

RESOLUTION NO. 3297

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 June 10, 2022.

<u>American Rescue Plan Act Fund</u>	<u>Increase</u>	<u>Decrease</u>
Resources:		
Intergovernmental revenue	\$ 7,038,300	
Requirements:		
Community & Economic Development Program	\$ 458,000	
Interfund Transfers	\$ 2,943,000	
Reserves	\$ 3,637,300	

Recognize \$7,038,300 of intergovernmental revenue from the American Rescue Plan Act (ARPA). Funds will be used as follows:

- Increase expenditure appropriations in the Community & Economic Development Program in materials & services for the items below.
 - Shared Prosperity Goal
 - \$130,000 for programs to provide additional funding to support community requests for assistance with recovery efforts from COVID-19.
 - Safety, Health, Accountability and Justice Goal
 - \$328,000 to for a contribution of funding to the Deschutes County Stabilization Center. The funding will support an additional position at the County for two years to contribute toward building a non-law enforcement Crisis Response Team.
- Increase expenditure appropriations in Interfund Transfers by \$2,943,000 for the items below. Additional descriptions and details of the expenditures are included in section 2 below.
 - Housing Goal
 - \$197,000 to the General Fund Houseless Services Division for support of a Shelter Manager position.
 - \$137,000 to the Affordable Housing Fund for support of an Affordable Housing Coordinator position.
 - \$250,000 to the Internal Service Fund: City Wide Administration Fund Facilities Division for overhead and maintenance for the Division Street Shelter.
 - Safety, Health, Accountability and Justice Goal

- \$259,000 to the General Fund Police Division for the City of Bend's contribution to the CORE3 multi-use project. The project will create a dedicated, multi-agency coordination center for emergency operations and act as a police training facility for Central Oregon. Additionally, the building will serve as a space to house Central Oregon Community College's related programs.
- \$1,800,000 to the General Fund to support a two year temporary additional subsidy to Fire for additional positions. \$1,400,000 will be recognized in the General Fund in fiscal year 2022-23 and the remaining \$400,000 will remain unappropriated in the General Fund to support the FY2023-24 subsidy.
- Accessible & Effective City Government Goal
 - \$200,000 to the General Fund Community Projects Division for two years of funding resources to identify and coordinate sustainable funding sources for City services.
- Transportation & Infrastructure Goal
 - \$100,000 to the General Fund Community Projects Division for two years of Central Oregon Intergovernmental Council Cascades East Transit ("Ride Bend") summer shuttle service.
- The remaining Revenue will be held in reserves and allocated by the Stewardship Subcommittee in the future

<u>Tourism Fund</u>	Increase	Decrease
Resources:		
Beginning working capital	\$ 348,600	
Room tax revenues	\$ 2,674,000	
Requirements:		
Community & Economic Development Program	\$ 2,962,100	
Interfund Transfers	\$ 60,500	

Recognize additional beginning working capital (\$348,600) and room tax revenue (\$2,674,000) and increase appropriations in the Community & Economic Development Program in materials & services to pay for the destination marketing organization contract with Visit Bend, which was approved by City Council on June 1, 2022, and increase Interfund Transfers by \$60,500 to pay for the associated 2% overhead transfers. The fiscal year (FY) 2021-22 contract with Visit Bend requires that the City allocate 31.2% of room tax revenues received to tourism promotion and tourism related facilities. Fiscal year 2021-22 room tax revenues will exceed budget and the current contract as a result of higher than anticipated activity. Estimated additional payments related to FY2021-22 activity are included in the Visit Bend contract approved on June 1, 2022 and will be paid to Visit Bend in July 2022. Additionally, the percentage of room tax collections allocated to the Visit Bend contract will increase from 31.2% to 35.4% for fiscal year 2022-23 collections. This budget adjustment is consistent with the Visit Bend business plan that is included as a separate agenda item.

