



City of Bend and Bend Urban Renewal Agency (BURA)

2023-2025 Adopted Biennial Budget

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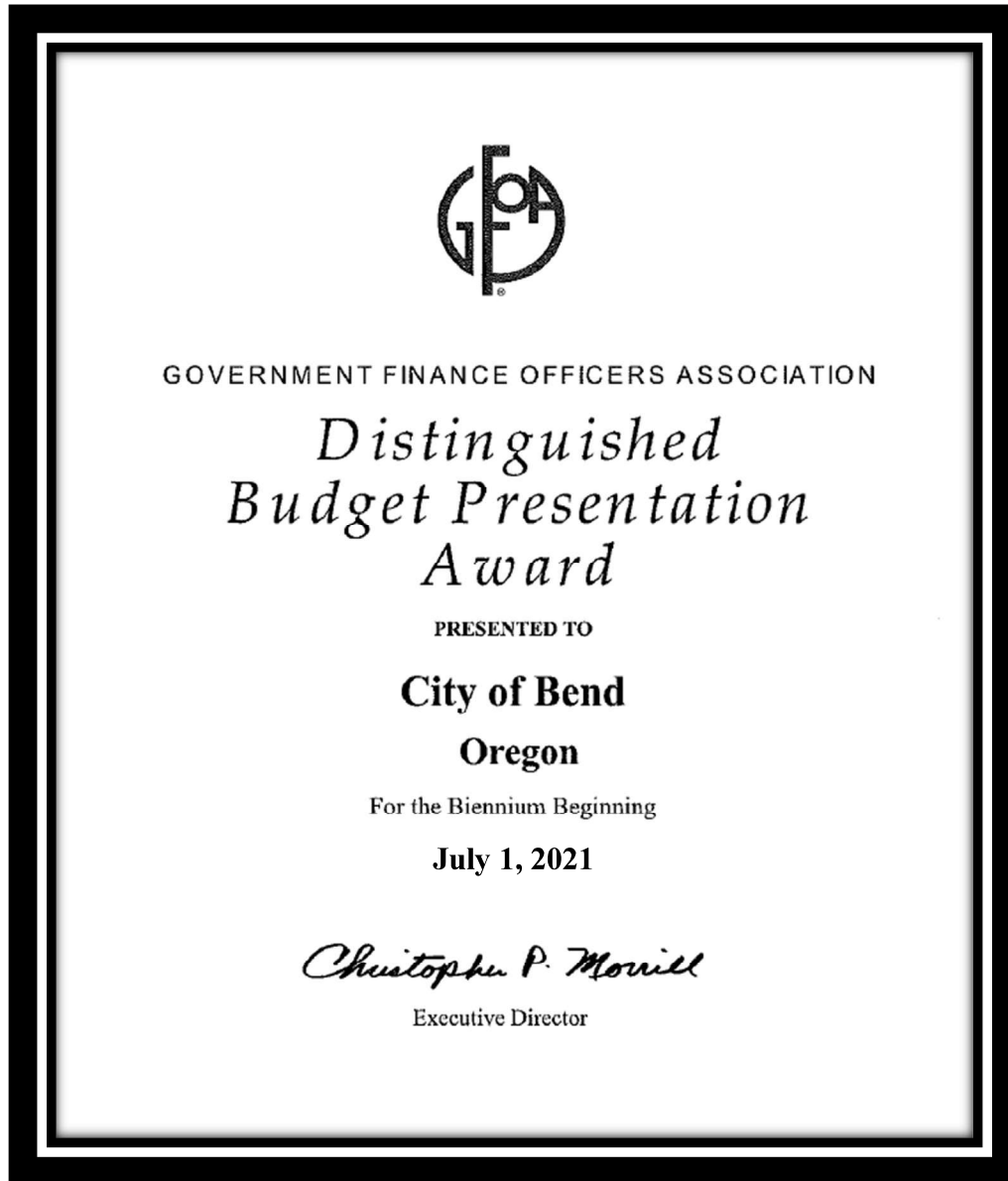
Additional information and documentation can be found on the City of Bend Finance Department website:
<https://www.bendoregon.gov/government/departments/finance>



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.

GFOA Distinguished Budget Presentation Award



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 biennial budget for the biennium beginning July 1, 2021. 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 communications device.

The award is valid for a period of two years 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.

Reader's Guide

Budget Document users have a wide variety of backgrounds including City staff, City Councilors, Budget Committee members, community members, and financial market experts. The information in the biennial budget is designed to provide a wide variety of data about the City to many different users. The budget can be grouped into one of four main areas to facilitate an understanding of what services the City plans to provide with its resources for the next biennium period.

1. **A Policy Document:** The City's biennial budget addresses two primary kinds of policies: policies that are under development (usually stated as goals to be accomplished) that may change how the City operates in the future, and policies that are already in place. The City Manager's Budget Message, found at the beginning of the document, provides the background, sets the stage for the specific work plan that will be accomplished during the coming budget period, and identifies the policy issues that are important in the community as identified by the City Council through their goal setting process. Each budget narrative will discuss how the 2023-2025 budget reflects implementation of Council's goals and policy direction set forth by the City Council.

2. **A Financial Plan:** The Budget Document is foremost a financial plan, providing a numerical road map that matches resources available with the spending priorities established through policy direction and goals established by the City Council.

a. **The Budget by Service Area:** The budget document is organized into 5 Service Areas: General Fund, Public Safety, Infrastructure, Community & Economic Development, and Administration & Central Services. A financial summary by service area can be found at the beginning of the Financial Section. This document provides a brief summary of the more detailed financial data found later in the budget document. The beginning of each Adopted Budget section also indicates the funds included in each service area.

b. **The Budget by Fund:** Summaries of the City's adopted budget by fund can be found in the Adopted Budgets section. Like other government entities, the City uses a fund structure as the primary method of accounting for financial operations. A fund can be thought of as a "business", with all revenues in the fund specifically associated with the expenditures in the fund. In most cases, there is a legal restriction on the use of the revenue in a fund. The General Fund is used as a "catch-all" fund, and is specifically defined as the fund used to account for the discretionary/non-restricted revenues of the City.

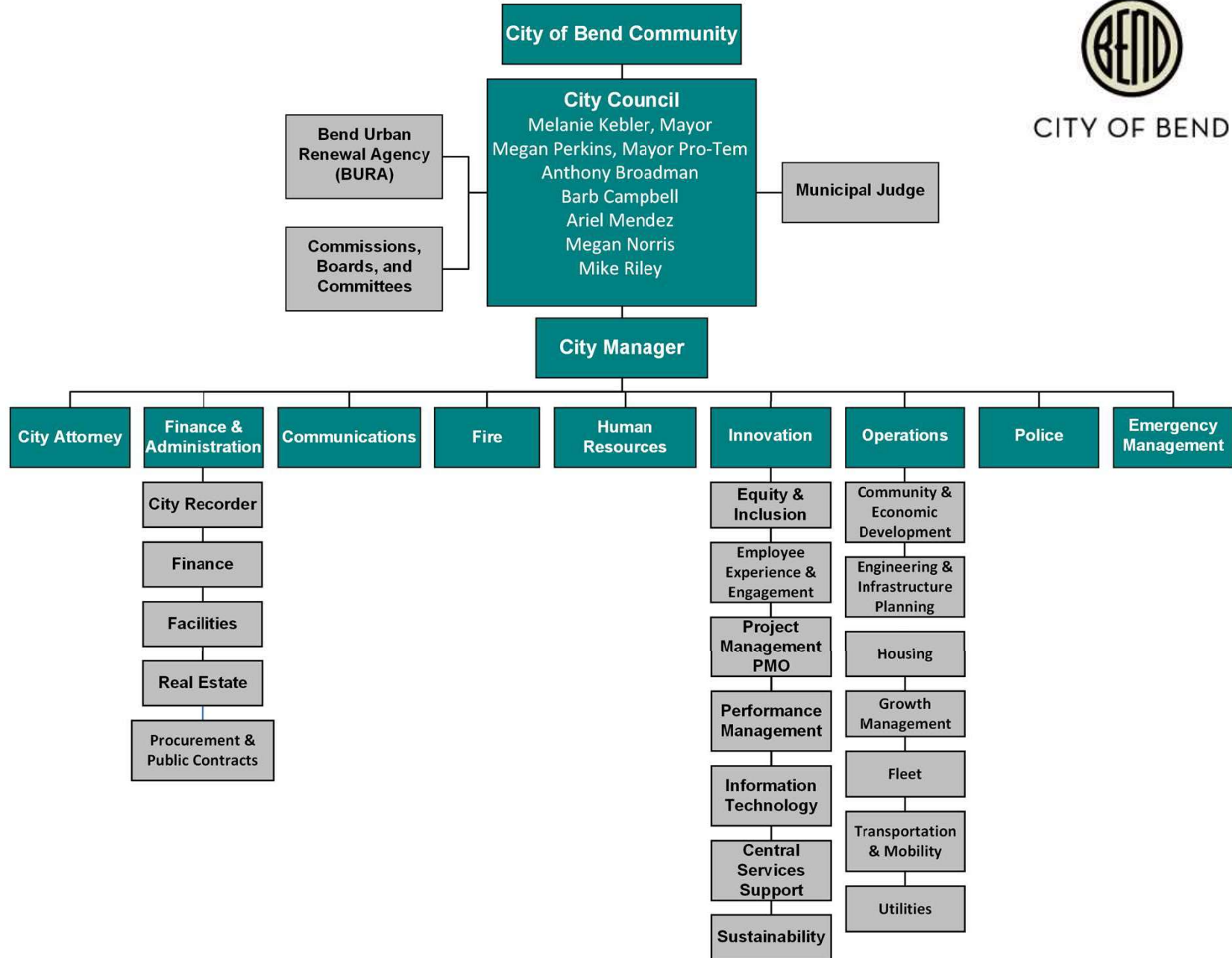
Presentation of budgeted expenditures is consistent with Oregon Budget Law and the format in which the City Council will adopt the final biennial budget: The "program" summary includes personnel costs, materials & services, and capital expenditures for the service area associated with each fund; debt service, interfund/interagency transfers, contingency and reserves are presented and adopted separately.

3. **An Operations Guide:** The City's operations are defined through the budget document in each program's narrative discussions. At the beginning of every service area section is a page showing the

organizational structure within that service area. After every budget presentation by fund is a narrative for that program detailing major accomplishments for the prior biennial period, key objectives, goals and any significant changes for the upcoming biennial period. The Budget Message also ties operational services and initiatives back to community member needs and Council goals. The budget document as a whole is used by staff operationally as both a guide for the work plan to be accomplished and as a reference tool, serving as a comprehensive source of historical information and projections based on current assumptions.

4. A Communications Device: The City's biennial budget provides information about the priorities the City Council has set to be accomplished during the next two fiscal years, but it also includes information about the day-to-day activities the City performs. The City Manager's Budget Message provides a concise discussion of the major priorities of the City; the financial and program information included in the Adopted Budget section provides more detailed information about the budget for the major priorities, but also provides a considerable amount of information about the day-to-day activities and the resources required to meet service demands.

City of Bend Organizational Chart



**2023-2025 Proposed Biennial Budget
City Manager's Budget Message
May 3, 2023**

To the City of Bend and Bend Urban Renewal Agency Budget Committee:

It is my honor to present the Proposed Biennial Budget for the 2023-2025 biennium. 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.

Financial Overview

Development of the 2023-2025 biennial budget reflects revenue pressures associated with modest revenue growth forecasts and headwinds associated with a potentially slowing economy. Coupled with pressures on expenses, there is an imbalance of money coming in versus money going out across most funds. Without additional revenue or funding increases, annual operating revenues are projected to increase 3.4% and 5.7% for each year of the biennium, which are not sufficient to keep up with rising costs. The proposed budget reflects funding increases that are needed to keep operations at current service levels.

Many of the budget challenges relate to the City's low property tax rate. Property taxes represent the majority of General Fund revenues. The City's permanent tax rate of \$2.80 per \$1,000 of taxable assessed value (TAV) is significantly less than that of our peer cities, and Measures 5 and 50 approved by Oregon voters in the 1990's restrict the City's ability to increase the permanent rate. Property taxes, including new construction, are assessed on TAV which is significantly lower than market value and is limited to annual increases of 3%. These restrictions, along with limitations on the City's ability to quickly increase other General Fund revenues such as room taxes and franchise fees, have created a structural funding challenge in the General Fund. Consistent with previous budgets, roughly 78% of the General Fund is used to fund public safety, and this structural challenge directly impacts their ability to keep pace with the changing needs of the community. If the fire levy measure passes, the General Fund support for the Fire Department will not change.¹

To mitigate the impact of funding increases on the community, the City plans to draw down its reserve and contingency levels. The City has also limited any increases in staffing during the biennium to areas where it is needed to keep pace with community growth and needs, primarily in public safety and utilities.

Expenditures

Proposed investments in infrastructure reflect the largest portion of proposed budget expenditures. Many of the projects outlined in the Capital Improvement Program (CIP) are complex, multi-year projects involving improvements to water, water reclamation (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. To use revenues responsibly, the City of Bend looks for opportunities to align multiple projects to achieve

¹ On May 16, 2023, voters approved the new fire levy.

economies of scale and lessen the impacts to the community. As an example, the Neff and Purcell Improvements Project includes replacing stormwater, water, water reclamation and street facilities versus just focusing on one piece of infrastructure.

Increasing project costs driven by inflation, coupled with a slowdown in development activity, which provides some of the funding for infrastructure projects, has necessitated that the City adjust the timing of projects in the 5-year CIP to match the funding available. The 5-year CIP includes total infrastructure investments of \$545 million with \$276 million programmed in the 2023-2025 biennium and represents a balance of the needs of the City with the funding available. To achieve this level of infrastructure spending, the City will leverage fee and rate increases to issue long-term debt for most of these projects to ensure the community today and future generations equally share in paying for investment and replacement of aging infrastructure, facilities, and equipment. The proposed budget also includes the issuance of \$64 million in long term debt for the second series of General Obligation Bond projects, which have been reviewed and prioritized by the Transportation Bond Oversight Committee.

Personnel services expenses, which include salary and benefit costs for City employees, represent the second largest category of spending in the proposed budget. In 2022, the City made an investment in its current workforce with wage increases of approximately 10% which reflect inflationary pressures consistent with the broader economy. The 2023-2025 budget reflects limited increases in the City's workforce with the addition of 28 new staff, with most of those in the public safety and infrastructure core service areas.

Revenues

The \$1.29 billion biennial budget includes all operating revenues for the biennium (\$480.1 million), as well as debt proceeds, interfund transfers, sales from City-owned land in Juniper Ridge, one-time grant funding and ending reserves from the prior fiscal year. Of the \$480.1 million of City-wide operating revenues, \$136.1 million is in the City's General Fund.

Key revenue drivers include anticipated increases in tax assessed property value of 5% for each year of the biennium. Property taxes primarily fund police, fire, and street maintenance services. In the May 2023 election, voters will have the opportunity to consider a five-year local option levy which would provide funding for fire and emergency medical services. If the measure passes, it would cost property owners \$0.76 per \$1000 of assessed property value. At the time of budget development, the outcome of the May election is unknown. The proposed budget assumes that the measure passes.

