



CITY OF BEND

2023-25 Report

City Council Goals and How the Budget Works

**Building on our past.
Serving the present.
Shaping Bend's future.**



INTRODUCTION

About This Report

Bend is a sunny, thriving recreation mecca in Central Oregon that is home to about 103,000 people. It is a rapidly growing and changing community: Bend grew roughly 2.5% per year between 2010 and 2022.

The City government’s mission is to provide the right public services for the Bend way of life. At its foundation, City services include public safety (police and fire) and public works (water, sewer, streets) and community and economic development. As Bend has grown, so too have the services the community expects. City priorities also include increasing affordable housing and addressing homelessness, which require a partnership approach.

We work to nurture strong community partnerships, steward the natural environment and cultivate tomorrow’s economy. At the core of everything we work for is equity, inclusion and accessibility for all community members.

This two-year report highlights the City Council’s 2023-25 goals and the budget that supports all City services.

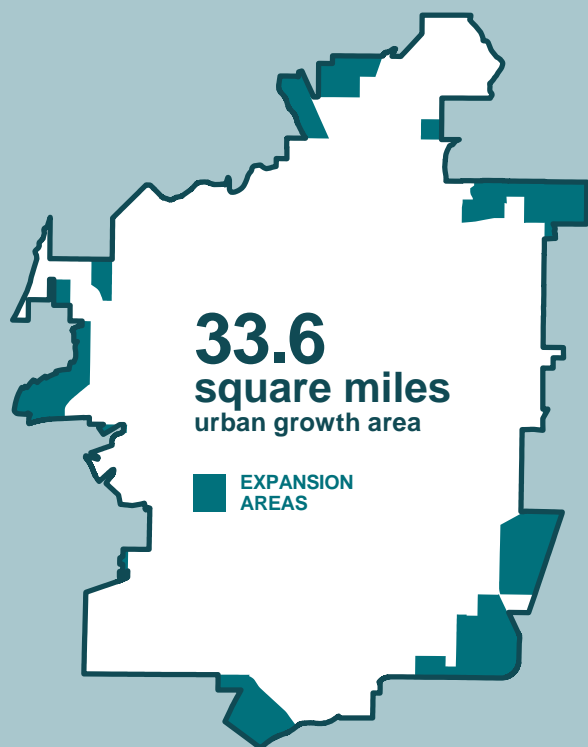


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Bend at a Glance

Bend is home to over 100,000 people



90,290 jobs

Bend's top 3 industries by employment:

16,240

Transportation,
Trade & Utilities

15,181

Education &
Health Services

13,225

Leisure &
Hospitality

\$89,900

Median income

41.2
Median age



17,533 students

19 primary schools / 7 middle schools
7 high schools / 2 charter schools
2 colleges/universities



27,000
water
customers



34,700
sewer
customers



37,610
stormwater
customers



The City maintains
880 lane miles



911 received
76,428 calls
in 2022



767

**City government
employees**

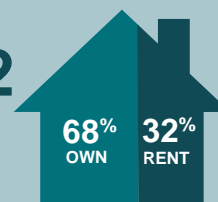
Top 3 departments:

1. Police 147
2. Fire 145
3. Utilities 112



44,620
households

47,882
housing
units*



Permanent tax rate:
\$2.80 per \$1,000

2023-25

Bend City Council

These elected policymakers volunteer time and dedicate energy to keeping Bend special and providing crucial services for people in Bend. The City Council's 2023-25 goals emphasize the need to ensure services and opportunities are equitable for everyone in Bend.



