

RESOLUTION NO. 3285

A RESOLUTION APPROVING A SUPPLEMENTAL BUDGET AND BUDGET APPROPRIATION ADJUSTMENTS FOR THE 2021-2023 BIENNIAL BUDGET PERIOD BEGINNING JULY 1, 2021.

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

1. In accordance with ORS 294.473, the proposed supplemental budgets will provide appropriation adjustments that were not anticipated when the 2021-2023 Biennial Budget was developed. A public hearing is required because fund expenditures will be adjusted by more than 10%. In accordance with ORS 294.473, public notice that a supplemental budget will be considered is required, and this notice was published on or before January 28, 2022.

<u>Community Development Block Grant Fund</u>	Increase	Decrease
Resources:		
Intergovernmental revenue	\$ 835,000	
Loan repayments	\$ 165,000	
Requirements:		
Community & Economic Development Program	\$ 1,000,000	

Recognize additional intergovernmental revenue for grant reimbursement from unused prior year grant allocations and additional loan repayments already received to increase expenditure appropriations in the Community & Economic Development Program in materials & services for grant/loan recipients.

<u>Transportation Construction Fund</u>	Increase	Decrease
Resources:		
Beginning working capital	\$ 4,722,800	
Requirements:		
Infrastructure Program	\$ 4,722,800	

Recognize additional beginning working capital and increase expenditure appropriations in the Infrastructure Program in capital outlay (\$3,771,000) and materials & services (\$951,800) to carry forward Capital Improvement Program (CIP) costs for the Murphy Corridor Improvements and Empire Corridor Improvements projects and transportation planning project expenses. Long-term debt to fund the CIP projects was issued in fiscal year 2020. All expenses were originally anticipated to be incurred in fiscal year 2021 but will now be completed in the 2021-2023 biennium.

2020 General Obligation Bond Construction Fund**Increase****Decrease****Resources:**

Long-term debt proceeds	\$ 11,244,800
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Requirements:

Infrastructure Program	\$ 5,999,800
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Reserves for future construction	\$ 5,245,000
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Recognize additional long-term debt proceeds and increase expenditure appropriations in the Infrastructure Program in capital outlay (\$5,608,000) to fund capital improvement projects, in materials & services (\$165,900) to fund debt issuance costs and in personnel services (\$225,900) for the addition of one Project Engineer. The proposed supplemental budget is consistent with the Five-year Capital Improvement Program (CIP) proposed by the Transportation Bond Oversight Committee and adopted by Council on December 15, 2021. Debt will be issued in the Spring of 2022 to support the first 3 years of bond expenditures. Costs anticipated in fiscal year 2024 will be held in Reserves for future construction. Additional information on the project engineer position and the upcoming debt issuance are included in separate agenda items.

Internal Service Fund: City-wide Administration**Increase****Decrease****Resources:**

Beginning working capital	\$ 525,000
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Intergovernmental revenue	\$ 2,000,000
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Grant revenue	\$ 2,500,000
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Long-term debt proceeds	\$ 4,550,000
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Requirements:

Administration & Central Services Program	\$ 9,575,000
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Recognize additional beginning working capital and increase expenditure appropriations in the Administration & Central Services Program in capital outlay by \$525,000 to carry forward Innovation Strategic Plan expenses related to implementation of the Municipal Court, Fleet Management, Utility Billing, and online permitting system projects. All expenses were originally anticipated to be incurred in fiscal year 2021 but will now occur and/or be completed in the 2021-2023 biennium.

Recognize intergovernmental revenue from the state and increase expenditures in the Administration & Central Services Program in the Facilities Management division in capital outlay by \$2,000,000 for the purchase of 275 NE Second St for use as a shelter for people experiencing houselessness or at-risk of houselessness. This expenditure was included in the adopted budgeted and anticipated to be purchased in the General Fund but will now be purchased using the Facilities Management division budget.