Additional revenue drivers include projected flat room tax revenues in 2023-2024, and a 5% increase in tourism activity in the second year of the biennium. Franchise fee revenues are projected to be flat in the first year of the biennium, with minimal increases of 1.4% in 2024-2025, which is in line with the forecasted increase in population growth.

Rate increases are proposed for water utilities (2.5% for sewer, 3.8% for water and 7% for stormwater), to keep pace with existing infrastructure deficiencies and future needs. Based on the outcome of an external fee study, development revenues for building, planning and private development engineering reflect respective fee increases. Although the printed budget includes proposed development fee increases ranging from 10-30%, as well as an increase of the long range planning surcharge, current discussions are taking place with a group of stakeholders to phase in the increases over time, and

eliminate the increase of the long range planning fee. More information about the proposed increases will be shared during budget deliberations later this month. These increases are needed to support staffing levels necessary to maintain permit turnaround times and maintain reserves to ensure sustainable staffing levels into the future. Development activity is projected to remain the same in fiscal year 2023-2024 and increase 2.3% in fiscal year 2024-2025. There is also a projected increase in the Commercial & Industrial Construction Tax (also referred to as the Commercial Excise Tax) from 0.33% of building permit valuation for qualified projects, to 1.2% of valuation.

The Streets & Operations budget reflects revenues from a new transportation fee or other revenue source which is needed to maintain current levels of service. At the time the budget was developed, City Council was evaluating the scope of services and programs to be funded with a transportation fee or other revenue source, the public engagement approach and timeframe of how quickly to implement a new revenue source. At the time the budget was prepared, those decisions had not been made and the budget reflects a revenue placeholder pending implementation of additional revenues.

One of the key areas of focus for the upcoming 2023-2025 biennium is securing permanent, long-term funding for shelter operations. There are no General Fund revenues available to support shelter operations; service continuity is reliant on state and federal revenues. The City continues to work collaboratively with local and state partners to establish stable funding for operations and maintenance of the three shelter facilities purchased during the current 2021-2023 biennium.

Contingency and Reserves

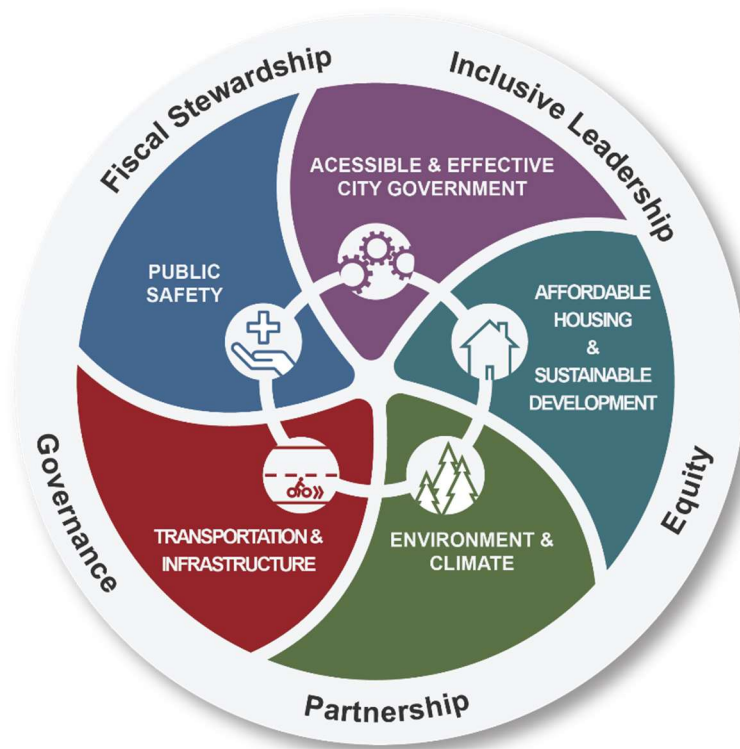
City-wide, contingency and reserve levels are being utilized to help mitigate the impact of funding increases on the community. In the upcoming biennium, General Fund reserve levels are projected to decline but at the end of the biennium will remain in line with the City Council adopted fiscal policies of 16% of operating expenditures, which includes the General Fund Revenue Stabilization Fund balance. Even with the proposed development fee increases, reserve balances in the Community & Economic Development service area, specifically in the Building, Planning, and Private Development Engineering Funds, are proposed to decline to help lessen the impact of necessary fee increases on the community. Infrastructure service area reserves are increasing slightly as the City issues debt for transportation projects that will span multiple years and beyond the 2023-2025 biennium. Administration and Central Services reserves are projected to be fairly consistent with prior years.

Implementation of the City Council Goal Framework

As specified in the Council Rules, the City Council goal setting process is aligned with the development of the biennial budget. The process is guided by input from community members, community organizations, City advisory boards and committees, Councilor priorities and City staff. The following information and inputs were shared with the Council in preparation for developing their 2023-2025 goal framework:

- 2022 Community Survey results and presentation;
- Summary of input from community members, community organizations, and Roundtable Listening Sessions held on Jan. 19, 2023;
- Equity Lens/Impact Assessment Best Practices and Considerations;
- An organizational Strengths, Problems, Opportunities, and Threats (SPOT) analysis; and
- Background information provided by City staff related to permit review timelines and initiatives, the transportation system, organizational capacity and a financial and budgetary update.

In late January 2023, the Council met for a two-day goal setting retreat to consider the input they had received, develop a vision and prioritize their goals for the next two years. That feedback was incorporated into the 2023 -2025 Goal Framework, which was adopted on March 15, 2023, and is summarized in the graphic below.



A copy of the Council Goal Framework, that includes detailed strategies and actions that support each goal area, can be found at the end of the “Introductory Section” of the budget document.

Budget Summary and Looking Forward

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.

Respectfully submitted,

Eric King
Budget Officer / City Manager

The City of Bend, Oregon



Wall Street

History

Bend, Oregon is located on the traditional territory of the Wasco, Northern Paiute, and the Warm Springs tribes. Prior to settler arrival in the West, many distinct tribes lived in the vicinity of the Deschutes River and relied on its waters. In the winter of 1824, 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 settlers 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.

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-Hixon) 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.

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 continued 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 principal tourism, professional services, retail, medical and governmental service center.



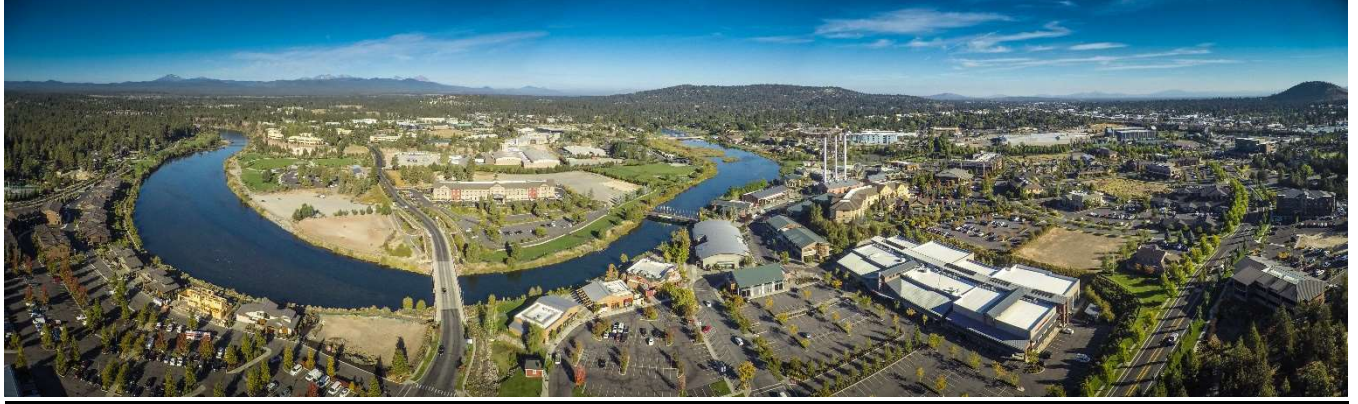
Bill Healy Memorial Bridge – Deschutes River
©2008 Dustin Mitsch / Alpen Exposure

2022 Bend Principal Private & Public Employers ⁽¹⁾	Product or Services	Number of Employees	Percent of Total Employment ⁽²⁾
St. Charles Medical Center	Health Care	3,527	3.5%
Bend-La Pine School Dist. No. 1	Education	2,160	2.1%
Deschutes County	Government	1,043	1.0%
Mt. Bachelor Ski Resort	Recreation	894	0.9%
City of Bend	Government	702	0.7%
COCC	Education	653	0.6%
Summit Medical Group	Healthcare	612	0.6%
OSU – Cascades	Education	442	0.4%
Lonza	Pharmaceutical	440	0.4%
Les Schwab Headquarters	Automotive	398	0.4%
	Total	10,871	10.7%

Notes:

⁽¹⁾ The above listing of principal employers represents major employers in Bend, Oregon. *Source:* Economic Development for Central Oregon

⁽²⁾ Percent of total employment represents percent of employer’s employees to total employment for the Bend Metropolitan Statistical Area. Total employment for Bend MSA was 101,794 as of June 2022. *Source:* Bureau of Labor Statistics, Bend, OR Economy at a Glance

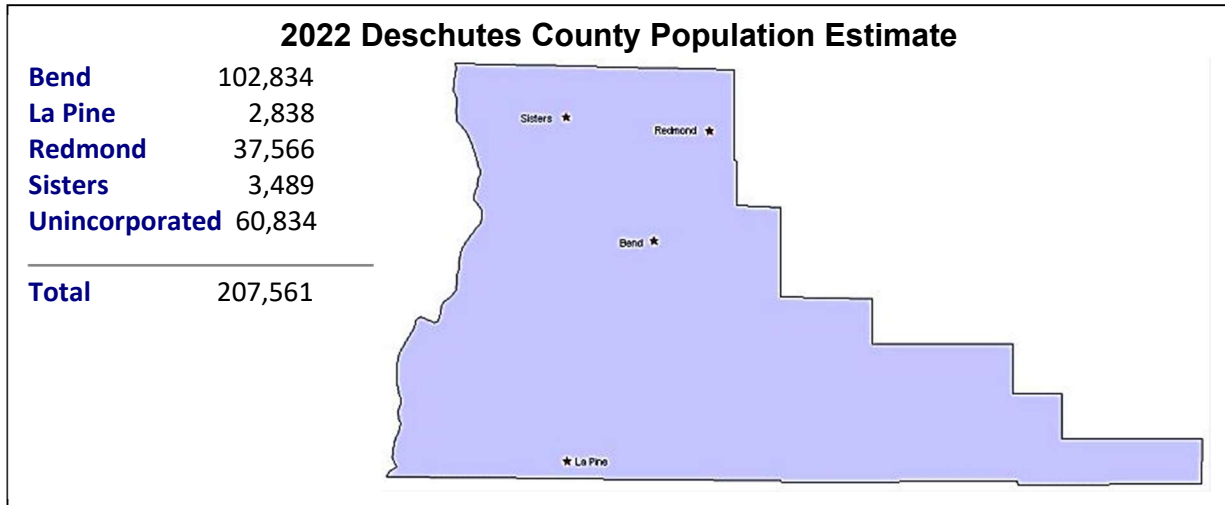


Bend Today

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. Bend receives an average of less than 12 inches of precipitation per year and enjoys lots of sunny, blue skies which is one reason our city is ranked among the most desirable places to live by national magazines.



Source: GISGeography.com



Population Data: Portland State Population Research Center
<https://www.pdx.edu/population-research/population-estimate-reports>

Bend offers many amenities for a city of its size. In addition to the sunny climate, people continue to move to the region for its year-round outdoor recreational activities, well established retail, top-rated restaurants, award winning parks system and thriving sense of community.

Activities

With over 2.5 million acres of public land and open space, the area offers something for everyone. Opportunities abound for a variety of activities:

- Golf
- White water rafting
- Fishing
- Hunting
- Mountain bike riding
- Boating
- Hiking
- Rock climbing
- Snow skiing
- Snowmobiling
- Water skiing
- Fishing
- Camping
- Horseback riding
- Stand-up paddle boarding



Cascade mountains, Broken Top and South Sister

Local Attractions



Tumalo Falls

©2006 Dustin Mitsch / Alpen Exposure

Local attractions in Central Oregon include:

- Mt. Bachelor
- Smith Rock State Park
- Newberry National Volcanic Monument
- Tumalo Falls
- Cascade Lakes
- High Desert Museum
- Tower Theater
- Old Mill District
- Drake Park

Statistical Information – 2022 Demographic Highlights *

General Facts	
Date of incorporation	1905
Form of government	Council/Manager
Population	102,834
Area in square miles	37.2
Number of Full Time Equivalents **	767.62
Community Development	
Permits issued	12,733
Building inspections performed	52,116
Public Safety	
Fire Responses	2,134
Ambulance Responses	10,896
Number of physical arrests	2,363
Number of traffic violations	6,486
Number of calls for Police service	55,802

Infrastructure	
Street lane miles***	882
City owned traffic signals	34
Number of streetlights	2,640
Miles of water mains	473
Water service connections	27,379
Total Reservoir Capacity (millions of gallons per day “mgd”)	30.5 mgd
Maximum daily demand of water system (in millions of gallons)	26.0
Number of fire hydrants	5,567
Miles of sanitary sewer lines	484
Sewer service connections	34,761
Daily average treatment	6.3 mgd
Maximum daily capacity of treatment plant	8.5 mgd
Airport runway (in feet)	5,200

* These statistics are compiled from the City of Bend 2021-22 Annual Comprehensive Financial Report unless otherwise noted.