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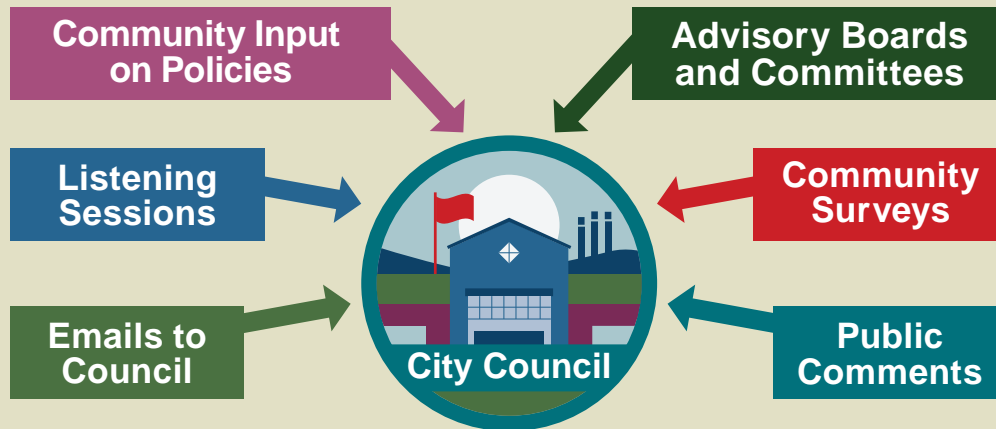


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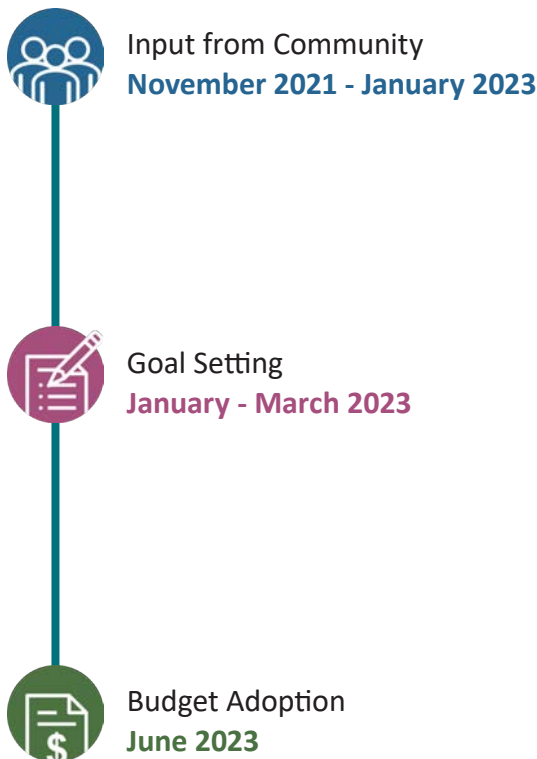
CITY COUNCIL

Goal Setting & Budget Development



City Council receives input from the community before developing two-year goals that drive the City’s work plan. Council Goals influence the budget so discretionary funds are spent on community priorities.

2023-25 Council Goals



Progress on and status of goals can be found online at:
bendoregon.gov/citycouncil



GOAL

Accessible & Effective City Government

Good governance is at the core of running the City efficiently, responsibly and inclusively. Modernizing and professionalizing government operations is a continual work in progress.

“We will help people be heard by their local government and show up for the Bend community in new and creative ways. We will support a healthy organization. We will consider our capacity and allocate our resources to facilitate thoughtful conversations with the community, with a focus on aligning core services with community needs.”

– Bend City Council



In 2023-25 We Plan To:

Develop programs to improve language access and to support community members who have experienced acts of discrimination

Engage new voices in new ways

Launch a neighborhood association block party trailer program

Build sustainable City facilities to meet the needs of a growing city

Create and implement an equity framework for decision-making



Over the Past Two Years, We:

Distributed more than \$14 million of American Rescue Plan Act funds with a focus on supporting vulnerable populations and stabilizing COVID's impact on City core services

Implemented process improvements and established metrics to monitor and report on permit turnaround times

Improved geographic representation on City Council boards, committees and commissions

Removed barriers to participation in City boards, commissions and committees by implementing a stipend program

“We want everyone to feel welcome and safe and will put that outcome at the center of our decision making and actions. Our engagement efforts will amplify the voices of historically excluded populations and work to ensure all groups have a seat at the table. We will apply an equity lens and consider the community of today and future generations with our actions and policies. We will strive for a Bend where everyone has a voice in decision making that leads to shared prosperity.”

