee Parking rate from \$14/month to \$30/month.

2006/07 Lot Rentals \$210,000

◆ **OTHER REVENUES**

Ambulance Revenues

FY 2006/07 Ambulance revenues have been projected using a 5.8% increase over current year projections, which includes a 3.3% CPI adjustment, and are budgeted at \$1,333,800.

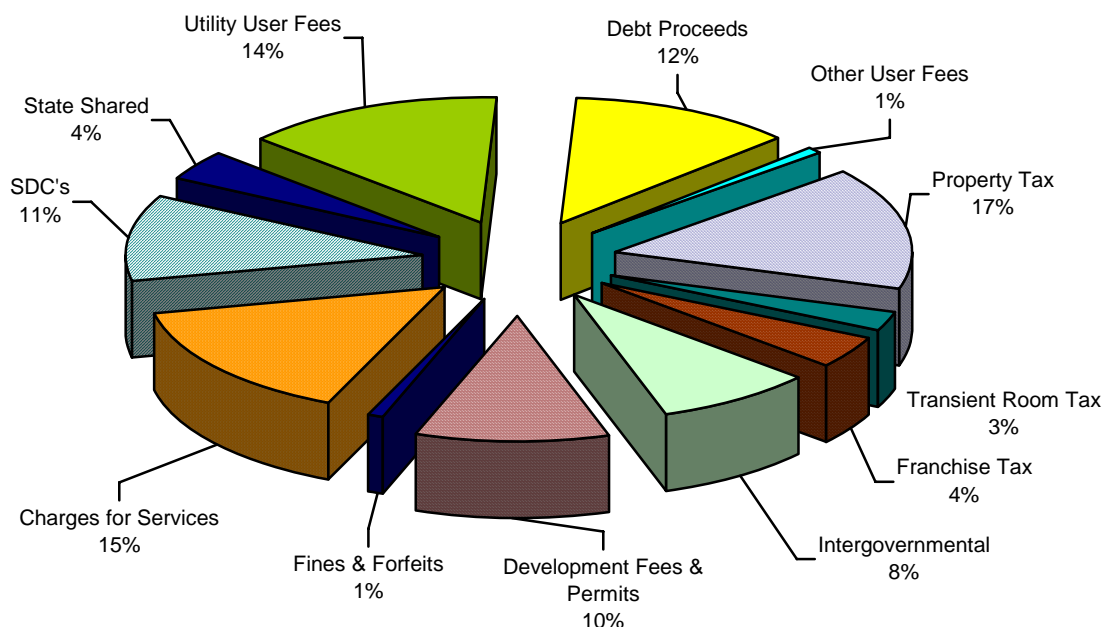
FireMed Membership Revenues.

Marketing of the FireMed program has been contracted to St. Charles Medical Center – Bend/Air Life of Central Oregon. FireMed membership revenues are projected to be \$117,800 for FY 2006/07.

Fines and Forfeits

Fine and Forfeit revenues are slightly exceeding the FY 2005/06 budget. The 2006/07 revenues have been projected to exceed current year projections by almost 20% due to the assignment of 2 additional Officers to the traffic team. FY 2006/07 projected revenues for Fines and Forfeitures are expected to be \$878,500.

Analysis of Revenue Sources



FY 2006/07 City Revenues by Source

An analysis of the City's revenue sources is an integral part of budgeting because the amount that will be available frames the request and approval process. The City of Bend's staff use formula based and time series analysis, as well as informed, professional judgments to project revenues for both the near and far term. No matter what the combination of techniques applied, some revenues will always be difficult to project and almost any type of revenue becomes difficult to project over a long-term period.

The following section is intended to provide the reader with the following information regarding City revenues sources:

- Allocations of the revenues between City funds/departments.
- Restrictions imposed on the use of the revenues.
- Assumptions used to project the revenues.
- 10 year history of collections for the revenue.

Property Tax

General Operating Tax Levy	10 Year History of City Tax Levy
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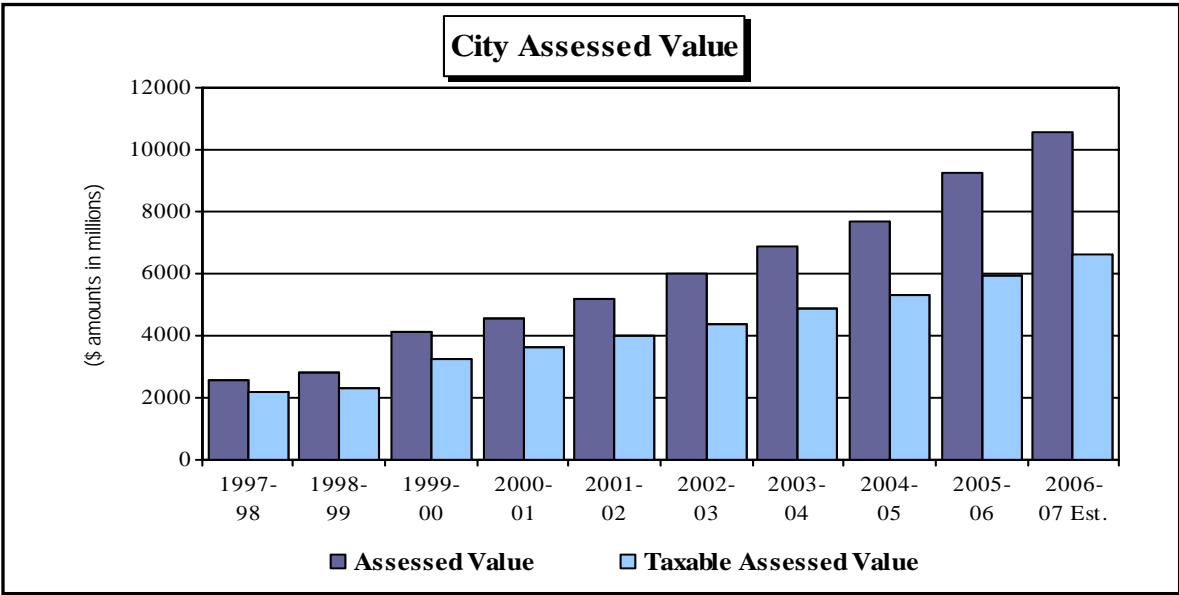
	Fiscal Year	Amount	% Change
		in \$1000's	
<p>The current tax rate is 2.8035 per \$1,000 of Taxable Assessed Value (TAV).</p> <p>Changes to tax rates or new levies must be approved at a General Election or an election at which there is at least a 50% turnout. Measure 5 specifies a \$10.00/\$1,000 RMV limitation for taxation by all local governments other than the public school system. Measure 50 limits future growth of TAV to 3% per year plus the value of new construction.</p>	2006-07 2005-06 2004-05 2003-04 2002-03 2001-02 2000-01 1999-00 1998-99 1997-98	18,613 16,694 14,952 13,500 12,311 11,183 10,089 10,415 7,596 7,437	11.5% 11.7% 10.8% 9.7% 10.1% 10.8% -3.1% 37.1% 2.1% 4.0%

Assumptions

	Taxable Assessed Valuation (In Mill.s)	Gross Property Tax Levy (In 000's)	Collection Rate
<p>Fiscal Year 2006-07 <i>estimated</i></p> <p>Fiscal Year 2005-06</p> <p>Fiscal Year 2004-05</p> <p>Fiscal Year 2003-04</p>	6,639 5,955 5,333 4,815	18,613 16,694 14,952 13,500	94.5% 94.5% 94.2% 94.8%

The Bend Urban Renewal Agency (BURA) also collects property taxes for which \$2,357,600 has been projected to be collected from the fiscal year 2006/07 Urban Renewal Levy.

Property Tax



Transient Room Tax

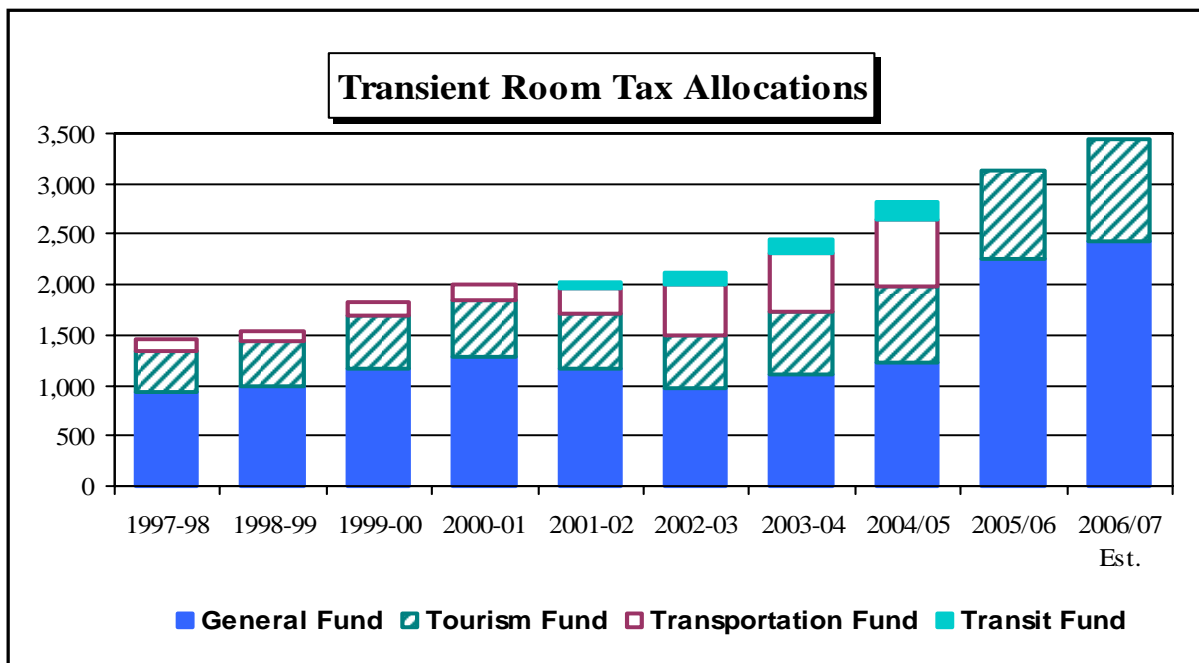
Restrictions Upon Discretionary Revenues	10 Year History of Collections		
	Fiscal Year	Amount	% Change
		<i>in \$1000's</i>	
The 2006-07 Proposed Budget reflects a 9% tax rate levied upon hotels and motels within the City of Bend city limits.	2006-07	3,444	10.0%
	2005-06	3,131	11.9%
	2004-05	2,799	11.9%
<u>Restrictions on the use of Transient Room Tax (TRT) dollars:</u>	2003-04	2,502	18.1%
Oregon State Statutes require that cities continue to provide for tourism related funding and efforts to the degree already established by cities	2002-03	2,119	5.3%
when House Bill 2934 (Oregon Laws, 2001) was adopted.	2001-02	2,013	1.0%
	2000-01	1,993	9.1%
	1999-00	1,826	18.2%
The Tourist Promotion Fund is used to account for the promotion of tourism, with much of the funds allocated to the Visitors' and Convention Bureau on a contracted basis. This fund will continue to receive an increase of 1.2% of TRT funds until a total of 30% is reached. 29.4% of TRT funds are allocated to the Tourist Promotion Fund. The remainder - the majority of the funds - are credited to the General Fund as discretionary revenues.	1998-99	1,545	6.7%
	1997-98	1,448	2.0%

Assumptions

The City of Bend's Fiscal Year 2006-07 budget has proposed Transient Room Tax revenues of \$3,625,400 from projected total room rents of \$40,282,400. 5% of the tax revenue is retained by the motel property owners. Total room rents are projected to grow by 10% through 2006/07.

2005/06 Transient Room Tax revenues are estimated at \$3,131,100 which is 2.0% above the 2005/06 budget. Total room rents for 2005/06 were projected to grow by 9% but year to date experience shows a 12.35% increase.

Transient Room Tax



Franchise Tax

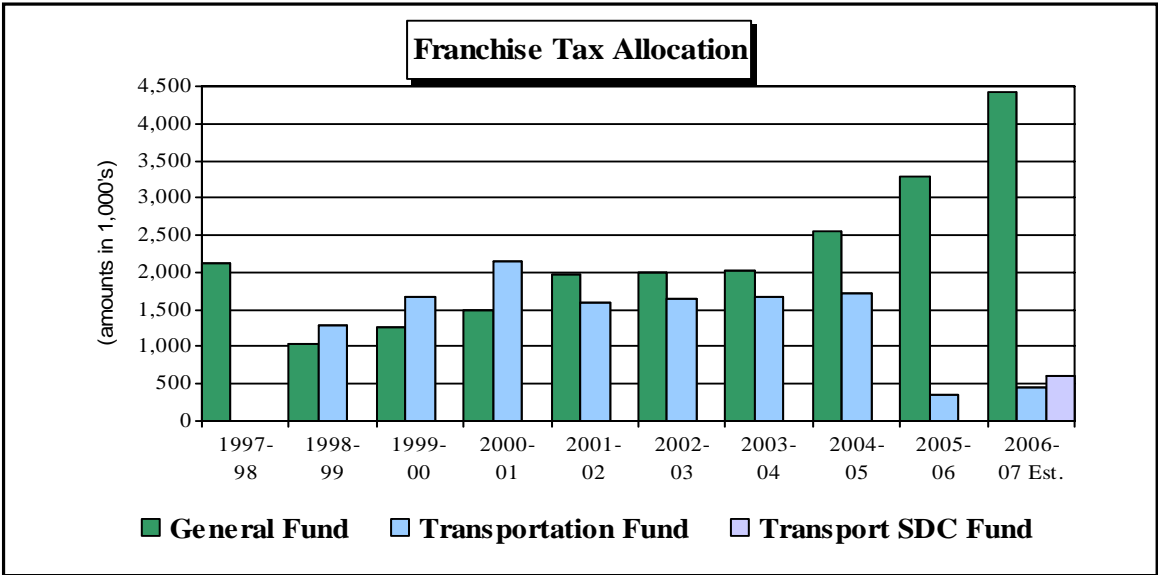
Allocations/Restrictions	10 Year History of Collections		
	Fiscal Year	Amount	% Change
The 2006/07 Proposed Budget allocates Franchise Tax as follows:		<i>in \$1000's</i>	
Transportation Operations Fund	2006-07	5,485	13.3%
Garbage Franchise Fees	2005-06	4,841	13.0%
100%	2004-05	4,283	14.7%
Transportation SDC Fund	2003-04	3,735	2.8%
Water/Water Reclamation	2002-03	3,635	2.1%
Utility Franchise Fees	2001-02	3,561	-1.7%
100%	2000-01	3,624	24.5%
General Fund	1999-00	2,911	24.8%
All Franchise Fees except	1998-99	2,333	9.6%
Garbage and Water/Sewer	1997-98	2,129	7.0%
100%			

Franchise Tax rates and 06/07 projected collections are:		
Pacific Power	5.00%	1,929,100
Central Electric Co-op	5.00%	171,900
Cascade Gas	4.50%	1,349,900
Qwest	7.00%	304,700
Bend Cable	5.00%	649,400
Garbage Haulers	4.00%	465,300
Water/Water Reclamation	3.00%	614,700

Assumptions

Various factors such as weather conditions, utility rate changes, economic downturns, population growth, and service changes, are considered when projecting future franchise fee collections. The City conducts an annual Franchise Tax Survey among the utility providers to gain knowledge of the aforementioned factors. A significant decrease in revenues has been projected by Qwest due to competition. The City has implemented a new Water/Water Reclamation Utility Franchise fee to be collected from the City's own Water and Water Reclamation operations as well as private service providers within the City.

Franchise Tax



Fines and Forfeits

Allocations/Restrictions	10 Year History of Collections	
	Fiscal Year	Amount % Change

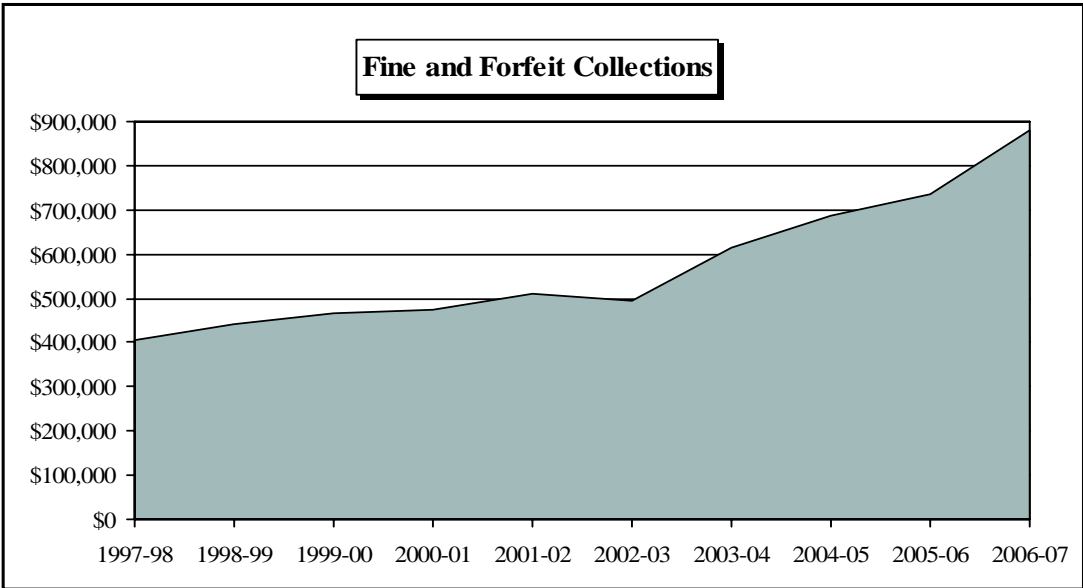
Fines and Forfeits are collected by the City's Municipal Court and all of the revenues are allocated to the General Fund.

<i>in \$1000's</i>		
2006-07	878,500	19.8%
2005-06	733,300	7.0%
2004-05	685,300	11.2%
2003-04	616,100	25.1%
2002-03	492,300	-3.2%
2001-02	508,500	7.1%
2000-01	475,000	2.2%
1999-00	465,000	5.2%
1998-99	442,000	9.1%
1997-98	405,000	7.0%

Assumptions

The Fiscal Year 2006/07 budget assumes an activity level increase of 20% as the Police Department's Traffic Team is restored to previous staffing levels.
 The 2005/06 year-end estimates are approximately 1.0% above the Adjusted Budget amount of \$726,600.

Fines and Forfeits



System Development Charges

Restricted Funds	Fiscal Year	10 Year History of Collections			%
		Amount	Amount	Amount	Change
		Transportation	Water	Water Reclamation	
System Development Charges (SDC) are restricted to use on growth related construction projects.	2006-07	7,416,000	3,760,000	3,182,000	1.4%
Water SDC's have an 80% Improvement fee	2005-06	7,220,900	3,788,300	3,150,000	13.5%
portion and a 20% Reimbursement fee.	2004-05	6,415,400	3,137,200	2,927,900	12.4%
Water Reclamation SDC's have a 60%	2003-04	5,388,000	3,103,800	2,611,600	24.5%
Reimbursement fee portion and a 40% Improvement	2002-03	4,201,700	2,327,000	2,391,500	60.1%
fee.	2001-02	1,897,300	2,090,000	1,585,500	-5.6%
Transportation SDC's will have a 76%	2000-01	3,262,000	1,416,800	1,226,100	17.0%
Improvement fee and a 24% Reimbursement fee.	1999-00	1,571,200	2,045,100	1,431,900	9.0%
	1998-99	1,631,600	1,770,700	1,229,900	-11.5%
	1997-98	1,883,600	2,041,600	1,306,100	56.1%

Assumptions

Transportation

Transportation SDC's, which are currently set at 85% of the allowable amount, are expected to increase to 90% as of July 1, 2006. A projected ENR adjustment of 3.3% would provide for a new rate of \$3,821 per single family residence for the upcoming fiscal year. The FY 2005/06 revenue projections for Transportation SDC's were developed assuming activity levels and types similar to the current fiscal year.

Water

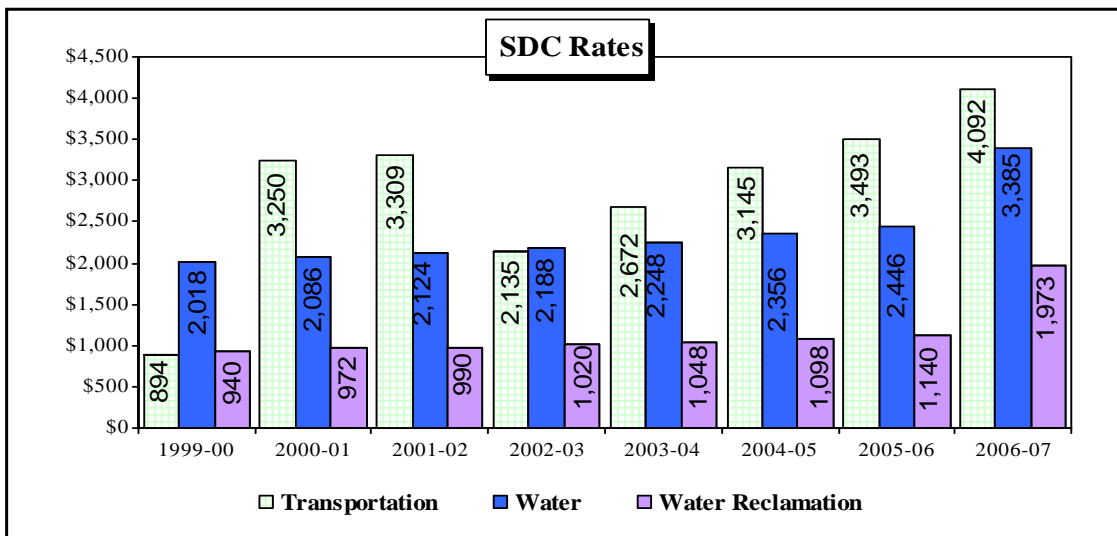
Water SDC's are currently imposed at 85% of the maximum level. A projected ENR adjustment of 3.3% would provide a new rate of \$2,863 per ERU as of July 1, 2005. The FY 2005/06 Water SDC revenue projections were developed assuming activity levels and types similar to the current fiscal year.

Water Reclamation

Water Reclamation SDC's are currently imposed at 70% of the maximum level. A projected ENR adjustment of 3.3% would provide a new rate of \$1,374 per ERU as of July 1, 2005. The FY 2005/06 Water Reclamation SDC revenue projections were developed assuming activity levels and types similar to the current fiscal year.

NOTE: Council action in late June 2006 provided for 100% of allowable amounts on all City SDC's and rates resulting from this change are reflected in the chart below.

System Development Charges



Development Fees and Permits

Allocations/Restrictions	Fiscal Year	10 Year History of Collections					
		Amount		Amount		Amount	
		Building	%	Planning	%	Engineering	%
Building and Planning fees and permits are allocated to each of these respective divisions of the Community Development Fund. Engineering fees are allocated to the Engineering Division of the Internal Service Fund. Planning and Engineering fees do not have specific restrictions on their uses, but Building permit fees may only be used to support the operation of a Building Division.	2006-07	7,384,700	32.2%	3,840,100	49.9%	2,566,500	10.8%
	2005-06	5,585,800	11.4%	2,562,100	68.6%	2,317,300	24.8%
	2004-05	5,013,800	33.2%	1,519,800	78.1%	1,856,100	-4.2%
	2003-04	3,765,100	30.1%	853,553	0.1%	1,937,500	14.4%
	2002-03	2,893,400	20.5%	852,700	26.3%	1,693,200	43.2%
	2001-02	2,400,600	13.4%	675,400	13.0%	1,182,500	-30.1%
	2000-01	2,116,100	-6.6%	597,500	45.6%	1,690,500	354.1%
	1999-00	2,265,100	20.0%	410,400	5.8%	372,300	-14.7%
	1998-99	1,887,700	35.9%	387,800	46.8%	436,300	15.7%
	1997-98	1,389,500	36.4%	264,200	9.0%	377,000	10.8%

Assumptions

Building Permits

Current year revenues are showing a 8.1% increase over budget. The 2006/07 budget assumes activity levels of 114% of the current year amount.

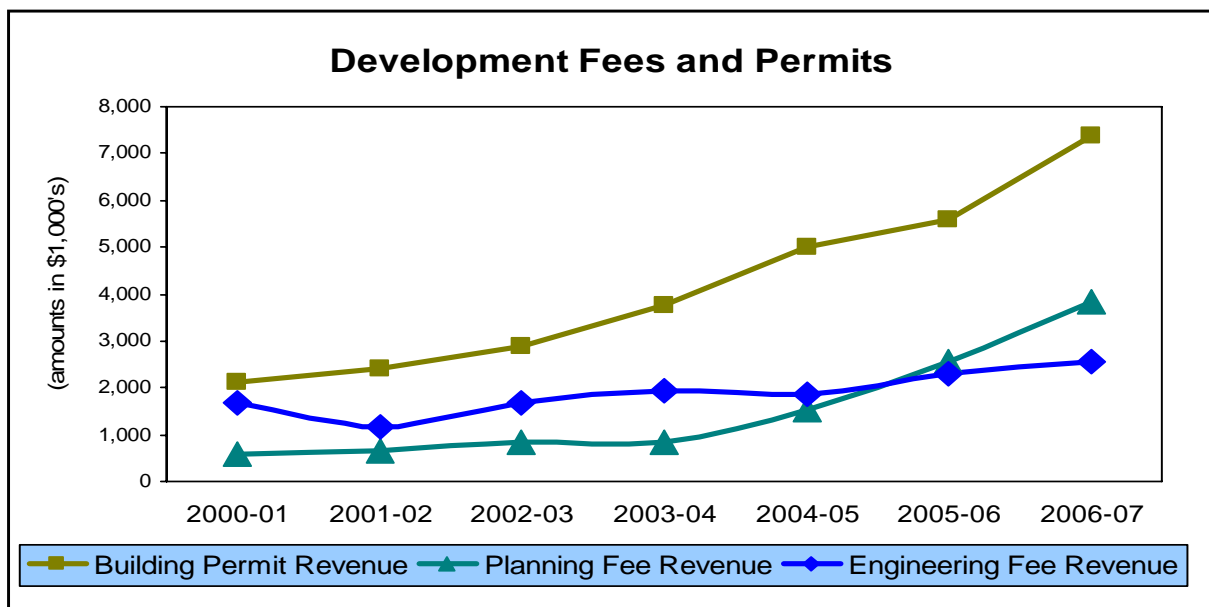
Planning Fees

Current year revenues are 17.3% above those budgeted. The 2006/07 budget amounts adjust for growth (7.85%) and CPI (3.30%) effects on the current activity levels.

Engineering Fees

Current year revenues are showing a 25.5% increase over budget expectations. The 2006/07 budget amounts adjust for growth (7.85%) and CPI (3.30%) effects on the current activity levels.

Development Fees and Permits



State Shared Revenues

Restrictions	Fiscal Year	10 Year History of Revenues				% Change
		Amount	Amount	Amount	Amount	
		Highway Tax	Liquor Tax	Cigarette Tax	State Shared	
Highway Tax is allocated 100% to the Transportation Operations Fund. The use of all State Highway Trust Fund dollars is restricted to road-related purposes according to Section 3 of Article IX of the Oregon Constitution.	2006-07	3,500,000	757,300	116,200	530,100	5.5%
	2005-06	3,325,400	737,800	116,500	469,400	9.4%
	2004-05	3,099,000	616,700	110,200	424,000	11.7%
	2003-04	2,730,800	570,900	110,800	393,600	18.1%
	2002-03	2,288,400	491,900	108,972	334,700	4.2%
Liquor Tax, Cigarette Tax and State Shared revenues may be used for general government services without restrictions on their use. All such discretionary revenues are credited to the General Fund. See the General Fund Non-Departmental narrative for further information.	2001-02	2,206,500	457,500	106,200	322,600	-2.1%
	2000-01	2,215,500	467,100	106,800	369,800	4.9%
	1999-00	2,227,600	413,900	109,700	261,500	43.3%
	1998-99	1,569,900	259,600	84,800	188,300	7.1%
	1997-98	1,425,400	263,800	86,400	188,400	2.0%

Assumptions

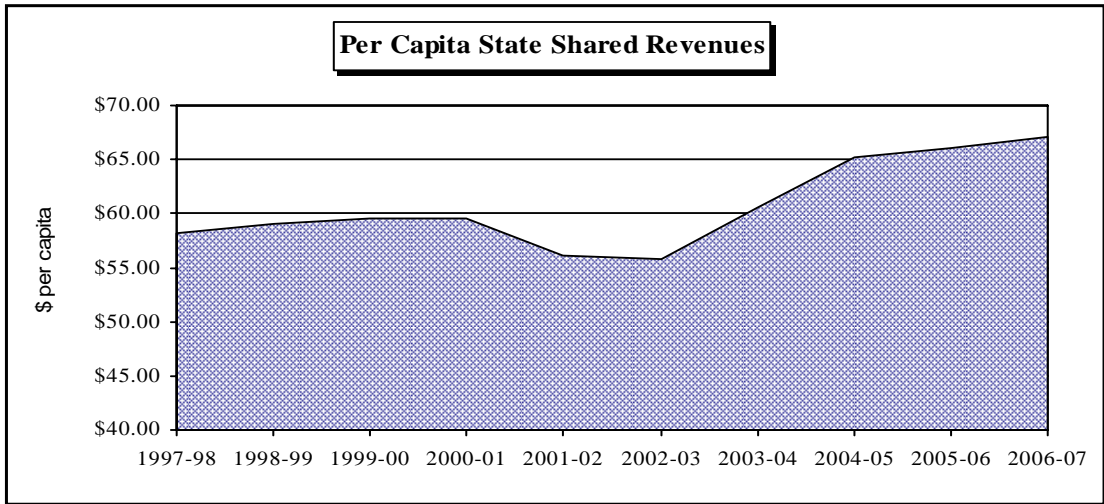
Cigarette and Liquor Tax are distributed by the State on a per capita basis. The State uses the July 1st Portland State University certified populations to effect distributions for January - December of the following year. The City used a weighted average population figure of 73,090 to project these revenues.

Highway Tax is distributed based on the ratio of Bend's population to that of all other Oregon cities.

The City has used the League of Oregon Cities State Shared Revenue estimates as a guide in developing Cigarette Tax projections using \$1.59/ per capita.

FY 2006/07 revenue estimates for Liquor Tax and State Shared revenues were developed using assumptions proposed in the quarterly Oregon Economic and Revenue Forecast.

State Shared Revenues



Utility User Fees

Restrictions	10 Year History of Revenues				
	Fiscal Year	Amount	% Change	Amount	% Change
	(amounts in 1,000's)				
		Water		Water Reclamation	
Utility User fees are used to provide for the on-going operation and maintenance of the Water and Sewer Systems as well as to pay debt service on Revenue Bonds used to finance each of the enterprises' capital construction.	2006-07	9,654	9.2%	9,163	9.3%
	2005-06	8,842	10.7%	8,380	8.9%
	2004-05	7,987	9.0%	7,695	17.1%
	2003-04	7,325	14.6%	6,574	12.6%
	2002-03	6,393	16.3%	5,839	7.4%
	2001-02	5,498	6.7%	5,438	-0.4%
	2000-01	5,155	20.2%	5,458	22.1%
	1999-00	4,288	10.5%	4,470	10.8%
	1998-99	3,880	4.6%	4,036	7.9%
	1997-98	3,708	4.0%	3,741	6.7%

Assumptions

Water Revenues

The 5.0% rate increase proposed for 2006/07 includes a 3.3% CPI adjustment. The customer growth rate is projected at 7.85%. The meter installation program, which was brought back in-house in the current fiscal year, is projected to generate almost \$700,000 in revenues in FY 06/07. The 2005/06 revenue estimates are just over 2% above budget.

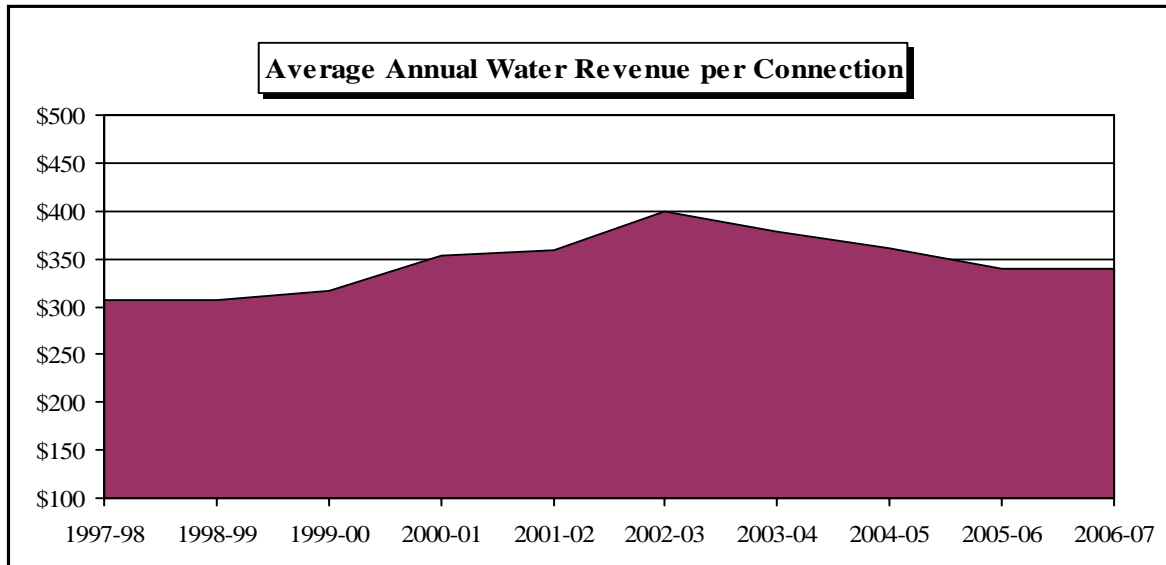
Rate Adjustments

	Water	
	Water	Reclamation
2006-07	5.00%	6.00%
2005-06	7.75%	6.00%
2004-05	7.75%	6.00%
2003-04	7.75%	6.00%
2002-03	7.75%	3.30%
2001-02	7.00%	4.50%
2000-01	3.00%	4.00%
1999-00	3.00%	3.00%

Water Reclamation Revenues

The 6.0% rate increase proposed for 2006/07 includes a 3.3% CPI adjustment. The customer growth rate is projected at 7.85%. The 2006/07 budget contains a \$60,000 estimate for effluent reuse revenues. The 2005/06 revenue estimates are 2.2% above budget.

Utility User Fees



Other User Fees

Restrictions	Fiscal Year	10 Year History of Collections					
		Amount	%	Amount	%	Amount	%
Airport User Fees result from ground and hangar lease, the FBO building rent, and tie-down and fuel flowage fees. These fees are used for on-going operation and maintenance costs, as well as for debt service payments.		Airport	change	Cemetery	change	Parking	change
Cemetery fees are collected for burial, lot sales, maintenance agreements and permanent maintenance. Permanent Maintenance fees are reserved, while other Cemetery fees are available for ongoing operations and maintenance.	2006-07	567,300	11.5%	90,100	6.1%	520,000	69.3%
Parking fees are collected for lot rentals and tickets, and are available for ongoing operation and maintenance.	2005-06	508,800	18.4%	84,900	-27.8%	307,200	-5.6%
	2004-05	429,700	4.8%	117,600	3.1%	325,500	29.1%
	2003-04	409,900	48.4%	114,100	-15.4%	252,100	22.5%
	2002-03	276,200	11.1%	134,900	13.6%	205,800	-2.9%
	2001-02	248,600	0.1%	118,800	10.0%	212,000	-12.8%
	2000-01	248,300	1.2%	108,000	19.9%	243,000	19.3%
	1999-00	245,300	35.7%	90,100	37.6%	203,700	33.7%
	1998-99	180,800	36.8%	65,500	0.0%	152,400	44.6%
	1997-98	132,200	-0.4%	65,500	9.3%	105,400	-0.8%

Assumptions

Airport

Current year revenues are showing a 1.5% increase over budget. The 2006/07 lease projections assume a 3% to 3.3% annual adjustment.

Cemetery

Current year activity levels are showing a 20.1% decrease from budget. The 2006/07 projections are assuming activity levels of 100% of the current year amount. A 5% fee adjustment is being proposed for Burials and Lot Sales with a 10% adjustment for Permanent Maintenance fees. Revenue decreases since FY 2004/05 are due to the termination of a maintenance contract with Greenwood Cemetery.

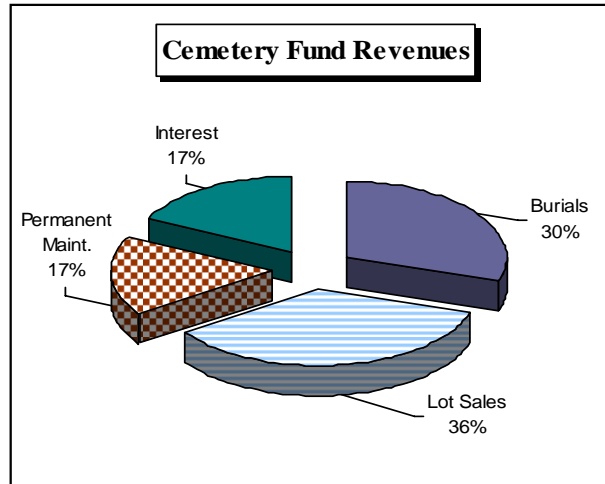
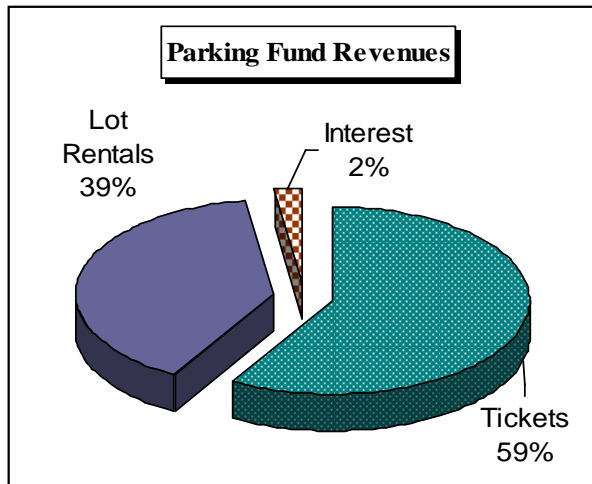
Parking

Parking fine revenues are expected to increase due to operation of the new parking structure.

Current year fine revenues will likely fall short of budget projections by 7.7% and lot rental income is almost 17% below budget, both reflecting the decrease of parking units available due to Parking structure construction that consumed 131 previously rented spaces.

Parking lot rental income increases for 2006/07 reflecting the opening of the new Centennial Parking Plaza and a proposed increase in the City Paid Employee Parking rate.

Other User Fees



Charges for Services

Allocations/Restrictions	10 Year History of Collections				
	Fiscal Year	Amount	% Change	Amount	% Change
	Ambulance		Transit		
Ambulance service charges provide funds for the ongoing operation of Fire and Emergency Medical Services.	2006-07	1,333,800	5.8%	82,000	-29.4%
	2005-06	1,260,700	6.8%	116,200	-52.6%
	2004-05	1,180,800	25.0%	245,100	222.5%
	2003-04	944,900	-4.6%	76,000	18.8%
Transit service charges are collected as fare box receipts and program contracts.	2002-03	990,900	-1.5%	64,000	49.9%
	2001-02	1,006,400	31.4%	42,700	50.9%
	2000-01	765,900	0.1%	28,300	29.2%
	1999-00	765,200	11.2%	21,900	8.4%
	1998-99	688,200	26.5%	20,200	41.3%
	1997-98	543,900	-10.8%	14,300	-45.0%

Assumptions

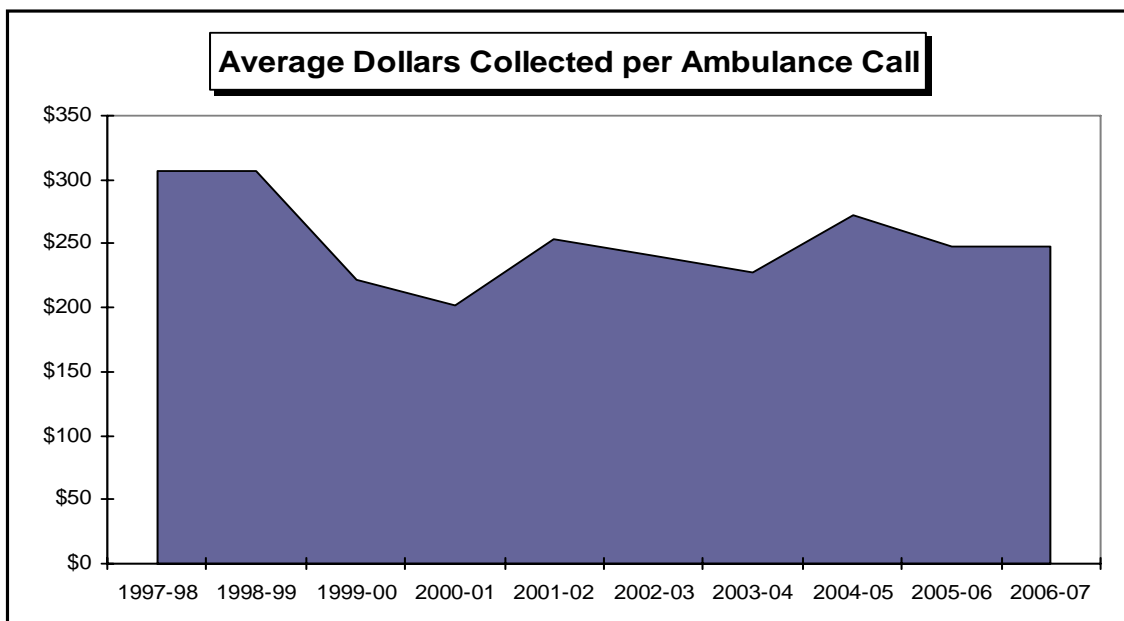
Ambulance

The revenue growth rate is projected at 5.8% including a 3.3% CPI rate adjustment. The 2005/06 revenue estimates are 7.9% below budget due to a number of factors including collection rates and an increased Medicare patient base.

Transit

Fare box revenues are estimated to increase 13.9% over FY 2005/06 projections. Contract revenues have not been budgeted for FY 2006/07 due to the elimination of the Medical Ride Call Center contract. Fiscal year 2005/06 fare box revenue is estimated at 16% above budget.

Charges for Services



Debt Proceeds

Use of Leverage Funds by Fund Type	Fiscal Year	Amount	10 Year History	
			Amount	Amount

Debt Proceeds shown in this historic table are a result of formal debt issuances, and as such, exclude interfund and short-term borrowing and also urban renewal du jour borrowing.

2006/07 numbers are budgeted amounts; 2005/06 numbers are projected amounts, and all prior years are actual amounts.

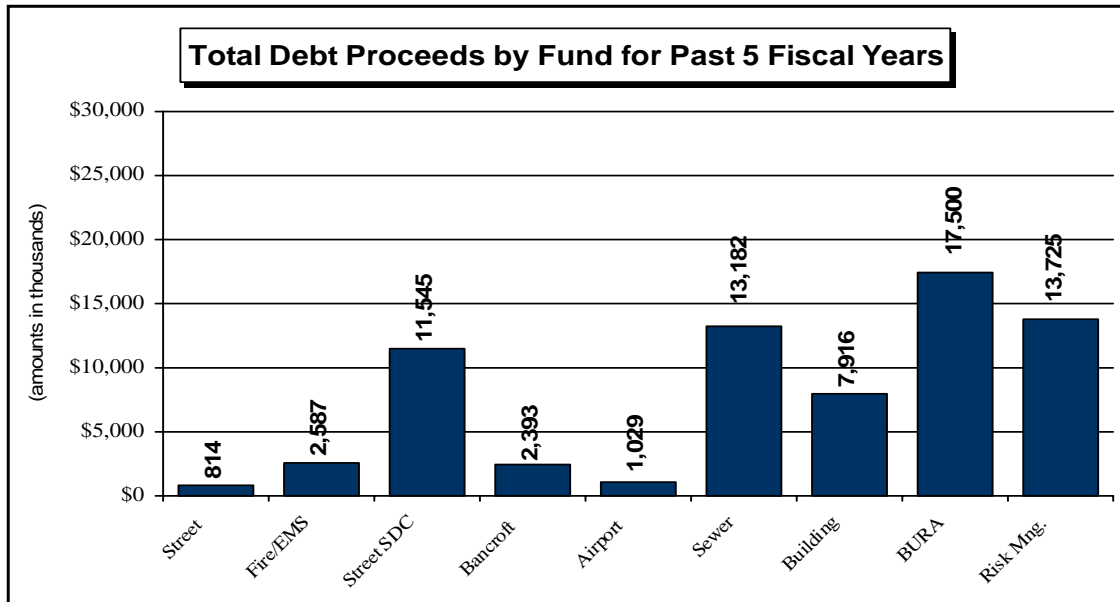
2005/06 budgeted amount of debt proceeds were \$27,992,000.

		Governmental Funds	Enterprise/ Internal Service Service Funds	Total
	2006-07	8,830,000	3,136,000	11,966,000
	2005-06	-	12,365,000	12,365,000
	2004-05	-	747,000	747,000
	2003-04	10,500,000	13,725,000	24,225,000
	2002-03	15,509,000	5,879,500	21,388,500
	2001-02	509,900	6,636,600	7,146,500
	2000-01	6,531,200	11,000,000	17,531,200
	1999-00	-	-	-
	1998-99	7,402,300	2,093,500	9,495,800
	1997-98	575,000	4,655,000	5,230,000

Assumptions

New issues for 2006/07 are comprised of \$7 million for Juniper Ridge Construction infrastructure improvement projects, \$3.1 million to finance facility improvements at the Police Building and \$1.8 million for a replacement fleet of ambulances and wild land fire interface engines.

Debt Proceeds



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2006/07 Budgeted Positions

Position Title	ACTUAL	ACTUAL	ADJUSTED	ADOPTED	Variance	Hourly Range		Combined
	2003/04	2004/05	BUDGET	BUDGET	05/06			Annual 06/07
			2005/06	2006/07	Budget			Base Salary
Administration Department								
City Manager	1.0	1.0	1.0	1.0	-			contract
City Recorder/Assistant to CM	1.0	1.0	1.0	1.0	-	29.50	40.67	77,317
Administrative Specialist	1.0	-	1.0	1.0	-	15.56	21.40	40,208
Deputy Recorder	1.0	1.0	1.0	1.0	-	18.62	22.64	47,449
Office Specialist	1.0	1.0	1.0	1.0	-	12.93	17.77	30,233
Management Intern	-	-	1.0	1.0	-	17.51	24.11	39,033
Part-time Clerical	0.75	-	-	-	-			
Administrative Services - City Manager	5.8	4.0	6.0	6.0	-			
Communications Manager	1.0	1.0	1.0	1.0	-	25.74	35.46	74,358
Administrative Assistant	0.5	0.5	0.5	1.0	0.5	18.25	25.12	41,769
Administrative Services - Communications	1.5	1.5	1.5	2.0	0.5			
Human Resources Manager	1.0	1.0	1.0	1.0	-	32.38	44.63	93,069
HR Assistant	-	-	2.5	3.0	0.5	16.83	23.17	133,848
Admin. Specialist II	2.0	2.0	-	-	-			
Administrative Services - Human Resource	3.0	3.0	3.5	4.0	0.5			
Total Administrative Services	10.3	8.5	11.0	12.0	1.0			
Finance Department								
Finance Director	1.0	1.0	1.0	1.0	-	37.32	51.46	107,059
Assistant Finance Director	-	1.0	1.0	1.0	-	28.18	38.83	81,386
Budget/Financial Analyst	0.8	0.9	0.9	0.9	-	28.18	38.83	73,248
Controller	1.0	-	-	-	-			
Financial Accountant	1.0	1.0	3.0	3.0	-	21.58	29.73	178,063
Staff Accountant	1.0	1.0	-	-	-			
Payroll Specialist	1.0	1.0	1.0	1.0	-	17.51	24.11	50,524
Acct Tech III/Office Spec III	1.0	1.0	1.0	1.0	-	17.74	21.56	45,191
Acct Tech II/Office Spec II	-	-	1.0	1.0	-	15.32	18.62	39,026
Financial Services - Accounting	6.8	6.9	8.9	8.9	-			
Accounting Supervisor	1.0	1.0	1.0	1.0	-	22.54	31.05	64,869
Acct Tech III/Office Spec III	1.0	1.0	1.0	2.0	1.0	17.74	21.56	87,209
Acct Tech II/Office Spec II	7.0	5.5	5.0	4.0	(1.0)	15.32	18.62	151,654
A. Accounting Tech I	3.0	3.5	3.5	4.5	1.0	13.23	16.10	142,162
Financial Services - Utility Billing	12.0	11.0	10.5	11.5	1.0			
A. Transfer from Community Development - Building								
Purchasing Manager	1.0	1.0	1.0	1.0	-	24.61	33.90	71,057
Financial Services - Purchasing	1.0	1.0	1.0	1.0	-			
Court Clerk	2.0	2.0	2.0	2.0	-	14.58	17.74	72,170
Court Supervisor	1.0	1.0	1.0	1.0	-	19.01	26.18	54,268
Finance - Municipal Court	3.0	3.0	3.0	3.0	-			
Total Financial Services	22.8	21.9	23.4	24.4	1.0			
Community Development Department								
Community Development Director	1.0	1.0	1.0	1.0	-	37.32	51.46	104,027
Asst. to Director / Management Assistant	1.0	1.0	1.0	1.0	-	24.61	33.90	68,244
B. ADA Coordinator/Access Manager	-	-	-	1.0	1.0	23.55	32.44	66,910
Systems Analyst/Associate Planner	1.0	-	-	-	-			
C. Customer Service Representative	-	-	1.0	-	(1.0)			
Office Specialist II/Office Assist II	1.0	1.0	1.0	2.0	1.0	15.32	18.62	68,696
Office Specialist III/Office Assist III	1.0	1.0	1.0	1.0	-	17.74	21.56	44,031
Community Development - Administration	5.0	4.0	5.0	6.0	1.0			
B. Transfer from Community Development - Building								
C. Transfer to Community Development - Planning (as Associate Planner)								

Position Title	ACTUAL		ADJUSTED	ADOPTED	Variance	Hourly Range		Combined
	2003/04	2004/05	BUDGET	BUDGET	05/06			Annual 06/07
			2005/06	2006/07	Budget			Base Salary
Building Manager	-	1.0	1.0	1.0	-	32.38	44.63	93,728
Building Official	1.0	-	-	-	-			
Asst. Building Official	1.0	1.0	1.0	2.0	1.0	25.74	35.46	148,520
Building Inspector Supervisor	-	-	1.0	-	(1.0)			
Building Inspector III	12.0	14.0	27.0	35.0	8.0	25.90	31.49	2,107,570
Building Inspector II	1.0	2.0	-	-	-			
Building Inspector I	3.0	4.0	-	2.0	2.0	21.31	25.90	92,474
Code Enforcement Officer	-	1.0	2.0	5.0	3.0	19.21	23.35	230,695
Community Develop.Tech II	1.0	1.0	1.0	0.5	(0.5)	18.62	22.64	23,162
Community Develop.Tech I	0.5	0.5	0.5	-	(0.5)			
A. Accounting Tech I	-	-	1.0	-	(1.0)			
B. ADA Coordinator/Access Manager	-	-	1.0	-	(1.0)			
Support Services Supervisor	-	-	1.0	1.0	-	22.54	31.05	49,592
Office Specialist I/Office Assistant I	-	-	2.0	2.0	-	9.87	12.00	46,150
Office Specialist II/Office Assist II	3.0	4.0	2.0	6.0	4.0	15.32	18.62	206,663
Office Specialist III/Office Assist III	-	1.0	-	-	-			
Building Permit Tech	3.0	3.0	5.0	3.0	(2.0)	18.62	22.64	130,973
Community Development - Building	25.5	32.5	45.5	57.5	12.0			
A. Transfer to Financial Services - Utility Billing								
B. Transfer to Community Development - Administration								
Principal Planner	1.0	-	-	-	-			
Senior Planner	3.0	4.0	4.0	7.0	3.0	26.93	37.11	483,228
Transportation Planner	1.0	1.0	1.0	1.0	-	28.18	38.83	80,957
Planning Manager	1.0	2.0	2.0	2.0	-	33.94	46.79	176,491
Historic Planner	-	-	1.0	1.0	-	22.54	31.05	54,965
C. Associate Planner	5.0	6.0	7.0	9.0	2.0	22.54	31.05	459,867
Assistant Planner	4.0	2.0	1.0	2.0	1.0	19.56	23.77	90,983
Office Specialist II/Office Assist II	1.0	-	-	-	-			
Planning Technicians	3.0	4.0	4.0	5.0	1.0	18.62	22.64	227,106
Office Specialist I/Office Assistant I	-	-	1.0	1.0	-	13.23	16.10	28,707
Community Development - Planning	19.0	19.0	21.0	28.0	7.0			
C. Transfer (1) from CD - Administration (was Customer Service Rep.)								
MPO Manager	-	1.0	1.0	1.0	-	29.50	40.67	73,581
Associate Planner	-	-	1.0	1.0	-	22.54	31.05	47,102
Community Development - MPO	-	1.0	2.0	2.0	-			
Total Community Development	49.5	56.5	73.5	93.5	20.0			
Police Department								
Chief	1.0	1.0	1.0	1.0	-	37.32	51.46	107,423
Captain	3.0	3.0	3.0	3.0	-	33.94	46.79	293,827
Assistant to Director	-	-	1.0	1.0	-	20.68	28.48	58,810
Administrative Assistant	1.0	2.0	1.0	1.0	-	18.25	25.12	39,923
Administrative Specialist	3.0	2.0	2.0	2.0	-	16.39	19.93	85,658
Office Assistant/Records Specialist	6.0	7.0	8.0	8.0	-	16.39	19.93	336,553
Records Supervisor/Coordinator	1.0	1.0	1.0	1.0	-	21.58	29.73	57,916
Communication System Specialist	1.0	1.0	1.0	1.0	-	22.65	27.53	60,109
Youth Counselor	1.0	1.0	1.0	1.0	-	22.88	27.81	62,316
Community Service Officer	6.0	5.0	6.0	6.0	-	17.88	21.75	254,905
Police Aide	3.0	2.0	2.5	2.5	-	16.13	19.63	104,995
Police Lieutenant	6.0	5.0	5.0	6.0	1.0	29.50	40.67	517,506
Sergeant	9.0	10.0	11.0	11.0	-	25.45	39.89	847,942
Police Officer	41.0	42.0	44.0	45.0	1.0	22.49	32.77	2,691,887
Officer - Code Enforcement	1.0	-	-	-	-			
Officer - Special Assignment	3.0	3.0	8.0	12.0	4.0	25.41	35.22	890,432
Receptionist	1.0	-	-	-	-			
Detective	8.0	9.0	9.0	9.0	-	25.41	35.22	666,675
Community Liaison	1.0	1.0	1.0	1.0	-	17.88	21.75	45,602
Total Police	96.0	95.0	105.5	111.5	6.0			

Position Title	ACTUAL	ACTUAL	ADJUSTED	ADOPTED	Variance	Combined	
	2003/04	2004/05	BUDGET	BUDGET	05/06	Hourly Range	Annual 06/07
			2005/06	2006/07	Budget		Base Salary
Fire/EMS Department							
Fire Chief	1.0	1.0	1.0	1.0	-	37.32 51.46	107,269
Deputy Fire Chief	3.0	3.0	3.0	3.0	-	33.94 46.79	294,014
Battalion Chief	3.0	3.0	3.0	3.0	-	22.54 31.05	270,990
Captain 56 hour	15.0	15.0	15.0	15.0	-	24.25 29.10	1,242,820
Fire Engineer	19.0	19.0	19.0	19.0	-	17.25 26.46	1,483,709
Firefighter	23.0	25.0	26.0	27.0	1.0	15.65 23.98	1,623,490
Fire Training Officer	1.0	-	1.0	1.0	-	30.91 42.59	88,706
Assistant to Department Head	1.0	1.0	1.0	1.0	-	20.68 28.48	55,930
Deputy Fire Marshal	-	1.0	1.0	1.0	-	34.15 42.68	72,228
Fire Inspector II	1.0	-	-	-	-	-	-
Fire Inspector I	3.0	3.0	5.0	5.0	-	24.89 34.94	296,928
Office Specialist	2.0	2.0	2.5	2.5	-	12.93 17.77	83,702
EMS Coordinator	1.0	1.0	1.0	1.0	-	30.91 42.59	88,757
Fire Logistics Technician	-	-	0.5	0.5	-	22.03 33.75	23,880
Paramedic/Firefighter 40 hour	3.0	-	-	4.0	4.0	22.03 33.75	190,003
Total Fire/EMS	76.0	74.0	79.0	84.0	5.0		
Public Works Department							
Director of Public Works	1.0	1.0	1.0	1.0	-	37.32 51.46	107,209
Asst. Director of Public Works	1.0	2.0	3.0	3.0	-	33.94 46.79	276,482
Public Works Operations Manager	1.0	-	-	-	-	-	-
Management Assistant	-	1.0	1.0	1.0	-	24.61 33.90	70,210
Support Services Supervisor	1.0	-	-	-	-	-	-
Admin. Services Supervisor	1.0	-	-	-	-	-	-
Management Intern/Analyst	1.0	1.0	1.0	1.0	-	17.51 24.11	37,622
Telemetry Specialist	1.0	1.0	1.0	2.0	1.0	22.05 26.81	103,422
Facility Maintenance Worker	-	1.0	-	-	-	-	-
Office Specialist I/ Office Assistant I	3.0	3.0	2.5	1.5	(1.0)	13.23 16.10	44,436
Office Specialist II/Office Assist II	7.0	7.0	2.0	3.0	1.0	15.32 18.62	108,674
Office Specialist III/Office Assist III	1.0	2.0	3.0	3.0	-	17.74 21.56	127,726
Senior Journeyman Electrician	1.0	1.0	1.0	1.0	-	25.90 31.49	61,352
Journeyman Electrician	1.0	1.0	2.0	2.0	-	21.57 26.21	101,257
Technical Specialist	2.0	2.0	2.0	3.0	1.0	19.56 23.77	145,611
Facilities Manager	1.0	-	-	-	-	-	-
Public Works - Administrative Services	23.0	23.0	19.5	21.5	2.0		
Laboratory Manager	1.0	1.0	1.0	1.0	-	25.74 35.46	70,688
Laboratory Tech, Senior	-	2.0	2.0	2.0	-	19.56 23.77	99,640
Laboratory Technician	2.0	-	1.0	1.0	-	16.90 20.54	39,521
Laboratory Assistant	1.0	-	-	-	-	-	-
Environmental Technician	1.0	1.0	-	-	-	-	-
Public Works - Laboratory	5.0	4.0	4.0	4.0	-		
Transportation Mobility Manager	1.0	1.0	1.0	1.0	-	25.74 35.46	66,134
Public Works - Transit	1.0	1.0	1.0	1.0	-		
Street Supervisor	1.0	1.0	1.0	1.0	-	25.74 35.46	73,738
Asst. Street Supervisor	3.0	2.0	2.0	2.0	-	21.58 29.73	122,510
Utility Worker III	9.0	7.0	11.0	14.0	3.0	19.56 23.77	669,853
Utility Worker II	4.0	9.0	4.0	5.0	1.0	16.90 20.54	199,108
Utility Worker I	10.0	11.0	10.0	8.0	(2.0)	14.58 17.74	276,381
Cross Connection Water Conservation	-	-	1.0	1.0	-	20.54 24.96	52,313
PW Laborer/Worker/Trainees	1.0	-	-	-	-	-	-
Public Works - Transportation Operations	28.0	30.0	29.0	31.0	2.0		
Public Works - Cemetery	1.0	1.0	1.0	1.0	-	19.56 23.77	45,948
Equipment Maint Supervisor	1.0	1.0	1.0	1.0	-	24.61 33.90	70,995
Equipment Maint Asst. Supervisor	1.0	1.0	1.0	1.0	-	21.58 29.73	61,370
D. Equipment Mechanic, Senior	2.0	4.0	4.0	3.0	(1.0)	20.54 24.96	156,939
Equipment Mechanic	2.0	-	-	-	-	-	-
Equipment Service Technician	1.0	1.0	1.0	1.0	-	17.74 21.56	45,191
Public Works - Garage	7.0	7.0	7.0	6.0	(1.0)		
D. Transfer (1) to Public Works - Water							

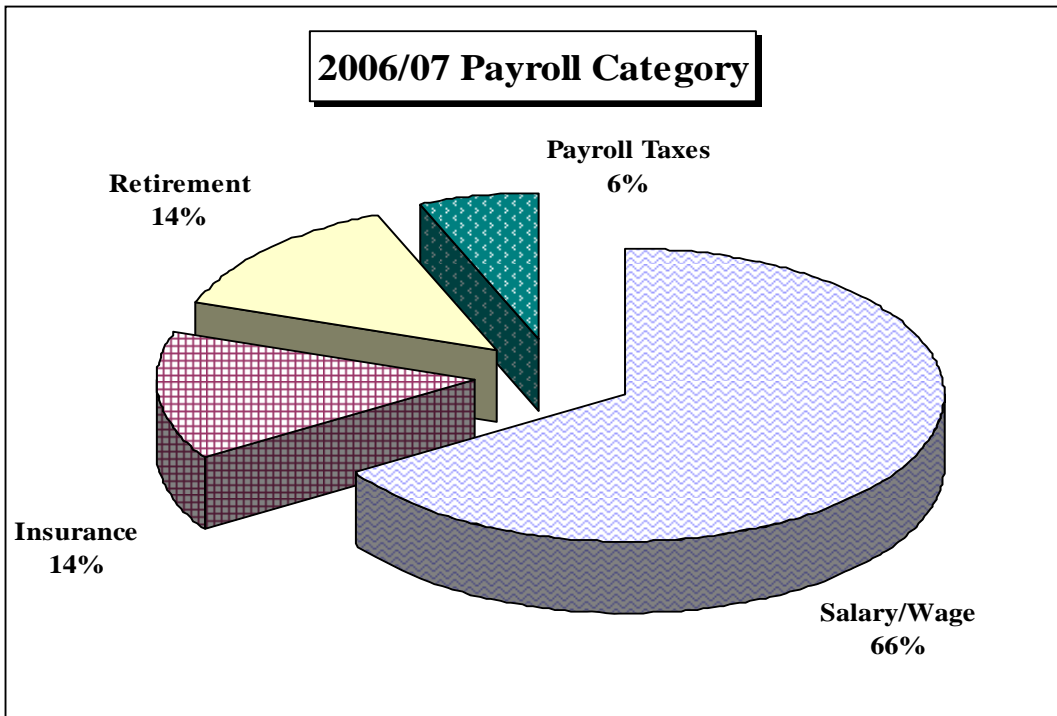
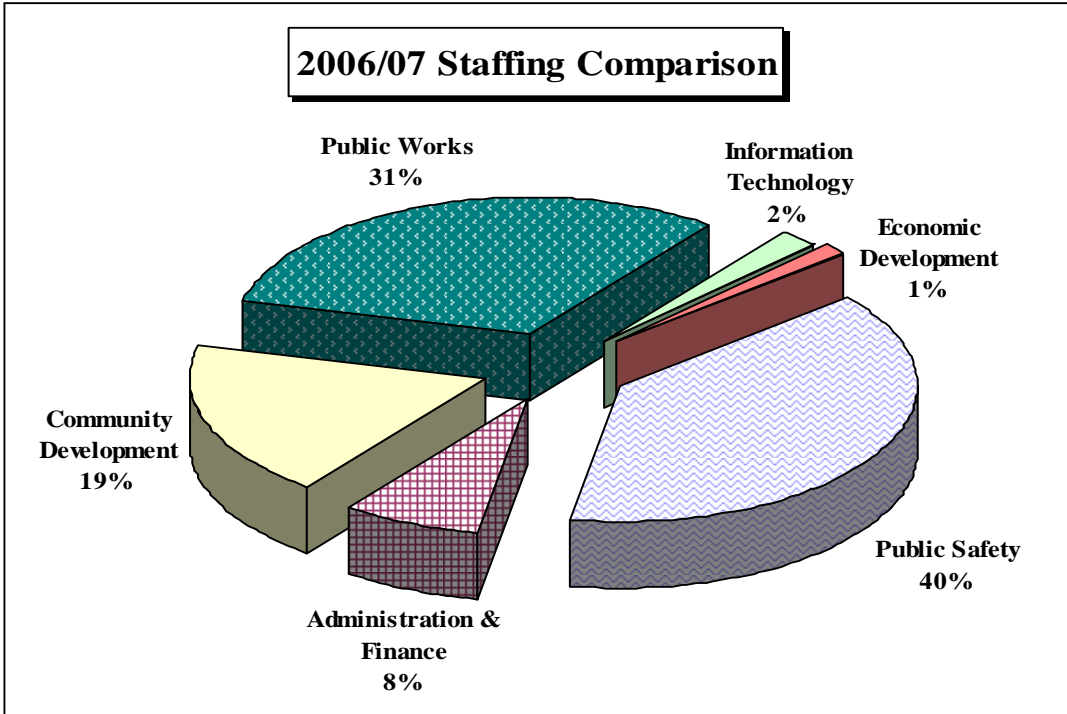
Position Title	ACTUAL		ADJUSTED	ADOPTED	Variance	Hourly Range		Combined
	2003/04	2004/05	BUDGET	BUDGET	05/06			Annual 06/07
	2003/04	2004/05	2005/06	2006/07	Budget			Base Salary
Engineering Manager	1.0	1.0	1.0	1.0	-	32.38	44.63	90,040
City Engineer/Transportation Eng Mgr	1.0	-	1.0	1.0	-	32.38	44.63	88,393
Administrative Assistant	-	-	-	1.0	1.0	18.25	25.12	48,447
Principal Engineer	-	-	2.0	2.0	-	29.50	40.67	156,537
Construction Supervisor	2.0	-	1.0	1.0	-	29.50	40.67	85,228
Project Engineer, Senior	1.0	1.0	1.0	-	(1.0)			
Project Engineer	6.0	6.0	6.0	8.0	2.0	26.93	37.11	536,233
Civil Engineer	-	1.0	1.0	1.0	-	23.55	32.44	54,146
Transportation Engineer	-	1.0	-	1.0	1.0	29.50	40.67	83,643
Engineering Inspector, Senior	-	2.0	1.0	-	(1.0)			
Engineering Inspector	10.0	-	8.0	7.0	(1.0)	21.01	25.56	355,403
Engineering Technician CAD/GIS	-	9.0	3.0	3.0	-	19.56	23.77	149,460
Engineering Technician	2.0	3.0	5.0	7.0	2.0	16.90	20.54	282,795
Engineering Tech Senior	1.0	-	1.0	2.0	1.0	22.79	27.70	114,046
Office Specialist III/Office Assist III	-	-	1.0	-	(1.0)			
Public Process Management Analyst	1.0	1.0	1.0	1.0	-	24.61	33.90	64,278
Public Works - Engineering	25.0	25.0	33.0	36.0	3.0			
Water Utility Manager	-	1.0	1.0	1.0	-	28.18	38.83	74,971
Asst. Water Supervisor	2.0	2.0	2.0	2.0	-	21.58	29.73	123,137
Water Resource Coordinator	-	1.0	2.0	1.0	(1.0)	21.58	29.73	58,468
D. Utility Worker III	10.0	10.0	12.0	13.0	1.0	19.56	23.77	643,644
Utility Worker II	5.0	4.0	2.0	3.0	1.0	16.90	20.54	119,046
Utility Worker I	2.0	2.0	3.0	3.0	-	14.58	17.74	103,766
Cross Connection Conserv. Spec.	2.0	1.0	2.0	3.0	1.0	20.54	24.96	155,696
Public Works - Water	21.0	21.0	24.0	26.0	2.0			
D. Transfer from Public Works - Garage								
Water Reclamation Supervisor	1.0	-	-	-	-			
Water Reclamation Manager	-	1.0	-	1.0	1.0	29.50	40.67	75,377
Water Reclamation Plant System Supervis	-	-	-	1.0	1.0	21.58	29.73	62,229
Water Reclamation Collection System Sup	-	-	-	1.0	1.0	21.58	29.73	61,446
Water Reclamation Asst. Supervisor	3.0	2.0	2.0	-	(2.0)			
Ind. Pretreatment Program Coordinator	-	-	1.0	-	(1.0)			
Environmental Technician	-	-	1.0	1.0	-	16.90	20.54	43,043
Plant Operator, Senior	-	-	-	1.0	1.0	20.54	24.96	52,313
Plant Operator II	2.0	2.0	2.0	2.0	-	19.56	23.77	95,862
Plant Operator I	3.0	4.0	4.0	3.0	(1.0)	16.90	20.54	129,129
Plant Mechanic	1.0	1.0	1.0	4.0	3.0	19.56	23.77	203,459
Equipment Mechanic	2.0	2.0	2.0	-	(2.0)			
Facilities Maintenance Worker	-	1.0	-	-	-			
Utility Worker I	-	-	1.0	1.0	-	14.58	17.74	28,144
Senior Systems Maintenance	3.0	3.0	3.0	4.0	1.0	20.54	24.96	202,512
System Maintenance II	-	2.0	4.0	4.0	-	16.90	20.54	172,172
System Maintenance I	5.0	3.0	2.0	4.0	2.0	16.10	19.56	154,550
Public Works - Water Reclamation	20.0	21.0	23.0	27.0	4.0			
Management Analyst			1.0	1.0		22.54	31.05	60,542
Public Works - Stormwater	-	-	1.0	1.0	-			
Facilities Coordinator	-	-	-	1.0	1.0	21.58	29.73	46,086
Facility Maintenance Worker III	-	-	1.0	-	(1.0)			
Facility Maintenance Worker I	-	-	2.0	2.0	-	14.58	17.74	68,662
Public Works - Facility Management	-	-	3.0	3.0	-			
Total Public Works	131.0	133.0	145.5	157.5	12.0			
Information Technology								
Information Technology Director	1.0	1.0	1.0	1.0	-	35.58	49.06	102,265
IT Assistant Manager	-	-	-	1.0	1.0	30.90	42.59	83,459
IT WAN Administrator	1.0	1.0	1.0	-	(1.0)			
IT Network & Security Administrator	1.0	1.0	1.0	1.0	-	25.74	35.46	72,852
IT System Administrator	-	1.0	1.0	1.0	-	24.61	33.90	53,959

Position Title	ACTUAL	ACTUAL	ADJUSTED	ADOPTED	Variance	Combined	
	2003/04	2004/05	BUDGET	BUDGET	05/06	Hourly Range	Annual 06/07
			2005/06	2006/07	Budget		Base Salary
E. IT Technician	1.0	1.0	1.0	1.0	-	15.10 19.56	40,825
IT Technician II	1.0	1.0	1.0	1.0	-	18.62 22.64	47,449
IT Purchase & Inventory Specialist	1.0	1.0	0.5	-	(0.5)	21.87 26.59	185,672
IT Support Specialist	1.0	1.0	2.0	4.0	2.0	21.87 26.59	185,672
IT Software Support/Trainer	-	-	-	1.0	1.0	21.88 26.59	48,196
Total Information Technology	7.0	8.0	8.5	11.0	2.5		
E. Transfer (1) from Facilities-Police Bldg.							
Economic Development							
CDBG - Housing Coordinator	1.0	-	1.0	1.0	-	26.93 37.11	75,428
Parking Manager	1.0	1.0	-	-	-		
Downtown Manager	-	-	1.0	1.0	-	26.93 37.11	61,045
Airport Manager	-	0.5	1.0	1.0	-	29.50 40.67	85,228
Real Estate Manager	-	1.0	1.0	1.0	-	26.93 37.11	77,767
Downtown Redevelopment Manager	1.0	-	-	-	-		
Urban Renewal/Econ.Dev. Director	-	1.0	1.0	1.0	-	35.58 49.06	10,220
Development Manager - Juniper Ridge	-	-	1.0	1.0	-	28.18 38.83	75,555
Assistant to Department Head	-	-	-	1.0	1.0	20.68 28.48	49,215
Office Specialist II	-	-	-	0.5	0.5	15.32 18.62	32,918
Office Specialist III	1.0	1.0	1.0	-	(1.0)		
Total Economic Development	4.0	4.5	7.0	7.5	0.5		
City-wide Permanent Positions	396.6	401.4	453.4	501.4	48.0		
<i>Percentage % from Prior Year</i>		1.2%	13.0%	10.6%			
City-wide Temporary Positions	18.4	25.4	14.9	10.8			

The fiscal year 2006/07 budget includes funding for the hiring of the following positions:

City Manager's Proposed Budget		Additional Positions Approved by the Budget Committee	
Administrative Assistant (Communications)	0.5	Plans Examiner III (Building Department)	5.0
HR Assistant	0.5	Building Inspector III (Building Department)	5.0
Code Enforcement Officer	2.0	Office Specialist II (Building Department)	2.0
Police Officer	6.0	Associate Planner	4.0
Fire Fighter (56 hour)	1.0	Assistant Planner	1.0
Fire Fighter (40 hour-peak demand unit)	4.0	Planning Technician	1.0
Office Specialist I (Public Works Admin.)	1.0	Information Technology Technician	1.0
Telemetry Specialist	1.0	Office Specialist II (CDD Administration)	1.0
Utility Worker I (Transportation Operations)	2.0		<u>20.0</u>
Project Engineer	2.0		
Engineering Technician	1.0		
Utility Worker I (Water)	1.0		
Senior System Maint. (Water Reclamation)	1.0		
System Maintenance I (Water Reclamation)	2.0		
Plant Mechanic	1.0		
IT Support Specialist	1.5		
Office Specialist II (Economic Development)	0.5		
	<u>28.0</u>		

2006/07 Budgeted Positions



ADOPTED BUDGETS

General Fund



Resources	2003-04	2004-05	2005-06	2006-07		
	Actual	Actual	Adjusted Budget	Proposed Budget	Approved Budget	Adopted Budget
Working capital at July 1st	4,905,775	6,239,652	7,130,000	6,610,200	6,610,200	6,610,200
Current year resources						
Property taxes	7,572,667	8,289,151	16,136,200	18,156,700	18,156,700	18,156,700
Transient room tax	1,133,270	1,228,693	2,203,900	2,431,500	2,431,500	2,431,500
Franchise taxes	2,055,182	2,565,955	3,787,700	4,428,500	4,428,500	4,428,500
License and permits	31,282	36,334	337,000	352,600	352,600	352,600
Intergovernmental revenues	673,542	683,149	1,397,500	1,603,200	1,603,200	1,603,200
Fines and forfeits	616,056	685,281	726,600	878,500	878,500	878,500
Charges for services	133,142	193,225	75,800	147,200	147,200	147,200
Interest	68,623	166,756	190,000	310,000	310,000	310,000
Miscellaneous	51,784	56,191	119,300	116,300	116,300	116,300
Sale of fixed assets	1,088,708	5,950	804,000	1,006,900	1,006,900	1,006,900
Loan repayment	220,000	270,000	225,000	1,100,000	1,100,000	1,100,000
Total current resources	13,644,256	14,180,685	26,003,000	30,531,400	30,531,400	30,531,400
Total resources	18,550,031	20,420,337	33,133,000	37,141,600	37,141,600	37,141,600
Expenditures						
Expenditures	2003-04	2004-05	2005-06	2006-07		
	Actual	Actual	Adjusted Budget	Proposed Budget	Approved Budget	Adopted Budget
Finance/Municipal court	282,854	284,451	337,045	340,695	340,695	340,695
Police	11,465,618	12,297,710	14,700,678	15,894,532	15,894,532	15,894,532
Non-departmental	561,899	706,599	12,820,000	13,967,900	13,967,900	13,967,900
Contingency			68,000	1,728,473	1,728,473	1,728,473
Total expenditures	12,310,371	13,288,760	27,925,723	31,931,600	31,931,600	31,931,600
Other requirements						
Unappropriated fund balance			5,207,277	5,210,000	5,210,000	5,210,000
Total requirements	12,310,371	13,288,760	33,133,000	37,141,600	37,141,600	37,141,600

**General Fund
Municipal Court**



◆ **GOALS**

Process citations in an efficient and timely manner.

◆ **ESSENTIAL REQUIREMENTS**

- Judge and 3 full time equivalent staff members.
- Adequate work space for staff, judge and courtroom.

◆ **CURRENT TRENDS**

Municipal Court workloads are directly related to police citation activity and population growth. The City of Bend continues to experience strong population growth and citations filed have increased from 7,341 in 1999-00 to an anticipated 9,100 in 2005-06 (a 24% increase). There is a direct relationship between number of police officers and citations issued and resulting workload for the Municipal Court. Over the last 2 years, Municipal Court staff used overtime to address increasing workloads. Municipal Court is currently operating at minimum staffing levels. As we approach the new fiscal year, we will be watching workloads closely and overtime hours will be used to address workload increases until additional staffing is inevitable.

◆ **CRITICAL ISSUES /DISCUSSIONS & RECOMMENDATIONS**

1. Issues- Adequate Staffing Levels
Discussion- As mentioned above, workloads have increase significantly and the ability for the Municipal Court to process cases in a timely and efficient manner will slowly deteriorate without adequate staffing.

Recommendation-Staff recommends continuous monitoring of staffing needs for the Municipal Court.

Fiscal Impact - Over time budget totaling \$6,900 is included in the FY06/07 budget to cover workload increases.

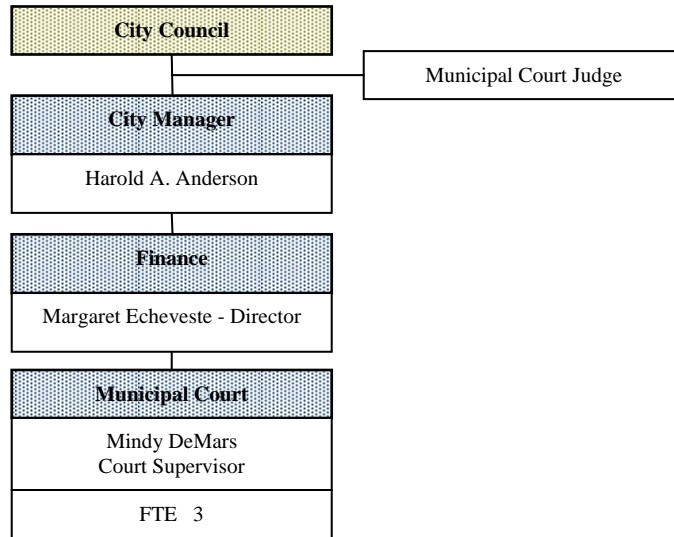
◆ **STAFFING REQUESTS**

No new staffing is requested for the FY06/07 budget.

Expenditures	2003-04	2004-05	2005-06	2006-07		
	Actual	Actual	Adjusted Budget	Proposed Budget	Approved Budget	Adopted Budget
Personal services	201,102	206,951	254,345	271,095	271,095	271,095
Materials and services	10,252	12,771	20,100	20,900	20,900	20,900
Transfers	71,500	64,729	62,600	48,700	48,700	48,700
Total Municipal Court	282,854	284,451	337,045	340,695	340,695	340,695

General Fund

Division: **Municipal Court**



Department: **Finance**

Performance Measures – Municipal Court Operations

	FY 02-03 ACTUAL	FY 03-04 ACTUAL	FY 04-05 ACTUAL	FY 05-06 EST.	FY 06-07 TARGET
Output Measures					
Cases Filed	8,849	9,601	9,131	9,100	9,400
Cases Cleared	8,478	9,770	9,747	9,300	9,300
Research Cases	n/a	2,048	2,187	2,062	2,150
Effectiveness Measures					
Cases cleared as a Percentage of Cases Filed * (The higher percentage indicates most effective performance)	TBD	TBD	TBD	TBD	TBD
Efficiency Measures					
Cost per case filed (Court Costs/Cases Filed)	\$29.10	\$29.46	\$31.15	\$37.01	\$41.40
Change in cost per case		1.2%	5.7%	18.8%	11.9%
Increase in total court costs		9.8%	0.6%	18.4%	15.5%

* TBD - To be determined – indicates a performance measure currently being developed

Program: **Municipal Court**

To process traffic citations, parking violations, and ordinance violations in accordance with State and local law.

Program goals:

1. To impose default judgment and issue suspensions on fail to appear cases within 3 weeks of scheduled appearance.
2. Assign cases to collection agency within 60 days of default or failure to pay.
3. Submit monthly financial and activity reports by the 20th of the following month.



◆ **GOALS**

Emergency Services Goal

Promote and protect the safety, security, and health of the Bend Community.

Emergency Services Objective

Maintain the City's standards for the delivery of emergency services and enhance, where possible, within budgetary constraints.

◆ **ESSENTIAL REQUIREMENTS**

- Acceptable Response Times
- Modern Equipment
- Acceptable Staffing Levels
- Pro-Active Crime Prevention Program
- Quality Training Program
- High Crime Clearance Rate

In terms of priority, acceptable staffing levels are the department's most challenging issue. The ability to provide sufficient staffing has a direct correlation to the ability to provide adequate levels of service. Some of the needs for staffing can be offset by keeping up with technology, but the department's primary mission of providing service means providing adequate staffing.

◆ **CURRENT TRENDS**

- Uncommitted Patrol Time Decreasing
- Complicated Investigations
Require More Investigative Time
- Crime Clearance Rate Declining
- Increased Difficulty in Staffing Special Events
- Continuing Demand for Traffic Enforcement

The current trends are actually not current at all. It has been clearly demonstrated that during the past ten years the growth of Bend has been significant.

Once known for their ability as a police department to solve crimes at a better rate than most police agencies within the State, the Bend Police Department (BPD) has seen a steady decline in crime clearance rates. The department has also experienced an inadequate amount of new police officers to keep pace with the growth of the City.

In 2005, 59,093 calls-for-service were responded to, a 4.2% increase over the previous year. With fewer police officers per capita and more calls-for-service, the direct impact is a decline in the ability to solve crimes, which is a direct result of less time to investigate crimes. Increased traffic activity also places increased demands on police services.

◆ **CRITICAL ISSUE / DISCUSSION & RECOMMENDATIONS**

1. Issue – Adequate Staffing Levels

Discussion – The ability of the police department to respond timely, solve crimes and provide adequate levels of service is slowly deteriorating due to the inability to staff the department at appropriate levels. BPD is making internal changes and improving efficiencies, but direct services to the public are not at the level of two years ago. Using any one of several measures: calls for service, response times, crime clearance rates, and ratio of officers to population; all indicate the department is not keeping up with service demands.

Recommendations – Staff recommends the hiring of six police officers. Four of these police officers will be used to increase the Traffic Team; one of these new positions will be an Administrative Lieutenant and the other to fill an existing detective position.

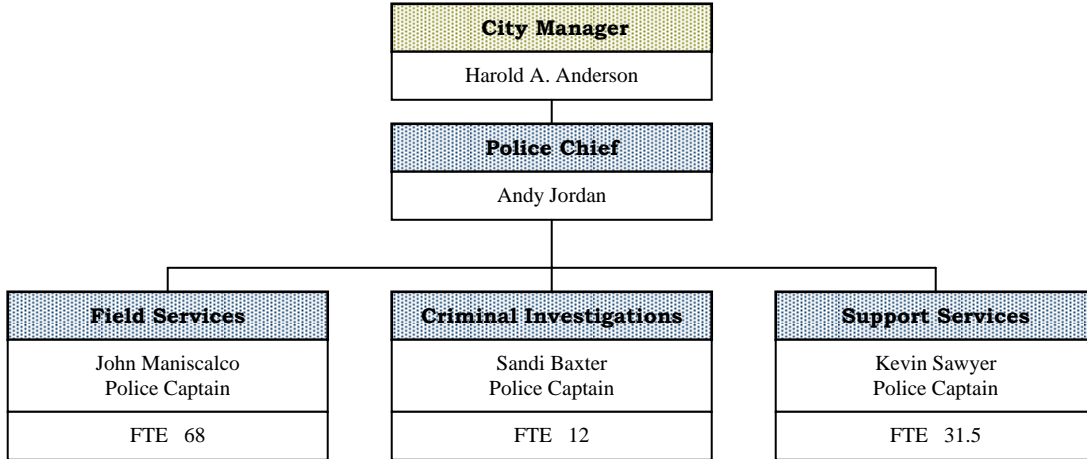
Fiscal Impact – Assuming the positions will be filled for nine months, the additional cost to the 2006/07 budget will be approximately \$473,700.

◆ **STAFFING CHANGES**

- (6) New Police Officers

General Fund

Department: **Police**



Department Summary:

Police service is part of the governmental process that provides public safety through the protection of life and property and the preservation of peace. The police have a responsibility to control both criminal and non-criminal conduct. This is accomplished through the enforcement of a wide-variety of State and local laws, ordinances, and regulations. The Bend Police Department differs from many local law enforcement agencies in that its "charge" includes active programs to combat juvenile delinquency and criminal victimization. The emphasis on prevention and problem-solving policing through community involvement, regulating non-criminal conduct, and other service-oriented activities accounts for expenditures of time and personnel resources.

Expenditures	2003-04	2004-05	2005-06	2006-07		
	Actual	Actual	Adjusted Budget	Proposed Budget	Approved Budget	Adopted Budget
Patrol	6,995,920	7,596,094	8,992,292	9,021,574	9,021,574	9,021,574
Criminal investigation	1,399,381	1,578,560	1,837,407	1,671,353	1,671,353	1,671,353
Support services	3,070,317	3,123,056	3,870,979	5,201,605	5,201,605	5,201,605
Total Police Department	11,465,618	12,297,710	14,700,678	15,894,532	15,894,532	15,894,532

Operational Objectives

- Protection of life and property through control, prevention and repression of crime
- Safeguard the rights of individuals
- Control of conduct and maintenance of peace and public order
- Apprehension of law violators through enforcement of local ordinances
- Traffic control

Police Department

The Police Department is divided into three divisions: Field Services (patrol), responsible for operations; Criminal Investigations, responsible for major and narcotic investigations; Support Services, responsible for ancillary and support activities.



Bend Police Department 10-Year Statistical Comparison											
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Population	30,630	32,220	33,740	35,635	50,650	52,800	55,080	57,750	62,900	65,300	72,200
Calls for Service	N/A	N/A	N/A	35,477	40,275	43,292	49,249	52,298	55,537	56,735	59,093
Total Activity	71,859	69,073	70,902	69,713	73,798	72,751	78,278	82,805	86,809	89,550	89,482
Part I Offenses*	3,432	3,326	3,991	3,181	3,095	3,071	3,901	3,477	3,780	3,424	3,419
Part II Offenses*	4,469	4,334	4,821	4,639	4,977	4,469	4,422	4,768	4,391	3,801	4,503
Part I Offenses Cleared*	34%	32%	27%	36%	33%	29%	26%	23%	24%	28%	29%
Part II Offenses Cleared*	65%	66%	60%	69%	71%	68%	63%	64%	59%	70%	66%
Total Offenses per 1,000 Population	258	238	261	219	160	142	151	143	136	117	110
# Sworn Officers	47	48	49	62	63	65	66	68	72	76	81
# Of Activities per Ofc.	1,528	1,439	1,446	1,190	1,171	1,118	1,186	1,217	1,202	1,176	1,104
# Of Calls for Service per Ofc.	N/A	N/A	N/A	572	639	666	746	769	769	747	730

FY 2005-2006 Accomplishments

- Developed several new reporting strategies, which have decreased time needed for officers to write reports.
- Continued to expand volunteers' responsibilities.
- Implemented a computerized time-tracking system, which has resulted in the savings of thousands of dollars in unrecorded time.