** The number of Full Time Equivalents reflects the Council adopted staffing schedule for FY 2022-23

*** Street lane miles is compiled from the Pavement Management Budget Options Report

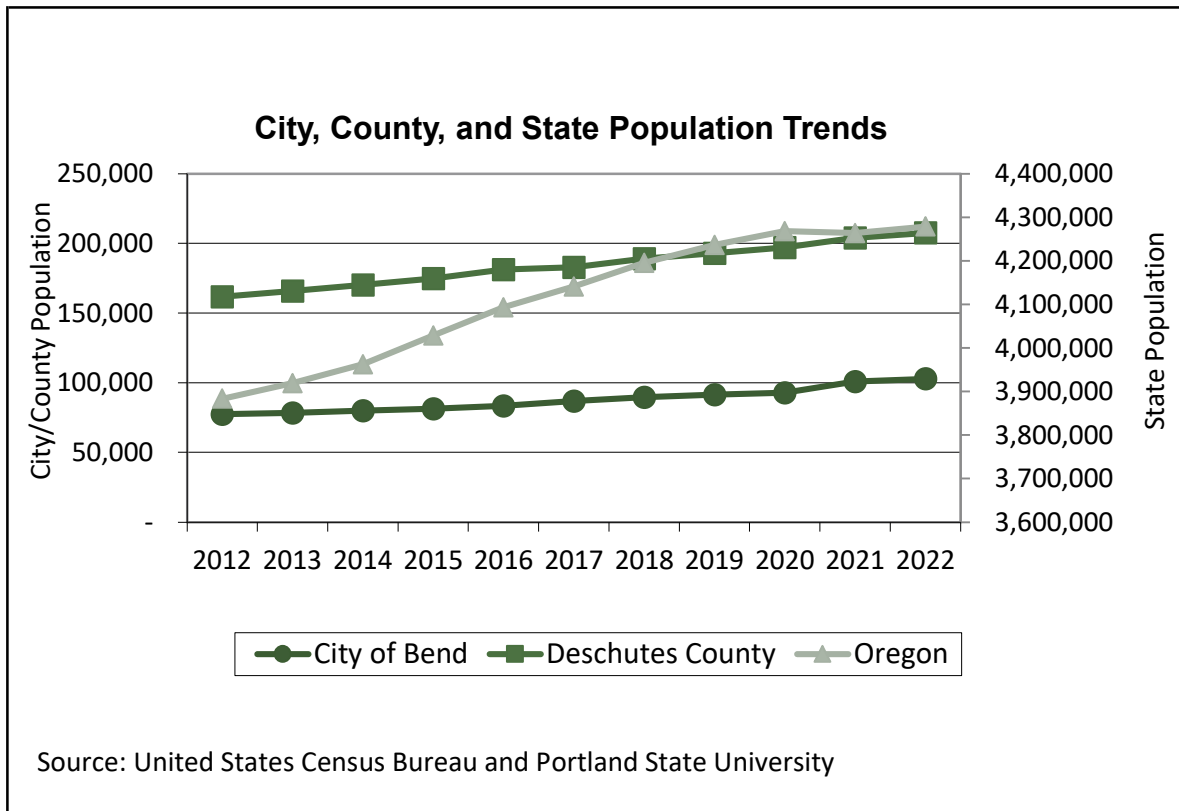
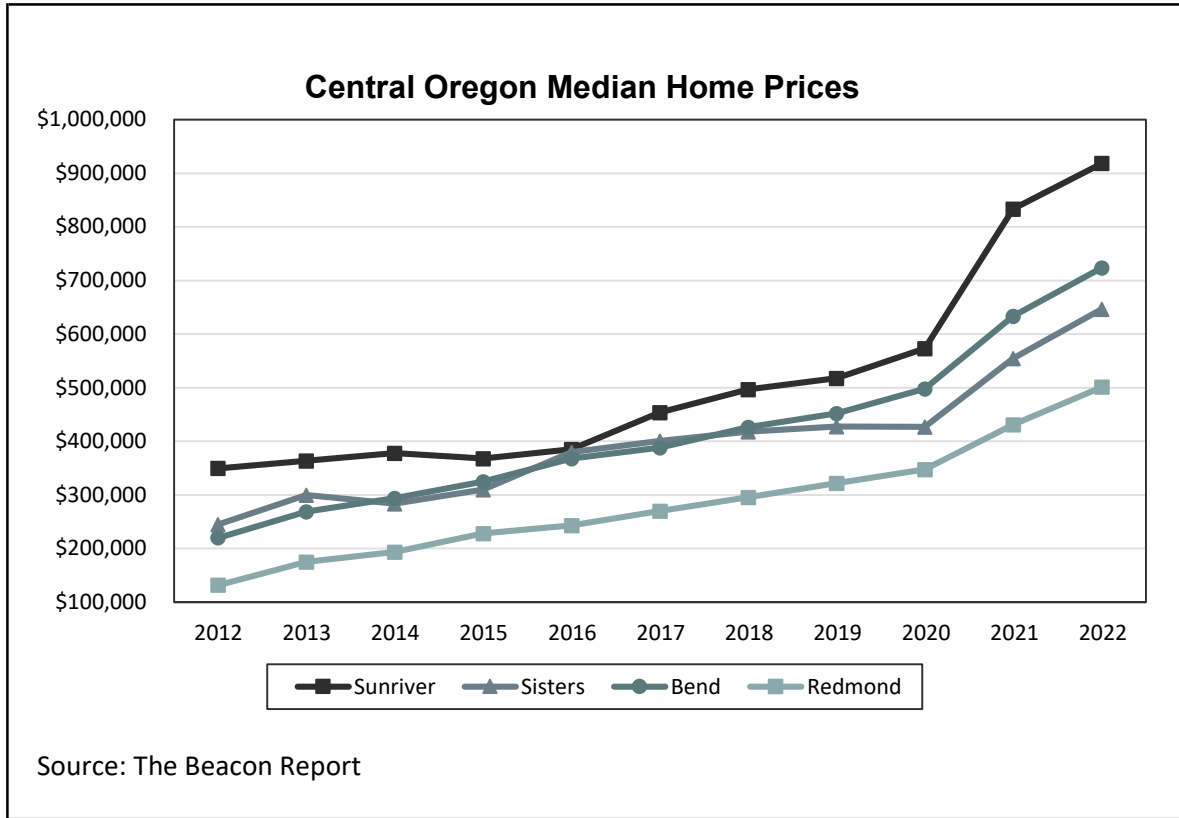
Statistical Information – 2022-23 Top 10 Taxpayers

Taxpayer	Type	Taxable Assessed Valuation (in 000's)	Percent of Total Valuation
TDC Baja Broadband LLC	Cable utility	\$ 80,065	0.6%
Pacificorp (PP&L)	Electric Utility	76,947	0.5%
Deschutes Brewery Inc	Microbrew manufacturer	60,528	0.4%
Crowdstrike Inc	Cybersecurity technology	58,665	0.4%
Bend Research Inc	Biotechnology services	56,046	0.4%
Cascade Natural Gas Corporation	Gas utility	56,141	0.4%
Touchmark At Mt Bachelor Village SPE	Retirement community	54,688	0.4%
Suterra LLC	Biorational products	52,871	0.4%
CVSC LLC	Shopping center	48,707	0.3%
Forum Westside LLC	Shopping center	42,986	0.3%
TOTAL		\$587,644	4.1%

Total 2022-23 Taxable Assessed Valuation (Value Used to Compute Rate) for City of Bend was \$14.3 billion.

Source: Deschutes County Assessor’s Office

Statistical Information - Housing Comparisons and Population Trends



City Government

Form of Government

The City of Bend was founded by a ballot measure in November 1904 and incorporated in 1905. Organized under a council/manager form of government, the City is served by the Mayor and six-member City Council, elected to terms of four years. Since November 2018, following a City Charter amendment approved by voters, the Mayor is directly elected rather than being selected amongst the other Councilors. A full-time City Manager administers the affairs of the City for the City 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. City Councilors are elected at large and are accountable to the voting public city-wide.

Meetings

The City Council meets the first and third Wednesday of each month at 7:00 pm. Meetings are typically held in the Council Chambers in City Hall. All City Council meetings are open to the public, streamed live on the internet, and archived on the City's website www.bendoregon.gov for greater community member access. Additional meetings may be held as necessary and are advertised as to time, place and agenda prior to the meeting. Work sessions are held prior to each Council meeting. If a Council meeting day falls on a legal holiday, the meeting will be held on the next regular business day.

Council Agenda

On the Thursday preceding each regularly scheduled City Council meeting, the City Council agenda is posted on the City's webpage, www.bendoregon.gov 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 include a summary.



City Hall

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The Process for Adopting Ordinances and Resolutions

During Council meetings, legislative business is addressed by passing an ordinance (law) or resolution. Reports and miscellaneous documents may also be presented for Council action. An overview of the Council action is summarized in an issue summary written by the department that oversees the issue being addressed.

A resolution states a policy or directs that an action be taken announcing to the public what the Council intends to happen.

An ordinance is a binding legislative act. 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 for a second reading. 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 is filed by the City Recorder.

Resolutions, including those that provide appropriations and annual tax levies as well as all emergency ordinances, take effect immediately upon passage or on any date within 30 days as specified in the resolution. All other, non-emergency 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. They are also available on the City's website www.bendoregon.gov.

Initiative and Referendum

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

- **Referendum Process:** 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.
- **Initiative Drive:** 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.
- **Voter Approval:** The City Council may refer any proposed ordinance to the voters.

The Budget Process

The City of Bend’s biennial budget process complies with Local Budget Law established by the State of Oregon. Oregon’s Local Budget Law serves the following purposes:

- Establishes standard procedures for preparing, presenting, and administering the budget
- Outlines programs and fiscal policies
- Requires estimates of resources and expenditures
- Encourages community member involvement in the preparation of the budget and public disclosure of the budget before its formal adoption
- Controls expenditure of public funds

To give the public ample opportunity to participate in the biennial budgeting process, Local Budget Law requires that a Budget Officer be appointed and a Budget Committee, consisting of community members and members of the City Council be formed.

Preparing the Budget

The City Manager is appointed by the City Council as the Budget Officer for the City of Bend. Staff then prepare the biennial budget with the supervision of the City Manager, which ultimately results in a presentation of the Proposed Biennial Budget to the Budget Committee.

Budget Committee Approval of Proposed Budget

Notices are published in accordance with Local Budget Law. Before the Budget Committee meetings begin, the City Manager distributes a copy of the proposed biennial budget document to each member of the Budget Committee. It is at this time that the Proposed Budget is considered a public record and must be made available for public inspection. The Budget Message, which explains the Proposed Biennial Budget and significant changes in the City’s financial position, is delivered at the time the budget document is distributed. All Budget Committee meetings are open to the public, and community members are given an opportunity to ask questions about or comment on the Proposed Budget. The Budget Committee may make additions or changes to the Proposed Budget that has been prepared by the Budget Officer, at which time the Committee will approve the document and forward it to the City Council for adoption. The Budget Committee also approves a rate of total ad valorem property taxes to be certified for collection.

Advertising and Holding Hearings

After the budget is approved by the Budget Committee, a Budget Summary and a “Notice of Budget Hearing” are published. A public hearing is then held by the City Council on the date specified in the public notice. The purpose of the hearing is to receive community members’ testimony on the biennial budget as approved by the Budget Committee.

City Council Adoption of the Budget

After the City Council considers the testimony given at the public hearing, they then adopt the budget. Resolutions are prepared, approved by the City Council, and signed by the Mayor to (1) formally adopt the budget; (2) make appropriations; (3) levy tax; and (4) categorize tax. The Adopted Budget is then filed and the property tax levies are certified. A notice of levy and certification of tax is submitted to the Deschutes County Assessor's Office.

Procedures for Amending the Adopted Budget

The City Council may approve additional appropriations for unforeseen circumstances and necessary expenditures which could not be reasonably estimated at the time the budget was adopted. Such circumstances include service level policy changes, catastrophic events or redirection of resources. Oregon Local Budget Law sets forth procedures to be followed to amend the budget as events occur after budget adoption. The procedure that must be followed is determined by the set of circumstances surrounding the amendment.

Budgets may be modified during the biennial budget period by the use of appropriation transfers between legal categories or appropriation transfers from one fund to another. Such transfers must be authorized by official resolution of the City Council. The resolution must state the need for the transfer, the purpose of the authorized expenditures and the amount of the appropriation transferred.

Transfers of operating contingency appropriations which in aggregate during a budget period exceed 15% of the total original appropriations of the fund may only be made after adoption of a supplemental budget prepared for that purpose. A supplemental budget less than 10% of the fund's original budget may be adopted at a regular meeting of the governing body. A supplemental budget greater than 10% of the fund's original budget requires a public hearing, publication in the local newspaper and approval by the Council.

Local Budget Law provides for certain exceptions to the supplemental budget requirements. The following are common exceptions where a budget amendment may be made by the City Council after enactment of a resolution or ordinance:

- Award and expenditure of a grant for a specific purpose
- Expenditure of proceeds from sale of certain bonds
- Expenditure to pay debt service on certain bonds

Summary of Changes from Proposed to Adopted Budget

During deliberations on May 23, 2023, the Budget Committee added the following items to the Approved budget in support of City Council's goals by reducing General Fund Contingency:

- Affordable Housing & Sustainable Development
 - \$1,000,000 transfer to the Houseless Fund to supplement restrictive funding and offset administrative costs
 - \$400,000 transfer to the Planning Fund to contribute to city legislative work and code updates performed by Planning Staff
 - \$100,000 transfer to the Affordable Housing Fund to offset administrative costs
- Public Safety
 - \$536,000 to support an additional Patrol Officer position beginning in Fiscal Year 2023-24 and an additional Investigative position beginning in Fiscal Year 2024-25.

On June 21, 2023, the City Council approved the Adopted budget including the following changes:

- Community Development Block Grant Fund
 - Recognize additional Beginning Working Capital and increase Debt Service appropriations by \$250,000 in the Community Development Block Grant Fund to repay a year-end operating loan from the General Fund to the CDBG Fund of up to \$350,000 to provide interim financing before grant funds are received. The \$350,000 loan will be repaid in July 2023.
- Airport Fund
 - Recognize additional Beginning Working Capital and increase Debt Service appropriations by \$400,000 in the Airport Fund to repay a year-end operating loan from the General Fund to the Airport Fund which provide interim financing before reimbursement-based grant funds are received. The \$400,000 loan will be repaid in July 2023.

2023-2025 Budget Development Calendar

The City's Biennial Budget development cycle begins in November of even-numbered years and concludes in June of odd-numbered years.

NOVEMBER

- Budget Kick-off – the budget calendar, process, instructions, and manual for the 2023-2025 Biennial Budget are reviewed
- Estimates for special I.T. and Facility projects and personnel requests are submitted

MARCH

- Five-year vehicle & equipment plans and Capital Improvement Programs are submitted to budget office
- Budget office reviews budget, performs analyses and balances the budget
- Budget Officer (City Manager) reviews budget

DECEMBER

- Budget office reviews revenues, reserve requirements, and personnel expenditures with the departments
- Preliminary revenue projections are completed (with final projections updated in February)

APRIL

- Budget office makes updates based on Budget Officer review
- Publish Notice of Budget Committee Meeting in the Bend Bulletin and on the City's website

JANUARY

- 2023-2025 Personnel Services (salaries and benefits) budgets are completed
- 2023-2025 Overhead, Cost Allocation, Interfund Transfers, and Debt Service expenditures completed

MAY

- 2023-2025 Proposed Budget distributed to Budget Committee and made available for public review
- Budget Committee deliberates, receives public comments, and approves the 2023-2025 Biennial Budget

FEBRUARY

- FY 2022-2023 materials and services and capital outlay year end expenditure projections submitted by the departments
- 2023-2025 expenditure requests submitted by the departments

JUNE

- Notice of Budget Hearing and Budget Summary is published
- City Council holds a Public Hearing and adopts the 2023-2025 Biennial Budget
- The 2023-2025 Biennial Budget goes into effect July 1, 2023

Fiscal Year 2023-24 Fiscal Policies

The following fiscal policies were originally adopted by the City Council on November 18, 2009 and most recently revised by the City Council on June 21, 2023. The fiscal policies apply to both the City of Bend and the Bend Urban Renewal Agency.

The City of Bend and Bend Urban Renewal Agency (BURA) are committed to responsible fiscal management through financial integrity, prudent stewardship of public assets, planning, accountability and full disclosure. The broad purpose of the Fiscal Policies is to enable the City and BURA to achieve and maintain a long-term stable and positive financial condition. These policies are adopted by Council as the basic framework for overall financial management of the City and BURA. Any references to “the City” in this document shall also apply to BURA. The policies are designed to guide day-to-day and long-range fiscal planning and decision making, and to achieve the following general financial goals:

1. Provide an adequate financial base to sustain a sufficient level of municipal services to maintain the social well-being and physical conditions of the City.
2. Deliver cost effective and efficient services to community members.
3. Provide and maintain essential public facilities, utilities, and capital equipment.
4. Protect and enhance the City's credit rating so as to obtain the lowest cost of borrowing and also to assure taxpayers and the financial community that the City is well managed and financially sound.
5. Provide the financial stability needed to navigate through economic downturns, adjust to changes in the service requirements of the community and respond to other changes as they affect the City's residents.
6. Adhere to the highest standards of financial management and reporting practices as set by the Government Finance Officers Association, the Governmental Accounting Standards Board and other related professional financial standards.
7. Fully comply with finance related legal mandates, laws and regulations.
8. Promote intergenerational equity for the City's taxpayers and ratepayers by spreading the cost of new or upgraded City infrastructure over time so that generations benefitting from such infrastructure contribute to its cost.