<u>2020 General Obligation Bond Debt Service Fund</u>	Increase	Decrease
Resources:		
Property tax revenue	\$ 376,000	
Requirements:		

Debt Service \$ 376,000

Recognize additional property tax revenue and increase expenditure appropriations in Debt Service for debt issued in the Spring of 2022 to support the first three years of the Five Year Capital Improvement Program as recommended by the Transportation Bond Oversight Committee and approved by City Council. The debt issuance will result in a property tax increase of \$43 for the average Bend homeowner in fiscal year 2022-23. A budget adjustment to recognize debt proceeds was approved by City Council on February 2, 2022 under resolution 3285.

<u>Stormwater Fund</u>	Increase	Decrease
Resources:		
Long-term debt proceeds	\$ 704,000	
Requirements:		
Infrastructure program	\$ 2,239,700	
Reserves future construction		\$ 1,535,700

Increase expenditure appropriations in the Infrastructure Program in capital outlay. Project cost increases in the biennium are anticipated in the following projects in the Capital Improvement Program (CIP) and Repair and Replacement Schedule:

- Newport Corridor Improvements (\$704,000)
- Murphy Brosterhous to 15th (\$502,900)
- Franklin & Greenwood Underpass (\$500,000)
- Awbrey Butte Distribution Improvements project (\$500,000)
- Thurston Avenue Drainage Improvements project (\$405,000)

Increases in the CIP are partially offset by savings on other projects (\$372,200). The Newport Corridor Improvements project increases will be funded by long-term debt proceeds from the Oregon Department of Environmental Quality (DEQ) and are related to an increase in total project costs. All other project cost changes will be funded with reserves and are related to accelerated project schedules rather than total cost increases. Additional details on cost increases to the CIP are included in a separate agenda item to adopt the 2023-2027 Capital Improvement Program.

<u>Parking Services Fund</u>	Increase	Decrease
Resources:		
Licenses and permits	\$ 103,500	
Fines and forfeitures	\$ 83,500	
Interagency transfers	\$ 30,400	
Requirements:		
Infrastructure Program	\$ 217,400	

Recognize additional licenses and permits revenue (\$103,500) and fines and forfeitures revenue (\$83,500) and increase expenditure appropriations in the Infrastructure Program in materials & services by \$187,000. Parking permit and fine activity are over three times higher than anticipated in the original 2021-2023 biennial budget, resulting in increased transaction fees that will be funded by corresponding revenue. The Parking Services Fund pays a 2.25-3% credit card fee plus 5-16% transaction fee per transaction, depending on the vendor.

Recognize Interagency Transfer revenue and increase expenditure appropriations in the Infrastructure Program in capital outlay by \$30,400 for Relaunch Bend Bikeshare project costs that were not originally anticipated in the 2021-2023 biennium. This program will address the desire to consider and test emerging micro-mobility techniques and technologies, consistent with the 2040 Transportation System Plan adopted by City Council in September 2020. One bike share operator will be selected to operate within the City during a two-year pilot period with a minimum of 200, but no more than 300 shared pedal assisted e-bikes. The operator will meet with the City to identify the location of sites and the parties will agree on the number and location of the selected sites for the program. The project will be funded by Surface Transportation Block Grant (STBG) revenue from the Bend Metropolitan Planning Organization (MPO) through an Interagency Transfer.

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. Public notice that a supplemental budget will be considered is required, and this notice was published on or before June 10, 2022.

<u>General Fund</u>	<u>Increase</u>	<u>Decrease</u>
Resources:		
Intergovernmental revenue	\$ 1,900,000	
Interfund Transfers	\$ 4,656,000	
Requirements:		
Community & Economic Development Program	\$ 3,997,000	
Public Safety Program	\$ 259,000	
Interfund Transfers	\$ 2,300,000	

Recognize \$1,900,000 in funding from the State of Oregon related to HB5202 and increase expenditure appropriations in the Community & Economic Development Program in the Houseless Services Division by \$1,000,000 for shelter operations and right of way response and increase Interfund Transfers to the Central Services Program by \$900,000 for renovations to the Division Street and Second Street Shelters. The funds must be used as follows; \$1,500,000 for emergency shelters, navigation centers, and other shelter related costs and \$400,000 for sanitation and debris clean-up. The grant revenue is anticipated to be received in July 2022.

