



BEND 101
INTRODUCTION TO CITY OF BEND FINANCES



- **Government Finances**
 - Basic Government Finance
 - Oregon Budget Law
- **City of Bend Finances**
 - How do we manage it
 - What is the General Fund
 - What are our revenues and expenses
- **Bend's Fiscal Challenges**
 - Structural Challenges in General Fund
 - Expenditures

GOVERNMENT FINANCES



1. **Fiduciary Responsibility** to manage public funds in the most responsible and accountable manner
2. Comply with **Oregon Budget Law**
3. Comply with national **Accounting Standards** prescribed by the Governmental Accounting Standards Board (GASB)

WHY GOVERNMENT ACCOUNTING AND REPORTING IS (AND SHOULD BE) DIFFERENT



Profit is not the bottom line

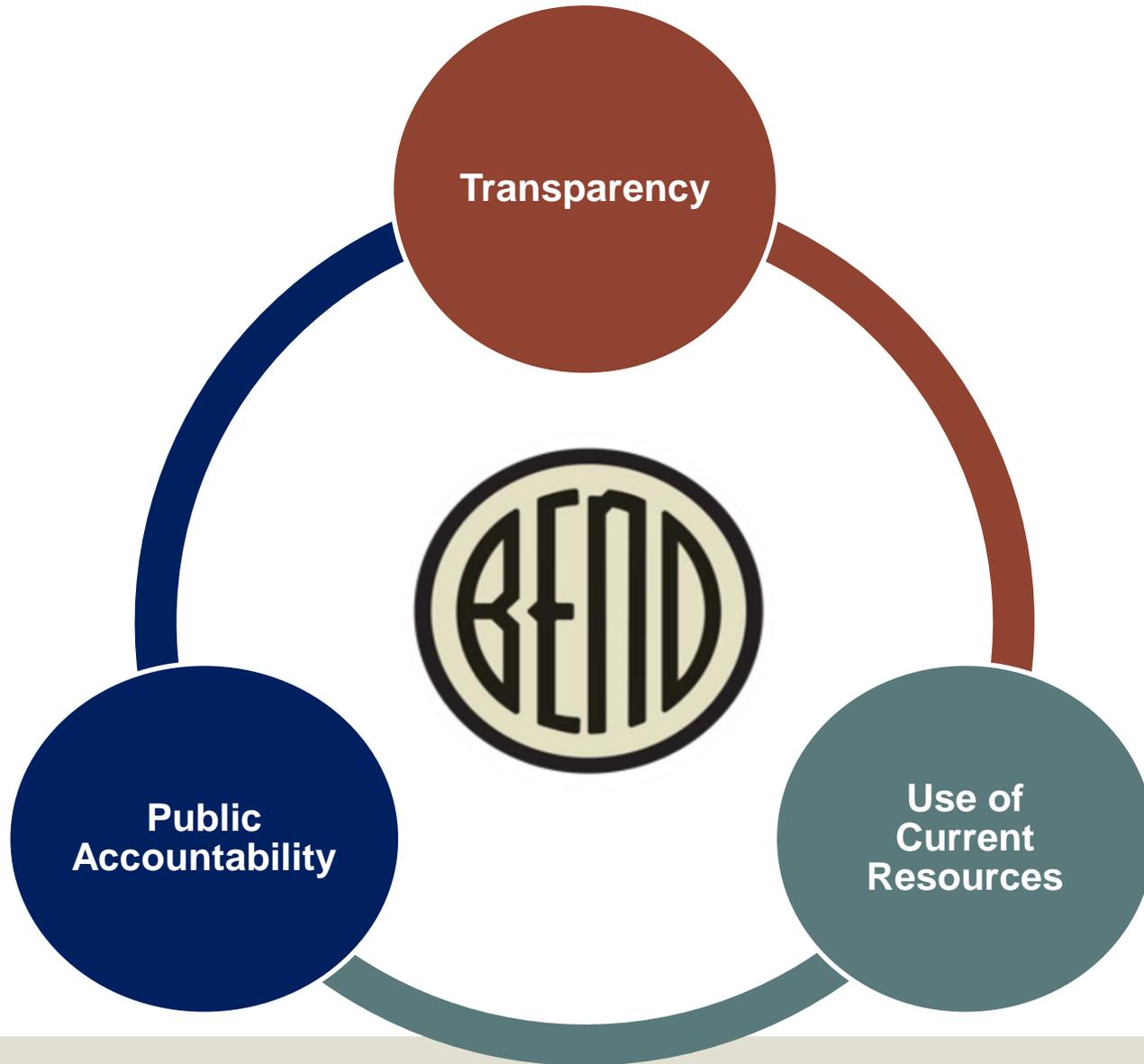
Taxes vs. sales revenues



Citizens vs. shareholders

No market competition

FOCUS OF GOVERNMENT REPORTING



COMPLEXITY OF ACCOUNTING FOR CITY FINANCES



THE GENERAL FUND



For all general government activities not in a special fund

Separate Funds for Restricted Revenues



Enterprise Funds for self-supporting businesses



Internal Services Funds for central "overhead" services





OREGON BUDGET LAW BUDGET PROCESS



**Dept.
Head
Request**

**City Mgr.
Proposed**

**Budget
Committee
Approved**

**City
Council
Adopted**

CITY OF BEND FINANCES

Resolution No. 2783
Appendix A, Exhibit 5

**CITY OF BEND
BEND URBAN RENEWAL AGENCY
FISCAL POLICIES**



Revised by City Council December 7, 2016



- Fiscal Policies – ensure sound financial management
- GFOA Best Practices
- Biennial Budget and proactive budget management
- 5-20 year Financial Forecasts
- Annual Financial Strategy Session
- Council Goal Setting