FY 2006-2007 Goals and Objectives

- Hire and train (7) new police officers (6 new hires/1 retirement replacement)
- Begin Police Facility expansion project
- Re-align duties of Division Commanders/re-organize department structure
- Complete sale of the Primrose apartments for future revenues

Fiscal Year 2006-07 Overview:

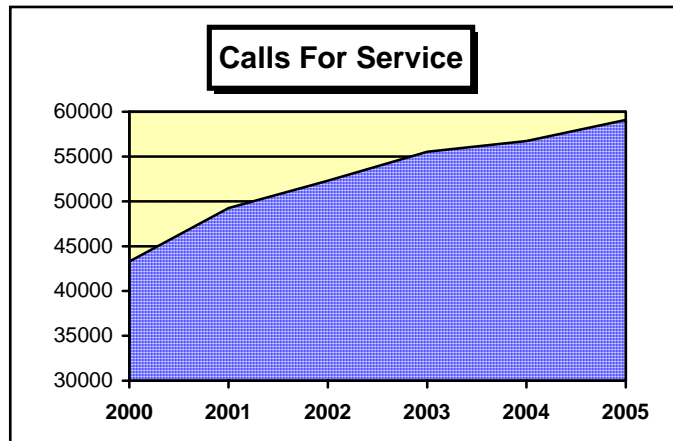
For the coming fiscal year, the police department’s budget reflects an increase of \$2.1 million (15%) over the 2005/06 projected expenditures. Personnel services have increased \$1,555,200, materials and services show a decrease of \$67,100 (due to reclassification of insurance expense to transfer line item) and capital outlay has increased by \$155,900.

Division: Patrol

Expenditures	2003-04	2004-05	2005-06	2006-07		
	Actual	Actual	Adjusted Budget	Proposed Budget	Approved Budget	Adopted Budget
Personal services	5,420,322	6,011,792	7,470,942	7,911,774	7,911,774	7,911,774
Materials and services	827,109	807,153	858,350	721,200	721,200	721,200
Capital outlay						
Equipment	269,388	5,768	17,000	-	-	-
Vehicles	75,701	293,485	243,000	342,000	342,000	342,000
Transfers	403,400	477,896	403,000	46,600	46,600	46,600
Total Patrol	6,995,920	7,596,094	8,992,292	9,021,574	9,021,574	9,021,574

A captain, who is directly responsible to the Chief of Police, heads the Patrol Division. The Patrol Division directs its attention toward the achievement of the department's primary goals, which include: crime prevention, apprehension of criminal offenders, maintenance of public peace and order, and the regulation of non-criminal conduct.

The patrol force is the backbone of the Police Department. High visibility and proactive directed patrol is the key to any crime control effort. Response time is directly correlated to solving crime. Solutions to police problems depend heavily on the information gathered and reported by the uniformed police officer. The field-work of the patrol force involves multiple duties; therefore, a more effective patrol unit will result in a more effective overall operation of the department in accomplishing the police mission.



The Patrol Division personnel are the direct call responders and providers of services to the citizens of our community. They answer the emergency calls for service, conduct criminal investigations, respond to traffic accidents and traffic complaints, initiate proactive enforcement efforts and provide 24-hour police services.

Capital outlay:

(8) Patrol Vehicles @ \$32,000 each (includes equipment & installation)	\$ 256,000
(2) Vehicles for Traffic Team @ \$32,000 ea (includes equip. & install)	\$ 64,000
(1) BMW Motorcycle/Traffic Team	<u>\$ 22,000</u>
Total Field Services	\$ 342,000

Division: Criminal Investigations & Narcotics

Expenditures	2003-04	2004-05	2005-06	2006-07		
	Actual	Actual	Adjusted Budget	Proposed Budget	Approved Budget	Adopted Budget
Personal services	1,262,961	1,412,382	1,672,207	1,546,153	1,546,153	1,546,153
Materials and services	63,520	42,164	61,800	63,500	63,500	63,500
Capital outlay						
Vehicles	-	41,040	20,000	50,000	50,000	50,000
Transfers	72,900	82,974	83,400	11,700	11,700	11,700
Total Criminal Investigation	1,399,381	1,578,560	1,837,407	1,671,353	1,671,353	1,671,353

The Criminal Investigative Unit is under the supervision of a Police Captain, who reports directly to the Chief of Police. The requirements of the investigative process demand that a separate division of the Police Department investigate complex criminal cases that require additional time and expertise.

Three investigators are assigned to a Tri-County Task Force (Central Oregon Drug Enforcement, CODE) that is exclusively responsible for the drug enforcement efforts in Central Oregon.

Capital Outlay:

(2) Detective Vehicles @ \$25,000 ea.	\$50,000
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Division: Support Services

Expenditures	2003-04	2004-05	2005-06	2006-07		
	Actual	Actual	Adjusted Budget	Proposed Budget	Approved Budget	Adopted Budget
Personal services	1,946,476	1,967,714	2,398,579	2,774,905	2,774,905	2,774,905
Materials and services	545,022	425,714	559,100	633,600	633,600	633,600
Capital outlay						
Equipment	15,319	29,470	10,000	55,000	55,000	55,000
Vehicles	-	26,213	29,000	30,000	30,000	30,000
Transfers	563,500	673,945	874,300	1,708,100	1,708,100	1,708,100
Total Support Services	3,070,317	3,123,056	3,870,979	5,201,605	5,201,605	5,201,605

The Support Services Division is under the supervision of a Police Captain who reports directly to the Chief of Police. Activities managed and coordinated by this division include: research and development, technical services, personnel, training, records, communications, facility management, Special Events, permits, volunteer coordination, budgeting, payroll, purchasing, property and evidence, vehicle maintenance, and the Community Service Officer Program.

Capital Outlay:

Range 3000 Warranty	\$ 10,000
Digital Camera System	\$ 45,000
(1) Community Service Truck (Includes Equipment & Installation)	\$ <u>30,000</u>
Total Support Services	\$ 85,000

General Fund Non-departmental



◆ GOALS

Goals:

- Provide policy makers with a mechanism to facilitate decision-making regarding the use of discretionary revenues of the city.
- Support decision making processes that address changing priorities over time, reflecting the values of the governing body and the current needs of city operations.
- Provide general discretionary revenue support in the form of subsidies and loans to various city service areas in keeping with the City Council goals and priorities.

Objectives:

- Support existing service levels in the Fire Department, Transportation Operations, Public Transit, Storm Water Management and other.
- Continue to build a reserve in the Facilities Fund for contribution to a new City Hall.

◆ ESSENTIAL REQUIREMENTS

- Ensure that Contingency and Unappropriated Ending Fund Balance in the General Fund are sufficiently maintained to preserve the financial health of the fund.

◆ CURRENT TRENDS

- FY06/07 is the second budget wherein all discretionary revenues of the city are credited directly to the General Fund. Transfers out to other funds continue for a second year since when these revenues were allocated directly to those funds.

◆ CRITICAL ISSUES /DISCUSSIONS & RECOMMENDATIONS

Listed in order of amount of subsidy from the General Fund:

1. Issue: Fund the city's fire protection and emergency medical services to the citizenry in partnership with the Rural Fire Protection District #2 (RFPD#2).

Discussion: As in the FY05/06 budget, an assumed rate of \$1.245 per thousand dollars of taxable assessed valuation has been designated to fund fire services, plus an amount for rent.

Recommendation: Continue to provide discretionary revenue support to the critical service area of Fire services.

Fiscal Impact: The funding amount increases 11.4%, or \$856,700, to a total of \$8.4 million, which correlates to the predicted increase in Taxable Assessed Valuation.

2. Issue: Provide ongoing support to the Transportation Operations Fund for streets and rights of way maintenance and Stormwater Fund operations.

Discussion: In years past, the Transportation Operations Fund received \$2 million per year in discretionary revenues credited directly to its fund. With all discretionary revenues now being credited to the General Fund, \$2.0 million was transferred to the Transportation Operations Fund and Stormwater Fund (combined) in FY05/06.

The transportation system is a critical service to be provided to the citizenry and the investment in streets is important to maintain. Stormwater issues increase as density and urbanization increase; storm water operations have no funding source.

Recommendation: Continue to provide discretionary revenue support to the service areas of streets and rights of way maintenance, and storm water operations.

Fiscal Impact: \$2.86 million is recommended to be transferred, up from \$2.0 million in FY05/06. This amount is split between two transfers: \$2.53 million to Transportation Operations and \$330,000 to the Stormwater Fund. This latter service area was separated from the Transportation Operations Fund in FY05/06.

3. Issue: – The Public Transit system operating fund has consistently over the years required general discretionary revenue support (subsidy) to operate. As is commonly known, a taxing district to fund a public transit system was defeated at the ballot box in November of 2004.

Discussion: - In years past, the Public Transit system Fund received approximately \$1 million per year in discretionary revenues credited directly to its fund. With all discretionary revenues being credited to the General Fund, and recognizing a growing Fund Balance in the Public Transit Fund, the decision was made to transfer only \$520,000 out of the General Fund in support of the system in FY05/06. The fund was required to spend down its fund balance to conduct operations in the current year. This financial position is not sustainable.

Recommendation: – To maintain the Public Transit system at its current service level, the General Fund subsidy is proposed to increase to \$1,138,000 in this FY06/07 budget.

Fiscal Impact – A transfer of \$1.138 million is more than twice the \$520,000 amount transferred to Public Transit in FY05/06. At the time it was known that a half million dollar annual support to the transit system would not be sustainable because in the prior three years, the system had directly received an average of \$1 million per year in discretionary revenues.

4. Issue – Funding for a new City Hall is an issue that will continue to be addressed in the coming years. When it is time for construction of the new building, financing will certainly be used, but it is recommended that a reserve for an equity contribution or “down payment” be developed.

Discussion – \$500,000 was transferred out of the General Fund in FY05/06 - \$200,000 for the planned expansion of the Police Building and \$300,000 towards a reserve for a new city hall.

Recommendations – \$794,000 is proposed in this budget to be transferred to the Facilities Fund to continue to build the reserve for new city hall construction. Some of this money (\$163,000) will be used to pay debt service on the old Bulletin site purchased in September of 2005.

Fiscal Impact – This proposal is for an increase of \$294,000 out of the General Fund for a total of \$1.3 million in two years.

Other Issues: Other transfers out, loans and payments are recommended in this FY06/07 budget, as follows:

- A transfer of \$160,000 in support of the Visioning process, budgeted in the Internal Service – Administration Fund; up from \$130,000 in the previous year;
- A new transfer of \$140,000 to the Community Development Department (Building Fund) in support of two additional Code Enforcement Officers. The City Council conceptually approved this increased service level in January, 2006.
- A short term loan of \$100,000 to the Airport to address a potential year end cash deficit position at June 30, 2007, down from \$470,000 of the prior year. Realistically, this \$100,000 may change in the final quarter of FY06/07;
- \$90,000 in subsidy to the Airport, unchanged from the prior year;
- \$65,000 payment to EDCO (Economic Development of Central Oregon), unchanged from the previous year;
- \$14,000 operating subsidy to the Economic Development Department, down from \$60,000 in FY05/06;
- \$12,400 for real estate services rendered to the General Fund, down from \$17,000 in FY05/06.

Please see the narratives of the funds receiving these transfers and loans for descriptions of services and action choices.

Expenditures	2003-04	2004-05	2005-06	2006-07		
	Actual	Actual	Adjusted Budget	Proposed Budget	Approved Budget	Adopted Budget
Materials and services	79,234	143,099	682,000	165,800	165,800	165,800
Transfers	482,665	563,500	12,138,000	13,802,100	13,802,100	13,802,100
Total Non-Departmental	561,899	706,599	12,820,000	13,967,900	13,967,900	13,967,900

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Fire/EMS Fund

◆ GOALS

Emergency Services Goal

Promote and protect the safety, security and health of the Bend Community.

Emergency Services Objective

Maintain the City's standards of the delivery of emergency services and enhance, where possible, within budgetary constraints.

◆ ESSENTIAL REQUIREMENTS

- Modern Operations Standards
- Acceptable Response Times
- Modern Equipment
- Acceptable Staffing Levels
- Pro Active Prevention Program
- Quality Dispatch
- Quality Training Program

The department is acceptable in five of the seven requirements. Response times and staffing are deficient. By improving staffing, response times and safety will also improve.

◆ CURRENT TRENDS

- Rapid population and property growth
- Increased fire prevention needs
- Increased wildland interface problems
- Increased percentage of total calls for emergency medical services
- Increasing number of units out on calls at the same time
- High-rise operations increasing

Complex structural and wildland operations plus increased population are straining available resources. Both can be improved with recommended staffing in the Target Service Level. Efficiencies of operations are constantly monitored to assure optimum response times with available resources.

◆ CRITICAL ISSUES / DISCUSSIONS & RECOMMENDATIONS

1. Issue - Replace the ambulance fleet
Discussion - The five primary ambulances will have over 165,000 miles.
Recommendations - Replace five ambulances and purchase one additional, as well as two interface engines.
Fiscal Impact - Total cost \$1.76 million.

2. Issue - Maintain/reduce response times
Discussion - Fire/EMS response times are not acceptable by industry standards.
Recommendations- Hire 5 Firefighter/ Paramedics to staff a second dedicated ambulance.

Fiscal Impact - 5 Firefighter/Paramedics for nine months approximately \$326,000.

3. Issue - Monitor the development of the transportation infrastructure.

Discussion - Response times are significantly impacted by our transportation system development.

Recommendations - Sign-off on all transportation system changes. A MOA has been agreed on by all city departments on this procedure.

Fiscal Impact - None

4. Issue - Adequate staffing for complex structural and wildland fires.

Discussion - Firefighter safety and incident outcome are dependent on staffing levels.

Recommendations -Hiring 5 Firefighter - Paramedics to staff an ambulance will free up other firefighters for suppression activities.

Fiscal Impact - Same as (2)

5. Issue - Continue a capital facility reserve fund.

Discussion - the Fire Department has ten buildings that will need future maintenance. Nine of these are new and should be maintained without deferring maintenance.

Recommendations - Be pro-active by setting aside for future capital facility maintenance. The Rural Fire District will assist in overseeing this program.

Fiscal Impact - \$50,000, recommended.

6. Issue - Medicare reimbursements for ambulance transports.

Discussion - 70% of patients transported are Medicare enrolled which impacts revenues.

Recommendations - Monitor revenue projections with Federal changes.

Fiscal Impact - Unknown

◆ **ACTION PLAN CHOICES**

Current Service Level

No new Firefighter/Paramedics

Target Service Level

Adds one staffed ambulance, and 5 Paramedic/ Firefighters, to improve response times.

- Incident safety improved.
- Incident outcomes improved.

◆ **STAFFING REQUESTS**

The Fire Department is requesting five new Firefighter positions in the FY 2006/07 Budget.



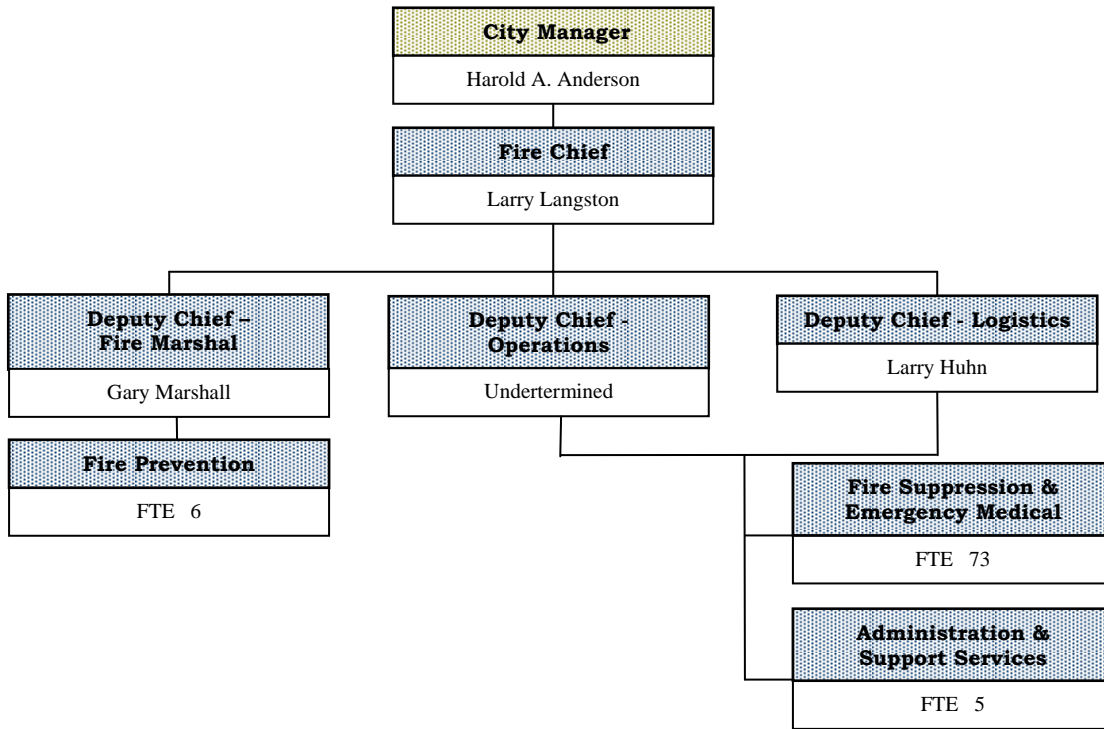
Structural Firefighting

Fire/EMS Fund

Resources	2003-04	2004-05	2005-06	2006-07		
	Actual	Actual	Adjusted Budget	Proposed Budget	Approved Budget	Adopted Budget
Working capital at July 1st	331,556	204,190	137,900	318,500	318,500	318,500
Current year resources						
Property taxes	5,705,949	6,320,064	-	-	-	-
Intergovernmental revenue	2,135,884	1,937,109	2,378,000	2,111,200	2,111,200	2,111,200
Charges for services	1,186,009	1,619,992	1,794,600	1,763,900	1,763,900	1,763,900
Interest	3,831	7,942	-	5,000	5,000	5,000
Miscellaneous	5,092	2,494	2,000	2,000	2,000	2,000
Transfers from other funds	257,764	468,600	7,767,600	8,755,800	8,755,800	8,755,800
Debt proceeds	243,000	-	-	1,830,000	1,830,000	1,830,000
Total current year resources	9,537,529	10,356,201	11,942,200	14,467,900	14,467,900	14,467,900
Total resources	9,869,085	10,560,391	12,080,100	14,786,400	14,786,400	14,786,400
Expenditures						
Expenditures	2003-04	2004-05	2005-06	2006-07		
	Actual	Actual	Adjusted Budget	Proposed Budget	Approved Budget	Adopted Budget
Personal services	6,940,480	7,667,108	8,778,459	9,777,153	9,777,153	9,777,153
Materials and services	1,200,271	1,106,565	1,513,900	1,182,500	1,182,500	1,182,500
Capital outlay						
Equipment	458,378	-	8,500	-	-	-
Vehicles	99,695	75,657	75,000	1,913,000	1,913,000	1,913,000
Debt service						
Principal - COP's	335,300	606,400	379,800	381,200	381,200	381,200
Interest - COP's	118,474	99,735	83,300	66,000	66,000	66,000
Transfers	512,300	796,764	911,800	1,145,500	1,145,500	1,145,500
Contingency			279,341	271,047	271,047	271,047
Total expenditures	9,664,898	10,352,229	12,030,100	14,736,400	14,736,400	14,736,400
Other requirements						
Reserve	-	-	50,000	50,000	50,000	50,000
Unappropriated fund balance	-	-	-	-	-	-
Total requirements	9,664,898	10,352,229	12,080,100	14,786,400	14,786,400	14,786,400

Fire/EMS Fund

Department: *Fire Department*



Department Operations:

The Fire Department is responsible for the City of Bend and the Deschutes Rural Fire Protection District No. 2, which contracts for protection. Through private fire contracts, the City also provides fire service to the High Desert Museum, Mt. Bachelor ski area and several residential properties. Total fire protection area is 250 square miles. In addition to fire protection, the department's Emergency Medical Services Division is responsible for more than 1,600 square miles.

Personnel: 84 paid and approximately 20 volunteer and medical transport team members. Paid personnel consist of a Fire Chief, three Deputy Chiefs responsible for Logistics, Fire/EMS operations and Fire Prevention, three Battalion Chiefs who work a 24-hour shift, a Training Officer, an EMS Coordinator, six Fire Inspectors, an Assistant to the Fire Chief, two and one-half Secretaries, and 66 line personnel. Each Battalion consists of a Battalion Chief, five Captains, five Engineers, and Firefighters, in accordance with Fire Department policy.



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City of Bend Fire Station Number 303

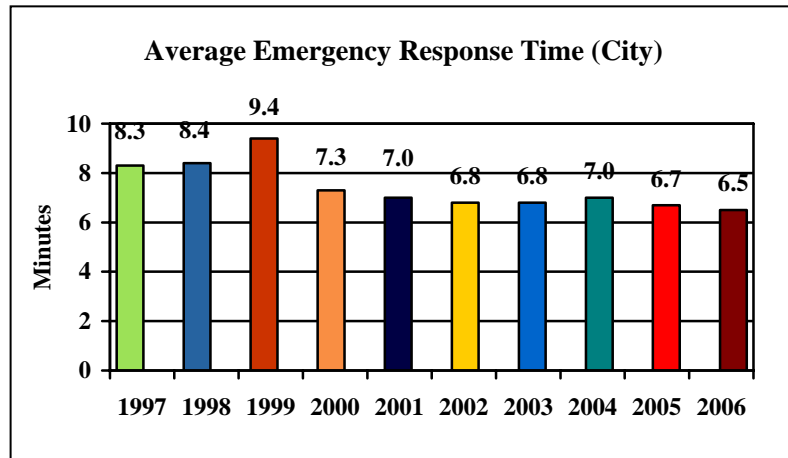
All fire stations have a mix of fire apparatus, which include Pumpers, Water Tenders, Brush/Interface Pumpers, and Ambulances. All personnel respond from their assigned station based on the type of call in their response area. In other words, they choose the equipment for their response based on the type of call. Personnel are cross-trained for both fire and medical: each company has advanced life support trained paramedics. This budget allows for the addition of a Peak Demand Ambulance 7 days per week.

Fire Stations: The City operates five stations: The sub-stations are the Tumalo station, the East station located on Hamby Road, the South station located on Country Club Drive, the West station located on Simpson Ave., and the North station on Hwy 20. The department has ten buildings, nine of which are new. This budget continues a facility maintenance capital reserve fund, overseen by the Rural District. The Rural District coordinates all facility maintenance through a contract overseen by the Fire Chief.

Mutual Aid: Mutual aid agreements are maintained with all surrounding communities, as well as the Bureau of Land Management, Oregon State Department of Forestry and US Forest Service. During the summer season automatic response agreements are in effect with the State and USFS, due to forest overlap areas within the district.

Response: Personnel respond on either assigned apparatus or backup units at their assigned stations. Whenever an incident is beyond the capabilities of on-duty personnel, off-shift and volunteer personnel are called back through a system of pagers. One time per day on the average, all of our five stations are on alarms at the same time. This is a significant community concern, which demonstrates a need for additional staffing. Another indicator is we fail to arrive on location of an emergency within 12 minutes 30% of the time. Additional staffed ambulances should be considered to address this response system problem. Needed firefighters to accomplish critical tasks are deficient on 60% of structure fires.

Communications: The department is dispatched by the Deschutes County Emergency Communications Agency, located at the county sheriffs building. This 9-1-1 center dispatches for 15 emergency services in the county. It has been on-line since 1985. A goal this year is to complete implementation of a new Fire/EMS Record System.



Fire/EMS Apparatus:

Currently, the department operates 21 pieces of apparatus. The fleet consists of six pumpers, three water tenders, one heavy rescue truck, two heavy interface pumpers, a 95' aerial platform, two light brush trucks, one heavy brush truck, and five ambulances. This budget recommends beginning a replacement plan for the five ambulances (that all have in excess of 165,000 miles), as well as the addition of a sixth ambulance and replacement of two interface engines. Funding options will be considered for this important operational need.

Other Vehicles: The department has various support staff and fire inspector vehicles.

Maintenance: Fleet maintenance is performed by the City's Garage Division.

Training: The training program is overseen by a Training Officer and is accredited by Oregon Department of Public Safety Standards and Training (DPSST). All personnel are Oregon State Health Division certified Emergency Medical Technicians EMT-B, EMT-I, or EMT-P. The department provides the most complete training facilities East of the Cascades.

Performance Measures – Fire/EMS

Output Measures

Response Times
Total Alarms (EMS/Fire)

	FY 03-04 ACTUAL	FY 04-05 ACTUAL	FY 05-06 ACTUAL	FY 06-07 TARGET
	6.8	7.0	6.7	6.5
	5821	6067	7027	7448
	6.8	7.0	6.7	6.5
	6.8	7.0	6.7	6.5
	5821	6067	7027	7448

Effectiveness Measures

Improving Response Times

Efficiency Measures

Response Times – Add Staff, Stabilize Alarm Growth
Alarm Growth – Control False Alarms, change Multi Comp Response and type of calls we respond on.

FY 2005-2006 Accomplishments

- Completed an extensive “Values and Expectations” project. This involved all department employees. All policies to include evaluations and promotions include these.
- Completed extensive work on a “Community Wildfire Protection Plan”.
- Completed work on implementing a new Fire/EMS record system.
- Completed a lease agreement for 10 acres to be used for future “live fire facility”.
- Implemented \$200,000 Federal Fire Prevention Grant.
- Awarded Fire Suppression Grant (Federal).
- Completed outside Departments Operational Review.
- Improved response times.
- Reduced turnout times (25%).

FY 2006-2007 Goals and Objectives

- Continue a Facility Capitol Reserve Fund for future maintenance.
- Implement an Ambulance Replacement Plan for six medic units.
- Implement a Federal Fire Grant to aid in Fire Suppression (216,000).
- Complete Oregon Deployment Process.
- Respond to alarms within 8 minutes, 80% of the time in the City (Improvement).
- Improve average response times to 6.5 minutes
- Add 5 Firefighter/Paramedics
- Masterplan North site and sixth Station site.
- Improve number of firefighters on structure fires for critical tasks.
- Reduce “out of area” responses (currently 40%).

Program: Fire Suppression

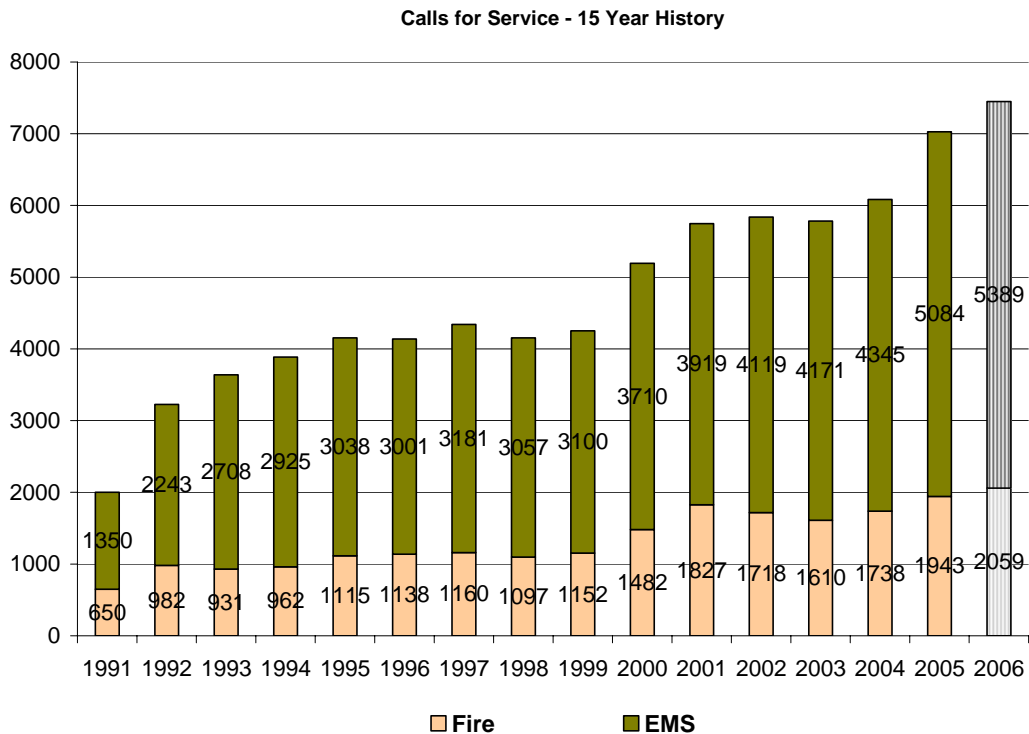
To provide a fast, efficient and effective fire suppression and emergency medical aid program to the City and the Rural Fire Protection District and other entities that contract for services with the City. Each station except Tumalo is usually staffed with a three-man engine company that also cross-mans to an ambulance as needed.



Wildland Interface Brush Fire

Program goals:

1. To maintain a minimum of the current class 4 in the City and 4+ in the District.
2. To improve fire training, performance standards, and operational accountability.
3. To provide annual (average) EMS/Fire emergency response times of 6.5 minutes in the City. Respond within the city 80% of time in less than 8 minutes.
4. To provide annual (average) EMS/Fire emergency response times in less than 9.5 minutes in the District. Respond in less than 8 minutes 50% of the time.
5. Complete a city/district deployment standard for fire and EMS alarms. (Approved by council and rural district).
6. Complete the new Fire/EMS Record System at 911.
8. Complete the Bend Community Wildfire Protection Plan.
9. Complete land agreement on the 6th station location (Public Works location).
10. Purchase two 4 x 4 Interface Engines (Replacement).



Capital Outlay

Vehicle Replacements (3)	\$ 105,000
Equipment	18,000
Ambulance (1) new (5) replacements	1,210,000
Heavy Extrication Tool Replacement	30,000
Interface Engine Replacement	<u>550,000</u>
	\$1,913,000

Program: Public Education

Community fire safety awareness and education programs are our first defense against unwanted fires. Changing behaviors and attitudes to promote fire safety, preventing fires, and to be prepared when a fire is encountered will reduce the amount of fire related injuries, deaths and property destruction. 153 public education programs were conducted in 2005.

Program goals:

1. Finish the development of a senior citizen fire safety program.
2. Enhance the FireFree Wildfire Prevention program.
3. Enhance fireworks safety education and code enforcement due to new City Fireworks Ordinance.
4. Enhance fire prevention information on the City of Bend web site.
5. Complete new fire department address sign project.
6. Install 1,500 new “10-year” smoke alarms in single-family homes.
7. Develop a residential fire sprinkler program with homebuilder incentives.
8. Implement a new fire safety curriculum for middle school students.
9. Enhance the Code Ready program.

Staffing:

Public education is conducted by a fire safety education coordinator, fire prevention staff, firefighters and volunteers.

Program: *Reviewing Development Plans and Conducting Fire Safety Inspections*

During the calendar year of 2005, fire prevention personnel reviewed 412 development plans for commercial buildings and residential subdivisions. Construction plans are reviewed for conformity with fire prevention codes and local fire protection ordinances.

Over 3,000 fire safety inspections were conducted in 2005, a 25% increase over 2004. Once a commercial building, multi-family residential complex or educational facility has been granted their Certificate of Occupancy by the Building Department, it is the responsibility of the Fire Department to conduct annual (or as needed) fire safety inspections to meet the minimum requirements of the Oregon Fire Code until the building is removed. Additionally, home fire safety surveys are conducted upon request from homeowners. Do to the number of small businesses that have located in the City of Bend, fire prevention staff created a low hazard business self-inspection program to allow business owners to voluntarily inspect their building for fire hazards. This program has not been successful due to the lack of a City Business License or method to track businesses, although 537 of the estimated 2,500 low hazard businesses returned these inspection requests during 2005.

Program goals:

1. Inspect all buildings where citizens congregate in large numbers.
2. Assist the Public Works Department to locate hazardous materials that may endanger the process of the City sewer treatment system.
3. Expand the Low-Hazard Self-Inspection Program for businesses.
4. To inspect all buildings equipped with a fire sprinkler system to ensure proper maintenance and operation of the system.
5. Inspect all hotels, motels and large apartment complexes.



Fire Inspector Plan Reviews

Staffing:

A fire marshal, deputy fire marshal and five fire inspectors will staff the fire prevention division.

Program: *Fire Investigation*

Fire investigations are conducted on all uncontrolled fires to establish where the fire originated and to determine the cause. Results of the 349 fire investigations of 2005 were provided to the State of Oregon and the National Data Center (NFIRS). Fire investigation information assists the fire service and consumer service agencies to prevent future unwanted fires through education, regulation and consumer recall programs. The Bend Fire Department Fire Investigation Team which consists of fire prevention staff and fire suppression personnel routinely attends specialized training to maintain qualification in the field of expertise.

Program goals:

1. To determine the cause and origin of unwanted fires in a timely and efficient manner.
2. To provide a 24-hour fire investigation service by utilizing the Fire Investigation Team and our “on-call” duty program.
3. Reduce the amount of fires through proper investigation techniques and reporting programs.

Program: *Ambulance Operations*

To provide basic life support (BLS) and advanced life support (ALS) ambulance and rescue service for the City of Bend and outlying ambulance service district. This budget continues the current medical transport team (MTT) program which operates a BLS/ALS interhospital/nursing home transport ambulance Monday thru Friday 8:00 a.m. to 5:00 p.m. This ambulance allows the on-duty ALS ambulance to be more available for emergency responses. This budget adds a staffed Peak Demand Ambulance seven days per week (5 Firefighter/Paramedics).

Program goals:

1. Decrease morbidity and mortality through a rapid response of ALS personnel and equipment.
2. Implement the financial plan to replace the aging ambulance fleet.
3. Continue the interfacility transport ambulance (MTT).
4. Replace ambulance fleet.

Performance measures:

To arrive at the scene of emergency medical incidents in less than 6.5 minutes (average) annual in the City and 9.5 minutes in the District.

- To arrive on location within 8 minutes, 80% of the time in the City and 50% in the District.



Vehicle Extrication

Program: *FireMed*

Program goals:

The membership program broadens the ambulance funding base and provides a payment alternative for consumers. We have approximately 2700 members.

With Council approval, the Department plans to pursue a future partnership with Airlife of Oregon to expand the current ambulance membership base.

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Fire Station Debt Service Fund



◆ **GOALS**

Timely payment of debt service on Fire Station debt.

◆ **ESSENTIAL REQUIREMENTS**

- Sufficient resources from the Deschutes County Rural Fire District to allow for timely payment of debt service.

◆ **CRITICAL ISSUES /DISCUSSIONS & RECOMMENDATIONS**

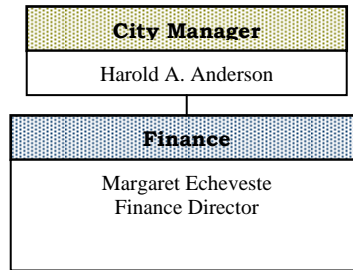
Issues – No critical issues to be discussed

Resources	2003-04	2004-05	2005-06	2006-07		
	Actual	Actual	Adjusted Budget	Proposed Budget	Approved Budget	Adopted Budget
Working capital at July 1st	2,906	2,943	3,100	4,000	4,000	4,000
Current year resources						
Intergovernmental revenues	261,635	262,487	258,100	259,000	259,000	259,000
Interest	187	566	300	600	600	600
Transfers from other funds	400	500	700	3,900	3,900	3,900
Total current year resources	262,222	263,553	259,100	263,500	263,500	263,500
Total resources	265,128	266,496	262,200	267,500	267,500	267,500

Expenditures	2003-04	2004-05	2005-06	2006-07		
	Actual	Actual	Adjusted Budget	Proposed Budget	Approved Budget	Adopted Budget
Materials and services	550	600	700	700	700	700
Debt service						
Principal - COP's 1999	105,000	110,000	110,000	115,000	115,000	115,000
Interest - COP's 1999	156,635	152,483	148,100	144,000	144,000	144,000
Transfers	-	-	3,200	3,200	3,200	3,200
Contingency			200	4,600	4,600	4,600
Total expenditures	262,185	263,083	262,200	267,500	267,500	267,500
Other requirements						
Unappropriated fund balance	-	-	-	-	-	-
Total requirements	262,185	263,083	262,200	267,500	267,500	267,500

Fire Station Debt Service Fund

Department: *Fire Department*



This fund accounts for the debt service associated with bonds issued in 1999 to construct three new fire stations, training facilities and remodel a fourth fire station. The fire stations are owned by the Deschutes Rural Fire Protection District #2 (the DCRFPD) and leased to the City. The City is responsible for repayment of the bonds and under lease arrangements with the DCRFPD, the DCRFPD makes payments to the City for the scheduled debt service with a portion of those payments offset by rent paid by the City to the DCRFPD for occupancy of the stations. The principal source of revenue for debt service is payments from the DCRFPD.

FY 2005-06 Accomplishments

- Timely payment on outstanding debt obligation.

FY 2006-07 Goals and Objectives

- Continue to make timely payments on outstanding debt obligation.



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Program: *Fire Station Debt Service*

Program goal:

City of Bend Fire Station Number 301

The City is responsible for repayment of the bonds issued to fund construction of 3 of the 4 fire stations in service. As noted above, the DCRFPD owns the stations and leases them to the City. The DCRFPD makes payment to the City for debt service and the City pays rent on the stations. The program goal is to ensure timely collection from the DCRFPD for payment of debt service requirements.

The debt for the East fire station has been issued directly by the DCRFPD through the Oregon Bond Bank and the debt service payments for that issue are made directly by the DCRFPD.

Activity:

The City's registrar handles all bondholder account maintenance, including interest and principal payments. City staff ensures that payment from the DCRFPD occur timely. Included in the proposed budget is the projected amount needed from the DCRFPD for scheduled repayment of the debt issued. A transfer from the Fire/EMS Fund has been proposed to cover bond registrar fees and cost allocation overhead charged to this fund.



◆ **GOALS**

- To enhance and preserve the economic, environmental and social sustainability of our community
- To preserve our city’s unique characteristics and to ensure that it continues to be a thriving place to live and visit

◆ **ESSENTIAL REQUIREMENTS**

- To implement the statewide building permitting system at the local level in a manner that is efficient and cost-effective
- To provide superior customer service by matching internal competencies with customer and citizen needs
- To be fiscally responsible in administering the building permit programs so that fees and charges can be kept to a minimum
- To implement a code enforcement program

◆ **CURRENT TRENDS**

- Rapid Population Growth
- Increased Work Volumes
- Increased Public Awareness
- Increased Legal Scrutiny
- Code Enforcement Issues
- Necessity for Flexibility in Mid-year Budget Adjustments
- Issues with Lack of Office Space

The greater than expected population increase has resulted in the continued increase in volume of work in the past year for the Building Division.

◆ **CRITICAL ISSUES / DISCUSSIONS & RECOMMENDATIONS**

The following changes and enhancements are recommended for the programs within the Community Development Department (CDD).

1. Issue - Maintain Flexibility in Overall Building Fund Budget

Discussion – The Building program is funded by fee revenue. Prudent estimates of work load demand for a given fiscal year are made to avoid “over-appropriation”, but often the work load grows faster than anticipated. Fluctuations in workload are addressed with mid-year budget adjustments to allow the department to respond to unanticipated increases in customer service demand, building permit activity and code enforcement complaints. The mid year adjustments will only be proposed if funds are available to cover costs.

Recommendations – Continue to allow quarterly or mid-year budget adjustments when deemed necessary to maintain adequate customer service levels for the building program.

Fiscal Impact – It is anticipated there will be no impact. Revenue from fees will cover costs. It is the flexibility to adjust the budget that minimizes impacts to customer service and building activity.

2. Issue – Establish a Strong and Viable Code Enforcement Program

Discussion – Increases in workload for our enforcement personnel, the need for continuity within CDD divisions and other department workloads that are increasing due to violation of the Bend Code, the need to combine enforcement of the sign code and sign code personnel into this program, as well as the desire of council to have a more proactive enforcement program all put emphasis on the need for a strong and viable Code Enforcement Program..

Recommendations – Adequate, on-going funding is needed to sustain the code enforcement program at levels that will meet Council expectations.

Fiscal Impact – It is anticipated that near appropriate staffing levels can be achieved during the 06/07 fiscal year to meet the “average” workload with the addition of two enforcement officers. The Proposed Budget recommends the General Fund share of funding for the Code Enforcement program be \$140,000.

3. Issue – Maintain Overtime Funding

Discussion - Due to the ever increasing workload, the Building Division has been unable to add enough staff to complete the time requirements for issuance of permits without overtime.

Recommendations – Continue to authorize funding of overtime costs requested by the building division.

Fiscal Impact – It is anticipated the overtime budget for the upcoming fiscal year for the Building Division will not increase from the amount being proposed.

♦ **STAFFING REQUESTS**

The Building Division is requesting 2 new Code Enforcement Officers.

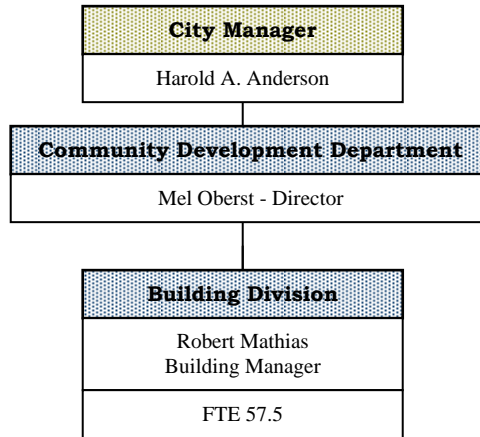
♦ **CHANGES TO BUDGET PRIOR TO ADOPTION**

The Budget Committee added 12 new positions to the Building Division prior to approving the budget. The positions included 5 Plans Examiner III, 5 Building Inspector III and 2 Office Specialist II. The additional budget amount needed to fund this change was \$2,031,600 including salary and benefits as well as vehicle and other overhead expenses.

Resources	2003-04	2004-05	2005-06	2006-07		
	Actual	Actual	Adjusted Budget	Proposed Budget	Approved Budget	Adopted Budget
Working capital at July 1st	3,624,855	3,483,084	4,043,900	4,826,000	4,826,000	4,826,000
Current year resources						
Intergovernmental	4,990	-	-	-	-	-
License and permits	3,765,124	5,022,205	5,168,100	6,353,100	7,384,700	7,384,700
Charges for services	874,006	11,369	7,600	28,200	28,200	28,200
Interest	50,784	110,328	121,400	202,500	202,500	202,500
Miscellaneous	3,627	16,473	4,000	2,100	2,100	2,100
Transfers from other funds	390,700	-	62,100	140,000	140,000	140,000
Total current year resources	5,089,231	5,160,375	5,363,200	6,725,900	7,757,500	7,757,500
Total resources	8,714,086	8,643,459	9,407,100	11,551,900	12,583,500	12,583,500
Expenditures	2003-04	2004-05	2005-06	2006-07		
	Actual	Actual	Adjusted Budget	Proposed Budget	Approved Budget	Adopted Budget
Building division	5,231,002	4,201,776	5,650,273	5,399,699	7,431,299	7,431,299
Code Enforcement division	-	-	-	473,579	473,579	473,579
Contingency			331,000	548,622	548,622	548,622
Total expenditures	5,231,002	4,201,776	5,981,273	6,421,900	8,453,500	8,453,500
Other requirements						
Reserve			500,000	2,540,000	2,540,000	2,540,000
Unappropriated fund balance	-	-	2,925,827	2,590,000	1,590,000	1,590,000
Total requirements	5,231,002	4,201,776	9,407,100	11,551,900	12,583,500	12,583,500

Building Fund

Department: *Community Development Department*



The Community Development Department (CDD) administers the land development permitting system, provides front counter customer service, and performs long range planning projects to address statewide goals, Council policies and the community vision.

Operation Results

- Compliance with State building codes
- Provide safe and secure buildings for our community
- Education for architectural, engineering and contracting businesses

Performance Measures – Building Division

	FY 02-03 ACTUAL	FY 03-04 ACTUAL	FY04-05 ACTUAL	FY05-06 TARGET	FY06-07 TARGET
Output Measures					
Building Permits Issued	11,726	13,388	16,978	18,000	19,000
Value of Building Permits Issued (in millions of \$)	272	400	623	700	750
Inspections performed	35,172	55,051	72,891	105,000	110,000
Effectiveness Measures					
Number of inspections per day per inspector.	15.91	23.52	21.56	24.67	14
Single Family permits issued within 2 weeks of complete submittal	60%	87%	88%	60%	94%
Inspections performed within 24 hours	98%	99%	99%	100%	99%
Commercial permits issued within 6 weeks	30%	92%	90%	70%	95%
Efficiency Measures					
Support staff as a percent of professional staff	30%	22%	22%	24%	30%
Average # of permits processed per staff per day – Front Office	9.77	8.58	8.16	8.61	7.0

FY 2005-2006 Accomplishments

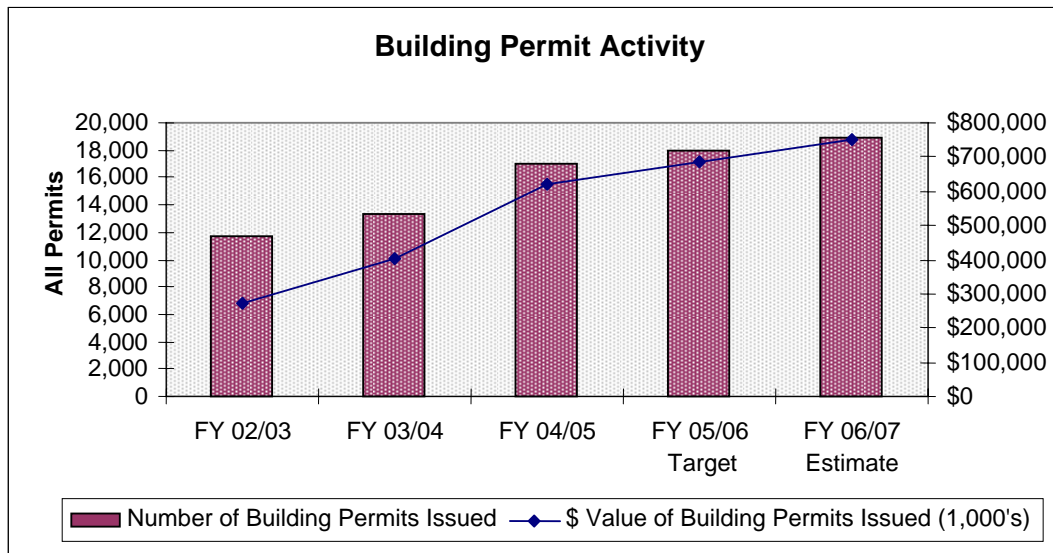
- Installed computers in all field vehicles, this will allow for real time inspection results and save 1-2 FTE
- Trained and state certified the front office staff in plans examinations, this allows for more consistency, better customer service, and quicker turnaround time for permits
- Hired full time person to transfer comments from one set of plans to another, this increased efficiency by 22%
- Continued to update the information we share with our customers
- Cross trained inspectors and plans examiners in areas they were not certified in before, to give better and more consistent customer service
- Worked with focus groups i.e.: COBA, Architects, Engineers, Designers, Realtors, Fire Sprinkler contractors etc
- Implemented the Permits Protect program

FY 2006-2007 Goals and Objectives

- Continue to enhance customer service
- Strengthen the enforcement of illegal construction to provide safer buildings for citizens
- Continue to work with focus groups
- Continue to develop areas for efficiency improvement
- Continue to try and develop a program for “one stop” permitting and customer service. This would be accomplished between the Building and Planning Divisions and the Engineering Division. (This goal will not be accomplished until a new City Hall is constructed)

Capital outlay:

Vehicle for Inspector \$48,000



Program: Plan Review, Permitting, Inspections, and Public Safety

This program ensures compliance with the State of Oregon Specialty Codes related to commercial buildings, multi-Family units, one and two family dwellings, plumbing, mechanical and electrical systems along with all related administrative rules. City Staff provides the following customer services: plan review, permit issuance, code interpretation, inspections, enforcement actions, and over the counter information. City Staff obtains and maintains proper certifications including required continuing education credits.

Program goals:

- Maintain consistent plan review and inspection procedures that conform in all aspects with the State Building Code Agency requirements
- Increase public relation skills and customer service levels
- Maintain accreditation of all Building Inspectors, Plans Examiners, and Technical Staff
- Provide training to allow for multi-discipline expertise for inspectors
- Increase public awareness of code requirements
- Initiate programs as needed to meet the requirements of new State and Federal mandates
- Coordinate with the City Fire Marshal's office to insure compliance with the City Fire Code



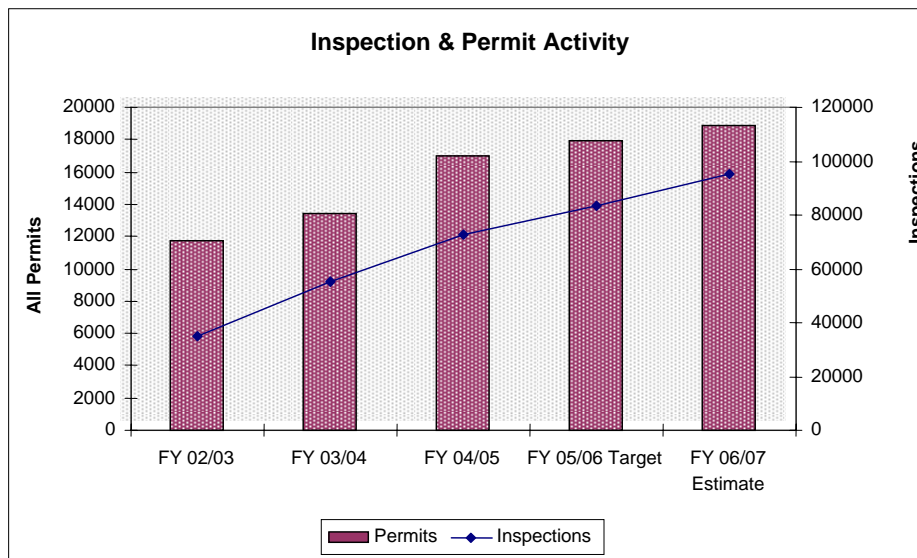
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Activity:

New Construction

The Building Division has seen a steady increase in permit related activity over the last several years and while revenues have also risen steadily, it has been at a much slower rate than activity. This is primarily due to the fact that application and permitting fees have not been increased since 1979.

Overall, the Building Division has seen an increase in building permits to 17,685 for the 2005 calendar year compared to 14871 for year 2004. The fees collected have increased from approximately \$5.5 million during calendar year 2004 to \$6.8 million during calendar year 2005. Over the same time period, building permit valuations have increased from approximately \$506 million during calendar year 2004 to approximately \$680 million during calendar year 2005.



- We anticipate building permit applications will continue to increase over the next several years.
- With the increase in building permit activity and the demand for timely plan reviews, inspections, and customer service will increase. In order to meet this increased demand staffing levels are constantly monitored to provide minimum standards for the community.

- Contracting either with a third party or the County does not remain an option at this time due to the high level of plan reviews and inspections performed by staff.
- Customer service levels are continually monitored to ensure the performance measures can be achieved at the target rates (see Performance Measure chart – Building Division provided above).

Expenditures	2003-04	2004-05	2005-06	2006-07		
	Actual	Actual	Adjusted Budget	Proposed Budget	Approved Budget	Adopted Budget
Personal services	3,476,207	3,013,158	4,098,173	3,685,199	5,074,499	5,074,499
Materials and services	689,692	190,575	342,800	369,500	587,800	587,800
Capital outlay						
Vehicles	107,803	167,885	172,000	48,000	198,000	198,000
Transfers	957,300	830,158	1,037,300	1,297,000	1,571,000	1,571,000
Total Building	5,231,002	4,201,776	5,650,273	5,399,699	7,431,299	7,431,299

Program: Code Enforcement Division

This program assures compliance with specific chapters of the Bend Code. The program primarily regulates the following chapters: Chapter 5 Offenses pertaining to discarded vehicles, nuisances that affect the public health, and attractive nuisances; Chapter 9 Building pertaining to the Building Code, Sign Code and Grading Ordinance related to work without a permit, stop work orders, occupancy violations, and setback requirements; and Chapter 10 Planning pertaining to zoning regulations and historic site preservation related to work without permits, failure to comply with land use decisions and failure to comply with adopted standards and conditions.

The services provided by code enforcement include: proactive public education and enforcement; responding to citizen complaints, tracking and documentation of those complaints, and investigation and research of property/zoning issues. Enforcement actions include violation notices, stop work orders, investigation fees/fines, Notice and Order issuance, and citation issuance. Duties related to this enforcement also include report writing and court appearances. Officers must also maintain proper certifications relating to law enforcement, and must develop and maintain a current understanding of the Bend Code and legal interpretations.

Program Goals:

1. Maintain consistent investigation and enforcement procedures that conform to the Bend Code.
2. Increase public awareness of Bend Code requirements.
3. Provide proactive enforcement of violations by acting on violations prior to complaints.
4. Initiate programs that will update and increase efficiency of enforcement concurrent with increasing City population.

Activity:

The Code Enforcement Division currently consists of 5.5 FTE. 1.5 FTE are dedicated to Sign Code Enforcement of Chapter 9 and handle enforcement, sign removal, and sign permit issuance. 4 FTE officers handle all other complaints relating to the remaining chapters of the Bend Code.

Data from FY 2006 indicates that the Code Enforcement Program expended 50% of its time on enforcement of Chapter 5, 30% on the enforcement of Chapter 9, 5% on the enforcement of Chapter 10, and 5% providing general information to the public. Sign code enforcement figures are not included in these percentages.

It is estimated that in FY 2007 the distribution of work and funding sources for the program will be as depicted below:

Chapter 5	Chapter 9	Chapter 10
37.6%	50.3%	12.1%
General Fund	Building Fund	Planning Fund

Capital outlay:

Vehicle for Inspector \$52,000

Expenditures	2003-04	2004-05	2005-06	2006-07		
	Actual	Actual	Adjusted Budget	Proposed Budget	Approved Budget	Adopted Budget
Personal services	-	-	-	408,879	408,879	408,879
Materials and services	-	-	-	12,700	12,700	12,700
Capital outlay						
Vehicles	-	-	-	52,000	52,000	52,000
Total Code Enforcement	-	-	-	473,579	473,579	473,579

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The Community Development Department (CDD) administers the land development permitting system, provides front counter customer service, and performs long range planning projects to address statewide goals, Council policies and the community vision.

◆ GOALS

- To balance Land Use in a way that meets the diverse needs of the Community.
- To promote active citizen participation and involvement with the City Council and Committees.
- To enhance and preserve the economic, environmental and social sustainability of our Community.
- To preserve our City's unique characteristics and to ensure that it continues to be a thriving place to live and visit.



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◆ ESSENTIAL REQUIREMENTS

- To implement the statewide planning permitting systems at the local level in a manner that is fair, consistent and cost-effective for the community.
- To plan for the long-range development of the community in a manner that reflects the community vision.
- To provide superior customer service and professional quality products.
- To be fiscally responsible in administering the planning program so that fees and charges cover the cost of the program.
- To implement City Council goals and policies for community development.

◆ CURRENT TRENDS

- Rapid Population Growth
- Increasing Work Volumes
- Increasing Public Awareness
- Increasing Legal Scrutiny
- Development Code Compliance
- Lack of Office Space for Conducting Business

The rapid population growth of the community translates into ever increasing levels of land division and development with commensurate increases in the volume of work for the planning divisions. Greater volumes of land development engender more legal scrutiny of processes and work products. This requires more staff oversight to ensure that the land use decisions are fair and accurate and long range plans are consistent with statewide goals and administrative rules. More volumes of work also require more scrutiny by staff to ensure that approved land development is constructed consistent with the land use decision and standards of the development code. Post approval inspections are one crucial quality control measure for the community and are performed by the CDD. The department currently lacks adequate space for the existing budgeted staff let alone any additional staff that may be required to maintain parity with service demand.

◆ **CRITICAL ISSUES / DISCUSSIONS & RECOMMENDATIONS**

The following enhancement is recommended for the programs within the Planning Fund.

1. Issue – Increase fees in Planning.

Discussion – Restrictions on the use of SDC funds, as well as those collected through the Building Permit process have limited the funds available for the planning program. Development code enforcement requires the services of additional code enforcement officers which were conceptually approved by Council at the January 2006 Financial Retreat. CDD estimates that approximately 12% of the complaints addressed by code enforcement will be attributable to enforcing the development code in 2006/07.

Recommendations – Planning fees need to be increased to cover the cost of providing enforcement of the development code. Select application fees need to be increased as well. Council will be asked to consider these fee increases in June

Fiscal Impact – No new fees or fee increases have been assumed in this Proposed Budget.

2. Issue - Maintain Flexibility in Overall Planning Fund Budget.

Discussion – The Current and Long Range Planning programs are funded by fee revenue. Prudent estimates of work load demand for a given fiscal year are made to avoid “over-budgeting”, but often the work load grows faster than anticipated. Fluctuations in workload are addressed with mid-year budget adjustments to allow the department to respond to unanticipated increases in customer service demand, land use application work load and special projects. The mid year adjustments will only be proposed if fee revenues are available to cover costs.

Recommendations – Continue to allow quarterly or mid-year budget adjustments when deemed necessary to maintain adequate customer service levels for the planning program.

Fiscal Impact –It is anticipated there will be no impact. Revenue from fees will cover costs. It is the flexibility to adjust the budget that minimizes impacts to customer service and development activity.

◆ **STAFFING REQUESTS**

The Planning Fund is not proposing any new staff positions for the 2006/07 fiscal year.

The significant increase in Personal Services is as a result of allocating all Planning staff time to the Planning Fund. Prior to this Proposed Budget approximately 20% of Planning staff time was expensed to the Building Fund.

◆ **CHANGES TO BUDGET PRIOR TO ADOPTION**

The Budget Committee added 6 new positions to the Planning Division prior to approving the budget. The positions, all of which were to staff Current Planning at an additional approval amount of \$862,700, included 4 Associate Planners, 1 Assistant Planner, and 1 Planning Technician. In addition, \$130,000 was added to the Long-range Planning budget for Contractual Services.

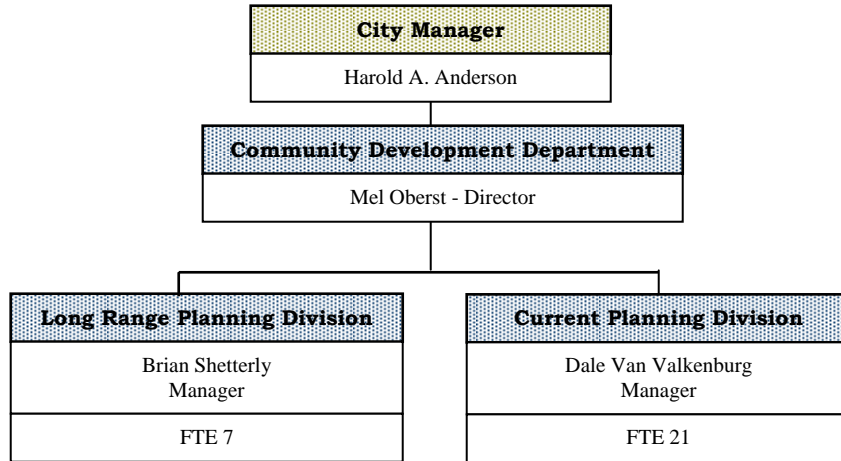
The City Council added \$75,000 to the Budget Committees approved budget for the Long-range Planning Division prior to adoption to reflect staff recommendations for the carry forward of grant match funds budgeted for FY 2005/06 but not expected to be expended until FY 2006/07.

Planning Fund

Resources	2003-04	2004-05	2005-06	2006-07		
	Actual	Actual	Adjusted Budget	Proposed Budget	Approved Budget	Adopted Budget
Working capital at July 1st	-	-	34,100	701,300	701,300	776,300
Current year resources						
Intergovernmental	-	111,000	127,600	72,600	72,600	72,600
Charges for services	-	1,519,781	2,184,400	2,847,400	3,840,100	3,840,100
Interest	-	-	-	15,000	15,000	15,000
Miscellaneous	-	11,909	2,000	3,100	3,100	3,100
Transfers from other funds	-	653,200	528,500	285,600	285,600	285,600
Total current year resources	-	2,295,890	2,842,500	3,223,700	4,216,400	4,216,400
Total resources	-	2,295,890	2,876,600	3,925,000	4,917,700	4,992,700
Expenditures						
Current planning division	-	2,073,848	1,789,911	2,207,009	3,069,709	3,069,709
Long-range planning division	-	-	898,895	1,577,163	1,707,163	1,782,163
Contingency	-	-	187,794	140,828	140,828	140,828
Total expenditures	-	2,073,848	2,876,600	3,925,000	4,917,700	4,992,700
Other requirements						
Unappropriated fund balance	-	-	-	-	-	-
Total requirements	-	2,073,848	2,876,600	3,925,000	4,917,700	4,992,700

Planning Fund

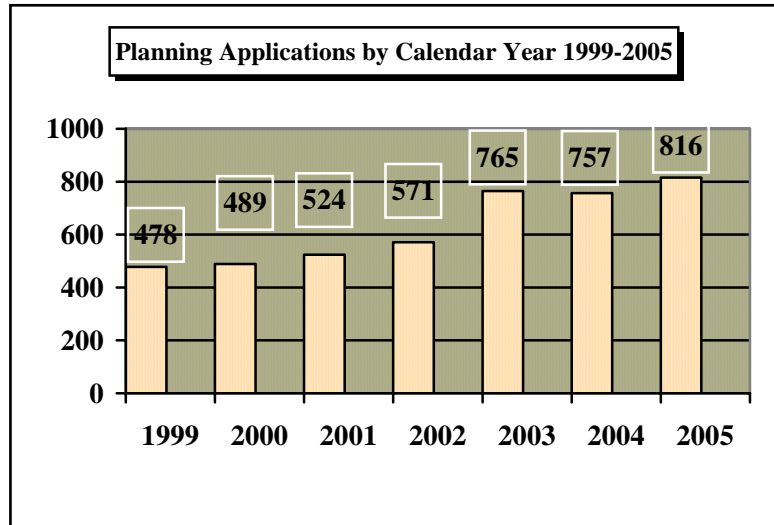
Department: *Community Development Department*



Division: *Current Planning*

The Current Planning Division is responsible for implementation of the land use codes that regulate development projects within the Urban Growth Boundary. The primary function of the Current Planning Division is the review of land use applications and facilitating citizen participation in the land use process. Typical functions include:

- 1) Conduct pre-application meetings with potential applicants;
- 2) Provide notice and information to surrounding property owners and affected agencies;
- 3) Coordinate and resolve conflicting requirements and comments on projects;
- 4) Complete a thorough review of proposed development and write detailed legal findings;
- 5) Make presentations at public hearings;
- 6) Compute and assess System Development Charges for streets, sewer, water and parks;
- 7) Inspect development sites to ensure compliance with land use approval;
- 8) Administer necessary changes to City planning documents and oversight of development proposals for ways to decrease single-occupant vehicles.



The goal of the Current Planning Division is to conduct thorough, accurate, balanced, expeditious and consistent review of land use applications to benefit the livability for the present and future citizens of the City of Bend.

FY 2005-2006 Accomplishments

- Record number of land use applications
- Implemented new organizational structure
- Customer Service Supervisor added from existing staff
- Increased training and better utilization of staff
- Development Code update

FY 2006-2007 Goals and Objectives

- Improve compliance with the development code to ensure that all development is consistent with community standards
- Continue to look for efficiencies in processes and organizational structure to minimize the need to increase staffing levels
- If building space becomes available, develop a program for “one stop” permitting and customer service involving the Current Planning, Building and Engineering Divisions
- Strive to reduce permit turn-around times
- Improve the opportunities for public participation in the development process



(C) 2006 Dustin Mitsch / Alpen Exposure

Drake Park in Downtown

Capital outlay:

Vehicle \$30,000

Performance Measures – Current Planning Division

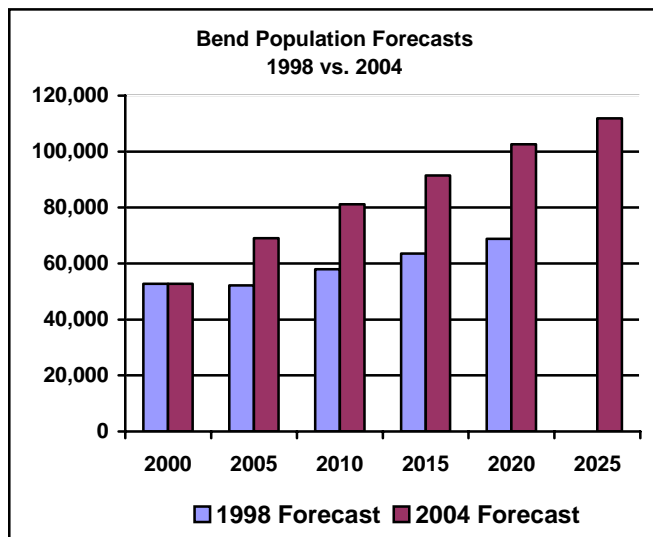
	FY 01-02 ACTUAL	FY 02-03 ACTUAL	FY 03-04 ACTUAL	FY 04-05 ACTUAL	FY05-06 YTD
Output Measures					
Conditional Use decisions rendered	59	59	67	59	43
Land Partition decisions rendered	23	28	34	34	28
Site Plan decisions rendered	168	239	311	251	163
Subdivision decisions rendered	48	68	54	56	43
Zone Change decisions rendered	11	29	18	9	9
Total decisions rendered	698	860	1018	881	595
Effectiveness Measures					
Average files per planner	116 (6 FTE)	123 (7 FTE)	145 (7 FTE)	110 (8 FTE)	66 (9 FTE)
Average submittal review time	No data	87 days	60 days	70 days	60 days
Efficiency Measures					
Administrative decisions completed within 60 days	80%	60%	75%	85%	75%
Hearings Officer decisions completed within 75 days	90%	80%	90%	95%	75%
Zone change and plan amendments completed within 120 days	90%	90%	95%	100%	95%

Expenditures	2003-04	2004-05	2005-06	2006-07		
	Actual	Actual	Adjusted Budget	Proposed Budget	Approved Budget	Adopted Budget
Personal services	-	1,438,508	1,283,511	1,308,109	1,790,209	1,790,209
Materials and services	-	510,133	296,600	278,600	432,400	432,400
Capital outlay						
Vehicles	-	-	-	30,000	30,000	30,000
Transfers	-	125,207	209,800	590,300	817,100	817,100
Total Current Planning	-	2,073,848	1,789,911	2,207,009	3,069,709	3,069,709

Division: Long Range Planning

The Long Range Planning Division has primary responsibility for maintaining and updating the City’s long-range planning program, including the Bend Area General Plan, the Transportation System Plan, and related planning tools. Long-range planning staff also conducts special purpose projects such as refinement plans, sub-area plans, and amendments to development regulations, such as the zoning ordinance.

The Division maintains current data bases on population, housing types, and buildable lands inventories for residential, commercial and industrial uses. The Division also participates with Public Works in the master planning for sewer, water and transportation for the Bend metro area. All of these activities must be carried out in compliance with state law relating to land use and planning. The Long-Range Planning program includes assisting other City Departments and public agencies in preparing urban area plans and programs that relate to City planning. The products created by the Long Range Planning Division provide the policy basis for the standard in the development code and the implementation of the code by the Current Planning Division when conducting development review.



FY 2005-2006 Accomplishments

- Progress on Development Code Update
- Completion of Juniper Ridge master plan
- Residential Lands Study – Phase 1
- TSP/Transportation Policy 21 amendments
- Murphy Crossing Quick Response Plan
- Updated Transportation Demand Model
- Took over Historic Program from County
- CB Zone Design Standards/Height Limit Changes.
- Amended CC Zone building size limits

FY 2006-2007 Goals and Objectives

- Carry out planning projects included in the Long Range Planning Work Program
- Maintain and update the Bend Area General Plan and related plans (e.g. Transportation System Plan)
- Coordinate work of the Metropolitan Planning Organization with work of the Long Range Planning Division
- Ensure compliance with State land use law in carrying out planning projects
- Seek input and guidance from citizens in carrying out all long-range planning projects
- Provide technical assistance and recommendations to Planning Commission and City Council relating to long-range planning projects
- Integrate the Historic Resources program with the Long-Range Planning program.
- Maintain a reliable funding source for Long-Range Planning

The projects listed below, if all were processed concurrently, would require approximately 10 FTE's. However, it is anticipated that some of these projects will be started and completed periodically throughout the 2005/07 fiscal year (meaning that as one project is completed, other projects can begin). Thus, the 2006/07 staffing levels proposed herein for Long Range Planning will be sufficient to complete only the projects listed above during the 2006/07 fiscal year (no additional long range planning staff is proposed for this fiscal year). Any proposed additions to the work program/project list provided above will necessitate additional staffing, with dollars provided to fund the new positions, or elimination of a project from the proposed work program.

PRIORITY	LONG RANGE PLANNING PROJECTS	ESTIMATED TOTAL FTE FY 2006/07	ESTIMATED TOTAL FTE 2007/08	COMMITTED	ON-GOING
1	Residential Lands Study – Phase 2 Propose UGB expansions Draft General Plan amendments Conduct public hearings and adopt amendments Amend Intergovernmental agreement w/County Draft an Annexation Policy	1.25	.75	X	X
2	Urban Reserves Planning Update regulations for UR areas Draft intergovernmental agreement Amend city & county plan maps and adopt IGA	.50	.25	X	X
3	Development Code Adoption and Refinement	.25	.25	X	X
4	Murphy Crossing (South Parkway) Refinement Plan	.25	0	X	X
5	Metropolitan Planning Organization Support	1.00	1.5		
6	Central Area Plan – Part 2 Phase 3 – Evaluate E. Central Area & neighborhoods Phase 4 – Evaluate 3 rd Street segment Develop & adopt plan and zoning amendments	1.25	.75	X	X

(Continued)

PRIORITY	LONG RANGE PLANNING PROJECTS	ESTIMATED	ESTIMATED	COMMITTED	ON-GOING
		TOTAL FTE FY 2006/07	TOTAL FTE 2007/08		
7	General Plan Update (RLS follow-up) Transportation System Plan Public Facilities Plan Update Housing & Residential Lands (Ch. 5) Economic Lands (Ch. 6) Community Appearance (Ch. 9)	1.50	1.50	X	
8	Historic Resources Program Support	1.10	1.10		
9	Juniper Ridge Master Plan Support	.25	.25	X	X
10	Update Industrial/Commercial Lands Inventory	.25	1.00	X	X
11	3rd Street Re-development Plan (non Central Area)	.25	1.00		
12	Measure 37 & Quasi-Judicial Plan Map Amendments	.30	.30	X	X
13	Development Plan Reviews	.25	.25	X	X
14	Public Information/Assistance	.25	.25	X	X
15	Unanticipated	.25	.25		X
	TOTAL ESTIMATED FTE REQUIRED	8.90	9.40		
	TOTAL FTE AVAILABLE	7.50	7.50		

Expenditures	2003-04	2004-05	2005-06	2006-07		
	Actual	Actual	Adjusted Budget	Proposed Budget	Approved Budget	Adopted Budget
Personal services	-	-	466,195	813,963	813,963	813,963
Materials and services	-	-	334,200	466,200	596,200	671,200
Transfers	-	-	98,500	297,000	297,000	297,000
Total Long-Range Planning	-	-	898,895	1,577,163	1,707,163	1,782,163

Internal Services Fund
CDD Administration Division /Administrative Services



◆ **GOALS**

- To meet the needs of the Community Development Department (CDD) staff and support their mission of high quality customer service
- To provide administrative oversight and accountability of the Department's activities.

◆ **ESSENTIAL REQUIREMENTS**

- Professional Operation Standards
- Modern Equipment
- High Staff Moral
- Adequate Staffing levels

This division accounts for the activity associated with the Community Development Department including administrative, clerical and technical support for Current Planning, Long Range Planning, the Building Divisions, the Bend Metropolitan Planning Organization (BMPO) and Transportation Demand Management for the city.

The services provided include maintenance of the land files for the city, addressing all buildings and parcels for the city, clerical support for the Bend Metropolitan Planning Organization, requisitions/purchasing, data processing, records, personnel services, budget preparation and administration.

◆ **CURRENT TRENDS**

- Rapid Population Growth
- Customer Service Demands
- Issues Due to Lack of Office Space
- Increased Work Volumes

◆ **CRITICAL ISSUES / DISCUSSIONS & RECOMMENDATIONS**

1. Issue – Space Needs
Discussion – CDD continues to hire new staff to meet customer service demands and office space has dwindled.

In order for the Administrative Division of CDD to continue to function at the current level, the space issue will need to be resolved.

Recommendation – Address the need for additional office space.

◆ **ACTION PLAN CHOICES**

Current Service Level

The current CDD Administrative program is meeting the demands of Community Development requests. If workloads continue to increase, additional staff will be required.

Enhanced Service Level

An enhanced level of service would require additional staff to take on the BMPO and TDM duties freeing up time for the Purchasing Specialist and additional staff for technical support.

◆ **STAFFING REQUESTS**

No new staff are being requested.

◆ **CHANGES TO BUDGET PRIOR TO ADOPTION**

The Budget Committee added \$124,210 of additional budget to the Community Development Department (CDD) Administrative Division prior to approving the budget to fund 1 Office Specialist II position. The committee also approved the addition of an Information Technology (IT) Technician, within the IT Division, who would act as a departmental support specialist for the CDD Administrative Division.

In addition the Budget Committee approved the addition of a new ADA program Division within CDD Administration for a total additional appropriation of \$136,790.



◆ **GOALS**

- To improve accessibility in City programs, services, and activities
- To improve communication between City staff and people with disabilities
- To provide education, information, and awareness to City staff and the general population
- To provide guidance, direction, and oversight regarding accessibility in all City work

◆ **ESSENTIAL REQUIREMENTS**

- Central office for all accessibility /ADA business
- Adequate staff to address accessibility business and projects
- Training to meet staff and public needs
- Adequate funding to support the Accessibility Resolution adopted by the Council in April 2005

This division is responsible for compliance with federal, state, and local accessibility requirements across all departments in the City organization. The services include interaction with all City staff, members of the public, and groups that represent people with disabilities. Services also include responding to requests for accommodations and barrier removals, complaints, and addressing the Department of Justice Settlement Agreement. Also included are site visits to advise City staff on various projects, commenting on new plans, and providing general and specific staff support on accessibility issues.

◆ **CURRENT TRENDS**

- Customer service demands
- Misunderstandings between City staff and people with disabilities
- Increased workload

◆ **CRITICAL ISSUES / DISCUSSIONS & RECOMMENDATIONS**

1. Issue - Communication with people with disabilities

Discussion - Communication between people with disabilities and City staff needs to improve. By forming a local advisory committee with specified responsibilities, the opportunity will exist for communication to increase and improve.

Recommendation - Create a local advisory committee comprised of people with disabilities or who are interested in disabilities.

2. Issue - Communication between staff in different departments

Discussion - All City staff need to be involved in accessibility issues as they pertain to the various departments. The Accessibility Manager needs individuals in every department who can serve as conduits of information on accessibility.

Recommendation - Create a Citywide committee comprised of representatives from all departments to serve as liaisons between their respective departments and the Accessibility Manager.

3. Issue - Technical Advisor for Accessibility

Discussion - Citizens don't know (and don't care) about various divisions within the City and the functions they fill - they just want accessibility questions answered. Many of City staff don't yet understand the role of the Accessibility Manager and need to have a "go-to" person for clarification on access issues. The Accessibility Manager's duties as listed do not include the specificity required for some inquiries and currently, plans examiners are being used to address those issues. An unmet need exists with regard to the accessibility questions needing attention and that is increasing the burden on the Building Division. Having one (or more if the need demands it) individual responsible for reviewing plans, creating alternative design details, conducting site visits, inspecting projects, and answering specific accessibility questions would eliminate multiple contacts by members of the public with City staff.

Recommendation – The City may need to employ or reassign an individual or individuals trained and skilled in the area of accessibility (state and federal codes/laws) in the future after monitoring and reviewing the current and future situation.

Current Service Level

The level of service currently meets the basic demands of the Accessibility Division.

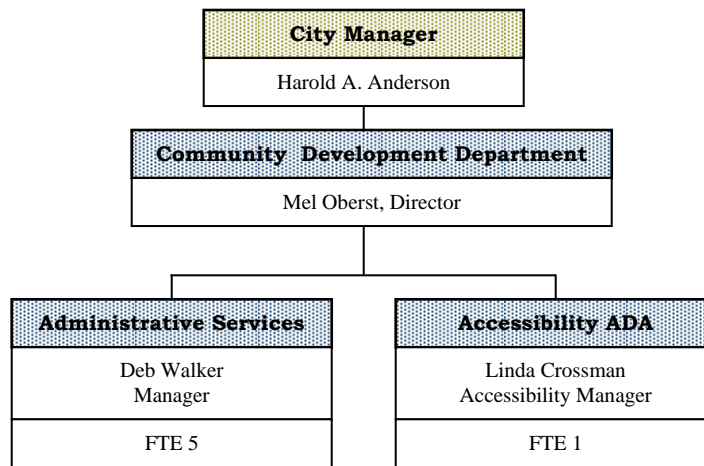
The workload will be monitored and reviewed throughout the year to determine the need for a technical advisor for accessibility to support the Accessibility Manager if the types of recent demands persist and/or increase.

- ◆ **STAFFING REQUESTS** – None at this time

Community Development Department Administration Division

Resources	2003-04	2004-05	2005-06	2006-07		
	Actual	Actual	Adjusted Budget	Proposed Budget	Approved Budget	Adopted Budget
Working capital at July 1st	-	-	-	-	-	-
Current year resources						
Transfers from other funds	-	-	-	558,800	819,800	819,800
Total current year resources	-	-	-	558,800	819,800	819,800
Total resources	-	-	-	558,800	819,800	819,800
Expenditures	2003-04	2004-05	2005-06	2006-07		
	Actual	Actual	Adjusted Budget	Proposed Budget	Approved Budget	Adopted Budget
Administration Division	-	-	-	556,336	680,546	680,546
Accessibility/ADA Division	-	-	-	-	136,790	136,790
Contingency	-	-	-	2,464	2,464	2,464
Total expenditures	-	-	-	558,800	819,800	819,800
Other requirements						
Unappropriated fund balance	-	-	-	-	-	-
Total requirements	-	-	-	558,800	819,800	819,800

Internal Services Fund – Community Development Administration
 Department: ***Community Development Department***



Division: *CDD Administration / Administrative Services*

Program goals:

This program provides administrative oversight of the Department’s activities to ensure high quality customer service and professional products by creating clear objectives that implement the expectations of the City Council. These activities and expectations can be consolidated into the following areas:

Program: *Community Development Administration*

- Establish standards for quality service and products
- Manage the department budget
- Monitor staffing levels and work loads
- Manage the work space facilities
- Resolve customer complaints
- Support neighborhood associations
- Provide computer systems oversight
- Manage purchasing, contracts and agreements
- Implement recommendations from Citizens Task Force
- Maintain partnerships with state and local agencies

Program: *Transportation Demand Management*

- Maintain and encourage greater participation in the employee incentive program for taking part in ride-sharing options.

Program: *Addressing*

- Administer city-wide property addressing

Performance Measures – CDD Administration / Support Services

	FY 03-04 ACTUAL	FY 04-05 ACTUAL	FY 05-06 YTD
Output Measures			
Number of purchase orders processed	182	257	177
Purchase order line items received	825	1,157	839
Efficiency Measures			
Number of Administrative support staff (3) as percentage of total Community Development staff	6.0%	5.3%	4.0%

FY 2005-2006 Accomplishments

- Processed all purchase orders and transactions for department
- Provided TDM support for all city staff
- Drafted new Addressing Ordinance
- Provided property addresses city wide
- Completed all requests for office support presented by department divisions
- Completed cross-training of support staff
- Established quality control measures for products presented to City Council and Planning Commission

FY 2006-07 Goals and Objectives

- Continue support of land maintenance system for the city
- Set up Accessibility Program for city
- Monitor CDD customer service levels
- Provide training manuals for CDD staff
- Implement customer service survey

Expenditures	2003-04	2004-05	2005-06	2006-07		
	Actual	Actual	Adjusted Budget	Proposed Budget	Approved Budget	Adopted Budget
Personal services	-	-	-	481,336	546,946	546,946
Materials and services	-	-	-	20,900	54,000	54,000
Transfers	-	-	-	54,100	79,600	79,600
Total Administration Division	-	-	-	556,336	680,546	680,546

Division: CDD Administration / Accessibility ADA

FY 2005-2006 Accomplishments

The Accessibility / ADA Program was newly created at the end of the 2005-2006 fiscal year and coincided with the hiring of the Accessibility Manager. While accessibility/ADA improvements were made in 2005-2006, they were paid for and managed by the following departments: Transportation Operations, Downtown Parking, and Facilities Management.

The Visible Symbol program, with an \$11,000 allocation available for FY 2006-2007 from the transient room tax, will be considered for development under this program.

FY 2006-2007 Goals and Objectives

Goals:

- To develop a comprehensive Citywide accessibility program
- To develop a budget for the accessibility program

Objectives:

- To monitor and communicate progress on the Department of Justice Settlement Agreement
- To increase the number of accessible curb ramps in the city
- To improve sidewalk accessibility
- To improve accessible parking in the downtown area
- To create an advisory group to assist the City in prioritizing accessibility/ADA projects based upon available funding
- To create a Citywide ADA Committee with representatives from all departments to serve as liaisons between the Accessibility Manager and City departments and divisions
- To increase opportunities for increased participation in City programs, services, and activities by publicizing the availability of and providing accommodations for people with disabilities
- To increase communication about accessibility through the media and participation in events where appropriate
- To provide training and education to City staff and the general public about accessibility, the ADA, and disabilities
- To provide support to staff in all departments regarding accessibility
- To celebrate the 16th anniversary of the signing of the Americans with Disabilities Act in July 2006
- To celebrate National Employment Disability Awareness Month in October 2006
- To identify a specific person responsible for accessibility in plan reviews and inspections to insure compliance in Title II and Title III projects
- To collaborate with the Visible Symbol organizers to implement the program citywide
- To provide staff support to the Community Relations Commission



Expenditures	2003-04	2004-05	2005-06	2006-07		
	Actual	Actual	Adjusted Budget	Proposed Budget	Approved Budget	Adopted Budget
Personal services	-	-	-	-	96,390	96,390
Materials and services	-	-	-	-	30,800	30,800
Transfers	-	-	-	-	9,600	9,600
Total Accessibility/ADA Divisic	-	-	-	-	136,790	136,790



◆ GOALS

Transportation Goal

To provide and maintain a high quality and efficient multi-modal transportation system.

Transportation Objective

Recognizing that every citizen should be safe to travel on our roads and to have a variety of transportation choices, the City Council is committed to transportation enhancements through road improvements and the provision of high quality public transit, trails, bike lanes and sidewalks.

◆ ESSENTIAL REQUIREMENTS

- Sweeping operations
- Winter operations
- Street surface maintenance
- Traffic control
- Accommodation of alternative modes of transportation
- Storm drain maintenance
- Landscape maintenance
- Vegetation control

The Street Division meets its goals with the sweeping program and traffic control program. Continued use of chemical de-icers to reduce the need for cinders and plowing time is included in the winter operations. We are taking steps to accommodate alternative modes of travel, and are seeing significant improvements being made to the storm drain system. The continued funding for overlays will allow large strides with surface maintenance. The management of landscaping remains a challenge with the number of areas in need of maintenance growing rapidly. The Street Division believes that our continued partnership with Deschutes County will allow us to gain control of noxious weeds.

◆ CURRENT TRENDS

- Increasing traffic volumes
- High rates of asphalt deterioration
- Increased demand for winter services

- Increased demand for alternative modes of transportation
- Increasing landscape demands
- Increased demand for neighborhood traffic calming

◆ CRITICAL ISSUES / DISCUSSIONS & RECOMMENDATIONS

1. Issue - Street Overlay Project

Discussion - The goal of our annual overlay program is to address the collector and arterial streets first and then local streets. The annual street survey is used to analyze and project future overlays. Streets scoring a Pavement Condition Index (PCI) of 73 or less will be first to receive an overlay. In an effort to increase the life span of asphalt overlays for collectors and arterials, we will continue to search for and include products such as Glass Grind. Additional crack sealing and chip seal will also be used to preserve the surface of streets scoring higher PCI's.

Recommendations - The Street Division recommends that the Street Overlay Project remain at current funding levels. This would allow us to reach and maintain a PCI in the mid-70's, which would place the City of Bend streets in the "good" range.

Fiscal Impact - \$950,000 annually.

2. Issue - Americans with Disabilities Act (ADA) Compliance

Discussion - There are several ADA ramps throughout the City that are not up to code, and sidewalks lacking ramps in older areas of the City. These ramps and areas need to be addressed and updated. This fund also pays a portion of the ADA parking improvements in the downtown area.

Recommendations - The Street Division recommends that this project remain at current funding levels, which will allow for the addition or replacement of approximately 100 ramps. Of the approximately 300 ramps identified, over 100 have been replaced to date.

Fiscal Impact - The Street Division is seeking funding for \$100,000 in FY 2006/07 to do the work necessary to bring more sidewalks into compliance.

◆ **ACTION PLAN CHOICES**

Current Service Level

Maintaining the current service level will allow the Street Division to give the public a high level of service. At this level we will continue to respond to most requests in a timely manner. The Street Division would also be able to make gains on the maintenance of local streets.

Enhanced Service Level

This service level would allow the Street Division to expand some everyday services as well as do more capital improvement projects. However, additional staffing and funds would be required to meet this level.

◆ **STAFFING**

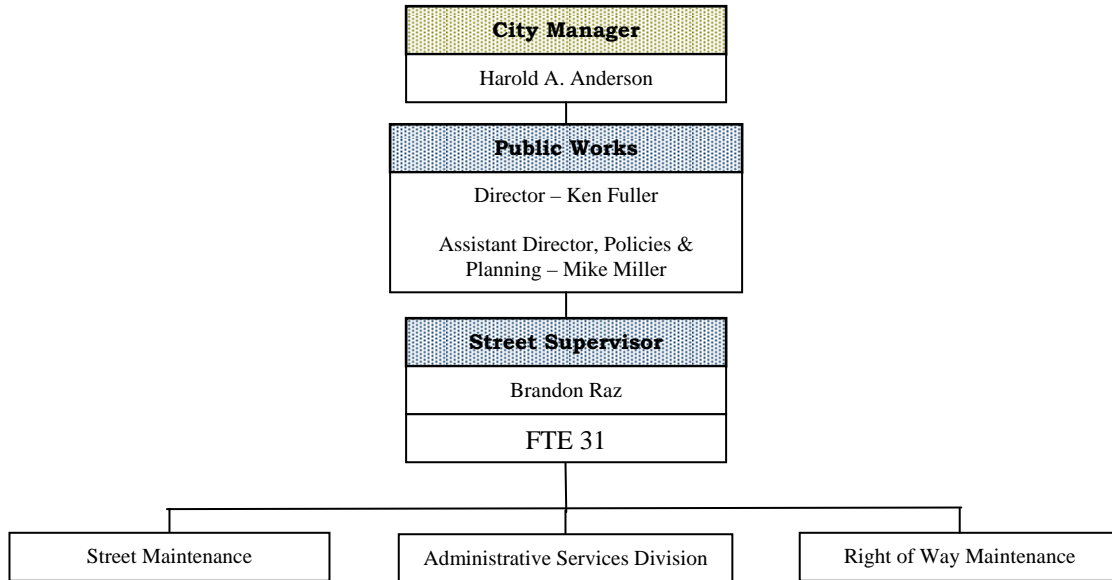
The Street Division is requesting two new positions in FY 2006-07.