Recognize \$4,550,000 of long-term debt proceeds and increase expenditure appropriations in the Administration & Central Services Program in the Facilities Management division in capital outlay for the purchase of a 1.03 acre site at 154 NE Franklin Avenue which includes the Rainbow Motel. The purchase is an opportunistic public investment that could meet a variety of short-term and/or long-term community needs, including but not limited to an immediate need for transitional shelter as well as a future possible site for City Hall, affordable housing, a civic plaza or other public uses. This adjustment will provide budget appropriations for the purchase of the facility. A future budget adjustment will be needed to account for the anticipated remodel and renovation costs.

Recognize \$2,500,000 of grant revenue from the Oregon Community Foundation (OCF) and increase expenditure appropriations in the Administration & Central Services Program in the Facilities Management division in capital outlay for the purchase of 2346 NE Division St (the former Bend Value Inn) which will be used for the Division St. Shelter. Revenue from OCF was awarded to the City as part of Project Turnkey for the purpose of acquiring motels/hotels for use as a non-congregate shelter for people experiencing homelessness or at-risk of homelessness. A budget adjustment was adopted by City Council on June 16, 2021 to include this expenditure in the 2019-2021 biennium in the General Fund, but the transaction did not occur until fiscal year 2022 and will be expended in the Internal Service Fund: City-wide Administration instead of the General Fund.

Internal Service Fund: City-wide Administration

Increase

Decrease

Resources:

Interfund transfer revenue

\$ 1,500,000

Requirements:

Administration & Central Services Program

\$ 1,500,000

Decrease interfund transfer revenue from the American Rescue Plan Act Fund and decrease expenditure appropriations in the Administration & Central Services Program in the Facilities Management division in materials & services by \$1,500,000. This expenditure was adopted by City Council on August 18, 2021, to use American Rescue Plan Act funds to purchase and create a managed/authorized encampment to serve the City's houseless population. This expenditure is still planned in the biennial budget and is proposed to be appropriated in the General Fund in the Houseless Services Program instead of the Facilities Management division.

2. In accordance with ORS 294.471, the following supplemental budget will provide for appropriation adjustments that were not anticipated when the 2021-2023 Biennial Budget was adopted. These adjustments will not increase total fund expenditures by more than 10%; therefore, a public hearing is not required. The Private Development Engineering Fund adjustment is included in the supplemental budget in accordance with ORS 294.463(2) which requires a supplemental budget for transfers of contingency appropriations exceeding 15 percent of the total appropriations of the fund, but does not require a public hearing. Public notice that a supplemental budget will be considered is required, and this notice was published on or before January 28, 2022.

General Fund**Resources:**

	Increase	Decrease
Beginning working capital	\$ 160,000	
Room tax revenue	\$ 331,000	
Intergovernmental revenue	\$ 1,000,000	
Interagency loan repayments	\$ 465,000	
Interfund transfer revenue	\$ 1,500,000	

Requirements:

Public Safety Program	\$ 325,000
Community & Economic Development Program	\$ 2,500,000
Interfund Transfers	\$ 631,000

Recognize additional beginning working capital of \$160,000 and increase expenditure appropriations in the Public Safety Program in capital outlay (\$115,000) and materials & services (\$45,000) to purchase and upfit vehicles and to carry forward training expenses. All expenses were originally anticipated to be incurred in fiscal year 2021 but will now occur in the 2021-2023 biennium.

Recognize additional room tax revenue of \$331,000 and increase expenditure appropriations in the Public Safety Program in personnel services by \$165,000 for a new Community Service Officer (CSO) Lead position and increase expenditures in Interfund Transfers to the Streets & Operations Fund by \$166,000 to fund a new Health & Safety Code Compliance Coordinator in the Transportation and Mobility Department. Additional information and a resolution requesting an increase in the staffing schedule are included in a separate agenda item.

Recognize intergovernmental revenue from the State and increase expenditure appropriations in the Community & Economic Development Program in materials & services in the Houseless Services Program by \$1,000,000 to fund operational expenses for shelters.