– Bend City Council



GOAL

Affordable Housing & Sustainable Development

Housing costs have become an urgent concern in Bend. We want people of all incomes to have a place to call home. Affordable housing is a vital component in economic development.



In 2023-25 We Plan To:

Update growth plans ensuring Bend adheres to "complete neighborhood" concepts and meets needs for housing and jobs

Bring the Stevens Road Tract into the Urban Growth Boundary in SE Bend

Continue to improve permitting processes and review times to support housing and economic development

Use City-owned land at Juniper Ridge to increase industrial development and housing opportunities

Spur private development in the Core Area

Seek sustainable funding for shelter operations and increase affordable and middle-income housing

Promote new policies and procedures to create housing affordability at every level of the housing continuum



Over the Past Two Years, We:

Created policies and codes that helped shift development patterns to more multi-family, townhome, duplex and accessory dwelling units

Supported the creation of nearly 1,000 units of rent- and price-restricted housing

Supported 529 shelter beds for houseless individuals and families

Established a Navigation Center, a low-barrier shelter and service hub where guests can shelter from the elements and connect with service providers

Used a state grant to purchase a motel on Division Street as a permanent shelter site

Purchased a hotel on Franklin Avenue to use as temporary shelter

Modified City codes to allow for managed camps, shelters and other facilities to address homelessness

Over the past couple of years, the City leveraged federal American Rescue Plan Act funds to focus on those most vulnerable, allocating nearly \$8.3 million to the acquisition, renovation and operation of emergency shelters, community assistance grants and the needed staff to support these new programs.



GOAL

Transportation & Infrastructure

Infrastructure is the backbone of a community. We have been designing, building and maintaining a connected, multimodal transportation system so people can move around safely and efficiently. People can thrive in Bend because the City provides core services such as safe transportation options, award-winning drinking water and crucial sewer service.



In 2023-25 We Plan To:

Implement transportation programs and mobility initiatives in alignment with available funding

Pursue sustainable revenue sources that focus on maintenance and program needs

Build one connected and protected north-south and one east-west key pedestrian/bicyclist route, each with wayfinding signage

Leverage funding and partnerships to design and build a Midtown Crossing bicyclist and pedestrian overpass

Plan for growing utility needs including completing an in-conduit hydro feasibility study

Acquire land to expand the Outback Water Facility and build resiliency in the face of climate change

Complete long-range master planning efforts for sewer collection system and stormwater utilities



Over the Past Two Years, We:

Established a Transportation Bond Oversight Committee to oversee and help prioritize projects from the \$190 million bond approved by voters in November 2020

(Total spent in 2021-23 was \$120 million)

Completed the first two phases of Wilson Corridor Project, the first Transportation Bond project (\$18 million)

Completed other notable transportation and infrastructure projects, including:

- Midtown Pedestrian and Bicycle Crossings feasibility study (\$250,000)
- Newport Corridor stormwater, water, sewer and transportation improvements (\$30 million)
- Southwest Bend sewer improvements (\$6 million)
- Septic to Sewer improvements (\$32 million)
- Sewer pump station upgrades (\$5.5 million)
- Wastewater treatment plant improvements (\$13 million)
- Several Neighborhood Street Safety projects (\$1 million)



GOAL

Public Safety

People who live in Bend consistently rank public safety as a top priority, and Police and Fire services consume a majority of the General Fund in the budget. Both the Fire and Police departments have made improvements to respond to the increasing and changing natures of calls for service to create an environment where all community members feel safe accessing the services they need.

Faster response times mean more lives saved. Bend's cardiac arrest survival rates is one of the highest in the nation.