Recognize \$2,500,000 in interfund transfer revenue from the Affordable Housing Fund and increase expenditure appropriations in the Community & Economic Development Program in the Houseless Services Division by \$2,500,000 to fund a navigation center and a low barrier shelter to support community members who are unsheltered or who are housing insecure. The original budget anticipated this expense in the Affordable Housing Fund and it will now be spent in the Houseless Services division of the General Fund.

Recognize \$2,156,000 in interfund transfer revenue from the American Rescue Plan Act Fund (ARPA) to the following programs and divisions and for the following purposes:

- Community & Economic Development Program: Houseless Services Division
 - \$197,000 for the addition of a Shelter Manager position. The position will oversee shelter operations of the City's three shelter facilities, contractors, services providers, and others, as well as coordination amongst an array of stakeholders and interested parties. Previously, this work was done by the City Manager's Office. This position directly supports Council's goal of creating 500 shelter beds in Bend. Additional information and a resolution requesting an increase in the staffing schedule are included in a separate agenda item.
- Community & Economic Development Program: Community Projects Division
 - \$100,000 for two years of Central Oregon Intergovernmental Council Cascades East Transit ("Ride Bend") summer shuttle service.
 - \$200,000 to fund work needed to identify and coordinate sustainable funding sources for City services.
- Public Safety Program: Police Division
 - \$259,000 for the City of Bend's contribution for the CORE3 multi-use project. The project will create a dedicated, multi-agency coordination center for emergency operations and act as a police training facility for Central Oregon. Additionally, the building will serve as a space to house Central Oregon Community College's related programs.
- Interfund Transfers
 - \$1,400,000 to increase the General Fund subsidy to the Fire Fund in support of additional positions outlined in the Fire Fund adjustment below.

<u>Fire Fund</u>	Increase	Decrease
Resources:		
Intergovernmental revenue	\$ 400,000	
General fund subsidy	\$ 1,400,000	
Requirements:		
Public Safety Program	\$ 1,800,000	

Recognize \$1,800,000 in additional revenues, \$1,400,000 as a subsidy from the General Fund and \$400,000 in intergovernmental revenue from the Deschutes County Rural Protection Fire District to support an additional nine Firefighter/Paramedics to staff an additional advanced life support fire engine with paramedics/firefighters to keep pace with the increasing call volume and demands of the growing community and one business manager position which will provide strategic planning and fiscal management. Additional information and a resolution requesting an increase in the staffing schedule are included in a separate agenda item.

<u>Affordable Housing Fund</u>	Increase	Decrease
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Resources:

Interfund transfer revenue	\$ 137,000
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Requirements:

Community & Economic Development Program	\$ 137,000
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Recognize \$137,000 in interfund transfer revenue from the American Rescue Plan Act Fund and increase expenditure appropriations in the Community & Economic Development Program in personnel services for funding of the addition of a limited duration Affordable Housing Coordinator position. The position will be responsible for the oversight of the City's Middle-Income Housing Program. This position will support various efforts to construct additional publicly supported housing in Bend. This position is a repurpose of the Recovery Strategy and Impact Officer position and will not result in an increase in the staffing schedule.

<u>Transporation Construction Fund</u>	Increase	Decrease
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Requirements:

Infrastructure Program	\$ 4,000,000
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Reserves for future construction	\$ 4,000,000
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Increase expenditure appropriations in the Infrastructure Program in capital outlay for the addition of North Corridor Project Coordination (1GNCC) to the 5-Year Capital Improvement Program (CIP) Schedule. This is a synergy project with the Oregon Department of Transportation (ODOT) for improvements to the US97 and US20 Bend North Corridor and will be funded by a reduction of reserves. Additional details on cost estimates and changes are included in a separate agenda item to adopt the 2023-2027 Capital Improvement Program.