Recognize interagency loan repayment proceeds from the BURA Murphy Crossing Debt Service Fund and increase expenditure appropriations in Interfund Transfers by \$160,000 for a short-term loan to the BURA Murphy Crossing Construction Fund. Expenditure appropriations for the SW Atwood Dr. Sewer Line Expansion were originally authorized by City Council on December 15, 2021 and expected to be incurred in the fiscal year 2021 but will now occur in the 2021-2023 biennium. The interagency loan repayment will occur in the same fiscal year and will have no impact on General Fund reserves.

Recognize interagency loan repayment proceeds from the BURA Core Area Debt Service Fund and increase expenditure appropriations in Interfund Transfers by \$305,000 for a short-term loan to the BURA Core Area Construction Fund for the Senior Planner position authorized by City Council in the Adopted 2021-2023 Biennial Budget. The interagency loan repayment will occur in the same fiscal year and will have no impact on General Fund reserves.

Recognize interfund transfer revenue from the American Rescue Plan Act Fund and increase expenditure appropriations in the Community & Economic Development Program in materials & services by \$1,500,000 for a managed/authorized encampment to serve the City's houseless population. The City is working in conjunction with Deschutes County, Oregon Department of Transportation, and private property owners to find locations. Costs are expected to include a land lease, temporary structures, and contracts with professional social services providers to ensure high quality case management. This expense was included in the budget adjustments adopted by City Council on August 18, 2021 but was originally anticipated to be expended in the Internal Service Fund: City-wide Administration in the Facilities Management division. In an earlier section, the expenditure appropriations in the Facilities Management division are proposed to be reduced.

<u>General Fund</u>	Increase	Decrease
Resources:		
Intergovernmental revenue		\$ 2,000,000
Requirements:		
Community & Economic Development Program		\$ 2,000,000

Decrease intergovernmental revenue from the state and decrease expenditure appropriations in the Community & Economic Development Program in materials & services by \$2,000,000. This expenditure was originally budgeted in the General Fund for the purchase of 275 NE Second St for use as a shelter for people experiencing houselessness or at-risk of houselessness. This expenditure is still planned in the biennial budget and is proposed to be appropriated in the Internal Service Fund: City Wide Administration in the Facilities Management division budget instead of the General Fund.

<u>Fire Fund</u>	Increase	Decrease
Resources:		
Beginning working capital	\$ 270,000	
Requirements:		
Public Safety Program	\$ 270,000	

Recognize additional beginning working capital and increase expenditure appropriations in the Public Safety Program in capital outlay by \$270,000 to purchase equipment and upfit a ladder truck that was purchased in fiscal year 2021. The upfitting expenses were originally anticipated to be incurred in fiscal year 2021 but will now occur in the 2021-2023 biennium.

Private Development Engineering Fund

Requirements:

	Increase	Decrease
Interfund Transfers	\$ 935,200	
Contingency		\$ 935,200

Reduce contingency and increase expenditure appropriations in Interfund Transfers by \$935,200 to the Internal Service Fund: Departmental Administration to the Community Development Department (CDD) Administration program. CDD Administration costs are funded by interfund transfers from all departments and funds within CDD. An analysis was completed and determined that a new allocation should be implemented to more accurately reflect the amount of administrative support utilized by each fund. The Private Development Engineering Fund has no administrative personnel within the fund, resulting in a significantly higher allocation than originally anticipated in the 2021-2023 biennial budget. The Private Development Engineering Fund's remaining reserves are greater than 25 months of operating expenses and are in compliance with the City's fiscal policies. A supplemental budget is required because the transfer of contingency exceeds 15% of the total appropriations of the fund.