In 2023-25 We Plan To:

Maintain Fire/Emergency Medical Service response times and cardiac arrest survival rate

Develop long-term staffing strategies to improve employee retention efforts

Nurture partnerships to improve alternative response models that ensure the right response for the right situation

Advance local gun safety policies in alignment with state policy changes

Evaluate automated traffic enforcement to improve traffic safety

Expand technology to better meet community needs



Over the Past Two Years, We:

Revised the Police Chief’s Advisory Council, forming a 20-member committee from diverse backgrounds who provide input on police issues and are involved in hiring panels

Became the first agency in Oregon to use “SPIDR” technology that enhances community members’ experiences when calling 911 or the non-emergency line requesting police services

Supported a non-law enforcement response to individuals experiencing a mental health crisis by creating an agreement with Deschutes County Behavioral Health Mobile Crisis Assessment Team and through funding a Stabilization Center

Developed a camping code to regulate where, when and how people can sleep on public rights of way

Hired nine new firefighters to staff an additional Advanced Life Support engine

Replaced an aging ladder truck with a new state-of-the-art ladder truck to serve the City and Rural Fire District for the next 10 years

Maintained a Fire/EMS response time goal of about six minutes within the City of Bend, and nine minutes in the Rural District, and a 50% cardiac arrest survival rate

Won voters' support for an increased levy to maintain Bend Fire & Rescue’s response times amid increasing calls for service



GOAL

Environment & Climate

Surveys have shown that many people who choose to live in Bend do so for the access to the great outdoors and recreation. With this set of values often comes concern for the natural environment.

“We honor the people that came before us on these lands and acknowledge that the health of our community relies on the health of our environment. We will be stewards of our land, air, and water in accordance with our community’s values. To ensure a healthy environment, we will work to preserve access to nature, reduce our community’s carbon emissions, and support sustainable and smart growth.”

– Bend City Council




In 2023-25 We Plan To:

Update the Community Climate Action Plan to integrate new greenhouse gas reduction strategies

Develop new polices to support sustainable development that is responsive to community concerns, such as the Tree Code, auto dependent uses in commercial zones and natural gas

Implement conservation goals

Explore options for expanding the Water Reclamation Facility with a focus on environmental stewardship



Over the Past Two Years, We:

Completed an Electric Vehicle Readiness plan

Adopted a Home Energy Score Program

Continued to transition to more alternative fuel vehicles by adding all-electric utility trucks and including more than 30 hybrid police vehicles

Saved almost 7 million more gallons of water than the previous year through the City sprinkler inspection program



The Budget

Fiscal Stewardship is a City Council guiding principle.

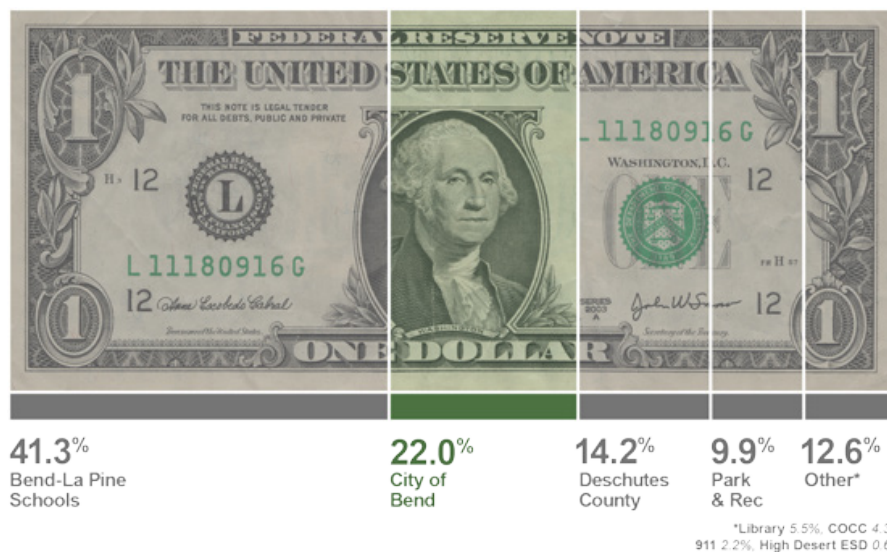
“We will be responsible and accountable for our City’s resources, carefully evaluating the short, medium and long-term impacts of our decisions.”

– Bend City Council

Property Taxes

People who live in Bend pay taxes and fees that allow City government to provide important community services.