To achieve these goals, fiscal policies generally cover areas of revenue management, operating and capital budgeting, financial planning and forecasting, investment and asset management, debt management, accounting and financial reporting, reserves and internal controls. These policies are reviewed and updated every other year as part of the biennial budget preparation process.

REVENUE POLICIES

1. The City will strive for and maintain a diversified and stable revenue system to prevent undue or unbalanced reliance on any one source of funds. This revenue diversity will shelter the City from short-run fluctuations in any one revenue source.
2. When evaluating new revenue sources, the following elements will be taken into consideration: sustainability of the revenues to the programs they are intended to support, administrative costs, operational and maintenance costs, acceptability to the community, and the impact on economic competitiveness relative to other communities.
3. One-time and non-recurring revenues will be used only for one-time expenditures. The City will avoid using temporary revenues to fund mainstream services or for budget balancing purposes.
4. User fees and charges will be established for services provided that benefit specific individuals or organizations. Cost of service analyses will be prepared so that user fees and charges can or will be set at a level sufficient to recover full cost of service whenever practical to minimize subsidization by taxpayers. The City will systematically review user fees and charges to take into account the number of customers served, changes in methods or levels of service delivery as well as changes in cost of living/inflationary increases.
5. Unless prohibited by law, certain fees may be deferred by Council action when it can be demonstrated that a direct public benefit will be obtained. In addition, the Council may direct that certain fees be paid on behalf of applicants and Council's action will include a determination of the source of funds to pay such fees.
6. All fees, charges or assessments that are deferred for later payment will be evidenced by a promissory note or agreement. The City may charge periodic interest, processing fees and additional interest and penalties for delinquencies as appropriate.
7. Water, Water Reclamation (Sewer) and Stormwater funds will be self-supporting through user fees. Fee adjustments will be based on long term financial plans that include a forecast period of no less than five years. The water and water reclamation utility rates should be set to yield a minimum 1.50 debt service coverage ratio or a debt service coverage ratio sufficient to maintain the credit rating of the Water and Water Reclamation systems.
8. To emphasize and facilitate long-range financial planning, the City will maintain current projections of revenues and expenditures in the General Fund and other major funds for the succeeding five years.
9. All potential grants shall be evaluated for matching requirements and on-going resource requirements and balanced with the benefits of the grant before acceptance. Grants may be rejected to avoid commitments beyond available funding. Grant applications must be internally reviewed by staff in the Finance Department prior to submission. Grant applications must also

be internally reviewed by the City Attorney's Office if the City will be required to accept the grant upon award. Lump sum grant awards in an amount less than \$100,000 may be accepted by the City Manager without City Council approval unless otherwise required by the grant's terms and conditions. Grant awards of \$100,000 or more, multi-year grants, or grants that will fund additional staff, must be accepted by the City Council, regardless of amount.

10. The City will not respond to long-term revenue shortfalls with deficit financing and borrowing to support on-going operations. Expenses will be reduced to conform to the long-term revenue forecasts and/or revenue increases will be considered.
11. Revenues will be estimated realistically and prudently. Revenues of a volatile nature will be estimated conservatively; explanations of the underlying assumptions and risks to the forecast, including both upside and downside risks, will be provided. The City will estimate its revenues by an objective, analytical process using best practices as defined by the Government Finance Officers Association.
12. The cost of revenue collection efforts should not exceed the marginal additional revenue obtained and should not absorb a large percentage of the amount collected.
13. Non-restricted revenues are recorded in the General Fund and are used at the City Council's discretion and unless otherwise noted, discretionary revenues are not earmarked for specific purposes. Exceptions include:
 - a. Grants or other revenues that are legally restricted for specific purposes.
 - b. Water/Sewer Franchise Fees are dedicated to the Transportation Construction Fund and Accessibility Construction Fund.
14. Before the City sells any major asset or relinquishes any operating or capital arrangements that involved fixed revenue, the implications of such a sale or arrangements will be fully determined for impact on current and future year revenue estimates.

OPERATING BUDGET POLICIES

1. The City will prepare a biennial budget with the participation of all Departments.
2. All budgetary procedures will conform to existing state and local regulations. 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. Budgets for all City funds will be prepared on a modified accrual basis consistent with Generally Accepted Accounting Principles.

3. The budget process will allocate resources to achieve Council goals and city-wide strategic plans. Department goals and objectives will be identified and incorporated into the budget.
4. A cost allocation plan will be developed and incorporated into the City budget. The cost allocation plan will be the basis for distribution of general government and internal service costs to other funds and capital projects to reflect the full cost of providing services. If grant funding is available to cover the cost of indirect costs, the cost allocation plan will be submitted to the City's cognizant agency for review and approval when required by an outside party, including other government agencies.
5. A budget preparation calendar is crucial for successful budget preparation and execution. Finance department staff will prepare a detailed budget schedule for internal use that ensures the biennial budget is approved by the Budget Committee and adopted by the City Council no later than June 30 of odd numbered years. A summary of primary budget milestones by month will be included in the proposed and adopted budget documents.
6. The biennial budget will be constrained to the total amount approved by the Budget Committee and as adjusted, adopted, and amended by the City Council.
7. The City Council shall adopt the budget for each fund or program as required by budget law.
8. Performance measures will be used and reported in department budgets. The City will prepare trends, comparisons to other cities, and/or other financial management tools to monitor and improve service delivery in City programs.
9. Essential services will receive first priority for funding. The City will attempt to maintain current service levels for all essential services. The quality of existing core services will be maintained before the City adds new services unless there is an explicit decision to lower the quality of existing services in favor of providing a new service. Essential services for the City are defined as follows (based on ORS 221.760 which determines if a city is eligible to receive state shared revenues):
 - a. Police protection
 - b. Fire protection
 - c. Street construction, maintenance, and lighting
 - d. Sewer
 - e. Stormwater
 - f. Water utility
 - g. Planning, zoning, and subdivision control
10. The summary of full time equivalents (FTE), which includes regular and limited term employees (LTE) for each operating fund or department, shall be brought before City Council for adoption with the budget, and any mid-budget cycle increases to the total number of positions must be approved by City Council by resolution. The City Manager may reassign positions among

departments, restructure departments, and convert LTEs to FTEs without Council approval, so long as the total number of positions adopted on the FTE schedule is not increased.

11. All supplemental appropriations for programs requested after the original budget is approved will be analyzed by the City Manager's Office and Finance Department and will only be presented to Council for approval after consideration of availability of revenues.
12. Oregon budget law provides a means to adjust the budget for emergency expenditures or unforeseen circumstances. All resolutions adjusting the budget will be prepared by the Finance Department, at the direction of the City Manager's Office, for Council approval to ensure compliance with budget laws.
13. A mid-biennial review process will be conducted by the City Manager in order to make any necessary adjustments to the adopted biennial budget.
14. The City will submit the Adopted Budget Document to obtain the Award for Distinguished Budget Presentation from the Government Finance Officers Association (GFOA).
15. Monthly reports comparing actual to budgeted expenditures will be prepared by the Finance Department and distributed to the City Manager and City Council. Significant budget to actual variances will be investigated and explained.

EXPENDITURE CONTROL POLICIES

1. Expenditures will be controlled through appropriate internal controls and procedures. Management must ensure expenditures comply with the legally adopted budget. Each Department or Division Manager or Director will be responsible for the administration of his/her department/division/program budget. This includes accomplishing the goals and objectives incorporated into the budget and monitoring each department/division/program budget for compliance with spending limitations. Internal controls over payment requests include a review by the Finance Department. Payment requests are not considered approved and authorized for payment until the Finance Director or their designee has approved the disbursement.
2. The City Council will adopt the budget by fund at the category or program level. Expenditures anticipated to be in excess of these levels require approval of a Council resolution.
3. All purchases of goods and services must comply with the City's Purchasing Policies, guidelines and procedures and with State and Federal laws and regulations.
4. Before the City purchases any major asset or undertakes any operating or capital arrangements that create fixed costs or ongoing operational expenses, the implications of such purchases or arrangements will be fully determined for current and future years.

5. All compensation planning and collective bargaining will include analyses of total cost of compensation which includes analysis of salary increases, health benefits, pension contributions, fringe benefits and other personnel costs. The City will only propose operating personnel costs which can be supported by on-going operating revenues.
6. The City will make every effort to control expenditures to ensure City services and programs provided to its community members and taxpayers are cost effective and efficient.

CAPITAL IMPROVEMENT POLICIES

1. A five year Capital Improvement Program (CIP) encompassing all City facilities shall be prepared and updated annually. A public hearing will be held to provide for public input on the CIP. The five year CIP will be incorporated into the City's budget and long range financial planning processes. The CIP will be balanced; estimated resources will be available for capital spending identified in the five year plan.
2. Projects included in the CIP shall have complete information on the need for the project, description and scope of work, total cost estimates, future operating and maintenance costs and how the project will be funded.
3. An objective process for evaluating CIP projects with respect to the overall needs of the City will be established through a ranking of CIP projects. The ranking of projects will be used to allocate resources to ensure priority projects are completed effectively and efficiently. CIP master plans will be created consistent with Oregon Land Use Laws. Twenty year master plans will be prepared for the water, sewer and stormwater utilities as well as the transportation system. The priorities and timelines established in those master plans will guide updates of the five year CIP. Public involvement is encouraged during project prioritization and at a minimum, is required during the master planning process.
4. Changes to the CIP such as addition of new projects, project goals, changes in scope and costs of a project or reprioritization of projects will require City Council or City Manager approval. Furthermore, City staff will provide master plan and CIP updates to Council annually at a minimum with information about new projects that have emerged as well as changes to scope, estimated costs and/or schedule of projects already on the list with estimated impacts on user charges and fees.
5. Every CIP project will have a project manager who will prepare the project proposals, coordinate as necessary with operations and maintenance staff, ensure that required phases are completed on schedule, authorize project expenditures, ensure that all regulations and laws are observed, and periodically report project status.
6. The City will maintain its physical assets at a level adequate to protect the City's capital investment, meet any and all regulatory requirements and minimize future operating maintenance and replacement costs. The City recognizes that deferred maintenance increases

future capital costs, thus placing a burden on future residents. Therefore, the budget will provide for adequate maintenance and the orderly replacement of capital plant and equipment from the appropriate combination of current revenues, cash reserves, and debt.

7. If project costs at the time of the bid award for construction are less than the budgeted amount the balance will be unappropriated and returned to reserves for future capital projects or allocated to another project. If project costs at the time of bid award are greater than budgeted amounts, the following options will be considered:
 - a. Re-scope or change the phasing of the project to come within existing budget amounts
 - b. Transfer funding from another, lower priority project
 - c. Decrease reserves for future capital projects to provide for an increase in budget appropriations
 - d. Defer the project to the next biennial budget period
 - e. Eliminate the project
8. The City will determine the least costly funding method for its capital projects and will obtain grants, contributions and low cost state or federal loans whenever possible.
9. The City will establish capital equipment reserves to provide for funding of vehicles and equipment. The City will also establish major repairs and replacement (R&R) reserves to provide for funding of major repairs and replacements. R&R reserves will be used for significant system or facility repairs, replacement or maintenance costs that are unanticipated and exceed ongoing repair and maintenance expenditures in the fund's operating budget. Long term forecasts will be used to determine available capacity to fund repair and replacement of capital assets and infrastructure and avoid a significant unfunded liability from deferred maintenance. If resources are not sufficient to fully fund R&R reserves without program impacts, alternatives will be presented to the City Council during the budget process.
10. The City will utilize "pay-as-you-go" funding for capital improvement expenditures considered recurring, operating or maintenance in nature. The City may also utilize "pay-as-you-go" funding for capital improvements when current revenues and adequate fund balances are available, when issuing debt would unduly affect the City's credit rating, or when market conditions are unstable or suggest difficulties in marketing a debt.
11. The City will consider the use of debt financing for capital projects under the following circumstances:
 - a. When the project's expected useful life is sufficient to warrant long term debt financing and comply with the internal revenue code requirements for tax-exempt financing

- b. When projected annual revenues are deemed sufficient and reliable to service the long-term debt
- c. When market conditions present favorable interest rates for City financing
- d. When the issuance of debt will not unduly affect the City's credit rating and debt service coverage ratios
- e. When a project is mandated by state or federal government and current revenues or fund balances are insufficient to pay project costs

FINANCIAL PLANNING POLICIES

1. The City will prepare a long term financial plan to promote responsible planning for the use of resources. The long term financial plan will include projected revenues, expenditures and reserve balances for a minimum of the next five years. Financial plans will extend beyond five years when specific issues call for a longer time horizon. Financial challenges and possible solutions will be identified, if not implemented, with structural balance as a goal.
2. The City's financial plan should be strategic, meeting regulatory requirements and reflecting the Council's and the community's priorities for service while providing resources that realistically fund routine operations.

ECONOMIC DEVELOPMENT FUNDING POLICIES

1. The City may employ economic development incentives to encourage value-added development and accrue public benefits to the City of Bend. Public benefits may include but not limited to, the following:
 - a. A benefit that increases the City's employment base or materially enhances the financial position of the City by increasing assessed valuation.
 - b. A contribution to the basic infrastructure of the City that is greater than that which would be required of the development alone
 - c. A benefit that increases access to other public services
2. Economic development incentives may include formation of improvement or redevelopment districts, reimbursement, exemption or deferral of certain fees and charges, use of discount lease rates or other forms of financial incentives. All such incentives will be fully evaluated by the Finance Department and Economic Development Department as to the costs, risks and level of benefit as well as the financial impact of such incentives on the City's operating and capital budgets.
3. The fiscal impact evaluation will be presented to Council along with City Manager's recommendation. The City Council shall make the final decision concerning proposed economic development incentives including any repayment of incentives if performance requirements are not met.

4. Funding for economic development incentives must be identified before approval of all such incentives.
5. A development incentive shall not be provided if the development does not provide sufficient public benefit or if the cost and risks to the City will have a materially adverse impact on the City's finances or operations.

PENSION AND RETIREMENT FUNDING POLICIES

1. The City is an employer-participant in the State of Oregon Public Employees Retirement System (PERS). Actuarial valuations of PERS are performed for the Public Employees Retirement Board (PERB) to evaluate PERS' assets and liabilities and indicate its current and prospective financial condition. The PERB determines employer-participant contribution rates, which are then used to calculate each employer-participant's annual required contribution. It is the City's policy to make contributions at no less than the rate established by PERB and required by ORS 238.225. All current pension liabilities shall be funded on an annual basis.
2. In addition to providing pension benefits, the City provides certain health and dental care benefits for retired employees. Funding the liability for future retiree benefits will be determined by City Council action.