Transportation Operations Fund

Resources	2003-04	2004-05	2005-06	2006-07		
	Actual	Actual	Adjusted Budget	Proposed Budget	Approved Budget	Adopted Budget
Working capital at July 1st	1,818,817	1,912,999	2,008,900	519,000	519,000	519,000
Current resources						
Transient room tax	581,950	652,995	-	-	-	-
Franchise taxes	1,679,561	1,716,847	415,300	465,300	465,300	465,300
License and permits	-	-	5,000	164,400	164,400	164,400
Intergovernmental revenues	3,107,949	3,572,152	4,042,700	3,986,700	3,986,700	3,986,700
Interest	14,571	29,480	60,000	32,000	32,000	32,000
Miscellaneous	31,027	97,412	30,000	20,000	20,000	20,000
Transfers from other funds	209,100	215,100	1,871,300	2,687,000	2,687,000	2,687,000
Total current resources	5,624,158	6,283,986	6,424,300	7,355,400	7,355,400	7,355,400
Total resources	7,442,975	8,196,985	8,433,200	7,874,400	7,874,400	7,874,400
Expenditures						
Expenditures	2003-04	2004-05	2005-06	2006-07		
	Actual	Actual	Adjusted Budget	Proposed Budget	Approved Budget	Adopted Budget
Administration Services	-	-	-	956,801	956,801	956,801
Street maintenance	4,527,137	5,064,876	6,722,496	5,362,520	5,362,520	5,362,520
Right-of-way maintenance	1,002,838	1,088,685	1,124,603	1,149,751	1,149,751	1,149,751
Stormwater services	-	56,339	-	-	-	-
Contingency	-	-	200,000	405,328	405,328	405,328
Total expenditures	5,529,975	6,209,900	8,047,099	7,874,400	7,874,400	7,874,400
Other requirements						
Unappropriated fund balance	-	-	386,101	-	-	-
Total requirements	5,529,975	6,209,900	8,433,200	7,874,400	7,874,400	7,874,400

Transportation Operations Fund

Department: **Public Works**



Transportation Operations

In addition to ongoing street maintenance the Public Works Department maintains winter sanding and plowing, seasonal landscape maintenance, sweeping services, street surface/sidewalk management, and traffic control.

Program Results:

- Overlay projects
- Chip seal project
- Street condition survey
- Tree survey
- ADA compliance projects

Performance Measures - Transportation Operations

	FY 03-04 ACTUAL	FY 04-05 ACTUAL	FY 05-06 TARGET	FY 06-07 TARGET
Output Measures				
Lane miles of chip seal	2.8	2.8	4.0	5.7
Lane miles of road overlays	7.6	10.7	11.4	11.0
Curb miles of street cleaned	35,000	53,074	50,000	35,000
Yards of cinders	5,228	3,283	8,000	3,500
Gallons of magnesium chloride	127,016	68,370	110,000	75,000
Painting of lines (miles)	585	N/A	600	600
Sign repaired / replaced	2,400	2,429	2,500	2,500
Catch basins cleaned	4,000	2,750	4,000	4,300

Performance Measures - continued

Effectiveness Measures

- % of lane miles in excellent or good condition
- % of road hazards responded to within 24 hours
- % of traffic control painting occurring within designated cycle (March 1 thru June 30)

Efficiency Measures

- Average cost per lane mile of road repaired (chip seal)
- Average cost per lane mile of road maintained in excellent condition (overlay)

FY 03-04 ACTUAL	FY 04-05 ACTUAL	FY 05-06 TARGET	FY 06-07 TARGET
72%	72%	74%	76%
	90%	95%	95%
90%	90%	90%	90%
30,609	24,881	16,395	16,000
61,400	63,081	66,792	65,000

FY 2005-2006 Accomplishments

- Completion of 52 street overlays totaling approximately 10.4 miles.
- Chip sealed 4.86 miles of street surfaces in partnership with Deschutes County.
- Crack sealed - 86,000 pounds of material used.
- Work in partnership with Deschutes County on weed control. Accomplished major gains in the effort to eliminate noxious weeds in public right of ways.
- Achieved major gains in controlling the weeds and landscaping along the Bend Parkway, which resulted in zero complaints in the summer of 2005.



Street Sander

FY 2006-2007 Goals and Objectives

- Rehabilitate/ replace the railings in the Franklin underpass in partnership with ODOT.
- Chip seal approximately 4 miles of streets in partnership with Deschutes County.
- Resurface (overlay) approximately 11 miles of streets.
- Continue a tree survey and hazard assessment of trees in the right of ways and on City-owned properties.
- Continue working to gain control of weeds in right of ways in partnership with Deschutes County.
- Develop a program with utility companies to ensure timely and proper street cut repairs.
- Continue to meet deadline spelled out in the Department of Justice settlement on ADA issues.
- Capital projects are detailed in the Supplemental Information section of this document under "Capital Improvement Program".

Capital outlay:

Equipment: \$ 400,000
Two Street Sanders

New Projects: \$ 1,330,000
Overlay Project
Sidewalk and Traffic Management Devices
Parking Accessibility

Administration Division

Expenditures	2003-04	2004-05	2005-06	2006-07		
	Actual	Actual	Adjusted Budget	Proposed Budget	Approved Budget	Adopted Budget
Personal services	-	-	-	312,901	312,901	312,901
Transfers	-	-	-	643,900	643,900	643,900
Total Administration Services	-	-	-	956,801	956,801	956,801

Street Maintenance Division

Expenditures	2003-04	2004-05	2005-06	2006-07		
	Actual	Actual	Adjusted Budget	Proposed Budget	Approved Budget	Adopted Budget
Personal services	1,401,627	1,541,134	1,734,796	1,646,720	1,646,720	1,646,720
Materials and services	942,391	672,029	1,350,300	1,055,000	1,055,000	1,055,000
Capital outlay						
Equipment	42,113	59,895	25,000	100,000	100,000	100,000
Vehicles	37,328	302,882	375,000	300,000	300,000	300,000
Other improvements	23,550	-	35,000	105,000	105,000	105,000
Street improvements	709,336	1,022,808	1,500,000	1,225,000	1,225,000	1,225,000
Debt service						
Principal - COP's	227,700	235,700	242,900	249,200	249,200	249,200
Interest - COP's	35,592	26,758	20,400	15,000	15,000	15,000
Transfers	1,107,500	1,203,670	1,439,100	666,600	666,600	666,600
Total Street Maintenance	4,527,137	5,064,876	6,722,496	5,362,520	5,362,520	5,362,520

Right-of-Way Maintenance Division

Expenditures	2003-04	2004-05	2005-06	2006-07		
	Actual	Actual	Adjusted Budget	Proposed Budget	Approved Budget	Adopted Budget
Personal services	581,543	516,556	422,403	429,751	429,751	429,751
Materials and services	421,295	572,129	702,200	720,000	720,000	720,000
Total Right-of-Way	1,002,838	1,088,685	1,124,603	1,149,751	1,149,751	1,149,751



◆ GOALS

- Sufficient funding for transportation improvement projects.
- Adequate SDC collection and development of alternative funding sources to supplement SDC's.

◆ ESSENTIAL REQUIREMENTS

- Updated Capital Improvement Plan (CIP) identifying transportation improvement projects, costs and timelines.
- Sufficient resources to fund transportation improvement needs.

◆ CURRENT TRENDS

- Increased project costs: With the Bend real estate and construction markets booming, construction and right-of-way costs have increased significantly. The City has identified many critical, long-term projects that will require over \$200 million of transportation improvements to span the next twenty years.
- Limited funding sources: Current SDC collections are not sufficient to cover the cost of needed projects.
- Increased scrutiny of expenditure of SDC fees collected: The City's new SDC methodology, which reflects current ORS laws, requires project costs to be apportioned between capacity enhancing (growth related) and existing deficiency. SDC improvement fees can only be spent on the capacity enhancing portion of a project. Existing deficiencies must be paid from SDC reimbursement fees and alternative funding sources.

◆ CRITICAL ISSUES - DISCUSSIONS & RECOMMENDATIONS

1. Issue – Sufficient funding and resources for transportation projects.

Discussion – As mentioned above, construction costs and right-of-way costs have increased significantly and continue to increase. SDC's alone do not cover the costs of needed improvements. The City implemented water and sewer franchise fees in FY 05/06 and dedicated those revenues to transportation improvement projects. The City has also pursued grant funds and continues to explore other funding alternatives.

The level of SDC assessed in FY05/06 for a single family dwellings is \$3,493. This fee was developed around 2002 based on estimated project costs of about \$190 million over a 25 year planning horizon. Current estimates of project costs over the same horizon are considerably higher. The level of SDC charged should be refined and evaluated on an on-going basis to ensure that the City is assessing a proper SDC.

Recommendations – Continue to explore alternative funding sources and evaluate SDC charged.

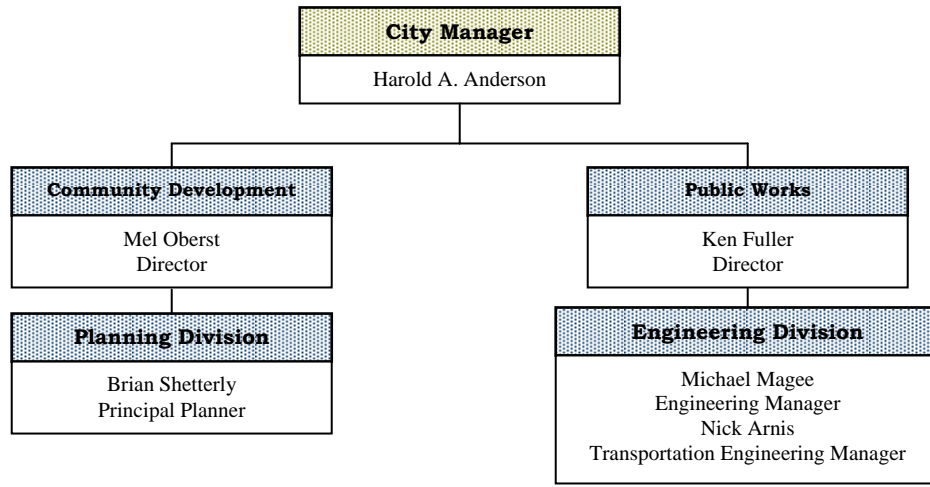
Fiscal Impact – Refinements and on-going evaluation of the SDC's and assessment of alternate funding sources will be done by Engineering and Finance staff using existing resources.

Transportation SDC Fund

Resources	2003-04	2004-05	2005-06	2006-07		
	Actual	Actual	Adjusted Budget	Proposed Budget	Approved Budget	Adopted Budget
Working capital at July 1st	7,295,928	6,649,840	5,915,100	6,136,900	6,136,900	6,136,900
Current year resources						
Franchise taxes	-	-	139,800	51,000	51,000	51,000
Intergovernmental revenues	-	327,158	2,990,000	2,509,800	2,509,800	2,509,800
Miscellaneous	7,740	10,309	8,700	32,400	32,400	32,400
Interest	118,669	353,692	49,300	417,000	417,000	417,000
Transfers from other funds	-	12,380	498,600	813,700	813,700	813,700
Sale of fixed assets	-	-	201,000	-	-	-
Debt proceeds	-	-	3,100,000	-	-	-
Private developer contribution	522,688	17,086	512,400	-	-	-
System development charges	5,388,013	6,415,433	6,216,000	7,416,000	7,416,000	7,416,000
Total current year resources	6,037,110	7,136,058	13,715,800	11,239,900	11,239,900	11,239,900
Total resources	13,333,038	13,785,898	19,630,900	17,376,800	17,376,800	17,376,800
Expenditures						
Expenditures	2003-04	2004-05	2005-06	2006-07		
	Actual	Actual	Adjusted Budget	Proposed Budget	Approved Budget	Adopted Budget
Materials and services	27,688	6,198	168,300	2,200	2,200	2,200
Capital outlay						
Street improvements	4,833,183	3,342,233	13,256,000	12,090,100	12,090,100	12,090,100
Debt service						
Principal	573,700	650,100	675,000	689,800	689,800	689,800
Interest	757,727	671,758	653,400	635,000	635,000	635,000
Transfers	490,900	1,582,509	1,303,900	490,300	490,300	490,300
Contingency			3,574,300	3,469,400	3,469,400	3,469,400
Total expenditures	6,683,198	6,252,798	19,630,900	17,376,800	17,376,800	17,376,800
Other requirements						
Unappropriated fund balance	-	-	-	-	-	-
Total requirements	6,683,198	6,252,798	19,630,900	17,376,800	17,376,800	17,376,800

Transportation SDC Fund

Department: **Public Works – Engineering**



The Transportation SDC Fund accounts for transportation improvements funded by system development charges (SDCs), grants and other resources. Revenues of this fund include Transportation SDCs, grants and water and wastewater franchise fees transferred from those respective funds. Expenditures are for transportation improvements identified in the Capital Improvement Program.

Activity:

The Transportation SDC is the primary resource the City of Bend uses to fund transportation infrastructure. The SDC is currently imposed at 85%, and is proposed to be at 100% on July 1, 2006. SDC improvement fees are expended on capacity enhancing capital improvements while existing deficiencies are funded by SDC reimbursement fees and other resources. The City implemented water and wastewater franchise fees in FY 05/06 which will be used to fund transportation projects.

FY 2005-06 Accomplishments:

For FY 05/06, major projects funded by transportation SDCs include the following:

- Mt Washington Bridge
- 15th Street extension
- Empire Avenue extension

The Transportation SDC fund also paid debt service of \$1.3 million and reimbursed developers approximately \$1.8 million for Master Plan improvements under the City's SDC reimbursement program.

FY 2006-07 Goals and Objectives:

Refer to the Supplemental Information section of this document under "Capital Improvement Program" for a detailed listing of projects included in the Adopted Budget.

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Public Transit Operations Fund

◆ GOALS

The principal goals for the City's transit are to operate a safe, efficient, customer-service oriented demand response system. In addition, City Council has asked staff to plan for adding a pilot fixed route project to assist with transitioning to a combined demand response and fixed route system.

The budget for FY 2006-2007 considers continuation of current demand response services only. Should City Council authorize the start of a pilot fixed route system, a budget amendment will likely be required.

◆ ESSENTIAL REQUIREMENTS

- Modern technology / effective scheduling
- Modern equipment and facility
- Acceptable staffing levels
- Quality customer service & dispatch
- Quality training program

◆ CURRENT TRENDS

- Increasing ride refusals (due to system capacity)
- Reduction in late cancellation rate
- Reduction in no-show rate
- Increasing demand for same day service.
- Increasing ridership
- Increasing contract revenue
- Increased maintenance, fuel and IT costs.

To capture true costs of the services provided to the Dial-A-Ride program by other City departments, an audit of actual costs was performed. This resulted in an increase in costs starting in July of 2004. An increase in the transfers for fuel and maintenance services, and an increase of in transfers for the information technology department has caused an increase in cost per mile, per trip and per hour of service.

◆ CRITICAL ISSUES / DISCUSSIONS & RECOMMENDATIONS

1. Issue – Respond to TSP remand issues.
Discussion - The primary responsibility to respond to the TSP remand issues lies with the Community Development Department (CDD). The Dial-A-Ride program has continued to work with CDD to resolve these issues.

- Identify planned transit trunk routes
- Identify planned major stops
- Identify rough cost estimates for transit facilities
- Adopt phasing and implementation strategy
- Adopt land use and subdivision regulations necessary to implement transit

Recommendations - Council to review options and provide direction in response to State remand issues.

Fiscal Impact – The City could lose federal and state funds, which account for the majority of this fund's revenue, if the remand issues are not resolved to the satisfaction of the State.

◆ ACTION PLAN CHOICES

Current Service Level

1. Issue – Current Demand Response system for General Public.

Discussion – The City of Bend currently operates 32,000 service hours per year on a demand response system. This system requires 24 hours advance notice prior to the trip. The service is scheduled first come, first served within the existing service hour capacity.

Recommendation - The City of Bend is currently considering other options for reorganizing service options to users of the Dial-A-Ride system. The changes being considered, that will be brought forward for council approval, are the development of a business plan for transit that includes a reduction in demand response service hours, inclusion of fixed route service hours, and possible fare increases.

Fiscal impact - The City of Bend currently has an operations contract for services performed with Paratransit Services. The contract rates provided in the RFP are assigned through this fiscal year. The amount indicated in the budget for this contract includes additional expenditures to add 3,000 service hours to the current 32,000. Funding is discussed in **Enhanced Service Level**, below.

2. Issue - Job Access Reverse Commute (JARC)

Discussion - The City of Bend currently has approval of two grants. The funds for this federal program are to be used in a way that transportation efforts are focused towards the welfare to work population. This is a tri-county project. The grant's total project costs allowed are \$898,000. This grant program requires a 50% match.

Recommendations - The City of Bend staff have been working with Commute Options of Central Oregon and the Department of Human Services to complete a plan for improving services to the welfare to work population.

A plan has been implemented that is focused on employment transportation. It includes a buy-down program for employer vanpools and fare subsidy for the City Dial-A-Ride services as well as improvements in ride share programs. These services would be performed by Commute Options, the tri-county resource for such services. Services are currently being provided to St. Charles Medical Center and Sunriver Resort.

Fiscal Impact - The Travel Demand management (TDM) projects identified in the grant agreement will authorize the City to purchase services for a total project cost of \$233,000. Commute Options of Central Oregon will provide the required match of \$116,500.

The remaining grant funds of \$665,000 from the Job Access Reverse Commute program may be used to implement future services. The City's match requirement will be \$332,500.

Enhanced Service Level

1. Issue - Discretionary Grant application to increase service hours to 35,000.

Discussion - The City of Bend has applied for operational grant assistance to provide additional service hours to meet demand. If awarded, the funding will cover 80% of the full operational costs for a two year period to increase service hours to 35,000 hours. This will allow the City to keep ride refusals at an acceptable level (less than 1%), until a new service option plan is adopted by the City Council.

Recommendations - City staff recommend that service changes be implemented to ensure compliance with the current grants received and implement 3,000 additional hours to reduce ride refusals.

Fiscal Impact - If the City of Bend is awarded the grant, the Dial-A-ride program will receive an additional \$64,100 in FY 06/07 to implement 3000 additional service hours.

2. Issue - Job Access Reverse Commute (JARC)

Discussion - As discussed previously, the City of Bend has approval of two JARC grants.

A portion of the grant funds can be used for shuttle operations or service development by the Dial-A-Ride program. Authorizing staff to proceed with the implementation of the grant's required scope of work will secure these funds targeted towards the transportation disadvantaged.

Fiscal Impact - The Travel Demand management (TDM) projects identified in the grant agreement will authorize the City to purchase services for a total project cost of \$78,000. Commute Options of Central Oregon will provide the required match of \$39,000.

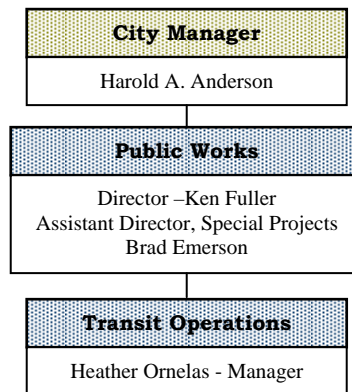
The remaining grant funds of \$820,000 from the Job Access Reverse Commute program may be used to implement future services. The City's match requirement will be \$410,000.

Public Transit Fund

Resources	2003-04	2004-05	2005-06	2006-07		
	Actual	Actual	Adjusted Budget	Proposed Budget	Approved Budget	Adopted Budget
Working capital at July 1st	297,653	523,973	579,700	142,900	142,900	142,900
Current year resources						
Transient room tax	145,690	163,319	-	-	-	-
Intergovernmental revenue	1,945,175	1,529,945	955,400	1,283,300	1,283,300	1,283,300
Charges for services	75,966	246,053	247,800	82,000	82,000	82,000
Interest	(745)	7,474	8,400	7,000	7,000	7,000
Miscellaneous	4,004	11	-	-	-	-
Transfers from other funds	-	10,265	520,000	1,138,000	1,138,000	1,138,000
Borrowing proceeds	-	-	-	-	-	-
Total current year resources	2,170,090	1,957,067	1,731,600	2,510,300	2,510,300	2,510,300
Total resources	2,467,743	2,481,040	2,311,300	2,653,200	2,653,200	2,653,200
Expenditures						
Expenditures	2003-04	2004-05	2005-06	2006-07		
	Actual	Actual	Adjusted Budget	Proposed Budget	Approved Budget	Adopted Budget
Personal services	82,933	84,683	93,194	95,895	95,895	95,895
Materials and services	1,033,460	1,417,221	1,481,300	1,421,000	1,421,000	1,421,000
Capital outlay						
Equipment	22,200	-	-	-	-	-
Vehicles	201,920	-	141,460	375,100	375,100	375,100
Debt service						
Principal - N/P General Fund	200,000	-	-	-	-	-
Transfers	403,255	443,638	518,400	687,800	687,800	687,800
Contingency			76,946	73,405	73,405	73,405
Total expenditures	1,943,768	1,945,542	2,311,300	2,653,200	2,653,200	2,653,200
Other requirements						
Unappropriated fund balance	-	-	-	-	-	-
Total requirements	1,943,768	1,945,542	2,311,300	2,653,200	2,653,200	2,653,200

Public Transit Operations Fund

Department: **Public Works**



Program: *Dial-A-Ride*

The current demand response program provides city-wide transportation to the General Public on a demand response basis. Hours of operation are Monday through Friday from first pickup of 7:15 AM until last pickup at 7:15 PM. Weekend services run from first pickup at 8:30 AM until last pickup at 4:15 PM. The service is closed the six major holidays of the year.



Activity:

Dial-A-Ride Bus

- Transit Services for the General Public
- Job Access/Reverse Commute Planning
- Student-Public Coordination Project
- Commute Options of Central Oregon
- Transportation Regional Stakeholder Committee Member
- Oregon Transit Association Member
- MPO Technical Team Member
- Developmental Disability Planning Committee
- State Transportation Funding Board Member
- Local Human Services Coordination Council
- Intelligent Transportation Planning

Performance Measures – Public Transit Operations

	FY 03-04 ACTUAL	FY 04-05 ACTUAL	FY 05-06 TARGET	FY 06-07 TARGET
Output Measures				
Total passengers transported	92,418	96,900	101,500	114,500
Hours of service provided	31,583	31,800	32,000	35,000
Ride refusals	732	200	500	400
Trips scheduled & canceled	32,825	37,800	43,400	32,700
No show passengers	3,799	4,700	5,900	4,475
Miles driven beginning to end of shift	305,589	306,600	306,700	336,400
Effectiveness Measures				
Passengers transported per hour	2.93	3.05	3.17	3.25
Passengers transported per mile	3.31	3.16	3.30	3.30
Average trip length	3.31	3.16	3.30	3.30
Average eligible riders	4,257	5,109	5,000	7,600
Efficiency Measures				
Operating cost per trip	\$9.79	\$11.83	\$10.87	\$12.41
Operating cost per hour	\$28.67	\$31.34	\$36.00	\$40.60
Operating cost per mile	\$2.96	\$3.08	\$3.54	\$4.22
Fare box recovery percentage	7.1%	6.8%	7.5%	5.77%

Note:

1. Operating costs include labor, fuel, insurance, repair and maintenance
2. Decrease in “charges for services” income due to the loss of OMAP ride center.

FY 2005-2006 Accomplishments

- Updated annual Disadvantaged Business Enterprises (DBE) goal for transit.
- Ridership record established in calendar year 2005 of 104,866 passengers.
- Rider compliant rate of .05% for all rides
- Provided transit service alternatives to the City Council with the failure of the transit district ballot measure.
- Completed analysis of draft fixed route pilot plan and provided recommendations to City Council.
- Extended contract for service operations to *Paratransit Services* for two years

FY 2006-2007 Goals and Objectives

- Implement a pilot fixed route system
- Continue to provide demand response services at current levels for qualified riders
- Secure Federal 5309 capital grants to replace vehicles for the next five years.
- Complete implementation of the Tri-county Job Access/Reverse Commute project plan serving the low income population in the three county area.
- Reduce reliance on the general fund
- Implement policy changes to ensure effective use of resources.

Capital Outlay

Three Replacement Vans (5309 & 5310 Grants) \$ 375,100.

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◆ GOALS

Long Term Water

Due to the growth the City has seen since the early 1990's through today, and given the expansion potential of the Urban Growth Boundary, the City is in need of acquiring additional groundwater permits to supply future citizens of Bend.

◆ ESSENTIAL REQUIREMENTS

- Surface and groundwater production
- Disinfection
- Reservoir operations
- Water conservation
- Deschutes Basin public outreach and mitigation
- Former Juniper Utilities
- Customer service
- Consumer confidence reports

Increases in customer population create an additional demand for water supply in the community. The rapid pace of growth in the City will require additional groundwater permits to be obtained from the Oregon Water Resources Department (OWRD) and an effective conservation program to manage peak summer water demands. The additional groundwater permits will require the City to obtain additional mitigation credits to meet these future demands. Part of this process is educating the community on the unique nature of the Deschutes Basin and participating in basin management issues.

◆ CURRENT TRENDS

- Rapid population growth - The City continues to experience tremendous growth. The number of water service connections has grown by 41.4% over the last five years. In FY 05-06 the growth rate was 5.36%. It is anticipated this rate of annual growth will continue.
- Awareness campaigns for metering and conservation have flattened summer peak day demand. The City did not exceed 26 million gallons (MG) per day of water usage until summer 2005 at which time the system peaked at 27 MG.

This increase is directly attributable to growth. New water conservation technology is being considered which should further extend current water supplies.

- Increased demand for water conservation information.
- Increased demand for Deschutes Water Alliance participation to create basin-wide water management plan.
- Increased fire suppression water demands, water quality testing, and security/emergency response.
- Increased watershed issues including fire and new water quality testing of our surface water supply.
- Increased infrastructure costs to rectify the former Juniper Utility deficiencies.

◆ CRITICAL ISSUES / DISCUSSIONS & RECOMMENDATIONS

1. Issue - Water Rights / Mitigation

Discussion - This past year the City successfully obtained an extension of its Lava Island water right. This extension provided approximately 10 years of additional water supply. Legislation passed this year now matches water use planning for cities with land use planning. This requires the City to have a 20 year water supply to meet new growth. In addition to this planning requirement, legislation was passed for the water mitigation program implemented by OWRD. This legislation allowed water right applications filed by the City in 1992 to move forward to the permitting phase. These applications will accommodate the City's water supply needs until 2030, depending upon growth. Once approved, the City will be required to incrementally mitigate for these applications with OWRD determining the final quantity of mitigation. The City is continuing to work with the Deschutes Water Alliance, as well as a Deschutes Basin Consensus group, to develop a long range water management program for the entire basin. The results of these efforts will be used to determine the future of the mitigation program.

Recommendations - Continue efforts to educate the community on Deschutes Basin issues, while at the same time participating in Deschutes Water Alliance (DWA).

Fiscal Impact – Currently, cost estimates to acquire mitigation water varies from \$1,500 per acre to \$5,000 per acre. WRD has stated that the City needs to acquire approximately 1,200 on-ground acres to meet future needs. However, this number is still under review by the WRD. The City has acquired 180 acres of water rights from urbanized lands.

2. Issue - Management and upgrades of the former Juniper Utilities Company

Discussion – The former Juniper Utility continues to improve year to year as new infrastructure is put into place. The City continues to expend a great deal of resources on upgrading and operating the former Juniper Utility Company. The court proceedings for the condemnation lawsuit were in the Fall of 2005 and the City is still waiting for the final decision from the court.

Recommendations - Continue system upgrades to the piping system to increase reliability, safety and to reduce labor costs.

Fiscal Impact – Budgeted capital expenditures for FY 06/07 are \$275,000.

3. Issue - Conversion to Automated Meter Reading (AMR)

Discussion - The City will continue to work on the conversion to AMR and will complete all commercial accounts in 06/07. In addition, the City will begin to convert residential meters to AMR in 06/07. This will be a five to seven year project.

Recommendations – Continue the process of converting existing meters to AMR.

Fiscal Impact – In FY 2006/07 the conversion program is \$600,000. Total conversion costs, including backflow prevention device and thermal expansion tank installation on residential services, is \$8.1 million.

4. Issue – Rates and SDC Analysis Study

Discussion – The water and wastewater SDC's were established in 1991. Implementation of a new SDC will help ensure that growth is paying for growth. Following behind the SDC analysis, the City will be updating the water and wastewater 5-year rate study that was completed in 2003. This will help ensure the continuation of high quality water and the ability of the City to meet the demands of growth.

Recommendations – The City is currently contracted with a consultant to address SDC's. New SDC's are to be implemented by January 2007. A new 5-year water rate plan should be ready to implement in July 2007.

Fiscal Impact – Water rates will need to be increased 5% in FY 06/07. Rate increases in following years will be dependent of the SDC analysis.

♦ **ACTION PLAN CHOICES**

Current Service Level

This service level provides a relative high level of service, while maintaining our infrastructure based on modern best management practices.

Enhanced Service Level

An enhanced level of service would allow the City to perform a more aggressive old-line replacement program; system wide line flushing and valve exercising program, installation of cross connection control devices on residential services on a fast tracked time schedule; and a significantly increased public education and awareness campaign. Water rates would need to be significantly increased to fund this level.

♦ **STAFFING**

One new water utility worker is being requested in 06/07. The staff increase is needed to cover the maintenance of the additional infrastructure, basic annual line flushing and valve exercising program.

♦ **CHANGES TO BUDGET PRIOR TO ADOPTION:**

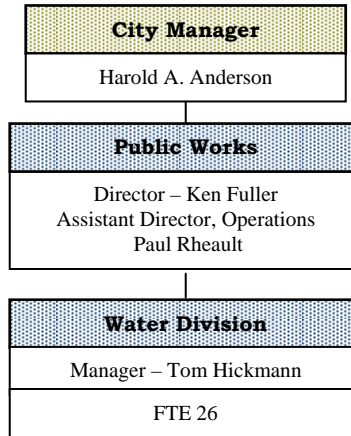
On the recommendation of staff, City Council reduced the Water Fund budget that was approved by the Budget Committee by reducing the Reserve for Future Construction \$5,616,300 to accommodate the estimated liability for the Juniper Utility verdict that is likely to be paid before June 30, 2006.

Water Fund

Resources	2003-04	2004-05	2005-06	2006-07		
	Actual	Actual	Adjusted Budget	Proposed Budget	Approved Budget	Adopted Budget
Working capital at July 1st	5,889,989	7,171,575	7,451,300	8,257,200	8,257,200	2,640,900
Current year resources						
Intergovernmental revenue	32,281	7,313	-	-	-	-
Utility franchise fee	-	-	-	290,300	290,300	290,300
Flatrate sales	387,710	86,612	36,200	39,000	39,000	39,000
Metered sales	6,554,732	7,611,842	8,586,500	9,313,300	9,313,300	9,313,300
Irrigation sales	233,648	253,057	-	271,300	271,300	271,300
Charges for services	870,265	723,816	1,182,400	1,079,800	1,079,800	1,079,800
Interest	83,392	185,453	189,300	284,100	284,100	284,100
Sale of fixed assets	-	750	-	-	-	-
Miscellaneous	32,547	30,658	17,900	49,100	49,100	49,100
System development charges	3,138,069	3,137,223	3,339,900	3,760,000	3,760,000	3,760,000
Total current year resources	11,332,644	12,036,724	13,352,200	15,086,900	15,086,900	15,086,900
Total resources	17,222,633	19,208,299	20,803,500	23,344,100	23,344,100	17,727,800
Expenditures						
Expenditures	2003-04	2004-05	2005-06	2006-07		
	Actual	Actual	Adjusted Budget	Proposed Budget	Approved Budget	Adopted Budget
Personal services	1,699,118	1,763,032	2,137,395	2,247,023	2,247,023	2,247,023
Materials and services	1,648,397	1,884,088	3,037,000	3,480,700	3,480,700	3,480,700
Capital outlay						
Utility Condemnation			4,489,505	-	-	-
Equipment	231,186	93,141	144,400	30,000	30,000	30,000
Vehicles	150,854	104,093	60,000	80,000	80,000	80,000
System improvements	3,784,462	3,760,550	7,858,000	7,631,500	7,631,500	7,631,500
Debt service - Principal						
Revenue bonds	180,000	820,000	145,000	155,000	155,000	155,000
Debt Service - Interest						
Revenue bonds	226,647	189,067	174,000	168,000	168,000	168,000
Transfers	2,130,399	2,157,612	2,435,500	2,258,300	2,258,300	2,258,300
Contingency			-	667,077	667,077	667,077
Total expenditures	10,051,063	10,771,583	20,480,800	16,717,600	16,717,600	16,717,600
Other requirements						
Reserved future construction	-	-	-	6,303,500	6,303,500	687,200
Bond debt reserve	-	-	322,700	323,000	323,000	323,000
Unappropriated fund balance	-	-	-	-	-	-
Total other requirements	-	-	322,700	6,626,500	6,626,500	1,010,200
Total requirements	10,051,063	10,771,583	20,803,500	23,344,100	23,344,100	17,727,800

Water Fund

Department: **Public Works**



The Water Division currently provides an annual average of 11.79 million gallons per day (mgd) of some of the highest quality water in the State to our customers. In the past five years the City won the best tasting surface water award from the Oregon Association of Water Utilities. In 2005, the best tasting surface and ground water awards in the State were awarded to Bend. The Division has the primary responsibility to maintain repair and expand the water system, while at the same time providing a dependable water supply of the highest quality to its customers.

Program Results

- Watershed Protection
- Source Water Production
- Disinfection
- Reservoir Operations and Maintenance
- Distribution Operations and Maintenance
- Water Service Operations and Maintenance
- Pump Station Operations and Maintenance
- Capital Improvement



**City of Bend Watershed at
Tumalo Falls**

Performance Measures - Water Operations

Output Measures

Surface/groundwater produced
Reservoir capacity
Lineal feet of new water mains installed
Average number of service orders per month
Average number of work orders per month
Number of service leaks investigated per year
Number of water quality complaints received
Number of meters installed

	FY 03-04 ACTUAL	FY 04-05 ACTUAL	FY 05-06 TARGET	FY06-07 TARGET
Surface/groundwater produced	4,302 mg	3,765 mg	4,196 mg	4,317 mg
Reservoir capacity	25 mg	25 mg	28.79 mg	28.79 mg
Lineal feet of new water mains installed	85,000	142,506	155,000	157,000
Average number of service orders per month	1,103	1,996	2,190	2,409
Average number of work orders per month	63	68	127	194
Number of service leaks investigated per year	55	75	75	75
Number of water quality complaints received	18	10	10	10
Number of meters installed	3,329*	4,410**	2,475	3,000

Performance Measures - continued

Effectiveness Measures

- Reduction in peak day usage per person per day
- % of unaccounted water
- Number of main breaks per mile of main line

Efficiency Measures

- Average number of service orders per employee per month

FY 03-04 ACTUAL	FY 04-05 ACTUAL	FY 05-06 TARGET	FY 06-07 TARGET
1%	2.7%	1%	1%
6.5%	6.5%	5.5%	5%
0.05	0.02	0.01	0.01
366	499	730	803

* Includes conversion of un-metered services to metered service

** Includes conversion of un-metered Juniper customers to metered service

FY 2005-2006 Accomplishments

- Completed the installation of a new 30-inch transmission main in Mt. Washington.
- Completed the installation of a 12-inch water main in the new NE 15th Street alignment, from Bear Creek to Hwy 20.
- Replaced submersible well pumps/motors with line shaft turbines which will increase system reliability and electrical efficiency (Pilot Butte #2, and Rock Bluff #1).
- Completion of new pump station at Murphy Road.
- Metered the former Juniper Utilities irrigation system.
- The retrofit of two-thirds of all the commercial meter accounts to AMR.
- Refurbished domestic wells in the former Juniper Utility and the Westwood well.
- Utilized divers for reservoir cleaning and inspection.
- Installed new telemetry throughout the system including remote operation of chlorine adjustments at the Outback facility and two remotely operated valves.
- Testing of residential backflow devices.
- Replacement of approximately 40 leaking and non-functioning valves in the former Juniper Utility.

FY 2006-2007 Goals and Objectives

- Complete the installation of reservoir Outback #3 (3.79 million gallon capacity).
- Complete Outback Wells #5 and 6.
- Continue upgrades of telemetry to reduce overtime.
- Implementation of new SDC analysis.
- Complete calibration of system model and utilize model to satisfy new EPA Disinfection Byproducts Rule.
- Installation of a 12-inch water main from Murphy Pump Station to Shiloh Well to increase fire flow capabilities in the former utility.
- Installation of 16-inch transmission main on Archie Briggs (Wyndemere transmission main) providing a critical east to west link for our northern service area.
- Installation of a new 16-inch water main as part of the Newport Bridge replacement project improving delivery of water from the west to east side of town.
- Complete master plan for airport water facilities and complete Airport Well #3.
- Extension of 12-inch water main on Cooley Road from Boyd Acres to Juniper Ridge.
- Feasibility study of new storage and source for the former Juniper Utility.
- Complete AMR retrofit to all commercial accounts and begin residential retrofit. As part of the residential retrofit, install backflow and expansion tanks to improve system safety and reliability.
- Provide outstanding customer service.
- Capital projects are detailed in the Capital Improvement Plan projects.

Capital outlay:	TOTAL	\$ 7,741,500
Equipment:		80,000
Repair Truck and Boom		
Repair & Maintenance Projects		1,935,000
Continuing Projects:		4,711,000
New Projects:		557,000
Storage Off of South Century Drive, Feasibility Study		
South Area Reservoir (Study and Design)		
Cooley Rd. Transmission Main (Boyd Acres to Juniper Ridge)		
Newport Ave 16" Water Line Extension		
In-house Engineering transfers		458,500



Water Reclamation Fund

◆ ESSENTIAL REQUIREMENTS

- Wastewater plant operations
- Biosolids operations
- Capital Improvement Plan project management
- Septage receiving and handling
- Wastewater facility maintenance
- Sewer line operation & maintenance
- Pump station operations & maintenance
- Sewer line televising
- Sewer line root and odor control
- Customer assistance
- Industrial pretreatment program

The City of Bend is required by state and federal law to operate the Water Reclamation Facility (WRF) and associated sewer collection system. We are required to meet specific limits designated by our Water Pollution Control Facility (WPCF) permit issued by the Department of Environmental Quality (DEQ). The staff and plant have successfully met these limits. However, each passing year brings with it more growth and more stress on our wastewater infrastructure. As our system reaches capacity the ability to effectively operate and maintain it becomes an ever increasing challenge.

The Level IV effluent reuse facility is consistently producing high quality irrigation water for the Pronghorn Development Group. We are seeing increases in the quantity of Level IV water being delivered to Pronghorn. We anticipate this trend to continue in FY 06-07 as both the Fazio golf course as well as the Nicklaus golf course is expected to be in operation.

The size of our sewer collection system and the number of pump stations continue to increase rapidly due to growth.

The Industrial Pretreatment Program (IPP) is moving ahead with the Oregon Department of Environmental Quality (OR-DEQ) and United States Environmental Protection Agency (US-EPA) mandated IPP Program slated for full implementation on or before July 1, 2007. The Wastewater Division is on track with meeting this deadline.

◆ CURRENT TRENDS

Rapid population growth – The number of sewer connections within the City has increased almost 40% since 2002 to a sizeable customer base of over 22,000. Future growth of the wastewater system will be driven by new residential development, commercial/industrial growth, and by providing sewer services to unsewered areas.

- Flow is expected to increase into the Water Reclamation Facility with the continued increase in sewer connections.
- Addition of new pump stations to the sewer collection system.
- Lines and pump stations extending to the far reaches of our service area.
- Increasing odor and corrosion in sewer collection system.
- Increasing requirements for line cleaning.
- Increasing requirements for line televising.
- Expansion and upgrade of the Water Reclamation Facility.
- Sewer collection system computer model indicates over a dozen trouble spots are present within the sewer collection system.

Growth is causing an increase in flow rates at the Water Reclamation Facility. It has also dramatically increased the number of pump stations and amount of sewer lines in the collection system. The addition of new pump stations has increased maintenance requirements and travel time for site visits. A new Collection System Master Plan (CSMP) is taking into consideration the need to reduce the number of pump stations and pressure lines within the City. Other issues that accompany the increasing flow rates, pump stations and sewer lines are discussed below.

◆ CRITICAL ISSUES / DISCUSSIONS & RECOMMENDATIONS

1. Issue – Collections System Master Plan.

Discussion – The existing sewer master plan is not adequate enough to deal with the pace of growth in Bend. The volume of pump stations and pressure mains outlined in the existing plan will result in a higher long term operations and maintenance cost and limit our abilities to provide sewer services beyond the current UGB. A shift towards less pump stations, or to regional pump stations, in addition to gravity mains instead of pressure mains, will benefit the City financially and improve our ability to deal with an organized growth plan. As our sewer system expands into outlying areas it is imperative that the City maintain sufficient staffing and resources to address sewer maintenance needs. Inadequate maintenance could lead to increased equipment failure and the resulting overflow of a pump station or backup of sewer lines which increases the potential for public safety and health issues, damage to structures, and increased insurance claims.

Recommendations – Complete the new Collections System Master Plan (CSMP) early in FY 06-07 in order that sewer services may gain some ground with growth while minimizing long term risk and cost. Begin the consulting effort in addressing the collection of sewer flows from Southeast Bend, Juniper Ridge, and the construction of a second main line from the Water Reclamation Facility to a point in Northeast Bend. In addressing the above the consultant will make every effort to divert as much sewer flow from the downtown corridor as possible.

Fiscal Impact - The CSMP will include a financial analysis portion. Presently we are estimating \$68 Million needs to be spent on sewer collection system improvements within the next five years.

2. Issue - Production of Level IV effluent reuse water

Discussion – The Level IV effluent reuse facility has operated well over the past two irrigation seasons. The addition of ammonia to the facilities contact basin influent continues in order to aid the disinfection process.

Recommendations – A permanent ammonia feed system will be installed to ensure proper delivery of ammonia for our disinfection process.

Fiscal Impact – We anticipate the selected method of ammonia addition to cost \$100,000.

3. Issue – The development of a Facilities Plan for the Water Reclamation Facility (WRF)

Discussion - Growth in the City continues to result in increased flows to the WRF and consume the WRF's excess capacity. The existing facility is 25 years old and will need to be evaluated and have plans drawn up to prepare it for the next 25 years. In addition, the potential exists for DEQ to enforce stricter nitrogen limits in future permits. If these limits are increased, the treatment technology employed at the WRF will also have to increase.

Recommendations – Contract with a consulting firm experienced in the completion of facilities plans and complete plans that will cover the City's needs until 2030. Twenty percent of this plan has already been completed by Vision Engineering in FY 05-06. Continue with design and construction of a new Headworks Facility in FY 06-07.

Fiscal Impact – At present we are looking at WRF improvements estimated at \$38 Million over the next 20 years. This cost covers process units only. The facilities plan will review these process unit ideas as well as all other areas of wastewater operations and services. Continuation of the Headworks Project in FY 06-07 will cost \$2.5 Million.

4. Issue - Odor and corrosion issues in Collection System.

Discussion – The large number of pump stations, especially the individual home stations, and extension of sewer lines to outlying areas has created a problem of sulfide bacteria build-up in pump station wet wells and sewer lines. Bacteria within the sewer system produce sulfide gas, which creates odor and corrosion problems. Due to citizen complaints and infrastructure deterioration, we must continue an aggressive program of odor control.

Recommendations – Conduct an odor control evaluation of the collections system. Continue the use of the chemical, Bioxide, in strategic locations throughout the community. Also, continue with the use of activated carbon, soil filters, and an ozone misting devices in some of our wet wells.

Fiscal Impact – The cost of bioxide addition at the pump stations is estimated to be \$100,000 per year. Activated carbon, soil filter media and replaceable carbon filter products cost another \$20,000.

5. Issue – SDC Rate Analysis study.

Discussion - The existing sewer SDC rate was established in 1991. Implementation of the new SDC rate will help ensure the continuation of high quality wastewater treatment and the ability of the City to meet the demands of growth.

Recommendations - The City is currently contracted with a consultant to address SDC's. New SDC's are to be implemented by January 2007.

Fiscal Impact - The Wastewater Division has budgeted \$25,000 in FY 06-07 to complete the SDC analysis.

6. Issue - Biosolids Handling Improvements.

Discussion - The main by-product of the wastewater treatment process is the production of solids. When treated properly, these solids serve as a soil amendment resource for local agricultural landowners. The ability for staff to treat solids properly depends heavily on the reliability of solids treatment equipment.

Recommendations - Complete phase II of the solids handling improvement project by installing supplementary systems for our belt filter press which was installed in phase I of the solids handling project.

Fiscal Impact - The installation of supplementary systems for solids dewatering are estimated at \$683,000.

7. Issue - Computerized Maintenance Management System (CMMS)

Discussion - A CMMS is a computerized system designed to assist with the effective management of maintenance activities through the application of computer technology. It generally includes modules such as work orders, asset register, spare parts, bill of material, asset inspections, preventive maintenance, and customer reported problems and reports.

Recommendations - Hire a consultant to guide the City through a needs assessment/business process review for the purchase and implementation of a CMMS package.

Fiscal Impact - The estimated cost for consulting and software purchase is \$100,000. The Water Division will also share all costs with Wastewater.

◆ **STAFFING REQUESTS**

The Wastewater Division is requesting four new staff members.

Due to the growth of our wastewater infrastructure and the age of existing facilities and equipment, it is necessary for our division to increase our maintenance staff. The anticipated addition of a Computerized Maintenance Management System will increase the amount of preventive, predictive, and corrective maintenance work needed in order to protect the City's infrastructure investments. The

Wastewater Division is requesting one Plant Mechanic be hired for this purpose.

The major area of growth in the Wastewater Division is in the sewer collection system. We anticipate making major investments this year in collections system staff and equipment. Our division is requesting two System Maintenance staff members in FY 06-07. This additional staff will allow us to meet the increased needs of our sewer collection system.

◆ **ACTION PLAN CHOICES**

Current Service Level

This service level would allow the treatment plant to continue operation at a level that would meet State and Federal requirements and produce Level IV water for reuse. Maintenance will continue to be negatively impacted due to no CMMS and limited maintenance staff. Collections staff will only be able to deal with new construction, pump station emergencies, and sewer line trouble spots.

Enhanced Service Level

This service level would allow for a more proactive and aggressive preventative maintenance program for both the Treatment Plant and Collections Systems. It would increase dependability, and reduce equipment failure and future replacement costs. It would also allow for an increased amount of line cleaning and inspection, which would reduce stoppages and the potential for property damage or health issues. This service level also includes the additional manpower requirements needed to address the multitude of wastewater projects anticipated over the next twenty years. The addition of two engineers to our Engineering Division, specifically for the Water and Wastewater projects, would help ensure the successful completion of future projects

◆ **CHANGES TO BUDGET PRIOR TO ADOPTION:**

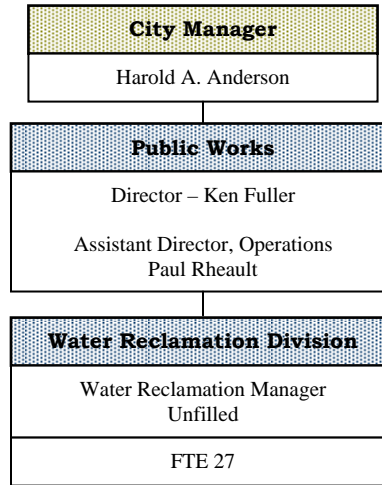
On the recommendation of staff, City Council reduced the Water Reclamation Fund budget that was approved by the Budget Committee by reducing the Reserve for Future Construction \$1,549,000 to accommodate the estimated liability for the Juniper Utility verdict that is likely to be paid before June 30, 2006.

Water Reclamation Fund

Resources	2003-04	2004-05	2005-06	2006-07		
	Actual	Actual	Adjusted Budget	Proposed Budget	Approved Budget	Adopted Budget
Working capital at July 1st	5,592,230	5,637,381	6,856,100	8,540,500	8,540,500	4,656,800
Current year resources						
Utility franchise fee	-	-	-	273,400	273,400	273,400
Charges for services	6,575,725	7,698,651	8,206,600	9,168,400	9,168,400	9,168,400
Interest	73,967	159,998	127,900	300,500	300,500	300,500
Miscellaneous	68,332	125,091	20,200	39,600	39,600	39,600
Transfers from other funds	-	273,000	389,000	210,000	210,000	210,000
System development charges	2,611,583	2,927,884	2,877,500	3,182,000	3,182,000	3,182,000
Proceeds long-term debt	-	-	8,000,000	-	-	2,334,700
Total current year resources	9,329,607	11,184,624	19,621,200	13,173,900	13,173,900	15,508,600
Total resources	14,921,837	16,822,005	26,477,300	21,714,400	21,714,400	20,165,400
Expenditures						
	2003-04	2004-05	2005-06	2006-07		
	Actual	Actual	Adjusted Budget	Proposed Budget	Approved Budget	Adopted Budget
Personal services	1,469,976	1,622,939	1,967,204	2,182,016	2,182,016	2,182,016
Materials and services	1,419,091	1,426,484	2,703,100	2,163,600	2,163,600	2,163,600
Capital outlay						
Utility Condemnation			3,196,496	-	-	-
Equipment	139,618	217,942	451,000	630,000	630,000	630,000
Vehicles	245,234	56,835	47,000	560,000	560,000	560,000
System improvements	2,240,973	1,203,902	5,596,000	9,801,000	9,801,000	9,801,000
Debt Service - Principal						
Notes payable	11,754	11,807	11,900	12,000	12,000	12,000
Sewer revenue bonds	635,000	1,290,000	630,000	740,000	740,000	740,000
Debt Service - Interest						
Notes payable	12,490	12,138	12,000	12,000	12,000	12,000
Sewer revenue bonds	741,726	686,493	658,600	536,000	536,000	536,000
Other Financing Use			8,000,000	-	-	-
Transfers	2,368,600	2,218,277	2,320,100	2,637,700	2,637,700	2,637,700
Contingency			-	369,584	369,584	369,584
Total expenditures	9,284,462	8,746,817	25,593,400	19,643,900	19,643,900	19,643,900
Other requirements						
Reserved future construction	-	-	-	1,549,000	1,549,000	-
Bond debt reserve	-	-	883,900	521,500	521,500	521,500
Unappropriated fund balance	-	-	-	-	-	-
Total other requirements	-	-	883,900	2,070,500	2,070,500	521,500
Total requirements	9,284,462	8,746,817	26,477,300	21,714,400	21,714,400	20,165,400

Water Reclamation Fund

Department: **Public Works**



Program Results

- Water Reclamation Facility Operations & Maintenance
- Solids / Biosolids Handling
- Septage Handling
- Sewer Line Operation & Maintenance
- Pump Station Operation & Maintenance
- Industrial Pretreatment Program
- Capital Expansion
- Project Management
- Administrative & Support Services

Performance Measures – Wastewater

	FY 03-04	FY 04-05	FY 05-06	FY 06-07
	ACTUAL	ACTUAL	TARGET	TARGET
Output Measures				
Miles of sewer line cleaned	63.6	55	*27	60
*FY 05-06 Impacted by numerous sewer emergencies				
Miles of sewer line inspected	39	40	*30	45
* FY 05-06 Impacted by numerous sewer emergencies				
Average daily flow (Mg/D)	4.87	5.02	5.17	5.3
Annual pounds septic waste (Million Lbs)	17.9	18.45	18.64	18.8
Effectiveness Measures				
Annual dry tons of biosolids hauled to ranch land	1,255	1,296	1384	1400
% of customer odor complaints followed up within 24 hours	100	100	100	100
Efficiency Measures				
Average number of service orders per employee	135	145	168	150
Worker hours per gravity/pressure unplug	272	280	280	250
Worker hours per pump station for maintenance	5,128	5,200	5,441	5800

FY 2005-2006 Accomplishments

- Significantly increased the amount of Level IV reuse water pumped to Pronghorn and treated by our Effluent Reuse Facility.
- Continued to meet effluent water requirements outlined in our DEQ-WPCF Discharge Permit.
- Successfully completed major upgrades to the Westside Pump Station.
- Met DEQ/EPA guidelines for Biosolids disposal.
- Transitioned Industrial Pretreatment Program operations into Wastewater Division after previously being assigned to Laboratory Division.
- Successfully installed new Belt Filter Press (BFP) and associated equipment.
- Added three new pump stations to the collections system.
- Phases I & II of the Collection System Master Plan was completed.
- Responded to numerous storm events and minimized public and private damage to property.
- Engineered a solution to isolate Riviera Apartment complex from the Westside Pump Station.
- Engineered a solution to isolate Drake Road neighborhood during storm events.

FY 2006-2007 Goals and Objectives

- Optimize solids dewatering process upon completion of Phase II of our Solids Handling Construction.
- Optimize effluent disinfection process by evaluating ammonia and chlorine injection points.
- Complete final design and begin construction on new Headworks facility.
- Complete phase 3 of the Sewer Master Plan. This plan will set the stage for the future management, operation, and maintenance of our collection system. The plan will better prepare the City for the upcoming Federal Capacity, Management, Operations and Maintenance (CMOM) requirements.
- Upgrade the Wyndemere pump station.
- Begin design work on collection system improvements.
- Continue to meet deadlines imposed by DEQ on the implementation of our Industrial Pretreatment Program.
- Start work on Facilities Plan and install Computerized Maintenance Management System
- Capital projects are detailed in the Supplemental Information section of this document under “Capital Improvement Program”.

Capital outlay:	TOTAL	\$ 10,991,000
Equipment:		1,220,000
Vactor/TV Van		
Communication Equipment		
Equipment Replacement Upgrades		
Computerized Maintenance Management System (CMMS)		
Generators		
WRF Telemetry/SCADA/Operational Software upgrade(s)		
Repair & Maintenance Projects		335,000
Continuing Projects:		5,993,000
New Projects:		3,020,000
Secondary Expansion		
Water Reclamation Facilities Plan		
Trunk Sewers & Regional Pump Station Interceptors		
Drying Bed Expansion		
In-house Engineering transfers		423,000



◆ GOALS

The goals for the cemetery are to provide a peaceful, serene environment and a beautifully landscaped setting, in a cost effective manner.

◆ ESSENTIAL REQUIREMENTS

- Maintain cemetery landscaping
- Update irrigation system
- Maintain acceptable seasonal staffing levels

The cemetery is currently maintained to high standards. Staff believes it is important to the community to have a clean, well maintained cemetery. Updating of the irrigation system will allow for reductions both in water usage as well as labor. Seasonal labor in the cemetery is a relatively inexpensive way to maintain the landscaping at current levels.

◆ CURRENT TRENDS

- Increasing service demands

◆ CRITICAL ISSUES /DISCUSSIONS & RECOMMENDATIONS

None

◆ ACTION PLAN CHOICES

Current Service Level

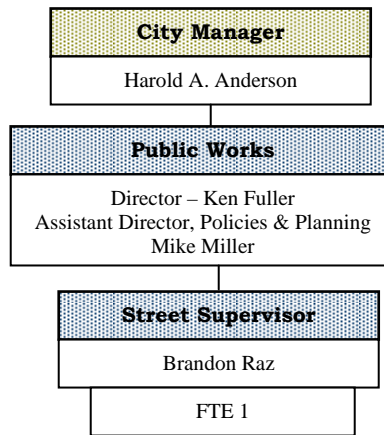
This service level would allow the cemetery to maintain status quo. Burials could continue to be scheduled in a timely manner and landscaping would be maintained to high standards.

Cemetery Fund

Resources	2003-04	2004-05	2005-06	2006-07		
	Actual	Actual	Adjusted Budget	Proposed Budget	Approved Budget	Adopted Budget
Working capital at July 1st	507,374	502,703	541,600	458,900	458,900	458,900
Current year resources						
Charges for services	102,005	97,023	85,000	71,600	71,600	71,600
Interest	5,609	12,009	14,000	19,000	19,000	19,000
Transfers from other funds	-	35,000	-	-	-	-
Permanent maintenance	12,139	20,559	22,100	18,500	18,500	18,500
Total current year resources	119,753	164,591	121,100	109,100	109,100	109,100
Total resources	627,127	667,294	662,700	568,000	568,000	568,000
Expenditures						
Expenditures	2003-04	2004-05	2005-06	2006-07		
	Actual	Actual	Adjusted Budget	Proposed Budget	Approved Budget	Adopted Budget
Personal services	23,877	14,068	70,881	77,270	77,270	77,270
Materials and services	16,868	20,348	38,900	44,200	44,200	44,200
Capital outlay						
Equipment	6,179	12,041	23,000	35,000	35,000	35,000
Transfers	77,500	87,285	54,900	34,100	34,100	34,100
Contingency			6,519	-	-	-
Total expenditures	124,424	133,742	194,200	190,570	190,570	190,570
Other requirements						
Reserved permanent maint.	448,387	468,946	468,500	377,430	377,430	377,430
Unappropriated fund balance	-	-	-	-	-	-
Total other requirements	448,387	468,946	468,500	377,430	377,430	377,430
Total requirements	572,811	602,688	662,700	568,000	568,000	568,000

Cemetery Fund

Department: *Public Works*



Division: Cemetery

Program: Cemetery Operation

This program provides for the operation and maintenance of the Pilot Butte Cemetery. The agreement to oversee operations in the Greenwood Cemetery was terminated in late 2004.

Program Results:

- Operation and maintenance of cemetery grounds.
- Opening/closing of cemetery lots.
- Total usable acres in Pilot Butte Cemetery is 13.5.
- As of February 2005, space availability is as follows:
 - Full Grave – 801
 - Cremain – Unlimited
 - Garden - 500

Performance Measures - Cemetery Operations

	FY 03-04 ACTUAL	FY 04-05 ACTUAL	FY 05-06 TARGET	FY 06-07 TARGET
Output Measures				
Number of Acres Mowed	650	400	400	616
Number of Acres Sprayed	22	13	13	13
Number of Acres Aerated	22	13	13	22
Staffing Hours – Mowing	1,100	660	770	700
Staffing Hours - Trimming	700	420	420	400
Effectiveness Measures				
% of Services Held Per Request	100%	100%	100%	100%
% of Acreage in Excellent Condition	100%	100%	100%	100%

FY 2005-2006 Accomplishments

- Well maintained cemetery at Pilot Butte and Greenwood.
- Completed installation of underground sprinkler heads section of irrigation to run off of Weather Trac system, which is weather-based resulting in water savings.

FY 2006-2007 Goals and Objectives

- Completion of all requested opening/closing of cemetery lots.
- Replace sprinkler heads and complete irrigation updates to weather-based system in new sections of cemetery.



Stormwater Fund

◆ GOALS

In order to comply with federal and state regulations concerning stormwater, the City needs to develop a Stormwater Utility. Once properly established, this utility will enable the City to protect water resources and drinking water supplies and meet increasing regulatory requirements.

◆ ESSENTIAL REQUIREMENTS

- Permit compliance.
- Catch basin, dry well and stormwater system maintenance.
- Prevent localized flooding
- Reduction of pollutants discharged underground and to the Deschutes River.
- Public education and outreach.
- Develop/implement a comprehensive stormwater ordinance
- Establish a Stormwater Utility

In 2004 the City hired a Management Analyst to help the City comply with federal and state stormwater regulatory requirements and identify what actions the City needs to take to meet its stormwater management obligations.

The City is required by federal regulations to obtain permits for the stormwater it discharges underground and to the Deschutes River. It has applied for these permits and expects to receive them in 2007.

In order to comply with the permits, the City will have to develop and implement a comprehensive stormwater ordinance that will apply to not only public right-of-way, but also to private property.

As of March 2006 the City had 3,863 stormwater underground injection systems, of which 1,021 are drill holes and 2842 are drywells. The City also has 23 stormwater discharges to the Deschutes River. Many of the existing stormwater systems do not meet permit requirements and will have to be retrofitted or decommissioned.

Flooding continues to be a problem in some areas of the City and will be addressed as part of the Stormwater Master Plan.

Currently, there is no data on the water quality effects of the City's stormwater discharges to the Deschutes River. During FY 2004-05, the City and Upper Deschutes Watershed Council began a cooperative river and stormwater discharge monitoring program. This program will continue through FY 06-07.

In the future, our stormwater management plan will place emphasis on disposing of stormwater as close to the source as possible. This will result in minimizing discharges underground or to the Deschutes River.

Currently, the City does not have the resources and funding to properly manage stormwater. Like other Cities, Bend will need to establish a Stormwater Utility and management fee system in order to meet its stormwater management obligations.

◆ CURRENT TRENDS

- Rapid population growth - The City has experienced tremendous growth over the last several years. This trend is expected to continue. As a result, the number of underground injection systems and volume of stormwater discharges will continue to increase.
- Increased demand for information on stormwater management as it relates to "Total Water Management".
- Increased infrastructure costs to rectify the stormwater system deficiencies.
- State and Federal regulation of stormwater will continue to increase.

◆ CRITICAL ISSUES / DISCUSSIONS & RECOMMENDATIONS

1. Issue – Development of a comprehensive stormwater ordinance.

Discussion – During 2007 the City will become subject to state and federal permit requirements for stormwater. In order to comply with these requirements, the City will need to better regulate runoff from private property and to better manage its own stormwater.

Recommendations – Develop a comprehensive stormwater ordinance and manual with the help of a Technical Advisory Committee.

Fiscal Impact – The fiscal impact for the development of the ordinance and manual, including the master plan will be \$300,000.

2. Issue – Develop a stormwater utility and fee structure.

Discussion – The City does not currently have the funds to carry out all of its stormwater management obligations. Many of these obligations are mandated by federal and state regulations.

Recommendations – Form a stormwater utility by Fall 2006 and begin collecting a stormwater management fee. Revenues from the stormwater management fee will be used to pay for the program and capital improvements to the storm system.

Fiscal Impact – A stormwater management fee of \$3.00 per tax lot would generate enough funds to establish the utility and establish a capital reserve. (Not included in Proposed Budget)

3. Issue – Management of 1,021 drill holes.

Discussion – A number of the drill holes are defective and will need to be decommissioned. The first priority is to decommission those that are most likely to contaminate the underground aquifer.

Recommendations – During FY2006-07, work on correcting the defective and failed holes and begin decommissioning those that pose the highest risk to drinking water.

Fiscal Impact – \$75,000 in FY 2006-07.

4. Issue – Potential stormwater impacts to the Deschutes River.

Discussion – The new stormwater permits will require the City to monitor stormwater quality and quantity at several locations throughout the City. In addition, City needs to continue working with the Upper Deschutes Watershed Council to determine if the City's stormwater discharges to the river are degrading the river's water quality.

Recommendations – During FY2006-07, continue collecting monitoring data to determine if the City can comply with the numerical limits that will appear in its new permits. In addition, the City needs to continue working with the Upper Deschutes Watershed Council for the remaining year of the Memorandum of Understanding.

Fiscal Impact – \$20,000 in FY 2006-07.

5. Issue – Development of a Stormwater Master Plan.

Discussion – A holistic approach is needed in order to manage stormwater efficiently, avoid conflicting requirements and ensure compliance with permits. The master plan will look at the existing deficiencies and develop a plan to address them. It will also develop a plan for a drainage basin approach to our stormwater issues.

Recommendations – Develop the first comprehensive Stormwater Master Plan of the new Stormwater Utility.

Fiscal Impact – \$86,500 in FY 2006-07 and \$150,000 in FY 2007-08, for a total of \$236,500.

6. Issue – Many of the City's residents are unaware of how they can help improve stormwater quality.

Discussion – Since the City currently does not have a stormwater quality management program, educating the public on practices it can implement to improve stormwater quality can be highly beneficial. In addition, a public education program is required by federal and state regulations.

Recommendations – Establish a public education and outreach program based on our successful water conservation program.

Fiscal Impact – In FY 06-07 \$10,000 will be budgeted for this program.

♦ ACTION PLAN CHOICES

Current Service Level

Currently, since there is no formal Stormwater Utility, our informal program consists mainly of managing stormwater to prevent flooding. It does not manage it for water quality, permit compliance or drinking water protection. The current approach is piecemeal and difficult for the public to access and understand.

Enhanced Service Level

The establishment of a Stormwater Utility will allow the City to manage stormwater to comply with regulatory requirements and better protect property, the environment, water quality, drinking water, public health, and public safety. The enhanced level of service will also make it easier for the public to access and understand stormwater requirements. Educating the public about the need and options for improving stormwater management will be a high priority. A new ordinance will be outcome-based and will encourage and facilitate innovative management practices.

♦ STAFFING REQUEST

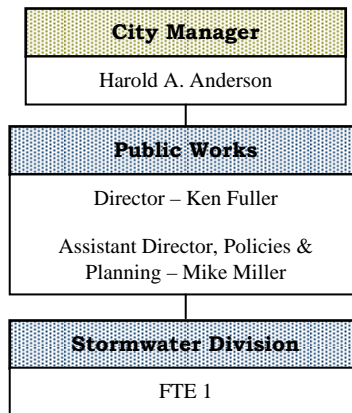
No new staff are being requested.

Stormwater Fund

Resources	2003-04	2004-05	2005-06	2006-07		
	Actual	Actual	Adjusted Budget	Proposed Budget	Approved Budget	Adopted Budget
Working capital at July 1st	-	-	-	68,400	68,400	68,400
Current year resources						
Interest	-	-	-	1,100	1,100	1,100
Transfers from other funds	-	-	346,000	330,000	330,000	330,000
Total current year resources	-	-	346,000	331,100	331,100	331,100
Total resources	-	-	346,000	399,500	399,500	399,500
Expenditures						
Personal services	-	-	86,955	92,500	92,500	92,500
Materials and services	-	-	126,000	118,800	118,800	118,800
Capital Outlay	-	-	50,000	161,500	161,500	161,500
Transfers	-	-	30,800	26,700	26,700	26,700
Contingency			52,245	-	-	-
Total expenditures	-	-	346,000	399,500	399,500	399,500
Other requirements						
Unappropriated fund balance	-	-	-	-	-	-
Total requirements	-	-	346,000	399,500	399,500	399,500

Stormwater Fund

Department: **Public Works**



The Stormwater Division is the newest division within the Public Works Department. Currently a number of stormwater activities are contained within the Street, Water and Lab Divisions of Public Works, with the majority of the activities captured in the Street Division budget. The new Stormwater Division has the primary responsibility to maintain, repair and expand the stormwater system, while at the same time complying with our National Pollutant Discharge Elimination System (NPDES) Municipal Separate Storm Sewer (MS4) permit as well as our Underground Injection Control (UIC) Water Pollution Control Facilities (WPCF) permit.

Program Results

- Groundwater and Drinking Water Protection
- Stormwater Protection
- Public Education and Outreach
- Catch Basin Operations and Maintenance
- Dry Well Operations and Maintenance
- Property and Public Safety in Relation to Stormwater/Flood Control
- Capital Improvement

Performance Measures – Stormwater Operations

	FY 03-04 ACTUAL	FY 04-05 ACTUAL	FY 05-06 TARGET	FY 06/07 TARGET
Output Measures				
Catch Basins Cleaned	4000	2750	4000	4300
Total hours worked –clean, repair, install and GPS	2275*	3057	4000	4200
Number of drill holes abandoned	n/a	n/a	2	15
Effectiveness Measures				
Number of stormwater surcharges (flooding)***		1	10+	0
Efficiency Measures				
Annual average hours to GPS catch basins, dry wells and drill holes	253	220	100**	n/a

* Currently, tracking of time spent cleaning individual structure by class is not available

** Amount of time to GPS structures should continue to be reduced with only newly constructed structures needing to be located using the GPS system.

*** Large increase is due to the record rainfall events of the 2005 summer and December 2005/January 2006 storm events.

FY 2005-2006 Accomplishments

- Began the process of overhauling the stormwater ordinances and standards.
- Prepared 2005 Stormwater Monitoring Plan to accompany Upper Deschutes Watershed Council River Water Quality Monitoring report for 2004.
- Updated stormwater infrastructure geographic information system (GIS) and submitted registration data to DEQ.
- Began drafting comprehensive stormwater ordinance.
- Continued work on stormwater design manual suitable for Bend.
- Updated precipitation monitoring data.
- Began inventorying all public and private drinking water wells within UGB in order to meet DEQ requirements and develop program to protect private wells from potential stormwater contamination.
- Participated with Central Oregon Intergovernmental Council on developing a Regional Stormwater Manual.
- Identified tax lots currently not on City sewer and added to GIS.
- Established Stormwater Ordinance Technical Advisory Committee.
- Established procedures for updating stormwater GIS semiannually.



Storm Drain

FY 2006-2007 Goals and Objectives

- Complete underground injection inventory system to meet DEQ requirements.
- Complete negotiations with DEQ on stormwater permits.
- Develop stormwater master plan.
- Establish a stormwater utility and begin collecting fees.
- Implement comprehensive stormwater ordinance.
- Begin enhanced stormwater monitoring.
- Continue joint stormwater discharge and river water quality monitoring program with the Upper Deschutes Watershed Council.
- Continue to develop and enhance Stormwater-Wise web site.
- Have resolution with DEQ on Underground Injection Control program.
- Continue decommissioning defective and non-compliant drill holes.
- Complete inventory of all drinking water wells within UGB.
- Identify tax lots not on City sewer and add to GIS.
- Construct demonstration project for city shops stormwater management program.
- Establish public education and outreach program.
- Establish reporting and response procedures for illegal and illicit discharges to storm sewers.

Capital outlay:

New Projects:	\$ 161,500
Stormwater Master Plan	
DEQ funding	
Stormwater Drainage Basin Development	

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Improvement District Construction Fund

◆ **GOALS**

- To account for and manage the construction and financing of improvements constructed within Local Improvement Districts.

◆ **ESSENTIAL REQUIREMENTS**

- Affordable assessments to be levied against properties benefited.
- Interim financing for local improvement construction in progress.

◆ **CURRENT TRENDS**

- Many areas within the City of Bend are still on septic systems. With the value of land increasing faster than the price of infrastructure, the cost benefit of forming Local Improvement Districts (LID's) has become more feasible. However the assessments that would be levied against properties benefited are still not affordable to some residents.

◆ **CRITICAL ISSUES - DISCUSSIONS & RECOMMENDATIONS**

1. Issues – The primary issue relates to how to make the improvements and assessments against properties more affordable.

Discussion – There is little that can be done to make assessments more affordable at this time. Grant funds for LID's are not available and the City does not have a funding source to subsidize LID costs. Deferred or low interest loan options through the State or COCAAN are available to low income property owners

Recommendations – Continue to identify ways to minimize assessments to property owners.

Fiscal Impact – None at this time.

◆ **ACTION PLAN CHOICES**

Current Service Level

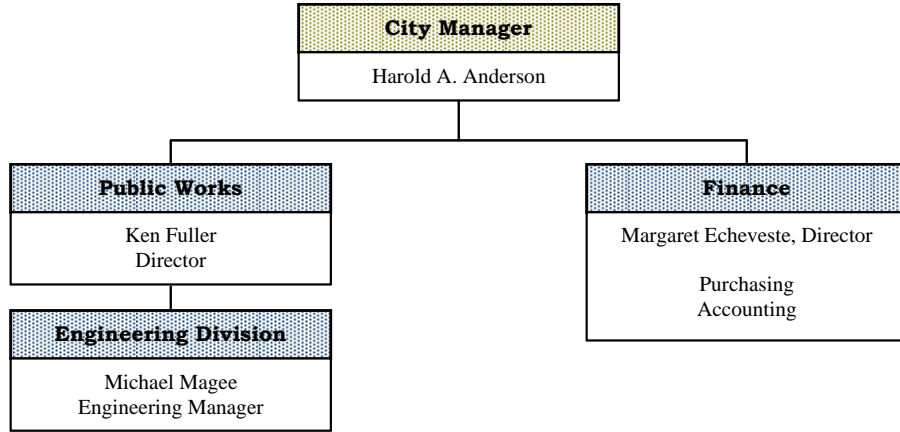
The level of service is based on the number of property owners who are interested in forming an LID and paying the assessments against their property. No change in the level of service is apparent at this time.

Improvement District Construction Fund

Resources	2003-04	2004-05	2005-06	2006-07		
	Actual	Actual	Adjusted Budget	Proposed Budget	Approved Budget	Adopted Budget
Working capital at July 1st	31,355	144,071	36,800	3,200	3,200	3,200
Current year resources						
Interest	(327)	(2,944)	-	-	-	-
Debt proceeds	273,000	438,714	2,700,000	599,100	599,100	599,100
Assessment payments	2,461	4,272	277,200	-	-	-
Total current year resources	275,134	440,042	2,977,200	599,100	599,100	599,100
Total resources	306,489	584,113	3,014,000	602,300	602,300	602,300
Expenditures						
Expenditures	2003-04	2004-05	2005-06	2006-07		
	Actual	Actual	Adjusted Budget	Proposed Budget	Approved Budget	Adopted Budget
Materials and services	-	-	40,500	-	-	-
Capital outlay						
Improvements	88,118	199,956	2,550,000	300,000	300,000	300,000
Debt service						
Principal	50,000	273,000	389,000	210,000	210,000	210,000
Transfers	24,300	26,700	28,100	92,300	92,300	92,300
Contingency			6,400	-	-	-
Total expenditures	162,418	499,656	3,014,000	602,300	602,300	602,300
Other requirements						
Unappropriated fund balance	-	-	-	-	-	-
Total requirements	162,418	499,656	3,014,000	602,300	602,300	602,300

Improvement District Construction Fund

Department: *Public Works - Engineering*



The purpose of this fund is to account for the recoverable portion of improvement work (installing sewers, paving streets, parking lots, sidewalks, etc.) done by the City at the request of property owners or as directed by City Council. This fund also serves as a revolving account for handling materials and supplies. The principal source of revenue is bond proceeds to finance construction of improvements.



Improvement District Debt Service Fund

◆ GOALS

Ensure collection of local improvement district (LID) assessment loans from property owners for the payment of related Bancroft debt issued to finance those LID loans.

◆ ESSENTIAL REQUIREMENTS

- Timely collection of assessment loans from property owners to ensure the City's ability to meet debt service requirements.

◆ CURRENT TRENDS

- Assessment loan repayments continue to be strong in FY 05/06 due to low interest rates which lead to mortgage loan refinancing and assessment loan payoffs. With long-term rates slowly rising, assessment loan payoffs are expected to slow down in FY 06/07.

◆ CRITICAL ISSUES /DISCUSSIONS & RECOMMENDATIONS

1. Issue –Timing of loan collections and related debt payments. Assessment loan collections are affected by early payoffs as well as delinquencies. If property owners become delinquent on their assessment loans, then the City will not have sufficient cash to make its debt service payments. On the other hand, early assessment loan payoffs can leave too much cash held in this fund if the related Bancroft debt is not also paid off early. The City may incur unnecessary interest costs and experience negative arbitrage (interest earning rates that lag behind interest costs) if timing of collections and payment of debt is not properly matched.

Discussion – The best way to ensure that negative arbitrage does not occur is to structure the debt service so that the assessment collections coincide in timing and amounts with debt payments made to bondholders. Finance staff analyzes the assessment payments and debt service schedules before the sale of all Bancroft bonds; but there are market fluctuations and property owner actions that cannot be controlled.

Recommendations – The budget needs to be flexible enough to allow for market fluctuations and to ensure that the city is able to call bonds when allowed and to use assessment loan repayments to make early debt repayments if sufficient cash is collected.

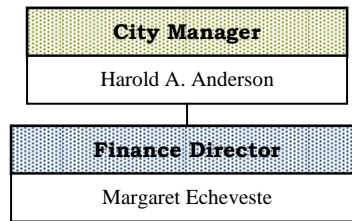
Fiscal Impact – The contingency amount included in the proposed budget will be sufficient to allow for bonds to be called.

Improvement District Debt Service Fund

Resources	2003-04	2004-05	2005-06	2006-07		
	Actual	Actual	Adjusted Budget	Proposed Budget	Approved Budget	Adopted Budget
Working capital at July 1st	944,340	820,952	805,600	947,200	947,200	947,200
Current year resources						
Interest	9,555	23,301	9,000	35,000	35,000	35,000
Charges for services	112,871	91,620	70,000	65,000	65,000	65,000
Loan repayments	666	623	227,800	182,000	182,000	182,000
Total current year resources	789	738	306,800	282,000	282,000	282,000
Total resources	1,733,212	1,559,361	1,112,400	1,229,200	1,229,200	1,229,200
Expenditures						
	2003-04	2004-05	2005-06	2006-07		
	Actual	Actual	Adjusted Budget	Proposed Budget	Approved Budget	Adopted Budget
Materials and services	551	450	-	-	-	-
Debt service						
Principal						
Limited tax bonds 1998	100,000	175,000	-	-	-	-
Limited tax bonds 2002	370,000	74,000	277,000	181,000	181,000	181,000
Limited tax bonds 2003	299,000	174,000	182,000	186,000	186,000	186,000
Limited tax bonds 2005	-	-	99,800	-	-	-
Interest						
Limited tax bonds 1998	13,888	8,838	-	-	-	-
Limited tax bonds 2002	49,996	37,312	33,000	15,000	15,000	15,000
Limited tax bonds 2003	63,925	48,850	45,000	31,000	31,000	31,000
Limited tax bonds 2005	-	-	63,800	-	-	-
Transfers	14,900	13,600	22,300	66,500	66,500	66,500
Contingency			389,500	749,700	749,700	749,700
Total expenditures	912,260	532,050	1,112,400	1,229,200	1,229,200	1,229,200
Other requirements						
Unappropriated fund balance	-	-	-	-	-	-
Total requirements	912,260	532,050	1,112,400	1,229,200	1,229,200	1,229,200

Improvement District Debt Service Fund

Department: *Finance*



FY 2005-2006 Accomplishments

- Collected over \$300,000 from assessment loans and maintained assessment loan delinquencies to a minimum.
- Made early debt repayments totaling over \$500,000.

FY 2006-2007 Goals and Objectives

- Timely payment of debt service requirements.
- Exercise early payment options on outstanding bonds where allowed.

Program: *Bancroft Bond Debt Redemption*

Program goal:

Ensure collection of assessment loans from property owners for the payment of related Bancroft debt issued to finance those local improvement district assessment (LID) loans.

Activity:

This fund accounts for the debt service associated with Special Assessment Debt issued in connection with the financing of LID's. The principal source of revenue is collection from the property owners on bonded assessments. Assessment loans are for terms of ten years with interest ranging from 6% to 7%. The revenue is used to redeem Bancroft bonds maturing during the fiscal year.

The Finance department is responsible for servicing over 200 special assessment loans. Loan principal and interest collections totaling approximately \$182,000 are expected for fiscal year 2006-07 assuming no early payoffs.

Internal Services Fund Garage Division



◆ GOALS

Goals

To provide an ongoing preventative maintenance program that meets the changing needs of each division with safe reliable transportation and equipment.

Objectives

Implementation and ongoing utilization of this program to ensure that maximum efficiency in performance and operation is met, and that maximum equipment life and condition are maintained within budgetary constraints. As a whole, the program will provide the City with cost effectiveness and efficiency, while protecting capital investment by maintaining equipment in optimum condition.

◆ ESSENTIAL REQUIREMENTS

- Meet current safety standards
- Advanced test equipment
- Realistic preventative maintenance program
- Purposeful training program

◆ CURRENT TRENDS

- Net fleet growth approximately 10% annually.
- New equipment becoming more complex as electronics expand to multiplex wiring.
- Multiple onboard computers.

◆ CRITICAL ISSUES / DISCUSSIONS & RECOMMENDATIONS

1. Issue – Space Needs

Discussion – Of primary concern for the Garage Division is current space needs. Our existing shop was originally designed as a warehouse, and as a result has a large amount of space that is inaccessible to big equipment. Much of our equipment is unique to our operation, and has limited parts availability. As a result, it is not uncommon to tear a piece of equipment down and then have to wait several weeks for parts.

Recommendation – Address the need of additional shop space.

◆ ACTION PLAN CHOICES

Current Service Level

The current preventative maintenance program meets or exceeds manufacturer's recommendations. This program is used to identify further repairs needed.

Enhanced Service Level

Provide fueling and vehicle cleaning service. This is currently the responsibility of the individual employee. If the shop provided these services at a lower pay scale, employees would be freed up for more difficult tasks.

◆ STAFFING REQUEST

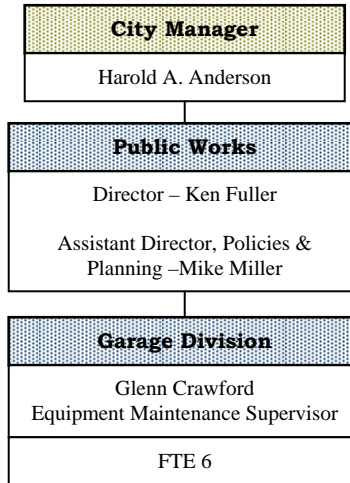
No additional staff is requested. An Equipment Service Technician position is being transferred to the Water Division resulting in a net decrease of 1 FTE.

Garage Division

Resources	2003-04	2004-05	2005-06	2006-07		
	Actual	Actual	Adjusted Budget	Proposed Budget	Approved Budget	Adopted Budget
Working capital at July 1st	346,941	303,678	26,100	30,100	30,100	30,100
Current year resources						
Charges for services	314,993	8,444	5,700	5,000	5,000	5,000
Interest	3,807	4,242	-	-	-	-
Sale of fixed assets	3,600	-	-	-	-	-
Miscellaneous	5,636	3,515	1,700	3,500	3,500	3,500
Transfers from other funds	1,218,300	1,532,119	1,964,800	2,275,300	2,275,300	2,275,300
Total current year resources	1,546,336	1,548,320	1,972,200	2,283,800	2,283,800	2,283,800
Total resources	1,893,277	1,851,998	1,998,300	2,313,900	2,313,900	2,313,900
Expenditures						
Expenditures	2003-04	2004-05	2005-06	2006-07		
	Actual	Actual	Adjusted Budget	Proposed Budget	Approved Budget	Adopted Budget
Personal services	533,666	524,464	594,386	513,876	513,876	513,876
Materials and services	809,276	966,616	1,124,400	1,429,100	1,429,100	1,429,100
Capital outlay						
Equipment/Vehicles	36,657	-	-	-	-	-
Transfers	210,000	238,162	244,600	337,300	337,300	337,300
Contingency			34,914	33,624	33,624	33,624
Total expenditures	1,589,599	1,729,242	1,998,300	2,313,900	2,313,900	2,313,900
Other requirements						
Unappropriated fund balance	-	-	-	-	-	-
Total requirements	1,589,599	1,729,242	1,998,300	2,313,900	2,313,900	2,313,900

Internal Services Fund – Garage Division

Department: *Public Works Department*

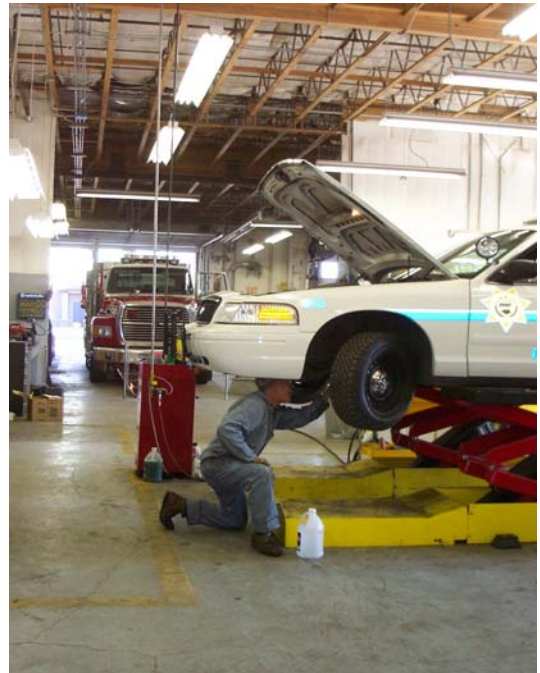


The Garage Division accounts for maintenance and services of all City vehicles and heavy equipment. Revenue is generated by charges to other funds. Expenditures are for equipment and vehicle maintenance.

Program: *Fleet Maintenance*

Program results:

- Maintain the City’s fleet including Police and Fire Departments.
- Meet emergency services needs for street plows and sanders, sewer rodders and sludge trucks.
- Preventive maintenance program.
- Service and major overhauls as needed.



Garage Employees Servicing a Police Vehicle

Performance Measures – Garage Division

	FY 03-04 ACTUAL	FY 04-05 ACTUAL	FY 05-06 TARGET	FY 06-07 TARGET
Output Measures				
Fleet Miles Driven	1,929,779	2,113,863	2,250,000	2,400,000
Gallons of Fuel Pumped	267,765	267,016	291,300	305,000
Scheduled Preventive Maintenance Jobs	1,117	1,198	1,293	1,350
Effectiveness Measures				
% of Total Jobs that are Scheduled Preventive Maintenance	24.7%	26%	26%	25.0%
Efficiency Measures				
Unable to determine until shop rate is established. (expected to begin July 2006)				

FY 2005-2006 Accomplishments

- Continue American Public Works Association Certification process.
- Development of a shop operations manual.

FY 2006-2007 Goals and Objectives

- Provide an ongoing preventative maintenance program that offers maximum equipment efficiency while working within budgetary constraints. The program will provide the City with cost effectiveness and efficiency, while protecting capital investment by maintaining equipment in optimum condition.
- Complete shop operations manual.



◆ **GOALS**

Goals

To protect and enhance the well-being of our community through the provision of a high standard of engineering excellence and customer service.

Objectives

To provide thorough, timely implementation for the design, management and execution of infrastructure projects within the City.

◆ **ESSENTIAL REQUIREMENTS**

- Provide high level of customer service to private and inter/intra-agency clients
- Professional scoping, ranking and implementation of capital projects
- Industry standard tools, equipment and software
- Pioneering creative and technically advanced ways of documentation and design of our projects
- Accountability to engineering ethical standards and professional peers
- Professional development of staff
- Ongoing public review, comment and updates of standards, specifications, procedures and policies
- Ensure that all CIP and master plan improvements are consistent with and meet the rigid requirements of the adopted SDC methodology

The Engineering Division meets its goals through adherence to the Professional Engineering Code of Ethics in direct support to all the City departments and directions from Council. All projects that require engineering analysis are evaluated and required to meet the highest standards of public safety and quality of materials and workmanship. The Engineering Division administers and implements the City of Bend Capital Improvement Plan (CIP) for Public Works water, wastewater and transportation needs and assures all private commercial, industrial and residential projects are reviewed and inspected to meet City Codes and Standards.

◆ **CURRENT TRENDS**

- Public involvement in the Capital Improvement Plan project process
- Implementation and consistency of City ordinances and policies
- Maintain highest quality of public service, safety and health
- Timely response to public and interdepartmental needs
- Master planning of water, wastewater and transportation systems, which includes agency and public involvement.

The Engineering Division continues to expand its public involvement related to both public and private improvement projects. Major transportation projects will require master planning for managed growth, which involves local, State and Federal agency coordination and citizen acceptance. The City's Standards and Specifications will be updated regularly to ensure that our water, wastewater and transportation needs are adequately satisfied and comply with new ordinances and policies. Continued growth will require more effort by the Division to ensure public safety and health standards are maintained.

◆ **CRITICAL ISSUES - DISCUSSIONS & RECOMMENDATIONS**

1. Issue – Urban Growth Boundary (UGB) Expansion.

Discussion – The City is moving forward with a residential lands study in anticipation of necessary UGB expansion. The ability to provide essential water, sewer, street, transportation and other infrastructure will be critical to the decision-making process. A coordinated effort among all departments is needed to ensure a successful UGB expansion is realized.

Recommendations – The Engineering Division will primarily use consultants to facilitate review and updates of the utility master plans so that the City can properly serve the expansion areas. Major investments in infrastructure will be needed with UGB expansion, which will have a proportional demand on Engineering staff.

Fiscal Impact – Consultant services to review and update master plans is estimated at \$100,000. Additional cost for related water, sewer, and street infrastructure is yet to be determined.

2. Issue – Transportation Management and Operations

Discussion - The City of Bend is in the process of forming a separate Transportation Division within Public Works. This new division will be staffed primarily from existing positions previously accounted for in the Engineering Division. The City of Bend faces increasing demands on the existing systems. A well managed system with properly planned improvements is needed to accommodate growth wisely. A division focused primarily on transportation will ensure a coordinated effort that integrates the regional plan (RTP), TSP and the CIP.

Recommendations - Create a Transportation Division within Public Works that is properly staffed to address the complex needs of the transportation systems management and operations. This division will work closely with Engineering, Long Range Planning, the MPO Manager and other agencies to meet the City of Bend's goals.

Fiscal Impact Added space and relocation of staff to create a separate division. Addition of two FTE's to support added role of new division.

4. Issue - Stormwater Management

Discussion – Stormwater management and controls are becoming more stringent statewide. The City is in the process of developing a comprehensive stormwater management manual that will prescribe best management practices and other means for

the City to be considered in compliance with DEQ standards.

Recommendations – Continue and finalize a comprehensive stormwater management manual that incorporates Best Management Practices (BMP's) and is adopted by City Council. Develop interim stormwater design standards within the City standards and specifications that can be incorporated into the comprehensive manual.

Fiscal Impact – A comprehensive stormwater management manual will cost \$65,000 to develop.