About 22% of a property tax payment goes to the City. The rest goes to other entities including Bend-La Pine Schools, Deschutes County, the Bend Park and Recreation District and others.



Property tax rates cannot be increased without voter approval. Bend’s \$2.80 per \$1,000 of taxable assessed value tax rate has remained unchanged since 1981 and is significantly less than that of our peer cities.

The City is transparent about its budget and wants the community to know how it creates and manages its budget. Budget documents can be found at bendoregon.gov/budget

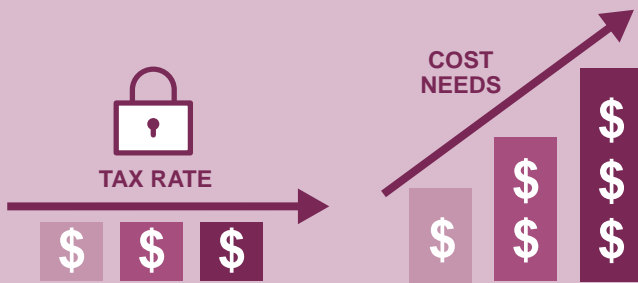
The 2023-25 budget reflects funding increases needed to keep operations at current service levels. The City is strategically targeting fees for specific priority needs. Public safety, transportation and housing are consistent community priorities. There are a few revenue options in the City's control that can help with those core service areas, including a fire levy, a possible transportation fee and permit fees.



"We recognize that these are tough economic times for many people, and the City shares some of the same challenges of increasing, inflationary costs," said Mayor Melanie Kebler. "While we are sensitive to these concerns, we also need to balance the needs and expectations of this fast-growing community."

Property tax revenues are limited by state law, and Bend has one of the lowest property tax rates in the state.

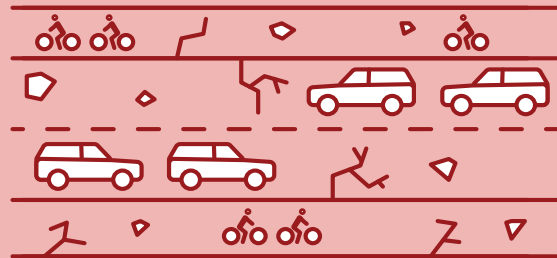
Legislatively cut-and-capped property tax growth has forced many jurisdictions in Oregon to use levies, bonds or other revenue sources to help fill funding gaps.



Transportation

A community-supported Transportation System Plan identifies transportation system needs and additional funding tools needed to implement it.

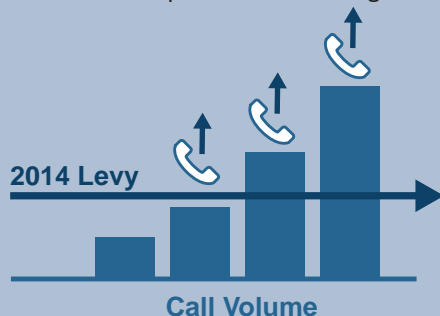
Because of declining state funding and limits to local funding, \$120 million in 20-year transportation system maintenance needs has no secure permanent funding source.



Bend Fire and Rescue

Growing call volumes can slow emergency response times without additional resources. The fire levy had not increased since 2014 but calls for service have increased 60%. By 2029, BF&R call volume expected to increase 38%.

Voters approved a 76 cent per \$1,000 of assessed property value fire levy on the May 2023 ballot to retain 10 and hire 10 staff to decrease response times through 2029.



Housing

System Development Charges (SDCs) allow development to pay for growth. New infrastructure is needed to support new housing. Transportation, Water and Sewer SDC methodologies all need updates.

Methodology updates aim to advance housing affordability while still providing sufficient revenue to fund needed infrastructure.





THE BUDGET

How We Do It



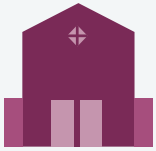
**What We
Are Doing**
*\$480.1 million total
operating revenue*

2023-25's \$1.3 billion budget includes City-wide operating revenues of \$480.1 million for this two-year period, debt proceeds, interfund transfers, one-time grant funding, and ending reserves from the prior fiscal year.