CASH MANAGEMENT AND INVESTMENT POLICIES

1. The Finance Director or designee shall invest all City funds according to four criteria, in order of their importance: (1) legality, (2) safety, (3) liquidity, and (4) yield.
2. The City shall maintain and comply with a written Investment Policy that has been approved by City Council. The Investment Policy is a standalone document from these fiscal policies.
3. The City will consolidate or pool cash balances from various funds for investment purposes and will allocate investment earnings to each participating fund.
4. The City's investment securities will be held by a third party for custodial safekeeping.
5. Quarterly investment reports summarizing investment holdings and compliance with the City's Investment Policy will be provided to City Council.

ACCOUNTING, AUDITING, AND FINANCIAL REPORTING POLICIES

1. The City will comply with the following accounting and reporting standards:
 - a. Generally Accepted Accounting Principles (GAAP) developed by Governmental Accounting Standards Board,

- b. Government Accounting, Auditing and Financial Reporting standards prescribed by the Government Finance Officers Association (GFOA),
 - c. Government Accounting Standards, issued by the Comptroller General of the United States,
 - d. Oregon Revised Statutes relating to Municipal finance and
 - e. U.S. Office of Management and Budget (OMB) Circular A-133.
2. The primary responsibility for the City's financial reporting and internal controls rests with senior management as overseen by the City Council. The Council shall appoint three members to serve on an Audit Committee. The purpose of the Audit Committee is to provide oversight of the City's audit functions as well as other investigations. The Audit Committee's authority includes retention of the City's external auditors, investigation of any matter brought to its attention with complete and unrestricted access to all books, records, documents, facilities, and personnel of the City, and retention of outside counsel, auditors, investigators, or other experts in the fulfillment of its responsibilities.
3. Monthly financial reports summarizing financial activity by fund will be presented to the City Manager and City Council.
4. A system of internal controls and procedures will be maintained to provide reasonable assurance of the safeguarding of assets and proper recording of financial transactions and compliance with applicable laws and regulations.
5. In accordance with State law, a comprehensive financial audit including an audit of federal grants will be performed annually by an independent public accounting firm with the objective of expressing an opinion on the City's financial statements and assessing the accounting principles used and evaluating the internal controls in place.
6. The City will prepare its financial statements and maintain its accounting and internal control systems in accordance with applicable standards with the goal of obtaining an unqualified opinion from its auditors.
7. The Finance Department will prepare a Comprehensive Annual Financial Report and submit the report to the GFOA's "Certificate of Achievement for Excellence in Financial Reporting" program.
8. All departments will provide notice of all significant events and financial and related matters to the Finance Director for the City's annual disclosures to the municipal markets as required by SEC Regulation 15-C-2-12. Full disclosure will be provided in the financial statements and bond representations. Significant events include delinquencies and defaults related to the City's bonds, adverse tax opinions or events affecting the tax exempt status of bonds, the release, substitutions or sale of property securing repayment of bonds and other events having a significant impact on the City's finances and outstanding bonds. The Finance Director will notify the Municipal Securities Rulemaking Board's Electronic Municipal Market Access (EMMA) database of these significant events.

9. The City's asset capitalization policy is to capitalize and depreciate assets greater than \$10,000 with a useful life beyond two years. Capital assets costing less than \$10,000 or having a useful life of two years or less will be treated as operating expenditures. The asset capitalization threshold will be applied to individual assets rather than to groups of assets (i.e. office furniture, computer equipment, radio equipment, etc.)

DEBT MANAGEMENT POLICIES

1. The debt management policy sets forth comprehensive guidelines for the financing of capital expenditures. It is the objective of the policies that:
 - a. The City obtain financing only when prudent,
 - b. The process for identifying the timing and amount of debt or other financing be as efficient as possible,
 - c. The most favorable interest rate and other related costs be obtained,
 - d. When appropriate, future financial flexibility be maintained.
2. In conjunction with the City's debt financing team including but not limited to bond counsel and financial advisors, the Finance Director structures and recommends to the City Manager and City Council all debt issuances and oversees the on-going management of all City debt. Debt includes voter approved general obligation bonds, tax increment financing, full faith and credit bonds, lease purchase obligations, revenue bonds, special assessment obligations, promissory notes, lines and letter of credit, interfund borrowings, variable rate debt, equipment financing agreements and any other contractual arrangements that obligate the City to make future principal and interest payments.
3. No debt shall be issued for which the City is not confident that a sufficient specifically identified revenue source is available for repayment. The Finance Director shall prepare an analysis of the source of repayment prior to issuance of any debt.
4. The City will not use long-term debt to fund current operations, to balance the budget or to fund projects that are more appropriately funded from current resources.
5. The City will issue advance refunding bonds (as defined by federal tax law) when advantageous, legally permissible, prudent and when the net present value savings is a minimum of three percent of the purchase price of the refunding bonds (defined as the par amount of the refunding bonds, plus net original issue premium, or less net original issue discount). The City will issue current refunding bonds (as defined by federal tax law) when advantageous, legally permissible, prudent and when the net present value savings exceed \$100,000. Refundings may also be undertaken for other reasons when legally permissible, prudent and when in the best interests of the City.

6. The City may utilize short-term debt or interfund loans as permitted, to cover temporary shortage due to timing of cash flows which may result from delay in receiving grant proceeds or other revenues and delay in issuance of long term debt.
7. When issuing long-term debt, the City will ensure that the debt is soundly financed by:
 - a. Incurring debt only when necessary for capital improvements not appropriate to be financed from current available resources.
 - b. Insuring that capital projects financed through long term debt shall be financed for a period not to exceed the useful life of the project. This precludes future generations of rate payers or taxpayers from paying debt service on an asset that no longer provides benefit and prevents debt capacity from being tied up servicing a defunct asset in the event the asset needs replacing.
 - c. Determining that the benefits of financing exceeds the cost of financing.
 - d. Analyzing source of repayment, debt service coverage ratios and the impact of debt service on annual fixed costs prior to issuance of long term debt.
 - e. Amortizing debt on a level payment plan to the extent practical considering the forecasted available pledged revenues and impact on the City's aggregate overall debt payment schedules.
8. The City may issue debt on either a competitive or negotiated basis. Bank placements and other private offerings are authorized under circumstances such as interim financings or to avoid the cost of a public sale for smaller issuances. The Finance Director will recommend the most appropriate method of sale in light of financial, market, transaction specific, and issuer-related conditions. If a negotiated public sale is determined to be in the City's best interest, the underwriter should typically be selected through a request for proposal (RFP) process.
9. All bond issuances and promissory notes will be authorized by resolution of the City Council.
10. The City will comply with all statutory debt limitations imposed by the Oregon Revised Statutes.
11. ORS 287A.050 establishes a limitation on the amount of general obligation bonds the City may issue. This limitation is 3% of the City's Real Market Value as certified by the Deschutes County Assessor. "General obligation bonds" are defined by ORS 287A.010(10) to mean exempt bonded indebtedness, as defined in ORS 310.140, that is secured by a commitment to levy ad valorem taxes outside the limits of sections 11 and 11b, Article XI, of the Oregon Constitution (i.e., voter approved, unlimited tax general obligation bonds). Additionally, ORS 287A.050(3) excludes certain types of general obligation bonded indebtedness from being included in the limitation, including for example general obligation bonds issued for water supply, treatment or distribution or sanitary or storm sewage collection or treatment. The City is not required to include full faith and credit obligations when computing its statutory general obligation bond debt limit. However the City's policy is to limit full faith and credit obligations to 3% of Real Market Value as certified by the Deschutes County Assessor.

12. The City will strive to maintain its current credit ratings which are as follows:

	<u>Moody's Investors</u>	<u>S&P Global</u>
	<u>Service</u>	
Full faith and credit obligation bonds	Aa2	AA+
General obligation bonds	n/a	AA+
Water revenue bonds	Aa2	AA
Sewer revenue bonds	n/a	AA

13. The City will strive to maintain debt service coverage ratios and percentages that uphold the City's credit rating. Water and Water Reclamation (Sewer) debt coverage ratios should be maintained at a minimum of 1.50 or at a level sufficient to protect the credit rating of the Water and Water Reclamation systems.

14. The City will comply with all bond covenants, arbitrage requirements, disclosure and other requirements specified by law.

a. Post Debt Issuance Tax Compliance

- i. External Advisors and Documentation-The City shall consult with bond counsel and other legal counsel and advisors, as needed, throughout the Bond issuance process to identify requirements and to establish procedures necessary or appropriate so that the Bonds will continue to qualify for tax-exempt status. Those requirements and procedures shall be documented in the tax certificate and agreement ("Tax Certificate") and/or other documents finalized at or before issuance of the Bonds. Those requirements and procedures shall include future compliance with applicable arbitrage rebate requirements and certain other applicable post-issuance requirements of federal tax law throughout (and in some cases beyond) the term of the Bonds. This shall include, without limitation, consultation in connection with any potential changes in use of Bond-financed or refinanced assets.

The City shall engage expert advisors (each a "Rebate Service Provider") to assist in the calculation of arbitrage rebate payable in respect of the investment of Bond proceeds, unless the Tax Certificate documents that arbitrage rebate will not be applicable to an issue of Bonds.

Unless otherwise provided by the transaction documentation relating to the Bonds, unexpended Bond proceeds shall be segregated from other funds of the City, and the investment of Bond proceeds shall be managed by the City. The City shall prepare (or cause to be prepared) regular, periodic statements regarding the investments and transactions involving Bond proceeds.

- ii. Arbitrage Rebate and Yield—Unless the Tax Certificate documents that arbitrage rebate will not be applicable to an issue of Bonds, the Finance Director, or

persons reporting to the Finance Director shall be responsible for:

- either (a) engaging the services of a Rebate Service Provider and, prior to each rebate calculation date, causing the trustee or other financial institution to deliver periodic statements concerning the investment of Bond proceeds to the Rebate Service Provider, or (b) undertaking rebate calculations itself and retaining or obtaining periodic statements concerning the investment of Bond proceeds;
- providing to the Rebate Service Provider additional documents and information reasonably requested by the Rebate Service Provider;
- monitoring efforts of the Rebate Service Provider;
- assuring payment of required rebate amounts, if any, no later than 60 days after each 5-year anniversary of the issue date of the Bonds, and no later than 60 days after the last Bond of each issue is redeemed;
- during the construction period of each capital project financed in whole or in part by Bonds, monitoring the investment and expenditure of Bond proceeds and consulting with the Rebate Service Provider to determine compliance with any applicable exceptions from the arbitrage rebate requirements during each 6-month spending period up to 6 months or 18 months, as applicable, following the issue date of the Bonds; and
- retaining copies of all arbitrage reports, investment records and trustee statements.

iii. Use of Bond Proceeds and Bond-Financed or Refinanced Assets—The City's Finance Director, or persons under the supervision of the Finance Director, shall be responsible for:

- monitoring the use of Bond proceeds (including investment earnings and including reimbursement of expenditures made before bond issuance) and the use of the financed asset throughout the term of the Bonds to ensure compliance with covenants and restrictions set forth in the Tax Certificate relating to the Bonds;
- maintaining records identifying the assets or portion of assets that are financed or refinanced with proceeds of each issue of Bonds (including investment earnings and including reimbursement of expenditures made before bond issuance), including a final allocation of Bond;
- consulting with bond counsel, City's counsel and other legal counsel and advisers in the review of any change in use or transfer of Bond-financed or refinanced assets to ensure compliance with all covenants and restrictions set forth in the Tax Certificate relating to the Bonds;
- to the extent that the City discovers that any applicable tax restrictions regarding use of Bond proceeds and Bond-financed or refinanced assets will or may be violated, consulting promptly with bond counsel and other legal counsel and advisers to determine a course of action to preserve the tax-exempt status of the bonds.

- b. Continuing Disclosure Policies
 - i. The Finance Director, or persons under the supervision of the Finance Director, shall have a clear understanding of the continuing disclosure requirements for each bond transaction.
 - ii. Internal procedures shall be developed that identify the information that is obligated to be submitted in an annual filing, disclose the dates on which filings are to be made, list the material events as stated by the Securities and Exchange Commission (SEC) and the continuing disclosure agreement, and identify the person responsible for making the filings.
 - iii. The Comprehensive Annual Financial Report may fulfill annual financial information obligations. The information provided in the annual financial report does not have to be replicated when filing with Electronic Municipal Market Access (EMMA) portal. If the City agrees to furnish information that is outside the scope of its annual financial report, that information may be included as a supplement to the annual financial report when filing with EMMA.
 - iv. As recommended in the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting program, the City should complete its audited annual financial information within 180 days of the end of its fiscal year. Upon its completion, the annual financial report should immediately be submitted to EMMA.
 - v. Material event notices will be filed within 10 business days of the event.

RESERVE POLICIES

1. The City will maintain sufficient contingency and reserves in each fund for the ability to:
 - a. Mitigate short-term volatility in revenues and makeup the temporary shortfall in revenue
 - b. Mitigate short-term economic downturns (2 years or less)
 - c. Absorb unanticipated operating needs that arise during the fiscal year but were not anticipated during the budget process
 - d. Sustain city services in the event of an emergency
 - e. Meet operating cash flow requirements before the collection of property taxes, grant proceeds and other operating revenues
 - f. Absorb minor claim or litigation settlements
 - g. Purchase vehicle and equipment without the need to finance such purchases
 - h. Meet routine facility and equipment repair needs
 - i. Meet requirements for debt service reserves
 - j. Maintain good standing with rating agencies

2. General Fund Reserves – the City will maintain General Fund unassigned reserves of at least 16% of the operating budget of the General Fund. Reserve balances in the General Fund Stabilization Fund will be considered when evaluating total General Fund reserve levels. Funding of General Fund reserves will generally come from excess revenues over expenditures or one-time revenues. Ending reserve levels will be evaluated annually.
3. Development Funds – The City will strive to maintain undesignated reserves of at least 50% (or 6 months) of the operating budget for development related funds.
4. Insurance Fund – The City will maintain reserves in its Insurance Fund for self-insurance and major accidents, disasters and catastrophic events. Use of such reserves will be limited to significant expenditures not covered by the City’s insurance and that are too large to be absorbed in the department or fund’s operating budget or reserves.
5. Water, Water Reclamation and Stormwater Funds – The City will maintain undesignated reserves of at least 25% (or 3 months) of the operating budget for its utility funds. The Water and Water Reclamation Funds will also have rate stabilization reserves no less than \$1.5 million and \$1 million respectively to protect against volatility of revenues. Ending fund balance and reserves in the Water and Water Reclamation utility funds will be prioritized as follows:
 - a. Required debt service reserves
 - b. Operating reserves
 - c. Rate stabilization reserves
 - d. Repair & replacement (R&R) reserves which have been identified as a minimum of \$5 million for both the Water and Water Reclamation funds. Refer to the Capital Improvement Policies section for more information on R&R reserves.
6. All Other Operating Funds – The City will maintain undesignated reserves of at least 16% (or 2 months) of the operating budget in all other operating funds unless it can be demonstrated that less than 16% is adequate to meet the needs of the operation.
7. The City will use reserves on a one-time or temporary basis for purposes described above. In the event that reserve funds decrease to levels below the levels established by this policy, the City will develop a plan to restore reserves to the required levels. If feasible, minimum reserve balances shall be replenished in the following year of use and no longer than within five years.