♦ **ACTION PLAN CHOICES**

Current Service Level

Funding for the Engineering Division is both fee-based and interfund transfer supported, both of which should follow the growth rate. The new Transportation Division will require added support staff to function as a separate division. This is needed to facilitate proper management and operations of the transportation system

Enhanced Service Level

An enhanced level of service would allow the Engineering Division to expand the long-range master planning for water, wastewater and transportation as it relates to UGB expansion. This program would also bring the City into compliance with DEQ stormwater regulations.

♦ **STAFFING REQUESTS**

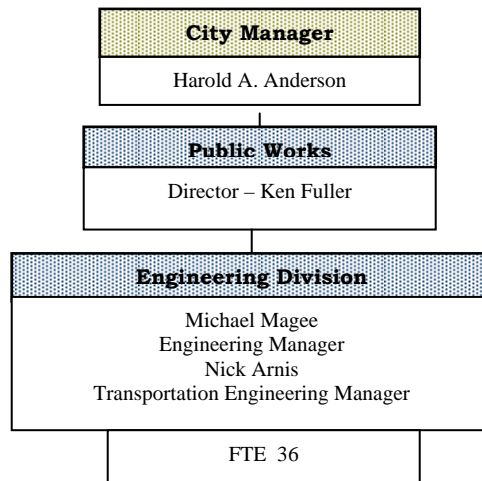
The Proposed Budget includes requests for three new staff positions; one Engineering Technician and two Project Engineers.

Engineering Division

Resources	2003-04	2004-05	2005-06	2006-07		
	Actual	Actual	Adjusted Budget	Proposed Budget	Approved Budget	Adopted Budget
Working capital at July 1st	1,341,730	1,291,214	1,389,400	1,028,200	1,028,200	1,028,200
Current year resources						
Licenses & permits	14,430	51,390	33,300	89,400	89,400	89,400
Charges for services	1,938,143	1,856,798	1,845,900	2,566,500	2,566,500	2,566,500
Interfund transfers	661,900	1,061,500	1,102,700	1,640,800	1,640,800	1,640,800
Interest	16,827	30,702	20,000	60,000	60,000	60,000
Total current year resources	2,631,300	3,000,390	3,001,900	4,356,700	4,356,700	4,356,700
Total resources	3,973,030	4,291,604	4,391,300	5,384,900	5,384,900	5,384,900
Expenditures						
Expenditures	2003-04	2004-05	2005-06	2006-07		
	Actual	Actual	Adjusted Budget	Proposed Budget	Approved Budget	Adopted Budget
Personal services	2,097,072	2,211,725	2,936,753	3,276,500	3,276,500	3,276,500
Materials and services	188,456	239,845	435,900	437,800	437,800	437,800
Capital outlay						
Equipment	73,040	28,904	70,000	20,000	20,000	20,000
Vehicles	35,446	-	-	60,000	60,000	60,000
Transfers	287,800	570,378	707,000	1,129,800	1,129,800	1,129,800
Contingency			241,647	260,800	260,800	260,800
Total expenditures	2,681,814	3,050,852	4,391,300	5,184,900	5,184,900	5,184,900
Other requirements						
Reserves		-	-	200,000	200,000	200,000
Unappropriated fund balance	-	-	-	-	-	-
Total requirements	2,681,814	3,050,852	4,391,300	5,384,900	5,384,900	5,384,900

Internal Services Fund – Engineering Division

Department: **Public Works Department**



Program: *Engineering*

The Engineering Division is an Internal Services fund operation. The general purpose of the Engineering Division is to provide thorough timely implementation for design, management and execution of infrastructure projects within the City and to oversee all engineering operations for the City. The Engineering Division provides a high standard of engineering excellence and customer service to our clients that protects and enhances the well-being of our community.

Program Results:

- Management of design, construction and inspection for City capital projects.
- Management of approvals and inspections of developer-initiated projects.
- Assisting in the process for long term facility planning.
- Capital Improvement Plan (CIP) project preparation and implementation.
- Implementing new development requirements, standards and specifications.
- Traffic safety and analysis and transportation systems design.
- Management of major capital projects for Bend Urban Renewal Agency (BURA).
- Management of major capital projects at the Bend Municipal Airport.
- GIS/GPS support services for the City of Bend.
- Develop, implement and update master plans for Water, Wastewater and Transportation.

Performance Measures - Engineering

	FY 03-04 ACTUAL	FY 04-05 ACTUAL	FY 05-06 TARGET	FY 06-07 TARGET
Output Measures				
Turnaround time for private development project	4-5 wks	2 wks	2 wks	2 wks
Complete wastewater / water master plan	25%	50%	75%	100%
Complete as-builts in timely manner	2 year	2 year	3 mos.	2 mos.
Receive APWA Certification	NA	NA	50%	100%
Effectiveness Measures				
Detailed documentation, scope, schedule and budget of current fiscal year CIP	N/A	50%	100%	100%
Provide at least one professional training course to technical staff	50%	66%	75%	100%
Efficiency Measures				
Accurate time-tracking- private development projects	N/A	N/A	50%	100%
Set performance goals for each job function	N/A	N/A	50%	100%

Capital outlay:

Equipment: \$ 20,000
Water/Sewer Model Upgrades and Miscellaneous

Vehicles: \$ 60,000
3 New Trucks (2 are replacements)

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Internal Services Fund
Public Works Administration/Support Services



PW Administration Division

◆ **GOALS**

- Provide quality service to the public and the other divisions within Public Works.

◆ **ESSENTIAL REQUIREMENTS**

- Acceptable Staffing Levels
- Modern Operations Standards
- Modern Equipment

This division accounts for the activity associated with the Public Works Administration and Support Services including clerical support, facilities management, and the temporary employee program.

The services provided include reception, radio dispatch center, weather reporting station, water meter processing, facilities / fleet management work order program, requisition/purchasing, data processing, records, reports, budget documents, safety programs for the department, and all other department requests related to office assistance.

Additional duties assumed by support staff include the American Public Works Association (APWA) self-assessment and accreditation program, the Compli/ Safety program, administration of the increasing backflow program, overseeing the development and implementation of the Computerized Maintenance Management Program, and assistance in development and implement of Emergency Operations Plan required by Homeland Security to be National Incident Management System (NIMS) compliant.

◆ **CURRENT TRENDS**

- The continuing growth of Bend and the expansions of each division within the Public Works Department have an impact on this division.

◆ **ACTION PLAN CHOICES**

Current Service Level

The current level of service will allow employees to remain efficient in time management and completing requests made by other divisions within Public Works and City Departments.

Enhanced Service Level

An enhanced level of service would require staff increases to the support services and electrician staffing to keep up with the added responsibilities of the Department.

◆ **STAFFING REQUESTS**

Public Works Admin is requesting two positions:

- Office Specialist – This position is vital to the day-to-day operations of Public Works in dealing with incoming calls, walk-ins and radio and telephone communication with crews in the field. We are currently using a temporary employee to fill this position.
- Telemetry Specialist – The Department currently has one full time Telemetry Specialist. The increased work demands on this position are due to explosive growth in water and wastewater infrastructure (water wells, reservoirs, water pumping facilities, wastewater pumping stations and expansions to the wastewater treatment facility). This growth necessitates a reassignment of current employees to assist with the tremendous workload associated with both the additional infrastructure and monitoring of the existing systems.

PW Laboratory Division

◆ **GOALS**

- Provide quality service to the public and the other divisions within Public Works.

◆ **ESSENTIAL REQUIREMENTS**

- Drinking Water Analysis
- Wastewater Analysis
- Stormwater Analysis
- Water Quality Monitoring Program
- Hazardous Waste Management

The Laboratory Division meets its goals for the Drinking Water Analysis, Wastewater Analysis and Hazardous Waste Management Programs. The Division continues to maintain its accreditation with the National Environmental Laboratory Accreditation Conference (NELAC). Maintaining this accreditation is mandatory.

Ongoing implementation of Automated Analytical Instrumentation has increased laboratory sample quality, quantity and efficiency. New technologies and instrumentation are being explored to further enhance quality, quantity and efficiency as well as lower operational expenditures.

The City of Bend Water Quality Monitoring program became effective in the Spring of 2004 with a close working partnership with the Upper Deschutes Watershed Council. A memorandum of understanding has been produced to extend this program through early FY 2008/09.

◆ **CURRENT TRENDS**

- **Oregon Environmental Laboratory Accreditation Program (ORELAP) requirements for Wastewater Laboratory Accreditation.** - The laboratory has been preparing for wastewater laboratory accreditation through the National Environmental Laboratory Accreditation Conference (NELAC). Indications point to an implementation deadline for late 2006.
- **Reduction of Contract Laboratory Dependency** - The amount of environmental samples sent to certified contract laboratories for metals analysis will be reduced due to the operation of the Inductively Coupled Plasma – Mass Selective Detector (ICP-MSD). The laboratory has focused on wastewater and

biosolids sample preparation and analysis during the 2005-2006 fiscal year. Industrial wastewater, storm water and drinking water sample preparation and analysis will begin during FY 2006-2007.

◆ **CRITICAL ISSUES / DISCUSSIONS & RECOMMENDATIONS**

1. Issue – Laboratory Analysis, Automation and Information Management Integration

Discussion – With increased sample loads and analytical data, automated instrumentation implementation and software to manage data, the laboratory is facing opportunities to dramatically increase sample throughput efficiency and effectively manage the volume of the data generated.

- The new WPCF Permit for the Water Reclamation Facility and implementation of Stormwater sampling and analysis has increased the amount of samples brought into the laboratory for analysis.
- Trace metals analysis performed by the ICP-MS is on track with current goals. The laboratory has been contacted by other municipalities in the Central Oregon region with requests for metals analysis. Inter-governmental agency agreements are currently being explored. Experience shows the volume of data generated by this instrument is high and additional training is required.
- The recent purchase and ongoing implementation of the LIMS indicates that it will significantly improve the flow of information from all in-house analytical instrumentation (automated and manual) and the dissemination of formatted data to all laboratory clients.

Recommendations - The Laboratory Division recommends the continued services of previously utilized consultants to assist with the ongoing integration of analytical instrumentation and the LIMS.

Fiscal Impact - \$6,000

◆ **ACTION PLAN CHOICES**

Current Service Level

This current level of service would preserve water/wastewater analysis and Hazardous Waste Management programs.

◆ **STAFFING REQUESTS**

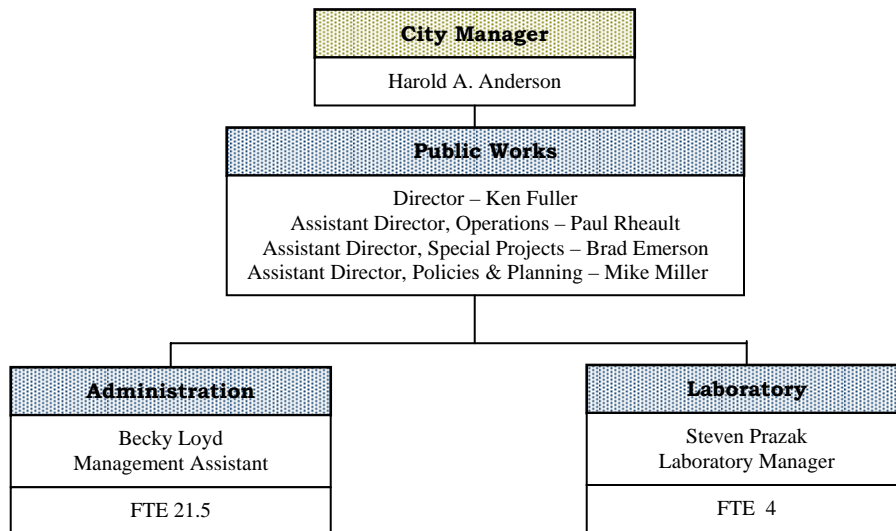
No additional staff are being requested in this budget.

Public Works Administration

Resources	2003-04	2004-05	2005-06	2006-07		
	Actual	Actual	Adjusted Budget	Proposed Budget	Approved Budget	Adopted Budget
Working capital at July 1st	444,019	554,342	432,000	538,900	538,900	538,900
Current year resources						
Charges for services	1,946,300	2,372,700	2,434,600	2,636,600	2,636,600	2,636,600
Interest	5,490	14,934	9,700	5,000	5,000	5,000
Miscellaneous	591	2,446	-	2,100	2,100	2,100
Total current year resources	1,952,381	2,390,080	2,444,300	2,643,700	2,643,700	2,643,700
Total resources	2,396,400	2,944,422	2,876,300	3,182,600	3,182,600	3,182,600
Expenditures						
Expenditures	2003-04	2004-05	2005-06	2006-07		
	Actual	Actual	Adjusted Budget	Proposed Budget	Approved Budget	Adopted Budget
Public Works Administration	1,362,057	1,746,116	2,115,594	2,337,875	2,337,875	2,337,875
Laboratory	479,997	602,391	581,434	624,400	624	624
Contingency			179,272	220,325	220,325	220,325
Total expenditures	1,842,054	2,348,507	2,876,300	3,182,600	3,182,600	3,182,600
Other requirements						
Unappropriated fund balance	-	-	-	-	-	-
Total requirements	1,842,054	2,348,507	2,876,300	3,182,600	3,182,600	3,182,600

Internal Services Fund – Public Works Administration

Department: *Public Works*



Administration and Support Services provides support to the Public Works Department and provides information and general assistance to the public. Included in this area is facilities management, which provides building maintenance and project coordination on City-owned building facilities, and Laboratory services.

Division: *Public Works Administration / Support Services*

Program goals:

- Provide quality service to the public and the divisions within the Public Works Department.
- City facilities are provided with project management, maintenance and repairs.

Program Results:

- Reception and radio dispatch center.
- Weather reporting station.
- Water meter processing.
- Facilities/fleet management work order program.
- Security Access Control for all City facilities.
- Requisition/purchasing.
- Provide office support for all Public Works divisions.
- Cognos administration for Public Works and HTE contact.
- Work order time tracking for all divisions within Public Works.
- Records maintenance.
- Data processing.
- Budget documents.
- APWA Self-Assessment and Accreditation
- Compli/Safety Program
- Backflow Program administration and data entry.

- Assistance in development and implementation of Computerized Maintenance Management Program.
- Assistance in development and implement of Emergency Operations Plan required by Homeland Security to be National Incident Management System (NIMS) compliant.
- All other department requests related to office support.

Performance Measures – PW Administration / Support Services

	FY 03-04 ACTUAL	FY 04-05 ACTUAL	FY 05-06 TARGET	FY 06-07 TARGET
Output Measures				
Number of work orders processed	3,453	3,351	3,700	3,800
Number of purchase orders processed	2,236	2,426	2,700	2,800
Purchase order line items received	12,767	14,430	14,200	15,000
Efficiency Measures				
Number of staff as a percentage of total Public Works staff	6.8%	6.5%	7.0%	7.0%

FY 2005-2006 Accomplishments

- Planning and documentation for sending ten Public Works employees to Mississippi for hurricane relief assistance to the City of Hattiesburg.
- Formatted and completed the yearly Consumer Confidence Report for water.
- Processed all purchase orders and fleet order transactions for Department.
- Processed paperwork for all water meters to be stamped.
- Maintain database for fuel system used by all City vehicles.
- Provided support for the upcoming American Public Works Association Self-Assessment and Accreditation process.
- Total number of facilities entered into the work order program – 37,491.
- Coordination and centralization for the Compli/Safety Program for Public Works.
- Documentation and follow-up paperwork filing with Oregon Emergency Management System for initial damage assessment and cost accounting of wages and infrastructure damage.
- All staff completed the National Incident Management System (NIMS) certifications of IS 700.
- Revisions and expansion of the Water Wise Programs for the City website.
- Completed all requests for office support presented by Department divisions.

FY 2006-07 Goals and Objectives

- Continue support for the American Public Works Association Self-Assessment and Accreditation process.
- Continue the process for the Compli/Safety Program for Public Works and work with employees implementing procedures.
- HTE set up SQL statements in Looking Glass for Work Order Facility Management and continue training.
- Ongoing facilities entered within the Work Order Facility Management Program.
- Provide assistance in the development and implementation of the Emergency Operations Plan required by Homeland Security to be National Incident Management System (NIMS) compliant.
- Finalize implementation of all data entry and mailing processes for the Cross Connection Backflow Program.

Resources	2003-04	2004-05	2005-06	2006-07		
	Actual	Actual	Adjusted Budget	Proposed Budget	Approved Budget	Adopted Budget
Personal services	1,052,884	1,469,841	1,470,794	1,850,275	1,850,275	1,850,275
Materials and services	98,173	90,010	151,800	176,600	176,600	176,600
Transfers	211,000	186,265	493,000	311,000	311,000	311,000
Total Administrative Services	1,362,057	1,746,116	2,115,594	2,337,875	2,337,875	2,337,875

Division: *Laboratory*

The Laboratory Division consists of the following programs:

- Drinking Water Testing
- Wastewater Testing
- Stormwater Analysis
- Water Quality Monitoring Program
- Hazardous Waste Management

Performance Measures – Laboratory

Output Measures

- 1) **# of Drinking Water Tests Performed**
 - Potable Water
 - Source Water
 - New Mains
- 2) **# of Wastewater Tests Performed**
 - State reported tests
 - Operation control tests
 - IPP Local Limits tests
 - IPP Commercial/Industrial tests
- 3) **# of Stormwater Activities**
 - Samples Collected
 - Sample Testing
- 4) **# of Water Quality Monitoring Activities**
 - Deschutes River Samples Collected
 - Deschutes River Sample Testing
 - Bridge Creek Samples Collected
 - Bridge Creek Sample Testing
- 5) **# of HazWaste Mgmt. Activities**
 - On-site Inspections
 - Outside Laboratory Testing
 - HazWaste Generator Status Reports

	FY 03-04 ACTUAL	FY04-05 ACTUAL	FY05-06 TARGET	FY06-07 TARGET
	1,230	1,604	1,665	1,665
	805	1171	1200	1200
	288	311	320	320
	137	122	145	145
	31,634	33,048	34,360	34,710
	11,695	11,781	12,200	12,200
	19,939	21,267	21,800	21,800
			290	570
			70	140
			340	340
			10	10
			330	330
		2,078	2,420	2,896
		130	130	130
		1,948	1950	1950
			10	24
			330	792
	11	10	10	10
	8	8	8	8
	1	0	0	0
	2	2	2	2

Effectiveness Measures

- 1) NELAC Accreditation
- 2) Change in HazWaste Status

	Yes	Yes	Yes	Yes
	Yes *	No	No	No

Efficiency Measures

Total for all Lab Activities (Drinking Water, Wastewater, Stormwater, Water Quality Monitoring, and Hazardous Waste Mgmt.)

• Total Activities	32,875	36,740	38,795	39,621
• FTE Hours	11,440	9,880	8,320	8,320
• Activities/Hour	2.87	3.72	4.66	4.76

- Potable water testing frequency is set by State mandated standards based on population.
- Surface water testing frequency is done year-round with frequency minimums set by State mandated standards.

* Removed one Hazardous Waste site from the OR-Department of Environmental Quality’s list.

FY 2005-2006 Accomplishments

- Maintained National Environmental Laboratory Accreditation resulting from recertification procedures in September 2005.
- Implementation continues for the Inductively Coupled Plasma Spectrometer / Mass Selective Detector (ICP-MS) used for the analysis of metals contamination found in drinking and surface water, domestic and industrial wastewater, storm water, soil and biosolids. Once fully operational the ICP-MS will eliminate the need for outsourcing metals analysis of all City of Bend environmental samples to contract laboratories.
- Performed the second round of Deschutes River Water Quality Monitoring which included data logger deployment, sample collection / analysis and data processing.
- Maintained Conditionally Exempt Hazardous Waste Generator Status for all registered locations.

FY 2006-2007 Goals and Objectives

- Perform and report all required testing for the City of Bend Drinking Water / Wastewater Divisions.
- Maintain National Environmental Laboratory Accreditation.
- Perform required monitoring of the City of Bend Deschutes River Water Quality Monitoring Plan (sampling and analysis of ambient water quality, summer intensive water quality and storm water quality).
- Continue Laboratory Information Management System Implementation procedures.

Expenditures	2003-04	2004-05	2005-06	2006-07		
	Actual	Actual	Adjusted Budget	Proposed Budget	Approved Budget	Adopted Budget
Personal services	344,004	333,621	311,634	336,700	336,700	336,700
Materials and services	81,287	104,231	214,200	235,400	235,400	235,400
Capital outlay						
Equipment	28,206	138,929	25,000	-	-	-
Transfers	26,500	25,610	30,600	52,300	52,300	52,300
Total Laboratory	479,997	602,391	581,434	624,400	624,400	624,400

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Community Development Block Grant Fund



◆ GOALS

- To effectively implement the CDBG Entitlement Program in Bend through efficient allocation of funds in the annual Action Plan, with public involvement and project evaluation led by the CDBG/Affordable Housing Advisory Committee.
- To investigate and implement funding and policy strategies to provide affordable housing in Bend and to effectively manage the City's existing affordable housing programs.
- To meet federal and state requirements in the management of the CDBG - funded programs, including project monitoring and fiscal reporting.

◆ ESSENTIAL REQUIREMENTS

- Development/completion of CDBG program requirements, including an annual Action Plan and an annual Performance Report.
- Monitoring of program grants and loans.
- Management of the U.S. Department of Housing and Urban Development (HUD) financial tracking system.
- Management and implementation of affordable housing programs, including identification of projects for the affordable housing fee.
- Management of CDBG pass-through grants from the state.

◆ CURRENT TRENDS

- CDBG Entitlement funds have been cut back by the Federal Government, in spite of Bend's rapidly growing population.
- Housing continues to appreciate rapidly in cost, becoming less affordable to low/moderate income residents.

◆ CRITICAL ISSUES / DISCUSSIONS & RECOMMENDATIONS

1. Issue - Preparation of annual Action Plan for Federal Fiscal Year (FFY) 2006, completion of environmental reviews for each funded project, preparation of an annual performance report, and other program requirements.

Discussion - HUD requires the development of several documents, including an annual Action Plan, which must be prepared before CDBG funds are allocated to the City. The projects identified in the Action Plan must be consistent with the Five Year Consolidated Plan adopted in 2004. The Action Plan is prepared through an extensive process with the CDBG & Affordable Housing Advisory Committee.

Recommendation - Continue the current process with the Committee advising the Council on expenditure of the CDBG entitlement funds.

Fiscal Impact - The City will receive \$429,900 for FFY 2006, a reduction of \$48,000 from FFY 2005. 20% is used for program administration, including preparing the Action Plan. This amount is augmented by loan repayments from previous CDBG loans of state pass-through funds, to cover full administrative costs.

2. Issue - Establishment of monitoring program to address HUD rules for CDBG projects.

Discussion - HUD requires monitoring of projects to assure continuing compliance with CDBG requirements. Staff is developing a monitoring program that meets HUD regulations.

Recommendation - Proceed with the development of a monitoring program.

Fiscal Impact - This effort will be financed through the general administrative CDBG funding.

3. Issue - HUD has a specialized financial management program that requires training of program and Finance staff.

Discussion - The Integrated Disbursement and Information System (IDIS) is required by HUD for all project set up and disbursements. IDIS is a

complicated system. Both CDBG and Finance staff are trained to utilize the system.

Recommendations – Continue use and necessary training for the IDIS system, as required by HUD.

Fiscal Impact – This effort will be financed through the general administrative

CDBG funding. The administrative cap capacity is not adequate to cover the time required for Finance staff.

◆ **STAFFING REQUESTS**

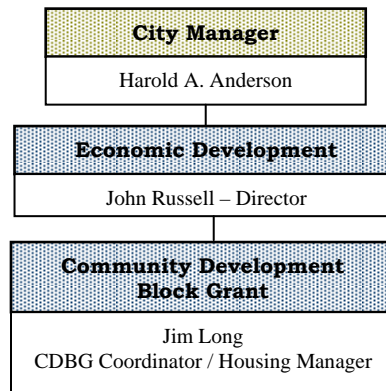
No changes or new staffing are being requested.

Community Development Block Grant Fund

Resources	2003-04	2004-05	2005-06	2006-07		
	Actual	Actual	Adjusted Budget	Proposed Budget	Approved Budget	Adopted Budget
Working capital at July 1st	150,350	94,380	12,700	80,500	80,500	80,500
Current year resources						
Intergovernmental	70,000	396,381	711,500	429,900	429,900	429,900
Interest	1,622	2,176	-	-	-	-
Loan repayments	57,552	37,381	18,400	38,500	38,500	38,500
Total current year resources	129,174	435,938	729,900	468,400	468,400	468,400
Total resources	279,524	530,318	742,600	548,900	548,900	548,900
Expenditures						
Expenditures	2003-04	2004-05	2005-06	2006-07		
	Actual	Actual	Adjusted Budget	Proposed Budget	Approved Budget	Adopted Budget
Personal services	91,284	68,528	106,723	111,917	111,917	111,917
Materials and services	88,258	405,217	570,900	349,800	349,800	349,800
Transfers	5,600	14,612	38,600	64,300	64,300	64,300
Contingency			26,377	22,883	22,883	22,883
Total expenditures	185,142	488,357	742,600	548,900	548,900	548,900
Other requirements						
Unappropriated fund balance	-	-	-	-	-	-
Total requirements	185,142	488,357	742,600	548,900	548,900	548,900

Community Development Block Grant Fund

Department: *Economic Development*



Operations Results

- Local organizations are awarded CDBG funding from the City of Bend to address critical housing and community development needs.
- The Consolidated Plan, a comprehensive 5-year housing and community development plan, is in place to guide the City's efforts and the distribution of funds in addressing the needs of the City's low-income residents.
- Developers of affordable housing are able to receive expedited land use and building review, and SDC deferrals or financing from the City of Bend.
- Developers of qualified affordable rental housing are eligible, upon review and approval by City Council, to receive 20-year property tax exemptions from the City to encourage the development of affordable rental units and to lower the cost of rent for the residents of exempted properties.

FY 2005-2006 Accomplishments

- Completion of the application process for CDBG funding through the CDBG/Housing Advisory Committee.
- Preparation and Council adoption of the 2005-2006 Action Plan outlining the City's funding decisions and housing and community development goals for the period.
- Preparation and Council approval of a funding policy for CDBG grants and loans.
- Working with the CDBG/Affordable Housing Committee, evaluated new techniques to raise recognition of and funding for affordable housing programs.

FY 2006-2007 Goals and Objectives

- Conduct the City of Bend CDBG application and funding process with oversight from the CDBG/Housing Advisory Committee.
- Prepare the 2007-2008 Action Plan outlining the City's funding decisions and housing and community development goals.
- Establish a CDBG project monitoring program.
- Implement a fiscal management system for tracking CDBG Direct Entitlement funds.
- Work toward the completion of the goals outlined in the 2006-2007 Action Plan.
- Implement new affordable housing programs.
- Effectively manage and improve the City's other affordable housing programs.

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Bend Centennial Log Jam Festival

◆ GOALS

- To promote tourism within the City of Bend.

◆ ESSENTIAL REQUIREMENTS

- Provide adequate resources for the promotion of tourism.

◆ CURRENT TRENDS

- Economic activity in the tourism sector in Bend is increasing. This trend appears to be related to the economic conditions which drive tourism and efforts towards tourism promotion.

◆ CRITICAL ISSUES / DISCUSSIONS & RECOMMENDATIONS

1. Issues – Transient Room Taxes (TRT) as a whole are predicted to increase 10%. A portion of TRT are required by law and the Bend Code to fund promotion of tourism. In the Fiscal Year 06/07, this portion increases from 28.8% to 30% as of January 1, 2007.

Discussion – With the increase in the percentage to be dedicated to the promotion of tourism, this fund's incoming revenues are budgeted to increase 14.7%. However, with tighter financial management of the fund, Beginning Working Capital declines significantly, to a more appropriate amount. The result of increased revenues and reduced Beginning Working Capital is that program expenditures can only increase 6.6%.

The current year's dollar amount available for the promotion of tourism has been divided between an amount to fund services provided by contract (Visitors' & Convention Bureau) and an amount to be used for city sponsored tourism promotion events or projects as granted by the City Council.

Recommendation and Fiscal Impact –
Tourism – Contracted - \$811,800
Tourism – City - \$110,700

◆ ACTION PLAN CHOICES

Current Service Level

In large part, services are provided by the Visitors' & Convention Bureau under a contract with the City that includes overall goals and program objectives.

Grants for City-sponsored tourism events or projects are qualified and selected under an annual process established by the City Council.

Tourism Fund

Resources	2003-04	2004-05	2005-06	2006-07		
	Actual	Actual	Adjusted Budget	Proposed Budget	Approved Budget	Adopted Budget
Working capital at July 1st	183,717	160,795	115,200	17,600	17,600	17,600
Current year resources						
Transient room tax	641,463	754,104	865,500	1,012,700	1,012,700	1,012,700
Interest	1,601	2,310	3,600	3,000	3,000	3,000
Total current year resources	643,082	756,414	869,100	1,015,700	1,015,700	1,015,700
Total resources	826,799	917,209	984,300	1,033,300	1,033,300	1,033,300

Expenditures	2003-04	2004-05	2005-06	2006-07		
	Actual	Actual	Adjusted Budget	Proposed Budget	Approved Budget	Adopted Budget
Available for outside agency						
Tourism promotion	656,104	796,284	952,800	1,009,500	1,009,500	1,009,500
Transfers	9,900	13,300	22,300	17,700	17,700	17,700
Contingency			9,200	6,100	6,100	6,100
Total expenditures	666,004	809,584	984,300	1,033,300	1,033,300	1,033,300
Other requirements						
Unappropriated fund balance	-	-	-	-	-	-
Total requirements	666,004	809,584	984,300	1,033,300	1,033,300	1,033,300



Economic Improvement District Fund (EID)

◆ GOALS

- To provide a funding program for maintenance of downtown Bend improvements and beautification efforts by the Bend Downtowners' Association.

◆ ESSENTIAL REQUIREMENTS

- Provide oversight on collection and distribution of assessments collected from property owners within the Improvement District.



Bend Summer Festival

◆ CURRENT TRENDS

The Economic Improvement District was created by the City Council at the request of downtown Bend property owners. This request came as a response to concerns that the capital improvements made through the City's urban renewal program were not being maintained properly. Urban renewal revenues cannot be used for maintenance and the City is not in the position to provide a higher level of service to the downtown area.

The result of the formation of the District is that property owners are assessed at eleven cents per square foot of commercial space. The City mails assessments to property owners and collects the revenues. The City Council entered into a contract for services with the Bend Downtowner's Association for the implementation of the Economic Development District's work plan. The City will continue to maintain oversight of the expenditure of assessment revenues.

◆ CRITICAL ISSUES / DISCUSSIONS & RECOMMENDATIONS

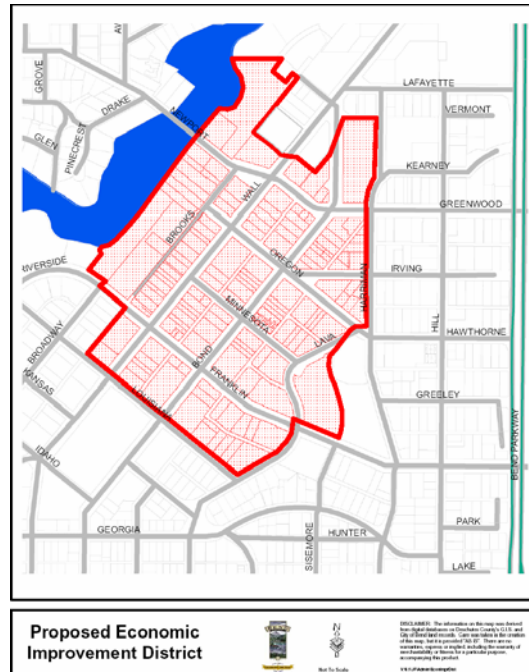
The work plan provides for the following programs:

- Sidewalk cleaning
- Flower baskets and planters program
- Security Services
- General clean up and snow removal
- Plant maintenance
- Graffiti removal
- Streetscape appurtenances
- Administration services by the Bend Downtowner's

◆ ACTION PLAN CHOICES

Current Service Level

The Economic Improvement District has been formed for a three year period. A 5% administrative fee is maintained by the City to assure the City recovers costs associated with oversight obligations for this program.



◆ STAFFING

No staff are being requested.

Economic Improvement District Fund

Resources	2003-04	2004-05	2005-06	2006-07		
	Actual	Actual	Adjusted Budget	Proposed Budget	Approved Budget	Adopted Budget
Working capital at July 1st	-	-	-	500	500	500
Current year resources						
Assessment Revenue	-	-	100,000	103,100	103,100	103,100
Interest	-	-	-	100	100	100
Total current year resources	-	-	100,000	103,200	103,200	103,200
Total resources	-	-	100,000	103,700	103,700	103,700
Expenditures						
Expenditures	2003-04	2004-05	2005-06	2006-07		
	Actual	Actual	Adjusted Budget	Proposed Budget	Approved Budget	Adopted Budget
Materials and Services	-	-	95,000	98,500	98,500	98,500
Transfers	-	-	5,000	5,200	5,200	5,200
Contingency	-	-	-	-	-	-
Total expenditures	-	-	100,000	103,700	103,700	103,700
Other requirements						
Unappropriated fund balance	-	-	-	-	-	-
Total requirements	-	-	100,000	103,700	103,700	103,700



◆ **GOALS**

- To continue to reduce reliance on the City of Bend General Fund and make the airport a self sufficient entity by enhancing revenues and improving efficiencies.
- To develop available land at the Bend Municipal Airport for aviation related industrial and general aviation uses and to begin development of a major portion of the east side of the Airport through the use of a master developer.
- To begin construction on the number one capital improvement project at the Airport, relocating Runway 16/34 to meet Federal separation standards and safety design requirements.

◆ **ESSENTIAL REQUIREMENTS**

- Capital Improvement Projects
- Property Lease Management
- Lease Negotiation/Management
- Runway/Taxiway Surface Maintenance
- Lighting System Maintenance
- Snow Removal Operations
- Landscape Maintenance

The essential function of the Bend Municipal Airport is to provide a safe and functional airport for corporate and general aviation and corporate aircraft. All capital improvement and Airport maintenance projects must comply with Federal Aviation Administration (FAA) safety and design standards and follow the implementation plans identified in the twenty year Airport Master Plan that was approved by Deschutes County and the City of Bend in December, 2002. Property lease management is an essential task in operating the airport efficiently, as building rental and ground leases provide the majority of airport revenue.

◆ **CURRENT TRENDS**

- Increasing aircraft operations
- Increasing demand for aircraft and aviation industrial hangar space.
- Increasing demand for development
- Ongoing deterioration of runway and taxiway surfaces
- Increasing grounds/ and building maintenance demands

◆ **CRITICAL ISSUES / DISCUSSIONS & RECOMMENDATIONS**

1. Issue – Runway Relocation

Discussion - The number one capital project at the Bend Municipal Airport is the relocation of Runway 16/34. The current runway surface is rapidly deteriorating and in need of major rehabilitation. At the same time, the existing location of the runway does not meet Federal design standards for safety and separation from the existing parallel taxiway. Construction is scheduled to begin in the summer of 2006 and is programmed for completion by the fall of 2007.

Recommendations – Maintain course on current construction schedule to relocate Runway 16/34 by fall, 2007.

Fiscal Impact – The construction of this runway is estimated to cost approximately \$6.2 million, spread over two fiscal years. Funding for this project will be provided through the FAA Airport Improvement Program grant process and 95% will be paid for by the FAA. A 5% match, currently estimated at approximately \$300,000, is required by the City. Application has been made through Connect Oregon to pay this portion of the City's cost.

2. Issue - Development of new land inventory for private/corporate hangars and aviation related industrial uses

Discussion – Major infrastructure was added to the East side of the Airport during FY 2004/05. This created a development opportunity to build additional hangars and business facilities on the Airport property to meet the tremendous demand that currently exists.

Recommendations – Working with the selected Master Developer, develop hangars and additional business facilities on the East Side of the Airport. Additionally, finish and lease second floor of Flight Services Building.

Fiscal Impact – Development of the East Side will significantly enhance lease revenues for airport operations, with minimal cost to the City of Bend. Also, completion of the upstairs portion of the Flight Services Building will provide additional revenues to the Airport.

♦ **ACTION PLAN CHOICES**

Current Service Level

The current level of service is adequate to maintain the operational capabilities of the airport.

Target Service Level

A target level of improved service requires additional funds for development and maintenance. Additional needed services include conference meeting space and additional hangar facilities.

♦ **STAFFING REQUESTS**

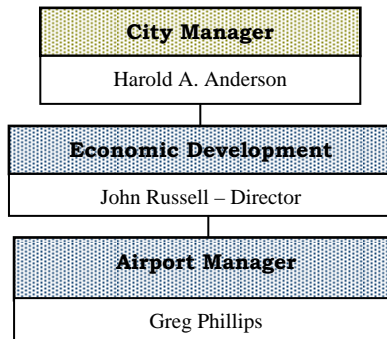
No changes or new staffing are being requested.

Airport Fund

Resources	2003-04	2004-05	2005-06	2006-07		
	Actual	Actual	Adjusted Budget	Proposed Budget	Approved Budget	Adopted Budget
Working capital at July 1st	37,887	37,249	16,600	100,300	100,300	100,300
Current year resources						
Intergovernmental revenues	127,977	1,215,721	1,309,800	3,800,000	3,800,000	3,800,000
Charges for services	409,857	429,734	501,200	567,300	567,300	567,300
Interest	(1,438)	(12,780)	(4,900)	(19,900)	(19,900)	(19,900)
Miscellaneous	39,092	37,132	60,500	60,500	60,500	60,500
Transfers from other funds	-	45,000	490,000	90,000	90,000	90,000
Borrowing proceeds	270,000	1,347,000	70,000	600,000	600,000	600,000
Total current year resources	845,488	3,061,807	2,426,600	5,097,900	5,097,900	5,097,900
Total resources	883,375	3,099,056	2,443,200	5,198,200	5,198,200	5,198,200
Expenditures						
Expenditures	2003-04	2004-05	2005-06	2006-07		
	Actual	Actual	Adjusted Budget	Proposed Budget	Approved Budget	Adopted Budget
Personal services	-	59,300	119,821	121,942	121,942	121,942
Materials and services	87,171	72,758	108,400	111,000	111,000	111,000
Capital outlay						
Improvements	177,338	2,015,711	1,225,000	3,807,500	3,807,500	3,807,500
Debt Service - Principal						
COPs	287,850	-	-	-	-	-
Notes payable		270,000	-	-	-	-
OEDD loan	18,594	18,678	31,800	23,900	23,900	23,900
Interim Financing	-	-	600,900	300,000	300,000	300,000
FF&C	66,700	72,800	78,300	78,800	78,800	78,800
Debt Service - Interest						
COPs	6,166	-	-	-	-	-
OEDD loan	29,961	29,136	58,300	28,000	28,000	28,000
Interim Financing	-	1,970	100	100	100	100
FF&C	86,347	83,477	79,900	77,000	77,000	77,000
Transfers	86,000	78,712	136,300	635,000	635,000	635,000
Contingency			4,379	14,958	14,958	14,958
Total expenditures	846,127	2,702,542	2,443,200	5,198,200	5,198,200	5,198,200
Other requirements						
Unappropriated fund balance	-	-	-	-	-	-
Total requirements	846,127	2,702,542	2,443,200	5,198,200	5,198,200	5,198,200

Airport Fund

Department: *Economic Development*



Program: *Airport Operations*

The Airport Operations program provides oversight of operations, maintenance and expansion of the Bend Municipal Airport.

- The Bend Municipal Airport is located on approximately 415 acres situated five miles northeast of Bend. Owned by the City of Bend, the airport is located in Deschutes County, outside the Bend Urban Growth Boundary. Airport facilities consist of a single runway, 5005 feet in length, and a parallel taxiway. Bend Municipal is identified as a Category 2, High Activity Business/General Aviation airport by the Oregon Department of Aviation, with approximately 180 based aircraft and an estimated



Aerial View of Bend Municipal Airport

- 40,000 operations in 2001, the last year for which accurate traffic counts are available. Sixteen aviation related businesses are located on the airport and employ more than 1000 people.
- Maintenance of existing facilities remains a high priority. Increased aircraft activity and demand for new facilities and services provides challenges to existing funding levels. The principal sources of revenue include tenant ground leases, City-owned hangar leases, and fuel flowage fees and taxes. Expenses are for the operation and improvement of the airport facility.
- The maintenance budget reflects continued spending on runway and taxiway repairs and maintaining the Flight Services Building, City-owned hangars and landscaping. It is imperative that runway and taxiway maintenance is continued for a safe operating environment, but the imminent replacement of the runway will ensure that just the critical needs for runway maintenance will be addressed. The runway relocation project is currently scheduled to begin construction in the summer of 2006 and should be completed by the fall of 2007. If this project is delayed, significant investment in maintenance of the current runway may be required to maintain FAA standards.

- The airport is a valuable asset to the City and the community, as both a part of the City's transportation infrastructure and as a commercial business park. With the capital improvements outlined in the existing Airport Master Plan and the private development already underway, there will be a significant increase in project management duties in the immediate future. Within one to two years, there will also be an increase in private hangar development, as development of the east side of the airport property speeds up.

Performance Measures - Airport Operations

	FY05-06 TARGET	FY05-06 ACTUAL	FY06-07 TARGET
Output Measures			
Airport Traffic	30,000	40,000	42,000
Jobs at Airport	450	1,024	1,200
Based Aircraft at Airport	140	170	180
Effectiveness Measures			
Tenant Improvements in progress/completed	*	*	*
Citizen support of airport	*	*	*
Efficiency Measures			
Lease revenues collected	\$527,700	\$506,800	\$586,300
Fuel Flowage collected	\$24,000	\$26,800	\$30,000
Maintenance issues addressed	10	20	20
Runway closed time (amount of time runway is closed for maintenance or hazard)	40 hrs/yr	20 hrs/yr	20 hrs/yr

* These measurements were not used prior to the FY05-06 fiscal year.

Activity:

- Runways and taxiways accommodate increased demand and are regularly maintained to ensure a safe operating environment for incoming and outgoing air traffic.
- Aircraft hangar rental for individual aircraft.
- Aircraft tie-down rental for individual aircraft.
- Commercial/executive hangar and building ground leases.
- Private hangar ground leases.
- Building maintenance for City owned hangars and Flight Services Building.
- Water and sewer service to all existing tenants.
- Expansion and maintenance of structures, runways/taxiways and surrounding roads and landscaping.

FY 2005-2006 Accomplishments

- Grant funding from the Federal Aviation Administration (FAA) in the amount of \$150,000 for Environmental Assessment for Runway 16/34 relocation and pre-engineering for new runway.
- Application for Connect Oregon funding to assist in developing Runway 16/34 relocation project.
- Grant funding from Oregon Department of Aviation for \$8,902 for Environmental Assessment for runway relocation.
- Selected Master Developer for east side development of up to forty-two acres for hangars and associated aviation related business facilities.
- Automated Weather Observation Station and Runway Safety area improvements completed.
- Airport property appraisal completed.
- Purchased and initiated implementation of Tenant Management software program.
- Baseline tenant rates reset to market rate, based on complete Airport Appraisal.

- Negotiations begun with two tenants for occupation of second floor of Flight Services Building.
- Completed Environmental Assessment for runway relocation.
- Developed Compass Rose for Airport.
- Completed operational traffic count with Oregon Department of Aviation.
- Epic Air manufacturing facility completed and occupied.

FY 2006-2007 Goals and Objectives

- Obtain additional grant funding to continue Capital Improvement Plan (CIP) projects.
- Begin construction on Runway 16/34 relocation project.
- Begin development of east side infrastructure for private hangars and business facilities.
- Complete leases for occupation of upstairs in Flight Services Building.
- Complete implementation of Tenant Management software system.

Capital outlay:

Runway 16/34 Relocation	\$3,807,500
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Downtown Parking Fund



◆ GOALS

Downtown Parking Goal

To address the growing demand for available parking for customers while working with the downtown community towards a solution for employee parking.

Downtown Parking Objective

To develop and implement strategies for the downtown parking supply that respond to the current requirements while planning for the future.



Centennial Parking Plaza

◆ ESSENTIAL REQUIREMENTS

- Consistent parking enforcement
- Support from the downtown business community on the issue of employee parking.
- Increase access to the Downtown
- Development of additional parking inventory in the near future.
- Manage parking based upon the 85% rule for pricing / supply decisions.
- Accessible ADA parking.

Downtown parking has been in a constant state of flux and change over the past year.

Increased citation rates effective in FY 04-05 have increased the number of parking permits purchased, while construction of the Centennial Parking Plaza eliminated 131 spaces temporarily from the permit inventory.

In addition, ongoing large scale construction in the downtown temporarily eliminated on-street parking along Oregon and some spaces along Bond Street.

The closure of the Newport Bridge at the end of FY 05-06 also contributed to the overall access issues within the downtown area.

The Centennial Parking Plaza opened in the second quarter of 2006 providing 551 parking spaces in the downtown core area. Hotel O, and other downtown employees have since begun to lease spaces in the parking structure.

In March 2006, the consulting firm of Barney & Worth completed a comprehensive study of permit rates in the downtown core and parking in lieu of fees, and presented a pilot program to test pay-n-display meters in downtown surface parking lots.

◆ CURRENT TRENDS

- Increased development activity in the downtown is placing added stress on the available parking supply.
- Spillover parking from the core into the neighborhoods is fostering the need for a residential permit program to alleviate congestion.
- Increased development that does not provide on-site parking is driving the need for added employee parking in the downtown.
- Increased construction activity in the downtown core has placed a strain on available parking and access due to construction vehicles and loss of on-street parking. This trend is anticipated to continue for several years.
- Evening parking demand continues to increase.
- Increased residential development in the downtown.
- Revisiting / increasing the parking in lieu of fee attests to the growing awareness that additional structured parking will need to be built in the near future adjacent to or within the downtown core.

- The downtown parking inventory has reached 85% utilization in many areas.

♦ **CRITICAL ISSUES / DISCUSSIONS & RECOMMENDATIONS**

1. Issue – Outsource all maintenance and operations of downtown revenue producing off-street lots and the Centennial Parking Plaza under the management of the Downtown Manager.

Discussion – The Parking Fund, a City Enterprise Fund, has in prior years transferred funds to Public Works for the purpose of performing maintenance duties associated with the downtown off-street parking lots, and some non-parking related activities. With the completed construction of the Centennial Parking Plaza in the spring of 2006, the amount of required maintenance activities associated with the facilities will increase. Out-sourcing maintenance duties is a cost effective way of managing the parking facilities.

Recommendation – Transfer management responsibility for revenue producing off-street parking lots in the downtown to the Downtown Manager, including maintenance of the Centennial Parking Plaza.

Fiscal Impact – In FY 2005-06, the Parking Fund transferred \$82,600 to Public Works. These funds would no longer be transferred, but would be utilized for contract maintenance services. An additional \$127,400 will be budgeted for maintenance duties associated with the parking structure for a total maintenance budget of \$210,000.

2. Issue – Launch pilot program for the use of smart meters in the downtown core.

Discussion – The consulting firm of Barney & Worth presented a pilot program to test the use of smart meters at several surface parking lots in the downtown for up to a 12 month period. The test is designed to gauge the effectiveness and acceptance of pay-n-display meters in downtown Bend. To effectively test the products, informational literature and consulting time will be required.

Recommendation – That the test program proceed and that staff contract with an ad agency on a limited basis for the purposes of developing awareness information for the public.

Fiscal Impact – An estimated budget of \$20,000 has been allocated for consulting services and \$12,000 for literature reproduction costs. Funding would be paid for out of parking permit and citation revenue.

♦ **STAFFING REQUESTS**

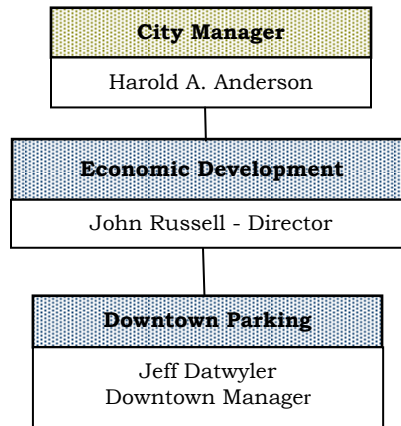
No changes or new staffing are being requested.

Downtown Parking Fund

Resources	2003-04	2004-05	2005-06	2006-07		
	Actual	Actual	Adjusted Budget	Proposed Budget	Approved Budget	Adopted Budget
Working capital at July 1st	404,351	455,516	454,100	855,000	855,000	855,000
Current year resources						
Charges for services	137,640	140,095	156,300	210,000	210,000	210,000
Interest	5,119	10,917	12,000	12,300	12,300	12,300
Fines	114,469	185,381	192,000	310,000	310,000	310,000
Improvement fees	61,260	1,016,040	1,215,800	300,000	300,000	300,000
Total current year resources	318,488	1,352,433	1,576,100	832,300	832,300	832,300
Total resources	722,839	1,807,949	2,030,200	1,687,300	1,687,300	1,687,300
Expenditures						
Expenditures	2003-04	2004-05	2005-06	2006-07		
	Actual	Actual	Adjusted Budget	Proposed Budget	Approved Budget	Adopted Budget
Personal services	49,579	59,732	40,675	55,740	55,740	55,740
Materials and services	142,943	195,273	224,800	444,100	444,100	444,100
Transfers	74,800	88,877	1,102,100	71,300	71,300	71,300
Contingency			508,325	834,360	834,360	834,360
Total expenditures	267,322	343,882	1,875,900	1,405,500	1,405,500	1,405,500
Other requirements						
Reserve for future construction	-	-	154,300	281,800	281,800	281,800
Unappropriated fund balance	-	-	-	-	-	-
Total requirements	267,322	343,882	2,030,200	1,687,300	1,687,300	1,687,300

Downtown Parking Fund

Department: *Economic Development*



The enforcement of parking citations and the issuance of parking permits are contracted out to Diamond Parking Services.

Revenue generated from citations and parking permits fund enforcement activities, staff, outsourcing of the operations and maintenance activities for specific downtown parking lots, snow removal, informational literature, holiday lights and outreach programs into the community.

Performance Measures – Parking

	FY 03-04 ACTUAL	FY 04-05 ACTUAL	FY05-06 ACTUAL	FY06-07 TARGET
Output Measures				
Number of tickets issued per year	11,390	11,800	11,800	15,500
Number of permits issued per year	4,982	5,316	6,056	9,116
Effectiveness Measures				
Percentage of tickets contested	3.4%	3.0%	3.0%	3.0%
Percentage of tickets dismissed	1.1%	1.0%	1.0%	1.0%
Percentage of available permits issued	74%	72%	95%	85%
Efficiency Measures				
Enforcement cost per ticket issued	\$10.48	\$10.41	\$10.41	\$9.83

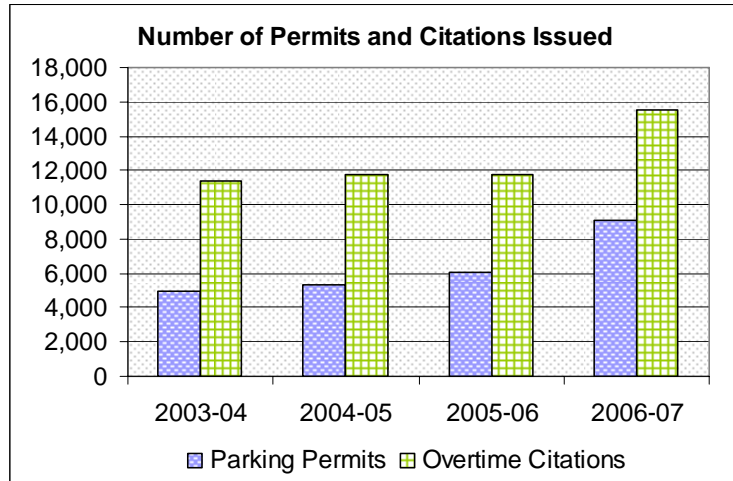
NOTE:

1. Output measures in periods prior to 2005-06 were based upon available permit inventory of 617 spaces / month, 7,407 annual. Output measures for permits in FY 2006-07 are based upon available inventory of 891 spaces / month, 10,692 annual.
2. Enforcement costs have dropped due to an increase in citation rates.
3. Enforcement costs per contract rise 3% per year.
4. The above performance measures will be evaluated and adjusted per the adopted changes to the downtown parking pricing policies to be determined in the study currently underway.

FY 2005-2006 Accomplishments

- Completion of the City of Bend’s first public parking facility, the Centennial Parking Plaza. The parking structure was completed on budget with some delays to the schedule due to severe weather. The structure is a shared use facility with permit parking available for downtown employees and general use for customers. Two restrooms installed in the lobby will provide much needed facilities to a busy downtown that hosts many varied events throughout the year. Tenant space adjacent to the structure along Oregon Street is currently in the process of being leased.

- The increase in the parking citation fee to \$20.00 and the elimination of parking spaces due to construction resulted in permits being sold out during the majority of FY 2005-06. Increased inventory added with the completion of the parking structure is estimated to result in a permit sale rate of 85% in FY 2006-07.



- The parking in lieu of fee has continued to be examined and increased to meet the growing demand for revenue needed to build future parking in the downtown.

- The cost to issue a citation in 2005-06 remained flat due to the merchant validation program. With the elimination of the program in FY 2006-07, the cost to issue a citation will fall to \$9.83 a 14% decrease from the prior year.

- The consulting team of Barney & Worth completed a comprehensive study dealing with issues such as garage pricing rates and parking in lieu of fees. The study will provide a solid foundation for future changes in downtown parking as development continues.

FY 2006-2007 Goals and Objectives

- Relocation of the Post Office to a new facility along Oregon Street adjacent to the Centennial Parking Plaza.
- To fully lease the retail space in the Centennial Parking Plaza.
- Out-sourcing all maintenance duties associated with the revenue producing lots in the downtown and the parking structure.
- To continue to provide clear communication and to coordinate with the Bend Downtowners Association, Chamber of Commerce and business owners on parking related issues.
- To maximize the utilization of existing downtown parking facilities.
- Development of a neighborhood parking permit program to mitigate the impact of vehicles into the surrounding neighborhoods as need warrants.
- To promote permit parking in the new downtown parking structure while securing a revenue source for sufficient operation of the structure.
- To promote ADA parking and accessibility in the downtown
- To complete a downtown Smart Meter pilot program.

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◆ **GOALS**

- To sustain and enhance the Central Bend Development Program Area's livability and economic vitality for its residents, businesses and visitors.
- To fully lease retail space in the new downtown parking structure.

◆ **ESSENTIAL REQUIREMENTS**

- Implement projects identified in the Central Area Plan.

◆ **CURRENT TRENDS**

- Development impetus is strong in downtown Bend, necessitating continuing aggressive actions to deal with parking issues.
- Potential downtown urban renewal projects exceed resources, requiring a careful evaluation of projects to maximize impacts.

◆ **CRITICAL ISSUES / DISCUSSIONS & RECOMMENDATIONS**

1. Issue - Completing tenant improvements and leasing the retail space in the downtown parking structure.

Discussion - The parking structure is complete and operating. However, the retail space is not yet fully leased up and tenant improvements are necessary. The Agency has completed a long term lease with the U.S. Postal Service for about 4,100 sq. ft., and the tenant improvements are currently under design. The space is anticipated to be occupied by the Postal Service by early autumn. There is approximately 5,000 sq. ft. of additional retail space to be leased. It is anticipated that this space will be fully occupied by the end of the 2006/07 fiscal year.

Recommendation - Continue efforts to identify tenants and complete tenant improvements for the parking structure retail space.

Fiscal Impact - The Agency will incur costs for constructing tenant improvements. It is anticipated that the costs will be recovered during the first year or two of the lease, through tenant rents, depending upon leasing terms.

2. Issue - Implementation of a parking management strategy for downtown.

Discussion - Over the past year the City has been working with parking consultants to prepare an overall parking management and parking strategy for downtown. The strategy has addressed issues such as lease up of the parking structure, appropriate rates for permit parking, the size and use of policies affecting in-lieu of parking fees, and the potential use of paid (e.g. metered) parking in downtown Bend. City Council provided direction to staff on these issues in Spring '06, and staff will be implementing the recommendations during the following year.

Recommendation - Continue the implementation of the downtown parking management strategy.

Fiscal Impact - The purpose of the parking management strategy is twofold: 1) to provide the most effective management of the limited resource of downtown parking spaces; and 2) to make downtown parking fully self-supporting with no impact on the City General Fund, and to accumulate resources for the creation of future parking supply.

3. Issue - Implementation of Central Area Plan projects with remaining resources of the Central Bend Development Program Area Urban Renewal Plan.

Discussion - The renewal area has approximately \$1.5 million in resources projected for its remaining life. In addition, BURAs owns property downtown worth potentially several million dollars. It is critical to identify projects in the downtown to most effectively use these resources. Projects range from Agency participation in critical infrastructure needs to participation in development of a future parking structure. Staff will be working with the BURAs Board to determine the most effective means to invest the remaining resources.

Recommendation - Direct staff to continue working with the Board to identify the most cost effective projects to implement the Central Area Plan and to determine the ultimate use of the property remaining in BURA ownership.

Fiscal Impact - It is anticipated that all of the remaining resources for downtown will be expended in 3-4 years, pending BURA Board decisions on the issues discussed above.

◆ **STAFFING REQUESTS**

New staff are not being requested in the FY 2006-07 Proposed Budget.



Mirror Pond Plaza



Centennial Parking Plaza

Historic Firehall Redevelopment



Bend Urban Renewal Agency – Downtown Plan Area Debt Service Fund

Urban renewal debt is repaid from property tax revenue from the division of taxes of the overlapping taxing districts within the urban renewal area and in the downtown area only, a special city-wide urban renewal tax levy. These tax levies are calculated based on the growth in assessed value of the renewal area. All property owners in Bend pay the same tax rate regardless of the property's location being within or outside of the district's boundaries. The Central Bend Development Program Area Plan has reached its maximum indebtedness, and no additional debt will be incurred. Tax increment will continue to be collected until existing debt is retired.

Resources	2003-04	2004-05	2005-06	2006-07		
	Actual	Actual	Adjusted Budget	Proposed Budget	Approved Budget	Adopted Budget
Working capital at July 1st	2,871,136	2,182,289	2,976,100	2,699,300	2,699,300	2,699,300
Current year resources						
Property taxes	1,853,912	2,110,616	2,226,500	2,447,000	2,447,000	2,447,000
Interest	29,309	66,001	60,000	95,000	95,000	95,000
Total current year resources	1,883,221	2,176,617	2,286,500	2,542,000	2,542,000	2,542,000
Total resources	4,754,357	4,358,906	5,262,600	5,241,300	5,241,300	5,241,300
Expenditures	2003-04	2004-05	2005-06	2006-07		
	Actual	Actual	Adjusted Budget	Proposed Budget	Approved Budget	Adopted Budget
Debt Service - Principal						
Note payable - BOTC	2,000,000	-	1,200,000	-	-	-
Advance refunding 1998	300,000	310,000	325,000	340,000	340,000	340,000
Urban renewal bonds 2004	-	350,000	500,000	725,000	725,000	725,000
Debt Service - Interest						
Advance refunding 1998	271,843	260,443	248,500	236,000	236,000	236,000
Urban renewal bonds 2004	-	438,208	443,300	413,000	413,000	413,000
Transfers	-	-	25,000	-	-	-
Contingency	-	-	1,088,900	2,095,400	2,095,400	2,095,400
Total expenditures	2,572,069	1,358,651	3,830,700	3,809,400	3,809,400	3,809,400
Other requirements						
Bond reserve	-	-	1,431,900	1,431,900	1,431,900	1,431,900
Unappropriated fund balance	-	-	-	-	-	-
Total requirements	2,572,069	1,358,651	5,262,600	5,241,300	5,241,300	5,241,300

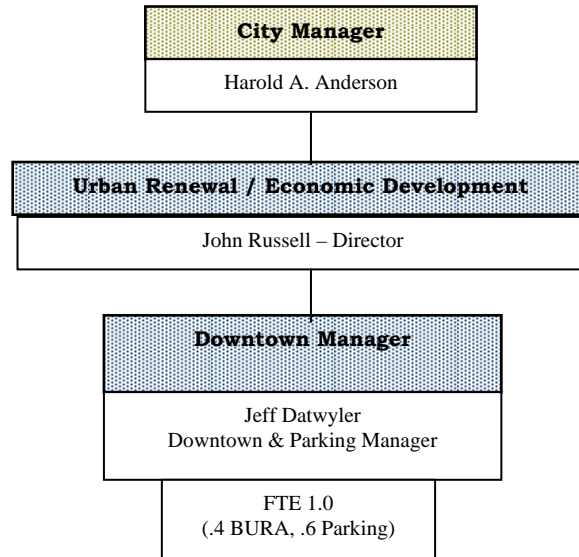
Bend Urban Renewal Agency – Downtown Plan Area Construction Fund

The principal sources of revenue to BURA are loan proceeds in anticipation of property taxes pursuant to ORS 467.420 through 457.450. Funds are used to relieve urban blight by providing needed infrastructure and utilities and facilitating other improvements to redevelop the renewal areas.

Resources	2003-04	2004-05	2005-06	2006-07		
	Actual	Actual	Adjusted Budget	Proposed Budget	Approved Budget	Adopted Budget
Working capital at July 1st	1,956,628	10,695,935	7,211,000	930,700	930,700	930,700
Current year resources						
Interest	20,613	226,676	130,000	35,500	35,500	35,500
Miscellaneous	107,653	392,125	80,100	167,600	167,600	167,600
Sale of fixed assets	79,619	-	578,000	683,000	683,000	683,000
Transfer from other funds	-	-	1,000,000	-	-	-
Du Jour borrowing	-	-	1,200,000	-	-	-
Debt proceeds	10,500,000	-	-	-	-	-
Total current year resources	10,707,885	618,801	2,988,100	886,100	886,100	886,100
Total resources	12,664,513	11,314,736	10,199,100	1,816,800	1,816,800	1,816,800
Expenditures						
Expenditures	2003-04	2004-05	2005-06	2006-07		
	Actual	Actual	Adjusted Budget	Proposed Budget	Approved Budget	Adopted Budget
Personal services	172,697	195,097	36,451	37,159	37,159	37,159
Materials and services	392,182	96,391	192,000	555,800	555,800	555,800
Capital outlay						
Improvements	1,403,699	3,095,028	9,489,200	300,000	300,000	300,000
Transfers	-	88,583	181,400	547,800	547,800	547,800
Contingency			300,049	376,041	376,041	376,041
Total expenditures	1,968,578	3,475,099	10,199,100	1,816,800	1,816,800	1,816,800
Other requirements						
Unappropriated fund balance	-	-	-	-	-	-
Total requirements	1,968,578	3,475,099	10,199,100	1,816,800	1,816,800	1,816,800

Bend Urban Renewal Agency-Downtown Plan Area Funds

Department: ***Economic Development***



The Bend Urban Renewal Agency is comprised of the members of the Bend City Council. The City provides professional services to the Agency and the Board governs overall policies of the Agency in accordance with the adopted Central Bend Development Program Area Plan 2001.

Finances of BURA are accounted for through two funds: a construction fund and a debt service fund. Expenses are tracked by project to assure projects stay on budget. The construction fund is the operating fund for all activities of BURA. Legal expenditures of these funds generally include capital construction, planning activities for future projects to benefit the renewal area and legitimate costs to administer the area. The debt service fund handles interest and principal payments and arranging short-term financing as required. (Further information, if desired, as to the City's debt management policies can be found in the Debt Overview section of the City of Bend's budget documents.)

FY 2005-2006 Accomplishments

- During FY 05/06, the parking structure construction was completed and tenant improvements were initiated on the structure. The U.S. Postal Service was temporarily relocated during construction and will move into the parking structure upon completion of tenant improvement. The lease assures the USPS will remain a tenant in the downtown until 2013, with option periods to 2033.
- The BURA Board approved agreements for development of the Minnesota Street property and the Lava street property adjacent to the parking structure. BURA also completed sale of the Bond Street property owned by the City of Bend. Development of the Minnesota Street and Bond Street properties are anticipated to initiate in Spring 2006.
- The Central Area Plan for the historic downtown was completed in Fall '05. The plan will provide direction to BURA for use of its remaining downtown resources.

FY 2006-2007 Goals and Objectives

- Complete lease up of the parking structure.
- Initiate construction of four redevelopment sites in the downtown (Minnesota, Lava, Bond and Franklin Streets).
- Continue to improve the provision of real estate services to BURA and the City of Bend.
- Coordinate with the Community Development Department in completing the final two phases of the Central Area Plan, which include the Third Street Corridor and the neighborhoods adjacent to the historic downtown.



◆ **GOALS**

- To initiate implementation of the Juniper Ridge Urban Renewal Plan.
- To complete and execute a disposition/development agreement with the master developer for Juniper Ridge and to initiate development.

◆ **ESSENTIAL REQUIREMENTS**

- Develop financing strategy for Juniper Ridge plan implementation.

◆ **CURRENT TRENDS**

- Juniper Ridge property is being master planned in conjunction with the master developer thus requiring comprehensive financing and development strategy.
- Critical issues must be resolved in order to initiate development at Juniper Ridge, thus there is a need to work closely with other City Departments on these issues, including Urban Growth Boundary expansion and access issues with ODOT into Juniper Ridge.

◆ **CRITICAL ISSUES / DISCUSSIONS & RECOMMENDATIONS**

1. Issue – Implementation of the urban renewal plan for Juniper Ridge.

Discussion - The first 500 acres of Juniper Ridge have been annexed into the City. The City is negotiating a Memorandum of Understanding with Juniper Ridge Partners LLC for development of the entire 1500 acres in City ownership. Upon execution of the Memorandum of Understanding, master planning will begin for a mixed use community with large employment centers and residential property, with the intent of providing housing for the employees of the research/development and light industrial areas of the project, as well as the planned university.

The project will have very large infrastructure costs. The City and Agency are responsible for offsite costs and the master developer is responsible for onsite costs. Urban renewal will provide a major financing tool that will assist, along with other financing methods, in providing the infrastructure.

Urban renewal will not provide funds immediately. An additional funding source(s) will be required as a bridge during the early years until adequate development has occurred to provide tax increment and property sales revenue for capital costs

Recommendation – Continue negotiation of the Disposition/ Development Agreement with the master developer and identify a financial strategy to bridge the early year costs of providing offsite infrastructure until property sales and tax increment revenues are adequate. The bridge financing could ultimately be repaid with tax increment revenues.

Fiscal Impact - Juniper Ridge is a very expensive, large scale development project for the City. It is anticipated that the Agency and City's investment will be fully repaid through future land sales, though bridge financing will be required until development occurs to generate tax increment, and until property sales revenues are adequate to offset financing costs.

◆ **STAFFING REQUESTS**

New staff are not being requested in the FY 2006-07 Proposed Budget.

**Bend Urban Renewal Agency Fund -
Juniper Ridge Plan Area Debt Service Fund**

Urban renewal debt is repaid from property tax revenue from the division of taxes of the overlapping taxing districts within the urban renewal area. These tax levies are calculated based on the growth in assessed value of the renewal area. All property owners in Bend pay the same tax rate regardless of the property's location being within or outside of the district's boundaries. The Juniper Ridge Urban Renewal Area will make its first collection of tax increment financing for debt service this fiscal year.

Resources	2003-04	2004-05	2005-06	2006-07		
	Actual	Actual	Adjusted Budget	Proposed Budget	Approved Budget	Adopted Budget
Working capital at July 1st	-	-	-	-	-	-
Current year resources						
Property taxes	-	-	-	153,000	153,000	153,000
Total current year resources	-	-	-	153,000	153,000	153,000
Total resources	-	-	-	153,000	153,000	153,000
Expenditures	2003-04	2004-05	2005-06	2006-07		
	Actual	Actual	Adjusted Budget	Proposed Budget	Approved Budget	Adopted Budget
Debt service						
Principal	-	-	-	152,900	152,900	152,900
Contingency	-	-	-	-	-	-
Total expenditures	-	-	-	153,000	153,000	153,000
Other requirements						
Unappropriated fund balance	-	-	-	-	-	-
Total requirements	-	-	-	153,000	153,000	153,000

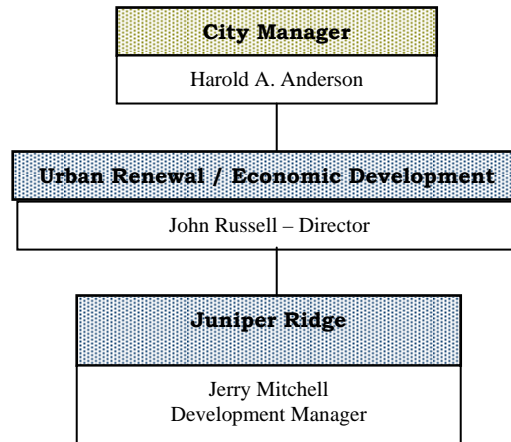
Bend Urban Renewal Agency Fund – Juniper Ridge Plan Area Construction Fund

The principal sources of revenue to BURA are loan proceeds in anticipation of property taxes pursuant to ORS 467.420 through 457.450. Funds are used to relieve urban blight by providing needed infrastructure and utilities and facilitating other improvements to redevelop the renewal areas.

Resources	2003-04	2004-05	2005-06	2006-07		
	Actual	Actual	Adjusted Budget	Proposed Budget	Approved Budget	Adopted Budget
Working capital at July 1st	-	-	-	96,700	96,700	96,700
Current year resources						
Interest	-	-	-	20,000	20,000	20,000
Loan Proceeds	-	-	550,000	7,000,000	7,000,000	7,000,000
Private Developer Contribution	-	-	-	470,000	470,000	470,000
Du Jour borrowing	-	-	-	152,900	152,900	152,900
Total current year resources	-	-	550,000	7,642,900	7,642,900	7,642,900
Total resources	-	-	550,000	7,739,600	7,739,600	7,739,600
Expenditures						
Personal services	-	-	68,034	107,105	107,105	107,105
Materials and services	-	-	236,600	451,000	451,000	451,000
Capital outlay	-	-	-	3,435,000	3,435,000	3,435,000
Transfer	-	-	174,600	585,100	585,100	585,100
Contingency	-	-	70,766	361,395	361,395	361,395
Total expenditures	-	-	550,000	4,939,600	4,939,600	4,939,600
Other requirements						
Reserve for future construction	-	-	-	2,800,000	2,800,000	2,800,000
Unappropriated fund balance	-	-	-	-	-	-
Total requirements	-	-	550,000	7,739,600	7,739,600	7,739,600

Bend Urban Renewal Agency Fund

Department: Economic Development



The Bend Urban Renewal Agency is comprised of the members of the Bend City Council. The City provides professional services to the Agency and the Board governs overall policies of the Agency in accordance with the adopted Juniper Ridge Urban Renewal Area adopted in August 2005.

Finances of BURA are accounted for through two funds: a construction fund and a debt service fund. Expenses are tracked by project to assure projects stay on budget. The construction fund is the operating fund for all activities of BURA. Legal expenditures of these funds generally include capital construction, planning activities for future projects to benefit the renewal area and legitimate costs to administer the area. The debt service fund handles interest and principal payments and arranging short-term financing as required. (Further information, if desired, as to the City's debt management policies can be found in the Debt Overview section of the City of Bend's budget documents.)

FY 2005-2006 Accomplishments

- Prepared an urban renewal plan for the Juniper Ridge property, and negotiated a Memorandum of Understanding with Juniper Ridge Partners LLC for development of a mixed use employment center at Juniper Ridge.

FY 2006-2007 Goals and Objectives

- Complete a revised master plan for the entire 1500 acres of Juniper Ridge and execute a Disposition/Development Agreement with the master developer.
- Initiate early development of industrial lands in conformance with the revised master plan.
- Develop a specific phasing and financing plan for Juniper Ridge infrastructure, and coordinate with the Community Development Department in expansion of the Urban Growth Boundary.

Internal Services Fund EDD Administration Division/Central Services



The Economic Development Department (EDD) Administration Division provides centralized administrative oversight and support services for all economic development related functions of the City and the Bend Urban Renewal Agency and within that capacity shares responsibility for the program goals and essential requirements directly related to those individual programs.

◆ GOALS

- To sustain and enhance the economic viability of the City of Bend, including its role as a major economic driver in Central Oregon, and to implement an economic strategy for the City of Bend.
- To continue implementation of the Central Bend Development Program Area Plan to promote livability and economic vitality for downtown Bend's residents, businesses and visitors.
- To implement the Juniper Ridge Urban Renewal Plan and to initiate development of the area as the primary site for new industrial and mixed use development in Bend.
- To enter into an agreement with a master developer for the Bend Airport to develop hangars and airport related industrial uses on the east side of the airport property, and to continue to strengthen the fiscal health of the airport through improved management.
- To manage Bend's role as an Entitlement Community under the Community Development Block Grant (CDBG) program and support and expand affordable housing programs and a strong social service delivery system as critical components of a viable economic development strategy.
- To enter into an agreement with the selected master developer for the Juniper Ridge Industrial Site, and to complete a master plan for the site.
- To identify a detailed phasing plan for Juniper Ridge public improvements, and to work with ODOT and other agencies to allow development to start at Juniper Ridge prior to major improvements to the intersection of Highway 97 and Cooley Road.

- To include an overall economic sector targeting program into the agreement with the master developer for Juniper Ridge.
- To complete lease up of the downtown parking structure.
- To implement the overall parking strategy for downtown Bend that includes the new parking structure as an integral part of the strategy.

◆ ESSENTIAL REQUIREMENTS

- Implement projects identified in existing strategic plans, including the Downtown Urban Renewal Plan, the Downtown Parking Strategic Plan, the CDBG Consolidated and Action Plans, the Juniper Ridge Urban Renewal Plan and the Airport Layout Plan.
- Develop financing strategies for implementation of the above plans.
- Implement a comprehensive downtown parking strategy and lease the retail space in the parking structure.
- Continue to develop an overall economic development strategy that recognizes the relationship between the diverse elements of the Department.
- Manage City and Renewal Agency owned properties and serve as a resource to other City Departments for real estate issues.
- Promote the provision of affordable housing and public services as a critical component of encouraging the creation of new family wage jobs in Bend.
- Coordinate the draft historic downtown phase of the Central Area Plan with the on-going Third Street Corridor portion of the Central Area Plan.
- Work with EDCO to implement a marketing program for targeted industries in Research and Development and light industrial sectors in Bend, including Juniper Ridge.

◆ CURRENT TRENDS

- Downtown Bend continues to have strong growth with several projects in various stages of development.

- Potential uses of downtown urban renewal funds exceed revenues, requiring that the BURA Board set spending priorities.
- Negotiations with the selected master developer for Juniper Ridge are proceeding with the expectation of a completed contract by the end of 2006.
- Negotiations are proceeding with the selected master developer for the east side of the Airport, to develop land for additional hangars and industrial buildings with the expectation of a completed contract by the end of 2006.
- The Real Estate Division workload continues to grow with right-of-way purchases, additional leasehold space in the downtown and Airport, and other City projects.
- Lack of affordable housing continues to grow as a critical economic development issue for existing and potential new residents.

◆ **CRITICAL ISSUES / DISCUSSIONS & RECOMMENDATIONS**

1. Issue - Full lease up of the Centennial Parking Plaza.

Discussion - The parking structure opens for parking in Spring 2006. The downtown branch of the U.S. Post Office will occupy its space in fall 2006. Negotiations with other potential tenants are proceeding.

Recommendation - Continue to negotiate leases with the intent of the retail spaces being fully occupied by the end of FY '06-07.

Fiscal Impact - Market rate rents will be negotiated to provide a steady revenue stream.

2. Issue - There are dwindling BURA resources in the downtown to complete projects. The largest remaining assets are the property at Franklin and Wall Streets, and the parking lot at Greenwood and Wall Streets. The BURA Board has directed that these properties remain in BURA ownership until resolution of the new City Hall location.

Discussion - The downtown portion of the Central Area Plan (CAP) was completed in fall 2005. Planning will be initiated on the Third Street Corridor portion of the CAP in spring 2006. It is critical that implementation of the CAP utilizing the remaining BURA funds provides a cohesive approach to these connected areas.

Recommendation - Set priorities for the use of remaining resources, including land assets, while the remainder of the CAP is being completed.

Fiscal Impact - The CAP will take until the end of FY 2006-07 to complete, and will be a collaborative effort between BURA and the Community Development Department. The BURA portion of this planning is budgeted at \$25,000. The construction fund has the capacity for this expenditure.

3. Issue - Evaluation of Agency-owned properties downtown.

Discussion - BURA owns several properties downtown, including surface parking lots (in addition to the parking structure site), and commercial properties (e.g. the Wall/Franklin properties). These properties all have significant development potential that could add to the vitality of downtown and provide BURA much-needed assets. The need exists to fully evaluate the potential sale of these properties.

Recommendation - Upon completion of the CAP and resolution of the location of the proposed new City Hall, determine the redevelopment use for the remaining properties under BURA ownership.

Fiscal Impact - Sale of the remaining properties owned by BURA in the downtown should produce several million dollars in revenue for other projects in the area.

4. Issue - Initiation of development at Juniper Ridge.

Discussion - Negotiations are underway with the selected master developer for Juniper Ridge. It is anticipated that a disposition and development agreement will be negotiated around the end of 2006. Along with the agreement, a new master plan will be prepared for Juniper Ridge that provides for a new mixed use community with substantial industrial land and a university site.

Recommendation - Continue to complete the master plan and disposition and development agreement with the intent of initiating construction during the fiscal year.

Fiscal Impact - Start up costs for Juniper Ridge are substantial for BURA and the City. Significant consulting fees and infrastructure costs will be incurred. An overall financing strategy will be developed in conjunction with the master plan.

5. Issue - Creation of a half time administrative support position in Economic Development Central Service Division.

Discussion - The workload of the Economic Development Department has increased dramatically over the past year and a half, as new functions and positions have been added. Administrative support has not increased. The new half time position will allow professional staff to be more productive. A significant portion of the new position will be oriented to file management, including well over 150 active leases managed by the Department, and many on-going real estate transactions.

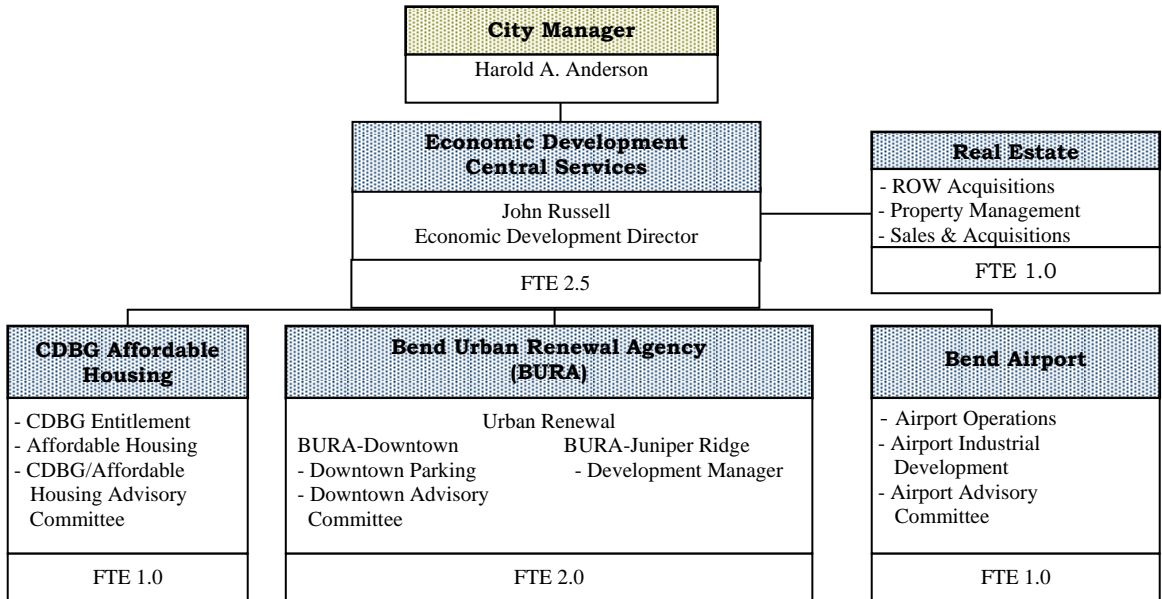
Recommendation - Authorize the retention of a half time staff assistant to provide administrative support to the Department.

Fiscal Impact - Retention of this position will enable professional managerial staff to be much more efficient and productive in use of time, which is often being used inefficiently due to lack of support.

◆ **STAFFING REQUESTS**

As discussed in issue #5 above, one half-time Office Specialist is being requested.

Internal Services Fund – Economic Development Administration
 Department: ***Economic Development***



Economic Development Department Administration Division

Resources	2003-04	2004-05	2005-06	2006-07		
	Actual	Actual	Adjusted Budget	Proposed Budget	Approved Budget	Adopted Budget
Working capital at July 1st	-	-	34,300	23,900	23,900	23,900
Current year resources						
Interest	-	556	600	-	-	-
Transfers from other funds	-	108,100	440,000	469,800	469,800	469,800
Total current year resources	-	108,656	440,600	469,800	469,800	469,800
Total resources	-	108,656	474,900	493,700	493,700	493,700
Expenditures						
Expenditures	2003-04	2004-05	2005-06	2006-07		
	Actual	Actual	Adjusted Budget	Proposed Budget	Approved Budget	Adopted Budget
Personal services	-	65,450	313,135	369,902	369,902	369,902
Materials and services	-	11,561	51,200	35,800	35,800	35,800
Transfers	-	2,712	35,600	49,600	49,600	49,600
Contingency	-	-	74,965	38,398	38,398	38,398
Total expenditures	-	79,723	474,900	493,700	493,700	493,700
Other requirements						
Unappropriated fund balance	-	-	-	-	-	-
Total requirements	-	79,723	474,900	493,700	493,700	493,700



◆ **GOALS**

▪ **Manage City Owned Property:** To refine existing and develop new procedures and systems for the professional management of all City and BURA-owned real estate, including the Airport.

▪ **Sell Excess City Owned Real Estate:** To sell unneeded real estate held by the City and BURA that includes excess right-of-way, as well as property acquired by other means and development property to be disposed of via an RFP process.

▪ **Purchase Real Estate:** To purchase property as needed for the City and BURA.

▪ **Provide Right of Way Acquisition and Relocation services:** To purchase real property and property rights (easements, etc.) for public works projects.

◆ **ESSENTIAL REQUIREMENTS**

- Central real estate service for all City needs.
- Professional staff management of City real property.
- Enhanced lease, purchase, sale and development negotiations.

The City benefits from professional management and negotiations in all real estate matters (transactions, planning, etc.) with staff expertise. This function is accountable to City management as opposed to third party contracting. Centralized real estate services create efficiencies, save money, produce revenues and provide seamless operations.

◆ **CURRENT TRENDS**

- Centralized real estate function provides efficient, effective, cost saving service to all City departments.
- Excess property held for future needs receive direct attention resulting in lower risk to City and potential rental income.

- City departments with real estate needs as a component of projects and decision making has a readily available resource for decision making, valuation, consulting and advice for decision making.
- Real Estate is directly accountable to City Management.

◆ **CRITICAL ISSUES / DISCUSSIONS & RECOMMENDATIONS**

1. Issue – Bend Airport Lease Management.
Discussion – The airport is growing fast, and has excellent potential to become financially self-sustaining, produce its own replacement reserves and to produce economic benefits for the community. Along with operations management, centralized management of the more than 150 airport tenant leases will continue to produce increased revenues, cost savings, careful, smart growth and continue to become a greater asset for the City.

Recommendations – The Real Estate Manager should continue to manage airport leases in close coordination with the Airport Manager, allocating resources as requested.

Fiscal Impact – The Airport is operating in the black, though total debt service is not yet covered by operating revenues. The trend is to achieve operating revenues in the near future that are adequate to support debt service.

2. Issue – City Owned Real Estate Management.

Discussion – Internal management of City real estate will provides direct management, greater utilization of assets, and greater accountability for performance of existing assets.

Recommendation – Provide resources to maintain, manage, market and lease assets if vacant or as they become vacant.

Fiscal Impact – Savings of Citywide property management fees of approximately \$53,000 per year, potential increases in revenue from leased property of approximately \$100,000 per year with the addition of the space in the parking garage and increased revenues at the Bend Municipal Airport.

3. Issue – Disposition of City owned excess real estate.

Discussion – The City owns a number of properties (potentially 20+) left over from right of way acquisition, or obtained by other means. Many of these properties have been rented with limited success or remained vacant and have deteriorated from lack of maintenance. The Real Estate Manager will dispose of properties in a structured manner via direct sales or RFP process, depending on the property.

Recommendation – Support the resources necessary to carry out the disposition of real estate as workload allows.

Fiscal Impact – Gross revenues to the City in FY 06-07 may be substantial. For example, the former Primrose Apartment property sale planned for the upcoming year will likely net just under \$1,000,000.

4. Issue – Right of Way Acquisitions

Discussion – The City has contracted with third party providers to acquire property needed for rights-of-way and other Public Works projects. Major upcoming projects include Cooley Road and Reed Market. Real Estate has taken over all acquisition of rights-of-way and other land and/or easements necessary to build the infrastructure for the City. If work load in FY 06-07 exceeds capacity, some outsourcing with oversight and management by the Real Estate Manager is anticipated to occur.

Recommendations – Support the financial requirements for staff and equipment necessary to provide this staff service.

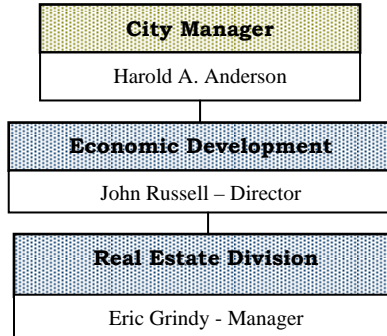
Fiscal Impact – Savings to the City in consultant fees is expected to exceed \$90,000 in FY 06-07.

◆ **STAFFING REQUESTS**

No changes or new staffing are being requested.

Real Estate Division

Department: *Economic Development*



Performance Measures – Real Estate

Output Measures

- Increase Airport Lease Revenue
- Increase Non-Airport Lease Revenue
- Number of ROW cases
- Number of leases managed

Effectiveness Measures

- External consultant/vendor cost of output

	FY04-05 ACTUAL	FY05-06 TARGET	FY 06-07 TARGET
		\$70K	\$62K
	\$1K	\$5K	\$100K
	0	34	30-40
	0	150	160+
	\$150K	0	0

FY 2005-2006 Accomplishments

- An ongoing comprehensive review of properties owned and leased by the City, especially at the Bend Municipal Airport, has identified numerous areas for improvement. Specifically in the area of lease terms, management, rent accounting and billing. The addition of an experienced Real Estate Manager has improved terms and conditions of leases, and eliminated unfavorable leases where possible. New leases have and will provide more advantageous terms for the City which have and will continue to result in increased rental income, lower operating expenses, and efficient, accurate lease management.
- Resident real estate expertise has resulted in beneficial negotiations in a myriad of transactions, and has set the stage for beneficial negotiations and positioning on future transactions.
- Right of Way purchases have been accomplished faster than outside consultants can perform on various projects and have produced positive results with those affected, advanced planning for future projects and preemptive purchases which cost the City less money. Higher quality service has been delivered at a lower cost.
- Completed extensive real estate services for BURA and the City, including right-of-way acquisition for the Newport Bridge and other properties, negotiation of a Disposition/ Development Agreement for the Primrose Apartment property, and updating all leases at the Bend Municipal Airport.

FY 2006-2007 Goals and Objectives

- To continue to build the Real Estate services as an effective City tool to increase equity, increase cash flow, reduce risk, and reduce costs.
- To sell excess property putting property back in use by the public, add tax revenue, increase jobs, and provide more housing inventory and potential commercial space.
- To manage leases and property at Bend Airport moving airport operations toward self sustainability and creating reserves.
- To acquire Right of Way at lower cost, reduce consultant/vendor fees, minimize citizen conflict.
- To provide high quality service to City departments.
- Continue to improve the provision of real estate services to BURA and the City of Bend.

Internal Services Fund Information Technology Division



◆ GOALS

The IT Department, as an internal service function, has a less direct impact on Council goals, but its operations affect all of the goals indirectly because the department's mission is to make all City staff more efficient by providing technologies that assist them in communications and the completion of their work, including some services that are delivered directly to the public, via electronic means.