Streets & Operations Fund

Resources:

	Increase	Decrease
Interfund transfer revenue	\$ 166,000	

Requirements:

Infrastructure Program	\$ 166,000	
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Recognize interfund transfer revenue from the General Fund and increase expenditure appropriations in the Infrastructure Program in personnel services by \$166,000 for a new Health & Safety Code Compliance Coordinator to address issues and solutions related to houselessness within the City's public rights-of-ways. Additional information and a resolution requesting an increase in the staffing schedule are included in a separate agenda item.

Accessibility Construction Fund

Resources:

	Increase	Decrease
Beginning working capital	\$ 85,000	

Requirements:

Infrastructure Program	\$ 85,000	
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Recognize additional beginning working capital and increase expenditure appropriations in the Infrastructure Program in capital outlay to carry forward CIP expenses for the Brosterhouse Accessibility Improvements project. Expenses were originally anticipated to be incurred in the fiscal year 2021 but will now occur in the 2021-2023 biennium.

Airport Fund**Increase****Decrease****Resources:**

Intergovernmental revenue	\$	205,000	
Charges for services	\$	45,000	

Requirements:

Community & Economic Development Program			\$	2,075,200
Infrastructure Program	\$	2,325,200		

In fiscal year 2022, the Airport Fund moved from the Community & Economic Development Program to the Infrastructure Program within the Transportation and Mobility Department. This budget adjustment will move all expenditures included in the 2021-2023 biennial budget accordingly.

Recognize \$205,000 in intergovernmental grant revenue and \$45,000 in additional charges for services revenue and increase expenditure appropriations in the Infrastructure Program in capital outlay to fund the siting and design study for a new Air Traffic Control Tower. The siting and design study will determine cost and timing estimates that will be utilized to understand budgetary and operational impacts of construction of a future Air Traffic Control Tower. This expenditure was not originally anticipated in the 2021-2023 biennial budget but is now required by the Federal Aviation Administration (FAA) this biennium. Additional charges for services revenue is available due to new leases signed after budget development.

Water Fund**Increase****Decrease****Resources:**

Beginning working capital	\$	253,400	
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Requirements:

Infrastructure Program	\$	253,400	
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Recognize additional beginning working capital and increase expenditure appropriations in the Infrastructure Program in capital outlay by \$253,400 to carry forward the Water Fund's share of project costs for the Murphy Corridor Improvement project and for the Water Master Plan Update project. Expenses were originally anticipated to be incurred in the fiscal year 2021 but will now occur in the 2021-2023 biennium.

Water Reclamation Fund**Increase****Decrease****Resources:**

Beginning working capital	\$	750,000	
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Requirements:

Infrastructure Program	\$	750,000	
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Recognize additional beginning working capital and increase expenditure appropriations in the Infrastructure Program in capital outlay by \$750,000 to carry forward CIP expenses for the Collection System Enhancement project, the Collection System Master Plan and Water Reclamation Facility Plan updates. Expenses were originally anticipated to be incurred in the fiscal year 2021 but will now occur in the 2021-2023 biennium.

Internal Service Fund: Departmental Administration

Resources:

Interfund transfer revenue

Increase**Decrease**

\$ 47,600

Requirements:

Interfund Transfers

\$ 47,600

The Internal Service Fund: Departmental Administration contains multiple divisions that serve operating departments throughout the City and are paid for by interfund transfers from operating departments. This adjustment increases expenditures in Interfund Transfers to pay for their share of the costs of four central services positions that were authorized by City Council on August 18, 2021. The increase in costs will be funded by an increase in interfund transfer revenue from the operating funds supported by each division.

3. The following proposed budget adjustments are authorized by ORS 294.463(2) to transfer budget from Contingency to appropriation categories or programs within the same fund. Proposed budget transfers of operating Contingency are less than 15% so do not require a supplemental budget.

Cemetery Fund

Requirements:

Infrastructure Program

Increase**Decrease**

\$ 4,200

Contingency

\$ 4,200

Reduce contingency and increase expenditure appropriations in the Infrastructure Program in materials & services for the purchase of a replacement burial lowering device that broke unexpectedly. This expense was not originally anticipated in the 2021-2023 biennium and is critical to cemetery operations.