GENERAL FUND STABILIZATION FUND POLICY

1. The City will maintain and manage a General Fund Stabilization Fund in accordance with this policy.
2. The purpose of the General Fund Stabilization Fund will be to provide for severe economic downturns or major unforeseen events (as determined by Council action) where a significant portion of revenues supporting critical basic operations are projected to decline for more than 2 years or permanently, and such decline cannot be absorbed by the department or fund. In these

events, the City will need time to affect reductions, consolidate operations, reprioritize critical programs or implement an alternate revenue source. The General Fund Stabilization Fund will provide temporary support to minimize the impacts to community members who rely on these critical operations.

3. The General Fund Stabilization Fund will also be maintained to protect and enhance the City's credit rating. In the event that the City's General Fund Reserves temporarily fall below desired levels, the General Fund Stabilization Fund will serve to ensure that the City's credit rating is not adversely affected.
4. The General Fund Stabilization Fund will be funded annually as follows:
 - a. 50% of investment earnings of the General Fund
 - b. 50% of investment earnings of all other funds except as prohibited by law or by internal policy
 - c. Excess revenues and/or additional allocations from the General Fund as recommended by the Finance Director and/or City Manager and approved by City Council. Examples of excess revenues include one-time payments from franchisees as a result of an audit, refunds or other one-time discretionary payments not anticipated to be needed for current operations.
5. The General Fund Stabilization Fund will only be used to provide temporary support for critical basic services and operations meeting the criteria established by this policy. In no event will the General Fund Stabilization Fund be used to fund new programs or to fund expenditures that should otherwise be funded with operating revenues, contingencies and reserves.
6. All request for use of the General Fund Stabilization Fund will include the following:
 - a. Projection of revenues indicating decline for more than 2 years or permanent decline as a result of economic downturn or unforeseen event
 - b. Analysis that revenue decline is so significant that it cannot be absorbed in the department or fund's operating budget through increases in other revenues or reduction of current expenditures
 - c. Determination that critical basic services and operations will be affected and community members will be negatively impacted
 - d. Determination that request meets any other criteria determined by Council
 - e. Plan of action and long term financial solution to address the revenue shortfall
7. All requests for use of the General Fund Stabilization Fund will be presented to Council along with City Manager's recommendation. The City Council shall make the final decisions concerning appropriation of funds from the General Fund Stabilization Fund.

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 businesses known as ‘funds’. A fund is a fiscal and accounting entity with self-balancing accounts to record cash and other financial resources, related liabilities and expenditures, which are segregated for specific activities and objectives. All of the governmental and proprietary funds listed below require budget appropriations. The Agency Fund, a fiduciary fund, is the only City of Bend fund that does not require budget appropriations.

All of the funds used by a government must be classified into three types of activities, and further delineated into one of seven fund types:

Governmental Funds (Governmental Activities)

1. General Fund
2. Special Revenue
3. Debt Service
4. Capital Projects
5. Permanent Fund

Proprietary Funds (Business-Type Activities)

6. Enterprise
7. Internal Service

Fiduciary Funds (Fiduciary Activities)

8. Custodial

The fund descriptions in this section only include those funds with a 2021-2023 biennial budget. Funds that are no longer active are not included in this section.

Governmental Funds - Governmental Activities

Many government services are funded 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 the individual taxpayer. When a service is largely funded through non-exchange revenues it is called a governmental activity. The accounting for governmental activities focuses on current available resources and the near-term demands upon them rather than on net income.

General Fund

The City of Bend’s General Fund primarily accounts for police and municipal court operations and the allocation of general discretionary revenues such as taxes and intergovernmental revenues to other funds that rely on those discretionary revenues. The General Fund also accounts for other general services not accounted for within another fund, including growth management and code enforcement. The principal sources of revenue include property taxes, franchise fees, intergovernmental revenues, room taxes and fines.

Special Revenue Funds

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

General Fund Revenue Stabilization Fund

This revenue stabilization fund is established and maintained to ensure the continued delivery of City services. Funds will be available for emergency situations, temporary revenue shortfalls, or to provide stability during economic cycles. This is considered the City's "Rainy Day" Fund.

Police Reserve Fund

This fund is used to set aside operating reserves for the Police Department. Funds may be utilized for sustaining services in the event of an emergency and absorb unanticipated operating needs that arise during the year but were not anticipated during the budget process.

Fire/EMS Fund

Activities within this fund include fire suppression, fire prevention and education, fire investigation services and emergency medical services. Revenues earmarked for Fire/EMS operations include allocation of General Fund discretionary revenues and property taxes from the Deschutes County Rural Fire Protection District #2 as the City partners with the district to provide fire protection in the district's boundaries, and the Fire Operating Levy approved by voters in 2014 and renewed in 2018. The budget includes the increased operating levy as approved by voters that will be in effect from 2024-2029. Revenues also include billings for ambulance and emergency medical services.

Streets & Operations Fund

This fund accounts for the Street Operations of the City. The funding sources include state highway apportionment revenues, internal billings, solid waste franchise fees, grants and allocation of general discretionary revenues from the General Fund. The City Council is also considering a transportation fee as an additional funding source for the programs in this fund.

System Development Charge (SDC) Fund

The SDC Fund provides the accounting for system development charges restricted for transportation, water, and water reclamation capital projects. The use of the SDCs is shown as a transfer out to the Transportation Construction, Water and Water Reclamation Funds respectively.

Helen Lorenz Estate Fund

The Helen Lorenz Estate Fund accounts for earnings received from the Helen Lorenz estate and expenditures to fund Public Safety purposes.

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 charges for services.

Planning Fund

This fund is used to account for the expenditures of the City's Planning Department which

provides current and long-range planning services. Funding for this department is provided through planning fees.

Private Development Engineering Fund

This fund accounts for resources and costs related to ensuring that public improvements made in conjunction with community development are constructed to development standards so they can be accepted into the inventory of public assets for perpetuity. The program also coordinates with the Growth Management and Legal departments to assure infrastructure planning is coordinated with the projected long term demand of future development.

Community Development Block Grant (CDBG) Fund

CDBG funds are allocated annually to the City from the US Department of Housing and Urban Development (HUD). This fund is used to account for the receipt and distribution of those grant funds in accordance with an action plan approved by HUD.

Affordable Housing Fund

This fund accounts for the City's Affordable Housing Program, which is funded by an affordable housing fee assessed on building permit valuation. The affordable housing fee was adopted through City ordinance and earmarked for promotion of and assistance with affordable housing developments.

Commercial and Industrial Construction Tax Fund

This fund was created in fiscal year 2020-21. In accordance with Bend Code Chapter 9.45, tax revenues will initially be recorded in the City's General Fund and then transferred in to this Tax Fund. State law requires that 50% of the tax revenue to be used to fund programs of the City related to housing. The other 50% of revenue is unrestricted, and can be allocated and spent on a discretionary basis as defined by ordinance and code. At the direction of City Council, the unrestricted revenue will be dedicated to support, services, and programs for people making up to 30% of Area Median Income.

Houseless Fund

This is a new fund created in Spring 2023 to account for all of the revenues and expenditures related to owning and operating shelters, managing the right of way and related services and support to the community along the housing continuum.

Business Advocacy Fund

This fund is used to account for the expenditures of the City's Business Advocacy Program which is responsible for implementing the Bend Economic Development Advisory Board's Strategic Plan. Funding for this department is mainly provided through business license fees.

Tourism Fund

Oregon Revised Statutes requires a portion of room taxes to be dedicated to tourism promotion. This fund accounts for the collection and use of that portion of transient room taxes. The City partners with Visit Bend for tourism promotion efforts.

Economic Improvement District (EID) Fund

An EID was created at the request of the Downtown Bend Business Association to provide a funding program for the maintenance and beautification of downtown Bend. Assessments are collected from properties within the EID and passed through to the association for program expenditures.

American Rescue Plan Act (ARPA) Fund

This fund accounts for funds received from the US Department of Treasury through the American Rescue Plan Act, Coronavirus State and Local Fiscal Recovery funds.

Debt Service Funds

This fund type accounts for the accumulation of resources for the payment of debt principal and interest. The use of Debt Service Funds is necessary only if required by law or governmental accounting standards. The City maintains the following debt service funds which are determined to be required or necessary for fiscal management.

Fire Station Debt Service Fund

This fund accounts for the debt service associated with debt issued in partnership with the Deschutes County Rural Fire Protection District #2 to finance construction of four fire stations and the fire administration facility. The principal source of revenue is payment from the District.

2011 General Obligation Bond Debt Service Fund

This fund accounts for the debt service associated with the General Obligation (GO) Bonds issued for transportation construction projects included in the GO Bond approved by voters in May 2011. The principal source of revenue to pay the debt comes from property taxes.

2020 General Obligation Bond Debt Service Fund

This fund accounts for the debt service associated with the General Obligation (GO) Bonds issued for transportation construction projects included in the GO Bond approved by voters in November 2020. The principal source of revenue to pay the debt comes from property taxes.

Bend Urban Renewal Agency (BURA) – Juniper Ridge Debt Service Fund

This fund accounts for the principal and interest debt service associated with debt to be issued for the Juniper Ridge urban renewal area construction projects. The principal source of revenue to pay the debt comes from property taxes on new growth or assessed value increment within the Juniper Ridge urban renewal area.

Bend Urban Renewal Agency (BURA) - Murphy Crossing Debt Service Fund

This fund accounts for the principal and interest debt service associated with debt issued for the Murphy Crossing urban renewal area construction projects. The principal source of revenue to pay the debt comes from property taxes on new growth or assessed value increment within the Murphy Crossing urban renewal area.

Bend Urban Renewal Agency (BURA) – Core Area Debt Service Fund

This fund accounts for the principal and interest debt service associated with debt issued for projects in the Core Area tax increment financing (TIF) district. The principal source of revenue to pay the debt comes from property taxes on new growth or assessed value increment within the Core Area TIF district.

PERS Debt Service Fund

This fund accounts for the debt service on bonds issued to pay off a portion of the City’s unfunded pension liability with the Oregon Public Employees Retirement System.

Capital Project Funds

This fund type accounts for the construction of major capital facilities. The use of Capital Project Funds is necessary only if required by law or governmental accounting standards to provide for proper management of resources. The City maintains the following capital project funds which are determined to be required or necessary for fiscal management.

Transportation Construction Fund

This fund accounts for the construction of transportation improvements in the City’s Capital Improvement Program. Funding comes from Transportation SDCs, water and water reclamation franchise fees, grants and contributions.

2020 General Obligation Bond Construction Fund

This fund accounts for construction projects related to the Transportation Bond measure that passed in November 2020 for traffic flow, east-west connections, and neighborhood safety improvements.

Accessibility Construction Fund

This fund accounts for accessibility related improvements to mainly sidewalks and curb ramps. General Fund discretionary revenues, grants, and water and water reclamation franchise fees are used to fund these improvements.

Local Improvement District (LID) Construction Fund

This fund accounts for the cost of infrastructure constructed through the LID process. There are currently no active LID projects; the reserve balance in this fund will be used for future LIDs.

BURA - Juniper Ridge Construction Fund

This fund accounts for construction projects related to development of the Juniper Ridge Urban Renewal Area. Funding for this activity is derived through debt financing and property sales.

BURA – Murphy Crossing Construction Fund

This fund accounts for projects in the Murphy Crossing urban renewal area. Funding for this activity is derived through debt financing.

BURA – Core Area Construction Fund

This fund accounts for projects in the Core Area tax increment financing district. Funding for this activity is derived through debt financing.

Permanent Fund

Permanent Funds are generally used to report resources that are legally restricted so that only earnings, and not principal, may be used for purposes that support the program. The City maintains the following permanent fund:

Cemetery Permanent Maintenance Fund

This fund accounts for the perpetual care endowment of the City's cemetery. As provided by Oregon Revised Statutes, funding for this activity is derived through the permanent maintenance fees received from the sale of plots.

Proprietary Funds – Business-Type Activities

Certain government services are operated like for-profit businesses and are funded through user charges for which the cost to the user is proportionate to the benefit received by the user. There are two types of proprietary funds, Enterprise Funds and Internal Service Funds.

Enterprise Funds

Enterprise funds are used to account for operations that provide services to the community members of Bend and are funded and operated in a manner similar to private enterprises.

Water Fund

This fund accounts for the operation of the City's water utility. The principal source of revenue is water rates charged to users. Expenditures are for the administration, maintenance, improvement and expansion of the water system. Capital expenditures are funded by rates, long-term debt, and Water System Development Charges.

Water Reclamation Fund

This fund accounts for the operation of the City's wastewater utility. The principal source of revenue is Water Reclamation rates charged to users. Expenditures are for administration, maintenance, improvement and expansion of the water reclamation system. Capital expenditures are funded by rates, long term debt and Water Reclamation System Development Charges.

Stormwater Fund

This fund accounts for the operation of the stormwater utility. The principal source of revenue is stormwater rates. Expenditures are for administration of the stormwater program and improvements to stormwater facilities.

Airport Fund

This fund accounts for the operation of the Bend municipal airport. The principal sources of operating revenue are hangar and ground leases. Expenditures are for the administration, maintenance and improvement of the airport facilities. Capital expenditures are primarily funded from state and federal grants.

Parking Services Fund

The Parking Services Fund supports on-street parking, the Bend Centennial Parking Plaza (Parking Structure), and the Downtown coordination efforts.

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 burial and lot sales and support from the City's General Fund. Expenditures are for the operation of the cemetery.

Internal Service Funds

Internal Service Funds are generally used to account for the goods and services provided by one City department to other departments or agencies of the City. Goods and services are provided on a cost-reimbursement basis. The City maintains two Internal Service Funds with the following divisions:

Internal Service Fund – City Wide Administration

Administrative and Financial Services Division

This division accounts for the operations of the City Council, City Manager's Office, City Attorney's Office, Volunteer Program, Communications, Human Resources, Office of Performance Management and Finance department. Revenues are generated from overhead allocation through the City's Cost Allocation Plan to the departments or funds receiving service.

Diversity, Equity, Inclusion and Accessibility (DEIA) Division

This division accounts for the operations of the City's DEIA department, which is responsible for embedding a commitment to diversity, equity, inclusion and accessibility within the City of Bend through internal and external initiatives guided by the work of the City Council's new Human Rights and Equity Commission (HREC) and the internal Diversity, Equity, Inclusion and Accessibility (DEIA) Task Force. Revenues are generated from overhead allocation through the City's Cost Allocation Plan to operating departments or funds.

Sustainability Division

This division accounts for the operations of the City's Sustainability department, which is responsible for carrying out the City's energy and climate related initiatives, including developing, updating, and implementing the City's Community Climate Action Plan (CCAP) and the City's Strategic Energy Management Plan (SEM Plan). Revenues are generated from overhead allocation through the City's Cost Allocation Plan to operating departments or funds.

Information Technology Division

This division accounts for the operation of the City's Information Technology department, which oversees the City's computer hardware and software and phone systems. Revenues are generated from overhead allocation through the City's Cost Allocation Plan to the departments or funds receiving service.

Facilities Management Division

This division accounts for the facilities personnel and the operation and maintenance of the following City owned or leased buildings: City Hall campus, Wall Street, Bond and Franklin

Annexes, 15th Street Campus, Utilities Campus at Boyd Acres, the Police facility, future Public Works Campus, shelter facilities, and other city owned property. Revenues are generated from rent charges developed through the City's Cost Allocation Plan to the departments occupying the buildings, transfers from the Houseless Fund for the operating costs of shelter facilities and General Fund dollars to pay the annual debt service on properties acquired in the Bend Central District.