◆ ESSENTIAL REQUIREMENTS

- Support of existing operations.
- Updates to existing products.
- Recoverability of existing systems.
- Provide or facilitate assistance and training to users.
- Build and maintain appropriate infrastructure to accommodate growth.
- Evaluate, recommend, and implement new technology that improves staff performance and customer service.

The mission of the Information Technology Department continues to be: "to provide information technology that is reliable, recoverable, and that makes City staff more efficient at achieving the City's goals". The IT Department provides management and technical support services to deliver communications and computer technologies to all City Departments. First priority is given to the support of existing "mission critical" applications used by staff to deliver services to the public. New technologies are evaluated and recommended based on the increased efficiencies and services they can provide, and the number of people they will benefit. Selected technologies are implemented in partnership with the staff and citizens that will use them.

◆ CURRENT TRENDS

- An accelerating growth rate in the community is creating demand for much more sophisticated methods to manage larger and more complicated systems and to provide services more efficiently.

- Growth of the organizations is leading to more complex projects which require increased communications and more sophisticated tools to handle the complexity and maintain efficiency.
- The rapid expansion of the use of electronic services at all levels of social strata is increasing the demand for on line services. This shift to electronic services is precipitating an exponential increase in the security requirements needed to keep systems reliable.
- The need to increase efficiency is driving the demand for "pervasive computing". That is, access to computer based systems from where ever people work.
- Demand for increased staff efficiency and increasing complexity of duties drives the need for better staff training.

◆ CRITICAL ISSUES / DISCUSSIONS & RECOMMENDATIONS

1. Issue – Continuing rapid growth of the community.

Discussion – This trend is generating demand for greater efficiency and more complex systems to provide services to more people in higher densities.

Recommendations – Public Works must install more sophisticated programs to manage larger and more complex systems. To accomplish this, they need the services of a systems analyst level support person from IT. Public Works proposes to fund the cost to replace the existing IT Technician position that is dedicated primarily to Public Works, with a Systems Analyst level position. This position will be able to focus on implementation of better facility monitoring and management systems.

The Police Department needs to increase efficiency by installing more sophisticated, field accessible computing systems, and they need to work with the Sheriff's office and other police agencies to build a regional public safety system. To help address this, the Police Department proposes to fund the services of a full time, IT Systems Analyst

level position. This position would be assigned primarily to support the Police Department in implementing new systems and working towards a regional system. The IT Technician position that currently divides time primarily between Police and Fire, would be shifted to serve primarily just the Fire Department, and would be funded by that department.

Fiscal Impact – The IT Department was budgeted for 10 positions in fiscal 2005-2006, but only 9 positions were filled. This budget proposal provides 10.5 FTE's in IT. One of the Technician level positions from fiscal 2005 – 2006 would be replaced by a Systems Analyst level position.

2. Issue – Limited resources and growing demand are increasing the need for operational efficiency.

Discussion – The desire for staff efficiency is generating the demand for systems that allow City staff to complete their work in the field, instead of taking notes in the field and returning to their offices to update information.

Recommendations – Because there is no single vendor that provides full coverage, high speed data services in Bend, the IT Department is pursuing a strategy of working with multiple vendors to provide the best combination of wireless data services. Working with multiple carriers on public networks also requires the IT Department to implement software that will provide security and roaming between carriers. This strategy should provide the best available data communications for all City departments.

Fiscal Impact – The required software to serve 100 mobile units is expected to cost about \$30,000. Each unit will require monthly data accounts that will cost from \$35 to \$80 per month. Equipment in each vehicle will cost approximately \$4,000 to \$6,000 depending on the options required for various situations.

3. Issues – The annual audit resulted in three recommendations related to the IT Department.

Discussion – First, the audit recommended that the City implement some form of alternate computing facility plan for disaster recovery. Second, the audit recommended an increase in the file level security of the software used for payroll and accounting. Third, the audit recommended the installation of an appropriate fire suppression system in the primary computer room.

Recommendations – This budget proposal includes \$15,000 for an agreement for the provision of limited, alternate computing facilities within a predefined time period for disaster recovery (redundant systems would provide continuous operations in such a situation but this would require significantly more funding). This budget proposal also includes \$15,000 for file level security software and consulting. The Facilities Division budget proposal provides funding to install an appropriate fire suppression system in the primary computer room.

4. Issue – Adequate infrastructure is a requirement to meet growing demands for efficiency.

Discussion – As demand increases, technologies advance, and components become outdated. Network systems and components must be added or replaced as this occurs. The implementation of new technologies, such as wireless computing, requires upgrading of some network components. As City operations become more dependant on technology, it becomes more important to build redundancy into critical systems.

Recommendations – The IT Department recommends the implementation of a scheduled replacement/upgrade of network components and the addition of wireless links to provide redundant communications for key locations.

Fiscal Impact –

Replace outdated switches:	\$49,000
Redundant wireless links:	\$10,000
Replace oldest PC's:	\$100,000
Additional mobile equipment:	
Building	\$60,000
Fire	\$30,000
Police	\$27,000
Public Works	\$45,000
Replace old monitors:	\$10,000
Server upgrades:	\$80,000
Network storage & com:	\$49,000
Telephone system upgrade:	\$28,000

5. Issue – Access to information and communications must be reliable and secure.

Discussion – Information systems must be connected to other agencies and the internet to provide efficient operations. People in general are more aware of connected computing systems and have far greater access to them. These facts make security issues immensely more critical and challenging.

Recommendations – The IT Department recommends continued investment in anti-virus/anti-spyware software, and the addition of intrusion detection software. The later will serve to monitor systems and alert IT staff to potentially hazardous connections to City systems as soon as they occur, rather than after they have had time to disrupt services.

Fiscal Impact – Intrusion detection tools are budgeted at \$25,000.

◆ **STAFFING**

The FY 2005/06 budget provided for 10 IT positions. One position remained unfilled. The FY 2006/07 budget request is for 10.5

FTE's with one technician position being converted to a systems analyst level position.

◆ **CHANGES TO BUDGET PRIOR TO ADOPTION:**

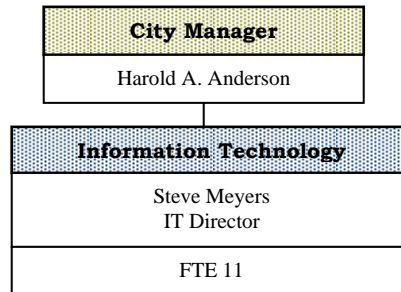
The City Council added \$97,000 to the Budget Committees approved budget prior to adoption to reflect staff recommendations for the carry forward of funds for capital equipment not expected to be received until after June 30th that had been budgeted in FY 2005/06 and for which purchase orders had been issued prior to June 30, 2006.

Information Technology Division

Resources	2003-04	2004-05	2005-06	2006-07		
	Actual	Actual	Adjusted Budget	Proposed Budget	Approved Budget	Adopted Budget
Working capital at July 1st	648,670	791,491	532,500	321,300	321,300	418,300
Current year resources						
Interest	8,123	16,178	12,600	9,000	9,000	9,000
Transfers from other funds	1,428,462	1,187,000	1,463,900	1,694,800	1,694,800	1,694,800
Miscellaneous	10,301	10,435	800	900	900	900
Equity transfer	-	-	-	-	-	-
Total current year resources	1,446,886	1,213,613	1,477,300	1,704,700	1,704,700	1,704,700
Total resources	2,095,556	2,005,104	2,009,800	2,026,000	2,026,000	2,123,000
Expenditures						
Expenditures	2003-04	2004-05	2005-06	2006-07		
	Actual	Actual	Adjusted Budget	Proposed Budget	Approved Budget	Adopted Budget
Personal services	565,126	637,747	726,454	632,658	632,658	632,658
Materials and services	545,926	582,230	693,800	867,900	867,900	874,900
Capital outlay						
Equipment	160,812	150,798	394,700	456,500	456,500	546,500
Transfers	32,200	34,187	44,900	63,900	63,900	63,900
Contingency			73,446	5,042	5,042	5,042
Total expenditures	1,304,064	1,404,962	1,933,300	2,026,000	2,026,000	2,123,000
Other requirements						
Equipment replacement	-	-	76,500	-	-	-
Unappropriated fund balance	-	-	-	-	-	-
Total requirements	1,304,064	1,404,962	2,009,800	2,026,000	2,026,000	2,123,000

Internal Services Fund – Information Technology Division

Department: *Information Technology*



This department accounts for the operation of the City's computer and telephone services. Revenue is generated by charges to benefiting funds. Expenditures are for equipment, software, maintenance and training.

Operation Results



Software integrated credit card payments provide customer service and make staff more efficient.

- The City of Bend staff has access to advanced, highly reliable technologies that provide communications and information services to make them more effective at achieving the City's goals.
- City staff and citizens have fast, reliable access to a wide variety of information that they need.
- City systems are kept current and users receive necessary training to make efficient use of those systems.
- The City receives a very high level of service and technology for the amount invested in technology, and has a very low ratio of total budget and staff allocated to providing those services.

FY 2005-2006 Accomplishments

- Kept existing systems running and updated to current releases with minimal down time and maintained disaster recovery resources.
- Implemented public access to the City's integrated mapping system.
- Assisted multiple departments in the implementation of time entry and activity tracking software.
- Replaced approximately 50 outdated workstations.
- Assisted the Building Division in the implementation of mobile computing for 20 inspectors.
- Assisted the Finance and Administration Departments with the implementation of a new business license program.
- Assisted Finance with the implementation of in person, telephone, and online credit card payment systems for utility billing and other payments.
- Worked with Community Development and Public Works to implement a better system of managing location data and mapping resources.

- Upgraded network infrastructure to better support growing traffic and implemented wireless data communications that will serve building and fire inspectors, public works field personnel, and other departments.
- Built more redundancy into key segments of the existing network infrastructure.
- Implemented network based video services including access to City Council meeting videos.
- Assisted the Waste Water Division with the implementation of new laboratory management software.

FY 2006-2007 Goals and Objectives

- Keep existing systems running and updated to current releases with minimal down time and improve disaster recovery resources.
- Wireless networking:
 - Complete the implementation of wireless access roaming software.
 - Complete the implementation of field computing for building inspectors.
 - Implement field computing in designated Public Works vehicles.
 - Test and install Automatic Vehicle Location system in designated Public Works vehicles (street sweepers and snow plows are targeted).
 - Provide field computing options to other departments as they request.
- Direct access to on line services for the public:
 - Complete the implementation of on-line credit card acceptance for utility bills and other payments.
 - Implement an automated telephone interface with credit card payment acceptance for utility billing.
 - Improve the user interface for on-line access to planning and zoning information.
- Assist with network infrastructure installation in the Police building expansion.
- Complete the implementation of new time tracking software.
- Assist Community Development with the implementation of new features in their software and redesigning their work flow.
- Implement Intrusion Detection System software to provide better network security.
- Implement file level security for the personnel and financial applications.
- Contract for alternate computing resources for disaster recovery.
- Upgrade the City wide network integrated telephone system.

Internal Services Fund Facilities Management



◆ GOALS

- Provide secure and suitable facilities, maintain all City of Bend facilities to the highest possible standard, and to promote sustainability practices.

◆ ESSENTIAL REQUIREMENTS

- Custodial Services
- Building Maintenance
- Building Security
- Facility Planning for Growth
- Sustainability Practices

◆ CURRENT TRENDS

- Lack of adequate working & storage space to accommodate growth.
- Compliance with Department of Justice (DOJ) agreement requirements.
- In-house construction projects.

◆ CRITICAL ISSUES / DISCUSSIONS & RECOMMENDATIONS

1. Issue - Long term space needs for City.
Discussion - Discussions are ongoing with City Council and Administration on what the long term direction will be for meeting future space requirements at City Hall and Public Works.
Recommendations - Until the long range planning is completed for City Hall, the City will consider different interim options to ensure adequate working space for city staff.

◆ ACTION PLAN CHOICES

Current Service Level

In the previous year, staff allocation to in-house construction projects predominated and the service level was mainly emergency-driven. With a reduced level of in-house construction anticipated for this year, staff will be able to focus more on Department of Justice agreement work for ADA compliance in City facilities and on preventative maintenance.

Enhanced Service Level

It is the desire of Facilities Management to provide as much proactive service to City departments as possible. Our goal is to provide a high level of service that can be performed in an allotted time with a positive outcome for all projects.

◆ STAFFING REQUESTS

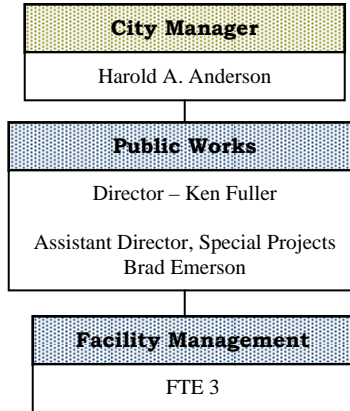
The Proposed Budget does not include a request for additional staffing.

Facilities Management

Resources	2003-04	2004-05	2005-06	2006-07		
	Actual	Actual	Adjusted Budget	Proposed Budget	Approved Budget	Adopted Budget
Working capital at July 1st	880,253	900,219	828,400	1,563,600	1,563,600	1,563,600
Current year resources						
Central Services	-	-	-	289,600	289,600	289,600
City Hall	274,137	323,255	5,585,000	1,421,300	1,421,300	1,421,300
Public Works Facility	424,928	358,359	778,800	543,100	543,100	543,100
Bond Annex	63,454	94,049	162,400	95,700	95,700	95,700
Police Administration Building	363,433	364,639	1,144,000	4,616,500	4,616,500	4,616,500
Franklin Annex	-	-	173,000	87,200	87,200	87,200
Total current year resources	1,125,952	1,140,302	7,843,200	7,053,400	7,053,400	7,053,400
Total resources	2,006,205	2,040,521	8,671,600	8,617,000	8,617,000	8,617,000
Expenditures	2003-04	2004-05	2005-06	2006-07		
	Actual	Actual	Adjusted Budget	Proposed Budget	Approved Budget	Adopted Budget
Central Services	-	-	188,445	284,844	284,844	284,844
City Hall	321,544	413,062	5,501,600	787,100	787,100	787,100
Public Works Facility	336,866	195,161	1,077,555	1,385,200	1,385,200	1,385,200
Bond Annex	63,064	94,727	100,100	67,500	67,500	67,500
Police Administration Building	384,513	361,008	1,057,000	4,802,000	4,802,000	4,802,000
Franklin Annex	-	-	172,600	64,800	64,800	64,800
Contingency	-	-	(74,300)	127,356	127,356	127,356
Total expenditures	1,105,987	1,063,958	8,023,000	7,518,800	7,518,800	7,518,800
Other requirements						
Construction reserve	-	-	300,000	838,200	838,200	838,200
Major maintenance reserve	-	-	348,600	260,000	260,000	260,000
Unappropriated fund balance	-	-	-	-	-	-
Total requirements	1,105,987	1,063,958	8,671,600	8,617,000	8,617,000	8,617,000

Internal Services Fund – Facilities Management

Department: **Public Works Department**



Program: Facilities Management

The Facilities Management program is responsible for cleaning, maintenance and repair of City-owned facilities as well as assisting in the planning of future City facilities. These facilities include City Hall, Bond Annex, Franklin Annex, Public Works Complex, Police Station, City-owned Airport facilities and some Wastewater facilities. Revenue is generated by rent charges to other funds and tenants. Revenue has also been provided through debt proceeds and property sales. Expenditures include construction and improvement costs, building repairs and maintenance, and debt service.

FY 2005-2006 Principal Accomplishments

- New storefront entrance for Annex.
- New paint for the exterior of City Hall and Annex.
- DOJ compliance work at the Police station, Wastewater Plant, Public Works and the Dial-A-Ride building.
- City Hall renovations to Planning, Building, Finance, IT and Administration.
- Franklin Annex renovations to accommodate Long Range Planning, Transportation and Engineering.

FY 2006-2007 Goals and Objectives

- Assist with planning of Public Works phased renovations.
- Remove existing underground fuel tanks (UST) and replace with above-ground tanks.
- Complete remodel of City Hall to accommodate additional staffing needs and continue DOJ compliance work.
- Additional access controls for City Hall.
- ADA compliant fire alarm system for City Hall.
- Fire suppression system for City network equipment.
- New carpet in Council Chambers and both vestibules.

Central Services

Resources	2003-04	2004-05	2005-06	2006-07		
	Actual	Actual	Adjusted Budget	Proposed Budget	Approved Budget	Adopted Budget
Working capital at July 1st	-	-	55,500	-	-	-
Current year resources						
Transfer from other fund	-	-	-	289,600	289,600	289,600
Total current year resources	-	-	-	289,600	289,600	289,600
Total resources	-	-	55,500	289,600	289,600	289,600
Expenditures						
	2003-04	2004-05	2005-06	2006-07		
	Actual	Actual	Adjusted Budget	Proposed Budget	Approved Budget	Adopted Budget
Personal Services	-	-	188,445	191,544	191,544	191,544
Materials and services	-	-	-	6,700	6,700	6,700
Transfers	-	-	-	86,600	86,600	86,600
Contingency	-	-	-	4,756	4,756	4,756
Total expenditures	-	-	188,445	289,600	289,600	289,600
Other requirements						
Construction reserve	-	-	-	-	-	-
Major maintenance reserve	-	-	-	-	-	-

Internal Services Fund
Facilities Management – City Hall

City Hall Building Operation: City Hall, an approximately 24,000 square foot building, is fully occupied by City operations, which include Council Chambers, Administration, Human Resources, Economic Development and Urban Renewal, Information Technology, Finance, and the Current Planning and Building Divisions of the Community Development Department. Building rents will be used to fund improvements to the City Hall.

Resources	2003-04	2004-05	2005-06	2006-07		
	Actual	Actual	Adjusted Budget	Proposed Budget	Approved Budget	Adopted Budget
Working capital at July 1st	242,542	269,030	153,000	244,000	244,000	244,000
Current year resources						
Interest	2,037	5,255	5,400	18,600	18,600	18,600
Building rent	272,100	318,000	559,600	-	-	-
Debt proceeds			4,770,000	-	-	-
Transfer from other fund	-	-	250,000	1,402,700	1,402,700	1,402,700
Total current year resources	274,137	323,255	5,585,000	1,421,300	1,421,300	1,421,300
Total resources	516,679	592,285	5,738,000	1,665,300	1,665,300	1,665,300
Expenditures						
Expenditures	2003-04	2004-05	2005-06	2006-07		
	Actual	Actual	Adjusted Budget	Proposed Budget	Approved Budget	Adopted Budget
Materials and services	140,354	142,771	306,300	274,500	274,500	274,500
Capital outlay						
Building improvements	64,891	139,021	4,957,500	243,000	243,000	243,000
Debt Service - Principal						
FF&C 2002	38,318	39,790	40,000	41,600	41,600	41,600
Debt Service - Interest						
FF&C 2002	69,481	67,912	66,500	65,000	65,000	65,000
Bond 2005		-	114,000	163,000	163,000	163,000
Transfers	8,500	23,568	17,300	-	-	-
Contingency			30,400	40,000	40,000	40,000
Total expenditures	321,544	413,062	5,532,000	827,100	827,100	827,100
Other requirements						
Construction reserve	-	-	300,000	838,200	838,200	838,200
Major maintenance reserve	-	-	-	-	-	-

Internal Services Fund
Facilities Management - Public Works Facility

- **Public Works Facility Operations:** The public works facility is located at 575 NE 15th Street near the geographical center of Bend with good access to the city's street, water and sewer improvements. The facility includes over 33,000 square feet of office, warehouse and garage space for public works operations. Building rents will be used to fund improvements to the Public Works facility.

Resources	2003-04	2004-05	2005-06	2006-07		
	Actual	Actual	Adjusted Budget	Proposed Budget	Approved Budget	Adopted Budget
Working capital at July 1st	215,883	293,023	321,300	852,800	852,800	852,800
Current year resources						
Interest	3,173	8,259	8,500	-	-	-
Building rent	273,700	350,100	752,900	-	-	-
Transfers from other funds	148,055	-	17,400	243,100	243,100	243,100
Debt proceeds	-	-	-	300,000	300,000	300,000
Total current year resources	424,928	358,359	778,800	543,100	543,100	543,100
Total resources	640,811	651,382	1,100,100	1,395,900	1,395,900	1,395,900
Expenditures						
Expenditures	2003-04	2004-05	2005-06	2006-07		
	Actual	Actual	Adjusted Budget	Proposed Budget	Approved Budget	Adopted Budget
Materials and services	126,774	145,404	186,800	215,200	215,200	215,200
Capital outlay						
Building improvements	139,442	39,757	880,255	1,170,000	1,170,000	1,170,000
Debt service						
Principal	60,000	-	-	-	-	-
Interest -	2,250	-	-	-	-	-
Transfers	8,400	10,000	10,500	-	-	-
Contingency			58,545	10,700	10,700	10,700
Total expenditures	336,866	195,161	1,136,100	1,395,900	1,395,900	1,395,900
Other requirements						
Major maintenance reserve	-	-	-	-	-	-

Internal Services Fund
Facilities Management – Bond Annex

- **Bond Annex Operation:** The City acquired a 7,000 square foot building located adjacent to City Hall at 745 NW Bond in 1990 for use by the City. The building was refurbished in May 1995 through use of a General Fund loan. It has been leased to various tenants during the City’s ownership. It has recently been remodeled to accommodate the Public Works Engineering Division.

Resources	2003-04	2004-05	2005-06	2006-07		
	Actual	Actual	Adjusted Budget	Proposed Budget	Approved Budget	Adopted Budget
Working capital at July 1st	196,379	188,525	156,100	251,200	251,200	251,200
Current year resources						
Interest	2,054	4,149	4,400	9,800	9,800	9,800
Transfers from other funds	61,400	89,900	158,000	85,900	85,900	85,900
Total current year resources	63,454	94,049	162,400	95,700	95,700	95,700
Total resources	259,833	282,574	318,500	346,900	346,900	346,900

Expenditures	2003-04	2004-05	2005-06	2006-07		
	Actual	Actual	Adjusted Budget	Proposed Budget	Approved Budget	Adopted Budget
Materials and services	54,664	47,539	79,600	59,500	59,500	59,500
Capital outlay						
Building improvements	-	37,188	10,000	8,000	8,000	8,000
Transfers	8,400	10,000	10,500	-	-	-
Contingency			89,900	19,400	19,400	19,400
Total expenditures	63,064	94,727	190,000	86,900	86,900	86,900
Other requirements						
Major maintenance reserve	-	-	128,500	260,000	260,000	260,000

Internal Services Fund
Facilities Management – Police Building

Resources	2003-04	2004-05	2005-06	2006-07		
	Actual	Actual	Adjusted Budget	Proposed Budget	Approved Budget	Adopted Budget
Working capital at July 1st	225,448	149,641	142,500	215,600	215,600	215,600
Current year resources						
Interest	2,133	3,339	3,500	7,900	7,900	7,900
Rent income	361,300	361,300	363,500	-	-	-
Transfers from other funds	-	-	77,000	498,400	498,400	498,400
Sale of fixed assets			700,000	974,200	974,200	974,200
Debt proceeds	-	-	-	3,136,000	3,136,000	3,136,000
Total current year resources	363,433	364,639	1,144,000	4,616,500	4,616,500	4,616,500
Total resources	588,881	514,280	1,286,500	4,832,100	4,832,100	4,832,100
Expenditures						
Expenditures	2003-04	2004-05	2005-06	2006-07		
	Actual	Actual	Adjusted Budget	Proposed Budget	Approved Budget	Adopted Budget
Materials and services	475	438	500	65,500	65,500	65,500
Capital outlay						
Improvements	23,146	-	700,000	4,189,100	4,189,100	4,189,100
Debt service						
Principal						
Full faith & credit 2002	128,282	133,210	134,000	139,400	139,400	139,400
Interest						
Full faith & credit 2002	232,610	227,360	222,500	217,000	217,000	217,000
Full faith & credit 2006	-	-	-	133,000	133,000	133,000
Transfers	-	-	-	58,000	58,000	58,000
Contingency			9,400	30,100	30,100	30,100
Total expenditures	384,513	361,008	1,066,400	4,832,100	4,832,100	4,832,100
Other requirements						
Major maintenance reserve	-	-	220,100	-	-	-

Internal Services Fund
Facilities Management – Franklin Annex

- **Franklin Annex Operation:** The City acquired a 2,880 square foot space located adjacent to City Hall at 639 NW Franklin Avenue in 2005 for use by the City. The space was renovated in Winter of 2005 and Spring of 2006. It accommodates the Access Manager and the Long Range Planning and Transportation Planning Divisions of the Community Development Department as well as the Transportation Engineering Division of the Public Works Department.

Resources	2003-04	2004-05	2005-06	2006-07		
	Actual	Actual	Adjusted Budget	Proposed Budget	Approved Budget	Adopted Budget
Working capital at July 1st	-	-	-	-	-	-
Current year resources						
Interest	-	-	-	600	600	600
Transfer from other funds	-	-	173,000	86,600	86,600	86,600
Total current year resources	-	-	173,000	87,200	87,200	87,200
Total resources	-	-	173,000	87,200	87,200	87,200
Expenditures						
Materials and services	-	-	86,600	31,800	31,800	31,800
Capital outlay						
Building improvements	-	-	86,000	33,000	33,000	33,000
Contingency			1,400	22,400	22,400	22,400
Total expenditures	-	-	174,000	87,200	87,200	87,200
Other requirements						
Major maintenance reserve	-	-	-	-	-	-

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◆ **GOALS**

Risk Management Goal

Build reserves to absorb costs of catastrophic losses and provide for the ability to self-insure through higher deductibles and lower premiums.

Risk and Cost Management Objective

To achieve a proper balance of risk assumed by the City and cost of insurance to the City. To provide departments with a manageable cost of insurance and protect department budgets from catastrophic losses.

◆ **ESSENTIAL REQUIREMENTS**

- Adequate reserves for catastrophic losses
- Adequate reserves for higher deductibles
- Quality training programs to reduce liability.

The Risk Management Fund accounts for employee health/dental insurance, workers compensation and commercial liability insurance. Adequate reserves are essential to allow the City to manage any unexpected cost from catastrophic losses and also smooth out increases in insurance premiums.

◆ **CURRENT TRENDS**

- Costs of liability and health insurance rising rapidly.
- Number of insurance claims increasing as Bend grows.
- Limited number of insurance carriers.

◆ **CRITICAL ISSUES /DISCUSSIONS & RECOMMENDATIONS**

1. Issues – Managing cost of insurance.

Discussion – Cost of insurance has increased significantly due to growth in the City’s assets and employees and general increase in insurance costs nation-wide. In order to manage the rising cost of insurance, the city will have to explore higher deductibles and/or self-insurance over time.

Recommendations – Continue to explore insurance policies available to the City and achieve an optimal balance of deductibles, self-insurance and premiums.

Fiscal Impact – Maintain manageable level of insurance premiums charged to departments.

2. Issue – Adequate reserves

Discussion – As the City grows and cost of insurance rises, it is necessary to explore self-insurance and/or carry higher deductibles to lower premiums. Also with growth, it is inevitable that the number of insurance claims will also grow. The City needs to build up adequate reserves to protect against unexpected catastrophic losses.

Recommendations – Continue to build reserves to achieve protection against unexpected losses and provide ability for self-insurance.

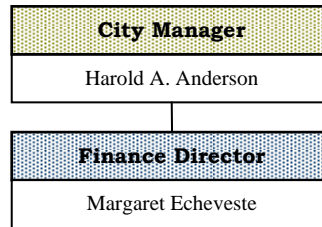
Fiscal Impact – Contributions from departments to build reserves over time.

Risk Management Division

Resources	2003-04	2004-05	2005-06	2006-07		
	Actual	Actual	Adjusted Budget	Proposed Budget	Approved Budget	Adopted Budget
Working capital at July 1st	430,106	569,956	1,327,700	1,405,800	1,405,800	1,405,800
Current year resources						
Charges for services	5,387,653	7,414,164	9,020,800	8,967,600	8,967,600	8,967,600
Interest	978	21,710	43,000	45,800	45,800	45,800
Insurance settlements	20,351	55,140	29,000	-	-	-
Debt proceeds	13,725,000	-	-	-	-	-
Loan repayments	-	243,000	-	-	-	-
Total current year resources	19,133,982	7,734,014	9,092,800	9,013,400	9,013,400	9,013,400
Total resources	19,564,088	8,303,970	10,420,500	10,419,200	10,419,200	10,419,200
Expenditures						
Expenditures	2003-04	2004-05	2005-06	2006-07		
	Actual	Actual	Adjusted Budget	Proposed Budget	Approved Budget	Adopted Budget
Materials and services	5,550,822	6,323,284	7,766,300	8,358,800	8,358,800	8,358,800
Debt service						
Interest	77,514	674,677	-	-	-	-
Transfers	13,365,795	-	1,376,910	-	-	-
Contingency			30,290	2,060,400	2,060,400	2,060,400
Total expenditures	18,994,131	6,997,961	9,173,500	10,419,200	10,419,200	10,419,200
Other requirements						
Insurance reserves	-	-	1,247,000	-	-	-
Unappropriated fund balance	-	-		-	-	-

Internal Services Fund – Risk Management Division

Department: *Finance Department*



Risk Management Program

The City has a risk management program created for the financing and administration of the City's workers' compensation, employee health/dental insurance, and general, property and auto liability insurance. Resources of this program consist mainly of contributions from the various departments of the City for insurance coverage. Expenses paid from these resources include premiums, claims costs and major repair or replacement costs incurred from catastrophic accidents that are not covered by insurance.

The City's insurance needs are reviewed annually to maintain proper protection at the least possible cost with an emphasis on risk control techniques, maintenance of workplace safety and risk prevention training to minimize accident related losses. The purpose of the risk management program is to provide a ready source of funds to pay premiums and claims and alleviate the strain and disruption that would result if sudden increases in premiums and claims had to be paid out of department funds needed for other purposes. Contributions are collected from the various departments to cover annual premiums and claims costs and to establish dedicated reserves.

The City's workers' compensation insurance, commercial liability and auto liability are through City County Insurance Services (CCIS) where premiums and claims costs are based on group experience. Health and dental insurance are obtained through Pacific Source Health Plans and ODS Companies. The City purchases its property insurance policies from commercial insurance carriers. The automobile comprehensive and collision deductible is \$25,000 per incident. Departments are responsible for paying this deductible and the cost of minor automobile accident related repairs.

FY 2005-2006 Accomplishments

- Incurred no catastrophic losses
- Paid claims costs below the plan maximum

FY 2006-2007 Goals and Objectives

- Maintain reasonable cost of insurance premiums, level of deductible and reserves
- Continue to build reserves for future self-insurance

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PERS Debt Service Fund

◆ **GOALS**

Ensure sufficient contributions from departments and timely payment of PERS debt requirements.

◆ **ESSENTIAL REQUIREMENTS**

- Sufficient contributions from departments to ensure the City's ability to meet debt service requirements.

◆ **CRITICAL ISSUES /DISCUSSIONS & RECOMMENDATIONS**

1. Issue – Contributions from departments.

Discussion – Contributions at 3.50% of payroll have been established for FY06/07 and is expected to generate approximately \$1 million to fund debt service and reserves in this fund. The PERS debt was issued in 2004 and matures in 2028. Annual debt service was structured to escalate from approximately \$700,000 in 2004 to \$1.8 million in 2027. As payroll increases over the years, the contribution rate needed to make the debt service is expected to decrease. For FY06/07, a contribution rate of 3.50% of payroll is needed to meet debt service and reserve requirements.

Recommendations – Maintain contribution rate of 3.50% of payroll for FY 06/07.

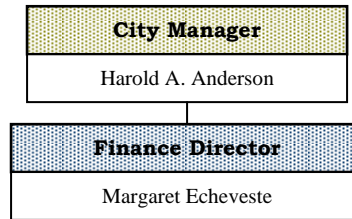
Fiscal Impact – Approximately \$1 million impact to department expenditure budgets.

PERS Debt Service Fund

Resources	2003-04	2004-05	2005-06	2006-07		
	Actual	Actual	Adjusted Budget	Proposed Budget	Approved Budget	Adopted Budget
Working capital at July 1st	-	-	-	501,300	501,300	501,300
Current year resources						
Interest	-	-	-	40,000	40,000	40,000
Miscellaneous	-	-	-	-	-	-
Transfers from other funds	-	-	1,376,910	1,062,100	1,062,100	1,062,100
Total current year resources	-	-	1,376,910	1,102,100	1,102,100	1,102,100
Total resources	-	-	1,376,910	1,603,400	1,603,400	1,603,400
Expenditures						
Debt service						
Interest	-	-	820,800	820,800	820,800	820,800
Contingency	-	-	100,000	89,300	89,300	89,300
Total expenditures	-	-	920,800	910,100	910,100	910,100
Other requirements						
Reserves	-	-	456,110	693,300	693,300	693,300
Unappropriated fund balance	-	-	-	-	-	-
Total requirements	-	-	1,376,910	1,603,400	1,603,400	1,603,400

PERS Debt Service Fund

Department: ***Finance***



FY 2005-2006 Accomplishments

- Established debt service fund to account for PERS debt service.

FY 2006-2007 Goals and Objectives

- Sufficient collection of contributions from departments.
- Timely payment of debt service requirements.

Program: *PERS Debt Service*

Program goal:

Ensure sufficient contributions from departments to meet debt service requirements.

Activity:

This fund accounts for the payment of debt issued to fund the City's unfunded pension liability with the Oregon Public Employees Retirement System (PERS). In FY 03/04, the City issued \$13.7 million of pension obligation bonds and made a lump sum payment to PERS to fund its unfunded actuarial liability which was about \$15.5 million based on the 2002 interim valuation. The lump sum payment reduced the City's PERS employer rate by 4.17% from 13.83% to 9.66% for FY 04/05 and from 18.90% to 12.63% for FY 05/06 and 06/07. Contributions from departments for PERS debt service was about 3.7% of payroll for fiscal years 04/05 and 05/06. As mentioned above, the proposed contribution rate is 3.5% for FY06/07.

Contributions and payment of the PERS debt was originally accounted for in the City's Risk Management Fund in fiscal years 2003/04 and 2004/05. Starting in FY 05/06, the PERS Debt Service Fund was created to better account for the PERS debt activity.

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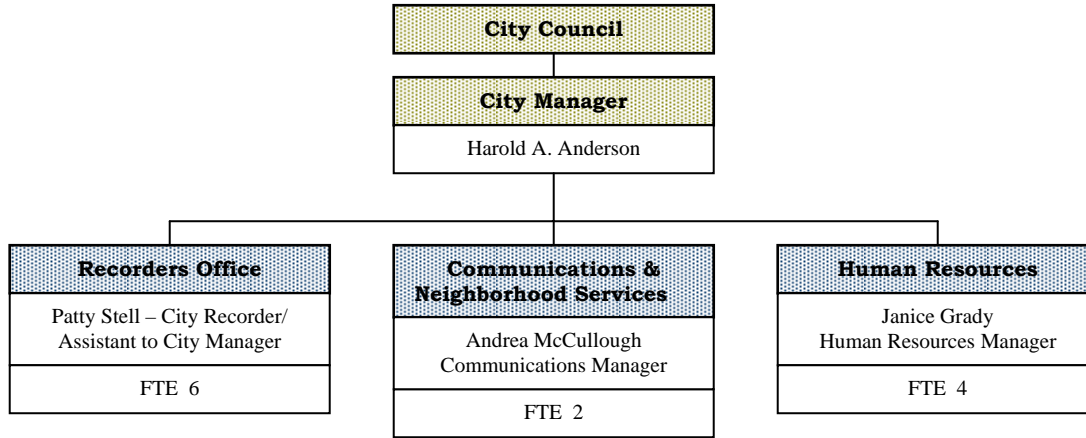


**Internal Services Fund
Administrative & Financial Services Division**



Resources	2003-04	2004-05	2005-06	2006-07		
	Actual	Actual	Adjusted Budget	Proposed Budget	Approved Budget	Adopted Budget
Working capital at July 1st	448,673	414,115	405,200	608,700	608,700	608,700
Current year resources						
Intergovernmental revenue	-	-	10,000	-	-	-
Charges for services	3,148,493	3,417,209	3,731,200	3,990,300	3,990,300	3,990,300
Interest	4,724	9,739	8,000	10,000	10,000	10,000
Miscellaneous	1,588	2,305	500	300	300	300
Total current year resources	3,154,805	3,429,253	3,749,700	4,000,600	4,000,600	4,000,600
Total resources	3,603,478	3,843,368	4,154,900	4,609,300	4,609,300	4,609,300
Expenditures						
Expenditures	2003-04	2004-05	2005-06	2006-07		
	Actual	Actual	Adjusted Budget	Proposed Budget	Approved Budget	Adopted Budget
General Government	1,446,330	1,435,049	1,848,920	2,039,415	2,039,415	2,039,415
Finance	1,743,033	1,800,713	2,123,141	2,373,064	2,373,064	2,373,064
Contingency			182,839	196,821	196,821	196,821
Total requirements	3,189,363	3,235,762	4,154,900	4,609,300	4,609,300	4,609,300
Other requirements						
Unappropriated fund balance	-	-	-	-	-	-

Internal Services Fund – Administrative Services Division
 Department: *General Government*



Department Summary:

The General Government Department includes the City Council, City Manager’s Office, City Recorder, City-wide Communications & Office of Neighborhood Services, and Personnel (Human Resources). The department also oversees the City’s Legal Services contract.

Expenditures	2003-04	2004-05	2005-06	2006-07		
	Actual	Actual	Adjusted Budget	Proposed Budget	Approved Budget	Adopted Budget
City Council	72,989	102,502	262,085	341,085	341,085	341,085
City Manager's Office	684,673	613,885	698,599	775,925	775,925	775,925
Communications	282,575	285,528	359,124	403,455	403,455	403,455
Personnel	340,042	357,086	445,712	518,950	518,950	518,950
General Overhead	66,051	76,048	83,400	-	-	-



◆ **GOALS**

Livability:

To preserve our City's unique characteristics and to ensure that it continues to be a thriving place to live and visit.

Citizen Involvement:

To promote active citizen participation and involvement within the City.

◆ **ESSENTIAL REQUIREMENTS**

- Accessibility to all citizens
- Policy determination for the City of Bend
- Democratic representation and governance

The City Council meets the first and third Wednesdays to conduct regular meetings and work session. The Council also meets each Monday prior to Council meetings. The Monday evening meetings include Council Committee of the Whole and specific subcommittee meetings of the Council.

◆ **CURRENT TRENDS**

The Council role is to be responsive to citizen concerns. As a result, we can continue to anticipate a large number of important issues coming before the Council in this fast growing community.

◆ **CRITICAL ISSUES / DISCUSSIONS & RECOMMENDATIONS**

The November 2006 election will provide for the election of three City Council members. Council Positions 5, 6 and 7 will be on the ballot.

◆ **STAFFING REQUESTS**

An Assistant City Manager position was anticipated in the FY 2005/06. The position remained vacant most of the year and recruitment efforts are now underway. This budget includes a funding request for an additional .375 FTE to continue the implementation of the recently adopted Business License Code. This employee will be shared with the Communications Division.

General Government: Administration

FY 2006-07 Goals and Objectives

- To provide responsible, effective and responsive local government services.
- Submit policy proposals to elected officials, providing facts and advice on matters of policy as a basis for making decisions and setting community goals, and uphold and implement municipal policies adopted by elected officials.
- Ensure City service delivery meets the needs of Bend's citizens and serves the best interest of citizens at all times in a financially responsible manner.
- Keep the community informed on municipal affairs; encourage communication between citizens and municipal officials; emphasize friendly, courteous service to the public; and continue to improve the quality and image of the City of Bend.
- Respond effectively with, and to, proposed legislation considered by the Oregon Legislature during the legislative sessions.

City Council

The City Council is the policy-making board elected by the citizens of Bend. The role of the Council is to determine public policy as it relates to the decisions made and actions taken for the City of Bend. The City is served by seven Councilors, who are elected to staggered, four-year terms. The Councilors appoint a Mayor from among the elected body for a term of two years.

Council Profile:



*Back row: Left to right – Bruce Abernethy
Chris Telfer, Linda Johnson, John Hummel
Front row: Left to right – R. David Malkin,
Bill Friedman, and Jim Clinton*

Bill Friedman, Mayor: Bill Friedman was appointed in August 1997 by the City Council to complete a vacant term. Bill holds a B.S. from Louisiana State University, a Masters in Education from the University of Missouri at St. Louis, and a Masters in Business Administration from Southern Illinois University. Bill is Vice-President and co-owner of Cascade Bookkeeping, and an instructor at Central Oregon Community College. He served on the City Planning Commission of Richmond Heights, Missouri and as President of the Half Moon Bay Fire District. Bill is fulfilling his second term as Mayor and his current term as City Councilor and current Mayor will continue until December 2006.

Bruce Abernethy, Mayor Pro Tem: Bruce Abernethy moved to Bend in the Spring of 1992. His previous civic work includes: the Bend-LaPine School Board, Bend

Metro Park and Recreation District Board of Directors, Big Brothers – Big Sisters of Central Oregon, COCAAN, Deschutes Co. Human Services Mental Health Advisory Council, and Bend Community Center Board of Directors. Bruce received his Bachelors of Arts in Economics and Political Science from Swarthmore College and holds a Master's Degree in Public Policy from the John F. Kennedy School of Government at Harvard University. Bruce has been instrumental in developing the Affordable Housing Task Force. He is the Co-Chair of the Meth Action Coalition and served as Chair of the Homeless Leadership Council 2003-04. He is currently employed with the Bend LaPine School District in Grants and Resources Development. Bruce was re-elected in November of 2004 and will hold office through 2008.

Chris Telfer: Chris Telfer is a certified public accountant and recently launched a new business assisting non-profit organizations with their financial needs. She has lived in Bend since 1977. She has served on the Bend Development Board as Vice Chair and the Bend LaPine School District Budget Committee as Chair. Other activities include her work as an instructor at Central Oregon Community College; the role of Comptroller for Coalition 14, and her work with the Episcopal Diocese of Eastern Oregon where she serves as Treasurer. She serves on the Finance and Administration and the Economic Development subcommittees. In addition to her City Council duties, Chris is the Chair of the Bend Urban Renewal Agency for the City of Bend. Chris attended the University of Denver and received her Bachelor of Science in Business Administration. She attended Franklin University and the University of Oregon for post graduate work. Chris' term runs through 2006.

Linda Johnson: Linda Johnson was selected in 2003 to complete a vacated term. She was elected to a four year term in November, 2004. Linda's volunteer work includes the Deschutes United Way Board, the Bend Planning Commission, Central Oregon Battering and Rape Alliance (COBRA) and the St. Charles Medical Center Foundation Board of Directors. Linda is the executive director for CORRECT, an educational consortium looking into the needs for K – 20 in Central Oregon. Linda is a registered nurse with a Master's degree in Health Services Administration. She served in the Washington State House of Representatives in the mid-1990s and championed work that led to improved public health and environmental policy in Washington.

John Hummel: John Hummel was born and raised in New York He is a graduate of Roanoke College in Salem, Virginia where he majored in political science and criminal justice. He studied law at the University of Arkansas in Little Rock, Arkansas. John arrived in Bend in 1995 after spending some time in Portland, Oregon. In 2004, John started Hummel Law Firm, as an attorney and lobbyist. Councilor Hummel was elected to the Bend City Council in November 2000 and won reelection in November 2004. His term will run through 2008. Hummel is also a Delegate in the Oregon State Bar House of Delegates. John is on the Board of Central Oregon Intergovernmental Council, Central Oregon Cities Organization, and the City's Finance and Administration Subcommittee.

Dave Malkin: Dave Malkin moved to Bend, Oregon in 1979 to accept the position of Bend Chief of Police, eventually filling the role of the Director of Emergency Services for the City. In this capacity, he was responsible for both the Police and Fire services. In 1996 Dave moved to California to take a Police Chief's position. He returned to Central Oregon in 1998. Councilor Malkin is a consultant specializing in risk management related to public safety. Councilor Malkin also participates in the Boys and Girls Club of Bend as a Board Member of the Family Resource Center of Central Oregon, and a Founding Board Member of the KIDS Center as well as other community and professional organizations. Dave's term runs through 2006.

Jim Clinton:

Jim Clinton is the newest member of the City Council but has been serving the Bend community for many years, serving on the Budget Committee for the past four years. Jim is a native Oregonian and has lived in Bend since 1995. Jim grew up in Lakeview, Oregon and graduated from the University of Oregon and received his Ph. D in Physics from the University of California, San Diego. Jim is a scientist and owner of a small research and development company here in Bend, working on novel medical and aerospace sensors and materials. Jim's previous work included teaching and research at the university level, running a solar energy R&D lab and the founder and CEO of a high-tech company. Jim was the first President of the Southwest Bend Neighborhood Association in 2001. Jim's term expires in 2008.

Expenditures	2003-04	2004-05	2005-06	2006-07		
	Actual	Actual	Adjusted Budget	Proposed Budget	Approved Budget	Adopted Budget
Personal services	18,355	17,919	18,085	18,085	18,085	18,085
Materials and services	37,034	70,205	226,400	299,200	299,200	299,200
Transfers	17,600	14,378	17,600	23,800	23,800	23,800

City Manager's Office



The City Manager and staff assigned to this area are charged with general administration and management of the City, community relations, ombudsmanship, various special projects, City Council coordination, implementation of Council programs, lobbying activities, interagency coordination, elections and public meetings and records coordination, and other duties as assigned by the City Council. Additionally, this office provides a resource for general information for the citizens of Bend, as well as City staff.

City Manager Harold (Andy) Anderson joined the City of Bend in 2004. Andy has an extensive background of serving the public in municipal government. Mr. Anderson recently spent the last seven years in Oklahoma, where he worked as the city manager in Enid, a city in northwest Oklahoma and in Norman, a city of approximately 100,000 the home of the University of Oklahoma, and a suburb of Oklahoma City. He previously had a 10-year career with the City of Medford as its city manager. He holds a Masters Degree in Public Administration from the University of Kansas and a Bachelor of Arts degree in Political Science from Northern Illinois University.

Program: Council Coordination, Support and Council Meeting Preparation

Council coordination and support involves a variety of activities related to providing the Council information on a timely basis, providing research work, meeting coordination, and follow through on Council direction.

Council meeting preparation involves a variety of activities related to providing the public access to public meetings and public records including public notice, agenda preparation and distribution, and preparation of minutes of meetings. The City Council receives the agenda packet via the City's homepage. Additional meetings include work sessions, special meetings, and various community forums to assist the Bend community in becoming aware of governance issues related to Council and the City's operations.

Program: Community Relations/Ombudsmanship/General Information

The City Manager's office frequently receives referrals from individuals not knowing where else to turn for information. When contacted, this office provides information not necessarily specific to the City, such as information as to which community organizations provide services, etc. Included in this program is the effort to resolve conflicts that may arise and assisting citizens when appropriate.

Program: Interagency Coordination

The City of Bend continues to work with other governmental and non-profit organizations to assure the community receives the highest quality outcomes in addressing community needs. Some of these organizations include Central Oregon Community College, the Bend LaPine School District, Bend Metro Parks and Recreation District, Deschutes County, Central Oregon Community Action Agency Network, Central Oregon Intergovernmental Council, Central Oregon Cities Organization, Central Oregon Regional Housing Authority, and Economic Development of Central Oregon.

Program: Records/Vital Statistics

Records and vital statistics include the finalization and ongoing management of public records, ordinances, resolutions, deeds, easements, real property, etc. The City Recorder also provides access to all public records in accordance with Oregon State Statute and frequently assists citizens in researching records.

Program: Elections

City of Bend elections occur during the state general election in November of even numbered years. In addition to a November 2006 election that will have three open positions on the Council, the Council may also direct the City Recorder to prepare referrals to the voters on matters such as taxes or Charter amendments. The most recent Charter amendment, which provided for the election of Council members based upon position numbers, resulted in a reduced level of expenditures by candidates in the election process.

Program: Business Licensing

Since the adoption of the Business Licenses Code in January, 2006, the City Recorder and staff have been implementing the new Code. This has resulted in a large increase in the workload of existing staff. This budget requests the addition of a half-time employee to complete and continue this program. During the 2005/06 fiscal year, we have utilized a temporary half-time employee.

Program: Legal Services

The accounting/budgeting for legal services has been provided for in the departmental budgets as follows:

Legal Expenditures	2003-04 Actual	2004-05 Actual	2005-06 Budget	2005-06 Projected	2006-07 Proposed
General Fund - Police Department	\$ 19,400	\$ 4,300	\$ 4,000	\$ 4,000	\$ 4,000
General Fund - Municipal Court	-	-	-	2,000	2,000
Transportation Operations Fund	5,000	4,000	3,200	2,000	3,200
Transportation SDC Fund	25,800	127,900	123,000	70,600	38,000
Fire/EMS Fund	22,300	1,000	2,000	2,000	2,500
Community Development Fund	113,300	35,000	10,000	18,000	10,000
Planning Fund	-	88,800	69,000	73,000	125,000
CDBG Fund	2,100	1,000	1,000	1,000	1,000
Public Transit Fund	13,300	3,000	7,500	3,000	5,000
Tourist Promotion Fund	200	1,000	600	1,200	1,000
Bancroft Construction Fund	-	100	10,000	10,000	-
BURA - Downtown Plan Area	11,600	27,800	30,000	46,000	20,000
BURA - Juniper Ridge Plan Area	-	-	80,000	80,000	80,000
Airport Fund	8,200	8,900	10,000	10,000	10,000
Cemetery	-	-	-	-	-
Water Fund	120,400	296,500	507,000	792,000	582,000
Sewer Fund	146,400	105,900	591,800	755,500	190,500
Downtown Parking Fund	2,800	4,100	2,000	5,800	5,000
Stormwater Fund	-	-	4,500	4,000	1,500
Internal Services Fund					
Information Technology	1,600	1,600	2,000	2,000	7,500
Engineering Division	12,100	11,700	18,000	18,000	18,000
Public Works Admin. Division	4,400	500	2,100	2,100	2,500
General Government Division	90,500	73,300	78,600	69,000	73,000
Finance Division	9,300	5,900	15,000	8,500	10,000
Economic Development Admin	-	3,300	30,000	27,000	6,200
Total expenditures	\$ 608,700	\$ 805,600	\$ 1,601,300	\$ 2,006,700	\$ 1,197,900

The City contracts for the provision of legal services with the law firm of Forbes and Schannauer. Legal advice is provided on matters suc

h as land use planning, constitutional and municipal law, and prosecution of matters in Municipal Court, asset forfeitures in connection with enforcement of drug laws, election laws, municipal franchises, municipal fiscal matters, special assessments, and municipal tort liability. Legal services are provided to the City Council, City Manager, City department heads, and other City personnel and City agencies (such as the Bend Development Board). The City has a separate agreement with Bruce Bischof for the provision of specialized labor law and labor negotiations. The City utilizes Doug Goe of Orrick, Herrington, & Sutcliffe LLP in Portland as bond counsel.

Program: Bend Vision 2030

Included in the City Council section of the Administrative Services budget is \$160,000 to cover Phase 2 of the visioning program currently underway. This amount is anticipated to cover costs for a coordinator, consultant, assistant and facilitators for the program. All additional advertising, meeting, travel, printing and design and webpage costs are also included. When completed, the Bend Vision 2030 will have created a 5-year action plan with community partners for the implementation of the community vision.

Expenditures	2003-04	2004-05	2005-06	2006-07		
	Actual	Actual	Adjusted Budget	Proposed Budget	Approved Budget	Adopted Budget
Personal services	405,408	423,339	504,486	591,012	591,012	591,012
Materials and services	220,065	130,685	117,713	108,313	108,313	108,313
Transfers	59,200	59,861	76,400	76,600	76,600	76,600



◆ **GOALS**

The Communications Division informs and educates the community, employees and elected officials about the City of Bend government programs, services and activities and provides effective, timely, accurate communication and information services to those audiences and the media, while adhering to the City of Bend's mission and values.

1. General Communication – provides the framework (internally & externally) to guide the outreach programs, activities and education programs of the city.
2. Public Information – provide its audiences with information about the city government's programs, services and activities.
3. Citizen Participation - Develop and provide its audience with opportunities to become involved in, engaged in and knowledgeable about their role in city government in the community.
4. Employee Communications – Assist in providing employees with information about employee services, activities and issues.
5. Neighborhood Association Involvement - manage the Office of Neighborhood Associations and provide support to each Neighborhood Association.

◆ **ESSENTIAL REQUIREMENTS**

- Knowledge of matters related to the city, City Council, departments and staff.
- Resources to develop timely informational and educational materials (print, audio/visual & web-base) for City Council, city departments, staff and citizens.
- Provide accurate and professional information to the media in order to promote awareness of citywide information, news, events and emergency concerns.
- Support individual department's citywide communication goals.
- Knowledge of existing and future technology for communications methods and awareness of trends for citizen involvement/participation.

◆ **CURRENT TRENDS**

- Increase awareness, interest and participation in the City of Bend's government programs, services and activities. Employ a multi-medium and multi-level communications approach to ensure communication programs are diverse in order to reach and involve all segments of the community.
- Increased community awareness of the need for and importance of citizen involvement in helping Council in their decision making process. Provide citizens with updated information on city matters and issues.
- Increase need in supporting and funding the growing number of neighborhood associations.

◆ **CRITICAL ISSUES / DISCUSSIONS & RECOMMENDATIONS**

1. Issue – Expand communication to reach all of the community using new technology and other methods to communicate effectively about the city's government programs, services and activities.

Discussion – The need to expand the city's communications tools / methods for current information provided to the citizens of Bend and City staff is essential for the overall communications plan established for the city.

Recommendations – Provide adequate means for ongoing projects to inform Bend citizens about issues and citizen involvement opportunities surrounding current city government, City Council, departments and staff matters: i.e. Our City quarterly citizen newsletter; Our City monthly notice; City Edition monthly video news magazine and City Council cable programming and current and accurate city website.

Fiscal Impacts – A monetary allotment of \$81,000 has been included in the overall Communications budget.

2. Issue – Support of the (11) Bend Neighborhood Associations

Discussion – Growth of associations to 11 and proposed 4 new ones in 06-07. Funds to assist with forming new associations and grant funds to pay for associations’ communications reimbursements as well as communications funds to pay for ongoing publicity, training and web support, and administrative staff support to the neighborhood associations.

Recommendations – Continue to support the neighborhood associations including four proposed new associations. The information disseminated through the neighborhood associations to their members helps the City inform and educate the community about the city’s government programs, services and activities and provides effective, timely, accurate communication and information services to the community. The associations also provide valuable input and involvement on city-related committees and activities.

Fiscal Impacts – In addition to the \$39,300 (\$1.02 / tax lot) in communication grant funds for the 11 neighborhood associations and support of new associations, a monetary allotment of \$18,700 plus .625 staff time has been included in the overall Communications budget to support and promote the associations.

◆ **ACTION PLAN CHOICES**

Current Service Level

During the 05-06 budget year, a half time position was kept to support the neighborhood associations.

Target Service Level

The addition of 5 extra hours for the part time neighborhood coordinator will enable the division to support the increasing number of neighborhood associations at or near our target service level.

◆ **STAFFING REQUESTS**

Hours for the part-time neighborhood coordinator to be increased from 20 to 25 hours per week.

Expenditures	2003-04	2004-05	2005-06	2006-07		
	Actual	Actual	Adjusted Budget	Proposed Budget	Approved Budget	Adopted Budget
Personal services	100,147	106,814	124,624	147,355	147,355	147,355
Materials and services	172,628	169,091	221,900	230,500	230,500	230,500
Transfers	9,800	9,623	12,600	25,600	25,600	25,600

Performance Measures – Communications Division

	FY04-05 ACTUAL	FY05-06 TARGET	FY05-06 ACTUAL	FY06-07 TARGET
Output Measures				
Inform Media (media notices)	125	150	157	165
Communicate information via city website				
Cable programming	26	30	50	63
Bend Neighborhood Associations notices	NA	30	41	60
Public Information (ads, meeting notices)		49	57	60
Effectiveness Measures				
Produced public information campaigns; city materials, brochures, exhibits, quarterly newsletters, ads – Our City Notice	18	25 pieces	65 pieces	70 pieces
Media releases per year	76	100	135	150
No. of visitors to web site and accuracy of information (*counter not on site at this time)	unknown	unknown	unknown	unknown
Number of city edition segments on video program	32	36	36	39
Number of Neighborhood Associations	9	11	11	15
Efficiency Measures				
Ratio of communications staff to citizens	1.5/ 65210	1.5/ 65210	1.5/70,310	1.5/72,000
Ratio of communications staff to neighborhoods	.5 / 9	.5 / 11	.5 / 11	.625 / 15

Internal Services Fund

General Government Department / Human Resources Division



◆ GOALS

No Council goals have been formulated directly addressing Human Resources. Human Resources' service delivery is a contributory factor on the ability of other City departments to complete Council goals and objectives.

◆ ESSENTIAL REQUIREMENTS

- Create and maintain up-to-date personnel policies and practices; negotiate labor contracts.
- Ensure compliance with state and federal employment regulations.
- Ensure pay and benefits are fairly and uniformly administered; establish competitive pay and benefits plans.
- Create and maintain current job descriptions.
- Guide and assist departments with recruitment and selection.
- Coordinate City-wide training and safety programs.
- Facilitate open communication.

◆ CURRENT TRENDS

- Increase in number of employees, & organizational diversity of operations.
- Turnover in staff due to retirements and promotions resulting in greater need for training as employees assume new responsibilities.
- Continued escalation of health insurance costs.

◆ CRITICAL ISSUES / DISCUSSIONS & RECOMMENDATIONS

1. Issue - Labor contract negotiations.
Discussion - New Police and Fire Association contracts were negotiated Spring 2006. The City of Bend Employee Association (COBEA) contract expires June 30, 2007 and will be renegotiated during 06-07.

Recommendations - Complete all labor contract negotiations prior to expiration dates.

Fiscal Impacts - None

2. Issue - Retirement of seasoned staff and growth in City workforce.

Discussion - As experienced City staff retires and new staff are added, there is a more urgent need to provide training for employees who assume new roles. Additionally, the City has reached the size where verbal communication of policies and procedures is no longer adequate.

Recommendations - Policies and procedures must be reviewed, updated, and documented to ensure quality and consistency of service delivery. Training opportunities must be provided through allocation of staff time and funding to assist employees as they assume new responsibilities. On-site classes and on-line training are efficient ways to help with this task.

Fiscal Impacts - Approximately \$3,000 is included in the HR budget but most of these costs are reflected in departmental budgets.

3. Issue - Continue to investigate options to control health insurance costs.

Discussion - Labor agreements and Oregon labor law restrict the City from unilaterally increasing the employee paid portion of insurance premium or reducing coverage. The Employee Insurance Committee evaluates usage and plan design and provides information to help employees use their insurance wisely.

Recommendations - Continue to work with the City's insurance agent, labor attorney, and employees on the Employee Insurance Committee to reach consensus on alternate insurance plans and/or cost share arrangements. In 06-07 a request for proposals will be conducted for insurance agent of record to ensure the City's insurance agent is providing quality service.

Fiscal Impacts - Insurance expense is budgeted at existing coverage and cost share arrangements spread across all departments.

4. Issue - Continue to document and/or update policies, procedures, job descriptions, and pay plans.

Discussion - A rewrite of City Personnel Policies was begun several years ago and will be finalized during 2006. Police and Fire pay plans are studied each labor contract negotiation cycle; job descriptions and compensation for Engineering and Information Technology positions were updated as a result of the 2005 study.

The current COBEA contract, provides that pay and job descriptions for COBEA positions not evaluated within the past five years would be studied. Most of these positions have not been subject to a comprehensive review for at least 15 years.

Recommendations – Conduct a compensation study and revise/create job descriptions as needed.

Fiscal Impacts – About \$15,000 will be expended in 05-06 and \$50,000 has been budgeted in 06-07.

◆ **ACTION PLAN CHOICES**

Current Service Level – A half time position was added to the Human Resources area in 05-06 through the reallocation of staff in the City Manager area. Due to continued increase in the number of City employees, despite this addition, the ratio of HR staff to our customers has remained static. Users are experiencing longer waits for service and HR has been unable to complete projects to provide needed training and other services.

Target Service Level – The addition of the half-time staff member to full-time will enable

the work area to function at or near our target service level. That is, to begin to reduce inefficient processes and ensure that information, procedures, and policies meet the current and future needs of employees and the organization.

◆ **STAFFING**

The FY 2006-07 budget includes a request to increase the half-time position added in 05-06 to full-time, as well as .20 FTE for clerical assistance.

Expenditures	2003-04	2004-05	2005-06	2006-07		
	Actual	Actual	Adjusted Budget	Proposed Budget	Approved Budget	Adopted Budget
Personal services	245,235	256,835	295,212	359,550	359,550	359,550
Materials and services	73,507	75,086	118,300	134,500	134,500	134,500
Transfers	21,300	25,165	32,200	24,900	24,900	24,900

General Government: *Human Resources*

The Personnel Division guides the establishment and implementation of consistent, citywide policies and practices for managing the City's human resources. Human resource management includes recruitment and selection of new employees, personnel policy development and implementation, wage and benefit administration, employee/labor relations, employee safety, and training.

The policies and procedures that determine pay, benefits, and working conditions of City employees are established by City personnel policies and the labor contracts negotiated by the City and the bargaining unit to which the employee belongs. The bargaining units representing City employees are: the City of Bend Employees Association (COBEA), representing 170 labor, technical and clerical employees in the Public Works, Finance, Information Systems and Community Development departments; the International Association of Fire Fighters Local #939, representing 65 fire and ambulance personnel; and the Police Association, representing 95 police employees.

Performance Measures – Administrative Services

Output Measures Human Resources

Job postings (internal promotional and external)
 Applications received
 Workers compensation claims processed
 FMLA /OFLA claims processed
 Drug/alcohol test referrals

Effectiveness Measures Human Resources

% PAF's processed within 5 days

 % Job posted by requested date

 Employee turnover rate (regular status only) *

Efficiency Measures Human Resources

Ratio of HR staff to total employees (Standard 1.0/100)

	FY 03-04 ACTUAL	FY 04-05 ACTUAL	FY 05-06 EST.	FY 06-07 TARGET
	55	74	61	70
	1774	2034	1275	1600
	49	38	41	40
	38	80	64	65
	72	95	115	120
	Est. 90%	Est. 95%	Est. 95%	100%
	Est. 95%	Est. 80%	Est. 80%	100%
	7.0%	7.9%	6.3%	6.5%
	.7/100	.8/100	.8/100	.9/100

** Turnover rate is a measurement of ability to retain employees. A moderate rate of turnover indicates that compensation, benefits, and working conditions are sufficient to avoid undue disruption of service caused by extended vacancies and the impact of new inexperienced staff. Any significant variations in turnover rate should be analyzed.*

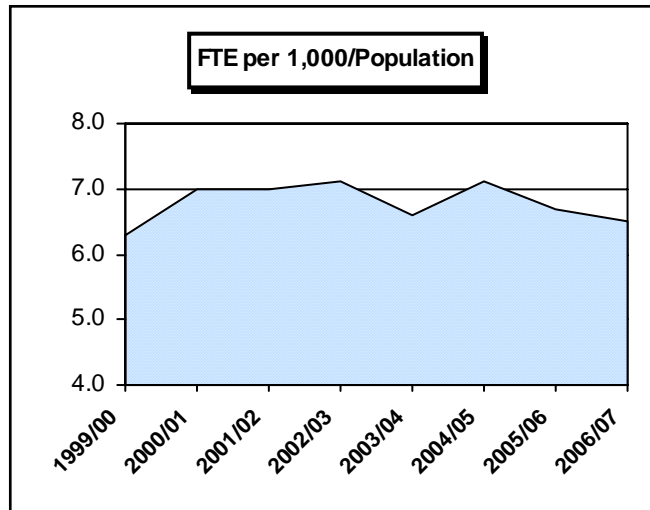
FY 2005-06 Accomplishments

- Expect to conclude labor contract negotiations with both the Police and Fire Associations prior to expiration of agreements and without use of binding arbitration.
- Assisted with professional recruitment and selection processes for Access Manager, Community Development Director, Project Manager for Juniper Ridge, and Transportation Engineering Manager.
- Coordinated more than 50 other recruitment processes. Coordinated new employee orientation sessions and prepared Employee Personnel Manuals and other new hire materials for all new employees.
- Organized informational/training classes for employees on the PERS System, deferred compensation, and the Americans with Disabilities Act (ADA).
- Coordinated Red Cross blood drives, annual charitable giving campaign, and the annual employee holiday party.

During fiscal year 2005-06, the Human Resources area continued to provide the basic services of timely review and processing of employee pay changes and administration of drug testing, health, disability, and workers' compensation insurance programs; and administration of the City's drug and alcohol testing program.

Goals

- To assist departments to recruit and retain the most highly qualified employees possible. To achieve this goal the City seeks to maintain competitive compensation, benefit, and training programs that foster productivity and professionalism.
- Ensure that City workplaces and practices promote safety, productivity and innovation and comply with federal and state regulations through the development of effective personnel policies and their implementation.



Current Year Projects:

- Through a request for proposals process, identify insurance and risk management professionals to assist the City to evaluate cost containment strategies for employee health insurance.
- Conduct compensation study including revision/creation of job description for employees represented by the City of Bend Employee Association (COBEA).
- Complete the update of Personnel Policies begun in 2004-05.
- Continue to engage the Employee Insurance Committee and employee labor groups in health insurance cost containment planning.
- Create standardized training program for employees preparing to move or promoting into supervisory/management positions.
- Provide a series of regularly scheduled presentations and training on subjects applicable to all City employees such as ethics, the PERS system, Americans with Disabilities Act, and healthy life styles.

Activity:

<u>Authorized Positions</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>
Full-time, regular positions	396.60	401.40	453.40	501.40
Temp/Part-time, seasonal	18.40	25.40	14.90	10.80
Total	415.00	426.80	468.30	512.20

All positions are expressed as full-time equivalents (FTE's). A regular employee works 2,080 hours per year. Several part-time or temporary employees whose combined hours worked in a year equal that of a full-time employee are considered an FTE.

<u>Recruitment and selection</u>	<u>2003-04</u>	<u>2004-05</u>	Estimated <u>2005-06</u>	Estimated <u>2006-07</u>
FT reg. employees hired	53	50	54	55
Temp/PT employees hired	44	20	10	5

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◆ **GOALS**

Finance Objectives

- *Financial Management* - Oversee finances of the City and ensure compliance with financial policies.
- *Internal Controls* – Ensure adequate internal controls for proper recording, handling and safeguarding of financial assets.
- *Financial Reporting* - Provide accurate and timely information regarding financial, budgetary and operational performance.
- *Revenue Collection* - Bill and collect, in an accurate and timely manner, all amounts owing to the City for water, sewer, ambulance, leases and other billable services.
- *Bill Payments* – Provide accurate and timely processing of vendor invoices in accordance with City policies.
- *Payroll* – Provide accurate and timely payroll processing to all employees.
- *Cash Investment* - Invest surplus funds in accordance with adopted investment policies.
- *Debt Management* – Manage City’s debt and ensure timely payment of debt service requirements.
- *Financial Analyses* - Provide financial analysis and other relevant assistance to departments as needed.
- *Budget Preparation* – Prepare an annual budget for adoption that complies with State statutes and addresses the operational needs of the City.
- *Purchasing* – Ensure city-wide compliance with purchasing policies, State and local laws. Process purchase orders and contracts in accordance with City purchasing policies.

Finance Goals:

- Implement time entry/accounting payroll software (Executime) to increase efficiencies and improve employee time management and reporting.

- Develop management reporting for capital projects that integrates with budget and financial reporting processes.
- Implement and enhance various accounting software modules to improve efficiencies.
- Obtain GFOA awards for Comprehensive Annual Financial Report and Budget Document.

◆ **ESSENTIAL REQUIREMENTS**

- Adequate staffing to provide financial services to all departments.
- Professional training for staff to maintain proficiencies.
- Adequate office space for needed staffing levels.

◆ **CURRENT TRENDS**

The entire City’s financial and accounting functions such as cash receipting, billing, vendor payments and financial reporting are centralized and managed by the Finance Department. As the City continues to grow the volume of financial and accounting transactions have also increased. Water and sewer customers have increased from about 13,500 in 2000 to over 20,000 today. Customer call volumes, number of employees, payments to vendors and number of purchase orders have also increased. In order to manage increasing workloads, the Finance Department explores new approaches, outsourcing opportunities, software enhancements in addition to additional staffing to enhance the efficiencies and coordination within the Finance department.

◆ **CRITICAL ISSUES / DISCUSSIONS & RECOMMENDATIONS**

1. Issue - Implement a management reporting and cost accounting software application to track and account for city-wide capital projects.

Discussion - With the growth experienced at the City, the limitations of our financial accounting software to provide adequate capital project accounting has become evident. The City often is confronted with a disconnected capital project process between Engineering and Finance that leads to confusion and inconsistencies.

Recommendation - Implementation of payroll time tracking, cost accounting and capital project reporting software.

Fiscal Impact - Staff time and cost of software are not determined at this time.

2. Issue - Improve customer service through technological advancements such as acceptance of electronic bill payment, on-line access to information, customer voice response system etc.

Discussion -In the last few years, the Finance Department has implemented Click2gov where utility customers can view their utility accounts on-line. Customers continue to look for technological sophistications such as ability to pay bills on-line. The Finance Department is exploring implementation of electronic bill pay and a voice response system to enhance customer call efficiencies. The Finance Department is also working on an internet-based lien system to allow title companies to view liens on-line.

Recommendation - Implementation of the above software to enhance customer service.

Fiscal Impact - Staff time and cost of software have not been determined at this time.

◆ **ACTION PLAN CHOICES**

Current Service Level - Maintain same levels of customer billing, check writing, financial reporting, budget preparation and cost allocation services and analysis of financial results.

Target Service Level - Provide for all of the services as listed above as well as the development of software programming to facilitate Capital Project accounting. In future years, performance measurement and internal auditing functions would also serve the City well.

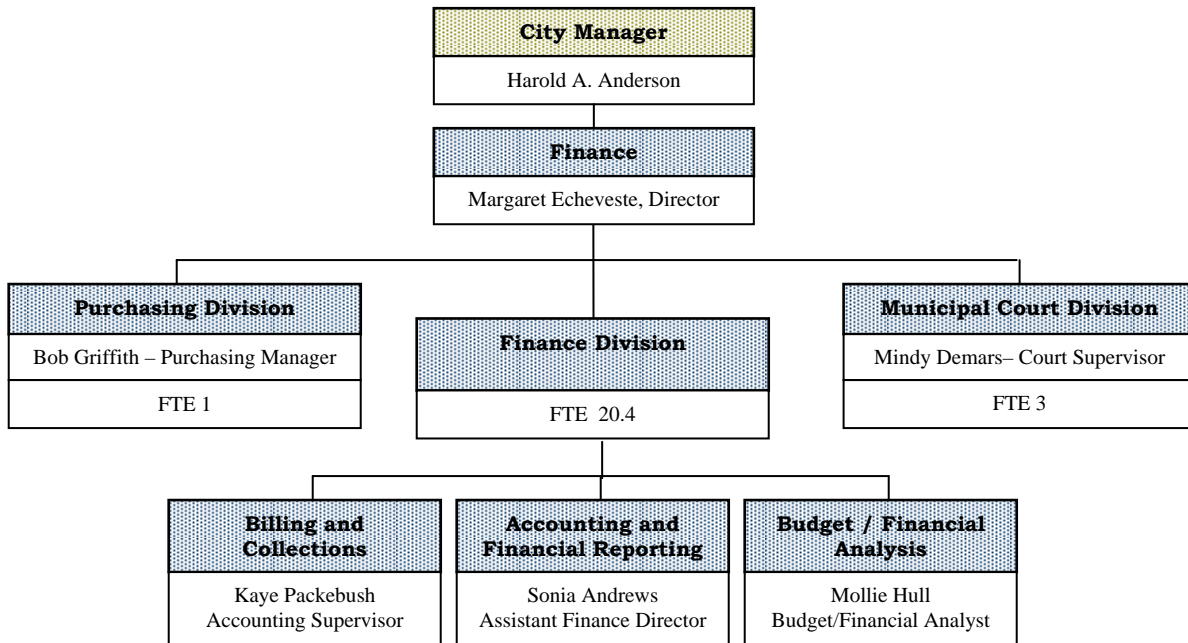
◆ **STAFFING CHANGES**

The FY 2006-07 budget does not propose any new staff but one Office Specialist position, from the Customer Service area, will be reclassified from Building to Finance.

Expenditures	2003-04	2004-05	2005-06	2006-07		
	Actual	Actual	Adjusted Budget	Proposed Budget	Approved Budget	Adopted Budget
Personal services	1,324,489	1,369,444	1,605,041	1,748,164	1,748,164	1,748,164
Materials and services	280,044	275,345	320,100	409,900	409,900	409,900
Transfers	138,500	155,924	198,000	215,000	215,000	215,000

Internal Services Fund – Financial Services Division

Department: *Finance Department*



Department Summary:

The Finance Department is organized into three divisions: the Finance Division provides the City's financial accounting and reporting, budget preparation, cash, investment and debt management, billings and collection, disbursement processing, risk management oversight, and grant coordination; the Purchasing Division oversees, coordinates and performs city-wide acquisition of goods and services; and the Municipal Court Division processes traffic and parking ticket citations, and ordinance violations. The Municipal Court operation is included as part of the General Fund while the other Financial Services division activities are included in the Internal Services Fund, where they recover costs through charges to other funds receiving services.

Performance Measures – Financial Services

	FY 03-04 ACTUAL	FY 04-05 ACTUAL	FY 05-06 TARGET	FY 05-06 EST.	FY 06-07 TARGET
Output Measures					
Performance audits completed	1	0	0	0	0
Accounts Payable checks issued	8,626	8,526	9,000	9,100	9,200
Purchase orders issued	4,810	5,003	5,400	5,400	5,600
Payroll checks issued	10,348	10,560	10,800	11,000	11,200
Utility customers billed	19,390	22,175	26,000	26,060	28,460
Effectiveness Measures					
Monthly average % of utility billings paid current	85.6%	87.6%	85.0%	87.9%	89.0%
Number of audit findings	0	0	0	0	0
City's bond rating	A2	A2	A1	A1	A1

Performance Measures – Financial Services

	FY 03-04 ACTUAL	FY 04-05 ACTUAL	FY 05-06 TARGET	FY 05-06 EST.	FY 06-07 TARGET
Efficiency Measures					
Payroll Clerk FTE hours per payroll check issued	.20	.20	.19	.17	.17
Finance Dept. costs as a % of total budget/actual costs.	1.7%	1.9%	2.0%	1.6%	1.3%
Finance Dept. FTE per \$1million of budgeted expenditure.	.20	.20	.12	.16	.11

FY 2005-2006 Accomplishments

- Received the Government Finance Officers Association (GFOA) awards for the FY 05-06 Budget and the FY 04-05 Comprehensive Annual Financial Report (CAFR). Submitted the FY 05-06 CAFR to the GFOA for award consideration.
- Received a Moody's credit rating upgrade from an A2 to A1 for the City's full faith & credit obligations and water revenue bonds. Received a credit rating upgrade from A1 to Aa3 for the City's general obligation bonds.
- Early paid off \$350,000 in Bancroft bond principal outstanding which resulted in interest savings to the City of approximately \$92,500 (undiscounted).
- Invested surplus cash achieving yields of about 3.7%.
- Developed and implemented a new city-wide indirect cost allocation plan.
- Issued sewer refunding bonds to save the City approximately \$340,000 in interest.

FY 2006-2007 Goals and Objectives

- Complete GASB 34 implementation with respect to recording and valuation of infrastructure.
- Implement voice response system for customer calls in the Utility Billing area.
- Implement time and attendance software to automate payroll time entry and capture employee hours by task.
- Work with Engineering and Public Works to develop management reporting for capital projects.
- Contract for efficiency and effectiveness reviews.

Program: *Financial Accounting and Reporting*

To accurately record financial transactions in accordance with management's authorization and to prepare financial statements in accordance with accounting principles generally accepted in the United States of America. To establish and maintain internal controls to provide management with reasonable assurance that the City's assets are safeguarded against loss from unauthorized use or disposition.

Program goals:

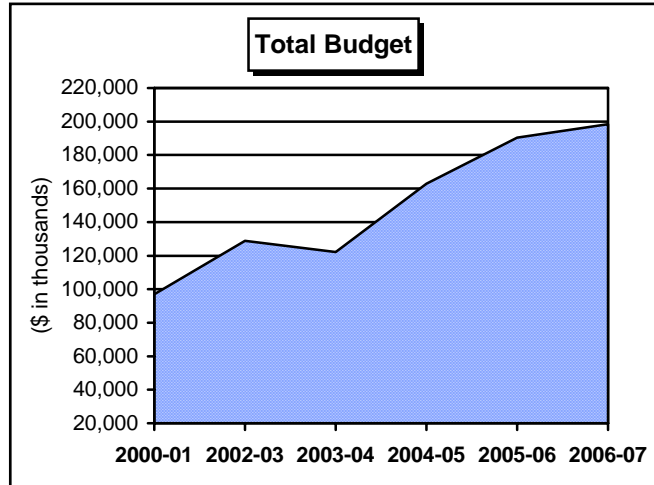
- Receive an unqualified opinion from the City's independent auditor.
- Prepare the City's CAFR for the year ending June 30, 2006 to qualify for the GFOA's Certificate of Achievement for Excellence in Financial Reporting for the 13th consecutive year.
- Provide the City Council and management with monthly financial reports by the second council meeting of the following month.
- Provide other financial information or assistance to departments as needed.
- Monitor financial transactions to ensure that revenues are collected in a timely manner, disbursements are properly made and significant budget to actual variances are researched and resolved.
- Monitor internal controls for the safeguarding of city assets.

Program: Budget Preparation

To prepare an annual budget for adoption in accordance with State statutes and City operational needs. To maintain financial planning models, i.e., five-year budgets, that facilitate strategic planning.

Program goals:

- Prepare a balanced budget for consideration in accordance with State statute and City operational requirements and earn the GFOA distinguished budget award for the 9th consecutive year.
- Establish and maintain five-year budgets for all major City funds.
- Utilize the financial planning models to evaluate "what if scenarios" as various opportunities or situations occur.
- Evaluate/implement comprehensive financial indicators.



Program: Investments

To invest surplus City funds in compliance with the guidelines of the City's investment policy.

Program goals:

- To earn a market rate of return while maintaining adequate liquidity to meet the City's operational requirements.

The majority of the City's investments are in the Oregon State Local Government Investment Pool, U S Government agency securities, corporate notes rated Aa or better and other low-risk investments with maturities of less than 2 years.

Program: Debt

To maintain a healthy debt structure, ensure timely debt service payments and protect the overall credit rating of the City.

Program goals:

- Ensure timely payment of debt service requirements.
- Protect credit rating of the City
- Identify opportunities to payoff existing debt to reduce the City's debt burden.

Program: Billing and Collection

To bill and collect charges for services provided to City and non-City residents including, but not limited to, water, wastewater, emergency medical services (ambulance), special assessments, downtown parking, airport hangars and miscellaneous charges. To handle all customer calls relating to billing and collection activities in an efficient and timely manner.

Program goals:

- Implement automated customer service voice response system to improve customer service and gain additional efficiencies within the billing and collection process.
- Implement electronic bill pay to enhance customer service.

All services being billed are anticipated to see increases in activity as noted above. The City has implemented on-line viewing of customer utility accounts via the City's web page and will work towards accepting on-line credit card payment.

Program: *Disbursements*

The accurate and timely payment of amounts due to vendors and employees for materials and services provided.

Program goals:

- To pay obligations incurred by the City in accordance with the terms agreed to by the City and the vendors and employees who serve the City.
- To gain efficiencies within the disbursement process through automating processes such as direct deposit of payroll checks and electronic payment of vendor invoices.

Program: *Risk Management*

The Finance department manages the City's Risk Management program, directly overseeing the liability, property, automobile and worker's compensation insurance programs and working with the City's insurance agent of record, Lumbermans Insurance, to determine the optimum balance of premium cost, deductible and risk assumed by the City.

Program goals:

- Obtain an optimum balance of premium cost, deductible and risk assumed by City.
- Build reserves for catastrophic losses and self-insurance.

Division: *Purchasing*

Program: *Purchasing*

The Purchasing Division oversees the establishment and implementation of City-wide purchasing policies and practices utilized to acquire goods and services. The division also ensures that acquisitions are at the lowest overall cost and are in compliance with State and local purchasing laws. The Purchasing Manager administers the bid process for construction and major equipment purchases, as well as provides oversight for personal service contract administration. The City issues over 5,000 purchase orders each year with construction contracts totaling over \$20 million in fiscal year 2005-06.

Program goals:

- To gain efficiencies and cost savings through consolidated buying power, price negotiation, and expanded utilization of automated processing capabilities.
- To provide training to all City staff to ensure proper utilization of the purchasing system and adherence to City policies, State and local requirements.
- To maintain up-to-date purchasing practices and policies to reflect changes in Oregon Revised Statutes and changes in City operations.

SUPPLEMENTAL INFORMATION

The Bend 2030 project is a community-driven long-range plan involving the City of Bend and other key stakeholders, including local governments, businesses, civic organizations and community groups. On June 21, 2006 the Bend City Council resolved to: "endorse the Bend Vision 2030 Vision Statement as the expression of the community's aspirations for the future of Bend, to review our long range policies, plans and strategies to promote their overall consistency with the vision, and to help implement the vision in order to achieve a bright future for the citizens of Bend and the greater Bend community" (document provided in summary).

OUR COMMUNITY VISION | June 2006 | Bend, Oregon

Bend 2030

A Visioning Project
by and for the People
of Bend | Oregon
**COMMUNITY VISION STATEMENT
AND EXECUTIVE SUMMARY**

www.bend2030.org |  | (541) 598 3942

*Set alongside
the Deschutes River,*

where the Cascade Mountains meet the high desert, Bend in 2030 is a vibrant, dynamic and beautiful city. We are committed, respectful, and engaged citizens supported by a powerful community vision, open and accessible leadership, collaborative community groups, and ongoing civic dialogue.

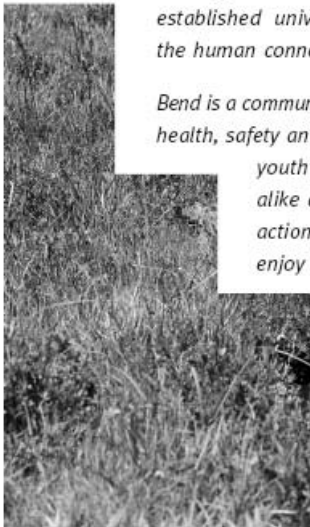
We have strategically managed our city's growth, maintaining its small-town character and friendly, inviting atmosphere, while supporting its livability, accessibility and growing cultural diversity. We are proud of our clean and efficient public transportation, appropriate mixed-use development, public gathering places where people meet and connect, well-designed neighborhoods with affordable housing and safe, pedestrian-friendly centers, and our trail system that connects us to surrounding wildlands.

Our dynamic economy is diversified and entrepreneurial, producing abundant business opportunities and living wage jobs. We are a leading-edge center for environmental protection, resource conservation and renewable energy, clean industry, and sustainable development. We believe in the synergy of innovation, a well-rounded, broad-based education from kindergarten and high school to our community college and established university, lifelong learning, and the human connection of the arts.

Bend is a community of strong connections. We support the health, safety and wellness of our children and families, youth and elderly. Residents and visitors alike appreciate the warm, personable interactions that our community affords. We enjoy access to community and cultural events,

open spaces, parks and natural areas, and recreational and fitness opportunities distinctive of the spirit and landscape

*that is
Central
Oregon.*



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Bend
2030
OUR COMMUNITY VISION

COMMUNITY VISION STATEMENT and EXECUTIVE SUMMARY PAGE 25

EXECUTIVE *Summary*

Bend 2030—OUR COMMUNITY VISION, a visioning process for the community of Bend, Oregon, was launched in August of 2005. Phase I of the process concludes in June 2006 with the presentation of the community's vision statement to Bend City Council.

The mission of *Bend 2030* is to create a 25-year vision for the Bend community and a strategic action plan designed to achieve this vision over time. The overarching approach of *Bend 2030* is to provide a framework that encourages the community to participate in development of the vision.

To achieve that mission, broad community involvement inclusive of the entire community was sought throughout vision development. According to a scientific survey conducted near the end of the visioning process, fully one in seven adults participated in Phase I of the *Bend 2030* process. The survey also demonstrated strong public support for the vision. The **VISION TASK FORCE** is pleased to present this vision to the community and to the Bend City Council for endorsement (see APPENDIX B).

PROJECT STRUCTURE

There are three Phases in the overall *Bend 2030* process. This report covers the process and results of **Phase I** – development of a long-range community vision. **Phase II** will produce a strategic action plan by December 2006, and **Phase III**, launching the formal implementation phase, will begin in early 2007.

Three committees were formed to achieve the mission of *Bend 2030*: a **VISION TASK FORCE**, a **PROJECT MANAGEMENT TEAM** and a **STAKEHOLDER ADVISORY COMMITTEE**.

The most visible group is the 27-member **VISION TASK FORCE (VTF)** comprised of a broad cross-section of Bend area residents. Their task has been to oversee and steward the development of the vision statement based on input from the wider community. Task Force members were selected from more than 150 applicants to reflect the broad diversity of the Bend community. Seven key demographics were analyzed to ensure that the applicant pool was representational of the wider community. The work of the Task Force will conclude at the end of Phase I and they will formally disband.

The **STAKEHOLDER ADVISORY COMMITTEE (SAC)** is made up of nearly 30 representatives from key government agencies, community organizations and individuals with jurisdiction over and extensive knowledge of key community services and issues. They have served in an advisory capacity during the development of the vision. Stakeholder Advisory Committee members will increase their involvement during the action planning and implementation phases.

The third committee is the **PROJECT MANAGEMENT TEAM (PMT)**, which has managed the overall *Bend 2030* process and provided direction to its staff and consultant.

DATA COLLECTION

The first step in the process was gathering information to help the Vision Task Force understand the community today, as well as existing and emerging trends that may influence its future. This was accomplished through a random sample survey of the Bend community, and by compiling and analyzing information for publication of the 136-page **COMMUNITY PROFILE AND TRENDS REPORT**—a detailed snapshot of Bend in 2005.

The Vision Task Force absorbed this information and began working in six identified vision **focus areas**:

- ▶ **WELL PLANNED CITY**
- ▶ **VIBRANT ECONOMY**
- ▶ **QUALITY ENVIRONMENT**
- ▶ **SAFE, HEALTHY PEOPLE**
- ▶ **STRONG COMMUNITY**
- ▶ **A CREATIVE, LEARNING CULTURE**

The Task Force also received additional information, opinions and ideas from the residents of Bend through a series of community focus groups, stakeholder interviews, major public meetings, informal surveys, and the website. Once a draft vision was complete, a scientific vision validation survey was conducted to determine if the community supported the key vision elements.

The survey results show that 73 of 82 concepts tested in the Draft Vision Statement were rated "Important" or "Very Important" for the future of Bend. The Vision Task Force incorporated public comments on the draft to strengthen and refine the final Vision Statement.

PUBLIC INVOLVEMENT

The public was directly involved at three key points during the vision development phase.

- ▶ **Community Forum Week** was designed to educate and inform the community about the *Bend 2030* process and about issues and trends facing the community today. This included open houses and a major public event at the Tower Theatre.
- ▶ **The Vision Summit** was an all-day visioning workshop where members of the public considered key issues facing the community and developed and prioritized vision ideas.
- ▶ **The Vision Roadshow** provided an opportunity for the community to review the draft vision. During the Roadshow, members of the public met with members of the Task Force and attended presentations held in various locations throughout the community.

EXECUTIVE SUMMARY

PUBLIC INVOLVEMENT CONTINUED

Throughout Phase I, more than 5,700 people participated in a Bend 2030 activity. In addition 75,000 tabloids about the project were distributed, stories in the City of Bend newsletter reached every citizen and extensive media coverage including live and recorded television broadcasts, radio interviews, and print media reached thousands of area residents many times throughout the process. Approximately 2,500 comments were received from the public and more than 23,000 website visits were recorded.