<u>Internal Service Fund: City Wide Administration</u>	Increase	Decrease
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Resources:

Interfund transfers	\$ 2,195,100
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Requirements:

Administration & Central Services Program	\$ 2,195,100
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Recognize interfund transfer revenue from the General Fund and increase expenditure appropriations in the Administration & Central Services Program in the Facilities Division in capital outlay by \$900,000 to support renovations to the Division Street Shelter and the Second Street Shelter.

Recognize interfund transfer revenue from the American Rescue Plan Act Fund and increase expenditure appropriations in the Administration & Central Services Program in the Facilities Division in materials and services by \$250,000 to support facility overhead and maintenance costs for the Division Street Shelter.

Recognize interfund transfer revenue and increase expenditure appropriations in the Administrative & Financial Services Division in personnel services by \$1,045,100 for the following expenditures. Additional transfer revenue needed to fund these positions is allocated to operating departments and the proposed adjustments are included in section 3.

- \$683,800 to support the new Real Estate Division including three positions that were reallocated from other departments and some materials & services costs for training, office supplies and other expenditures. The reallocation of positions will result in savings in other programs and the savings will carry forward to future budget years.

- \$361,300 for a new Training Program Manager and Internal Auditor position in the City Manager's Office. Additional information on the Training Program Manager is included in a separate agenda item requesting an increase in the staffing schedule. The Internal Auditor position is a repurpose of a vacant central services position and will not require an increase in the staffing schedule. The repurpose of this position will result in savings in other programs and the savings will carry forward to future budget years.

<u>Internal Service Fund: Departmental Administration</u>	<u>Increase</u>	<u>Decrease</u>
Resources:		
Interfund transfer revenue	\$ 570,800	
Requirements:		
Administration & Central Services Program	\$ 570,800	

Increase expenditure appropriations in the Administration & Central Services Program in the Fleet Management Division for increases in fuel costs. This represents a 45% increase in the price of fuel for City fleet vehicles. Additional transfer revenue needed to fund the additional costs is allocated to operating departments and the proposed adjustments are included in section 3.

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.

Multiple Funds

Requirements:

	Increase	Decrease
Interfund Transfers		
General Fund	\$ 369,200	
Affordable Housing Fund	\$ 15,000	
Community Development Block Grant Fund	\$ 5,200	
Business Advocacy Fund	\$ 2,600	
Planning Fund	\$ 30,200	
Private Development Engineering Fund	\$ 23,000	
Transportation Construction Fund	\$ 130,200	
Accessibility Construction Fund	\$ 5,200	
Airport Fund	\$ 375,400	
Cemetery Fund	\$ 5,000	
Water Fund	\$ 121,000	
Water Reclamation Fund	\$ 190,400	
Stormwater Fund	\$ 25,800	
Parking Services Fund	\$ 30,200	
Internal Service Fund: City Wide Administration	\$ 4,800	
Internal Service Fund: Departmental Administration	\$ 15,600	

Contingency

	\$ 369,200	
General Fund	\$ 15,000	
Affordable Housing Fund	\$ 5,200	
Community Development Block Grant Fund	\$ 2,600	
Business Advocacy Fund	\$ 30,200	
Planning Fund	\$ 23,000	
Private Development Engineering Fund	\$ 130,200	
Transportation Construction Fund	\$ 5,200	
Accessibility Construction Fund	\$ 375,400	
Airport Fund	\$ 5,000	
Cemetery Fund	\$ 121,000	
Water Fund	\$ 190,400	
Water Reclamation Fund	\$ 25,800	
Stormwater Fund	\$ 30,200	
Parking Services Fund	\$ 4,800	
Internal Service Fund: City Wide Administration	\$ 15,600	

The budget adjustments above reduce contingency and increase expenditures in Interfund Transfers for each fund's share of the costs of the increased fuel contract in the Fleet Management Division, additional positions cost allocated in the Administration & Financial Services Division, and program costs of the newly created Real Estate Division. The adjustment also includes a reallocation of overhead transfers to the Project Management Office in the Administration & Financial Services Division based on a new allocation methodology, but there is no overall increase to the Project Management Office budget.