Insurance & Risk Management Division

This division accounts for the City's emergency management and safety/risk management programs, as well as commercial liability insurance and workers compensation insurance. Revenues are generated from overhead allocation through the City's Cost Allocation Plan to all funds of the City.

Other Post-employment Benefits (OPEB)

The City participates in three separate Other Post-employment Benefits (OPEB) plans. This fund accounts for resources that the City is required to set aside by generally accepted accounting principles (GAAP). Funding comes from monthly charges to user departments based on the departments' number of employees.

Internal Service Fund – Departmental Administration

Fleet Management Division

This division accounts for the maintenance and service of all City vehicles and heavy equipment. Revenue is generated by charges to the departments receiving service.

Utility Laboratory Division

This division accounts for laboratory services provided to the City's water, water reclamation and stormwater utilities. Revenue is generated from overhead allocation through the City's Cost Allocation Plan to the departments or funds receiving service.

Engineering & Infrastructure Planning Division

The Engineering & Infrastructure Planning Division accounts for the City's Engineering department which provides infrastructure and planning services. Revenue is mainly generated by user charges to other funds.

Community & Economic Development Department Administration Division

This division was created to provide support services to the operational divisions within the Community & Economic Development Department (CEDD). Through this consolidated support model, the CEDD Administration Division enables CEDD to work as one coordinated department, while allowing each division to focus on its specific regulatory areas of authority and expertise.

Fiduciary Funds – Fiduciary Activities

Assets held in a trustee capacity for others and not used to support the City’s programs qualify as fiduciary assets. The City has only one fiduciary fund, described below, which does not require budget appropriations and therefore is not included in the budget document.

Custodial Fund

The Custodial 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 on a Generally Accepted Accounting Principles (GAAP) basis. For financial reporting purposes, governmental funds use the modified accrual basis of accounting where revenues are recognized when they are both measurable and available and expenditures are recognized when incurred. Proprietary funds use the full accrual basis of accounting where revenues are recorded when earned and expenses are recorded when incurred.

The City makes adjustments at year-end for financial reporting to reflect GAAP basis as needed. Examples of GAAP basis adjustments include:

- Acquisition of capital assets or construction costs which are considered current expenditures under Oregon Local Budget Law but are reported as capital assets and depreciated over the life of the assets under GAAP;
- Proceeds from debt issues are considered budgetary resources while under GAAP, debt issued is recorded as a liability. Likewise, debt principal payments are a reduction in the liability under GAAP reporting but show as expenditures for budget purposes.
- Amortization and non-cash transactions are other examples of transactions that are not reported under the budget basis but are reported in GAAP-basis financial reporting.

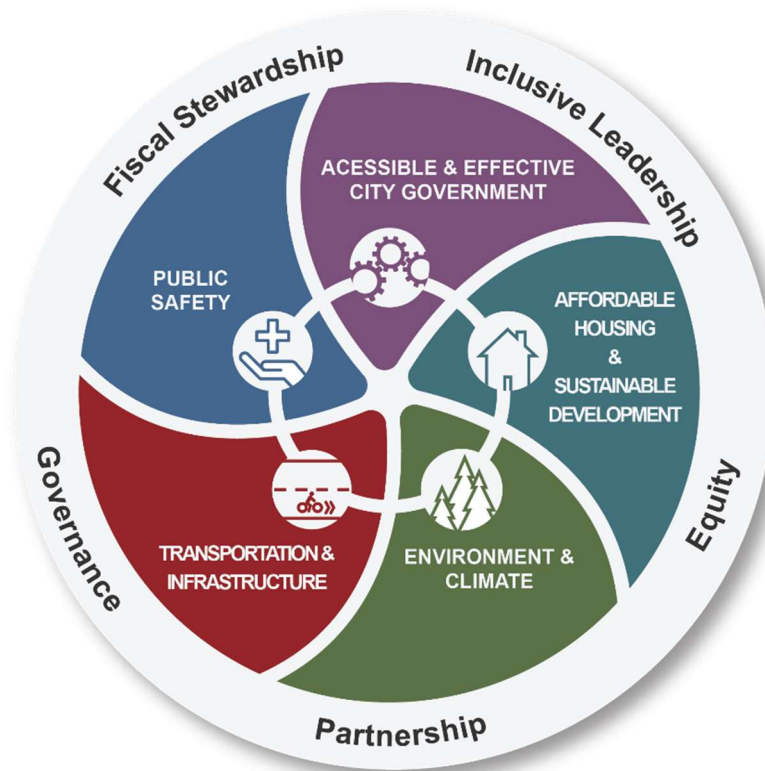
Budgets for all City funds are prepared on a modified accrual basis consistent with GAAP.

2023-2025 Council Goal Setting and Work Plan

The City Council met at the beginning of 2023 to set goals and to prioritize objectives/projects to serve as a guide to achieve the higher priority goals for the upcoming biennium. The resulting document is the Bend City Council 2023-2025 Goals that can be found on subsequent pages.

In this document, the City Council goals are divided into the following focus areas:

1. Accessible + Effective City Government
2. Affordable Housing + Sustainable Development
3. Environment + Climate
4. Public Safety
5. Transportation + Infrastructure



The document on the following pages includes the overarching guiding principles for all of the Council goals, as well as the strategies and actions for each goal area. The work plan was adopted by City Council on June 21, 2023, and the 2023-2025 biennial budget was developed in alignment with these goals and objectives.

The City Council Goals were developed with input from community member committee and advisory groups, City Council and City staff. The City Council Goals can be revised as new challenges or opportunities arise. The City Council will also review progress of these goals on a quarterly basis during the biennium and make adjustments to timelines and citywide project priorities as necessary.



2023 – 2025
Council Goals and Work Plan

Bend City Council

These elected policy makers volunteer time and dedicate energy to keeping Bend special and providing crucial services for people in Bend. Councilors' 2023-25 goals emphasize the need to ensure services and opportunities are equitable for everyone in Bend.



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Guiding Principles

Equity

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.

Inclusive Leadership

We will advocate for the community by working to gain recognition and the assistance necessary to meet our local needs, as outlined in our goals, from all levels of government. We will model these principles and community values in all aspects of our work.

Environment and Climate

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.

Fiscal Stewardship

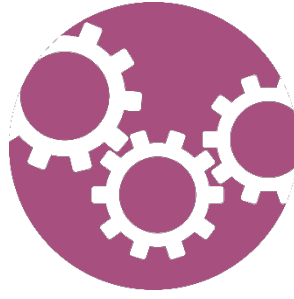
We will be responsible and accountable for our city's resources, carefully evaluating the short, medium, and long-term impacts of our decisions.

Governance

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.

Partnership

We will meet the diverse and changing needs of the community through partnership with local government entities and building connection between community members and City government by providing services in ways that work for everyone, build public trust, and promote civic engagement.



Goal: Accessible + Effective City Government

Strategy

ADVANCE THE CITY'S COMMITMENT TO EQUITY

Actions

- Develop and pilot an equity framework
- Develop and implement a supplier diversity (community benefits) program
- Develop a process to connect community members who have experienced acts of discrimination with resources and assistance
- Develop and implement a language access policy and program

Strategy

EXPAND COMMUNITY ENGAGEMENT WITH AN EMPHASIS ON UNDERREPRESENTED COMMUNITY MEMBERS

Actions

- Research and develop innovative engagement tools to try as pilot programs, including ways to engage new voices
- Use the roundtable program to meet a variety of Council engagement opportunities, reporting back on what was learned and the actions taken in response
- Launch and grow the neighborhood association trailer program



Strategy

IMPLEMENT PROCESS IMPROVEMENTS AND EFFICIENCIES TO MEET THE NEEDS OF A GROWING CITY

Actions

- Review and evaluate current practices for information sharing between the City Council and City advisory boards, identify opportunities for improvement, and consider updates
- Review Council compensation
- Plan and build facilities to meet the needs of a growing city with a lens of sustainability and a reduced carbon footprint (Juniper Ridge & City Hall)
- Implement asset management strategies to support decision making and utilization of infrastructure assets

How We Will Measure Progress

- Percent of contracts awarded to women or minority-owned businesses
- Language Access Program utilization
- Survey feedback on trust in government, including number of Spanish language surveys submitted
- Customer satisfaction rating for service delivery (by core service area)
- Percent of community members who sign up for existing City communication resources
- Number and location of community trailer events
- Number of attendees at City sponsored community events



Goal: Affordable Housing + Sustainable Development

Strategy

PLAN FOR GROWTH IN ALIGNMENT WITH CLIMATE, ECONOMIC, AND HOUSING AFFORDABILITY STRATEGIES TO ENSURE SUFFICIENT LAND SUPPLY FOR FUTURE NEEDS

Actions

- Initiate an update to our plan for growth that is aligned with the Climate Friendly and Equitable Communities (CFEC) rules, ensures Bend has a sufficient land supply and adheres to the concept of 'complete neighborhoods' as we work to meet future needs for housing and jobs
- Bring Stevens Road Tract into the Urban Growth Boundary (UGB)
- Shape state efforts on housing to achieve housing goals in Central Oregon
- Improve permitting processes and review times to support housing and economic development

Strategy

ENCOURAGE ECONOMIC DEVELOPMENT THAT RESULTS IN SHARED PROSPERITY

Actions

- Leverage City-owned land at Juniper Ridge to increase opportunities for industrial development and housing
- Complete funding to begin construction of an air traffic control tower at Bend Municipal Airport
- Strategically invest in the Core Area to spur private development
- Establish an economic development strategic plan
- Complete the Economic Opportunity Analysis



Strategy

OPTIMIZE HOUSING CONTINUUM

Actions

- Seek sustainable funding for shelter operations to maintain existing level of shelter beds
- Explore revenue and code/policy options to increase affordable and middle-income housing
- Actively pursue partnerships to create land availability, funding, and additional capacity for emergency shelters, transitional and affordable housing, and supportive services
- Surplus City-owned properties to meet housing needs

How We Will Measure Progress

- Permitting processing times
- Walk score, Bike score
- Per capita Vehicles Miles Traveled (VMT)
- Ratio of private to public investment leveraged through Core Area programs
- Ratio of private to public investment within the Juniper Ridge Overlay Zone
- Percent of total housing stock that is Affordable
- Number of units for those making 30% AMI or below
- Number of people moved to stable housing
- Number of beds to support houseless individuals/households (low-barrier beds, transitional housing beds, permanent supportive housing beds, etc.)



Goal: Environment + Climate

Strategy

ADVANCE THE COMMUNITY CLIMATE ACTION PLAN (CCAP) AND ENCOURAGE SUSTAINABLE DEVELOPMENT

Actions

- Update the CCAP to integrate new greenhouse gas reduction strategies to achieve the City's climate action goals, including decarbonizing the energy supply and buildings and reducing emissions from transportation and waste sectors
- Implement 2-4 CCAP strategies prioritized by the Environment and Climate Committee (ECC)
- Develop new polices to support sustainable development including policies that are responsive to community concerns, such as the Tree Code, auto dependent uses in commercial zones and natural gas policy

Strategy

PROTECT OUR WATERSHED THROUGH CONSERVATION AND WATER STEWARDSHIP

Actions

- Implement conservation goals in the water management and conservation plan (WMCP)
- Continue participation in the Deschutes Basin Water Collaborative (DBWC)
- Explore options for future expansion of the Water Reclamation Facility through facility planning

How We Will Measure Progress

- Citywide Greenhouse Gas (GHG) emissions
- Per capita GHG emissions
- Per capita water utilization
- Number of utility customers participating in water conservation incentive programs



Goal: Public Safety

Strategy

MAINTAIN SERVICE LEVELS TO KEEP PACE WITH INCREASING CALLS AND EXPANDING RANGE OF SERVICE DEMANDS

Actions

- Maintain Fire/Emergency Medical Service response times and cardiac arrest survival rate
- Develop a long-term staffing strategy for the Fire and Police departments
- Continue to review and improve employee retention efforts

Strategy

REDUCE SERVICE DEMANDS THROUGH PARTNERSHIPS, USE OF TECHNOLOGY, ALTERNATIVE RESPONSE, AND COMMUNITY EDUCATION

Actions

- Identify and implement partnerships for alternative responses to ensure the right response for the right situation. Opioid settlement dollars will be utilized to support these efforts.
- Advance local gun safety policies in alignment with state policy changes
- Evaluate automated traffic enforcement to improve traffic safety
- Develop and implement a technology investment plan for both Police and Fire departments that expands the use of technology to build capacity and better meet community needs



Strategy

ENSURE HOUSING AND OTHER CRITICAL INFRASTRUCTURE CAN WITHSTAND WILDFIRES AND OTHER DISASTERS

Actions

- Establish the Department of Emergency Management
- Develop Continuity of Operations Plan (COOP)
- Develop Hazard Mitigation Plans
- Launch community education, prevention, and preparedness programs

How We Will Measure Progress

- Bend Fire & Rescue response times
- Cardiac arrest survival rates
- Employee retention rates
- Percent of calls that are dispatched/ addressed through alternative responses
- Emergency preparedness metric to be developed as part of the COOP



Goal: Transportation + Infrastructure

Strategy

IMPROVE THE TRANSPORTATION SYSTEM BY FOCUSING ON SAFETY AND SECURING SUSTAINABLE FUNDING ALIGNED WITH TRANSPORTATION SYSTEM PLAN (TSP)

Actions

- Update System Development Charges (SDC) methodology
- Pursue new revenue sources including grants and a transportation fee
- Collaborate with Central Oregon Intergovernmental Council (COIC) to pursue long term sustainable transit funding
- Implement transportation programs and mobility initiatives in alignment with available funding
- Implement near-term multimodal and safety projects to capitalize on existing system, including building one connected and protected North-South and one East-West key route, and wayfinding
- Continue to pursue funding and partnerships to build the Mid-Town Crossing



Strategy

ENSURE WATER, WASTEWATER, AND STORMWATER SYSTEMS ARE ALIGNED WITH THE NEEDS OF A GROWING CITY

Actions

- Complete an in-conduit hydro feasibility study
- Continue Outback expansion land acquisition to support wildfire resiliency and facility needs
- Complete long-range master planning efforts for sewer collection and stormwater systems

How We Will Measure Progress

- Utilization of alternative modes of transportation, including transit
- Percentage of people who feel safe using alternative modes of transportation
- Miles of bike lane and sidewalk improvements
- Pavement Condition Index (PCI) score
- Parking utilization rate
- Energy consumption at Water Utility facilities



GOAL: ACCESSIBLE + EFFECTIVE CITY GOVERNMENT

Legend	
	Council Touchpoint
	Action Timeline

Strategy: Advance the City's commitment to equity	2023		2024				2025	
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Develop and pilot an equity framework								
Develop and implement a supplier diversity (community benefits) program								
Develop a process to connect community members who have experienced acts of discrimination with resources and assistance								
Develop and implement a language access policy and program								

Strategy: Expand community engagement with an emphasis on underrepresented community members

Research and develop innovative engagement tools to try as pilot programs, including ways to engage new voices								
Use the roundtable program to meet a variety of Council engagement opportunities, reporting back on what was learned and the actions taken in response								
Launch and grow the neighborhood association trailer program								

Strategy: Implement process improvements and efficiencies to meet the needs of a growing city