COMMUNITY CONTRIBUTIONS

Volunteers in the *Bend 2030* process, including the Project Management Team, Stakeholder Advisory Committee, the Vision Task Force and others, contributed well in excess of 1,000 hours of volunteer time. In addition, more than \$94,000 was donated in cash and in-kind services by the community over the course of the 11-month Phase I timeline.

NEXT STEPS

Phase I of the *Bend 2030* project will conclude with the printing and distribution of the final vision and a Final Report that documents the process.

Upon City Council's endorsement of the final **COMMUNITY VISION, Phase II** of the project will be launched. The purpose of Phase II is to develop an **ACTION PLAN** to implement the *Bend 2030 VISION* over the next five years and identify top priorities. Implementation of the Action Plan will involve broader community partners and will commence at the conclusion of the Action Planning Phase.

Glossary

Accrual Basis The recording of the financial effects on a government of transactions and other events and circumstances that have cash consequences for the government in the periods in which those transactions, events and circumstances occur, rather than only in the periods in which cash is received or paid by the government.

Activity Classification Expenditure classification according to the specific type of work performed by organizational units (e.g., police is an activity within the public safety function).

ADA Acronym for the American with Disabilities Act, but also refers to a division of the City's Community Development Department.

Adopted Budget Proposed budget amended and approved by the Budget Committee becomes the adopted budget after City Council takes action on it. The adopted budget becomes effective July 1 and includes all Council adopted changes through the year.

Ad Valorem Tax A property tax computed as a percentage of the value of taxable property.

Agency Fund A fund normally used to account for assets held by government as an agent for individuals, private organizations or other governments and/or other funds.

Amortization (1) The portion of the cost of a limited-life or intangible asset charged as an expense during a particular period. (2) The reduction of debt by regular payments of principal and interest sufficient to retire the debt by maturity.

Annexation The incorporation of land into an existing city with a resulting change in the boundaries of that city.

Appropriated Budget The expenditure authority created by the appropriation bills and ordinances, which are signed into law, and the related estimated revenues. The appropriated budget would include all reserves, transfers, allocations, supplemental appropriations and other legally authorized legislative and executive changes.

Appropriation A legal authorization granted by a legislative body to make expenditures and to incur obligations for specific purposes.

Approved Budget Proposed budget as amended and approved by the Budget Committee and recommended to the City Council for adoption.

Assessed Valuation A valuation set upon real estate or other property by a government as a basis of levying taxes.

Asset A probable future economic benefit obtained or controlled by a particular entity as a result of past transactions or events.

Balanced Budget The State of Oregon defines a balanced budget as "the total resources in a fund equal the total of expenditures and requirements for that fund".

Basis of Accounting A term used to refer to when revenues, expenditures, expenses, and transfers – and the related assets and liabilities – are recognized in the accounts and reported in the financial statements.

Bond A long-term promise to repay a specified amount of money (the face amount of the bond) on a particular date (the maturity date).

Budget A plan of financial operation embodying an estimate of proposed expenditures for a given period and the proposed means of financing them.

Budgetary Committee As dictated by Oregon State Statute, the budget committee consists of the governing body and a like number of appointed citizens and is charged with the task of reviewing the proposed budget, taking public comment and approving the budget.

Budgetary Control The control or management of a government or enterprise in accordance with an approved budget to keep expenditures within the limitations of available appropriations and available revenues.

BURA Abbreviation for Bend Urban Renewal Agency

Capital Budget A plan of proposed capital outlays and the means of financing them.

Capital Expenditures Expenditures resulting in the acquisition of or addition to the government's general fixed assets.

Capital Improvement Fund A fund that accounts for the resources to be used for the acquisition or construction of major capital facilities.

Capital Improvement Program (CIP) A plan for capital expenditures to be incurred each year over a fixed period of years to meet capital needs arising from the long-term work program or other capital needs. It sets forth each project or other contemplated expenditure in which the government is to have a part and specifies the resources estimated to be available to finance the projected expenditures.

Capital Improvement Project Expenditures which result in the acquisition of land, improvements to existing facilities, and construction of streets, sewers, storm drains and other public facilities.

Capitalization Policy The criteria used by the government to determine which outlays should be reported as fixed assets.

Capital Projects Fund A fund created to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

Cash Basis A basis of accounting under which transactions are recognized only when cash is received or disbursed.

CDBG Abbreviation for Community Development Block Grant. As a CDBG direct entitlement community, the City of Bend will receive an annual allocation of CDBG funds from the U.S. Department of Housing and Urban Development (HUD).

CDD Abbreviation for the City of Bend's Community Development Department, which includes the Building and Planning funds as well as, Administrative Services and Accessibility ADA divisions.

Contingency An appropriation established in certain funds for the funding of unforeseen events. Contingency may be appropriated for a specific purpose by the City Council upon the approval of a resolution.

Debt An obligation resulting from the borrowing of money or from the purchase of goods and services. Debts of governments include bonds, time warrants and notes.

Debt Limit The maximum amount of outstanding gross or net debt legally permitted.

Debt Proceeds The difference between the face amount of debt and the issuance discount or the sum of the face amount and the issuance premium. Debt proceeds differ from cash receipts to extent issuance costs, such as underwriters' fees, are withheld by the underwriter.

Debt Service Fund A fund established to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Debt Service Requirements The amount of money required to pay interest on outstanding debt, serial maturities of principal for serial bonds and required contributions to accumulate monies for future retirement of term bonds.

Deferred Revenue Amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met

Deficit The excess of expenditures over revenues during an accounting period or, in the case of proprietary funds, the excess of expenses over revenues during an accounting period.

Delinquent Taxes Taxes remaining unpaid on or after the date to which a penalty for nonpayment is attached. Even though the penalty may be subsequently waived and a portion of the taxes may be abated or cancelled, the unpaid balances continue to be delinquent taxes until abated, canceled, paid or converted into tax liens.

Depreciation An accounting convention used to charge the expiration in the service life of a fixed asset to the period it benefits.

EDD Abbreviation for the City of Bend's Economic Development Department, which includes the Urban Renewal Agencies, Airport, Downtown Parking, CDBG, Tourism, and Economic Improvement District funds as well as, Administrative Services and Real Estate Services divisions.

Employee Benefits Benefits include social security, retirement, group health, dental and life insurance, workers' compensation, and disability insurance.

Encumbrances Commitments related to unperformed (executory) contracts for goods and services. Used in budgeting, encumbrances are not GAAP expenditures or liabilities, but represent the estimated amount of expenditures ultimately to result if unperformed contracts in process are completed.

Enterprise Fund A fund established to account for operations financed and operated in a manner similar to private business enterprises (e.g., water, airport, sewer).

Estimated Life The expected estimated useful life of an asset from the date placed in service to the projected retirement date.

Expenditures Decreases in net financial resources. Expenditures include current operating expenses requiring the present or future use of net current assets, debt service and capital outlays, and intergovernmental grants, entitlements and shared revenues.

Expenses Outflows or other using up of assets or incurrences of liabilities (or combination of both) from delivering or producing goods, rendering services or carrying out other activities that constitute the entity's ongoing, major or central operations.

Fees General term used for any charge levied by local government in connection with providing a service, permitting an activity or imposing a fine or penalty. Major types of fees include business and non-business licenses, fines, and user charges.

Fiduciary Fund Type The Trust and Agency funds used to account for assets held by a government unit in a trustee capacity or as an agent for individuals, private organizations, other government units and/or other funds

Financial Resources Cash or other assets that, in the normal course of operations, will become cash.

Fiscal Year A twelve month period to which the annual operating budget applies and at the end of which a government determines its financial position and the results of its operations.

Fixed Assets Long-lived tangible assets obtained or controlled as a result of past transactions, events or circumstances. Fixed assets include buildings, equipment, improvements other than buildings, and land.

Franchise A special privilege granted by a government, permitting the continued use of public property, and usually involving the elements of monopoly and regulation.

FTE Abbreviation for Full Time Equivalent. Staffing levels are measured in FTE's to give a consistent comparison from year to year. In most instances an FTE is one full time position filled for the entire year, however, in some instances an FTE may actually consist of several part time positions.

Function A group of related activities aimed at accomplishing a major service or regulatory program for which a government is responsible (e.g., public safety).

Fund A fiscal and accounting entity with a self-balancing set of accounts in which cash and other financial resources, all related liabilities and residual equities, or balances, and changes therein, are recorded and segregated to carry on specific activities or attain certain objectives in accordance with special regulations, restrictions or limitations.

Fund Balance The difference between fund assets and fund liabilities of governmental and similar trust funds.

Fund Type Any one of seven categories into which all funds are classified in governmental accounting. The seven types are: general, special revenue, debt service, capital projects, enterprise, internal service, and trust and agency.

General Fund The fund used to account for all financial resources, except those required to be accounted for in another fund.

Generally Accepted Accounting Principles (GAAP) Uniform minimum standards and guidelines for financial accounting and reporting. They govern the form and content of the financial statements of an entity. GAAP encompass the conventions, rules and procedures necessary to define accepted accounting practice at a particular time. They include not only broad guidelines of general application, but also detailed practices and procedures.

Governmental Accounting The composite activity of analyzing, recording, summarizing, reporting and interpreting the financial transactions of governments.

Governmental Fund Types Funds used to account for the acquisition, use and balances of expendable financial resources and the related current liabilities – except those accounted for in proprietary funds and fiduciary funds.

Grants Contributions or gifts of cash or other assets from another government to be used or expended for a specified purpose, activity, or facility.

Infrastructure Assets Public domain fixed assets such as roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, lighting systems, and similar assets that are immovable and of value only to the government unit.

Interfund Transactions Transactions between funds of the same government reporting entity. They include 1) Quasi-external Transactions, 2) Reimbursements, 3) Residual Equity Transfers, 4) Operating Transfers and 5) Interfund Loans.

Interfund Transfers All interfund transactions except loans, quasi-external transactions and reimbursements.

Intergovernmental Revenues Revenues from other governments in the form of grants, entitlements, shared revenues or payments in lieu of taxes.

Interim Borrowing 1) Short-term loans to be repaid from general revenues during the course of a fiscal year. 2) Short-term loans in anticipation of tax collections, grants or bond issuance.

Internal Service Fund A fund used to account for the financing of goods and services provided by one department or agency to other departments or agencies of a government, or to other governments, on a cost reimbursement basis.

ISTEA Federal Intermodal Surface Transportation Efficiency Act grant to encourage various types of transportation.

Legal Level Of Budgetary Control The level at which spending in excess of budgeted amounts would be a violation of law.

Liabilities Probable future sacrifices of economic benefits, arising from present obligations of a particular entity to transfer assets or provide services to other entities in the future as a result of past transactions or events.

LID Abbreviation for Local Improvement District. A LID is an entity formed by a group of property owners to construct public improvements to benefit their properties. Costs of such improvements are then assessed among benefiting properties.

Local Budget Law Oregon Revised Statutes (ORS) dictates local budgeting practices. ORS Chapter 294 contains Local Budget Law provisions.

Local Government Any city, county, port, school district, public or quasi-public corporation.

Materials and Services Object classification to account for purchases of materials and services excluding capital outlay, personnel and debt service.

Measurable and Available An accounting convention employed in the modified accrual accounting basis to determine if a revenue is recognized in the current period.

Modified Accrual Basis of accounting in which expenditures other than accrued interest on general long-term debt are recorded at the time liabilities are incurred and revenues are recorded when received. All governmental funds are accounted for using the modified accrual basis of accounting.

Municipal Corporation A political and corporate body established pursuant to state statutes to provide government services and regulations for its inhabitants.

Net Bonded Debt Gross bonded debt less any cash or other assets available and earmarked for its retirement and less all self-supporting debt (e.g., revenue bonds).

Nonexpendable Trust Fund A trust fund, the principle of which may not be expended.

ODOT Abbreviation for Oregon Department of Transportation.

Object Class Expenditure classification according to the types of items purchased or services obtained (e.g., personal services, materials, supplies and equipment).

Operating Budget Planned, current expenditures and the proposed means of financing them. The annual operating budget is the primary means by which most of the financing, acquisition, spending and service delivery activities of a government are controlled.

Operating Transfers All interfund transfers other than residual equity transfers (e.g., legally authorized transfers from a fund receiving revenue to the fund through which the resources are to be expended).

Ordinance A formal legislative enactment by the governing body of a municipality. The difference between an ordinance and a resolution is that the later requires less legal formality and has a lower legal status.

Organizational Unit A responsibility center within a government.

Overlapping Debt The proportionate share, property within each government must bear of the debts of all local governments located wholly or in part within the geographic boundaries of the reporting government.

Per Capita Debt The amount of a government's debt divided by its population. Per capita debt is used to indicate the governments' credit position by reference to the proportionate debt borne per resident.

PERS Abbreviation for the State of Oregon Public Employees Retirement System.

Personal Services Object classification to account for compensation to City employees in the form of salaries, wages and employee benefits.

Program A group of related activities to accomplish a major service or function for which the local government is responsible.

Proposed Budget The budget proposed by the City Manager and submitted to the Budget Committee prior to their deliberations.

Proprietary Fund Types Sometimes referred to as income determination or commercial-type funds, the classification used to account for a government's ongoing organizations and activities that are similar to those often found in the private sector (i.e., enterprise and internal service funds).

Purchase Order A document authorizing the delivery of specified merchandise or the rendering of certain services and the making of a charge for them.

PW or PUW Abbreviations for the City's Public Works Department which includes the following services: Transportation Operations, Transportation SDC, Public Transit, Water, Water Reclamation,

Cemetery, Stormwater, Improvement District Construction and Debt Service, Laboratory, Facilities Management, and Public Works Administration.

Quasi-External Transactions Interfund transactions that would be treated as revenues, expenditures or expenses if they involved organizations external to the government unit. (e.g., internal service fund billings to departments). These transactions should be accounted for as revenues, expenditures or expenses in the funds involved.

Reimbursements (1) Repayments of amounts remitted on behalf of another party. (2) Interfund transactions that constitute reimbursements to a fund for expenditures or expenses initially made from it but that properly apply to another fund. These transactions are recorded as expenditures or expenses in the reimbursing fund and as reductions of expenditures or expenses in the fund reimbursed.

Requirements Total expenditures and unappropriated fund balance.

Requisition A written demand or request, usually from one department or the purchasing agent.

Reserved Fund Balance Those portions of fund balance that are not appropriable for expenditure or that are legally segregated for a specific future use.

Residual Equity Transfer Nonrecurring or nonroutine transfers of equity between funds (e.g., transfers of residual balances of discontinued funds to the general fund or debt service fund).

Resolution A special or temporary order of a legislative body; an order of a legislative body requiring less legal formality than an ordinance or statute.

Resources Total amounts available for appropriation consisting of the estimated beginning carryover balance plus anticipated revenues.

Restricted Assets Monies or other resources, the use of which is restricted by legal or contractual requirements.

Retained Earnings An equity account reflecting the accumulated earnings of an enterprise or internal service fund.

Revenues (1) Increases in the net current assets of a governmental fund type from other than expenditure refunds and residual equity transfers. (2) Increases in the net total assets of a proprietary fund type from other than expense refunds, capital contributions and residual equity transfers.

RFPD Abbreviation for the Deschutes County Rural Fire Protection District #2, which encompasses 250 square miles and is serviced by the Bend Fire Department.

Shared Revenues Revenues levied by one government but shared on a predetermined basis, often in proportion to the amount collected at the local level, with another government or class of governments.

Special Assessment A compulsory levy made against certain properties to defray all or part of the cost of a specific capital improvement or service deemed to benefit primarily those properties.

Special District An independent unit of local government organized to perform a single government function or a restricted number of related functions. Special districts usually have the power to incur debt or levy taxes.

Special Revenue Fund A fund used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditure for specific purposes.

Supplemental Budget Prepared to meet unexpected needs or to spend revenues not anticipated at the time the regular budget was adopted. The supplemental budget cannot be used to increase a tax levy.

Systems Development Charges (SDC's) Fees charged to join or to extend an existing utility system.

Tax Base Oregon law allows cities within the State, with voter approval, to establish a dollar amount of property tax that may be levied on property within the city. Once established, a tax base may be increased by 6% each year without further voter approval. Any increase beyond the statutory 6% limit must be approved by voters.

Trust Funds Funds used to account for assets held by a government in a trustee capacity for individuals, private organizations, other governments and/or other funds.

Unappropriated Ending Fund Balance Resources not appropriated but budgeted to account for the cash flow requirements of operations and to preclude the necessity for short-term borrowing of funds prior to receipt of budgeted revenues.

Working Capital Unspent resources that can be carried over to the following fiscal year and which are available for appropriation.

DEBT OVERVIEW

Debt Overview

The City of Bend utilizes both short and long-term debt to provide financing for essential capital projects. The following debt policies provide the objectives needed to meet the City's fiscal goals to provide and maintain essential public facilities, utilities, and capital equipment; and to protect and enhance the City's credit rating.

Debt Management Policies

- ◆ Capital projects financed through bond proceeds shall be financed for a period not to exceed the useful life of the project.
- ◆ Long-term borrowing will be confined to capital improvements too large to be financed from current available resources.
- ◆ Issuance of Assessment Bonds, secured by the benefited property, will be pursued to finance local improvement projects and repay interim financing approved by the City Council.
- ◆ The City will use its credit line, as needed, to provide interim funds for the construction of local improvements approved by the City Council.

Forms of Borrowing

Several forms of long-term debt are issued by the City including:

- ◆ General Obligation Bonds, Full Faith and Credit Bonds – These bonds are typically issued to finance improvements benefiting the community as a whole. The City, as issuer, pledges to levy the necessary taxes on all assessable property within its jurisdiction to provide timely repayment of the debt. ORS 287.004 provides that the City may not issue or have outstanding at any one time general obligation bonds in excess of three percent of the real market value of all taxable property within its boundaries. This statute makes specific exception to bonds issued for water, sewage disposal plants and off-street parking facilities, as well as, special assessment bonds.
- ◆ Revenue Bonds – Bonds issued to finance facilities that have a definable user or revenue base. These debt instruments are secured by a specific source of funds, either from the operations of the project being financed or from a dedicated revenue stream, rather than the general taxing powers of the City.
- ◆ Limited General Obligation Bonds, Special Assessment Debt or Bancroft Bonds – The City issues local improvement bonds under the Oregon Bancroft Bonding Act. These bonds are issued to finance infrastructure improvements including water, sewer, street and sidewalk improvements that benefit a specific area. Because the benefit is largely enjoyed by a limited segment of the community, a special assessment to pay debt service is levied only on properties or households benefiting from the project.
- ◆ Tax Increment Financing (TIF) Bonds – TIF bonds are used to promote economic development within a given geographic area. Debt service payments on TIF bonds are derived from tax revenues generated as a result of economic growth in the district. Bend Urban Renewal Agency utilizes Tax Increment Financing.

- ◆ COP's Certificates of Participation – Lease purchase agreements have evolved such that securities can be issued and marketed to investors in a manner similar to tax-exempt debt. In a COP transaction, government agencies enter into an agreement with another party (the lessor) to lease an asset over a specified period of time at a predetermined annual cost. Lease payments are sufficient to pay for principal and interest on the leased asset. The lessor then identifies a group of investors who are willing to provide funding for the asset in return for a share of the lease payments made by the government agency. The interest portion of the lease payment is tax-exempt income to investors.
- ◆ Line of Credit – The City utilizes this type of short-term borrowing to provide interim financing for local improvement district projects.
- ◆ Notes Payable – The City also has outstanding, several long-term note agreements with the Oregon Economic and Community Development Department. Proceeds from these notes provided financing for water and water reclamation system improvements that expanded service to new and existing manufacturing facilities.

Current and Future Debt Planning

Included in the 2006-07 budget is \$12 million in long-term debt issuance to accomplish the goal of financing the replacement of ambulance fleet, scheduled capital improvement projects, and infrastructure improvements.

- ◆ A \$1,830,000 Full Faith & Credit Bond issue is planned for the Fire Department to replace the fleet of ambulances and interface engines.
- ◆ Full Faith & Credit Bonds in the amount of \$3,136,000 are proposed for facilities expansion at the Police Department.
- ◆ A \$7,000,000 Full Faith & Credit Bond issue is planned for transportation infrastructure improvements at Juniper Ridge.

The City's debt issuance plans beyond fiscal year 2006-07 are subject to several factors, including but not limited to: the need for various capital improvements, the availability of existing resources, the ability to raise additional revenue, the cost of financing, debt per capita, and public support. Financing anticipated over the next five years may include transportation projects, water and water reclamation projects, airport improvements, and local improvement district infrastructure. The water and water reclamation projects are likely to be funded, if necessary, with revenue bonds; airport improvements with certificates of participation; and local improvements with limited general obligation debt. Transportation projects may require debt financing, possibly to include full faith and credit bond obligations. We do not anticipate at this time seeking voter approval of general obligation bonds. However, if other sources of funding are not identified and secured for transportation improvements this source of funding may be reinvestigated.

City of Bend
Projected Statement of Indebtedness
June 30, 2006

Long-Term Debt Outstanding	Principal Balance 06/30/05	Principal Balance 06/30/06	Proposed New Issues	Principal Amount Due 2006/07	Interest Amount Due 2006/07	Principal Balance 06/30/07
General Obligation Bonds	-	-	-	-	-	-
Other Indebtedness						
Transportation Operations Fund						
Full Faith & Credit Bonds 2002	343,000	262,000	-	84,000	9,000	178,000
Full Faith & Credit Bonds 2003	495,600	333,700	-	165,200	6,000	168,500
Total Transportation Operations Fund	838,600	595,700	-	249,200	15,000	346,500
Transportation SDC Fund						
Full Faith & Credit Bonds 2000	5,215,000	4,995,000	-	230,000	251,000	4,765,000
Full Faith & Credit Bonds 2003	10,681,200	10,226,200	-	459,800	384,000	9,766,400
Total Street SDC Fund	15,896,200	15,221,200	-	689,800	635,000	14,531,400
Fire/EMS Fund						
Certificates of Participation 1995	925,000	625,000	-	300,000	25,000	325,000
Full Faith & Credit Bonds 1999	540,000	530,000	-	10,000	25,000	520,000
Full Faith & Credit Bonds 2003	613,500	543,700	-	71,200	16,000	472,500
Full Faith & Credit Bonds 2007	-	-	1,830,000	-	-	1,830,000
Total Fire/EMS Fund	2,078,500	1,698,700	1,830,000	381,200	66,000	3,147,500
Debt Service/Construction Funds						
Full Faith & Credit Bonds 1999	3,200,000	3,090,000	-	115,000	144,000	2,975,000
Limited Tax Improvement Bonds 2002	593,000	266,000	-	181,000	15,000	85,000
Limited Tax Improvement Bonds 2003	820,000	638,000	-	186,000	31,000	452,000
Pension Obligation Bonds 2004	13,725,000	13,725,000	-	-	820,800	13,725,000
Total Debt Service/Construction Funds	18,338,000	17,719,000	-	482,000	1,010,800	17,237,000
Airport Fund						
Full Faith & Credit Bonds 1999	1,305,000	1,250,000	-	55,000	70,000	1,195,000
Ore. Econ. Dev. - Pacific Aviation Composite	579,892	556,126	-	23,900	28,000	532,226
Note payable-General Fund	225,000	-	-	-	-	-
Full Faith & Credit Bonds 2003	234,700	211,400	-	23,800	7,000	187,600
Total Airport Fund	2,344,592	2,017,526	-	102,700	105,000	1,914,826
Water Fund						
Revenue Bonds 2000	3,470,000	3,325,000	-	155,000	168,000	3,170,000
Total Water Fund	3,470,000	3,325,000	-	155,000	168,000	3,170,000

City of Bend
Projected Statement of Indebtedness
June 30, 2006

Long-Term Debt Outstanding	Principal Balance 06/30/05	Principal Balance 06/30/06	Proposed New Issues	Principal Amount Due 2006/07	Interest Amount Due 2006/07	Principal Balance 06/30/07
Water Reclamation Fund						
Oregon Econ. Dev. - Woodriver Village	264,736	252,875	-	12,000	12,000	240,875
Revenue Bonds 1997	3,000,000	180,000	-	180,000	9,000	-
Revenue Bonds 2000	6,080,000	1,480,000	-	270,000	64,000	1,210,000
Revenue Bonds 2002	5,105,000	4,905,000	-	205,000	203,000	4,700,000
Revenue Bonds 2005	-	7,585,000	-	85,000	260,000	7,500,000
Total Water Reclamation Fund	14,449,736	14,402,875	-	752,000	548,000	13,650,875
Intra-Governmental Services Fund						
Full Faith & Credit Bonds 2002	6,297,000	6,123,000	-	181,000	282,000	5,942,000
Full Faith & Credit Bonds 2005	-	4,780,000	-	-	163,000	4,780,000
Full Faith & Credit Bonds 2007	-	-	3,136,000	-	133,000	3,136,000
Total Intra-Governmental Services Fund	6,297,000	10,903,000	3,136,000	181,000	578,000	13,858,000
Total Other Indebtedness Outstanding	63,712,628	65,883,001	4,966,000	2,992,900	3,125,800	67,856,101
Total Indebtedness - City of Bend	\$63,712,628	\$65,883,001	\$4,966,000	\$2,992,900	\$3,125,800	\$67,856,101
Bend Urban Renewal Agency (BURA)						
Tax Increment Advance Refund. Bonds 1998	\$5,540,000	5,215,000	-	340,000	236,000	\$4,875,000
Tax Increment Bonds 2004	\$10,150,000	9,650,000	-	725,000	413,000	\$8,925,000
Full Faith & Credit Bonds 2007	-	-	7,000,000	-	-	7,000,000
Total Indebtedness - BURA	\$15,690,000	\$14,865,000	\$7,000,000	\$1,065,000	\$649,000	\$20,800,000

City of Bend
Schedule of Future Debt Service *
June 30, 2006

Fiscal Year	Revenue Supported Bonds (1)		General Obligation Debt (2)		All Other Debt (3)		Total Annual Payments		
	Principal	Interest	Principal	Interest	Principal	Interest	Principal Maturities	Annual Interest	Total Debt Service
2006/07	895,000	704,000	2,062,000	2,248,800	1,100,900	689,000	4,057,900	3,641,800	7,699,700
2007/08	930,000	661,200	1,939,000	2,192,100	1,241,000	632,500	4,110,000	3,485,800	7,595,800
2008/09	960,000	625,500	1,548,000	2,124,300	1,403,800	570,200	3,911,800	3,320,000	7,231,800
2009/10	1,000,000	587,800	6,330,000	2,060,300	1,564,200	503,500	8,894,200	3,151,600	12,045,800
2010/11	1,040,000	547,900	1,673,000	1,828,500	1,704,600	433,400	4,417,600	2,809,800	7,227,400
2011/12	1,065,000	508,800	1,720,000	1,753,500	1,875,000	357,100	4,660,000	2,619,400	7,279,400
2012/13	1,105,000	470,500	1,812,000	1,678,600	2,070,400	272,700	4,987,400	2,421,800	7,409,200
2013/14	1,150,000	429,000	1,710,000	1,602,700	2,261,900	179,800	5,121,900	2,211,500	7,333,400
2014/15	1,195,000	383,100	1,825,000	1,524,800	552,500	118,400	3,572,500	2,026,300	5,598,800
2015/16	1,245,000	333,100	1,965,000	1,437,700	578,100	92,400	3,788,100	1,863,200	5,651,300
2016/17	1,295,000	280,000	2,100,000	1,341,800	603,600	64,500	3,998,600	1,686,300	5,684,900
2017/18	1,355,000	223,600	2,270,000	1,236,600	639,300	35,000	4,264,300	1,495,200	5,759,500
2018/19	1,100,000	169,600	2,435,000	1,121,200	18,200	3,900	3,553,200	1,294,700	4,847,900
2019/20	1,150,000	118,400	2,480,000	995,500	18,400	3,000	3,648,400	1,116,900	4,765,300
2020/21	1,200,000	64,500	2,660,000	866,300	18,500	2,100	3,878,500	932,900	4,811,400
2021/22	385,000	28,100	2,385,000	738,700	23,700	1,200	2,793,700	768,000	3,561,700
2022/23	405,000	9,600	2,565,000	612,900	-	-	2,970,000	622,500	3,592,500
2023/24	-	-	1,910,000	496,300	-	-	1,910,000	496,300	2,406,300
2024/25	-	-	1,775,000	387,300	-	-	1,775,000	387,300	2,162,300
2025/26	-	-	1,950,000	283,200	-	-	1,950,000	283,200	2,233,200
2026/27	-	-	2,140,000	168,400	-	-	2,140,000	168,400	2,308,400
2027/28	-	-	895,000	54,500	-	-	895,000	54,500	949,500
Total	17,475,000	6,144,700	48,149,000	26,754,000	15,674,100	3,958,700	81,298,100	36,857,400	118,155,500

* Amounts shown above do not include future debt on assessments that have not been issued.

(1) Includes Water and Sewer Revenue Bonds

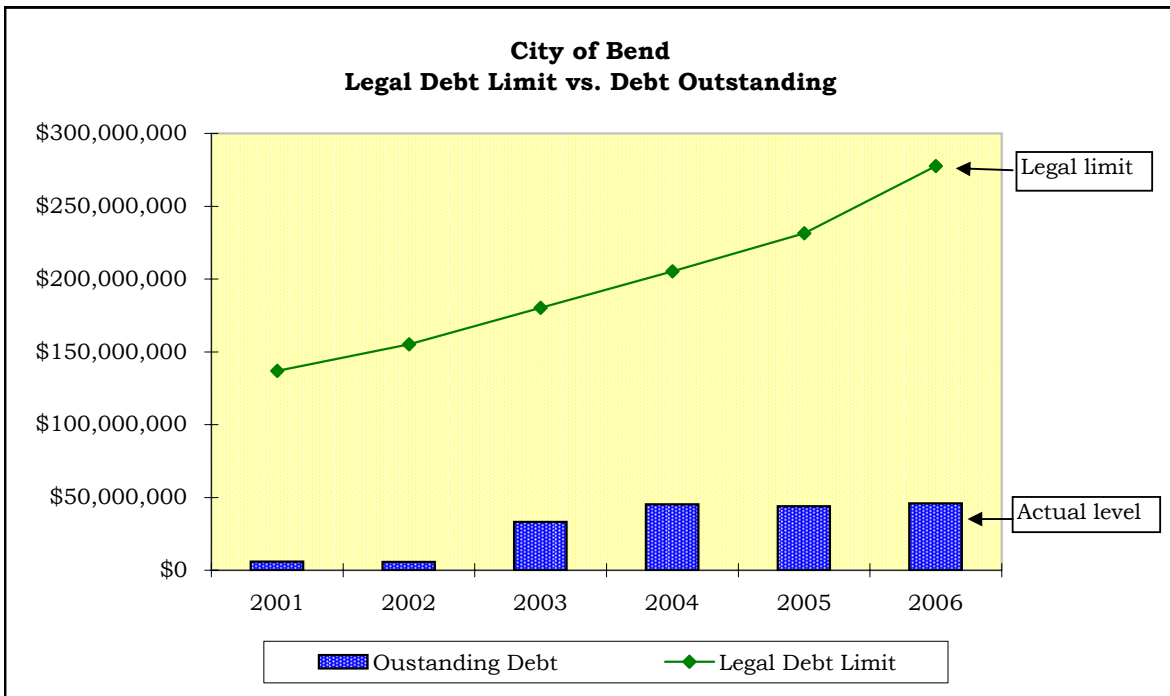
(2) Includes Certificates of Participation, Limited Tax Improvement Bonds, and Full Faith and Credit Bonds

(3) Includes loans from the Oregon Economic Community Development Department, as well as BURA Tax Increment Bonds

City of Bend, Oregon
Computation of Legal Debt Margin
General Obligation Bonded Debt
June 30, 2006

Oregon Revised Statutes (ORS) 287.004(2) states: "Unless a lesser limitation upon the issuance of bonds has otherwise been provided by law or charter, no city shall issue or have outstanding at any one time bonds in excess of three percent of real market value of all taxable property within its boundaries, computed in accordance with ORS 308.207, after deducting from outstanding bonds such cash funds and sinking funds as are applicable to the payment of principal thereof."

Real market value	\$ 9,252,160,570
Debt limit: 3% of real market value	\$ 277,564,817
Less outstanding debt subject to legal debt limit (net) (0.5% of real market value)	\$ 45,943,268
Legal debt margin	<u>\$ 231,621,549</u>

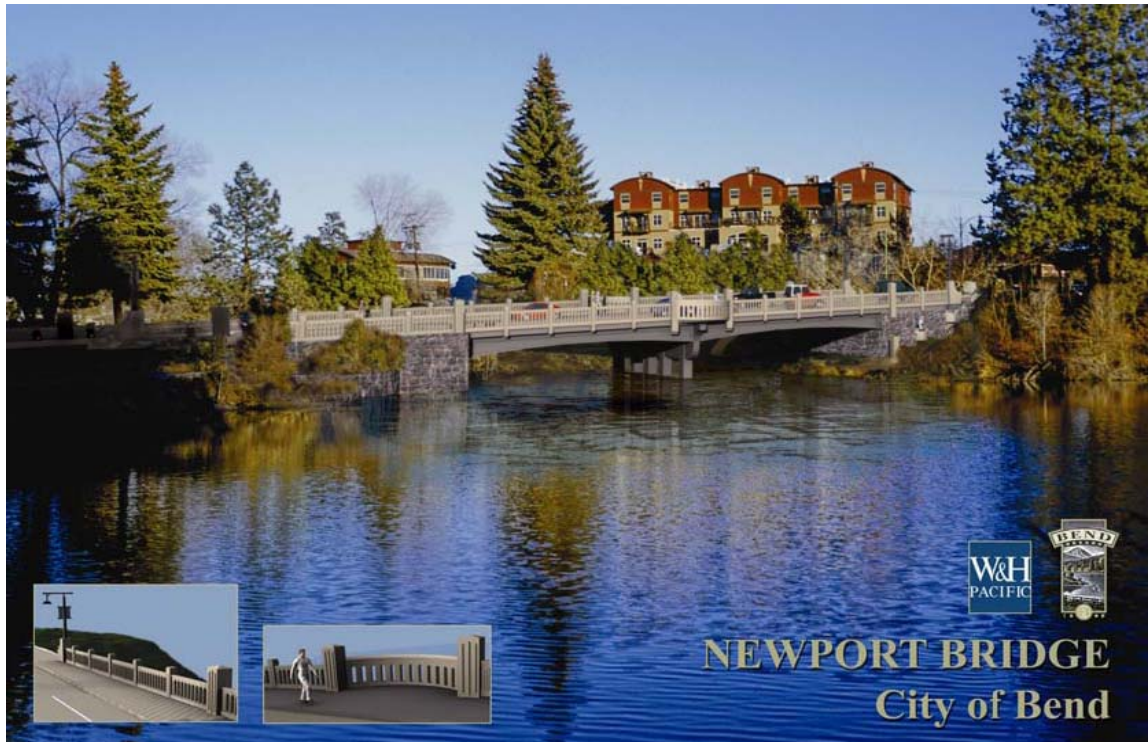


CAPITAL IMPROVEMENT PROGRAM

Capital Improvement Program

The Capital Improvement Plan (CIP) is a collaborative effort between the staff of the Community Development and Public Works Departments, along with input from the Deschutes County Bike and Pedestrian Committee, the Bend Metro Parks & Recreation District and the Bend Traffic Safety Advisory Committee.

The City continues to refine its CIP process as a means to enhance both financial planning and management decisions. Construction, repair, replacement and additions were considered as departments developed lists of proposed projects. Population changes, land-use patterns and operational impacts are all considered when assessing future demands and needs. Samples of the project submittal form and project scoring worksheet can be found on pages 282 and 283.



Conceptual Image – Newport Bridge Replacement

The proposed transportation portion of the CIP includes projects that address all modes of transportation. The Bend Traffic Safety Advisory Committee has identified projects that will address traffic calming needs. The Deschutes County Bike Pedestrian Committee has prioritized 105 infill sidewalk projects. Bend Metro Parks & Recreation District and City staff have identified 19 trail projects. A total of 62 street modernization projects have been identified as part of this CIP.

A number of projects are identified for funding for 2006/07. Several will be complex, multi-year projects including the Reed Market Road corridor project and the Empire Avenue extension project. Two complex projects being continued from the previous year are the bridge structure at Newport Avenue and the widening of 27th Street from Forum to Neff Road.

The five-year Transportation Funds capital budgets were based on the funding to be received under the current Transportation SDC methodology adopted in June 2004. The Transportation System Development charge methodology contains an Improvement Fee component designed to be applied to capital improvements which increase the capacity of the system and a Reimbursement Fee component designed to recover the cost of capacity on existing facilities.

This CIP also includes Water, Water Reclamation, Stormwater, Urban Renewal, Facilities and Airport projects. Projects associated with the Bend Municipal Airport were identified by our consultant, Century West Engineering, along with a citizen ad hoc advisory committee during the 2001/02 fiscal year. The airport projects are also a part of the FAA Airport Layout Plan (ALP).

The 2006-2011 Capital Improvement Program was presented to the City of Bend Budget Committee and the Bend City Council as part of the FY 2006/07 Budget process.

The Capital Improvement Program process provides the City with documentation of the selection process and timing of capital projects, thus allowing enhanced public accountability and communication. The CIP provides sound financial planning and management of projects which:

- Preserve existing publicly owned property and infrastructure.
- Provide new facilities and infrastructure to accommodate an orderly and well-planned expansion of the community consistent with Statewide Planning Goals.
- Enhance livability within the community.

The fiscal year 2006/07 CIP is an integral part of the overall City financial program and is included in the capital outlay category of the City's budget. A schedule that summarizes infrastructure and facility capital projects by fund and shows total estimated cost of the project, life to date cost, 2006/07 budgeted costs and funding sources is included on page 291. Five-year capital program schedules begin on page 288 and are included for the following funds:

Transportation Funds Capital Budgets

Transportation Operations Fund - Repair and Maintenance: includes expenditures for overlay projects, traffic management devices, in-fill sidewalks, and fleet and equipment replacement.

Transportation SDC Fund - Growth Related: provides for various street, sidewalk and traffic management construction projects funded through a variety of means.

Historically, the repair and maintenance category consists mainly of the annual asphalt overlay program with State gas tax and Federal intermodal dollars being used for funding. The 2006/07 budget proposes a \$950,000 commitment for rehabilitative maintenance on streets with a PCI falling in the low end of the good category and the satisfactory category. The five year Transportation CIP includes \$37.1 million of projects.

Airport Fund Capital Budget

Growth Related: provides for the improvements needed to expand service, and update existing facilities.

A City Council appointed ad hoc committee reviewed and updated the City's airport layout plan including a proposed runway extension and road realignment. \$9.4 million of projects are listed on the 2006-2011 CIP for the Airport with \$3,800,000 of those scheduled for fiscal year 2006/07.

Water Fund Capital Budget

Repair and Maintenance: includes expenditures for fleet and equipment replacement as well as improvements needed to maintain existing service levels and protect the existing system.

Growth Related: provides for improvements needed to provide service to growth areas within the urban growth boundary.

The direction of the water system CIP is to handle the city's growth and address the needs of the city at buildout. Groundwater mitigation has become the hot topic for the provision of water by the City with \$500,000 expected to be spent annually for at least the next five years.

The water CIP schedule calls for an investment of approximately \$23.3 million over the next five years for system improvements and \$13.6 million for repair and maintenance. User fees, system development charges, and revenue bonds all provide potential sources of revenues to address these projects.

Water Reclamation Fund Capital Budget

Repair and Maintenance: provides for the maintenance of existing facilities and the replacement of fleet and equipment.

Growth Related: includes projects that address the need for extending service within the urban growth boundary.

The water reclamation plan provides for a program to eventually have sewer trunks in all areas of the City. This will not be accomplished within the next five years, but the City will continue to work toward that type of system. The City will continue to look for ways to provide sewer to those areas currently served by septic systems and the financing to help residents afford these infrastructure improvements.

The capital investment schedule of the water reclamation CIP schedule calls for improvement expenditure of \$97.9 million over the next five years and approximately \$3.3 million in repair and maintenance. User fees, system development charges, and revenue bonds all provide potential sources of revenues to address these projects.

Stormwater Fund Capital Budget

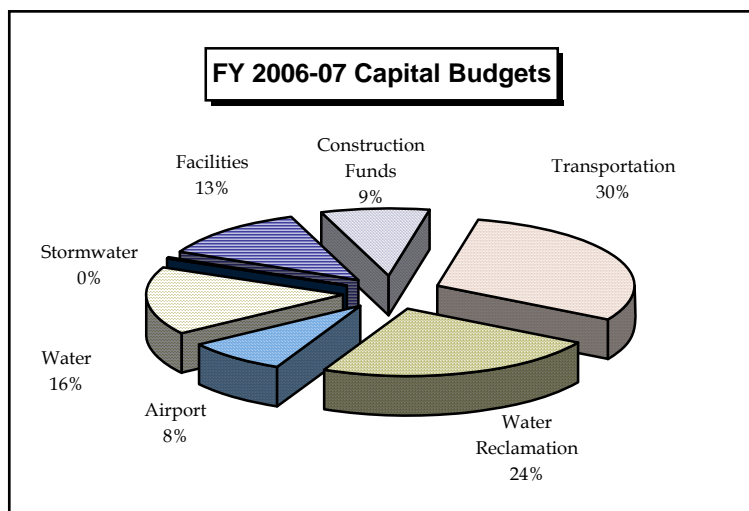
Growth Related: provides for the improvements needed to meet state and federal regulatory requirements.

Many of the existing stormwater facilities within the City do not meet regulatory permit requirements and need to be improved or decommissioned. \$3.0 million of projects are listed on the 2006-2011 CIP for the stormwater system with \$161,500 of those scheduled for fiscal year 2006/07.

Capital improvements for funds other than the ones included in these capital budgets are paid for through transfers or lease options of user funds, or Bancroft bonding and are scheduled as part of a yearly review as funds become available.

The individual project submittal forms indicate the impact the completed project will have on the operating budget (i.e. additional staffing, maintenance, debt service and operating costs) using the following definitions:

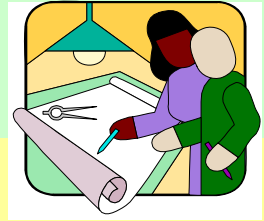
- **Positive** The project will result in annual operating cost savings or generate additional revenue.
- **Negligible** The project will increase annual operating expenditures by less than \$10,000 annually.
- **Slight** The project will increase annual operating expenditures by more than \$10,000, but less than \$50,000.
- **Moderate** The project will increase annual operating expenditures by more than \$50,000, but less than \$100,000.
- **High** The project will increase operating expenditures by more than \$100,000 annually.



SAMPLE CIP PROJECT SUBMITTAL FORM

City of Bend

**Capital Improvement Projects
2005/06 - 2009/10**



Fund

Year:

Category

Priority Rating:

Department

Project Name:

Project Description:

Need/Justification:

Benefits:

Consequences of Delaying/Eliminating this Project:

Project Related To:

Comments:

Total 5 Year Cost	
Cost Breakdown	
Consulting	<input type="text"/>
ROW	<input type="text"/>
Construction	<input type="text"/>
Legal	<input type="text"/>
Total	0

Cost Schedule	
Prior to 2005/06	<input type="text"/>
2005/06	<input type="text"/>
2006/07	<input type="text"/>
2007/08	<input type="text"/>
2008/09	<input type="text"/>
2009/10	<input type="text"/>
After 2009/10	<input type="text"/>
Total Cost	0

Impact on Annual Operating Budget	
<input type="text"/>	<input type="text"/>

Method of Financing	
Type	Amount
<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>
Total	0

Transportation Project Scoring Worksheet

Project Name _____

Scorer #1 _____

Criteria	Score				M	Score
	3	2	1	0		
1. Public safety	Existing safety issues: History of fatal/injury incidents or likelihood of same as identified by safety audit	Potential Safety Issues: History of high incident numbers or likelihood of same as identified by safety audit	Possible safety issues: Complaints from the public regarding safety or likelihood of same as identified by safety audit	No public safety issues identified	3	
2. Protection of System Operation	Project brings a link or intersection into compliance with City operations criteria and/or City standards	Project improves operations, or brings facility closer to compliance with City standards	Project will have no impact on operations or falls outside of City standards	Project will have a negative impact on operations		
3. Increased Connectivity	Project completes a portion of the grid system	Project enhances a portion of the grid system	Project has no impact to the grid system	Project has a negative impact to the grid system	2	
4. Volume of Traffic Served	Project serves a Major Arterial street (up to 30,000 ADT)	Project serves a Minor Arterial street (up to 18,000 ADT)	Project serves a Major Collector street (up to 9,000 ADT)	Project serves a high volume local street		
5. Multi-Modal benefits	Project removes barriers to safety, significantly enhancing safe, ADA compliant, access to schools, parks, and other destinations	Project provides safer, ADA compliant, alternatives to existing routes to schools, parks, and other destinations	Project has no effect on multi-modal access	Project creates a barrier to safe access to schools, parks, or other destinations		
6. Relation to adopted plans	Project included in the Bend Area General Plan, TSP, or TIP			Project not included in adopted plans		
7. External Influences/ Timelines	Project allows City to take advantage of favorable funding or timing	External influences improve the timeliness of this project.	External influences may improve the timeliness of this project.	External influences do not improve the timeliness of this project.		
8. Operating Budget	Project will result in a net decrease in operating costs.	Project will have minimal or no operating and maintenance costs.	Project will have some additional operating costs and/or personnel additions.	Project will require significant additions in personnel or other operating costs.		
9. Life Expectancy of Project	Meets the needs of the community for the next 20 years or more.	Meets needs of the community for the next 15 to 19 years.	Meets needs of the community for the next 10-14 years.	Meets needs of the community for less than 10 years.		
10. Capacity (Volume to Capacity Ratio, v/c)	v/c > 1.0	v/c = 0.9 -- 1.0	v/c = 0.8 -- 0.9	v/c < 0.8		
M=Multiplier	Project Average Score			Total		0

Transportation Improvements Five Year Capital Program Schedule

Amount by fiscal year (in thousands)

TYPE OF PROJECT	PRIORITY	06/07	07/08	08/09	09/10	10/11
Continuing Projects						
Arterial/Collector Traffic Safety Improvements		300.0	300.0	300.0	300.0	300.0
Newport Bridge (ST0503) (Note 1)		3,260.0				
27th, Neff/Forum Widening (ST0404)		1,220.0				
Boyd Acres/Empire Intersection (ST0405)		1,565.0				
Reed Market Corridor (ST0411)		2,125.0	3,000.0	2,000.0		
Neff Road Corridor, 8th to 27th Street (ST0506)		675.0	500.0			
Empire Avenue Extension, Ph 1 (ST0526) (Note 3)		271.0	3,200.0	1,200.0		
Murphy Road, Brookwood to 15th (ST0602)		175.0	1,000.0	1,000.0	1,000.0	
Butler Market / Brinson Signal (ST0611)		700.0				
Subtotal		10,291.0	8,000.0	4,500.0	1,300.0	300.0
New Projects						
High Impact Capacity Improvements (Note 4)		500.0	500.0	500.0	500.0	500.0
College Way/Regency Modernization (ST0518)		250.0				
Brookwood/Powers Intersection		110.0	830.0	200.0		
Signal - Intelligent Transportation System (ITS)		100.0	100.0	100.0	100.0	100.0
Purcell/Bear Creek Intersection			100.0	700.0		
Wilson Ave Corridor, Bond-15th St				500.0	2,000.0	2,000.0
Powers, 3rd St to Brosterhaus (Chase Rd)				500.0	1,500.0	
Brookwood Ave Corridor, Powers to Murphy						1,000.0
Subtotal		960.0	1,530.0	2,500.0	4,100.0	3,600.0
TOTAL		11,251.0	9,530.0	7,000.0	5,400.0	3,900.0

Notes:

1. Revenue for the Newport Bridge project for FY 06/07 includes \$1.965 M in OTIA funds and \$0.25 M in BURA funds.
2. Revenue for the Empire Ave Extension includes \$0.5 M from Deschutes County.
3. High Impact Capacity Improvements are smaller capital projects (under \$500,000) that provide prompt benefit and address immediate needs to the transportation system by improving operations and capacity.
4. Internal billings from the following departments are excluded from the schedule above:

Engineering	\$732,900
Real Estate	<u>\$106,200</u>
Engineering	\$839,100

Airport Five Year Capital Projects Schedule

Amounts by fiscal year (in thousands)

TYPE OF PROJECT	PRIORITY	06/07	07/08	08/09	09/10	10/11
<u>New Projects</u>						
Runway 16-34 Relocation, including MIRL (AP0601)	0	3,800.0	2,449.5			
Butler Market Road / Airport Entrance Improvements	3		150.0			
Improvements to Flight Services Bldg	4					
East Parallel Taxiway	1		750.0			
PAPI (Replace Existing VASI)	2		80.0			
Resurface SW Hangar Taxilanes (2" AC)	3		40.0			
Perimeter Fencing and Security Gates	2			450.0		
West Taxiway Lighting and Widening	2			500.0		
Glider / Taildragger Turf Area	3			175.0		
Resurface/Reconfigure West Terminal Apron (2" AC)	3				100.0	
East Side Ramp Apron	2				500.0	
East Side Taxilanes	2				350.0	
Airport Maintenance Building	3				100.0	
TOTAL		3,800.0	3,469.5	1,125.0	1,050.0	-

Notes:

1. In-house Engineering costs of \$7,500 are excluded from the schedule above.
2. The following projects, continuing and new, scheduled for fiscal 2006-07 are expected to be 95% funded through approved AIP grants:
Runway 16-34 Relocation
3. FAA funding through the Airport Improvement Program operates on the Federal fiscal year of Oct - Sept.
Airports have allocated federal and state funding that can carry over from year to year if projects are not completed.
4. Any future water or wastewater needs will be funded through the development.

Priority

- 0= Continued
- 1= Critical
- 2= Essential
- 3= Necessary
- 4= Desirable
- 5= Pending

Definition

- Projects in progress as of June 30, 2006
- Imperative for reliable service
- Absolutely necessary for operation of system
- Needed for efficient operation of system
- Useful for proper operation of system
- Of no immediate consequence

Water Repair & Maintenance Five Year Capital Program Schedule

Amounts by fiscal year (in thousands)

TYPE OF PROJECT	PRIORITY	06/07	07/08	08/09	09/10	10/11
REPAIR & MAINTENANCE						
Vehicle Replacement Water Division Hydrant & Install w/ Repair Truck and Boom	1	80.0	60.0	60.0	60.0	60.0
Pilot Butte Well #2 Replacement (Continuing Project)	0	100.0				
Water Service Upgrades	3	40.0	40.0	40.0	40.0	40.0
Water System Looping	3	60.0	60.0	60.0	60.0	60.0
PRV station installation	3	30.0	30.0	30.0	30.0	30.0
Fire Hydrant Replacement	0	25.0	25.0	25.0	25.0	25.0
Awbrey Reservoir Site Improvements (Dog Park)		50.0	40.0			
Old Water Line Replacements	1		1,000.0	1,000.0	1,000.0	1,000.0
Murphy Road to Shiloh, 12" Transmission Main	1	350.0				
Brosterhous, Murphy to Quail Ridge, 12" Main	1	400.0				
Lolo Lane, Replace 16" and 12" with 24"	1	100.0				
Galvanize Line Replacements	1	150.0				
Paint Interior of Tanks	2					
Overturf West Tank		150.0				
Rock Bluff			150.0			
Watershed, Source Water Improvements	1					
Feasibility Study		200.0				
Design			750.0	750.0		
Construction					2,500.0	2,500.0
Valve Turning Assembly		30.0				
Cross Connection Control		250.0				
TOTAL REPAIR & MAINTENANCE		2,015.0	2,155.0	1,965.0	3,715.0	3,715.0

Priority

0= Continued
 1= Critical
 2= Essential
 3= Necessary
 4= Desirable
 5= Pending

Definition

Projects in progress
 Imperative for reliable water service
 Absolutely necessary for operation of system
 Needed for efficient operation of system
 Useful for proper operation of system
 Of no immediate consequence

Water Improvements Five Year Capital Program Schedule

Amounts by fiscal year (in thousands)

TYPE OF PROJECT	PRIORITY	06/07	07/08	08/09	09/10	10/11
GROWTH RELATED						
Continuing Projects						
Water SDC Analysis (WA0612)	0	15.0				
Water Master Plan (WA0315)	0	20.0				
Wyndemere Transmission Main (WA0402)	0	210.0				
Outback Reservoir #3 (WA0405)	0	450.0				
Outback Well #5 - Pump & Building (WA0416)	0	70.0				
Outback Well #6 - Control Room Construct & Build (WA0421)	0	745.0				
Rock Bluff #2 - New Reservoir #2 (WA0508)						
Design	0	25.0				
Construction	0	1,000.0	1,000.0			
Groundwater Mitigation	0					
Mitigation for New Groundwater Permit (WA0303)		100.0	100.0	100.0	100.0	100.0
Water Rights Acquisition (WA0422)		400.0	400.0	400.0	400.0	400.0
SE 15th Street Transmission Main (WA0605)	0	695.0				
Empire Ave. 16" Transmission Main (WA0602)	0					
Design		30.0				
Construction			450.0			
Outback Well #7 (WA0609)	0					
Drill Well		240.0				
Building / Pump		50.0	500.0			
Newport Bridge Water Line Replacement and Upsizing	0	140.0				
Airport Well #3, Design/Drilling (WA0604)	1					
Airport Water Master Plan and Well #3 Design		121.0				
Drill Well and Construct Building & Pump		400.0	900.0			
Subtotal		4,711.0	3,350.0	500.0	500.0	500.0
New Projects						
Miscellaneous Legal		2.0				
Storage Off of South Century Drive, Feasibility Study		50.0				
South Area Reservoir						
Study and Design	1	75.0	300.0			
Construction				3,000.0		
Cooley Rd. Transmission Main, Boyd Acres to Juniper Ridge	1	400.0				
Newport Ave 16" Water Line Extension		30.0	260.0			
Murphy Road Transmission Main, Brosterhous to 15th				440.0		
18th St. Transmission Main, Empire to Cooley Rd.					80.0	1,100.0
Overturf Well #1	1					
Drill Well				500.0		
Building / Pump					900.0	
Bear Creek Well #3	1					
Drill Well				500.0		
Building / Pump					500.0	
Pilot Butte Water Storage Development	1					
Design				300.0		
Construction					3,000.0	
Overturf Well #2	1					
Drill Well					500.0	
Building / Pump						500.0
Overturf Reservoir #3	1					
Design						250.0
Outback Well #8	1					
Drill Well						500.0
Reed Market 12" Main (WA0501)	2					510.0
Subtotal		557.0	560.0	4,740.0	4,980.0	2,860.0
TOTAL GROWTH		5,268.0	3,910.0	5,240.0	5,480.0	3,360.0
TOTAL REPAIR & MAINTENANCE AND GROWTH		7,283.0	6,065.0	7,205.0	9,195.0	7,075.0

Notes:

1. In-house Engineering costs of \$458,500 are excluded from the schedule above

Water Reclamation Repair & Maintenance Five Year Capital Program Schedule

Amounts by fiscal year (in thousands)

TYPE OF PROJECT	PRIORITY	06/07	07/08	08/09	09/10	10/11
REPAIR & MAINTENANCE						
Vehicle Replacement			88.0	57.5	60.0	62.5
Vactor Truck	1	300.0				
TV Van w/ Cameral & Software		200.0				
Pick-up/hybrid, 2 Golf Carts and used dump truck		60.0				
Communication Equipment	2	60.0	55.0	46.0	48.0	50.0
Collection Line Rehabilitation	2	210.0	220.0	230.0		
Collection Equipment	2	100.0				
Inflow/Infiltration & Odor Control Evaluation	3	125.0				
Computerized Maintenance Management System (CMMS) Collections & Treatment Plant	1	100.0	45.0			
Water Reclamation Facility Telemetry / SCADA /						
Operational Software Upgrades	1	100.0				
Generators (North Point & Woodriver)	2	170.0				
Equipment Replacement / Upgrades	2	130.0	137.5	143.8	150.0	156.3
Odor Control Improvement			77.0	69.0		
Control Bldg. Roof & HVAC			71.0			
TOTAL REPAIR & MAINTENANCE		1,555.0	693.5	546.3	258.0	268.8

Water Reclamation Improvements Five Year Capital Program Schedule

Amounts by fiscal year (in thousands)

TYPE OF PROJECT	PRIORITY	06/07	07/08	08/09	09/10	10/11
GROWTH RELATED						
<u>Continuing Projects</u>						
Wastewater SDC Analysis (SW0605)	0	25.0				
Sewer Master Plan, Tasks 2 & 3 (SW0513)	0	50.0				
Sewer System Expansion	0	800.0	660.0	690.0	720.0	750.0
Sewer Line Upgrades	0	770.0	550.0	575.0	600.0	625.0
Collection Pump Station Upgrades & Expansion	0	500.0	660.0	690.0	600.0	625.0
WWCP Headworks Expansion (SW0601)	0	2,490.0	2,150.0			
Wyndemere Sewer Pump Station (SW0502)	0	505.0				
Chlorine Disinfection System (Ammonia Feed Sys.)	0	50.0				
Belt Press, Hopper, Solids (SW0515)	0	683.0				
Newport Ave Bridge Sewer Replacement and Upsizing	0	120.0				
Subtotal		5,993.0	4,020.0	1,955.0	1,920.0	2,000.0
<u>New Projects</u>						
Secondary Expansion	1	700.0	2,670.0	2,980.0		
Water Reclamation Facilities Plan	1	450.0				
Interceptors, Trunk Sewers & Regional Pump Stations ²	1	1,700.0	9,200.0	13,400.0	24,800.0	19,000.0
Drying Bed Expansion	1	170.0				
Primary & Digester Modifications	1		423.5	1,625.0		
Miscellaneous Plant Expansions ³	1			1,495.0	2,936.4	
Level IV Reuse Piping Project	2			522.0		
Subtotal		3,020.0	12,293.5	20,022.0	27,736.4	19,000.0
TOTAL GROWTH		9,013.0	16,313.5	21,977.0	29,656.4	21,000.0
TOTAL REPAIR & MAINTENANCE AND GROWTH		10,568.0	17,007.0	22,523.2	29,914.4	21,268.8

Notes:

1. In-house Engineering costs of \$423,000 are excluded from the schedule above.
2. The new Sewer Master Plan will recommend significant new interceptors, trunk sewers and regional pump stations to provide capacity for projected future populations. Estimates included here are preliminary pending completion of the Master Plan.
3. May include Secondary Clarifier, Contact Basin, Screen, etc.

Priority

0= Continued
 1= Critical
 2= Essential
 3= Necessary
 4= Desirable
 5= Pending

Definition

Projects in progress
 Imperative for reliable sewer service
 Absolutely necessary for operation of system
 Needed for efficient operation of system
 Useful for proper operation of system
 Of no immediate consequence

Stormwater Five Year Capital Program Schedule

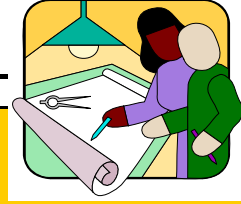
Amount by fiscal year (in thousands)

TYPE OF PROJECT	PRIORITY	06/07	07/08	08/09	09/10	10/11
<u>New Projects</u>						
Drill Hole Abandonment*	1		50.0	50.0	50.0	50.0
Drill Hole Replacement w/ water quality facility**	1					
Design			100.0			
Construction				250.0	250.0	250.0
Stormwater Master Plan	1	86.5	150.0			
DEQ Receipts Authority		50.0	50.0			
Water Quality Demonstration Project	2		50.0	50.0	100.0	100.0
Stormwater Drainage Basin Development	2					
Design		10.0	100.0			
Construction		15.0		400.0	400.0	400.0
TOTAL		161.5	500.0	750.0	800.0	800.0

* These are quick fix projects to abandon failed drill holes

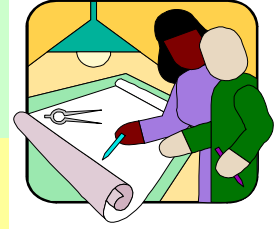
** These are more complicated projects that require abandonment of the drill hole and construction of a water quality facility to dispose of the stormwater.

City of Bend - Fiscal Year 2006/07 Budget Summary of Infrastructure and Facility - Capital Projects



FUND / Description	Intergovernmental	Franchise Fees	Private Contribution	User Fees	SDC's	Urban Renewal	Other	Project Number	Total Project Estimate at 7/06	Multi Year Project Yes/No	Estimated Project Costs thru 6/30/06	Capital Outlay Budget 2006/07	Detail on Page #
TRANSPORTATION SDC FUND													
In-house Engineering	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		839,100	No		839,100	
Arterial/Collector Traffic Safety	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		ongoing			300,000	A-1
Newport Bridge replacement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	ST0503	6,052,000	Yes	2,792,000	3,260,000	A-2
27th, Neff to Forum Widening	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	ST0404	1,930,000	Yes	710,000	1,220,000	A-3
Boyd Acres/Empire Intersection	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	ST0405	2,208,000	Yes	643,000	1,086,000	A-4
Reed Market Corridor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	ST0411	7,710,000	Yes	585,000	2,125,000	A-5
Neff Road Corridor, 8th to 27th St.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	ST0506	1,250,000	Yes	75,000	675,000	A-6
Empire Avenue Extension, Phase 1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	ST0526	5,020,000	Yes	349,000	600,000	A-7
Murphy Road, Brookswood to 15th	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	ST0602	3,250,000	Yes	75,000	325,000	A-8
Butler Market/Brinson Signal	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	ST0611	750,000	Yes	50,000	700,000	A-9
High Impact Capacity Improvements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		ongoing	Yes		500,000	A-10
College Way/Regency Modernization	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	ST0518	250,000	No		250,000	A-11
Brookswood/Powers Intersection	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		1,140,000	Yes		110,000	A-12
Signal-Intelligent Transport System (ITS)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		1,000,000	Yes		100,000	A-13
Total for Fund											12,090,100		
<p>A. FY 2006/07 project budget reduced \$479,000 to accommodate changes made by Council and staff.</p> <p>B. FY 2006/07 project budget increased \$67,000 through Council action 7/19/06 and an additional \$262,000 for current project design needs.</p> <p>C. FY 2006/07 project budget increased \$150,000 through Council action 7/19/06</p>													
AIRPORT FUND													
Runway 16-34 Relocation, includes MIRL	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	AP0601	6,249,500	Yes		3,800,000	B-1
Total for Fund											3,800,000		
WATER FUND													
Cross Connection Control	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		ongoing	Yes		250,000	
Ongoing Annual Repairs & Maintenance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		ongoing	Yes		305,000	
Replace Pilot Butte Well #2	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		300,000	Yes	200,000	100,000	
Awbrey Reservoir Site Improvements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		90,000	Yes		50,000	
Old Waterline Replacement Projects	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		5,000,000	Yes		1,000,000	C-1
Watershed, Source Water Protection	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	WA0607	6,780,000	Yes	80,000	200,000	C-2
Water Master Plan Update	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	WA0608	280,000	Yes	260,000	20,000	C-3
Water SDC Analysis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	WA0612	50,000	Yes	35,000	15,000	C-4
Storage Facility, Feasibility Study	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		50,000	No		50,000	C-5
Legal and In-house Engineering	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		460,500	No		460,500	
Wyndemere Transmission Main	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	WA0402	211,000	Yes	1,000	210,000	C-6
Outback Reservoir #3	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	WA0405	1,656,000	Yes	1,206,000	450,000	C-7
Outback Well #5 - Pump & Building	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	WA0416	505,000	Yes	435,000	70,000	C-8
Outback Well #6 - Control Room	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	WA0421	1,091,000	Yes	346,000	745,000	C-9
Rock Bluff #2 - New Reservoir #2	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	WA0508	2,075,000	Yes	50,000	1,025,000	C-10
Mitigation of New Groundwater Permits	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	WA0303	937,000	Yes	437,000	100,000	C-11
Water Rights Acquisition	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	WA0422	2,008,000	Yes	8,000	400,000	C-12
SE 15th Street Transmission Main	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	WA0605	935,000	Yes	240,000	695,000	C-13
Empire Ave. 16" Transmission Main	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	WA0602	500,000	Yes	20,000	30,000	C-14
Outback Well #7	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	WA0609	890,000	Yes	100,000	290,000	C-15
Newport Bridge Line Replace/Upsize	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		150,000	Yes	10,000	140,000	C-16
Airport Well #3, Design/Drilling	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	WA0604	1,425,000	Yes	4,000	521,000	C-17
South Area Reservoir	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		3,375,000	Yes		75,000	C-18
Cooley Rd Main, Boyd Acres to Juniper Ridge	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		400,000	No		400,000	C-19
Newport Ave 16" Water Line Extension	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		290,000	Yes		30,000	C-20
Total for Fund											7,631,500		

FUND / Description	Intergovernmental	Franchise Fees	Private Contribution	User Fees	SDC's	Urban Renewal	Other	Project Number	Total Project Estimate at 7/06	Multi Year Project Yes/No	Estimated Project Costs thru 6/30/06	Capital Outlay Budget 2006/07	Detail on Page #
WATER RECLAMATION FUND													
Collection Line Rehabilitation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		ongoing	Yes		210,000	
Inflow/Infiltration & Odor Control Evaluation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		125,000	No		125,000	
In-house Engineering	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		423,000	No		423,000	
Wastewater SDC Analysis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	SW0605	50,000	Yes	25,000	25,000	D-1
Wastewater Master Plan, Tasks 2 & 3	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	SW0513	543,000	Yes	493,000	50,000	D-2
Sewer System Expansion	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		3,620,000	Yes		800,000	D-3
Sewer Line Upgrades	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		3,220,000	Yes	100,000	770,000	D-4
Collection Pump Station Upgrades/Expansion	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		3,075,000	Yes		500,000	D-5
WWCP Headworks Expansion	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	SW0601	4,900,000	Yes	260,000	2,490,000	D-6
Wyndemere Sewer Pump Station	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	SW0502	650,000	Yes	145,000	505,000	D-7
Chlorine Disinfection System (Ammonia Feed)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	SW0602	100,000	Yes	50,000	50,000	D-8
Belt Press, Hopper, Solids	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	SW0515	1,055,000	Yes	372,000	683,000	D-9
Newport Bridge Sewer Replace/Upsize	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		120,000	No		120,000	D-10
Secondary Expansion	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		6,350,000	Yes		700,000	D-11
Water Reclamation Facilities Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	SW0701	450,000	No		450,000	D-12
Interceptor/Trunk Sewer/Regional Pump Station	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		68,100,000	Yes		1,700,000	D-13
Drying Bed Expansion	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	SW0702	170,000	No		170,000	D-14
Total for Fund												9,771,000	
STORMWATER FUND													
Stormwater Master Plan							<input checked="" type="checkbox"/>	General Fund	386,500	Yes	50,000	136,500	
Drainage Basin Development							<input checked="" type="checkbox"/>	General Fund	ongoing	Yes		25,000	
Total for Fund												161,500	
BURA JUNIPER RIDGE PLAN AREA CONSTRUCTION FUND													
Cooley Road & 18th Street Extension	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	UR0701	6,860,000 ^D	Yes		2,935,000	
18th Street Roundabout	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		500,000	No		500,000	
Total for Fund												3,435,000	
^D : Revised estimates to be provided as the design process proceeds													
FACILITIES DIVISION (Internal Services Fund)													
Capital Improvements													
City Hall Remodel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	CH0601	357,800	Yes	224,800	133,000	
Franklin Annex Remodel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	AN0602	196,600	Yes	163,600	33,000	
Police Building							<input checked="" type="checkbox"/>	FF&C Bonds	4,189,100	No		4,189,100	
Public Works Building Remodel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	PW0601	2,690,000	Yes		1,170,000	
New City Hall							<input checked="" type="checkbox"/>	FF&C Bonds	26,107,100	Yes		110,000	
Total for Fund												5,635,100	



Fund

Year:

Category

Priority Rating:

Department

Project Name:

Project Description:

Need/Justification:

Benefits:

Consequences of Delaying/Eliminating this Project:

Project Related To:

Comments:

Total 5 Year Cost	
Cost Breakdown	
Consulting	150,000
ROW	
Construction	1,350,000
Legal	
Total	1,500,000

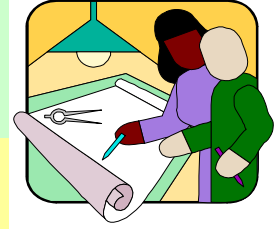
Cost Schedule	
Prior to 2006/07	
2006/07	300,000
2007/08	300,000
2008/09	300,000
2009/10	300,000
2010/11	300,000
After 2010/11	
Total Cost	1,500,000

Impact on Annual Operating Budget	
Budget	Negligible

Method of Financing	
Type	Amount
SDC's / Franchise Fees	1,500,000
Total	1,500,000

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Fund

Year:

Category

Priority Rating:

Department

Project Name:

Newport Bridge (ST0503)

Project Description:

Replace the existing structurally deficient Newport Bridge and widen the structure to accommodate bike lanes and sidewalks. Currently there is one traffic lane each direction and no bike lanes. New construction will provide one lane each direction, bike lanes and sidewalks. Approach roadway and traffic signals at Wall and Bond will be replaced to accommodate current and expected volumes.

Need/Justification:

Traffic loading has deteriorated the structural integrity of the bridge and deck, railings are damaged beyond repair. Complete replacement is required.

Benefits:

Improved safety, freight mobility, and emergency services and ability to accommodate future traffic loads. The design will accommodate extension of the River Trail under the east end of the bridge.

Consequences of Delaying/Eliminating this Project:

Load restrictions and ultimate structure closure.

Project Related To:

East-West increase in traffic and emergency response routes.

Comments:

Construction of the project will begin in the Spring of FY 05/06 and be completed in the F all of FY 06/07. ODOT has provided a grant of \$4,757,000 for the project. BURA funds will be contributed. Budgets for waterline and sewer line relocations are in their respective CIPs.

Total 5 Year Cost

Cost Breakdown	
Consulting	827,000
ROW	350,000
Construction	4,850,000
Legal	25,000
Total	6,052,000

Cost Schedule

Prior to 2006/07	2,792,000
2006/07	3,260,000
2007/08	
2008/09	
2009/10	
2010/11	
After 2010/11	
Total Cost	6,052,000

Impact on Annual Operating Budget

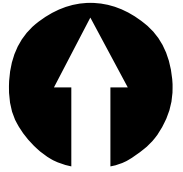
Method of Financing

Type	Amount
OTIA Grant	4,757,000
BURA	250,000
SDC's / Franchise Fees	1,045,000
Total	6,052,000

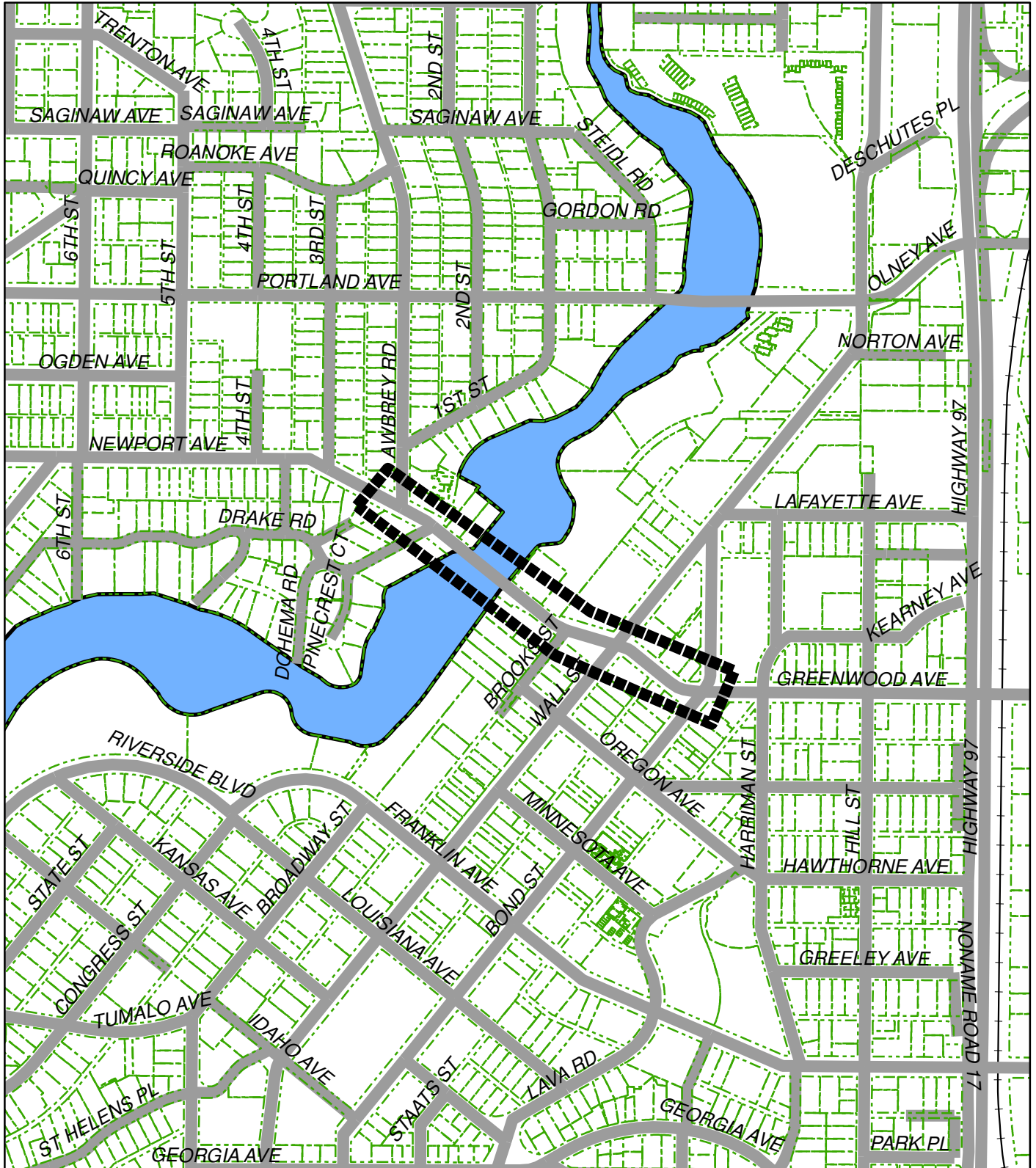


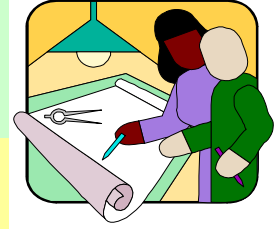
Newport Bridge

ST0503



North





Fund

Year:

Category

Priority Rating:

Department

Project Name:

27th, Neff/Forum Widening (ST0404)

Project Description:

Reconstruct NE 27th Street between Forum and Neff. Include two travel lanes with a median, bike lanes, sidewalks and landscaping. The existing roadway is single lane each direction with no modern improvements. Project includes signalized intersections at Medical Center Drive and Mary Rose Way.

Need/Justification:

This project will improve the level of service on this major north-south arterial.

Benefits:

This project will improve traffic movement along the corridor by controlling access to and from this high density area.

Consequences of Delaying/Eliminating this Project:

The level of service for both through traffic and accessing traffic will deteriorate further.

Project Related To:

Various land use decision approvals.

Comments:

This project was designed in FY 04/05 and will be constructed in FY 05/06 and FY 06/07.

Total 5 Year Cost

Cost Breakdown	
Consulting	142,000
ROW	85,000
Construction	1,688,000
Legal	15,000
Total	1,930,000

Cost Schedule

Prior to 2006/07	710,000
2006/07	1,220,000
2007/08	
2008/09	
2009/10	
2010/11	
After 2010/11	
Total Cost	1,930,000

Impact on Annual Operating

Budget	35,000
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Method of Financing

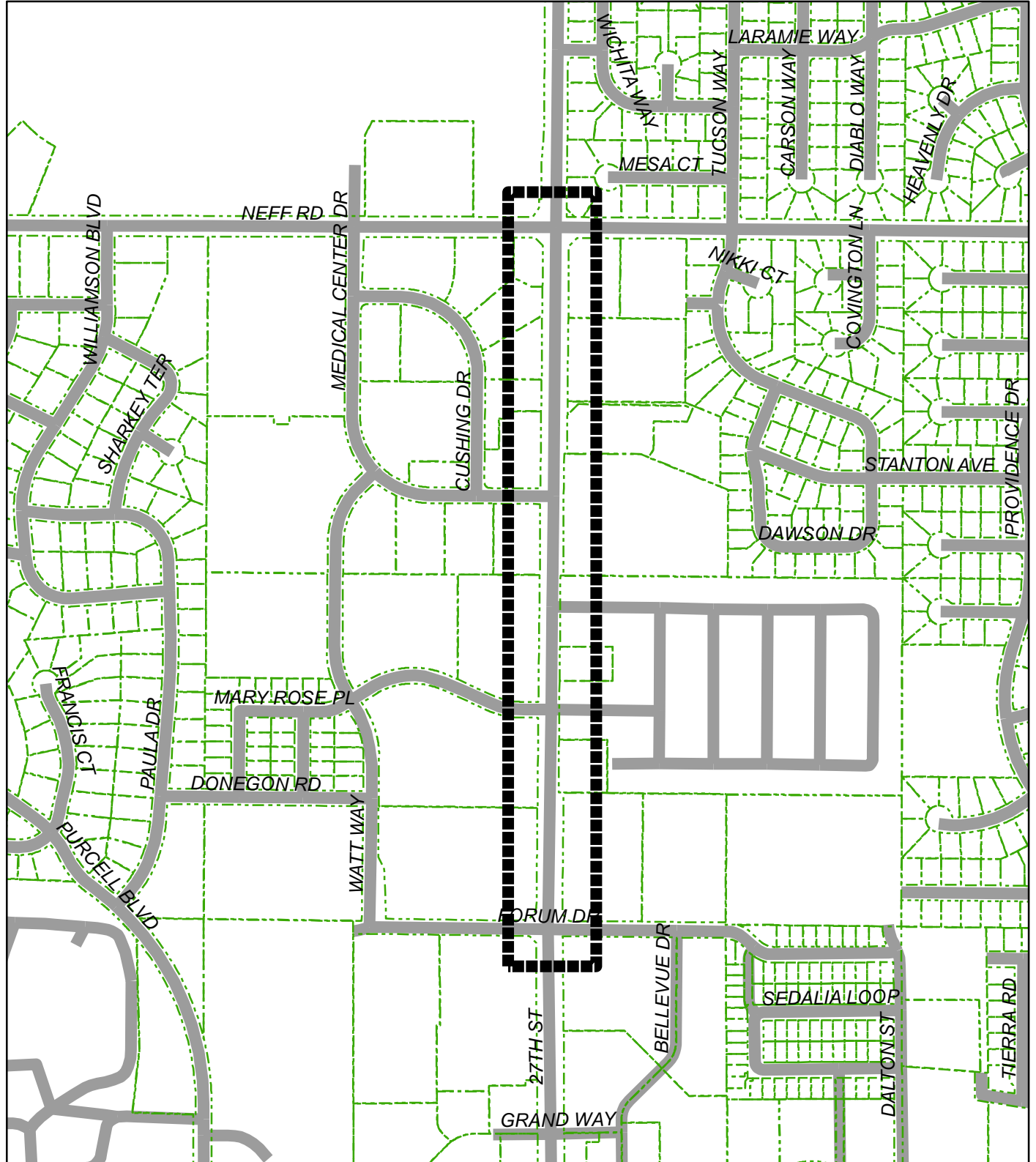
Type	Amount
SDC's / Franchise Fees	1,930,000
Total	1,930,000

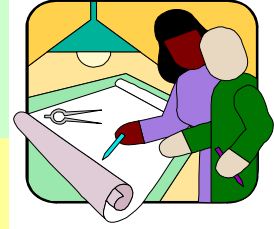


27th, Neff/Forum Widening

ST0404

North





Fund

Year:

Category

Priority Rating:

Department

Project Name:

Boyd Acres/Empire Intersection (ST0405)

Project Description:

Construct a new signal at NE Empire and Boyd Acres. Currently, there are single lanes each direction with no bike/ped or turn lanes. The project will include two lanes each direction on Empire with median/turn lanes, bike lanes and sidewalks. One lane will be provided each way on Boyd Acres with a median, turn lanes and bike/ped improvements.

Need/Justification:

The project is necessary to maintain an adequate level of service at this intersection of two arterial streets.

Benefits:

Improved level of service.

Consequences of Delaying/Eliminating this Project:

Ultimate intersection failure.

Project Related To:

Various land use decision approvals and improved Parkway efficiency.

Comments:

Total 5 Year Cost

Cost Breakdown	
Consulting	81,000
ROW	188,000
Construction	1,929,000
Legal	10,000
Total	2,208,000

Cost Schedule

Prior to 2006/07	643,000
2006/07	1,565,000
2007/08	
2008/09	
2009/10	
2010/11	
After 2010/11	
Total Cost	2,208,000

Impact on Annual Operating

Budget	10,000
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Method of Financing

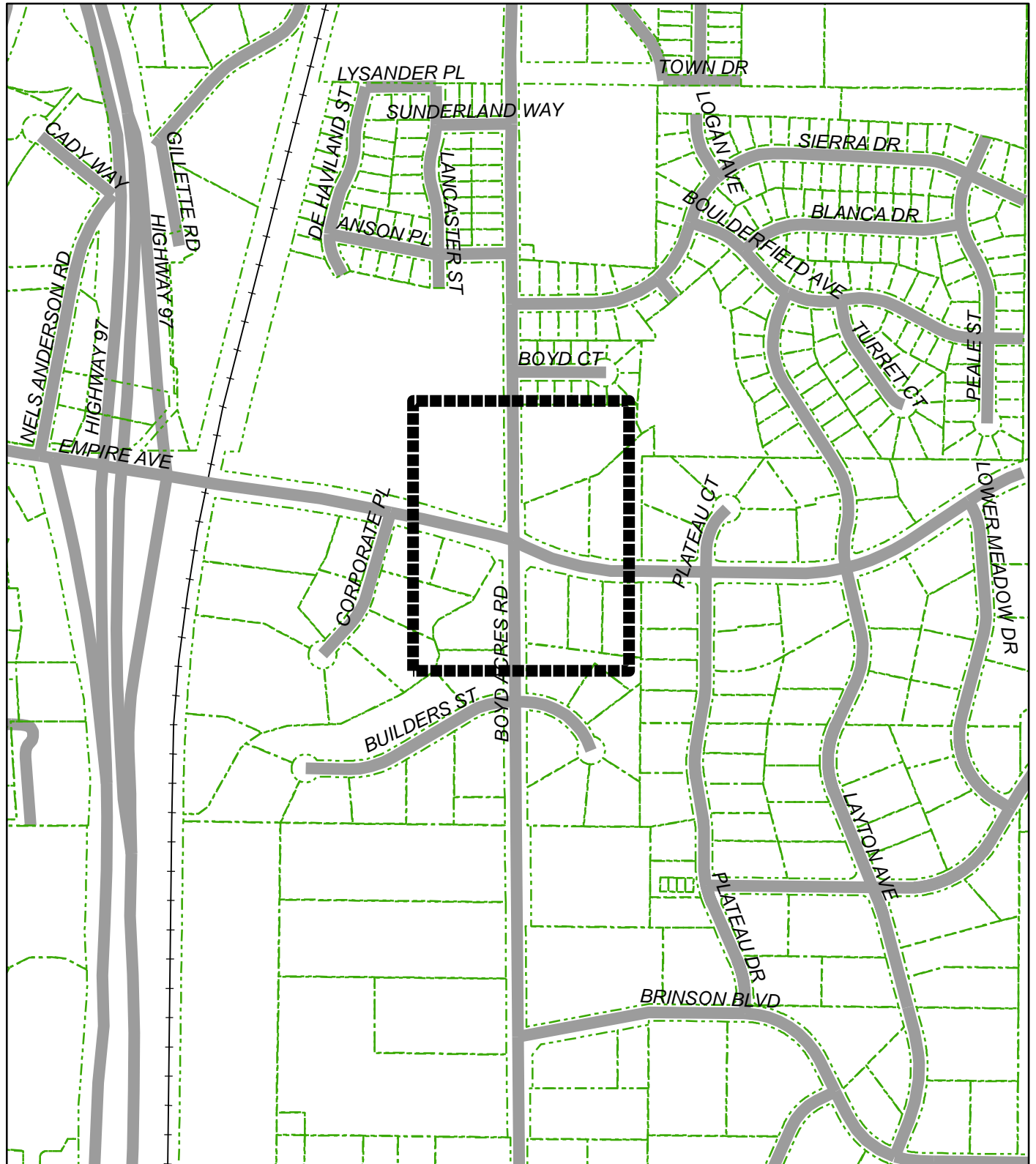
Type	Amount
SDC's / Franchise Fees	2,208,000
Total	2,208,000

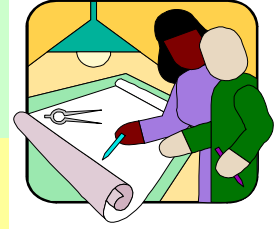


Boyd Acres/Empire Intersection

ST0405

North





Fund

Year:

Category

Priority Rating:

Department

Project Name:

Reed Market Corridor (ST0411)

Project Description:

The Reed Market Corridor Study, to be completed in FY 05/06, will identify needed improvements and an implementation plan. To the extent funds are available, individual projects will be designed and constructed consistent with established priorities. Projects are scheduled with the assumption that design/ROW occur in one year with construction in the year following, unless outside funding is involved

Need/Justification:

Much of the corridor is at or over capacity and there are relatively high accident rates compared to other City streets. The at-grade railroad crossing is a barrier to freight traffic and emergency vehicles. Most of the street lacks sidewalks and bike lanes. ODOT has identified the north bound Parkway of ramp as a safety project.

Benefits:

Increased connectivity, improved safety, improved Parkway ramp operation, improved emergency response time, addition of sidewalks and bike lanes, accommodation of trail connections and rail crossing safety.

Consequences of Delaying/Eliminating this Project:

Travel delays will increase, shifting vehicle trips to longer alternate routes. ROW costs will escalate, ultimately increasing the cost of improvements. The corridor cannot be safely used by pedestrians, bicyclists, the disabled community and emergency services responders.

Project Related To:

ODOT identified a STIP project to construct intersection improvements at north bound Parkway Ramp/Reed Market.

Comments:

Budgets shown are not adequate to construct all projects anticipated to complete the entire modernization of the corridor. Outside funding is needed. Potential for public agency partnerships, grant funding and public/private partnerships will be identified in the Corridor Study.