Operating funds are the revenue that pays for all the crucial core services the City provides. These services include:

1. Public safety (police and fire)
2. Community and economic development (planning for growth and ensuring building safety)
3. Public works (which includes water, sewer and stormwater service, transportation and mobility, and engineering and infrastructure planning)

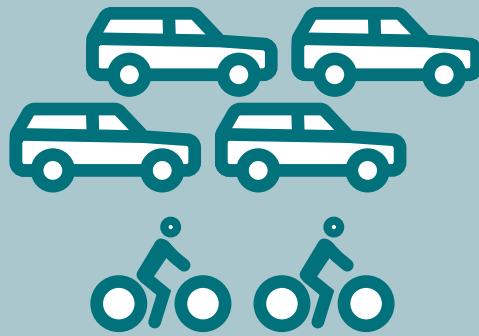
City Budget Breakdown



Here's how the City spends every \$100 locally.



\$16.42
Community &
Economic Development



\$23.36
Transportation
System Funding



\$35.05
Utility System Funding



\$25.17
Public Safety



Citywide Operating Revenues
2023-25 Biennium
\$480.1 Million

THE BUDGET

Designated, or Restricted Revenue

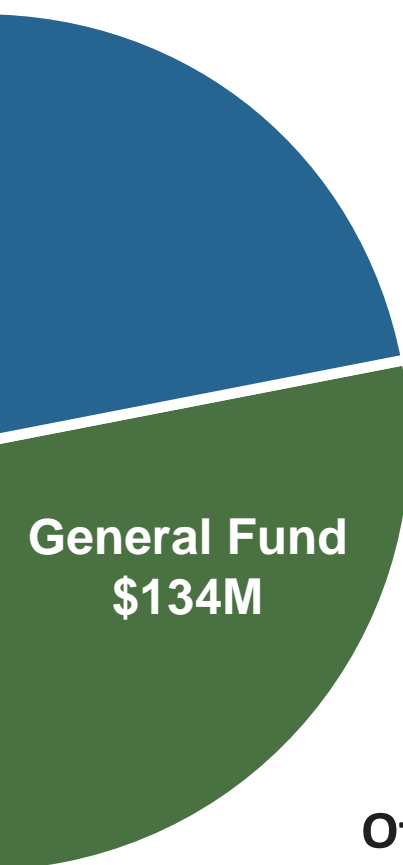
Of the \$480.1 million of City-wide operating revenues, a majority – about \$346.1 million - are what's known as restricted funds. These are designated for specific operations and programs. For example, the City can't use water fees to pay for fire trucks or police officers. The fees people pay for water can only be used for water-related expenses.

Water, sewer and stormwater services in the Utility Department, and planning and permitting in the Community and Economic Development Department, operate more like businesses; fees associated with the services provided in those areas cover the cost of doing business.