Review and evaluate current practices for information sharing between the City Council and City advisory boards, identify opportunities for improvement, and consider updates								
Review Council compensation								
Plan and build facilities to meet the needs of a growing city with a lens of sustainability and a reduced carbon footprint (Juniper Ridge & City Hall)								
Implement asset management strategies to support decision making and utilization of infrastructure assets								



GOAL: AFFORDABLE HOUSING + SUSTAINABLE DEVELOPMENT

Legend	
	Council Touchpoint
	Action Timeline

Strategy: Plan for growth in alignment with climate, economic, and housing affordability strategies to ensure sufficient land supply for future needs

	2023		2024				2025	
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Initiate an update to our plan for growth that is aligned with the Climate Friendly and Equitable Communities (CFEC) rules, ensures Bend has a sufficient land supply and adheres to the concept of 'complete neighborhoods' as we work to meet future needs for housing and jobs								
Bring Stevens Road Tract into the Urban Growth Boundary (UGB)								
Shape state efforts on housing to achieve housing goals in Central Oregon								
Improve permitting processes and review times to support housing and economic development								

Strategy: Encourage economic development that results in shared prosperity

Leverage City-owned land at Juniper Ridge to increase opportunities for industrial development and housing								
Complete funding to begin construction of an air traffic control tower at Bend Municipal Airport								
Strategically invest in the Core Area to spur private development								
Establish an economic development strategic plan								
Complete the Economic Opportunity Analysis								

Strategy: Optimize housing continuum

Seek sustainable funding for shelter operations to maintain existing level of shelter beds								
Explore revenue and code/policy options to increase affordable and middle-income housing								
Actively pursue partnerships to create land availability, funding, and additional capacity for emergency shelters, transitional and affordable housing, and supportive services								
Surplus City-owned properties to meet housing needs								



GOAL: ENVIRONMENT + CLIMATE

Legend	
◆	Council Touchpoint
	Action Timeline

	2023		2024				2025	
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Strategy: Advance the Community Climate Action Plan (CCAP) and encourage sustainable development								
Update the CCAP to integrate new greenhouse gas reduction strategies to achieve the City's climate action goals, including decarbonizing the energy supply and buildings and reducing emissions from transportation and waste sectors								◆
Implement 2-4 CCAP strategies prioritized by the Environment and Climate Committee (ECC)								
Develop new polices to support sustainable development including policies that are responsive to community concerns, such as the Tree Code, auto dependent uses in commercial zones and natural gas policy		◆		◆				

Strategy: Protect our Watershed through conservation and water stewardship

Implement conservation goals in the water management and conservation plan (WMCP)						◆		
Continue participation in the Deschutes Basin Water Collaborative (DBWC)						◆		
Explore options for future expansion of the Water Reclamation Facility through facility planning		◆						◆



GOAL: PUBLIC SAFETY

Legend	
	Council Touchpoint
	Action Timeline

	2023		2024				2025	
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Strategy: Maintain service levels to keep pace with increasing calls and expanding range of service demands								
Maintain Fire/Emergency Medical Service response times and cardiac arrest survival rate								
Develop a long-term staffing strategy for the Fire and Police departments								
Continue to review and improve employee retention efforts								

Strategy: Reduce service demands through partnerships, use of technology, alternative response, and community education

Identify and implement partnerships for alternative responses to ensure the right response for the right situation. Opioid settlement dollars will be utilized to support these efforts.								
Advance local gun safety policies in alignment with state policy changes								
Evaluate automated traffic enforcement to improve traffic safety								
Develop and implement a technology investment plan for both Police and Fire departments that expands the use of technology to build capacity and better meet community needs								

Strategy: Ensure housing and other critical infrastructure can withstand wildfires and other disasters

Establish the Department of Emergency Management								
Develop Continuity of Operations Plan								
Develop Hazard Mitigation Plans								
Launch community education, prevention, and preparedness programs								



GOAL: TRANSPORTATION + INFRASTRUCTURE

Legend	
◆	Council Touchpoint
	Action Timeline

Strategy: Improve the transportation system by focusing on safety and securing sustainable funding aligned with Transportation System Plan (TSP)

	2023		2024				2025	
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Update System Development Charges (SDC) methodology		◆		◆				
Pursue new revenue sources including grants and a transportation fee	◆		◆	◆		◆		
Collaborate with Central Oregon Intergovernmental Council (COIC) to pursue long term sustainable transit funding		◆				◆		
Implement transportation programs and mobility initiatives in alignment with available funding								
Implement near-term multimodal and safety projects to capitalize on existing system, including building one connected and protected North-South and one East-West key route, and wayfinding	◆		◆			◆		
Continue to pursue funding and partnerships to build the Mid-Town Crossing								

Strategy: Ensure water, wastewater, and stormwater systems are aligned with the needs of a growing city

Complete an in-conduit hydro feasibility study		◆						
Continue Outback expansion land acquisition to support wildfire resiliency and facility needs							◆	
Complete long-range master planning efforts for sewer collection and stormwater systems	◆						◆	◆

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Performance Measures

Performance measures are included in the Adopted Budget to provide information on how efficient and effective the City is with resources in pursuit of meeting Council goals and management objectives.

	2019-20 Actuals	2020-21 Actuals	2021-22 Actuals	2022-23 Estimate	2023-24 Estimate	2024-25 Estimate
Public Safety						
Police						
Number of incidents dispatched calls for service	51,320	50,350	50,787	52,448	52,407	52,340
Number of officer-initiated calls for service	37,600	27,064	23,752	36,500	37,500	38,500
<i>Total calls for service</i>	<i>88,920</i>	<i>77,414</i>	<i>74,539</i>	<i>88,948</i>	<i>89,907</i>	<i>90,840</i>
Number of total calls for service per sworn staff	856	763	687	885	862	819
Number of mental health and suicidal subject calls	1,895	1,740	2,139	1,880	1,650	1,200
Number of citizen online reports	1,691	1,533	1,486	1,650	1,850	2,000
Number of crimes against persons per 1,000 residents	9	9	10	10	10	10
Number of crimes against property per 1,000 residents	35	33	30	35	34	33
Number of crimes against society per 1,000 residents	23	19	20	23	22	21
Number of vehicle collisions per 1,000 residents	18	18	23	20	20	20
Number of force incidents	76	60	72	74	75	77
Percentage of residents who have confidence in the Bend Police Department ¹	76%		78%		80%	
Fire						
Incident Count ²	10,994	11,534	13,036	13,550	14,092	14,650
Average Response Time: City Limits	0:05:54	0:06:02	0:06:03	< 0:06:00	< 0:06:00	< 0:06:00
Average Response Time: Rural Fire Protection District	0:09:19	0:09:26	0:09:03	< 0:09:00	< 0:09:00	< 0:09:00
Cardiac Survivability Rate	64%	50%	40%	56%	50%	50%
Municipal Court						
Number of cases closed (dismissed, paid in full or written off as uncollectable) per new case filed	0.96	1.43	1.06	1.00	1.00	1.00
Total Cases	8,818	3,545	4,045	4,500	4,500	4,500
Cases filed per court clerk	2,205	886	1,011	1,125	1,125	1,125
Infrastructure						
Utilities						
Water						
Surface/groundwater produced (million gallons/annually)	4,475	4,944	4,437	4,500	4,600	4,700
Peak day usage (million gallons per day)	26.3	26.3	26.0	27.0	28.0	29.0
Percent of annual water produced from Surface Water	65%	64%	62%	62%	62%	62%
Number of breaks/leaks per hundred miles pipe	1.3	1.3	1.1	1.5	1.5	1.5
Sprinkler Inspection Program - Number of inspections	162	170	200	200	200	200
Operating cost of Potable Water Services (cost per million gallons)	\$ 2,455	\$ 2,493	\$ 2,780	\$ 2,879	\$ 2,957	\$ 3,039
Water Reclamation						
Average daily flow (million gallons per day)	6.1	6	6.2	6.3	6.4	6.5
Annual dry tons of biosolids produced	1,597	2,267	2,002	2,035	2,070	2,100
Number of odor complaints	28	30	15	25	25	25
Number of sanitary sewer overflows (SSOs) per year	5	5	4	4	4	4
Operating cost of Wastewater Treatment Services (cost per million gallons)	\$ 1,691	\$ 1,823	\$ 1,916	\$ 1,979	\$ 2,044	\$ 2,113

¹ Portland State University, *Community Attitudes Regarding Public Safety in Bend, Oregon* (2021)

² An 'incident' is any call received that results in a dispatch to assist the public including fire, EMS, rescue, hazardous materials, or other calls for assistance.

Performance Measures

	2019-20 Actuals	2020-21 Estimate	2021-22 Estimate	2022-23 Estimate	2023-24 Estimate	2024-25 Estimate
Infrastructure (continued)						
Utilities (continued)						
Stormwater						
Yards of debris removed from catch basins	302	236	467	300	300	300
Storm drains cleaned/inspected ¹	11,870	14,574	12,309	12,000	12,000	12,000
Underground Injection Control wells (UIC) cleaned/inspected ¹	5,739	941	1,835	2,000	2,000	2,000
Number of swales maintained	762	981	556	600	600	600
Utility Laboratory						
Number of Drinking Water Tests	2,841	2,751	2,697	2,687	2,741	2,796
Number of Wastewater Tests	17,105	13,677	16,778	15,872	16,189	16,513
Number of Stormwater Tests	1,821	1,502	1,449	1,200	1,224	1,248
NELAC Accreditation	Yes	Yes	Yes	Yes	Yes	Yes
Total Tests per year	23,033	18,179	21,266	20,175	20,578	20,990
Engineering & Infrastructure Planning²						
Total number of EIPD-managed Capital Improvement Plan (CIP) Projects Budgeted	45	34	46	45	54	47
Total amount budgeted for EIPD-managed CIP Projects (millions)	\$ 83.8	\$ 81.3	\$ 68.2	\$ 80.2	\$ 87.1	\$ 84.3
Total amount spent on EIPD-managed CIP Projects (millions)	\$ 68.9	\$ 67.5	\$ 48.2	\$ 72.4	\$ 68.5	\$ 66.3
Transportation & Mobility						
Streets & Operations						
Miles of street cleaned / sweeping	27,607	28,492	28,334	28,000	28,000	28,000
Number of self-performed curb ramps constructed	179	287	197	200	200	200
Number of Community Service Requests (CSR) received	4,018	1,887	2,334	2,500	2,750	3,000
Overall Pavement Condition Index (PCI)	74	75	75	76	75	74
Parking Services						
Parking permits issued	10,477	13,383	22,057	22,498	22,948	22,407
Parking transactions	54,233	75,862	176,204	190,300	205,524	215,801
Parking utilization	88%	63%	87%	92%	93%	93%
Operating cost of parking system	51%	68%	68%	73%	68%	65%
Cemetery						
Number of total burials	54	39	53	50	50	50
Years of cemetery capacity available at full build out	24	23	22	21	20	19
Community & Economic Development						
Community & Economic Development Department						
Building						
Building permit average review times (in days)						
Commercial building	65	56	110	55	90	90
Single family	66	66	41	50	35	35

¹ The reduction in cleanings and inspections beginning in 2020-21 reflects a realignment with regulatory requirements.

² Engineering & Infrastructure Planning focus on Capital Improvement Plan projects in the Water, Water Reclamation, Stormwater, Transportation Construction, 2011 General Obligation Bond Construction, 2020 General Obligation Bond Construction, Parking, and the Accessibility Construction Funds.

Performance Measures

	2019-20 Actuals	2020-21 Estimate	2021-22 Estimate	2022-23 Estimate	2023-24 Estimate	2024-25 Estimate
Community & Economic Development (continued)						
Community & Economic Development Department (continued)						
Building (continued)						
Permits Issued						
Single Family New Construction	458	494	718	520	520	532
Multi Family New Construciton (Duplex and up)	224	231	53	80	80	82
Commercial New Construction	85	78	60	45	45	46
New Commercial with Residences	4	1	1	15	15	15
Average number of Inspections per day	159	194	164	165	165	169
Planning						
Number of applications received	874	877	765	630	630	644
Number of sign permits issued (Includes temporary signs)	330	198	202	160	160	164
Private Development Engineering						
Number of applications received	687	1,267	942	900	900	921
Number of inspections	3,382	9,371	8,858	9,200	9,200	9,412
Engineering - Tier 3 Infrastructure Plans average review times	58	57	33	51	45	45
Code Enforcement						
Number of Cases	1,592	1,794	1,089	1,500	1,650	1,800
Development Services Administration						
Short Term Rental Land Use Approvals	118	134	155	131	125	125
Economic Development						
Affordable housing units developed	94	55	300	100	81	140
Number of households that benefitted from Affordable Housing Program Funds to attain home ownership	10	4	10	8	8	10
Total shelter beds in the City of Bend (number of city-supported shelter beds)	data not available		372 (142)	505 (248)	515 (258)	530 (273)
Total City-supported shelter nights provided	data not available			58,000+	65,000	75,000
Active Business Licenses	6,682	6,911	6,000	5,700	6,000	6,250
Airport						
Number of annual airport operations (takeoffs & landings)	148,347	158,450	141,175	143,800	148,061	151,629
Administration & Central Services						
Administration & Financial Services						
Communications						
Average City of Bend website visits per month	68,575	73,200	71,661	73,811	76,025	78,308
Average social media engagements per month	data not available	9,018	10,175	11,175	12,175	13,175
Percent of survey respondents that felt engaged with their Neighborhood Association		43%	39%	40%	45%	50%
Human Resources						
One-year turnover count	8.8%	12.1%	13.3%	10.0%	10.0%	10.0%
Number of voluntary resignations	37	66	62	53	53	53
Number of involuntary resignations	7	6	3	3	3	3
Number of retirements	11	8	7	7	7	7
Financial Services						
Receive the Distinguished Budget Presentation Award from the Government Finance Officers Association	Yes		Yes		Yes	
Receive the Certificate of Acheivement for Excellence in Financial Reporting from the Government Finance Officers Association	Yes	Yes	Yes	Yes	Yes	Yes

Performance Measures

	2019-20 Actuals	2020-21 Estimate	2021-22 Estimate	2022-23 Estimate	2023-24 Estimate	2024-25 Estimate
Administration & Central Services (continued)						
Performance Management						
Data sets prepared and published for public use, download, and redistribution	data not available		23	26	4	4
Information Technology						
Wireless network uptime (outside of maintenance windows, planned downtime)	99.99%	99.99%	99.99%	99.99%	99.99%	99.99%
Percent of support request survey response rated 'satisfied'	99%	99%	99%	99%	99%	99%
Percent of support request survey responses rated 'resolved' and 'timely'	98%	98%	98%	98%	98%	98%
Percent of support requests resolved on the first customer call (15 minutes)	15%	14%	14%	16%	17%	18%
Facilities						
Operating cost per square foot of facility maintained	\$ 14.67	\$ 13.24	\$ 16.58	\$ 20.64	\$ 21.73	\$ 24.18
Fleet Management						
Overdue preventative maintenance rate ¹	12%	11%	12%	13%	12%	12%
Fleet age for passenger and non-specialty vehicles (years)	11	11	9	8	8	8

¹ Each fleet vehicle or piece of equipment has a schedule for periodic preventative maintenance (PM) based on mileage and hours (utilization based) or by timing (frequency based). The overdue PM rate shows the amount of vehicle/equipment services that are completed based on the schedule.