

RESOLUTION NO. 3475

A RESOLUTION APPROVING A SUPPLEMENTAL BUDGET AND BUDGET APPROPRIATION ADJUSTMENTS FOR THE 2025-2027 BIENNIAL BUDGET PERIOD BEGINNING JULY 1, 2025.

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 2025-2027 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 12, 2026.

<u>Community Development Block Grant Fund</u>	Increase	Decrease
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Resources:

Intergovernmental revenue	\$ 1,000,000	
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Requirements:

Community & Economic Development Program	\$ 1,000,000	
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Recognize \$1,000,000 of additional federal grant revenue and increase appropriations in the Community & Economic Development Program for additional community loans and grants, and a sidewalk improvement project to complete gaps in the sidewalk network immediately adjacent to low-income housing developments, improving safety and access to transit. FY2025-26 expenditures were funded primarily through prior year grant entitlement and program income, allowing for an increase in expenditures funded through Fiscal Year (FY) 2025-26 and FY2026-27 grant entitlement.

<u>Houseless Fund</u>	Increase	Decrease
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Resources:

Interfund transfer revenue	\$ 1,738,800	
Intergovernmental revenue	\$ 200,000	

Requirements:

Community & Economic Development Program	\$ 1,938,800	
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Recognize \$1,700,000 of additional Interfund transfer revenue from the General Fund, \$38,800 of additional Interfund transfer revenue from Facilities and \$200,000 in Intergovernmental revenue from the County, as well as a \$1,938,800 increase in appropriations in the Community & Economic Development Program. In February 2026 the Bend City Council directed the use of \$1,700,000 of the sales of land at Juniper Ridge for the extension of houseless shelter funding from January 2027 through June 2027. In 2025, the County provided funding to the City for repairs at the Stepping Stone Shelter. After the Facilities Department completed the repairs, the remaining \$38,800 of funding was provided to the Houseless Fund for shelter funding. \$200,000 in returned funding from the County was provided to the City and will fund expenses at the Lighthouse Navigation Center.

<u>Business Advocacy Fund</u>	Increase	Decrease
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Resources:

General fund subsidy	\$ 250,000	
Interfund transfers	\$ 50,000	

Requirements:

Community & Economic Development Program	\$ 300,000	
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Recognize \$300,000 of subsidy and interfund transfer revenue from the General Fund and an equivalent increase in appropriations in the Community & Economic Development Program within the Business Advocacy Fund. In February 2026 the Bend City Council directed the use of \$50,000 of General Fund Contingency for a small business grant program in the Business Advocacy Fund. The remainder of the appropriations increase is transferred as a General Fund subsidy and is intended to pay for increases to the services contract with Economic Development for Central Oregon (EDCO) and the additional staff member that was added at the beginning of the 2026 fiscal year.

<u>Economic Improvement District Fund</u>	Increase	Decrease
Resources:		
Miscellaneous revenue	\$ 110,000	
Requirements:		
Community & Economic Development Program	\$ 100,000	
Interfund Transfers	\$ 10,000	

Recognize \$110,000 of additional assessment revenue and increase appropriations in the Community & Economic Development Program and Interfund Transfers. The assessment revenue for the Economic Improvement District has come in higher than budgeted and an increase in appropriations is needed to distribute the additional revenue to the District and to pay for the increase in internal administrative charges.

<u>Local Improvement District Construction Fund</u>	Increase	Decrease
Resources:		
Miscellaneous revenue	\$ 10,000	
Requirements:		
Interfund Transfers	\$ 10,000	

Recognize \$10,000 of additional miscellaneous revenue for investment income and increase appropriations in Interfund Transfers to the General Fund Stabilization Fund. The City's Fiscal Policies state that the General Fund Stabilization Fund will be funded annually by 50% of investment earnings from the General Fund and 50% of investment earnings from all other funds except as prohibited by law or by internal policy.

<u>Airport Fund</u>	Increase	Decrease
Resources:		
Short-term loan proceeds from City GF	\$ 2,000,000	
Requirements:		
Debt Service	\$ 2,000,000	

Recognize \$2,000,000 of additional short-term loan proceeds from the City General Fund and increase appropriations in Airport Fund Debt Service for repayment of the same loan. Multiple grant-funded projects are in progress at the end of FY2025-26 creating a lag between when project expenses are paid and when grant funding will be received. An increase to the overnight loan from the General Fund to the Airport Fund will cover expenses that will be funded through a FAA grant when received in FY2026-27. The loan will be repaid in July 2026.