Multiple Funds**Requirements:**

Interfund Transfers	Increase	Decrease
General Fund	\$ 197,800	
Fire Fund	\$ 126,800	
Affordable Housing Fund	\$ 13,600	
Community Development Block Grant Fund	\$ 6,000	
Business Advocacy Fund	\$ 3,800	
Planning Fund	\$ 34,600	
Private Development Engineering Fund	\$ 23,200	
Streets & Operations Fund	\$ 69,800	
Transportation Construction Fund	\$ 71,800	
Accessibility Construction Fund	\$ 4,200	
Airport Fund	\$ 19,200	
Cemetery Fund	\$ 1,000	
Water Fund	\$ 70,200	
Water Reclamation Fund	\$ 137,400	
Stormwater Fund	\$ 24,600	
Parking Services Fund	\$ 12,600	
Internal Service Fund: Departmental Administration	\$ 12,200	

Contingency

General Fund	\$ 197,800
Fire Fund	\$ 126,800
Affordable Housing Fund	\$ 13,600
Community Development Block Grant Fund	\$ 6,000
Business Advocacy Fund	\$ 3,800
Planning Fund	\$ 34,600
Private Development Engineering Fund	\$ 23,200
Streets & Operations Fund	\$ 69,800
Transportation Construction Fund	\$ 71,800
Accessibility Construction Fund	\$ 4,200
Airport Fund	\$ 19,200
Cemetery Fund	\$ 1,000
Water Fund	\$ 70,200
Water Reclamation Fund	\$ 137,400
Stormwater Fund	\$ 24,600
Parking Services Fund	\$ 12,600
Internal Service Fund: Departmental Administration	\$ 12,200

The budget adjustments above reduce contingency and increase expenditures in Interfund Transfers for each fund's share of the costs for the additional four new central services positions that were authorized by City Council on August 18, 2021.

4. The following adjustments will correct errors in Resolution No. 3274 adopted on August 18, 2021.

<u>Internal Service Fund: Departmental Administration</u>	Increase	Decrease
Requirements:		
Administration & Central Services Program		\$ 211,800
Community & Economic Development Program	\$ 211,800	

Reduce expenditure appropriations in the Administration & Central Services Program by \$211,800 and increase appropriations in the Community & Economic Development Program by the same amount. The fund adjustment table within section 3 of Resolution 3274 adopted by City Council on August 18, 2021 includes a \$211,800 increase in expenditure appropriations in the Administration and Central Services Program. The issue summary and narrative in the resolution both indicate that the increase was intended to occur in the Community & Economic Development Program.

<u>Internal Service Fund: Departmental Administration</u>	Increase	Decrease
Requirements:		
Community & Economic Development Program	\$ 1,206,600	

Increase expenditure appropriations in the Community & Economic Development Program by \$1,206,600. The fund adjustment table within section 5 of Resolution 3274 adopted by City Council on August 18, 2021 incorrectly included a decrease instead of an increase of \$603,300 in the Community & Economic Development Program resulting in the fund being out of balance. A one-sided budget adjustment is required to bring the fund back in balance as intended. The issue summary and narrative in the resolution both indicate that requirements within the Community & Economic Development Program were intended to increase.

Adopted by a vote of the Bend City Council on February 2, 2022.

YES: Mayor Sally Russell
Mayor Pro Tem Gena Goodman-Campbell
Councilor Melanie Kebler
Councilor Anthony Broadman
Councilor Megan Perkins
Councilor Rita Schenkelberg

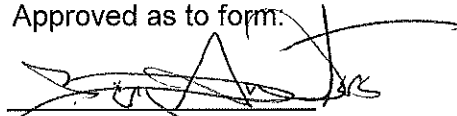
NO: None


Sally Russell, Mayor

ATTEST:


Robyn Christie, City Recorder

Approved as to form:


Mary Winters, City Attorney