

RESOLUTION NO. 3383

A RESOLUTION APPROVING A SUPPLEMENTAL BUDGET AND BUDGET APPROPRIATION ADJUSTMENTS FOR THE 2023-2025 BIENNIAL BUDGET PERIOD BEGINNING JULY 1, 2023.

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

1. In accordance with ORS 294.473, the following supplemental budget will provide for appropriation adjustments that were not anticipated when the 2023-2025 Biennial Budget was adopted. These adjustments will increase total fund expenditures by more than 10%; therefore, a public hearing is required. Public notice that a supplemental budget will be considered is required, and this notice was published on or before June 14, 2024.

<u>Houseless Fund</u>		Increase	Decrease
Resources:			
Intergovernmental revenue		\$ 1,455,600	
Requirements:			
Community & Economic Development Program		\$ 1,315,600	
Interfund transfers		\$ 140,000	

• Recognize \$1,455,600 of intergovernmental revenue from Governor Kotek's Executive Order 23-02 via Central Oregon Intergovernmental Council (COIC). The funds are directed for use during Fiscal Year 2024-25 at Franklin Avenue Shelter. These monies do not offset the existing shelter operations shortfall. The funds will be used as follows:

- Increase expenditure appropriations in the Community & Economic Development Program in materials and services by \$1,315,600 to fund operations and services at the Franklin Avenue Shelter.
- Increase expenditure appropriations in Interfund Transfers by \$140,000 to the Internal Service Fund: City Wide Administration Fund in the Facility Management division for maintenance at the Franklin Avenue Shelter.

<u>System Development Charge (SDC) Fund</u>		Increase	Decrease
Resources:			
Beginning working capital		\$ 4,905,500	
Requirements:			
Interfund Transfers		\$ 4,905,500	

• Recognize \$4,905,500 of additional beginning working capital and increase Interfund Transfers appropriations for the following projects. SDC revenue is received in the SDC Fund and transferred annually to reimburse the Transportation Construction Fund for eligible project costs incurred.

- o \$4,000,000 for North Corridor Project Coordination (1GNCC). This is a synergy project with the Oregon Department of Transportation (ODOT) for improvements to the US97 and US20 Bend North Corridor. Funds were identified in the project list as a contribution to enhance multimodal connectivity and north-south connections. The Transportation Construction Fund made the contribution to ODOT in fiscal year 2022-23 and the reimbursement will occur in fiscal year 2023-24.
- o \$905,500 for Butler Market Road and Boyd Acres Road Improvements (1GBBA). SDC revenues will supplement funds included in the 2020 General Obligation Bond Construction Fund CIP. The expenditure increase will allow for the construction of missing key route segments, as identified in the Transportation System Plan (TSP).

<u>Transportation Construction Fund</u>	Increase	Decrease
Resources:		
Debt proceeds	\$ 3,776,200	
Interfund transfer revenue	\$ 905,500	
Requirements:		
Infrastructure Program	\$ 4,681,700	

- Recognize \$3,776,200 of debt proceeds and increase expenditure appropriations in the Infrastructure Program in capital outlay for the Bicycle Greenways (1TBKE) CIP project. The increase is in response to City Council priorities for additional scope as well as materials cost escalation. Routes were identified in the 2014 Bike and Walking Priority Process and will establish a network of neighborhood greenways across Bend to make walking and biking a safer, more accessible travel option. The debt issuance is planned for Spring 2025.
- Recognize \$905,500 of interfund transfer revenue from the System Development Chage (SDC) Fund and increase expenditure appropriations in the Infrastructure Program in capital outlay for the Butler Market Road and Boyd Acres Road Improvements (1GBBA) CIP project. SDC revenue is received in the SDC Fund and transferred annually to reimburse the Transportation Construction Fund for eligible project costs incurred. The expenditure increase will allow for the construction of missing key route segments, as identified in the Transportation System Plan (TSP).

<u>Airport Fund</u>	Increase	Decrease
Resources:		
Interfund loan proceeds	\$ 1,000,000	
Intergovernmental revenue	\$ 11,530,000	
Requirements:		
Infrastructure Program	\$ 11,530,000	
Debt Service	\$ 1,000,000	

- Recognize \$1,000,000 of interfund loan proceeds and increase expenditure appropriations in Debt Service for a fiscal year 2023-24 year-end operating loan from the General Fund. A portion of the activities at the airport are supported by grants which can only be requested on a reimbursement basis, i.e. after the expenditures are paid. A year-end operating loan will provide interim financing before grant funds are received. The loan will be repaid in July 2024.
- Recognize \$11,530,000 of additional resources from intergovernmental revenue and increase expenditure appropriations in the Infrastructure Program in capital outlay for construction costs for the Air Traffic Control Tower (AP22B) CIP project. Additional detail can be found in a separate agenda item to adopt the 2025-2029 CIP.