Total 5 Year Cost

Cost Breakdown	
Consulting	800,000
ROW	2,150,000
Construction	4,760,000
Legal	
Total	7,710,000

Cost Schedule

Prior to 2006/07	585,000
2006/07	2,125,000
2007/08	3,000,000
2008/09	2,000,000
2009/10	
2010/11	
After 2010/11	
Total Cost	7,710,000

Impact on Annual Operating

Budget	To be determined
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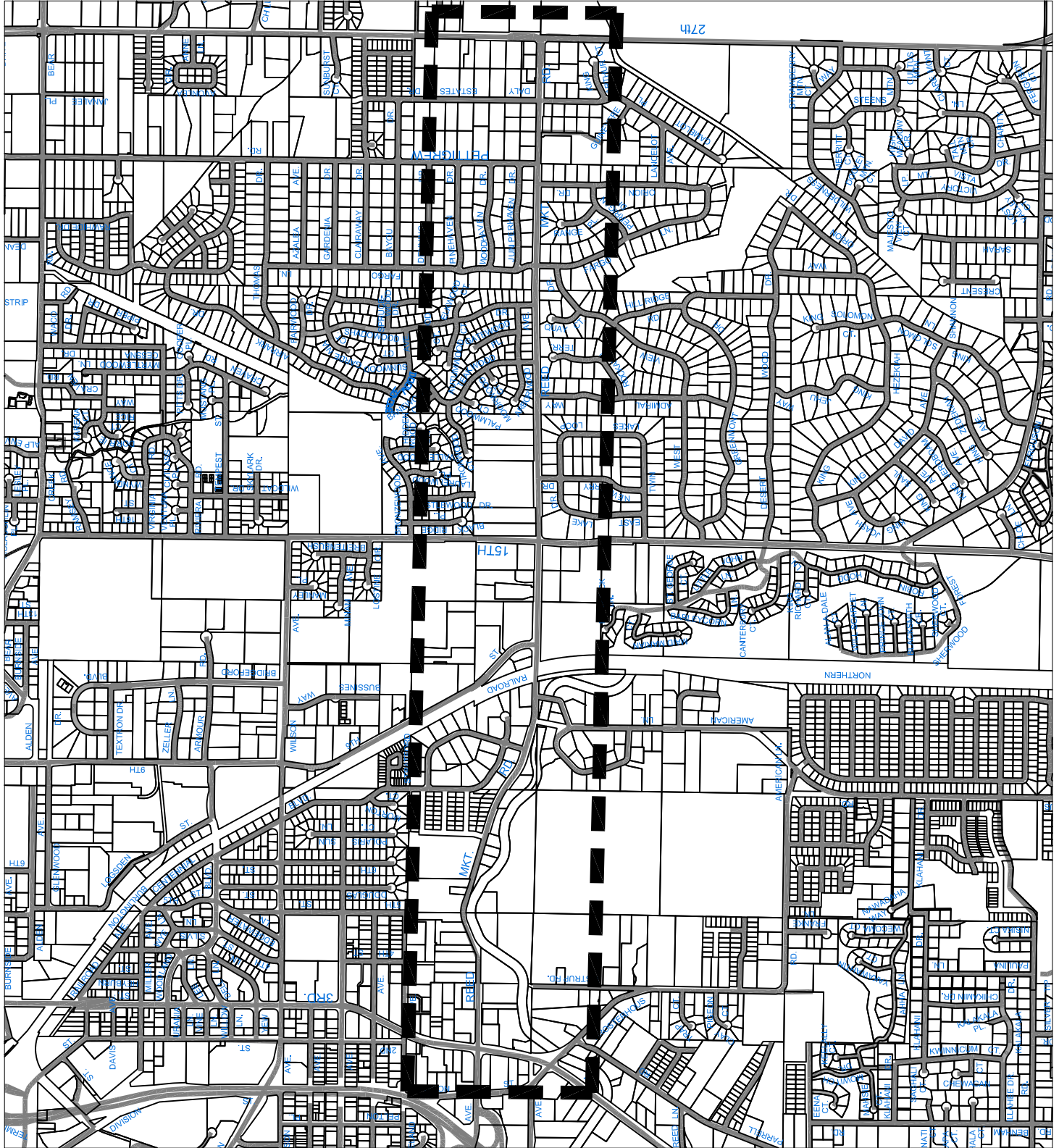
Method of Financing

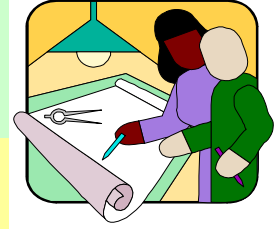
Type	Amount
SDC's / Franchise Fees	7,710,000
Total	7,710,000



Reed Market Corridor

ST0411





Fund

Year:

Category

Priority Rating:

Department

Project Name:

Neff Road Corridor, 8th to 27th Street (ST0506)

Project Description:

The first phase will be a study to identify, evaluate and prioritize traffic improvements that can provide the most benefit within available funding. Projects will be designed and constructed within available funding.

Need/Justification:

Neff is a busy arterial with children walking, biking, and/or being dropped off at school. Currently, it has one of the highest accident rates in the City. Intersection improvements, bike lanes and continuous sidewalks are needed to reduce vehicular accidents and improve safety. Two-lane section is near capacity (17,000 ADT).

Benefits:

Safer travel routes for children walking and /or biking to school, reduced accident rate, improved capacity, improved emergency services access to St. Charles Medical Center.

Consequences of Delaying/Eliminating this Project:

Neff will become more congested as traffic increases and there will be increased potential for accidents and delays for emergency responders. Ongoing crashes at the Neff/Purcell intersection are causing injuries.

Project Related To:

Coordinate with MPO, Deschutes County and ODOT to improve safety at Neff/Hamby.

Comments:

Funds currently budgeted will not be adequate for all improvements identified. Some improvements may be implemented through public/private partnership as the Medical Overlay Zone develops. Possible expansion of scope to include Neff/Hamby may be funded by ODOT and Deschutes County

Total 5 Year Cost

Cost Breakdown	
Consulting	250,000
ROW	
Construction	1,000,000
Legal	
Total	1,250,000

Cost Schedule

Prior to 2006/07	75,000
2006/07	675,000
2007/08	500,000
2008/09	
2009/10	
2010/11	
After 2010/11	
Total Cost	1,250,000

Impact on Annual Operating

Budget	To be determined
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Method of Financing

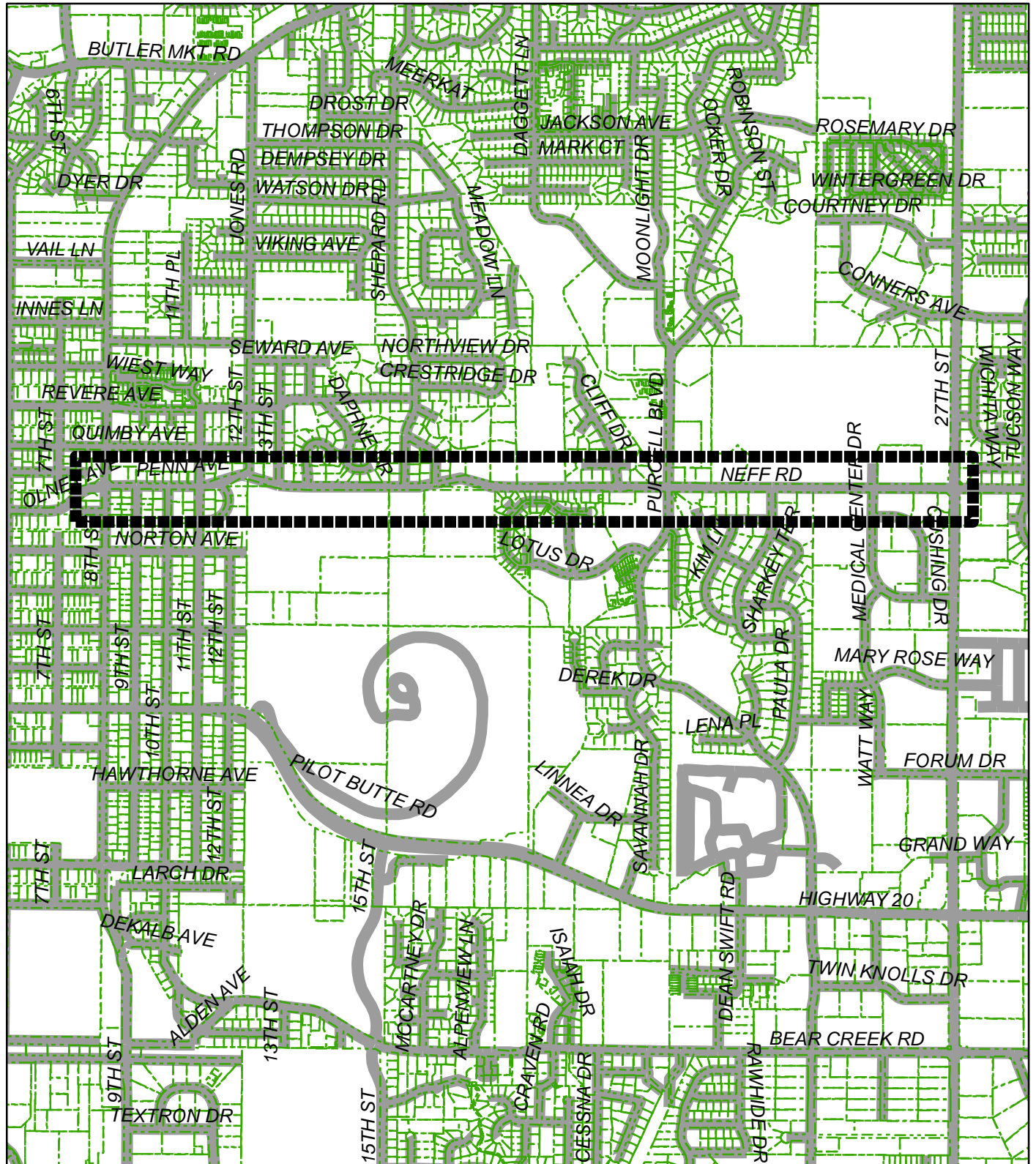
Type	Amount
SDC's / Franchise Fees	1,250,000
Total	1,250,000

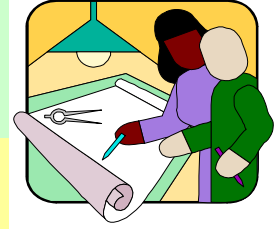


Neff Road Corridor, 8th to 27th Street

ST0506

North





Fund

Year:

Category

Priority Rating:

Department

Project Name:

Empire Avenue Extension, Ph. 1 (ST0526)

Project Description:

This project will provide for the design and construction of Empire Avenue between Purcell and Butler Market, the final segment of this major arterial. The project will consist of approximately 3000 lineal feet of roadway, median, bike lanes and sidewalks. The project also includes a canal crossing at the North Unit Main Canal.

Need/Justification:

The project is identified in the TSP and is necessary to complete this major NE arterial. Traffic volumes on alternate NE arterial routes can be reduced and capacity of the system improved with this major connector.

Benefits:

Improved vehicle, bicycle and pedestrian connectivity for NE Bend, providing a major arterial connection between the Parkway and 27th Street.

Consequences of Delaying/Eliminating this Project:

Increasing traffic congestion on Third Street, Boyd Acres, and Butler Market.

Project Related To:

BMPRD development of the Pine Nursery site.

Comments:

The project is shown in the TSP.

Total 5 Year Cost

Cost Breakdown	
Consulting	600,000
ROW	10,000
Construction	4,400,000
Legal	10,000
Total	5,020,000

Cost Schedule

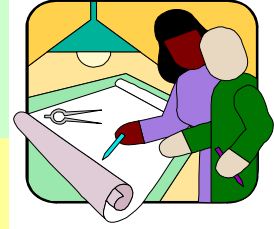
Prior to 2006/07	349,000
2006/07	271,000
2007/08	3,200,000
2008/09	1,200,000
2009/10	
2010/11	
After 2010/11	
Total Cost	5,020,000

Impact on Annual Operating

Budget	34,000
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Method of Financing

Type	Amount
SDC's / Franchise Fees	4,520,000
Deschutes County	500,000
Total	5,020,000



Fund

Year:

Category

Priority Rating:

Department

Project Name:

Murphy Rd, Brookwood to 15th (ST0602)

Project Description:

An initial study will evaluate alignments from Brookwood to 15th St., including a new interchange at the Parkway and an over-crossing of the railroad tracks east of Brosterhaus, and develop an implementation plan with phasing options. Current budgets are preliminary allowances for initial projects yet to be defined. Budgets will be updated following completion of the alignment study. Budgets shown are not adequate for all work envisioned for the corridor.

Need/Justification:

There is a critical need to improve east-west transportation connectivity in South Bend. Growth will soon overburden the capacity of the existing roadway system.

Benefits:

Improved safety along the Murphy corridor, increased levels of service, improved Parkway ramp/intersection operation, improved emergency response times, benefits to economic development, new roadways would include sidewalks and bike lanes. Possibility of joint private/public funding of projects. Grade separated rail crossing will relieve capacity pressure on Reed Market to some extent. Improved connectivity will benefit area schools.

Consequences of Delaying/Eliminating this Project:

Increased travel on Brookwood will increase motor vehicle congestion and delay and will diminish the quality of life. The extension is part of a larger strategy to provide a new interchange on the south end of the Parkway.

Project Related To:

Murphy Crossing Refinement Plan.

Comments:

The Oregon Transportation Commission (OTC) has approved the interchange "concept", known as: "H Modified, Option 1."; The City's TSP needs to be amended to incorporate the final roadway network that will be defined by the study.; Additional funding for RR crossing and Parkway interchange will be required.

Total 5 Year Cost

Cost Breakdown	
Consulting	450,000
ROW	500,000
Construction	2,300,000
Legal	
Total	3,250,000

Cost Schedule

Prior to 2006/07	75,000
2006/07	175,000
2007/08	1,000,000
2008/09	1,000,000
2009/10	1,000,000
2010/11	
After 2010/11	
Total Cost	3,250,000

Impact on Annual Operating

Budget	To be determined
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Method of Financing

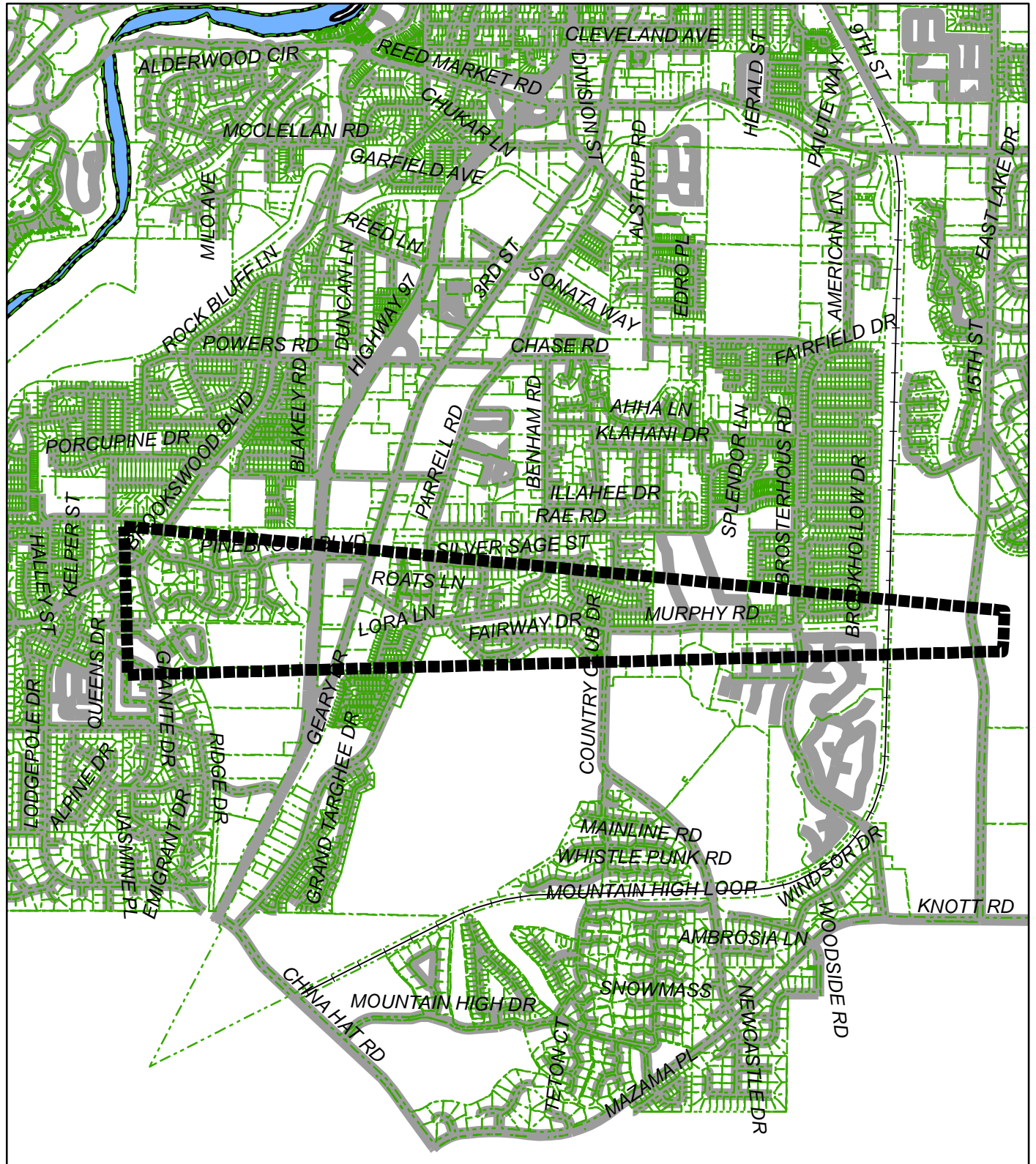
Type	Amount
SDC's / Franchise Fees	3,250,000
Total	3,250,000

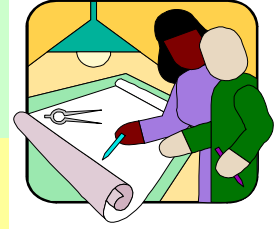


Murphy Road, Brookwood to 15th

ST0602

North





Fund

Year:

Category

Priority Rating:

Department

Project Name:

Butler Market/Brinson Signal (ST0611)

Project Description:

Consultant will perform analysis and prepare the most efficient intersection improvement for a 20 year operations. Design vehicle will be a WB-67. Design will be constructed to City Standards including sidewalks, bike lanes, etc.

Need/Justification:

This intersection is one of many that are key to the continued build out of industrial lands in the NE, including Basalt Business Park, North Brinson Business Park and Juniper Ridge.

Benefits:

Improved intersection geometry and control will increase the capacity of the Butler Market Corridor; move traffic more efficiently and safely through the intersection and allow for continued economic development of the industrial lands.

Consequences of Delaying/Eliminating this Project:

Future development will not be able to show compliance with the City's concurrent intersection operations criteria - leading to more difficult development approvals. This may impact development at Juniper Ridge.

Project Related To:

Development of IL lands is contributing pro-rata funds to re-construct the intersection and increase capacity.

Comments:

Preliminary design for the project will start in FY 05/06 and the final design will be completed in the summer of FY06/07. Construction will start in the spring of FY 06/07, with completion anticipated by the end of FY06/07.

Total 5 Year Cost

Cost Breakdown	
Consulting	100,000
ROW	100,000
Construction	550,000
Legal	
Total	750,000

Cost Schedule

Prior to 2006/07	50,000
2006/07	700,000
2007/08	
2008/09	
2009/10	
2010/11	
After 2010/11	
Total Cost	750,000

Impact on Annual Operating

Budget	15,000
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Method of Financing

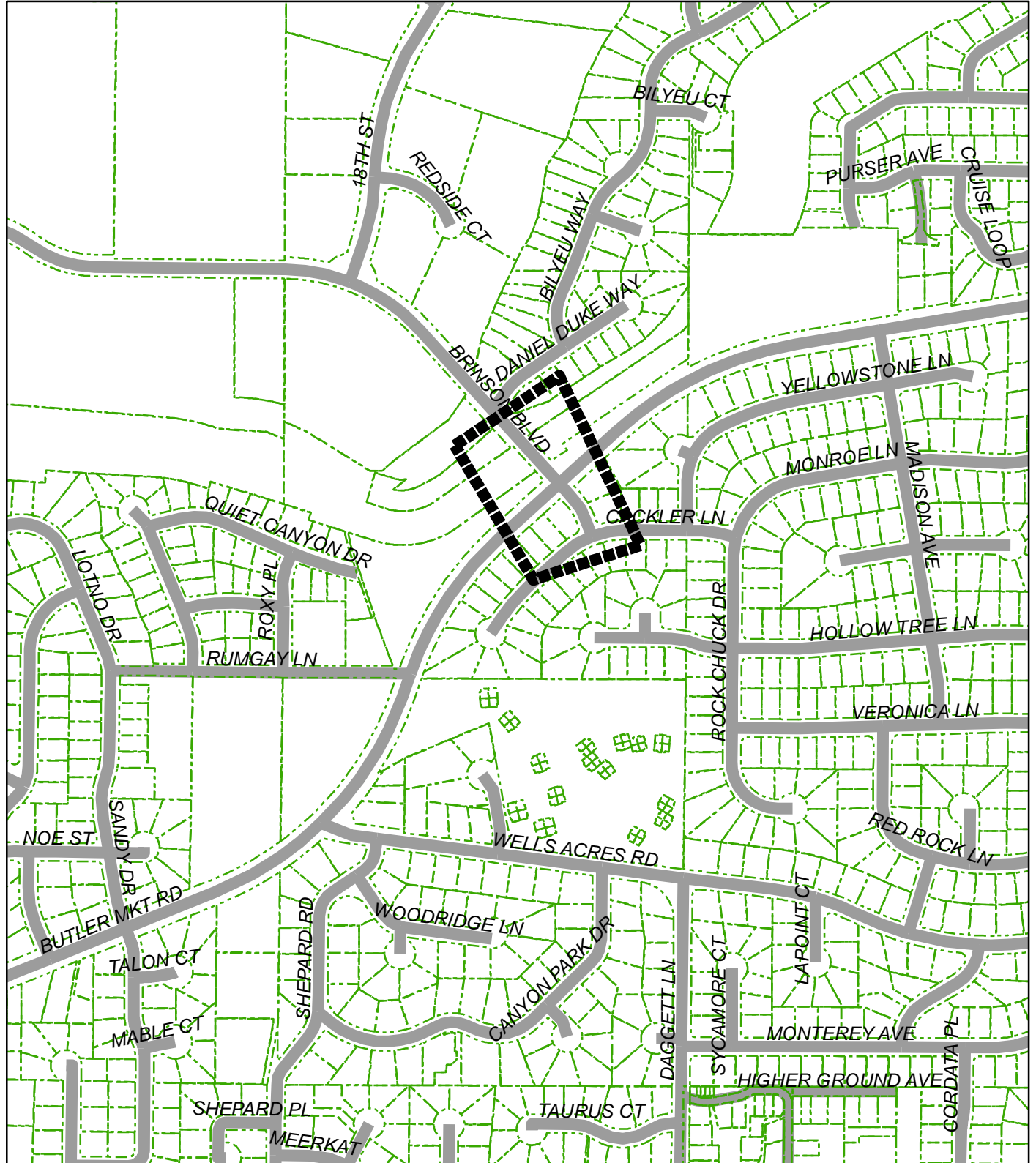
Type	Amount
SDC's / Franchise Fees	750,000
Total	750,000

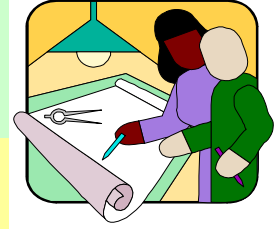


Butler Market / Brinson Signal

ST0611

North





Fund

Year:

Category

Priority Rating:

Department

Project Name:

High Impact Capacity Improvements

Project Description:

High impact capacity improvements are smaller capital projects that provide prompt benefit and address immediate needs to the transportation system by improving operations and capacity. The annual budget of \$500,000 for high impact capacity improvements will generally fund two to four projects at different locations throughout the City.

Need/Justification:

Projects are identified where significant improvement to traffic flow, capacity and/or safety can be achieved relatively quickly compared to more complex projects that may require two to three years to implement. These projects typically provide significant local improvements quickly and efficiently.

Benefits:

Provides improvements to traffic flow, capacity and/or safety sooner than could otherwise be accomplished.

Consequences of Delaying/Eliminating this Project:

Increased delay at intersections and other areas with traffic restrictions.

Project Related To:

Comments:

Specific projects are identified throughout the year that can be readily accomplished within the budget and schedule goals.

Total 5 Year Cost

Cost Breakdown	
Consulting	280,000
ROW	
Construction	2,400,000
Legal	
Total	2,680,000

Cost Schedule

Prior to 2006/07	180,000
2006/07	500,000
2007/08	500,000
2008/09	500,000
2009/10	500,000
2010/11	500,000
After 2010/11	
Total Cost	2,680,000

Impact on Annual Operating

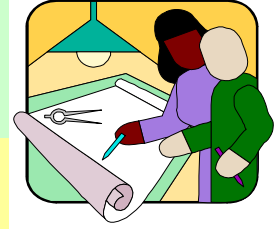
Budget

Method of Financing

Type	Amount
SDC's / Franchise Fees	2,680,000
Total	2,680,000

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Fund

Year:

Category

Priority Rating:

Department

Project Name:

College Way/Regency Modernization (ST0518)

Project Description:

Widening of Regency and improvements to the Regency/College Way intersection to allow for increased traffic volume and improved bike lane facilities.

Need/Justification:

The intersection will be improved for traffic volumes, bike movements and drainage by widening Regency and constructing a designated bike lane, redesigning the intersection of Regency and College Way and modifying the existing drainage facilities on the north end of College Way.

Benefits:

Enhance the north entry to COCC.

Consequences of Delaying/Eliminating this Project:

Continued restrictions to traffic flow. Traffic conflicts will increase as traffic volumes increase.

Project Related To:

Expansion of COCC campus/OSU facilities

Comments:

Cost sharing potential with COCC.

Total 5 Year Cost

Cost Breakdown	
Consulting	20,000
ROW	5,000
Construction	225,000
Legal	
Total	250,000

Cost Schedule

Prior to 2006/07	
2006/07	250,000
2007/08	
2008/09	
2009/10	
2010/11	
After 2010/11	
Total Cost	250,000

Impact on Annual Operating

Budget	Negligible
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Method of Financing

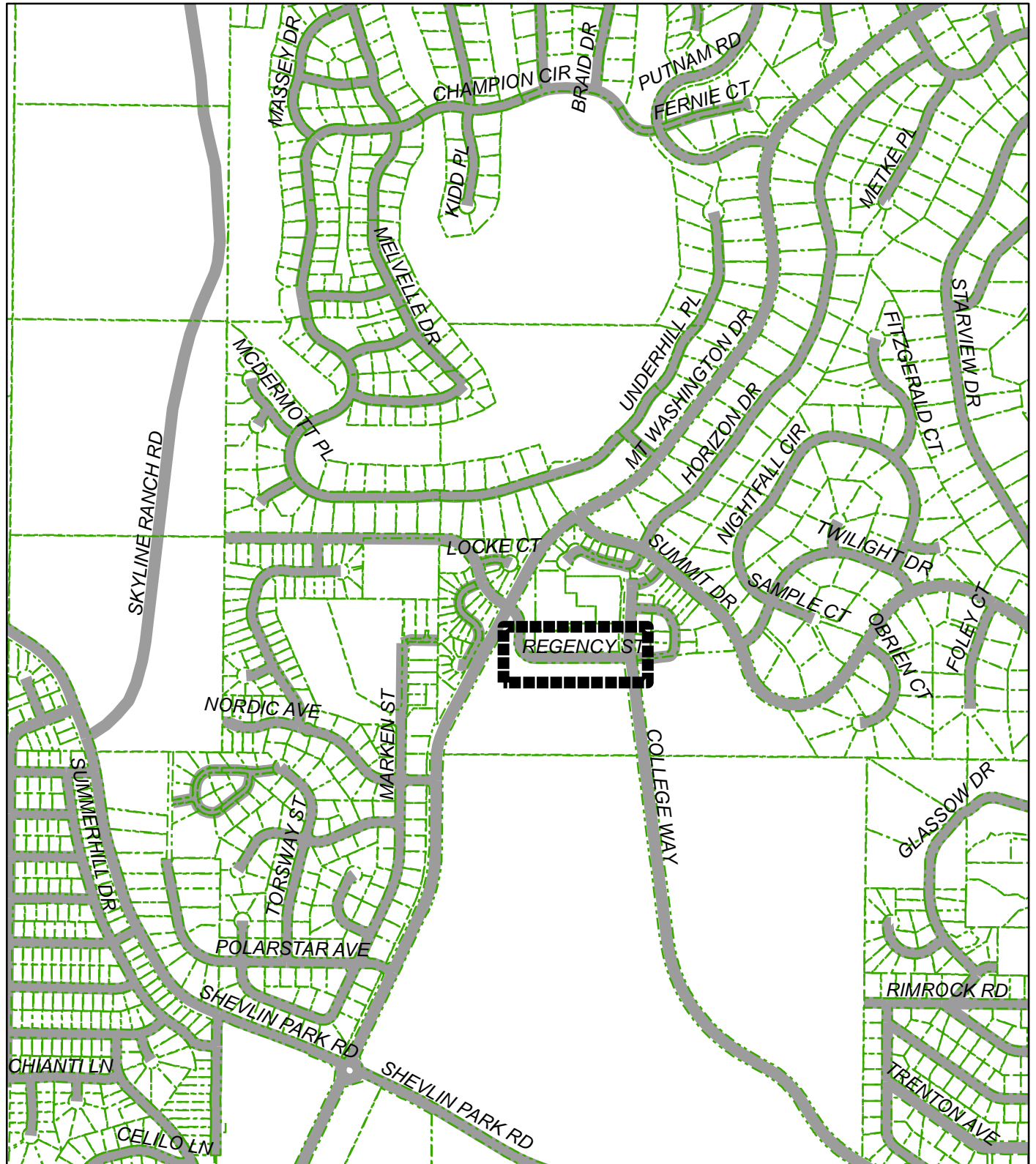
Type	Amount
SDC's / Franchise Fees	250,000
Total	250,000

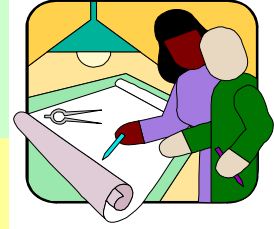


College Way/Regency Modernization

ST0518

North





Fund

Year:

Category

Priority Rating:

Department

Project Name:

Brookwood/ Powers Intersection

Project Description:

Design and construction of intersection improvements at Brookwood and Powers. The capacity and configuration of the improvements will be determined following a traffic analysis and preliminary design.

Need/Justification:

Hundreds of lots are being platted south and west of this intersection and traffic is increasing rapidly. Through traffic on Brookwood is diminishing the level of service and safety for traffic waiting at the Powers Road approaches. Currently, traffic is also backing up on Powers Road toward the Powers/Bend Parkway signal which leads to other operational and safety problems along Powers Road.

Benefits:

Improves east-west travel, reducing the queue on the east leg threatening the Bend Parkway signal operations. Improves intersection level of service and safety characteristics at Brookwood.

Consequences of Delaying/Eliminating this Project:

Long delay and queues for the east and west legs of the intersection. The east leg queue may conflict with the Powers/Bend Parkway signal and through to the Powers/3rd Street signal.

Project Related To:

Powers Road/Parkway over-crossing. Development of lot on NE corner of intersection.

Comments:

Brookwood needs improvements south to Murphy Extension. A Chase Road connection will increase traffic at this intersection. The utilities in Powers Road have been relocated/lowered to accommodate an eventual over- crossing of the Parkway.

Total 5 Year Cost

Cost Breakdown	
Consulting	100,000
ROW	330,000
Construction	700,000
Legal	10,000
Total	1,140,000

Cost Schedule

Prior to 2006/07	
2006/07	110,000
2007/08	830,000
2008/09	200,000
2009/10	
2010/11	
After 2010/11	
Total Cost	1,140,000

Impact on Annual Operating

Budget	15,000
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Method of Financing

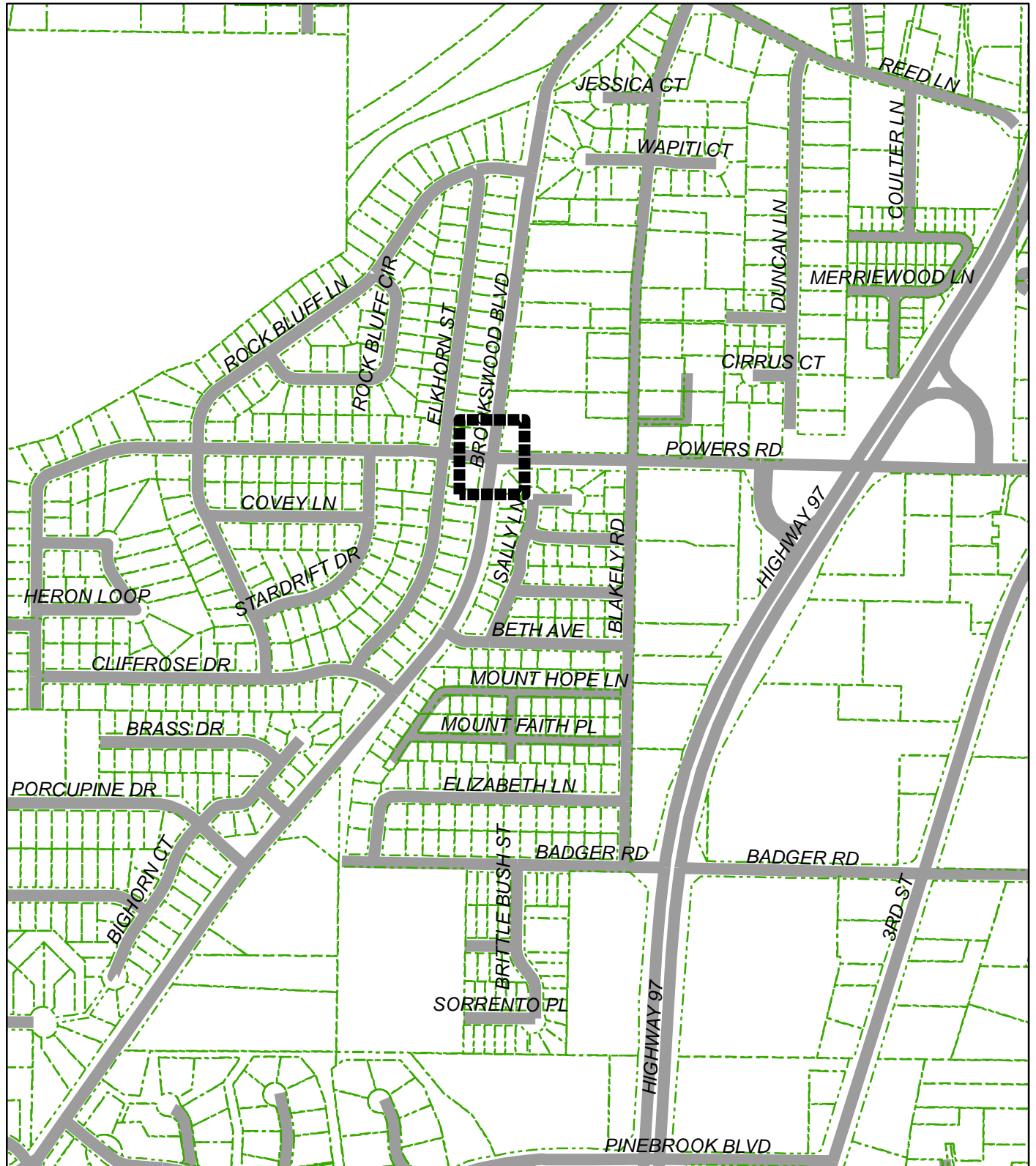
Type	Amount
SDC's / Franchise Fees	1,140,000
Total	1,140,000

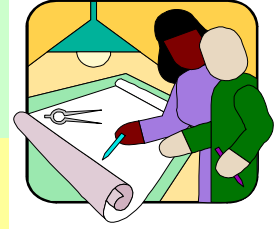


Brookwood/Powers Intersection

New Project

North





Fund

Year:

Category

Priority Rating:

Department

Project Name:

Signal - Intelligent Transportation System (ITS)

Project Description:

A part of a larger project, the funding available for this portion would allow communications links and some vehicle detection to be constructed in the field to eventually allow a central signal system to control the signals and allow improved progression and operations. Allows signals to respond to actual traffic volume demands rather than being pre-programmed for average conditions.

Need/Justification:

Many signals in Bend operate independently of one another. Many do not have vehicle detection and are operated fixed time, regardless of the approaching traffic flows. This project would allow the communications links and some vehicle detection that would enable operations to be coordinated system-wide.

Benefits:

Once the central signal system control is financed and constructed, this project will enable reduced delay, queuing, emissions and increased capacity with existing geometry.

Consequences of Delaying/Eliminating this Project:

Inability to adjust traffic signal timing during emergency incident situations (closed underpasses, etc.) to benefit detoured traffic.
Inability to communicate with intersection controllers. Inability to coordinate signals in a corridor.

Project Related To:

ODOT Projects: DC-TM-01, Central Control System and DC-TM-14, R4 Traffic Op Center Upgrade, totaling about \$2.4M.
City of Bend Projects: Downtown Signal Upgrades; DC-TM-02, 3rd St Efficiency Improvement; and DC-TM-28, Traffic Data Collection, totaling about \$2M.

Comments:

Deschutes County Intelligent Transportation System Plan is the guiding document for these listed related projects. Funding partners are identified above. This project will have O&M related costs estimated at \$5,000 to \$20,000 per year, primarily communications bills.

Total 5 Year Cost

Cost Breakdown	
Consulting	100,000
ROW	
Construction	900,000
Legal	
Total	1,000,000

Cost Schedule

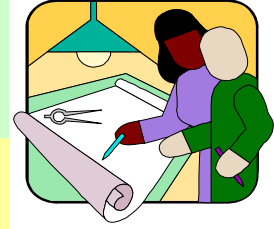
Prior to 2006/07	
2006/07	100,000
2007/08	100,000
2008/09	100,000
2009/10	100,000
2010/11	100,000
After 2010/11	500,000
Total Cost	1,000,000

Impact on Annual Operating

Budget	10,000
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Method of Financing

Type	Amount
SDC's / Franchise Fees	1,000,000
Total	1,000,000



Fund

Year:

Category

Priority Rating:

Department

Project Name:

Runway 16-34 Relocation, Including MIRL, (AP0601)

Project Description:

Construction of a new runway including runway lighting, reconstructed taxiway connectors, and installation of new landing aids. The runway will be parallel to the existing runway, 110 feet to the east and 5,200-feet in length, a 200 foot extension to the existing runway length. This phased project will encompass two fiscal years, beginning 2006-2007.

Need/Justification:

The current runway is deteriorating rapidly and does not meet FAA runway/taxiway separation requirements.

Benefits:

Increased safety, improved operating conditions and greater capacity for user at the Airport.

Consequences of Delaying/Eliminating this Project:

Rapid deterioration of runway condition leading to possible safety concerns for aircraft.

Project Related To:

Comments:

Project will be funded 95 percent by a FAA grant. Design will commence in the Fall of 2005 and construction will occur in in two phases, Phase I Summer 2006 & Phase II Summer 2007.

Total 5 Year Cost

Cost Breakdown	
Consulting	1,049,500
ROW	
Construction	5,200,000
Legal	
Total	6,249,500

Cost Schedule

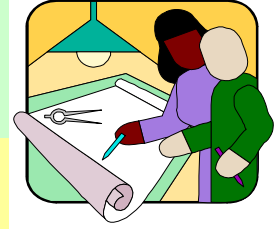
Prior to 2006/07	
2006/07	3,800,000
2007/08	2,449,500
2008/09	
2009/10	
2010/11	
After 2010/11	
Total Cost	6,249,500

Impact on Annual Operating

Budget	Minimal
--------	---------

Method of Financing

Type	Amount
FAA Grant	5,937,000
City 5% Match	312,500
Total	6,249,500



Fund

Year:

Category

Priority Rating:

Department

Project Name:

Old Water Line Replacements

Project Description:

This project funds the replacement of waterlines that are reaching the end of their useful life, are made of inferior products that jeopardize their reliability, or are undersized and cannot convey required flows. Example projects include a 12-inch main from Murphy Road to Shiloh, a 12-inch replacement main in Brosterhous, a 24-inch replacement main in Lolo, replacement of 2-inch galvanized pipelines on the Westside, and replacement of small or thin walled pipe in the Juniper System. This will be an ongoing effort.

Need/Justification:

The existing water lines need to be replaced to prevent system failure and service interruptions.

Benefits:

The old and undersized pipelines will be replaced with mains constructed to City of Bend standards. System reliability will be improved and the larger pipelines will provide greater fire flow capability.

Consequences of Delaying/Eliminating this Project:

Service interruptions may increase due to system failures and small lines may be inadequate to provide proper service.

Project Related To:

Comments:

Total 5 Year Cost

Cost Breakdown	
Consulting	445,000
ROW	
Construction	4,555,000
Legal	
Total	5,000,000

Cost Schedule

Prior to 2006/07	
2006/07	1,000,000
2007/08	1,000,000
2008/09	1,000,000
2009/10	1,000,000
2010/11	1,000,000
After 2010/11	
Total Cost	5,000,000

Impact on Annual Operating

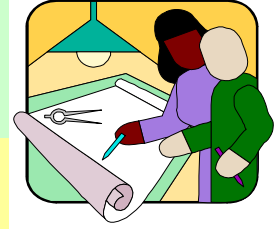
Budget	None
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Method of Financing

Type	Amount
Water Rates	5,000,000
Total	5,000,000

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Fund

Year:

Category

Priority Rating:

Department

Project Name:

Watershed, Source Water Improvements (WA0607)

Project Description:

This project provides the feasibility study, design and construction for the replacement of the 14-inch and 16-inch transmission mains from the Intake House to the Outback facility. This project will also include the feasibility, design and construction of UV disinfection or other treatment process for the surface water, along with a hydroelectric facility at the Outback location.

Need/Justification:

The existing 14-inch and 16-inch mains are approaching the end of their design life. In addition, these mains currently limit our ability to take our full water right allotment. Replacement of these mains with a single larger pipe will allow the City to take up to 13 MGD and create opportunity to produce hydroelectric power to offset costs of the project. New federal EPA law will require the City to provide treatment beyond our current chlorination in the next 5 to 7 years.

Benefits:

Replacement of these mains can provide the City with additional water supply under our existing water rights, and provide opportunity for the production of hydroelectric power which can offset costs of the pipeline replacement and treatment facility.

Consequences of Delaying/Eliminating this Project:

Limits the City's ability to fully utilize its existing surface water rights, resulting in higher pumping costs and risks transmission main failure and interruption of water supply. Potential loss of hydroelectric revenue that could offset some of the cost of future additional disinfection treatment.

Project Related To:

Water Mitigation

Comments:

Budgets are preliminary, pending the results of a FY 06/07 feasibility study. Some project costs may be eligible for grants due to the hydroelectric component. Preliminary estimates show a potential for approximately \$650,000 in annual revenue from hydroelectric.

Total 5 Year Cost

Cost Breakdown	
Consulting	1,780,000
ROW	
Construction	5,000,000
Legal	
Total	6,780,000

Cost Schedule

Prior to 2006/07	80,000
2006/07	200,000
2007/08	750,000
2008/09	750,000
2009/10	2,500,000
2010/11	2,500,000
After 2010/11	
Total Cost	6,780,000

Impact on Annual Operating

Budget	To be determined
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Method of Financing

Type	Amount
Water Rates	6,780,000
Total	6,780,000

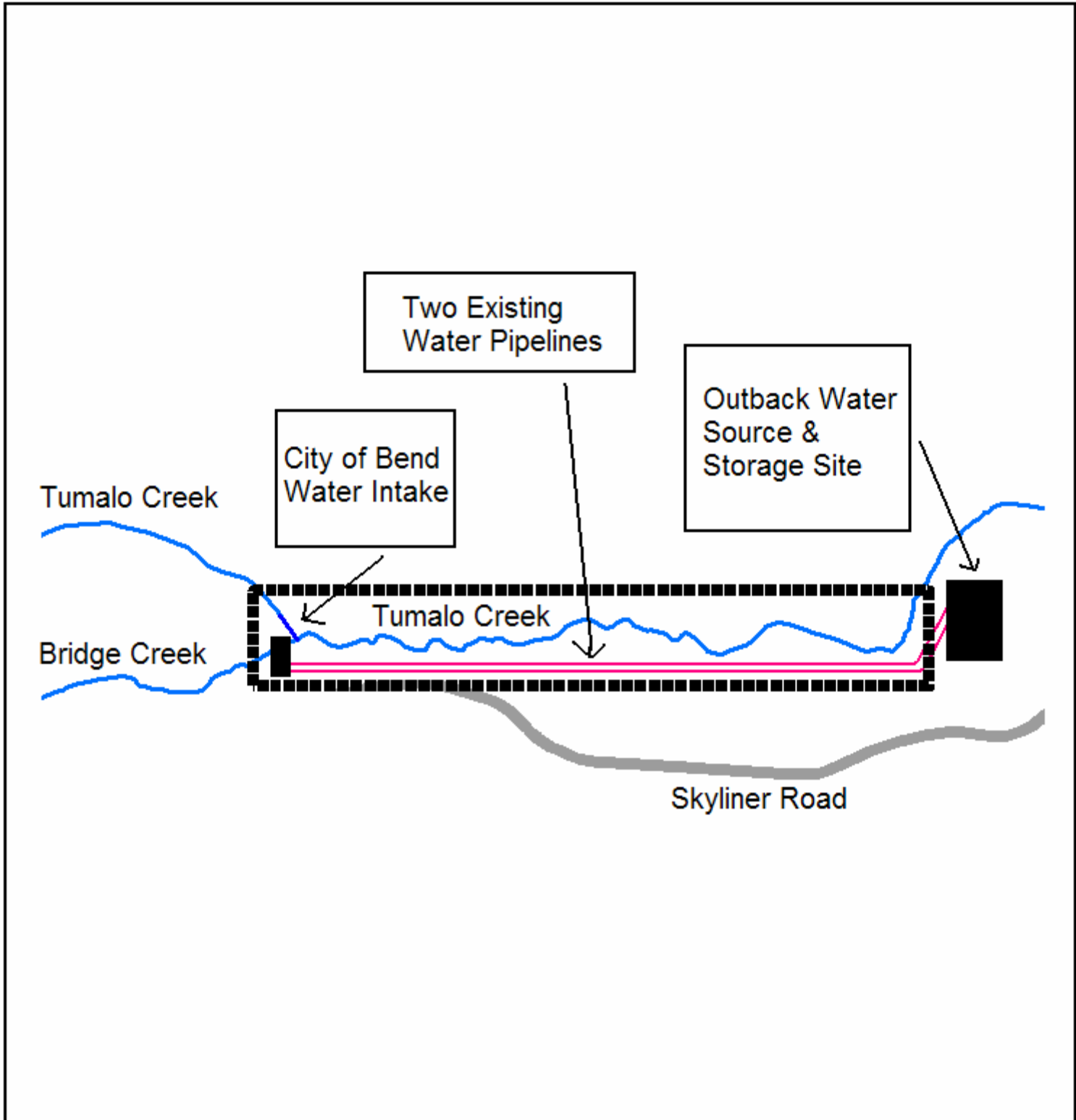


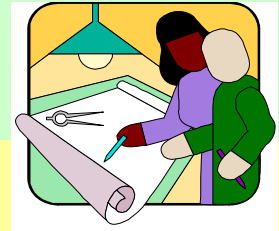
Watershed, Source Water Improvements



North

New Project





Fund ▼

Year:

Category ▼

Priority Rating:

Department ▼

Project Name:

Water Master Plan (WA0315)

Project Description:

This effort will complete the City's new Water Master Plan that was begun in conjunction with preparation of the City's Water Management and Conservation Plan. The Water Master Plan will identify major components of the water supply, storage and distribution requirements through build-out of the current UGB.

Need/Justification:

The Master Plan Update will depict anticipated long-term requirements for increasing the capacity and reliability of the City's water system. A current Master Plan is necessary for orderly and efficient expansion of the system.

Benefits:

A current Master Plan provides the information necessary to plan and budget for upcoming projects. The Master Plan helps to identify projects to be scheduled and implemented through the 5-year CIP and beyond.

Consequences of Delaying/Eliminating this Project:

Without a current Master Plan, there is a risk that storage and distribution facilities will be expanded in an uncoordinated and inefficient manner, resulting in added cost and lower quality of service.

Project Related To:

An up-to-date master plan is particularly important with an expansion of the UGB.

Comments:

Total 5 Year Cost

Cost Breakdown

Consulting	280,000
ROW	
Construction	
Legal	
Total	280,000

Cost Schedule

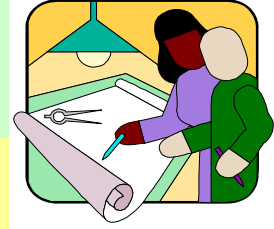
Prior to 2006/07	260,000
2006/07	20,000
2007/08	
2008/09	
2009/10	
2010/11	
After 2010/11	
Total Cost	280,000

Impact on Annual Operating

Budget	None
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Method of Financing

Type	Amount
Water SDCs	280,000
Total	280,000



Fund

Year:

Category

Priority Rating:

Department

Project Name:

Water SDC Analysis (WA0612)

Project Description:

Review and update System Development Charges for the water system.

Need/Justification:

The existing System Development Charges (SDC's) are not based on the current master plan and did not include groundwater mitigation as a requirement in developing new groundwater rights. In addition, our current SDC's are not high enough to fully recover the impact that growth has on the water utility.

Benefits:

The key benefit would be to revise the methodologies to include new projects and mitigation. In addition, the City will have the opportunity to adjust SDC's so that new development pays for the impacts to the system (growth paying for growth).

Consequences of Delaying/Eliminating this Project:

If the water SDC's are not analyzed, the end result is that the existing rate payers are paying for capacity increasing infrastructure which results in higher monthly utility bills.

Project Related To:

Comments:

Total 5 Year Cost

Cost Breakdown	
Consulting	50,000
ROW	
Construction	
Legal	
Total	50,000

Cost Schedule

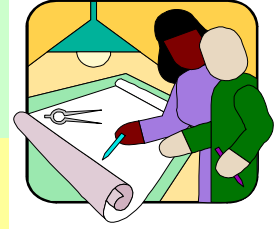
Prior to 2006/07	35,000
2006/07	15,000
2007/08	
2008/09	
2009/10	
2010/11	
After 2010/11	
Total Cost	50,000

Impact on Annual Operating

Budget	None
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Method of Financing

Type	Amount
Water SDCs	50,000
Total	50,000



Fund

Year:

Category

Priority Rating:

Department

Project Name:

Storage Off of South Century Drive, Feasibility Study

Project Description:

This project is a feasibility study for providing reservoir storage off of South Century Drive in the area of the Inn of the Seventh Mountain or an area north of Century Drive near the UAR.

Need/Justification:

Water storage is identified in the Water Master Plan for this area of the City. The City has been approached by representatives of the Inn of the Seventh Mountain and the U. S. Forest Service to evaluate the feasibility and benefits of a reservoir near South Century Drive to provide for future growth and fire suppression water for urban interface fires.

Benefits:

A reservoir can be located in this area at an appropriate hydraulic grade line. Storage in this area will make more water available for future growth of the SW area and fire suppression related to urban interface fires such as the Awbrey Hall fire.

Consequences of Delaying/Eliminating this Project:

Missed opportunity for locating a reservoir at an appropriate elevation, providing water for future growth of the SW area and possible connection of destination resorts as City water customers.

Project Related To:

Water Master Plan

Comments:

Future costs of this project will be determined during the feasibility study.

Total 5 Year Cost

Cost Breakdown	
Consulting	50,000
ROW	
Construction	
Legal	
Total	50,000

Cost Schedule

Prior to 2006/07	
2006/07	50,000
2007/08	
2008/09	
2009/10	
2010/11	
After 2010/11	
Total Cost	50,000

Impact on Annual Operating Budget

To be Determined

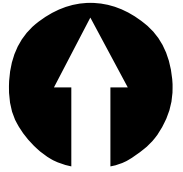
Method of Financing

Type	Amount
Water Rates/SDC's	50,000
Total	50,000

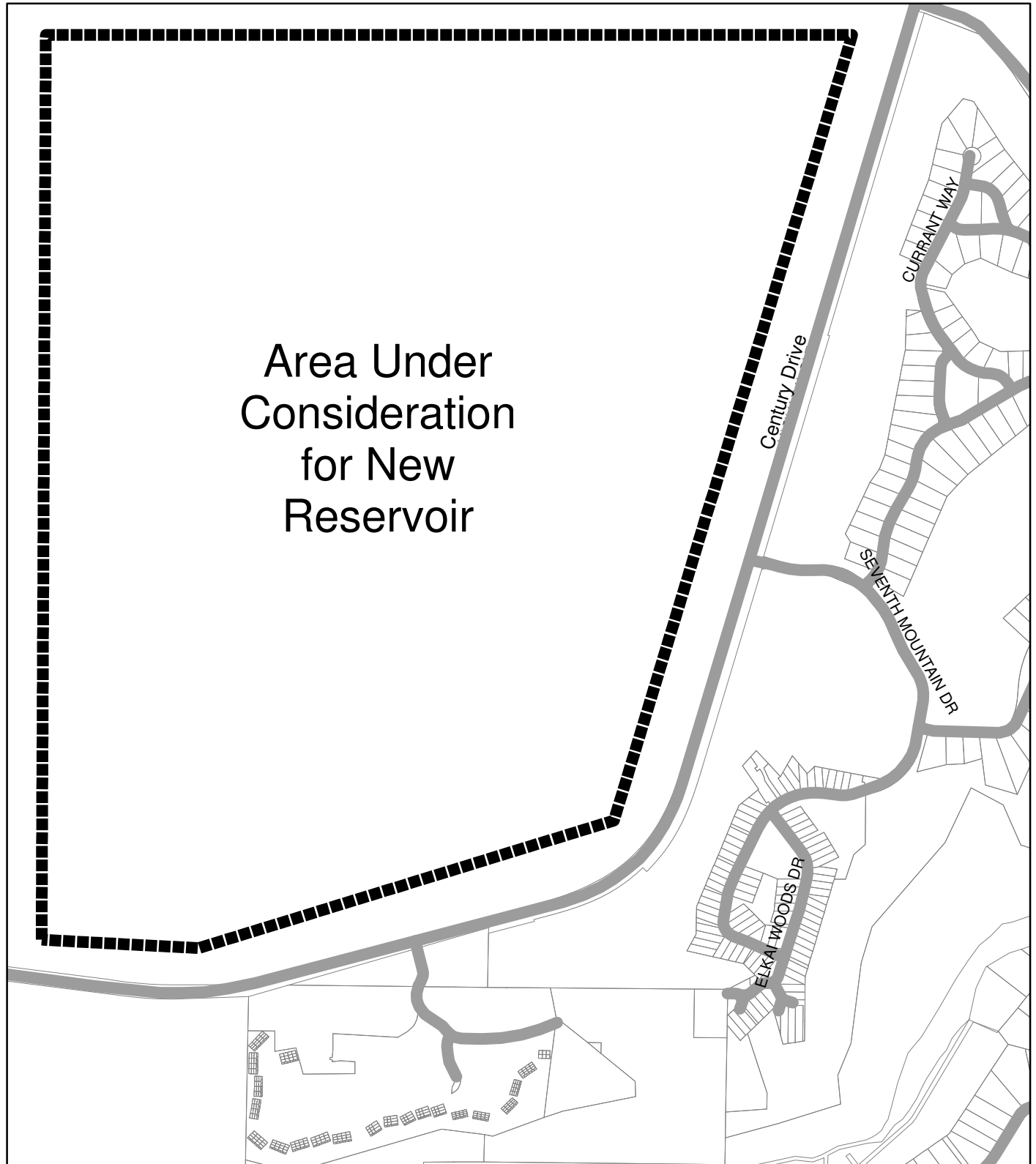


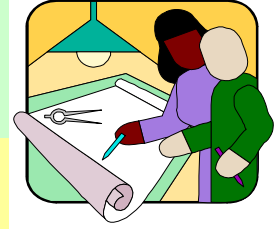
Storage Off of South Century Drive Feasibility Study

New Project



North





Fund

Year:

Category

Priority Rating:

Department

Project Name:

Wyndemere Transmission Main (WA0402)

Project Description:

This project completes the connection between the water source at the Outback site to the north side of Bend. This section begins at the PRV (pressure reducing valve) station on Archie Briggs, just west of the Deschutes River, crossing the Deschutes over two bridges and connecting to the existing 12" line on the east side of the River.

Need/Justification:

Pipeline is needed to improve fire flows and water distribution capability. The project replaces an existing section of small diameter PVC piping.

Benefits:

Maintain current service levels to all City water customers and maximize system performance. Coordinated with a sewer/sidewalk project to minimize disruption of traffic, traffic control costs, mobilization, and pavement repair costs.

Consequences of Delaying/Eliminating this Project:

Lack of coordination with other area projects increases costs.

Project Related To:

Wyndemere Sewer Pump Station replacement and Archie Briggs sidewalk improvements.

Comments:

The design is complete, construction is being delayed to coordinate construction with the Wyndemere Sewer Pump Station. Combining the two projects will reduce impacts to local residents, and traveling public.

Total 5 Year Cost

Cost Breakdown	
Consulting	1,000
ROW	0
Construction	210,000
Legal	
Total	211,000

Cost Schedule

Prior to 2006/07	1,000
2006/07	210,000
2007/08	
2008/09	
2009/10	
2010/11	
After 2010/11	
Total Cost	211,000

Impact on Annual Operating

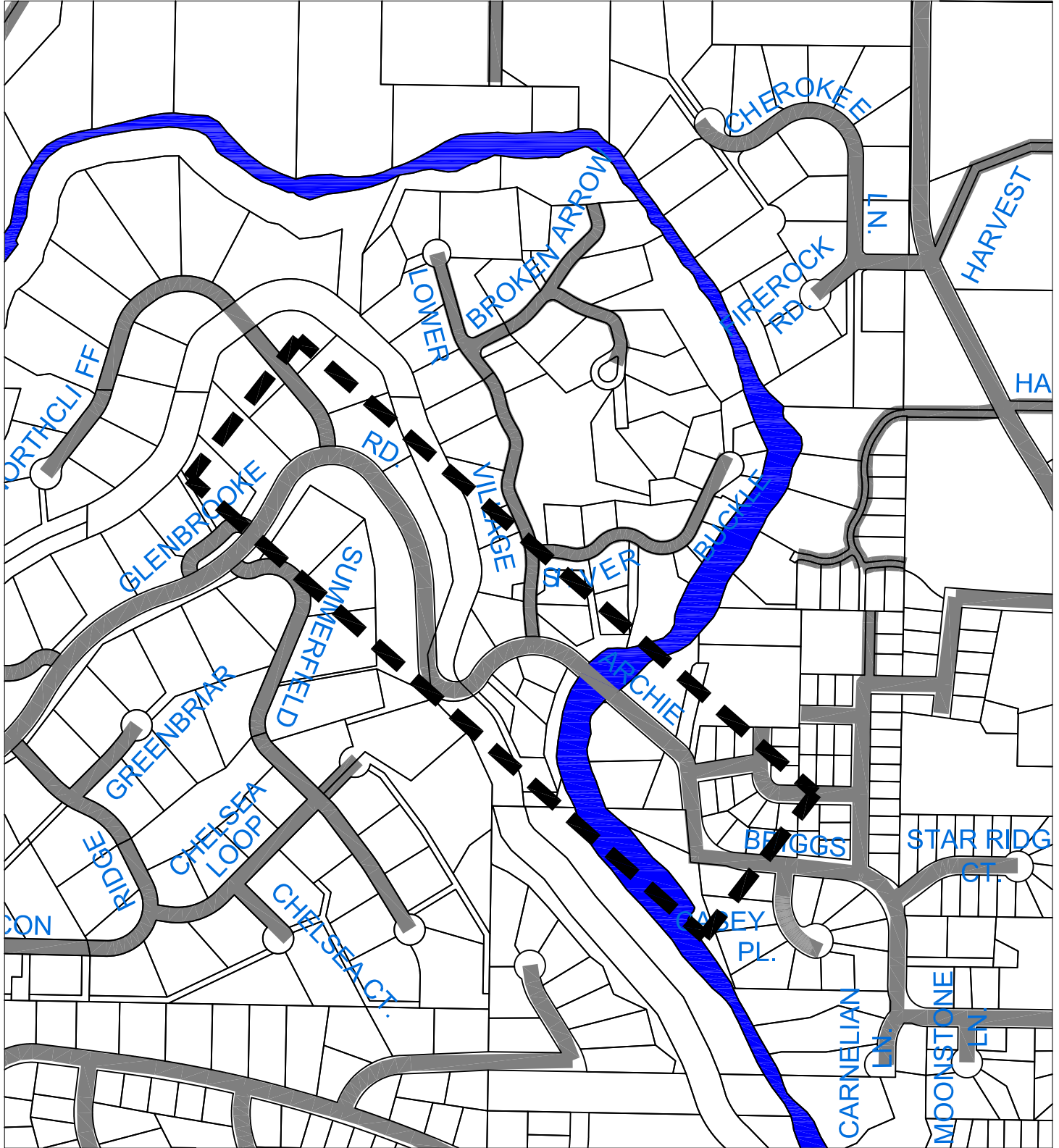
Budget	1,000
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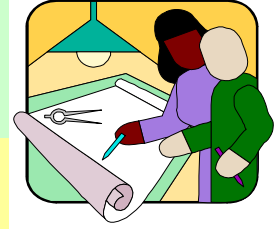
Method of Financing

Type	Amount
Water SDCs/Rates	211,000
Total	211,000



Wyndemere Transmission Main WA0402





Fund

Year:

Category

Priority Rating:

Department

Project Name:

Outback Reservoir #3 (WA0405)

Project Description:

Construct a new 3.6 million gallon steel water reservoir at the Outback site. The Outback site is the major source and storage facility for the City water system.

Need/Justification:

Provide storage capacity for additional growth. The additional storage capacity is necessary to meet projected peak day demands and additional fire flows.

Benefits:

Maintain current service levels for all City water customers.

Consequences of Delaying/Eliminating this Project:

Potential for decreased service and inability to meet fire flow demands.

Project Related To:

Water Master Plan.

Comments:

The project is currently under construction.

Total 5 Year Cost

Cost Breakdown	
Consulting	6,000
ROW	
Construction	1,650,000
Legal	
Total	1,656,000

Cost Schedule

Prior to 2006/07	1,206,000
2006/07	450,000
2007/08	
2008/09	
2009/10	
2010/11	
After 2010/11	
Total Cost	1,656,000

Impact on Annual Operating

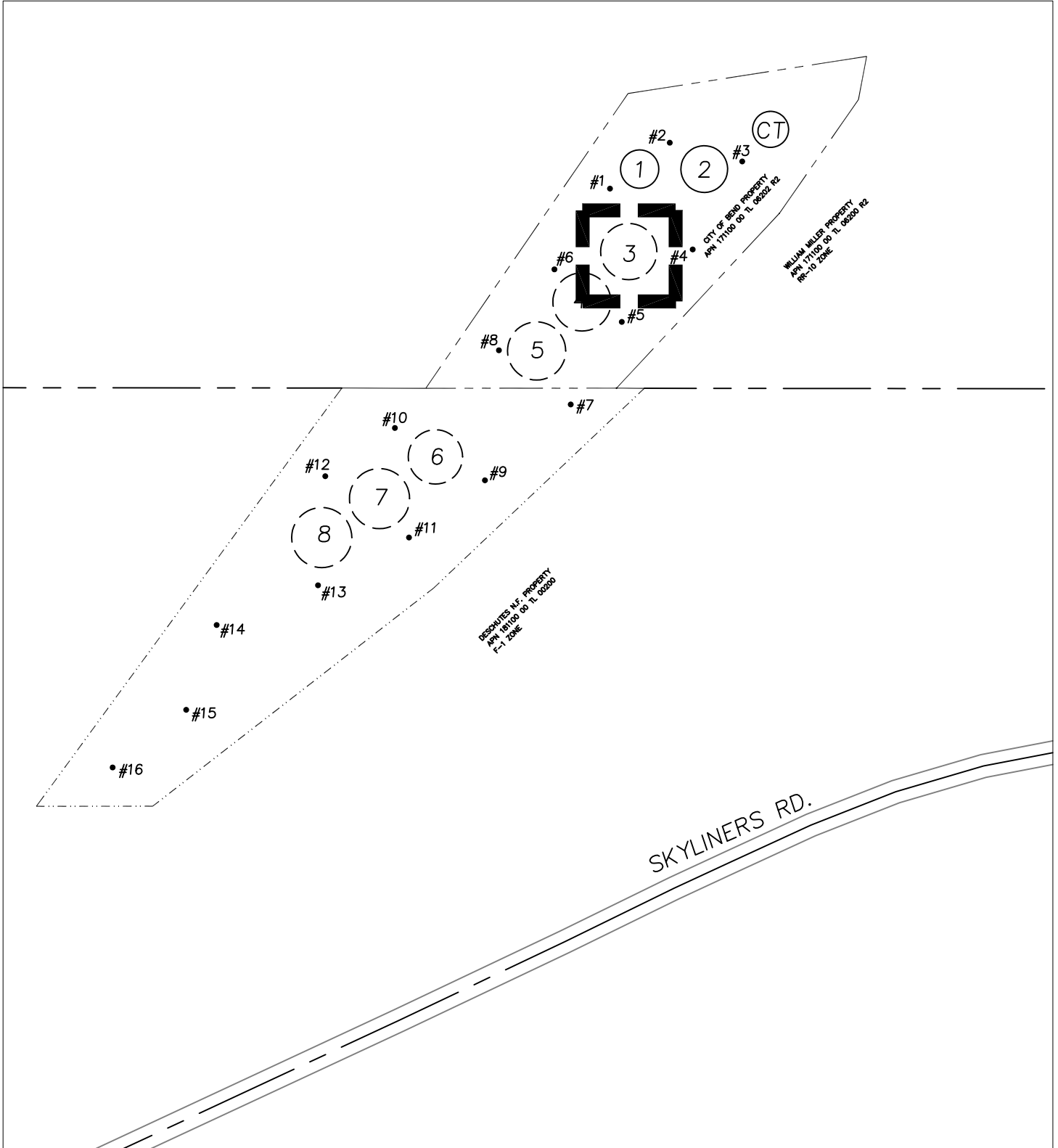
Budget	19,000
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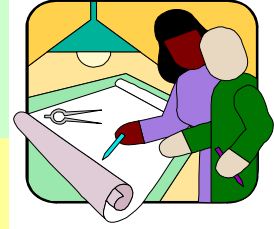
Method of Financing

Type	Amount
Water Rates/SDCs	1,656,000
Total	1,656,000



Outback Reservoir #3 WA0405





Fund

Year:

Category

Priority Rating:

Department

Project Name:

Outback Well #5 - Pump & Building (WA0416)

Project Description:

This phase will complete the construction of Outback Well #5. The well hole was drilled in FY 04/05 and this phase of the project will provide for the installation of the pump and construction of the building that houses the motor, valves and discharge piping.

Need/Justification:

As the City continues to grow, new wells are needed to increase the source supply of water to maintain current water service levels and to meet fire flow demands.

Benefits:

Adequate service levels and fire flow demands will be met.

Consequences of Delaying/Eliminating this Project:

Lower levels of service, reduced system reliability and decreased ability to meet fire flows.

Project Related To:

Water Master Plan.

Comments:

This project is currently under construction.

Total 5 Year Cost

Cost Breakdown	
Consulting	
ROW	
Construction	505,000
Legal	
Total	505,000

Cost Schedule

Prior to 2006/07	435,000
2006/07	70,000
2007/08	
2008/09	
2009/10	
2010/11	
After 2010/11	
Total Cost	505,000

Impact on Annual Operating

Budget	43,000
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Method of Financing

Type	Amount
Water Rates/SDC's	505,000
Total	505,000

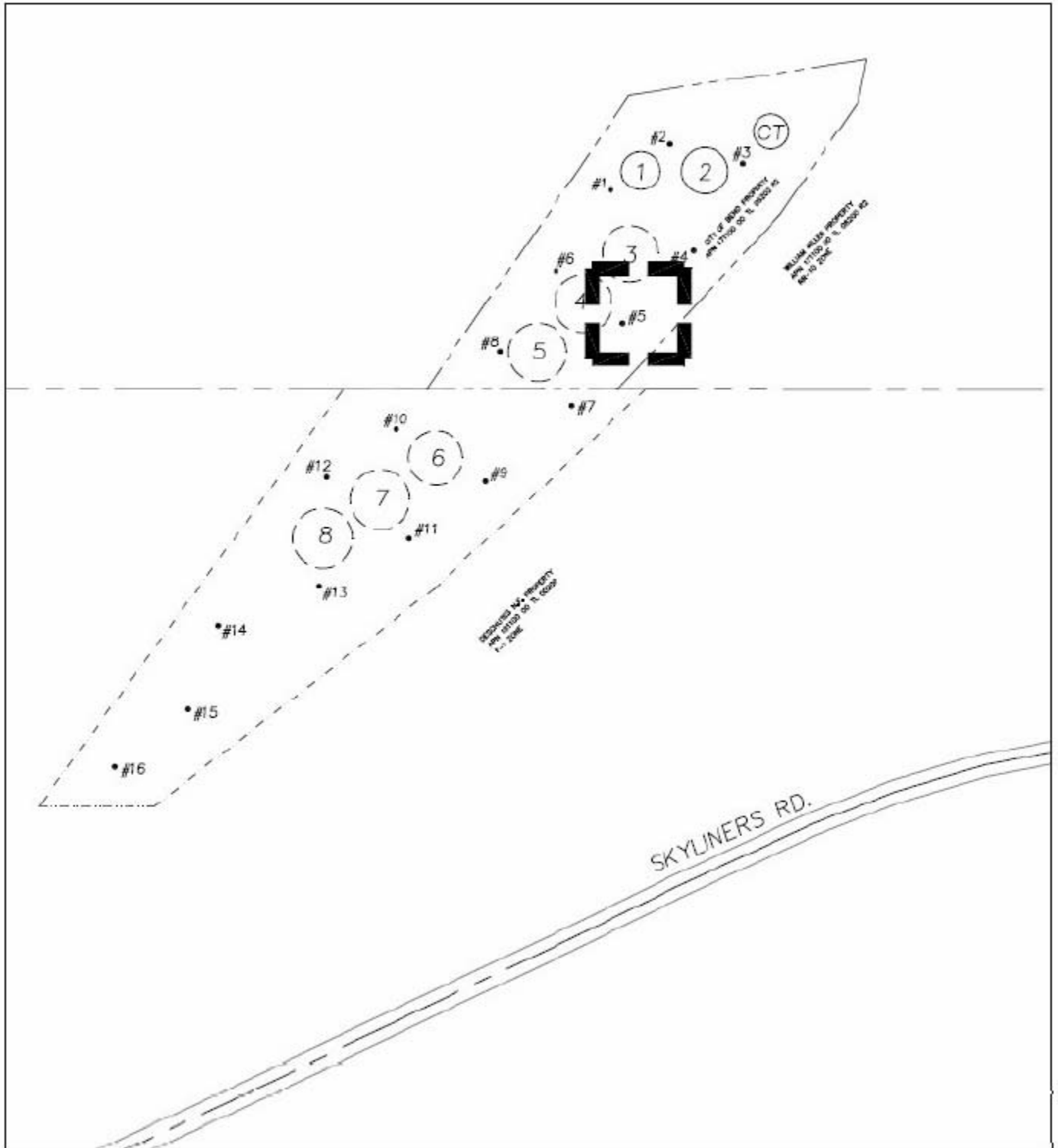


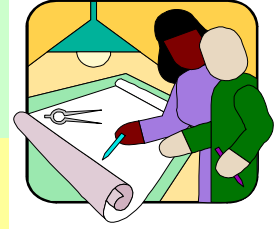
Outback Well #5 - Pump & Building

WA0416



North





Fund

Year:

Category

Priority Rating:

Department

Project Name:

Outback Well #6 - Control Room Construct & Build (WA0421)

Project Description:

This phase will complete construction of Outback Well #6. The well hole has been drilled and this phase will provide the pump and Control Building. The Control Building houses the pump motor, valves and discharge piping, controls for Wells 6, 7, 8 and the chemical feed system for these wells.

Need/Justification:

As the City continues to grow, new wells are needed to increase the source supply of water to maintain current water service levels and to meet fire flow demands.

Benefits:

Adequate service levels and fire flows will be met.

Consequences of Delaying/Eliminating this Project:

Lower levels of service, reduced reliability and decreased ability to meet fire flows.

Project Related To:

Comments:

The well was drilled in FY 04/05. Installation of the pump and construction of the building will complete the project.

Total 5 Year Cost

Cost Breakdown	
Consulting	30,000
ROW	
Construction	1,061,000
Legal	
Total	1,091,000

Cost Schedule

Prior to 2006/07	346,000
2006/07	745,000
2007/08	
2008/09	
2009/10	
2010/11	
After 2010/11	
Total Cost	1,091,000

Impact on Annual Operating

Budget	43,000
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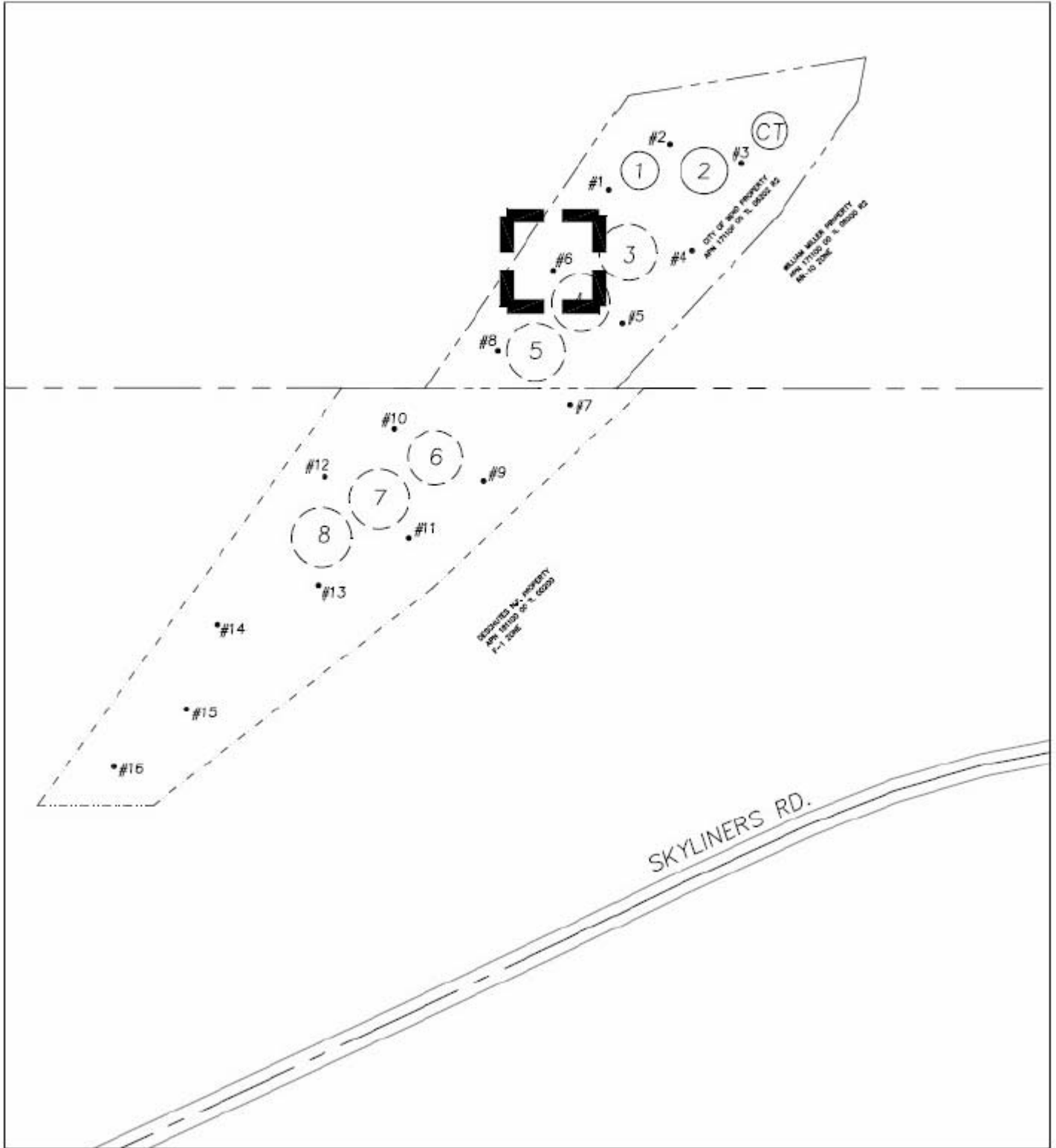
Method of Financing

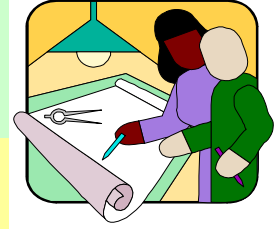
Type	Amount
Water Rates/SDC's	1,091,000
Total	1,091,000



Outback Well #6 - Control Room Construction & Building

WA0421





Fund

Year:

Category

Priority Rating:

Department

Project Name:

Rock Bluff #2, New Reservoir #2 (WA0508)

Project Description:

Design and construction of a new steel water reservoir at the Rock Bluff site. Currently it is anticipated that the reservoir will have a capacity of 1 to 2 million gallons. Final storage at the site will be determined by the updated Water Master Plan. A flow meter will also be installed in the discharge piping leaving the reservoir site. Flow and water level measurements will be connected to existing site control buildings.

Need/Justification:

The additional storage capacity is necessary to meet projected peak day demands and additional fire flows within the pressure level service area. Flow metering is needed to efficiently manage water flow distribution throughout the system.

Benefits:

Maintain current service levels for all City water customers.

Consequences of Delaying/Eliminating this Project:

Potential for decreased service and inability to meet fire flow demands.

Project Related To:

The Water Master Plan for the City will determine needs and priorities prior to design.

Comments:

Planning and design of this project was initiated in FY 04/05. Design will be completed in FY 06/07 and the reservoir will be constructed during the last half of FY 06/07 and the Summer of FY 07/08.

Total 5 Year Cost

Cost Breakdown	
Consulting	75,000
ROW	
Construction	2,000,000
Legal	
Total	2,075,000

Cost Schedule

Prior to 2006/07	50,000
2006/07	1,025,000
2007/08	1,000,000
2008/09	
2009/10	
2010/11	
After 2010/11	
Total Cost	2,075,000

Impact on Annual Operating

Budget	13,000
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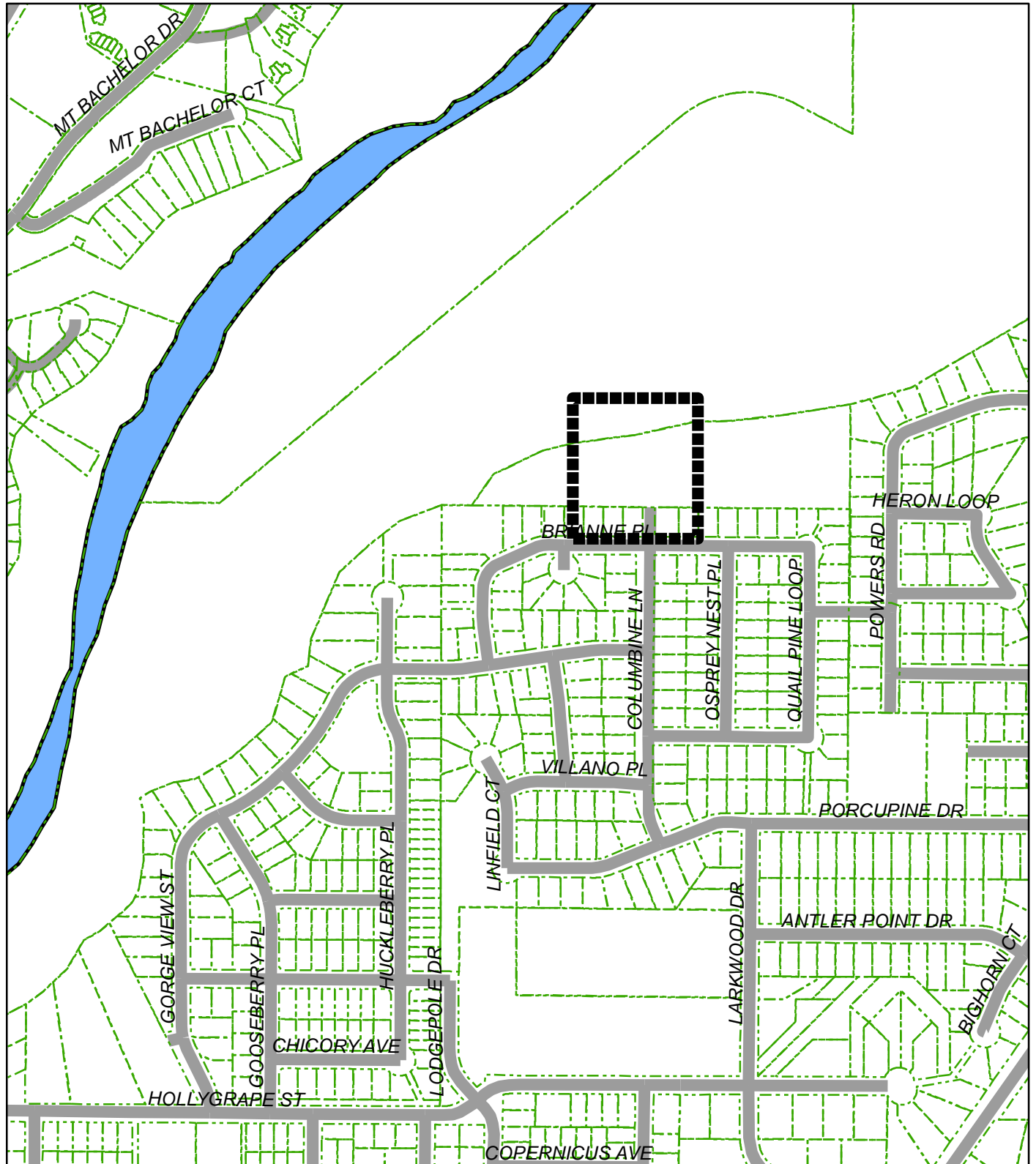
Method of Financing

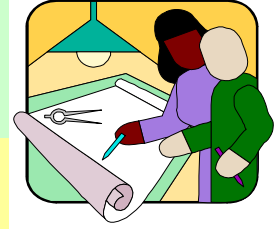
Type	Amount
Water Rates/SDC's	2,075,000
Total	2,075,000



Rock Bluff #2 - New Reservoir

WA0508





Fund

Year:

Category

Priority Rating:

Department

Project Name:

Mitigation for New Groundwater Permits (WA0303)

Project Description:

This project provides for the continuation of consultant and legal services necessary to support the City in acquisition of mitigation credits and new groundwater permits.

Need/Justification:

These services are necessary to secure the water rights or mitigation credits necessary to obtain permits for future wells.

Benefits:

Continued progress in securing ample water supplies to meet projected demands.

Consequences of Delaying/Eliminating this Project:

Missed opportunities to secure required water rights and mitigation credits and possible restriction or curtailment of growth due to insufficient water supply.

Project Related To:

Water Rights Acquisition, Project WA0422.

Comments:

Financing is currently from rates. Will be moved to SDC's after SDC analysis.

Total 5 Year Cost

Cost Breakdown	
Consulting	111,000
ROW	
Construction	826,000
Legal	
Total	937,000

Cost Schedule

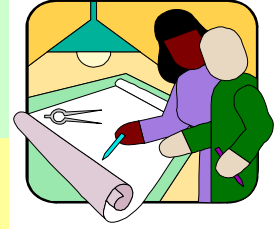
Prior to 2006/07	437,000
2006/07	100,000
2007/08	100,000
2008/09	100,000
2009/10	100,000
2010/11	100,000
After 2010/11	
Total Cost	937,000

Impact on Annual Operating

Budget	None
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Method of Financing

Type	Amount
Water Rates/SDC's	937,000
Total	937,000



Fund

Year:

Category

Priority Rating:

Department

Project Name:

Water Rights Acquisition (WA0422)

Project Description:

This project consists of purchasing water rights from willing sellers to be used in the form of direct transfer or mitigation credits. The budget shown under the heading "ROW" is for the purchase of water rights and/or the purchase or lease of mitigation credits.

Need/Justification:

Both surface water and groundwater have been closed to further appropriation by the State without mitigation credits or transfer of an existing water right. The City will be unable to obtain permits for new wells (beyond the Lava Island permit) without mitigation credits or the transfer of an existing water right to the City.

Benefits:

Continued progress in securing ample water supplies to meet projected demands.

Consequences of Delaying/Eliminating this Project:

Missed opportunities to secure required water rights and possible restriction or curtailment of growth due to insufficient water supply.

Project Related To:

Mitigation of New Groundwater Permits, Project WA0303.

Comments:

Financing is currently from rates. Will be moved into SDC's after SDC analysis.

Total 5 Year Cost

Cost Breakdown	
Consulting	
ROW	2,008,000
Construction	
Legal	
Total	2,008,000

Cost Schedule

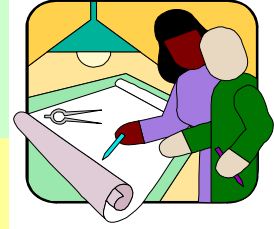
Prior to 2006/07	8,000
2006/07	400,000
2007/08	400,000
2008/09	400,000
2009/10	400,000
2010/11	400,000
After 2010/11	
Total Cost	2,008,000

Impact on Annual Operating

Budget	10,000
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Method of Financing

Type	Amount
Water Rates/SDC's	2,008,000
Total	2,008,000



Fund

Year:

Category

Priority Rating:

Department

Project Name:

SE 15th Street Transmission Main (WA0605)

Project Description:

Design and install approximately 4,600 square feet of 16-inch water transmission main from Reed Market Road south along SE 15th Street.

Need/Justification:

Project is required to provide increased fire flow capability to the Nottingham Square area and to provide service to areas of future development to the south. These areas were previously served by Juniper Utilities.

Benefits:

Enhanced fire flow capability to Nottingham Square and ability to provide service for future development to the south.

Consequences of Delaying/Eliminating this Project:

Reduced fire flow capability and inability to serve future developments in a timely manner.

Project Related To:

Project is consistent with Water Master Plan.

Comments:

Design will be accomplished in FY 05/06. Construction will begin in the Spring of FY 05/06 and completed in FY 06/07.

Total 5 Year Cost

Cost Breakdown	
Consulting	40,000
ROW	
Construction	895,000
Legal	
Total	935,000

Cost Schedule

Prior to 2006/07	240,000
2006/07	695,000
2007/08	
2008/09	
2009/10	
2010/11	
After 2010/11	
Total Cost	935,000

Impact on Annual Operating

Budget	1,000
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Method of Financing

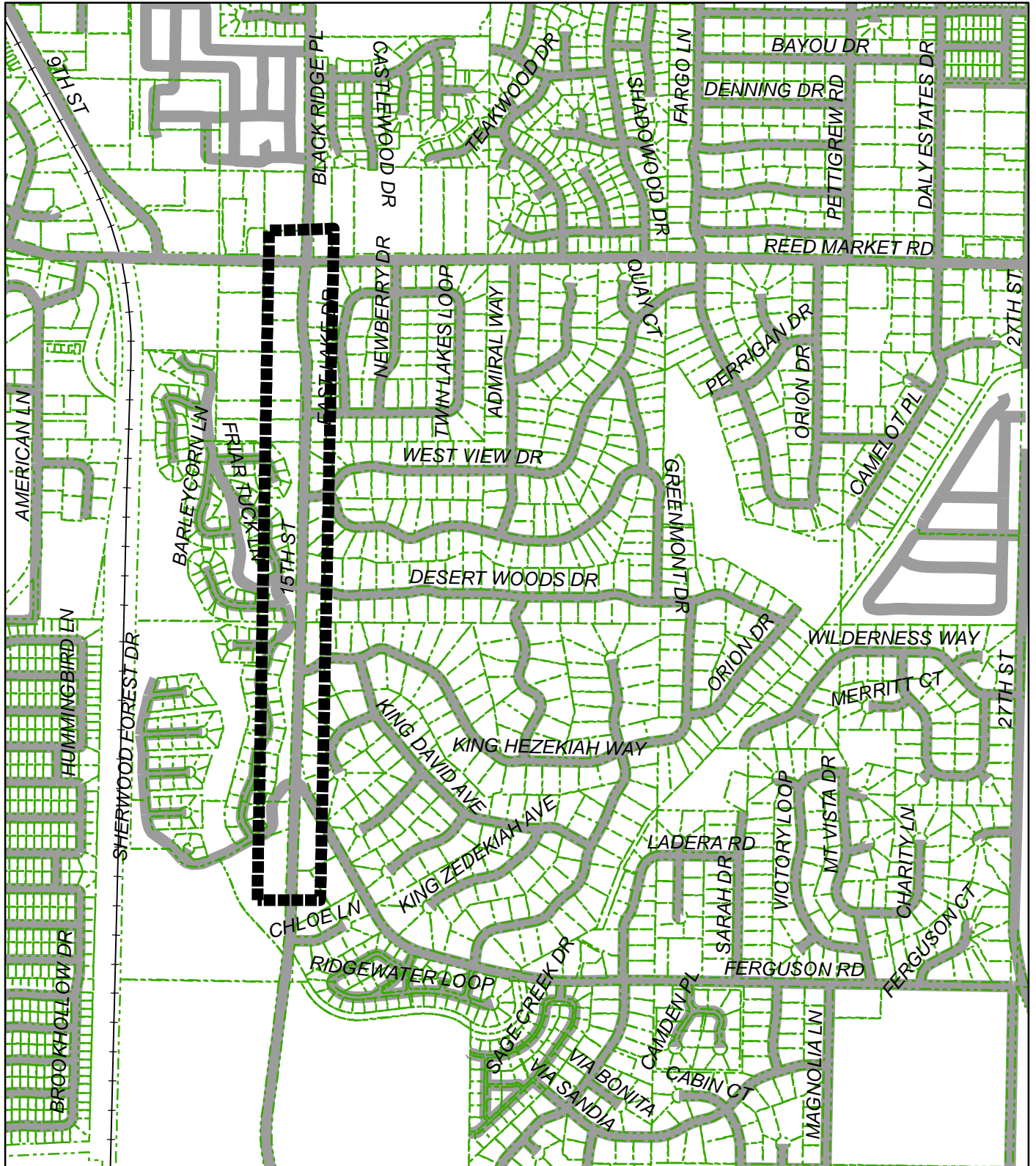
Type	Amount
Water SDCs 75%	700,000
Water Rates 25%	235,000
Total	935,000

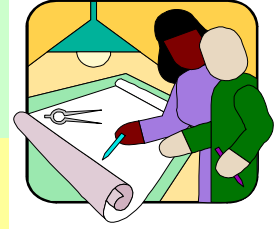


SE 15th Street Transmission Main

WA0605

North





Fund

Year:

Category

Priority Rating:

Department

Project Name:

Empire Avenue 16-Inch Transmission Main (WA0602)

Project Description:

Approximately 4,000 lineal feet of 16-inch transmission main will be installed in Empire Avenue between Purcell Blvd and 27th St. The transmission main will be designed and constructed as part of the planned Empire Avenue Extension roadway project.