<u>Parking Services Fund</u>	Increase	Decrease
Resources:		
Interfund transfers	\$ 713,200	
Requirements:		
Infrastructure Program	\$ 713,200	

Recognize \$713,200 of interfund transfer revenue and increase expenditure appropriations in the Infrastructure Program in capital outlay for the design of capital improvement program (CIP) project, 1PNMP - North Mirror Pond Parking & Brooks Promenade Enhancements. The design contract will be funded with tourism funds by way of transfer from the General Fund.

2. In accordance with ORS 294.471, the following supplemental budget will provide for appropriation adjustments that were not anticipated when the 2025-2027 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 12, 2026.

<u>General Fund</u>	Increase	Decrease
Resources:		
Interfund loan repayments	\$ 2,000,000	
Requirements:		
Community & Economic Development Program	\$ 750,000	
Interfund Transfers	\$ 5,613,200	
Reserves Juniper Ridge land sales		\$ 3,650,000
Reserves Room Tax		\$ 713,200

The adjustments above accomplish the following:

- Recognize \$2,000,000 of additional Interfund loan repayment revenue from the Airport Fund and an equivalent increase in Interfund transfer in the form of a interfund loan to the Airport Fund. A year-end loan is needed in the Airport Fund due to grant reimbursement timing. An increase to the overnight loan from the General Fund to the Airport Fund will cover expenses that will be funded through a FAA grant when received in FY2026-27. The loan will be repaid in July 2026
- Decrease Reserves associated with land sales at Juniper Ridge and increase Interfund transfer appropriations by \$2,900,000 to fund continued operations of the shelter programs from January 2027 to June 2027 in the Houseless Fund (\$1,700,000), and to fund one-time transportation projects in the Streets & Operations Fund (\$1,200,000). These uses of land sale-related reserves were directed by the City Council at the work session on February 25, 2026.
- Decrease Reserves associated with land sales at Juniper Ridge and increase appropriations in Community & Economic Development Program by \$750,000 for the extension of Temporary Safe Stay Area (TSSA) operations and cleanup from January 2027 through June 2027 as directed by the Bend City Council at the work session on February 25, 2026.
- Decrease Reserves associated with Room Tax and increase appropriations in Interfund Transfers by \$713,200. The increase in Interfund Transfers includes the transfer of \$713,200 of tourism funding to the Parking Fund to support the design of the North Mirror Pond Parking & Brooks Promenade Enhancements project.

<u>Fire/EMS Fund</u>	Increase	Decrease
Resources:		
Miscellaneous revenue	\$ 200,000	
Interfund transfers	\$ 50,000	
Requirements:		
Public Safety Program	\$ 50,000	
Interfund Transfers	\$ 200,000	

Recognize \$200,000 of additional miscellaneous revenue for investment income and increase appropriations in Interfund Transfers to the General Fund Stabilization Fund. The City's Fiscal Policies state that the General Fund Stabilization Fund will be funded annually by 50% of investment earnings from the General Fund and 50% of investment earnings from all other funds except as prohibited by law or by internal policy.

Recognize \$50,000 of Interfund transfer revenue from the General Fund and increase appropriations in the Public Safety Program to fund a study exploring a shared governance structure for fire services within the Fire Fund (\$50,000). The use of land sale-related reserves for this purpose was directed by the City Council at the work session on February 25, 2026.

<u>Building Fund</u>	Increase	Decrease
Resources:		
Beginning working capital	\$ 30,000	
Requirements:		
Interfund Transfers	\$ 30,000	

Recognize \$30,000 of additional Beginning Working Capital and increase expenditure appropriations in Interfund Transfers in the Building Fund. An increase in budget authority is needed to fund transfers for Building Department vehicle fuel, parts and repair and maintenance.

<u>Planning Fund</u>	Increase	Decrease
Resources:		
Beginning working capital	\$ 5,000	
Requirements:		
Interfund Transfers	\$ 5,000	

Recognize \$5,000 of additional Beginning Working Capital and increase expenditure appropriations in Interfund Transfers in the Planning Fund. An increase in budget authority is needed to fund transfers for Planning Department vehicle fuel, parts and repair and maintenance.

<u>Private Development Engineering Fund</u>	Increase	Decrease
Resources:		
Beginning working capital	\$ 15,000	
Requirements:		
Interfund Transfers	\$ 15,000	

Recognize \$15,000 of additional Beginning Working Capital and increase expenditure appropriations in Interfund Transfers in the Private Development Engineering Fund. An increase in budget authority is needed to fund transfers for Private Development Engineering Department vehicle fuel, parts and repair and maintenance.

<u>Streets & Operations Fund</u>	Increase	Decrease
Resources:		
Interfund transfers	\$ 1,200,000	
Requirements:		
Infrastructure Program	\$ 1,200,000	

Recognize \$1,200,000 of interfund transfer revenue and increase expenditure appropriations in the Infrastructure Program in capital outlay for one-time transportation projects. Funds will be transferred from the General Fund Juniper Ridge land sale reserve, as allocated by City Council on February 25, 2026.