<u>Stormwater Fund</u>	Increase	Decrease
Resources:		
Debt proceeds	\$ 1,925,000	

Requirements:		
Infrastructure Program	\$ 1,925,000	

- Recognize \$1,925,000 of additional debt proceeds and increase expenditure appropriations in the Infrastructure Program in capital outlay. The debt proceeds revenue were intended to be received last fiscal year, but due to issuance and reimbursement timing they were not received until this fiscal year. The expenditure adjustment represents a net increase across the many complex, multi-year Capital Improvement projects. The increases are primarily driven by additional scope within projects, synergy opportunities with the Utilities Department, and materials cost increases. The projects below account for a majority of the increases within the Infrastructure Program.
 - Awbrey Butte Distribution Improvements (1WABD)
 - Newport Corridor Improvements (1RNPR)
 - Westview Newberry Parkwood (1SN07)
 - Olney Pedestrian and Bike Improvements (1GOPB)
 - Neff & Purcell Intersection (1TNPS)

Cemetery Permanent Maintenance Fund	Increase	Decrease
Resources:		
Miscellaneous revenue	\$ 42,700	
Requirements:		
Infrastructure Program	\$ 4,400	
Interfund Transfers	\$ 38,300	

Recognize \$42,700 of additional miscellaneous revenue for investment income and increase expenditure appropriations in the Infrastructure Program in materials and services for banking fees related to management of the Cemetery Trust. Increase appropriations in Interfund Transfer for interest earnings that are transferred to the Cemetery Fund to support operations.

2. In accordance with ORS 294.471, the following supplemental budget will provide for appropriation adjustments that were not anticipated when the 2023-2025 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 14, 2024.

Fire/EMS Fund	Increase	Decrease
Resources:		
Beginning working capital	\$ 377,000	
Charges for services	\$ 335,400	
Intergovernmental revenue	\$ 280,700	
Requirements:		
Public Safety Program	\$ 616,100	
Debt Service	\$ 377,000	

- Recognize \$377,000 of additional beginning working capital and increase expenditure appropriations in Debt Service associated with full faith & credit bonds issued in May 2024 for the acquisition of vehicles and equipment. The debt issuance totals \$4,163,300 and will fund the purchase of two heavy duty engines and four medic vehicles. The issuance was originally budgeted in fiscal year 2024-25 with debt service beginning next biennium in fiscal year 2025-26. Debt service will now be incurred starting in fiscal year 2024-25.
- Recognize \$280,700 of intergovernmental revenue and increase expenditure appropriations in the Public Safety Program in materials & services for a fire prevention grant awarded to the Deschutes County Rural Fire Protection District (DCRFPD). The City will be reimbursed by DCRFPD for prevention services performed in Deschutes River Woods.
- Recognize \$184,700 of charges for services revenue and increase expenditure appropriations in the Public Safety Program in materials & services for cost reimbursement to the Oregon Health Authority (OHA). The City is required to reimburse OHA for uncompensated Medicaid costs associated with Ground Emergency Medical Transportation (GEMT) services provided to OHA Medicaid recipients. GEMT revenue received has exceeded budget, resulting in increased reimbursement costs.
- Recognize \$150,700 of charges for services revenue and increase expenditure appropriations in the Public Safety Program in capital outlay for the purchase of six medic cots. The purchase will replace existing ambulance equipment that has reached the end of its useful life and has resulted in frequent repairs. Revenue received through the GEMT program has exceeded budget and is available to fund this expense.

<u>Economic Improvement District Fund</u>		Increase	Decrease
Resources:			
Miscellaneous		\$ 48,000	
Requirements:			
Community & Economic Development Program		\$ 40,000	
Interfund transfers		\$ 8,000	

- Recognize additional assessment resources and increase expenditure appropriations in the Community & Economic Development Program to turnover collections and Interfund transfers for the City administration fee. The majority of the increase is due to an assessment rate increase from an originally budgeted \$0.28 per square foot on commercial square footage to \$0.30 per square foot. Additionally, \$17,000 of the increase is for prior year outstanding amounts that are now planned for collection.

<u>Private Development Engineering Fund</u>		Increase	Decrease
Resources:			
Charges for services		\$ 150,000	

Requirements:		
Community & Economic Development Program		\$ 150,000

- Recognize additional resources from charges for services and increase expenditure appropriations in the Community & Economic Development program for required engineering services being contracted by the City. The City will charge the developer for reimbursement for the actual services contracted.