Need/Justification:

This is a component of the Water Master Plan for serving the NE portions of the City, including Juniper Ridge.

Benefits:

Enhances service and fire flow capability.

Consequences of Delaying/Eliminating this Project:

Delaying the project would result in a missed opportunity to include the water line as part of construction of the Empire Avenue Extension. Eliminating the project may result in insufficient fire flows at Juniper Ridge.

Project Related To:

A Water Master Plan component and a source of water to Juniper Ridge.

Comments:

Total 5 Year Cost

Cost Breakdown	
Consulting	45,000
ROW	5,000
Construction	450,000
Legal	
Total	500,000

Cost Schedule

Prior to 2006/07	20,000
2006/07	30,000
2007/08	450,000
2008/09	
2009/10	
2010/11	
After 2010/11	
Total Cost	500,000

Impact on Annual Operating

Budget	1,000
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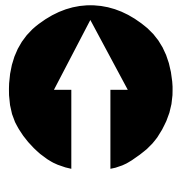
Method of Financing

Type	Amount
Water Rates/SDC's	500,000
Total	500,000

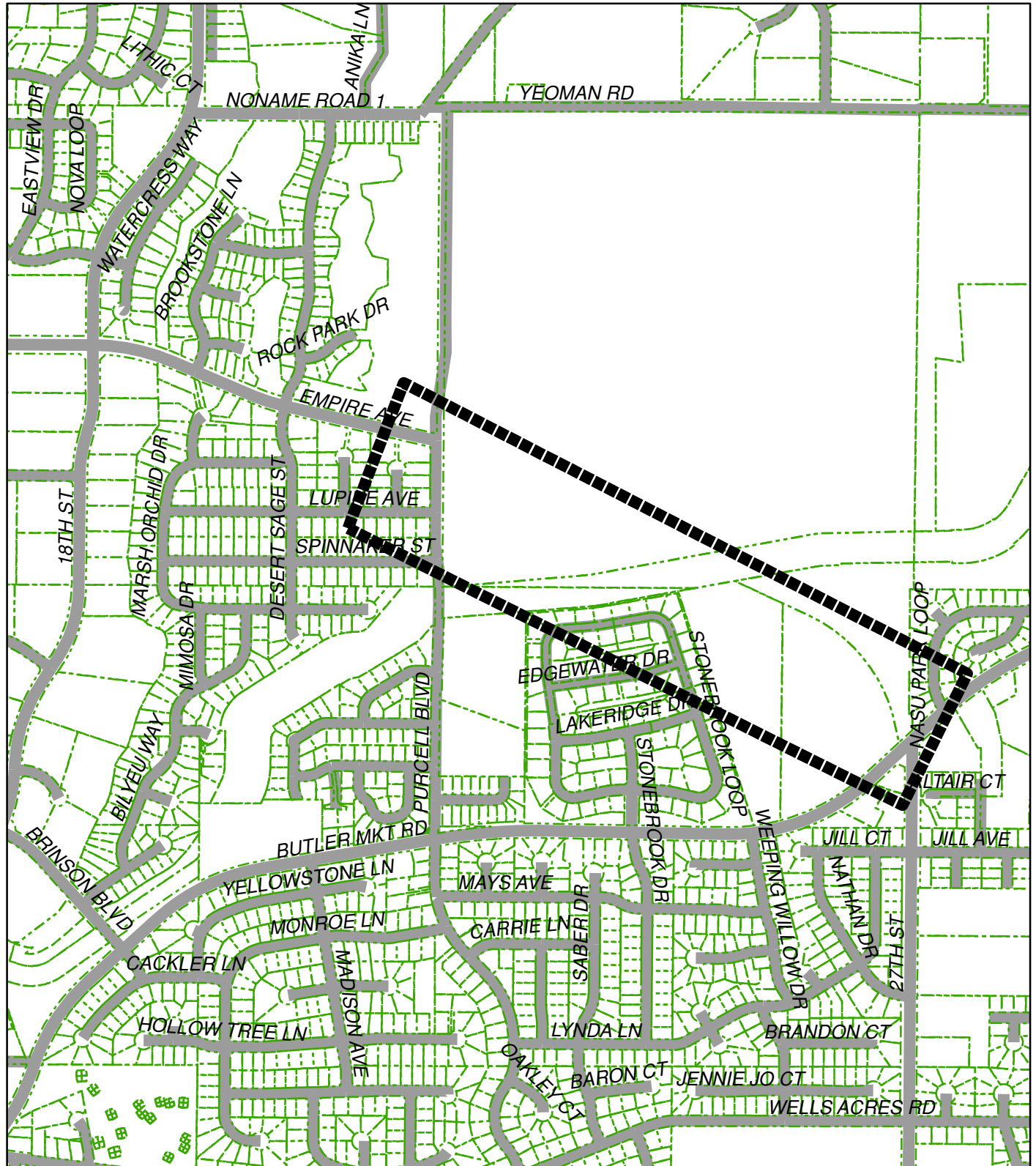


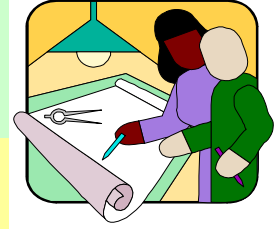
Empire Ave 16" Transmission Main

WA0602



North





Fund

Year:

Category

Priority Rating:

Department

Project Name:

Outback Well #7 (WA0609)

Project Description:

This project provides for a new well at the Outback site. Drilling of the well began this fiscal year and will be completed this summer. The pump and building will be designed this summer and constructed in FY 07/08.

Need/Justification:

The new water supply well is necessary to meet projected demands.

Benefits:

After the well is developed it will provide additional water supply consistent with the provisions of the Water Master Plan.

Consequences of Delaying/Eliminating this Project:

Lack of capacity and redundancy in the water supply system could result in inadequate service during periods of peak demands.

Project Related To:

Water Master Plan

Comments:

Total 5 Year Cost

Cost Breakdown	
Consulting	50,000
ROW	
Construction	840,000
Legal	
Total	890,000

Cost Schedule

Prior to 2006/07	100,000
2006/07	290,000
2007/08	500,000
2008/09	
2009/10	
2010/11	
After 2010/11	
Total Cost	890,000

Impact on Annual Operating

Budget	43,000
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Method of Financing

Type	Amount
Water Rates/SDC's	890,000
Total	890,000

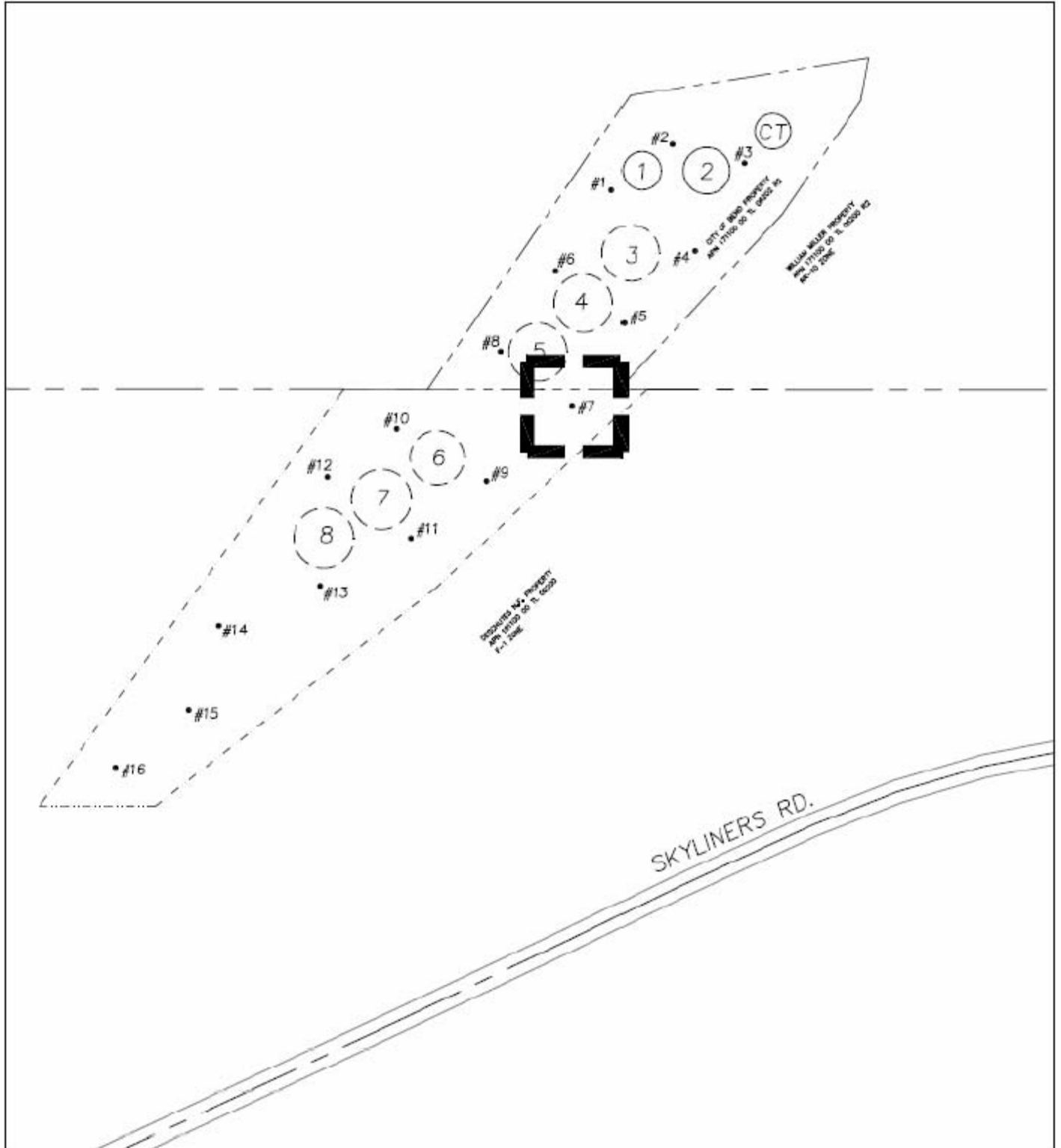


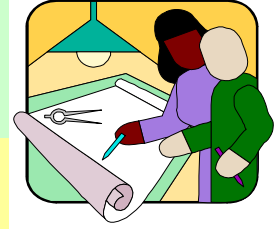
Outback Well #7

WA0609



North





Fund

Year:

Category

Priority Rating:

Department

Project Name:

Newport Ave. Water Line Extensior

Project Description:

This project provides for a replacement water line across the new Newport Avenue Bridge currently under construction.

Need/Justification:

Demolition of the old bridge removed the existing water line. This project will replace the previous 12-inch water line with a 16-inch water line to provide for additional capacity and growth.

Benefits:

The new water line will provide additional capacity for growth in the downtown area in addition to serving existing customers.

Consequences of Delaying/Eliminating this Project:

The water line must be installed at this time and sized for the future as it would be very costly to install a parallel water line across the bridge in the future.

Project Related To:

Newport Avenue bridge replacement project

Comments:

Total 5 Year Cost

Cost Breakdown	
Consulting	
ROW	
Construction	150,000
Legal	
Total	150,000

Cost Schedule

Prior to 2006/07	10,000
2006/07	140,000
2007/08	
2008/09	
2009/10	
2010/11	
After 2010/11	
Total Cost	150,000

Impact on Annual Operating

Budget	1,000
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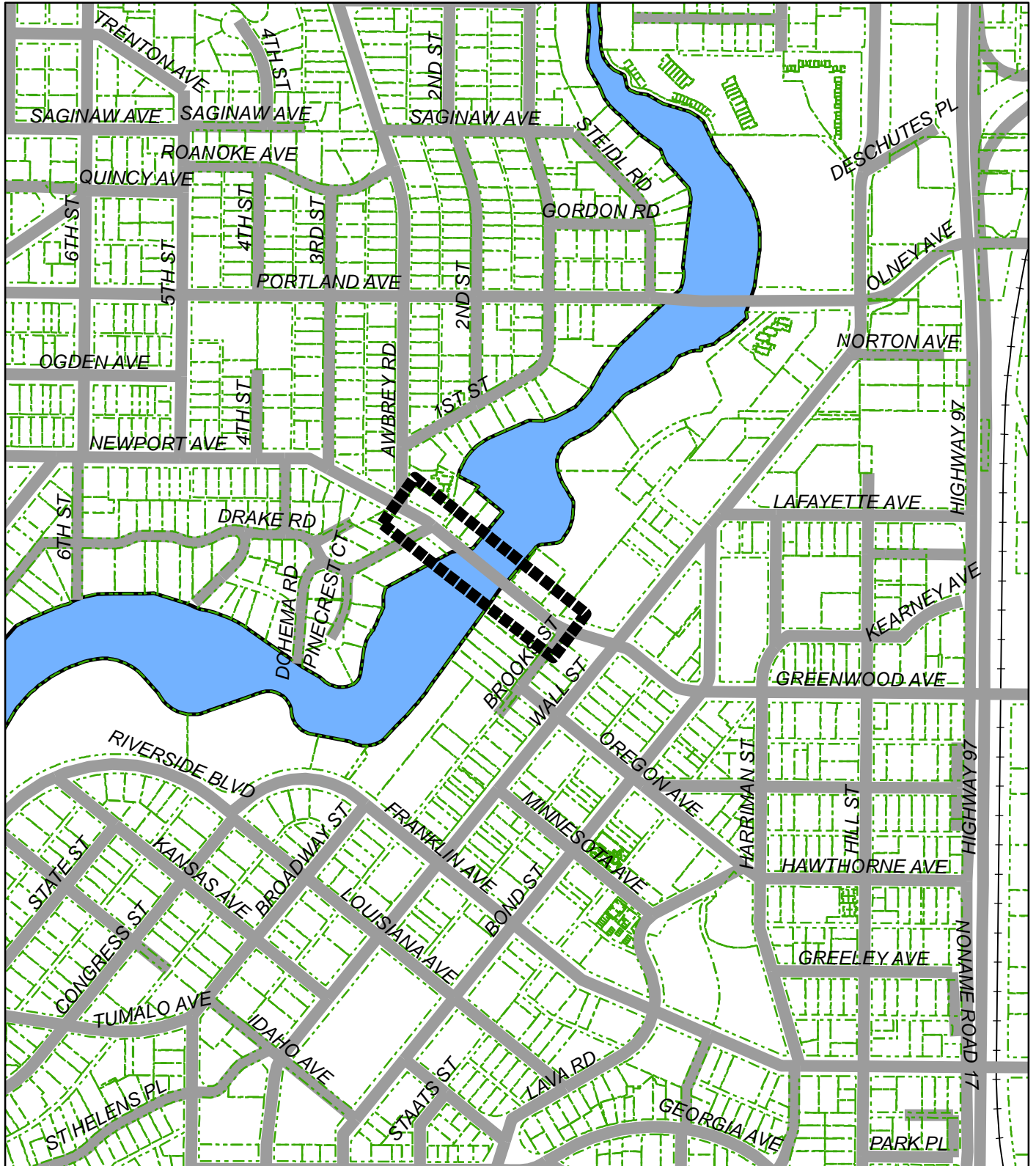
Method of Financing

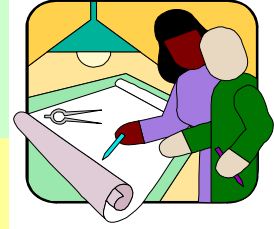
Type	Amount
Water Rates	75,000
Water SDCs	75,000
Total	150,000



Newport Bridge Water Line Replacement and Upsizing

North





Fund

Year:

Category

Priority Rating:

Department

Project Name:

Airport Well #3, Design/Drilling (WA0604)

Project Description:

A water master plan will be developed for the airport to determine long-term water supply and storage requirements. The size and location of future wells, reservoirs and pipelines will be determined. Following completion of the master plan, Airport Well #3 will be designed and constructed. Facilities for Well #3 will include a building with pump, piping, controls and disinfection capabilities as required.

Need/Justification:

The water supply at the airport is independent of other water systems. A new well is necessary to provide redundancy in the event of failure of an existing airport well. Additional well capacity is also necessary to meet potential demands from increasing commercial development at the airport.

Benefits:

Installing a new well is the most economical method of providing a reliable water supply at the airport.

Consequences of Delaying/Eliminating this Project:

Insufficient water supply reliability that could result in inadequate fire suppression flows.

Project Related To:

Comments:

Total 5 Year Cost

Cost Breakdown	
Consulting	125,000
ROW	
Construction	1,300,000
Legal	
Total	1,425,000

Cost Schedule

Prior to 2006/07	4,000
2006/07	521,000
2007/08	900,000
2008/09	
2009/10	
2010/11	
After 2010/11	
Total Cost	1,425,000

Impact on Annual Operating

Budget	20,000
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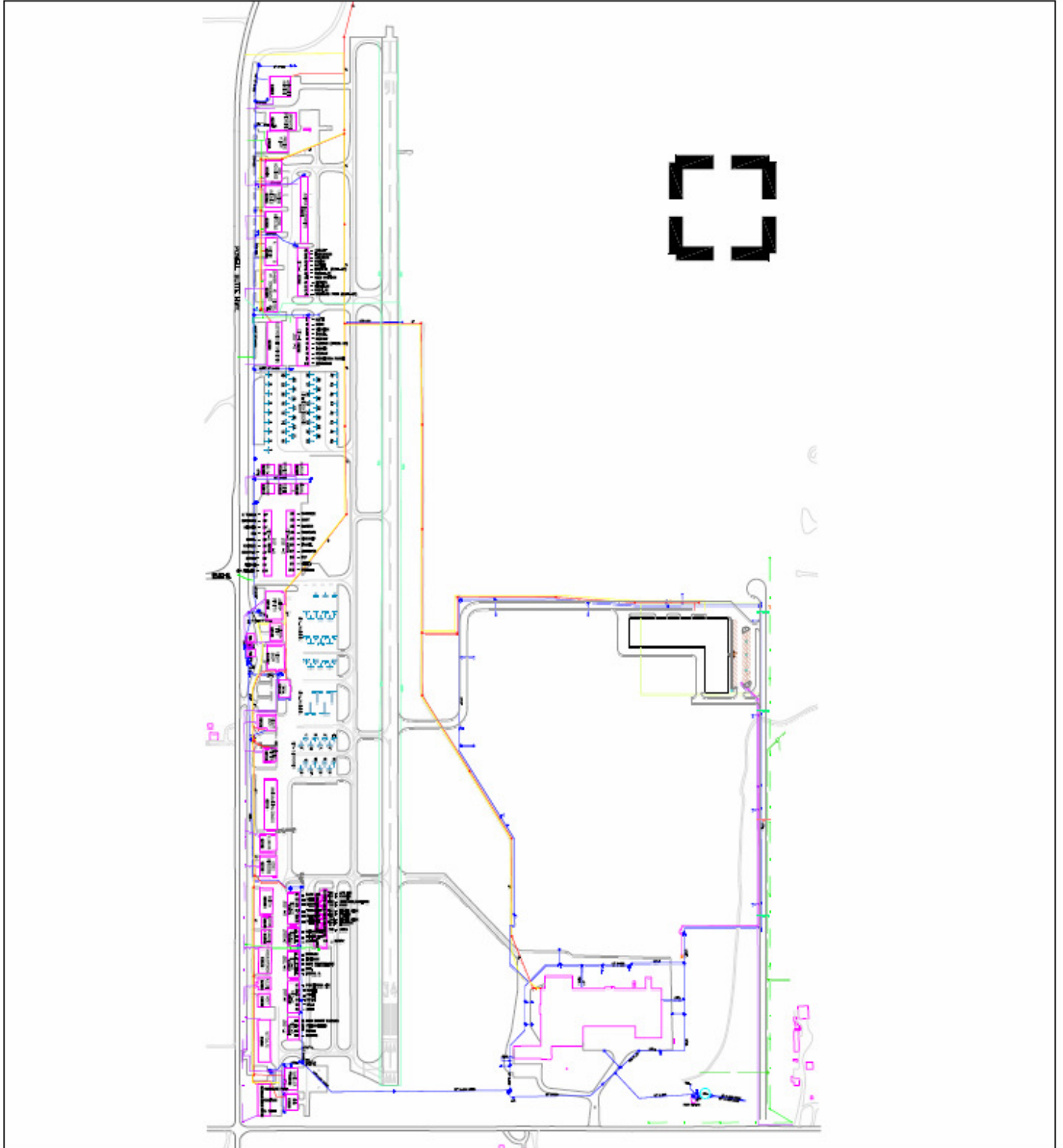
Method of Financing

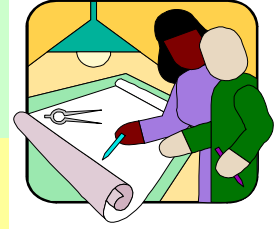
Type	Amount
Water Rates	712,500
Water SDCs	712,500
Total	1,425,000



Airport Well #3

WA0604





Fund

Year:

Category

Priority Rating:

Department

Project Name:

South Area Reservoir

Project Description:

This project will provide a new reservoir in the south area of the City in anticipation of a recommendation in the water master plan update that is currently underway. The water master plan will likely recommend a size of reservoir and a general location. This project includes a study to select a specific site and to obtain land use approval during FY06/07. Design is planned for FY07/08 and construction is anticipated in FY08/09. ROW costs will be estimated once a site is identified.

Need/Justification:

Provide storage capacity for additional growth. The additional capacity is necessary to meet projected peak day demands and additional fire flows.

Benefits:

Maintain current service levels for all City customers.

Consequences of Delaying/Eliminating this Project:

Potential for decreased service and inability to meet fire flow demands.

Project Related To:

Water Master Plan

Comments:

Total 5 Year Cost

Cost Breakdown	
Consulting	375,000
ROW	
Construction	3,000,000
Legal	
Total	3,375,000

Cost Schedule

Prior to 2006/07	
2006/07	75,000
2007/08	300,000
2008/09	3,000,000
2009/10	
2010/11	
After 2010/11	
Total Cost	3,375,000

Impact on Annual Operating

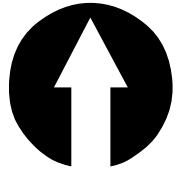
Budget

Method of Financing

Type	Amount
Water Rates/SDC's	3,375,000
Total	3,375,000

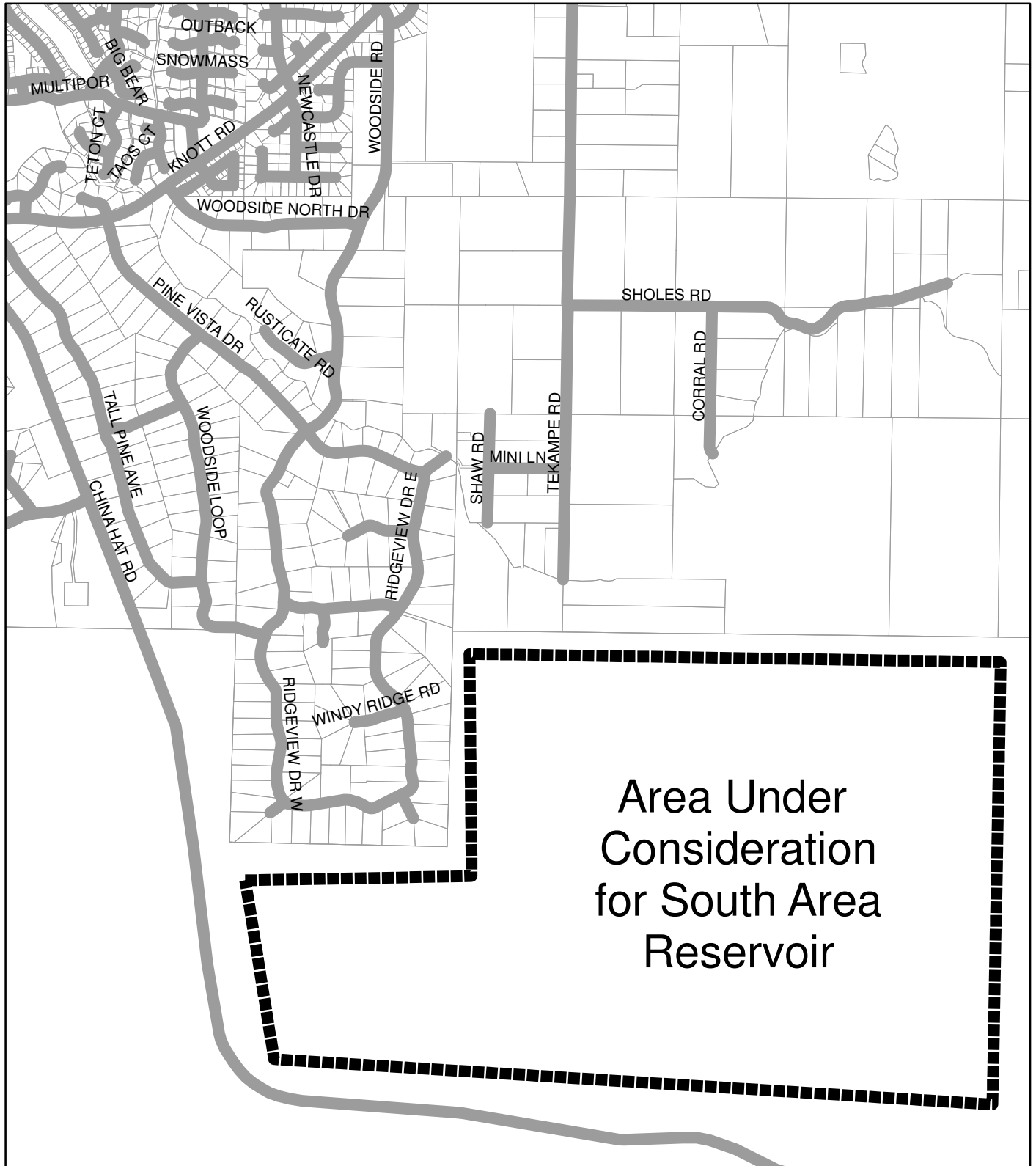


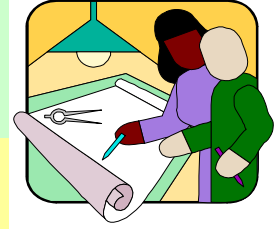
South Area Reservoir



New Project

North





Fund

Year:

Category

Priority Rating:

Department

Project Name:

Cooley Road Transmission Main, Boyd Acres to Juniper Ridge

Project Description:

Install approximately 2,700-feet of 12-inch water main in Cooley Road between Boyd Acres and the entrance to Juniper Ridge.

Need/Justification:

This is a component of the Water Master Plan for serving the NE portions of the City, including Juniper Ridge.

Benefits:

Enhances service and fire flow capability.

Consequences of Delaying/Eliminating this Project:

Delaying the project may result in insufficient fire flows being available to Juniper Ridge.

Project Related To:

A Water Master Plan component and a source of water to Juniper Ridge.

Comments:

Total 5 Year Cost

Cost Breakdown	
Consulting	30,000
ROW	
Construction	370,000
Legal	
Total	400,000

Cost Schedule

Prior to 2006/07	
2006/07	400,000
2007/08	
2008/09	
2009/10	
2010/11	
After 2010/11	
Total Cost	400,000

Impact on Annual Operating

Budget	1,000
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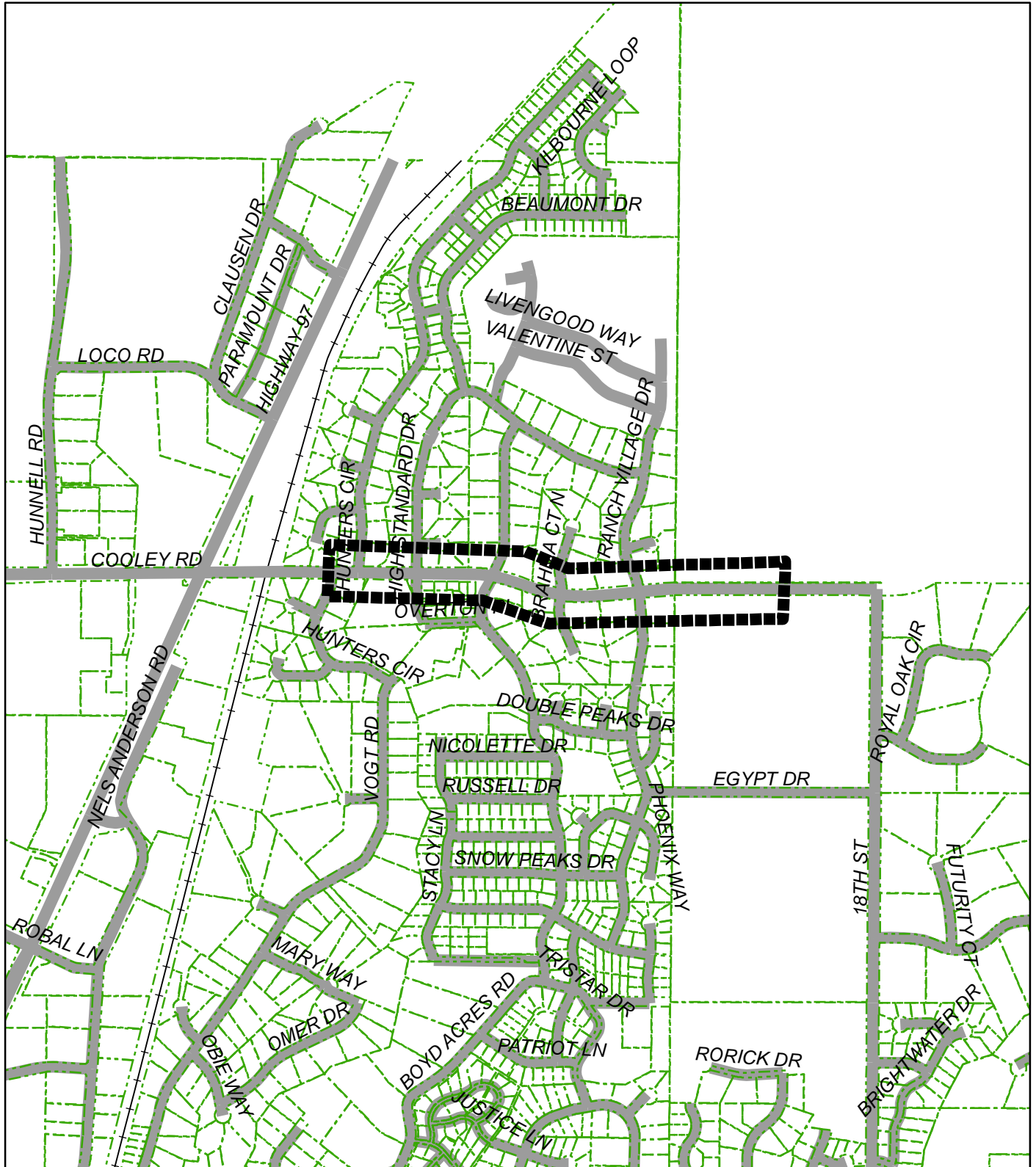
Method of Financing

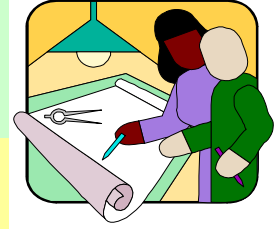
Type	Amount
Water Rates/SDC's	400,000
Total	400,000



Cooley Rd. Transmission Main, Boyd Acres to Juniper Ridge

New Project





Fund

Year:

Category

Priority Rating:

Department

Project Name:

Newport Ave 16-Inch Water Line Extension

Project Description:

Install approximately 1,600-feet of 16-inch water line in Newport Avenue, east of Newport Hills Drive.

Need/Justification:

This is a component of the Water Master Plan.

Benefits:

Enhances service and fire flow capability.

Consequences of Delaying/Eliminating this Project:

Reduced reliability of service.

Project Related To:

Water Master Plan

Comments:

Total 5 Year Cost

Cost Breakdown	
Consulting	30,000
ROW	
Construction	260,000
Legal	
Total	290,000

Cost Schedule

Prior to 2006/07	
2006/07	30,000
2007/08	260,000
2008/09	
2009/10	
2010/11	
After 2010/11	
Total Cost	290,000

Impact on Annual Operating

Budget	1,000
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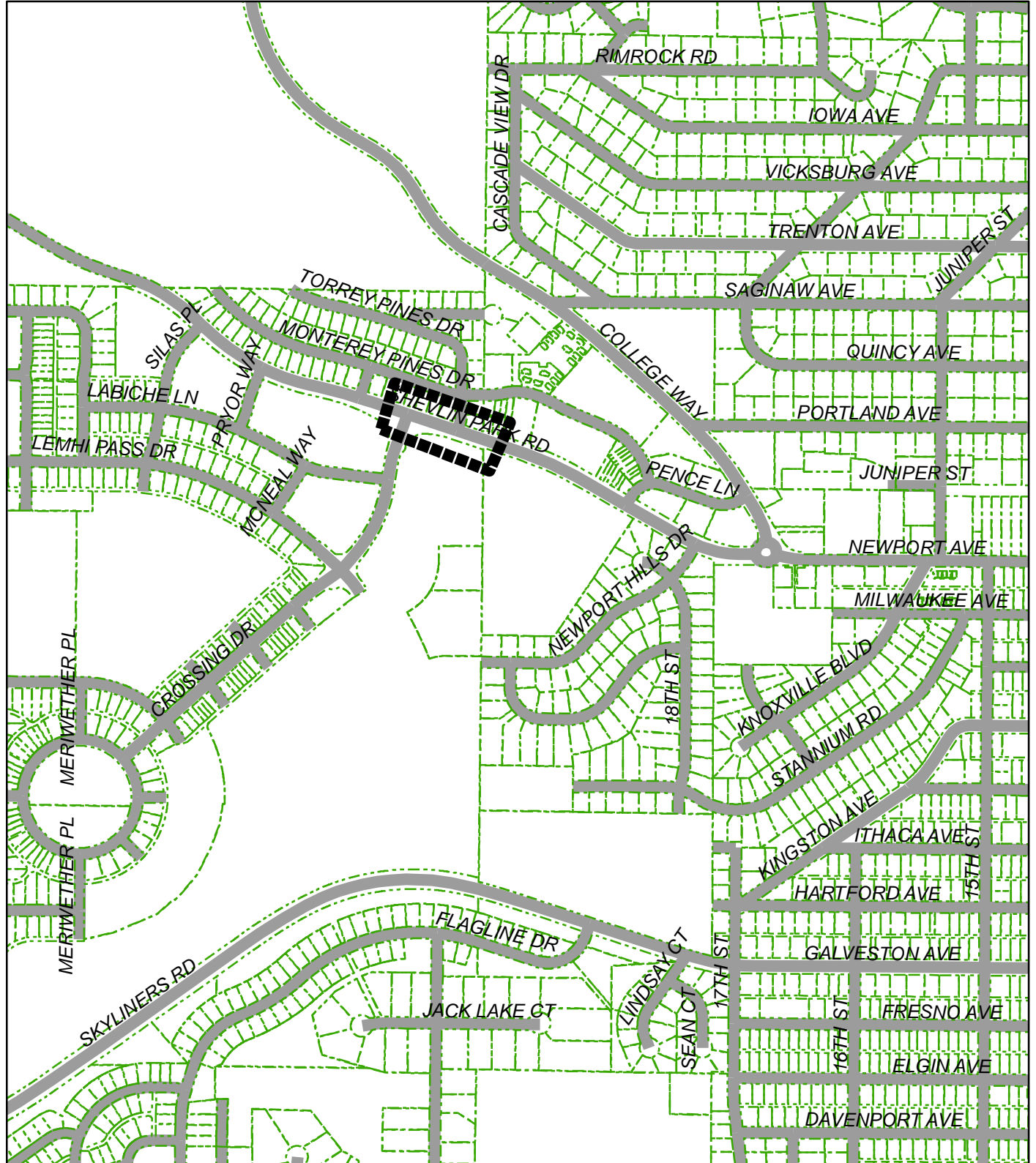
Method of Financing

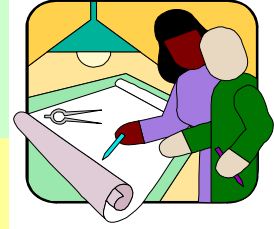
Type	Amount
Water Rates/SDC's	290,000
Total	290,000



Newport Ave 16" Water Line Extension

New Project





Fund

Year:

Category

Priority Rating:

Department

Project Name:

Wastewater SDC Analysis (SW0605)

Project Description:

Review and Update System Development Charges for the wastewater system.

Need/Justification:

The existing System Development Charges (SDC's) are out-of-date and not based on the new Wastewater Master Plan. In addition, current SDC's are not high enough to fully recover the impact that growth has on the wastewater utility.

Benefits:

The key benefit would be to revise the methodologies to include new projects and revised costs. In addition, the City will have the opportunity to adjust SDC's so that new development pays for the impacts to the system. Growth paying for growth.

Consequences of Delaying/Eliminating this Project:

If the sewer SDC's are not analyzed, the end result is that the existing rate payers are paying for capacity increasing infrastructure which results in higher monthly utility bills.

Project Related To:

Comments:

Total 5 Year Cost

Cost Breakdown	
Consulting	48,500
ROW	
Construction	
Legal	1,500
Total	50,000

Cost Schedule

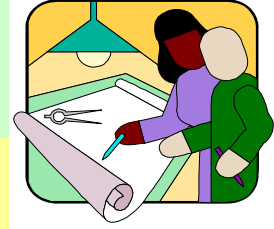
Prior to 2006/07	25,000
2006/07	25,000
2007/08	
2008/09	
2009/10	
2010/11	
After 2010/11	
Total Cost	50,000

Impact on Annual Operating

Budget

Method of Financing

Type	Amount
Sewer SDCs	50,000
Total	50,000



Fund

Year:

Category

Priority Rating:

Department

Project Name:

Sewer Master Plan, Tasks 2 & 3 (SW0513)

Project Description:

The Sewer Master Plan is being accomplished in three phases. Tasks 1 and 2, development of the sewer system computer model and analyzing selected improvements to the existing system have been completed. Task 3, development of a comprehensive master plan and preparation of the final report is underway and should be completed by early Summer 2006.

Need/Justification:

The Sewer Master Plan will identify the major sewer trunk lines and pump stations to serve projected populations in 2030. The plan is necessary to accomplish an orderly and efficient expansion of the system to meet future needs. The model will allow City staff to evaluate impacts on the system by individual developments.

Benefits:

The Plan will provide the City with a guide for design of future collection system projects. The plan will prioritize areas within the current system that require increased capacity or upgrading. The plan will include recommended projects to include in the 5-year CIP.

Consequences of Delaying/Eliminating this Project:

Without an updated master plan, the City lacks the information on which to properly locate and size facilities to serve future developments that will be added to the City system.

Project Related To:

An updated master plan is particularly important with an expansion of the UGB.

Comments:

Total 5 Year Cost

Cost Breakdown	
Consulting	543,000
ROW	
Construction	
Legal	
Total	543,000

Cost Schedule

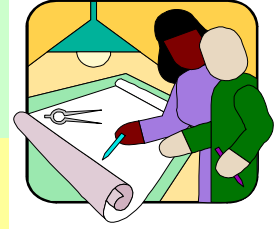
Prior to 2006/07	493,000
2006/07	50,000
2007/08	
2008/09	
2009/10	
2010/11	
After 2010/11	
Total Cost	543,000

Impact on Annual Operating

Budget

Method of Financing

Type	Amount
Sewer Rates/SDC's	543,000
Total	543,000



Fund

Year:

Category

Priority Rating:

Department

Project Name:

Sewer System Expansion

Project Description:

This project will provide new sewer lines to areas of the City that are newly developed and /or areas that are developed but un-sewered. Exact locations of system expansion will depend upon where new developments are approved for sewer and where un-sewered areas are identified to be sewerred.

Need/Justification:

The existing sewer system is expected to expand to serve new developments and to sewer existing areas currently un-sewered.

Benefits:

Provides residential, commercial and industrial sewer service to ensure adequate collection and treatment of waste streams for the protection of public health and the local environment.

Consequences of Delaying/Eliminating this Project:

Project Related To:

Comments:

Total 5 Year Cost

Cost Breakdown	
Consulting	305,000
ROW	362,000
Construction	2,953,000
Legal	
Total	3,620,000

Cost Schedule

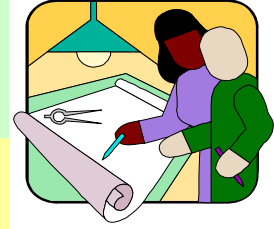
Prior to 2006/07	
2006/07	800,000
2007/08	660,000
2008/09	690,000
2009/10	720,000
2010/11	750,000
After 2010/11	
Total Cost	3,620,000

Impact on Annual Operating

Budget	20,000
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Method of Financing

Type	Amount
Sewer SDCs	3,620,000
Total	3,620,000



Fund

Year:

Category

Priority Rating:

Department

Project Name:

Sewer Line Upgrades

Project Description:

This project provides for the replacement, paralleling, or extension of identified existing sewers due to their age, condition or inadequate capacity to convey projected flows generated from within current sewered areas of the City. Example projects may include a new parallel sewer in Murphy Road, and new sewers along Pettigrew Road and SE 15th St. It is anticipated that the new Sewer Master Plan will identify and/or confirm project needs.

Need/Justification:

Sewers approaching capacity need to be paralleled or replaced with a larger size to prevent overflows and to continue an acceptable level of service. Old deteriorating sewers must be replaced or rehabilitated so that service is not interrupted by a line failure.

Benefits:

Providing the required capacity and properly maintaining existing infrastructure will prevent sewer line failure and achieve the desired level of service.

Consequences of Delaying/Eliminating this Project:

Connections would have to be curtailed if sewer capacity is not increased where it is projected to become overloaded, and older sewers could fail if they are not properly maintained.

Project Related To:

Sewer Master Plan and Murphy Road Sewer Evaluation.

Comments:

Total 5 Year Cost

Cost Breakdown	
Consulting	285,000
ROW	150,000
Construction	2,785,000
Legal	
Total	3,220,000

Cost Schedule

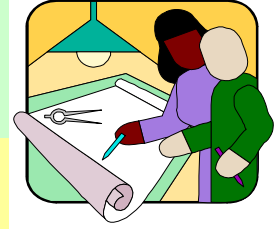
Prior to 2006/07	100,000
2006/07	770,000
2007/08	550,000
2008/09	575,000
2009/10	600,000
2010/11	625,000
After 2010/11	
Total Cost	3,220,000

Impact on Annual Operating

Budget

Method of Financing

Type	Amount
Sewer SDCs	3,220,000
Total	3,220,000



Fund

Year:

Category

Priority Rating:

Department

Project Name:

Collection Pump Station Upgrades and Expansion

Project Description:

This project provides for the replacement, upgrading and/or expansion of sewage pump stations identified during updating of the Sewer Master Plan which is currently underway. It is anticipated the pump stations that may be impacted include the Pioneer Lift Station and Nottingham Pump Station 1 and 2.

Need/Justification:

Some of the City's sewage pump stations have reached, or are approaching, their original capacity and others are nearing their life expectancy and require replacement. Where necessary, capacities must be increased to prevent overflows and older facilities must be replaced or upgraded to maintain system reliability.

Benefits:

Properly operating and maintained pump stations provide for the health and safety of residential and industrial customers. Replacement and/or expansion of pump stations is a necessary preventative measure to prevent failure and environmental impacts.

Consequences of Delaying/Eliminating this Project:

Aging and undersized pump stations can be a hazard to public safety and the environment. Delays could impact service to current customers and delay anticipated residential and industrial growth.

Project Related To:

Sewer Master Plan analysis and recommendations.

Comments:

The cost of timely preventative measures are generally less than the cost of consequences associated with inadequate or unreliable pump stations.

Total 5 Year Cost

Cost Breakdown	
Consulting	380,000
ROW	150,000
Construction	2,545,000
Legal	
Total	3,075,000

Cost Schedule

Prior to 2006/07	
2006/07	500,000
2007/08	660,000
2008/09	690,000
2009/10	600,000
2010/11	625,000
After 2010/11	
Total Cost	3,075,000

Impact on Annual Operating

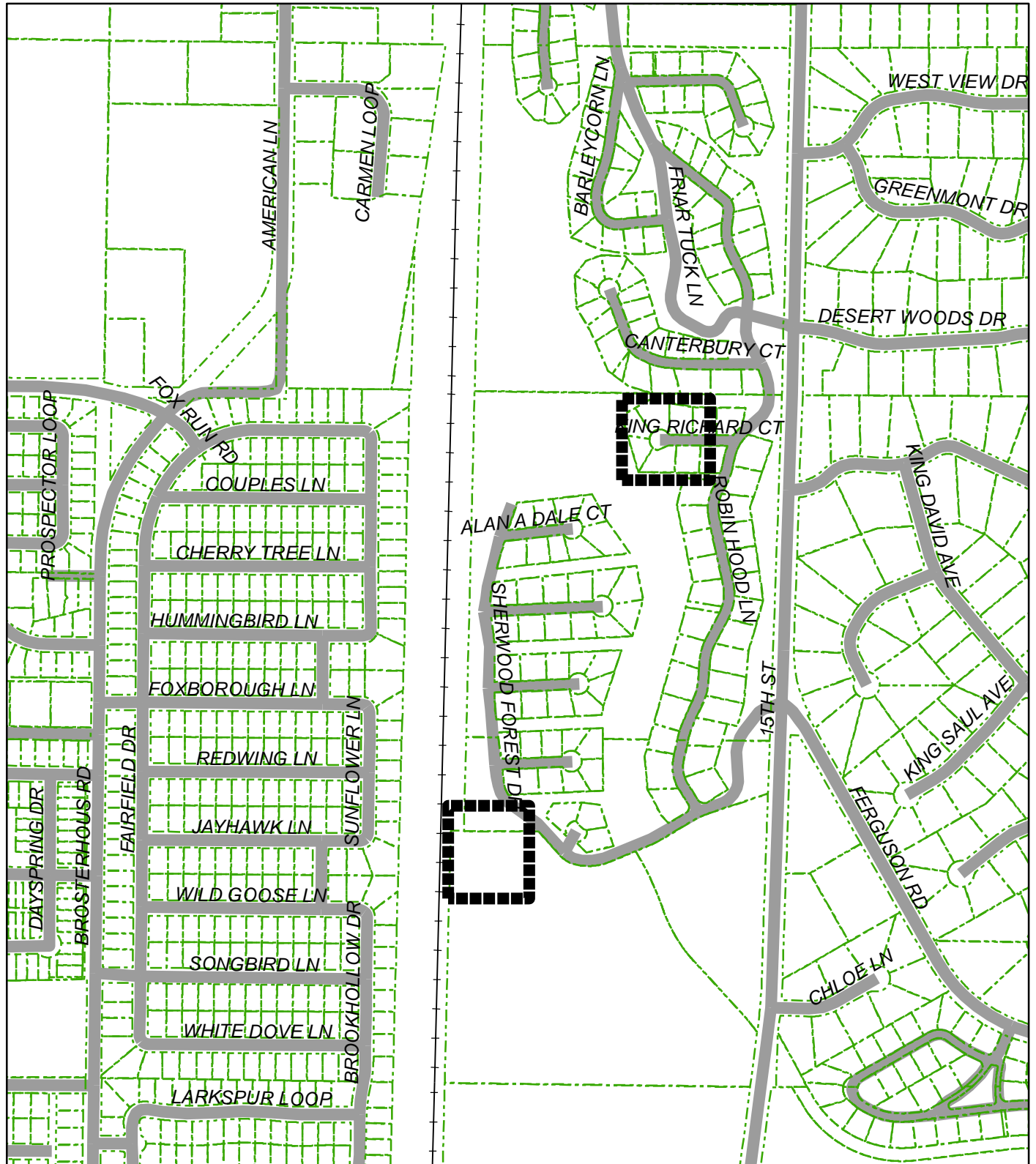
Budget	10,000
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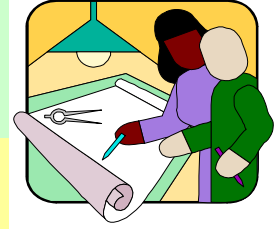
Method of Financing

Type	Amount
Sewer SDCs 40%	1,230,000
Sewer Rates 60%	1,845,000
Total	3,075,000



Collection Pump Station Upgrades & Expansion





Fund

Year:

Category

Priority Rating:

Department

Project Name:

WWCP Headworks Expansion (SW0601)

Project Description:

This project will replace the existing headworks at the wastewater treatment plant. The new headworks will have increased hydraulic capacity to convey future flows, new raw sewage screening equipment and provisions for future odor control facilities. The entire headworks facility will be enclosed

Need/Justification:

The existing headworks facility is reaching capacity. The flow channels are inadequate for peak flows, screening facilities and grit removal are becoming ineffective due to age, and portions of the building and equipment are corroding due to incomplete removal of corrosive and odorous gases released from the sewage.

Benefits:

In addition to providing increased capacity, the new headworks will provide a safer work environment for staff, more effectively remove rags and solids from the sewage flow, and control odors and corrosion.

Consequences of Delaying/Eliminating this Project:

Sewage overflows could occur if hydraulic capacity is not increased. Also, downstream treatment processes will be adversely affected if rag removal is not improved. Corrosion will continue if sewage gases are not controlled.

Project Related To:

Needed capacity and proper operation of the wastewater treatment plant.

Comments:

Preliminary design of this project is underway. Final design should be completed by November of 2006 and construction completed by the end of 2007.

Total 5 Year Cost

Cost Breakdown	
Consulting	900,000
ROW	
Construction	4,000,000
Legal	
Total	4,900,000

Cost Schedule

Prior to 2006/07	260,000
2006/07	2,490,000
2007/08	2,150,000
2008/09	
2009/10	
2010/11	
After 2010/11	
Total Cost	4,900,000

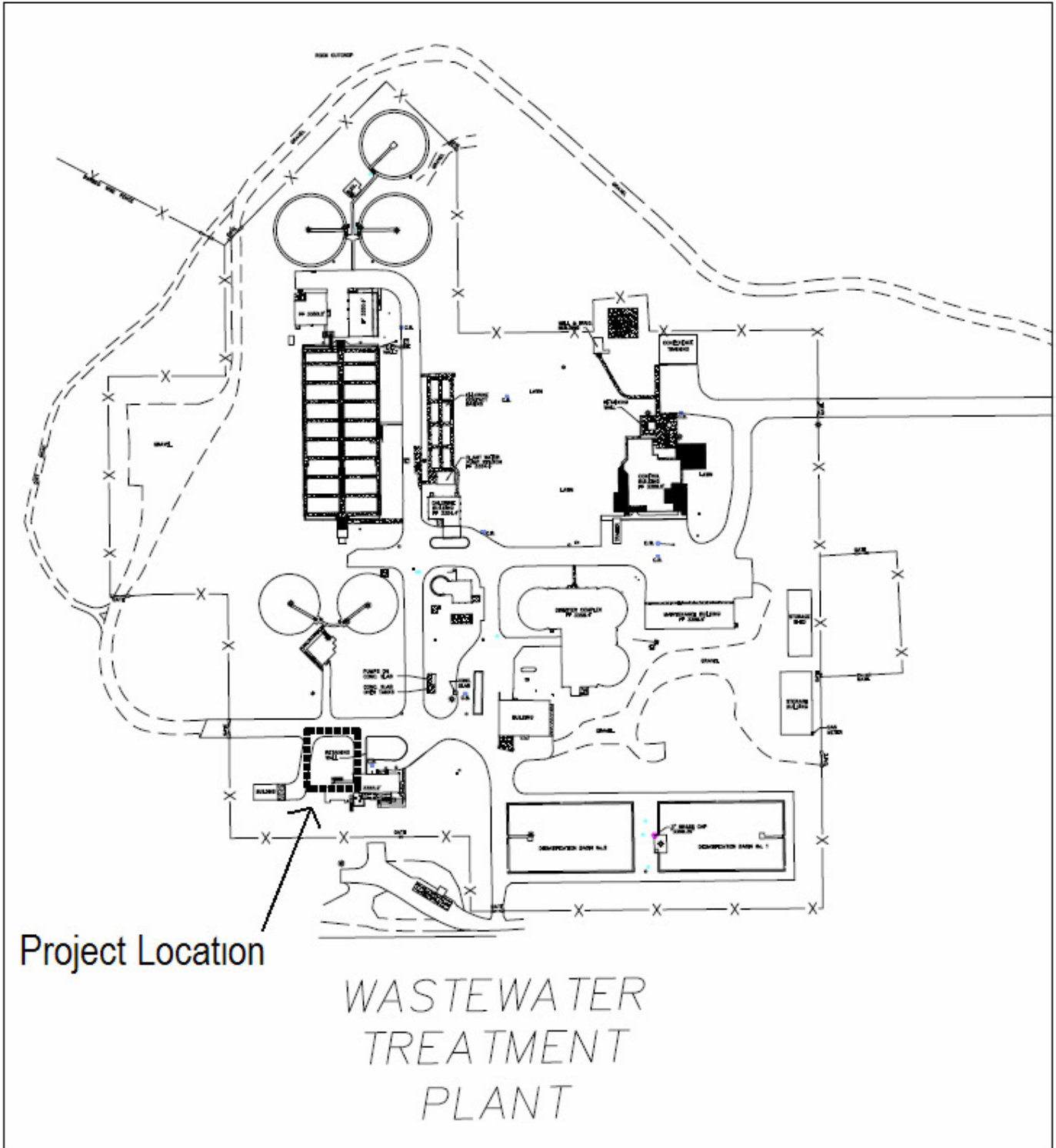
Impact on Annual Operating Budget	

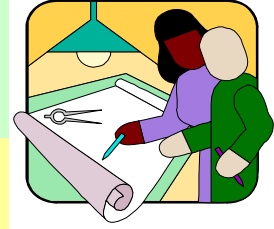
Method of Financing	
Type	Amount
Sewer SDCs 60%	2,940,000
Sewer Rates 40%	1,960,000
Total	4,900,000



WWCP Headworks Expansion

SW0601





Fund

Year:

Category

Priority Rating:

Department

Project Name:

Wyndemere Sewer Pump Station (SW0502)

Project Description:

Install new larger wet well, pumps, controls and maintenance access with the addition of standby power to increase reliability during a power failure. The pump station is being moved to an easement on the north side of Archi Briggs Road to enable the existing station to operate during construction, reduce conflicts between traffic and maintenance operations, reduce conflicts with existing utilities, and reduce visual impacts to the residential area.

Need/Justification:

Larger pumps and greater wet well capacity are required to convey projected sewage flows. Due to the proximity to the Deschutes River, it is prudent to install standby power to prevent an overflow to the river during an extended power failure. The pump station needs to be relocated away from a curve on a steep grade to improve the safety conditions for maintenance personnel.

Benefits:

Greater capacity, increased reliability and improved safety for operations and maintenance staff and the traveling public.

Consequences of Delaying/Eliminating this Project:

Inadequate pump station capacity to serve the projected number of residences in the service area, increased possibility of an overflow during a power failure, continued safety liability with traffic on a sharp curve with steep grade.

Project Related To:

Wyndemere Water Transmission Main.

Comments:

In an effort to minimize impacts on residents, design and construction of this project is being coordinated with installation of the new Wyndemere 12-inch water transmission main and future sidewalks and drainage improvements in the vicinity of the project.

Total 5 Year Cost

Cost Breakdown	
Consulting	70,000
ROW	75,000
Construction	495,000
Legal	10,000
Total	650,000

Cost Schedule

Prior to 2006/07	145,000
2006/07	505,000
2007/08	
2008/09	
2009/10	
2010/11	
After 2010/11	
Total Cost	650,000

Impact on Annual Operating

Budget	2,000
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Method of Financing

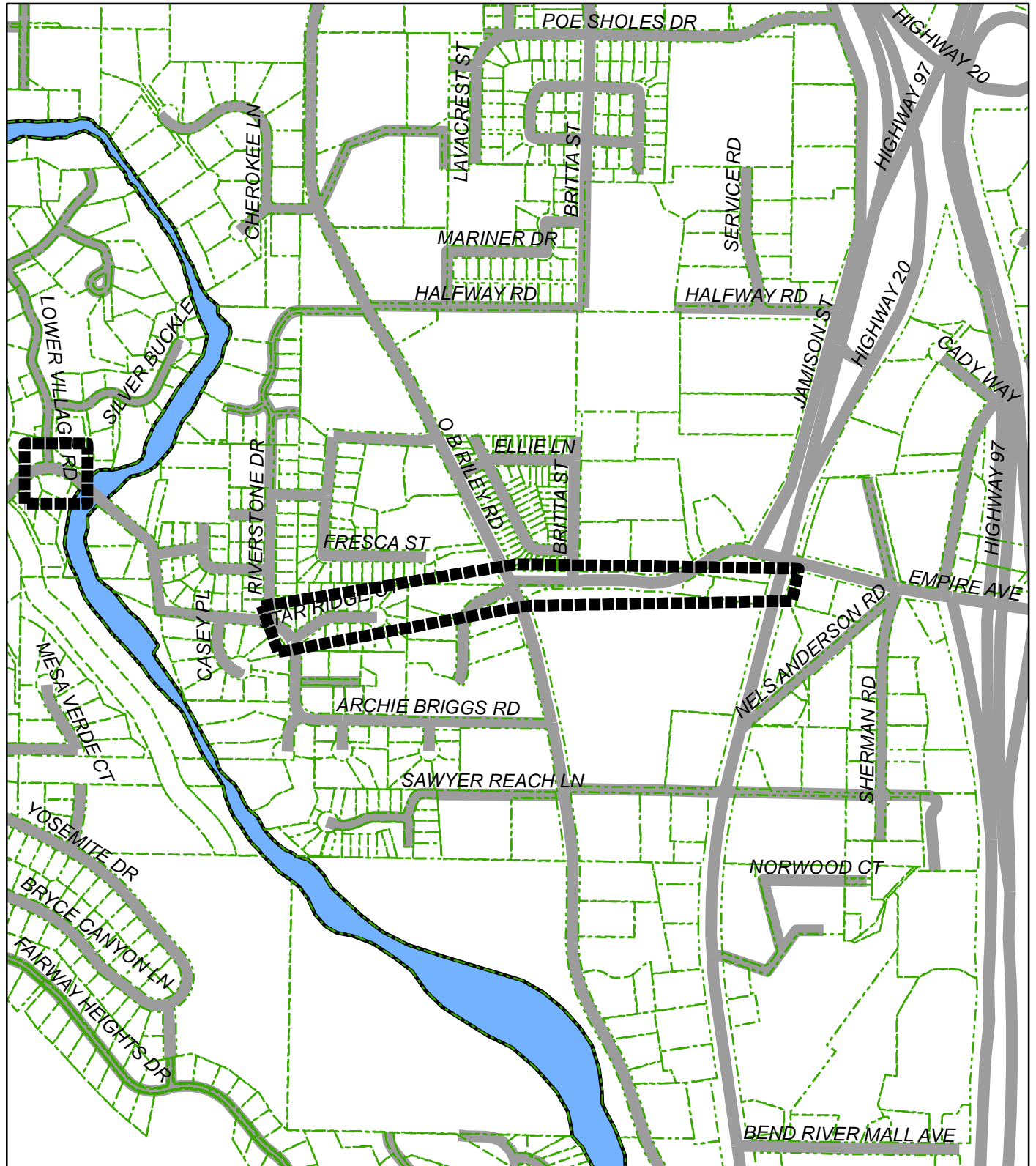
Type	Amount
Sewer SDCs 40%	260,000
Sewer Rates 60%	390,000
Total	650,000

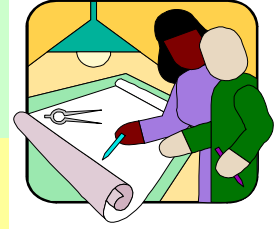


Wyndemere Sewer Pump Station

SW0502

North





Fund

Year:

Category

Priority Rating:

Department

Project Name:

Chlorine Disinfection System (Ammonia Feed System)

Project Description:

This project provides for the installation of an ammonia storage and feed system to add ammonia to the plant effluent prior to disinfection. The system includes a storage tank, pumps, piping and instrumentation and controls.

Need/Justification:

It has been determined that it is difficult to disinfect plant effluent to the required degree for Level IV reuse without sufficient residual ammonia in the effluent. This project provides for the addition of the required amount of ammonia to make disinfection efficient and reliable. The current ammonia feed system is temporary and inadequate for long-term safe and efficient use.

Benefits:

A permanent ammonia feed system will provide for safe and reliable operation and will include automatic controls to permit remote monitoring, alarming and adjustment by plant staff.

Consequences of Delaying/Eliminating this Project:

The current system requires manual operation which may cause an overdose, higher nitrogen concentrations and inability to meet Level IV reuse limits. A permanent system reduces risk by increasing reliability.

Project Related To:

Level IV reuse water production.

Comments:

It is anticipated that the project will be implemented during the Spring and early Summer of 2006.

Total 5 Year Cost

Cost Breakdown	
Consulting	15,000
ROW	
Construction	85,000
Legal	
Total	100,000

Cost Schedule

Prior to 2006/07	50,000
2006/07	50,000
2007/08	
2008/09	
2009/10	
2010/11	
After 2010/11	
Total Cost	100,000

Impact on Annual Operating

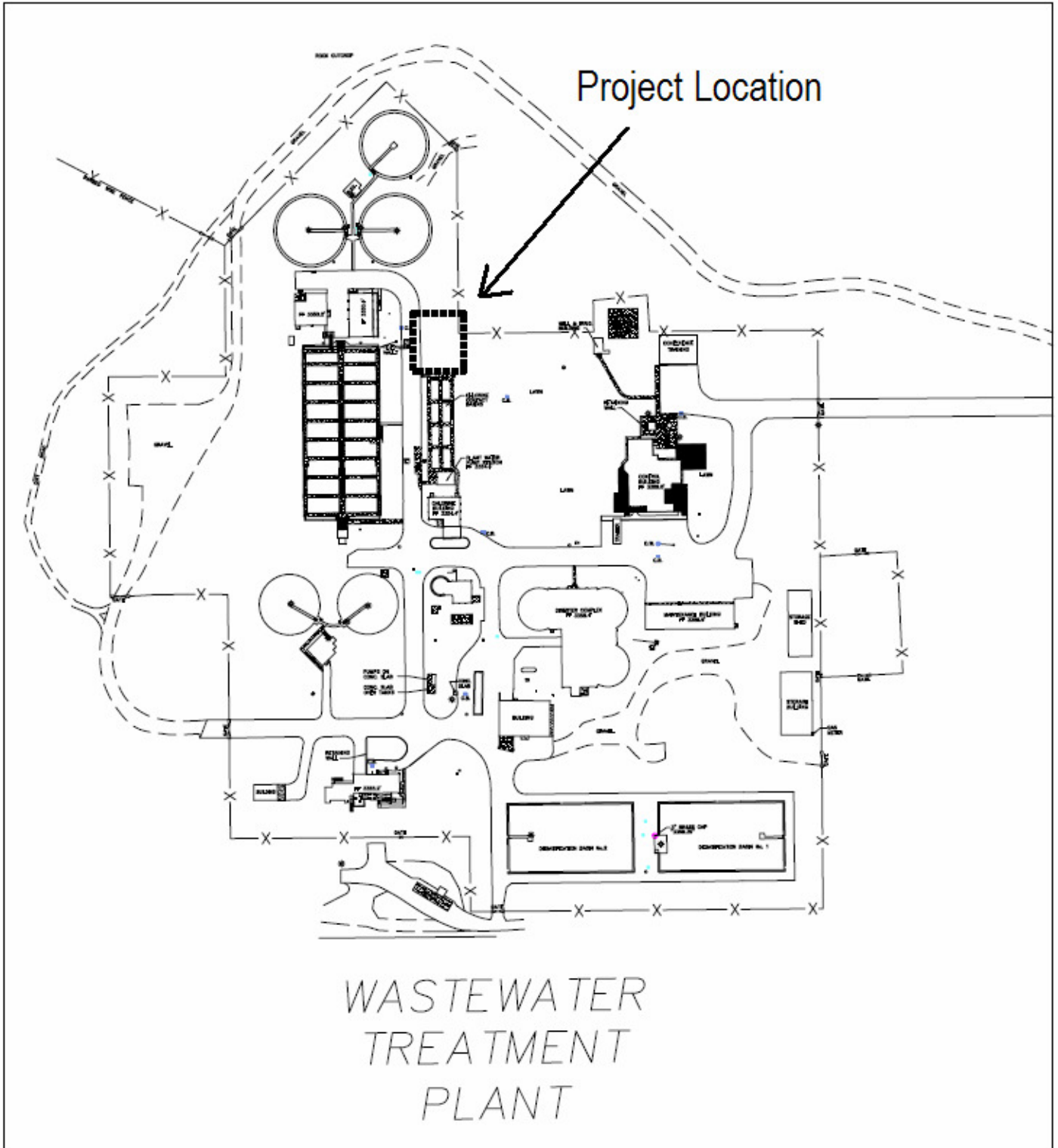
Budget	1,000
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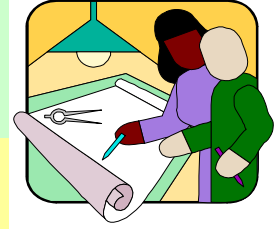
Method of Financing

Type	Amount
Sewer Rates/SDC's	100,000
Total	100,000



Chlorine Disinfection System (Ammonia Feed System)





Fund

Year:

Category

Priority Rating:

Department

Project Name:

Belt Press, Hopper, Solids (SW0515)

Project Description:

This project will provide the necessary ancillary support systems, dewatered solids storage hoppers, instrumentation and controls, and facility upgrades required as a result of the installation of the new belt filter press purchased in FY 04/05.

Need/Justification:

The new belt press dewatering system will provide the City with a more efficient and dependable means of dewatering residual solids generated during the wastewater treatment process. The proper treatment and handling of residual solids is a critical phase in a successful wastewater treatment system.

Benefits:

The new belt filter press and ancillary systems will allow the City to meet both present and future dewatering demands. The system will improve dewatering efficiency and reduce the need for hiring additional staff for operating and maintenance of this process.

Consequences of Delaying/Eliminating this Project:

Delaying or eliminating this project will have major operational and financial impacts on wastewater treatment. Liquid application of residuals would be required and this can be done only on a limited annual basis.

Project Related To:

Installation of belt filter press to replace an existing centrifuge dewatering system.

Comments:

Total 5 Year Cost

Cost Breakdown	
Consulting	255,000
ROW	
Construction	800,000
Legal	
Total	1,055,000

Cost Schedule

Prior to 2006/07	372,000
2006/07	683,000
2007/08	
2008/09	
2009/10	
2010/11	
After 2010/11	
Total Cost	1,055,000

Impact on Annual Operating

Budget	(5,000)
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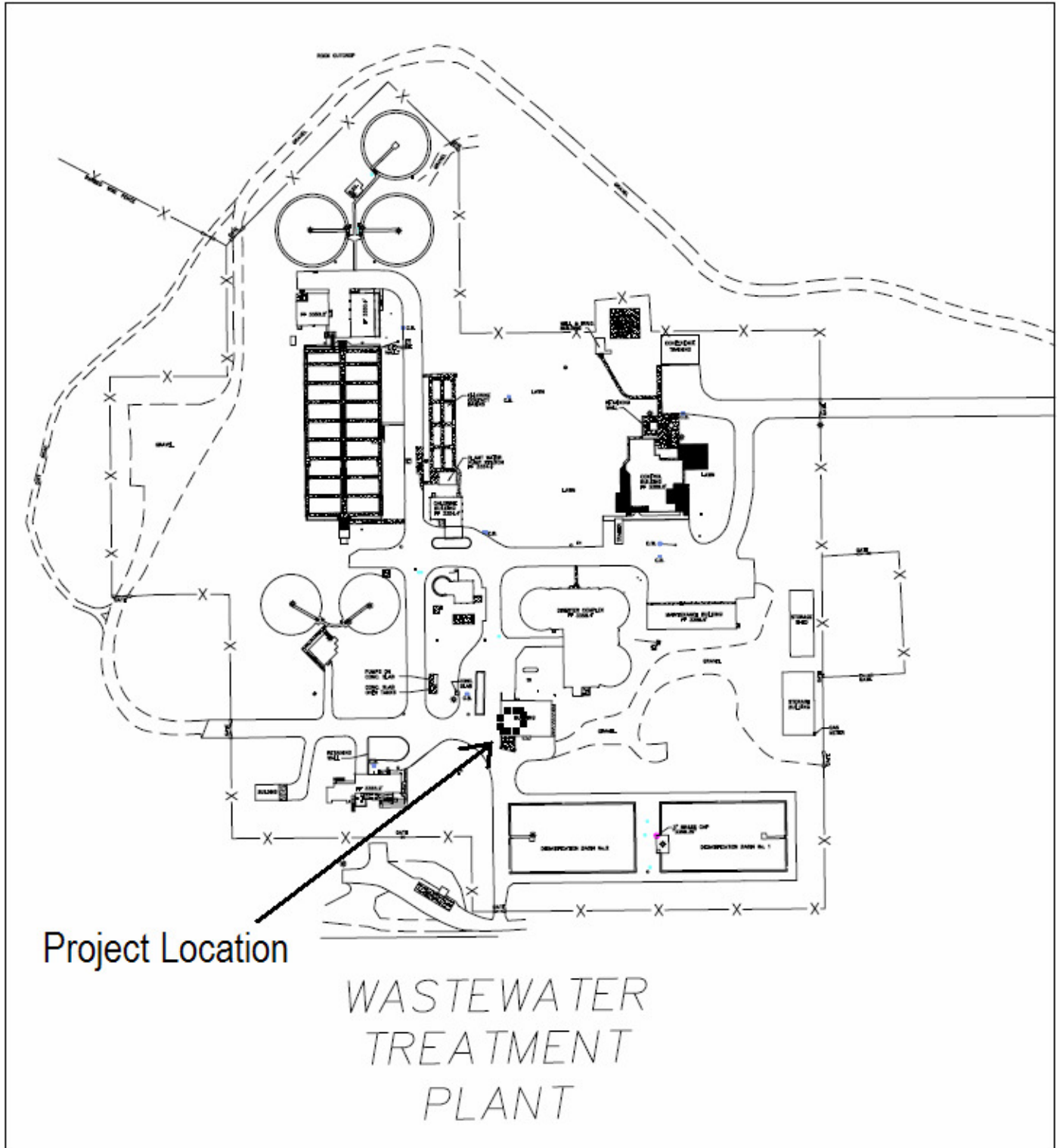
Method of Financing

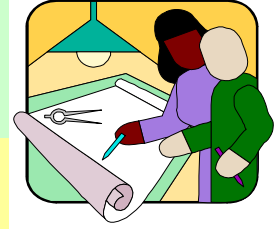
Type	Amount
Sewer SDCs 20%	210,000
Sewer Rates 80%	845,000
Total	1,055,000



Belt Press, Hopper, Solids

SW0515





Fund

Year:

Category

Priority Rating:

Department

Project Name:

Newport Ave. Bridge Sewer Replacement and Upsizing

Project Description:

This project provides for a new sewer line to be installed across the Newport Avenue Bridge currently under construction. The old sewer being replaced was an 8-inch sewer. The new sewer is 12-inch to provide for increased growth in the downtown area.

Need/Justification:

The existing sewer is being removed as part of demolition of the old bridge. The replacement sewer has been increased in size to accommodate additional growth.

Benefits:

Additional capacity can be provided at this time so that a costly parallel sewer across the bridge will never be necessary.

Consequences of Delaying/Eliminating this Project:

The replacement sewer must be installed as part of the bridge replacement project or service will be curtailed. It would be extremely expensive to provide additional capacity later.

Project Related To:

Newport Avenue bridge replacement project

Comments:

Total 5 Year Cost

Cost Breakdown	
Consulting	
ROW	
Construction	120,000
Legal	
Total	120,000

Cost Schedule

Prior to 2006/07	
2006/07	120,000
2007/08	
2008/09	
2009/10	
2010/11	
After 2010/11	
Total Cost	120,000

Impact on Annual Operating

Budget	Negligible
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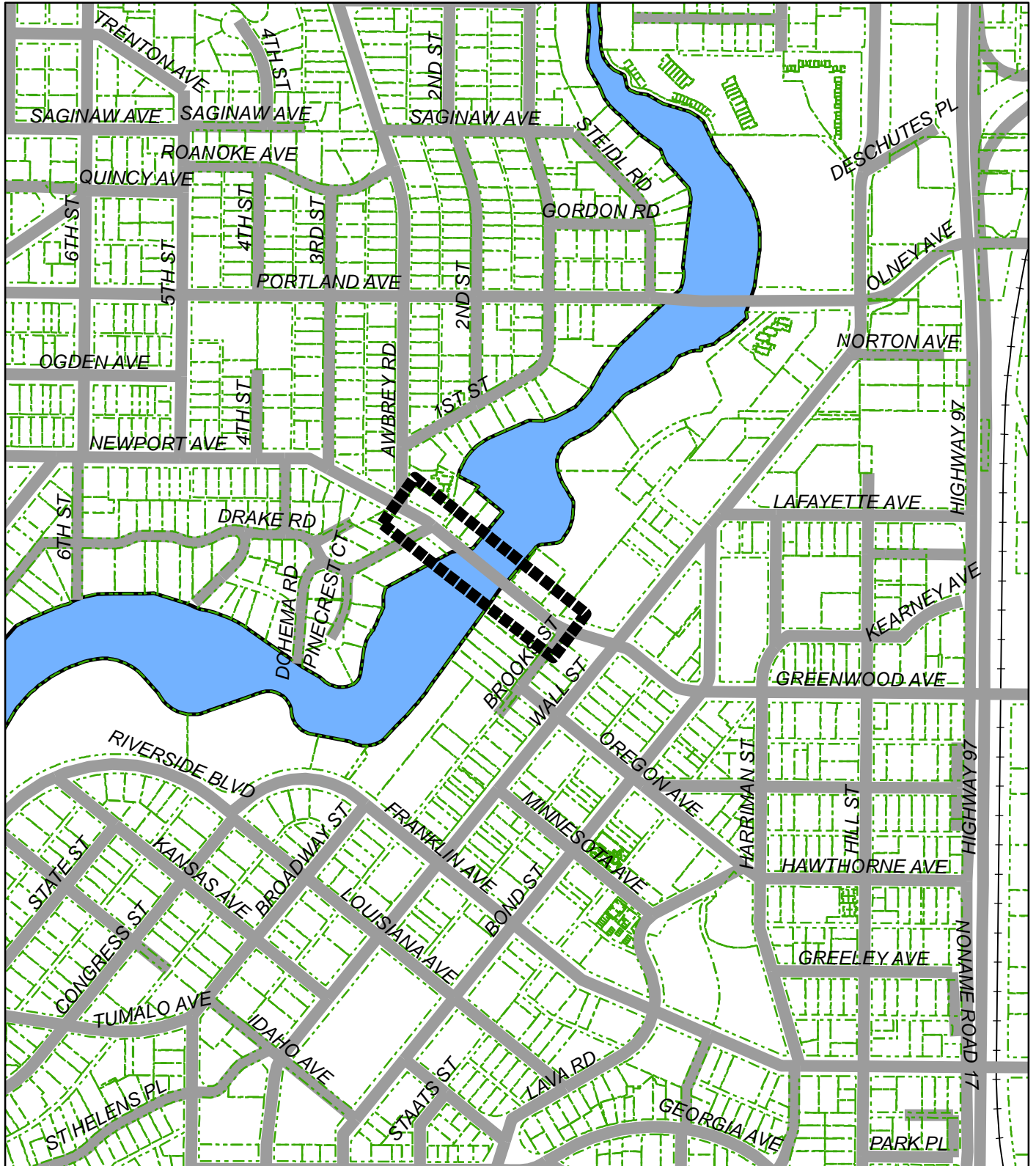
Method of Financing

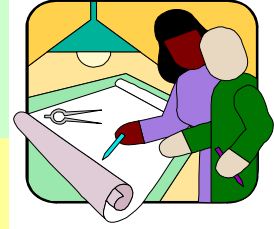
Type	Amount
Sewer Rates	60,000
Sewer SDCs	60,000
Total	120,000



Newport Ave Bridge Sewer Replacement and Upsizing

North





Fund

Year:

Category

Priority Rating:

Department

Project Name:

Secondary Expansion

Project Description:

This project would provide additional capacity to the secondary treatment processes at the Water Reclamation Plant. These processes are currently heavily loaded and must be expanded to ensure treatment reliability. The project would add an aeration basin, secondary clarifier, increased RAS pumping and secondary flow splitting.

Need/Justification:

A recent study concluded that the capacity of the secondary processes must be expanded soon to maintain the effluent quality necessary to comply with waste discharge requirements.

Benefits:

Capacity to serve increasing population.

Consequences of Delaying/Eliminating this Project:

Inability to consistently comply with waste discharge requirements as additional population is connected to the system.

Project Related To:

Comments:

Although this project is currently scheduled to begin in FY 06/07, it needs to be coordinated with preparation of the Facility Plan to confirm that it is consistent with anticipated long-term treatment requirements.

Total 5 Year Cost

Cost Breakdown	
Consulting	1,050,000
ROW	
Construction	5,300,000
Legal	
Total	6,350,000

Cost Schedule

Prior to 2006/07	
2006/07	700,000
2007/08	2,670,000
2008/09	2,980,000
2009/10	
2010/11	
After 2010/11	
Total Cost	6,350,000

Impact on Annual Operating

Budget

Method of Financing

Type	Amount
Sewer SDCs	6,350,000
Total	6,350,000

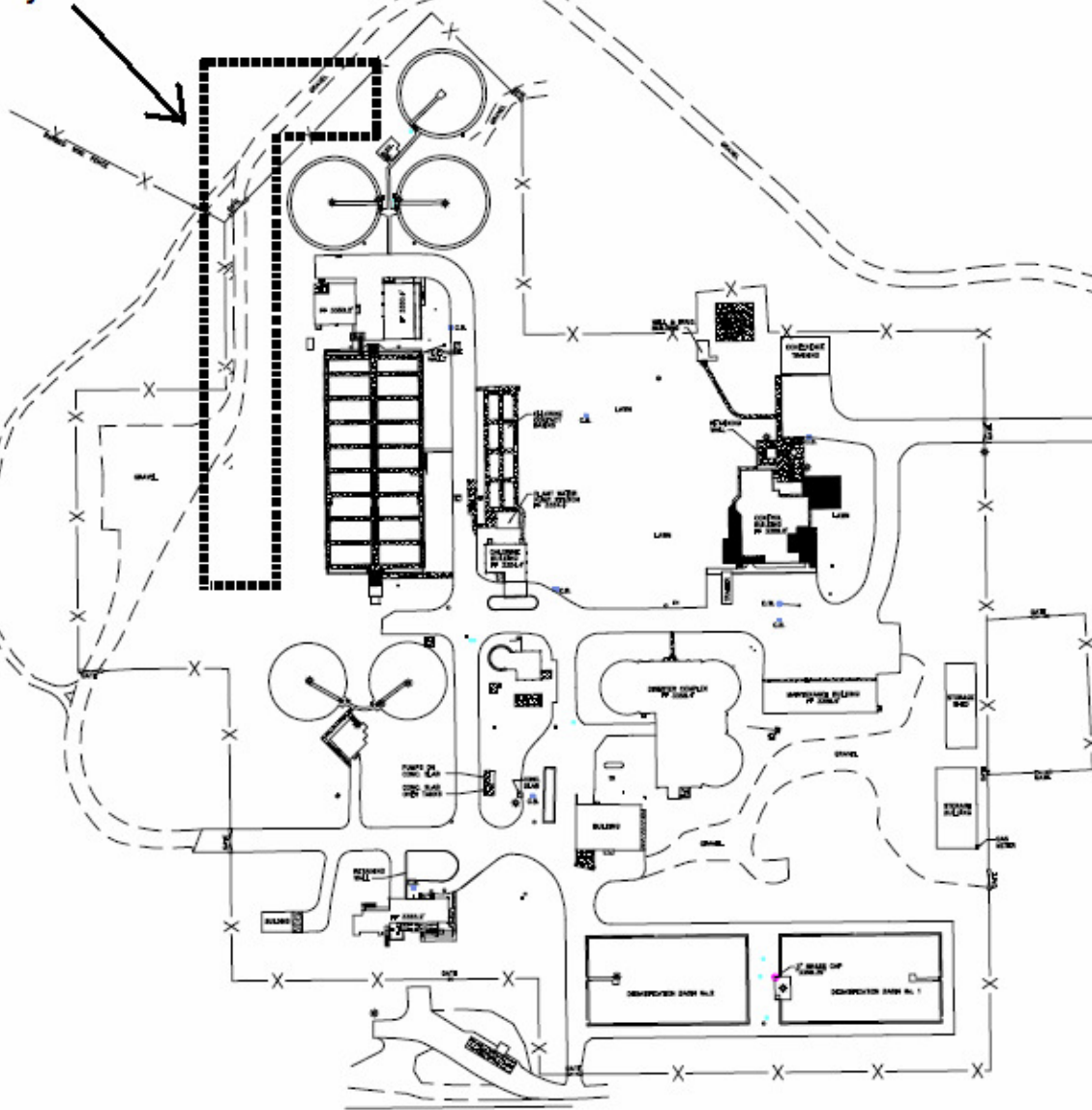


Secondary Expansion

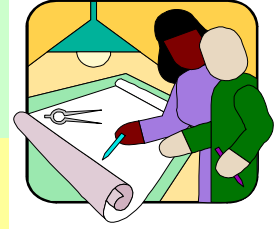
New Project



Project Location



WASTEWATER
TREATMENT
PLANT



Fund

Year:

Category

Priority Rating:

Department

Project Name:

Water Reclamation Facilities Plan

Project Description:

Development of a Facility Plan that addresses the treatment needs and regulatory requirements for the Water Reclamation Plant for the population projected through the year 2025.

Need/Justification:

Current loadings on the Water Reclamation Plant are approaching the capacity of many of the existing facilities. It is time to prepare a facility plan that identifies and addresses future regulatory and treatment requirements so the plant can be expanded in an orderly and efficient manner to serve the population projected through 2025.

Benefits:

A plan will be available to guide the future expansion of the plant to accomplish wastewater treatment, effluent disposal, and solids disposal in accordance with anticipated future regulatory requirements. The overall plan will address costs, environmental issues and other project implementation constraints.

Consequences of Delaying/Eliminating this Project:

A plan for guiding plant expansion in a well conceived and coordinated manner will not be available. Individual projects could be implemented inconsistent with long-term regulatory and capacity requirements.

Project Related To:

Comments:

Total 5 Year Cost

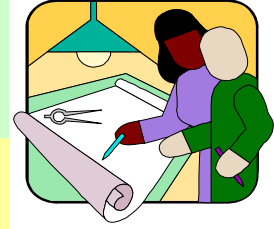
Cost Breakdown	
Consulting	450,000
ROW	
Construction	
Legal	
Total	450,000

Cost Schedule

Prior to 2006/07	
2006/07	450,000
2007/08	
2008/09	
2009/10	
2010/11	
After 2010/11	
Total Cost	450,000

Impact on Annual Operating Budget	
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Method of Financing	
Type	Amount
Sewer SDCs	450,000
Total	450,000



Fund

Year:

Category

Priority Rating:

Department

Project Name:

Interceptors, Trunk Sewers and Regional Pump Stations

Project Description:

This project provides for the implementation of recommendations anticipated to be included in the new Sewer Master Plan to be completed late this Spring or early Summer. The new Master Plan will recommend significant facilities to increase capacity of the collection system to serve future populations. Although this budget is preliminary pending completion of the report, it shows the relative magnitude of potential future costs.

Need/Justification:

New interceptor sewers, trunk lines and regional pump stations will be necessary to convey sewage from the population projected for the year 2030. A recently completed computer model of the existing collection system clearly shows that the existing system is inadequate to meet future needs.

Benefits:

Providing additional conveyance capacity will enable the City to continue to provide service as the community increases in population.

Consequences of Delaying/Eliminating this Project:

Inadequate sewage conveyance capacity to serve the expanding population.

Project Related To:

Update of the Sewer Master Plan.

Comments:

The master plan will include an alternative analysis to determine the most appropriate method of providing additional conveyance capacity. The budgets presented here are preliminary estimates of the cost required. The budgets will be updated after the report is completed, including a detailed implementation plan.

Total 5 Year Cost

Cost Breakdown	
Consulting	7,500,000
ROW	
Construction	60,600,000
Legal	
Total	68,100,000

Cost Schedule

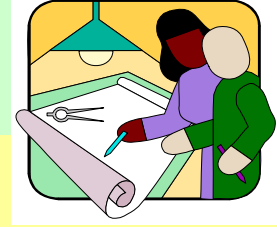
Prior to 2006/07	
2006/07	1,700,000
2007/08	9,200,000
2008/09	13,400,000
2009/10	24,800,000
2010/11	19,000,000
After 2010/11	
Total Cost	68,100,000

Impact on Annual Operating

Budget	To be determined
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Method of Financing

Type	Amount
Information is not yet available to determine how much will be funded by SDCs and how much by rates.	68,100,000
Total	68,100,000



Fund ▼

Year:

Category ▼

Priority Rating:

Department ▼

Project Name:

Drying Bed Expansion

Project Description:

Design and construct three new asphalt drying beds. These new drying beds will not require digester piping as was installed with the previous eight drying beds. Project also includes paving of the gravel roadway leading to the existing eight beds as well as the additional three to be constructed. The new drying beds will be constructed at the southern end of our existing drying bed area.

Need/Justification:

Influent loadings continue to increase with increased flows. New drying beds will improve our present and future solids drying capabilities.

Benefits:

The additional drying area will greatly benefit our solids treatment and disposal operations, especially during the long winter season when solar drying is minimal.

Consequences of Delaying/Eliminating this Project:

As flows and loads continue to increase, insufficient solids drying area will severely impact the final stage of solids processing and our ability to ultimately dispose of biosolids.

Project Related To:

Comments:

Total 5 Year Cost	
Cost Breakdown	
Consulting	15,000
ROW	
Construction	155,000
Legal	
Total	170,000

Cost Schedule	
Prior to 2006/07	
2006/07	170,000
2007/08	
2008/09	
2009/10	
2010/11	
After 2010/11	
Total Cost	170,000

Impact on Annual Operating Budget	

Method of Financing	
Type	Amount
Sewer SDCs	170,000
Total	170,000



Drying Bed Expansion

New Project



NORTH