Restricted
Revenues
\$346.1M



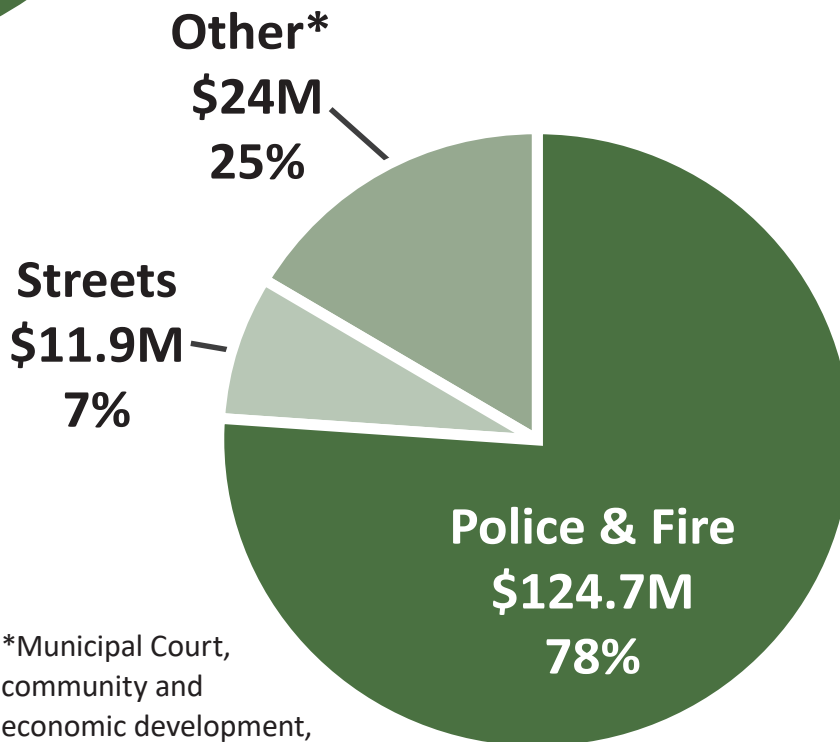
General Fund



Approximately a third of the total revenues that the City receives goes into the General Fund, known as “discretionary” funds. These are the funds influenced by City Council Goals.

Of the \$480.1 million of City-wide operating revenues, \$134 million is in the City’s General Fund. The General Fund mostly consists of property taxes. Assessed property tax revenues are expected to increase 5% per year. Property taxes and the General Fund primarily fund police, fire and street maintenance services.

While almost 80% of the General Fund pays for public safety, the General Fund is also where the Council and the Budget Committee have the most discretion for funding priorities.



General Fund Expenditures \$160.6 Million

\$160.6 Million represents General Fund revenues plus additional revenues including:

- Land sales
- One-time revenues (grants)
- Internal loan repayments
- Unspent funds from prior year

*Municipal Court, community and economic development, other operations, Council directed funds, year end loans and more.



THE BUDGET

Some Budget Highlights



Projects

The largest portion of the budget is for planned investments in infrastructure, including projects improving water, sewer, stormwater and transportation infrastructure. Examples include improvements to the Wilson Corridor, the intersection at Neff and Purcell and replacement of the Awbrey Butte Waterline Distribution system, among many others.



People

Personnel expenses, which include salary and benefit costs for City employees, represent the second-largest category of spending in the budget. The 2023-2025 budget reflects limited increases in the City's workforce with the addition of 30 new staff (an approximately 4% increase over the biennium) with most of those in the public safety and infrastructure core service areas.



Transportation

The proposed budget also includes the issuance of \$64 million in long-term debt for the second series of General Obligation Bond projects approved by voters, which have been reviewed and prioritized by the Transportation Bond Oversight Committee.

Fire & Rescue

In May 2023, Bend voters approved an increase and renewal of the fire levy to maintain Bend Fire & Rescue staffing and response times. The fire levy has not increased since 2014, but calls for service have increased 60%. Thank you, voters!



CITY OF BEND In Closing

*“Bend is a high-performing City,”
– City Manager Eric King*

“Once again, Bend ranked among the top five “Best-Performing Small Cities” in the Milken Institute Research’s report, Best-Performing Cities 2023: Thriving in a Changing Economic Landscape. We have a strong and continually diversifying economy. Our community members have access to essential services that

allow them to take care of their lives, families and jobs. We have a beautiful city with a strong quality of life that draws visitors and newcomers here every day.

A growing community like Bend will always bring a certain number of challenges, with funding being among them. These challenges also tell the story of a community asking its leaders to not only preserve what

makes Bend great, but to ensure it is better for generations to come. This proposed budget reflects Council’s goals and strategies for the 2023-2025 biennium, and makes great strides to serve everyone equitably, create a more connected community and preserve Bend’s character as we grow.”



This budget reflects the City's commitment to providing essential services to the community within the City Council's guiding principles of Equity, Inclusive Leadership, Fiscal Stewardship, Governance and Partnership.

– City Manager Eric King

CITY HALL

710





SERVING BEND



CITY OF BEND

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Accommodation Information for People with Disabilities

To obtain this information in an alternate format such as Braille, large print, electronic formats, etc. please contact the Communications Department at communications@bendoregon.gov or (541) 388-5573; Relay Users Dial 7-1-1.