4. The following proposed budget adjustments are authorized by 294.463(1) to transfer expenditure appropriations between appropriation categories or programs within a fund.

<u>Affordable Housing Fund</u>	<u>Increase</u>	<u>Decrease</u>
Requirements:		
Community & Economic Development Program		\$ 2,500,000
Interfund Transfers	\$ 2,500,000	

Decrease expenditure appropriations in the Community & Economic Development Program and increase expenditure appropriations in Interfund Transfers to the General Fund Houseless Services Division to transfer money received from the State in 2021 to create and manage a navigation center and low barrier shelter. Shelter operation expenditures are now primarily in the General Fund Houseless Services Division.

<u>Streets & Operations Fund</u>	<u>Increase</u>	<u>Decrease</u>
Requirements:		
Infrastructure Program		\$ 232,600
Interfund Transfers	\$ 232,600	

Reduce expenditure appropriations in the Infrastructure Program in materials & services and increase expenditures in Interfund Transfers for costs of the increased fuel contract in the Fleet Management Division, additional positions cost allocated out of the City Manager's Office, and program costs of the newly created Real Estate Department. The adjustment also includes a reallocation of overhead transfers to the Project Management Office based on a new allocation methodology, but there is no overall increase to the Project Management Office budget. The increase to Interfund Transfers will be funded by savings in materials & services in fiscal year 2021-22.

<u>Multiple Funds</u>	<u>Increase</u>	<u>Decrease</u>
Requirements:		
Public Safety Program		
Fire Fund	\$ 47,800	
Infrastructure Program		
Streets & Operations Fund	\$ 239,000	
Airport Fund	\$ 12,300	
Cemetery Fund	\$ 92,700	
Water Fund	\$ 19,400	
Water Reclamation Fund	\$ 17,400	
Parking Services Fund	\$ 18,900	
Administration & Central Services Program		
Internal Service Fund: City Wide Administration	\$ 81,800	
Interfund Transfers		
Fire Fund	\$ 47,800	
Streets & Operations Fund	\$ 239,000	

Airport Fund	\$	12,300
Cemetery Fund	\$	92,700
Water Fund	\$	19,400
Water Reclamation Fund	\$	17,400
Parking Services Fund	\$	18,900
Internal Service Fund: City Wide Administration	\$	81,800

The budget adjustments above reflect a shift in accounting for internal operations utility billing. This transaction will be recorded in materials & services rather than Interfund Transfers starting in the 2021-2023 biennium due to a change in methodology from an interfund transfer to a billed service.

5. The following proposed budget adjustments are authorized by ORS 294.338(4) to recognize and expend proceeds from the sale of bonds refund previously issued bonds.

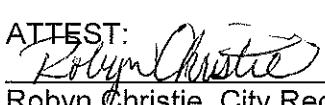
2011 General Obligation Bond Debt Service Fund	Increase	Decrease
Resources:		
Long-term debt proceeds	\$ 15,729,100	
Requirements:		
Infrastructure Program	\$ 97,100	
Debt Service	\$ 15,632,000	

Recognize \$15,729,100 of long-term debt proceeds and increase expenditure appropriations in the Infrastructure Program in materials & services to pay for bond issuance costs and in Debt Service to refund the 2012 General Obligation Bond in March 2022. The refunding resulted in a reduced interest rate of 2.07% and decreased debt service by \$88,600 in the current biennium and \$862,600 over the remaining 10-year term. These adjustments are authorized by ORS 294.388(4).

YES: Mayor Gena Goodman-Campbell NO: none
 Mayor Pro Tem Anthony Broadman
 Councilor Barb Campbell
 Councilor Melanie Kebler
 Councilor Megan Perkins
 Councilor Stephen Sehgal
 Councilor Mo Mitchell


 Gena Goodman-Campbell, Mayor

ATTEST:


 Robyn Christie, City Recorder

APPROVED AS TO FORM:


 Mary A. Winters, City Attorney