<u>Water Fund</u>		Increase	Decrease
Resources:			
Beginning working capital		\$ 2,346,700	

Requirements:		
Infrastructure Program		\$ 5,748,000
Reserves for future expenditures		\$ 3,401,300

- Recognize \$2,346,700 of additional beginning working capital and reduce reserves for future expenditures by \$3,401,300 and increase expenditure appropriations in the Infrastructure Program in capital outlay by \$5,748,000. These adjustments represent a net increase across the many complex, multi-year Capital Improvement projects. The increases are primarily driven by additional scope within projects, synergy opportunities with the Utilities Department, and materials cost increases. The projects below account for a majority of the increases within the Infrastructure Program.

- o Olney Pedestrian and Bike Improvements (1GOPB)
- o Awbrey Butte Distribution Improvements (1WABD)
- o Outback Facility Plan (1WPDI)
- o Pilot Butte Distribution Improvements (1WPDI)

<u>Water Reclamation Fund</u>		Increase	Decrease
Resources:			
Beginning working capital		\$ 97,400	
Requirements:			
Infrastructure Program		\$ 4,043,000	
Reserves for future expenditures			\$ 3,945,600

- Recognize \$97,400 of additional beginning working capital and reduce reserves for future expenditures by \$3,945,600 and increase expenditure appropriations in the Infrastructure Program in capital outlay by \$4,043,000. These adjustments represent a net increase across the many complex, multi-year Capital Improvement projects. The increases are primarily driven by additional scope within projects, synergy opportunities with the Utilities Department, and materials cost increases. The projects below account for a majority of the increases within the Infrastructure Program.
 - Olney Pedestrian and Bike Improvements (1GOPB)
 - SE Area Master Plan (1SEMP)
 - WRF Facilities Plan Update (1SFPU)
 - Juniper Ridge Pump Station Decommissioning (1SJRS)
 - Westview Newberry Parkwood (1SN07)

<u>Internal Service Fund: City Wide Administration</u>		Increase	Decrease
Resources:			
Beginning working capital		\$ 56,000	
Intergovernmental revenues		\$ 152,700	
Debt proceeds		\$ 11,300,000	
Requirements:			
Administration & Central Services Program		\$ 5,082,100	
Debt service		\$ 562,000	
Reserves for future expenditures		\$ 5,864,600	

- Recognize \$56,000 of additional beginning working capital and increase expenditure appropriations in the Administration & Central Services Program in materials & services. This adjustment represents the carryforward of appropriations related to the timing of new City Hall design consulting services that were originally anticipated to occur in fiscal year 2022-23 but will occur in fiscal year 2023-24.
- Recognize \$152,700 of additional intergovernmental revenue from an Energy Efficiency and Conservation Block Grant and increase expenditure appropriations in the Administration & Central Services Program in materials and services for the advancement of the Community Climate Action Plan (CCAP) and Electrification Policy Options Analysis in alignment in with Council goals.
- Recognize \$11,300,000 of additional debt proceeds and increase reserves for future expenditures by \$5,864,600, debt service appropriations by \$562,000 and increase appropriations in the Administration & Central Services Program in capital outlay by \$4,809,400 and in materials and services by \$64,000. The City issued debt in May 2024 to fund the purchase of city-owned properties at 705/755 NE 1st Street, 174 NE Franklin Avenue, and 133 NE Greeley Avenue which were purchased in the last 18 months as well as for future purchases of property.

<u>Internal Service Fund: Departmental Administration</u>		Increase	Decrease
Resources:			
Intergovernmental revenues		\$ 150,000	
Requirements:			
Community & Economic Development Program		\$ 150,000	
• Recognize \$150,000 of additional intergovernmental grant revenue and increase expenditure appropriations in the Community & Economic Development Program for the Climate Friendly Area Mobility & Low Car District Feasibility Study. The City was awarded the funding by the Department of Land Conservation and Development to meet new land use and transportation planning rules in order to implement the Climate Friendly and Equitable Communities rules from the State of Oregon.			

Adopted by a vote of the Bend City Council on June 20, 2024.

YES:

Mayor Melanie Kebler
Councilor Barb Campbell
Councilor Ariel Méndez
Councilor Anthony Broadman
Mayor Pro Tem Megan Perkins
Councilor Mike Riley
Councilor Megan Norris

NO: none



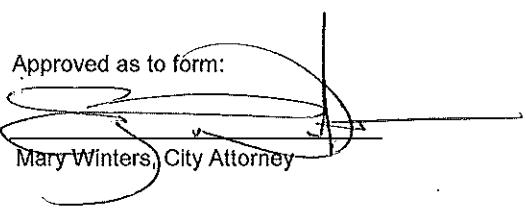
Melanie Kebler, Mayor

ATTEST:



Morgen Fry, City Recorder

Approved as to form:



Mary Winters, City Attorney