<u>Internal Service Fund: Departmental Administration</u>	Increase	Decrease
Resources:		
Interfund transfer revenue	\$ 520,200	
Requirements:		
Infrastructure Program	\$ 520,200	

Recognize \$520,200 of additional Interfund transfer revenue and increase appropriations in the Infrastructure Program in personnel services to support new consolidated leadership and staffing and in the Public Works Administration organization. The transfer funding is being received from the various operations that are supported by Public Works Administration including Water, Water Reclamation, Stormwater, Streets & Operations, Facilities, and Engineering.

Multiple Funds

The adjustments below recognize additional miscellaneous revenue for investment income and increase appropriations in Interfund Transfers to the General Fund Stabilization Fund in the amounts listed. The City's Fiscal Policies state that the General Fund Stabilization Fund will be funded annually by 50% of investment earnings from the General Fund and 50% of investment earnings from all other funds except as prohibited by law or by internal policy.

PERS Debt Service Fund	\$ 22,000
Accessibility Construction Fund	\$ 25,000
Internal Service Fund: City Wide Administration	\$ 660,000
Internal Service Fund: Departmental Administration	\$ 60,000
Internal Service Fund: Other Post-Employment Benefits (OPEB)	\$ 110,000

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.

<u>General Fund</u>	Increase	Decrease
Requirements:		
Community & Economic Development Program	\$ 267,600	
Interfund Transfers	\$ 350,000	
Contingency		\$ 617,600

Decrease Contingency and increase appropriations in the Community & Economic Development Program by \$267,600 and in Interfund Transfers by \$350,000. The increase in the Community & Economic Development Program is intended to fund the Health and Safety Compliance Coordinator position that was created in November 2025 to assist in enforcing the adopted rules, reduce the size and population of the Temporary Safe Stay Area, and assist in the removal of camps and closure of the area. The increase in Interfund Transfers includes \$300,000 to the Business Advocacy Fund to support increases to the services contract with Economic Development for Central Oregon (EDCO), the additional staff member that was added at the beginning of the 2026 fiscal year, and the small business grant program. The increase in Interfund Transfers also includes a \$50,000 transfer to the Fire Fund for a study exploring a shared governance structure for fire services.

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

Interfund Transfers	\$	100,000	
Contingency			\$ 100,000

Decrease Contingency and increase expenditure appropriations by \$100,000 in Interfund Transfers to the Community Development Block Grant Fund to fund overhead/indirect expenses of the fund which cannot be paid for with grant funding.

<u>PRO Housing Fund</u>		Increase	Decrease
Requirements:			
Community & Economic Development Program	\$	600,000	
Contingency			\$ 600,000

Decrease Contingency and increase expenditure appropriations by \$600,000 in the Community & Economic Development Program for loans and consulting contracts that are grant-eligible. The approved 2025-2027 biennium budget recognized the grant revenue, but only authorized part of it in the Community & Economic Development Program. This budget adjustment authorizes the majority of the remaining grant to be spent in the Program.

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

<u>Transportation Construction Fund</u>		Increase	Decrease
Requirements:			
Infrastructure Program			\$ 126,000
Debt Service	\$	126,000	

Transfer expenditure appropriations from the Infrastructure Program to Debt Service in the amount of \$126,000 to fund payments greater than anticipated in the original budget. Full Faith & Credit bonds were issued in May 2025 to fund CIP project, 1TBKE - Bicycle Greenways. Savings within the biennium are available in the Infrastructure Program in capital outlay, resulting from the revised CIP included in a separate agenda item.


Multiple Funds

The adjustments below recognize decreases in each fund's respective Infrastructure Program and an equivalent increase in Interfund Transfer appropriations to support new consolidated leadership and staffing in the Public Works Administration organization in the Internal Service Fund: Departmental Administration.

Streets and Operations Fund	\$	208,000
Water Fund	\$	117,100
Water Reclamation Fund	\$	117,100
Stormwater Fund	\$	26,000
Internal Service Fund: City Wide Administration	\$	26,000
Internal Service Fund: Departmental Administration	\$	26,000

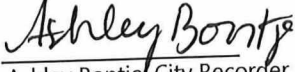
Adopted by a vote of the Bend City Council on June 17, 2026.

YES: Kebler, Franzosa, Méndez, Norris, Perkins, Platt, Riley
NO:



Melanie Kebler, Mayor

ATTEST:


Ashley Bontje, City Recorder

Approved as to form:


Ian Leitheiser, City Attorney