Establish
priorities
and
General
Fund
resource
allocation

ESTABLISH PRIORITIES AND RESOURCE ALLOCATIONS



November-December

Begin Budget Process

- Identify needs
- Forecast revenues



January-February

Finalize Department Requests

- Financial strategy session - General Fund
- Council goal setting



March-April

Budget Reviews and Document Prep

- Financial strategy session – Infrastructure, Transportation, Sustainability
- Make sure budgets are aligned with Council goals & priorities
- Perform financial analysis



May-June

Budget Committee Deliberations and Council Adoption

- Accept public comment on multiple occasions during the budget process

PROACTIVE BUDGET MONITORING



- Adopted budget serves as guide to operations
- Departments are held accountable to annual budgets
- Budgeted for does not mean money is available. Cash flow is closely monitored
- Monthly budget to actual financial reports
- Mid-biennial budget review and adjustments

WHERE THE MONEY COMES FROM AND WHERE THE MONEY GOES...



WHAT IS THE GENERAL FUND?



- The City's primary operating fund - accounts for all activities of the City except those required to be accounted for in another fund.
- Is a small part of the overall budget of the City – the General Fund is approx. \$45 million out of a total city-wide expenditure budget of \$316 million.

Where Our Revenues Come From and How We Spend Them

Total Revenue: \$142.9 Million

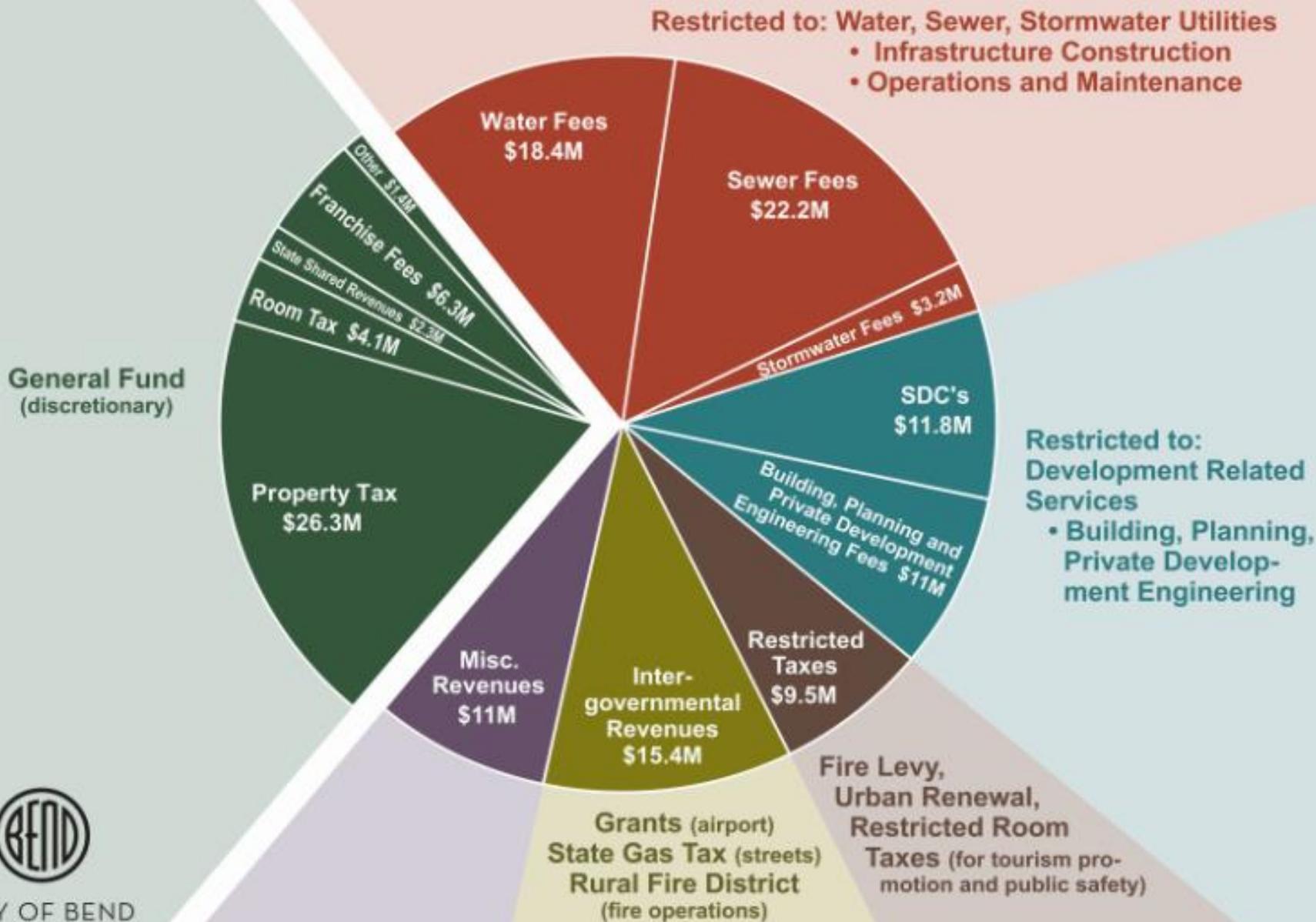
General Fund \$40.4M

Streets	13%
Community & Economic Development*	8%
Transit	3%
Other	3%

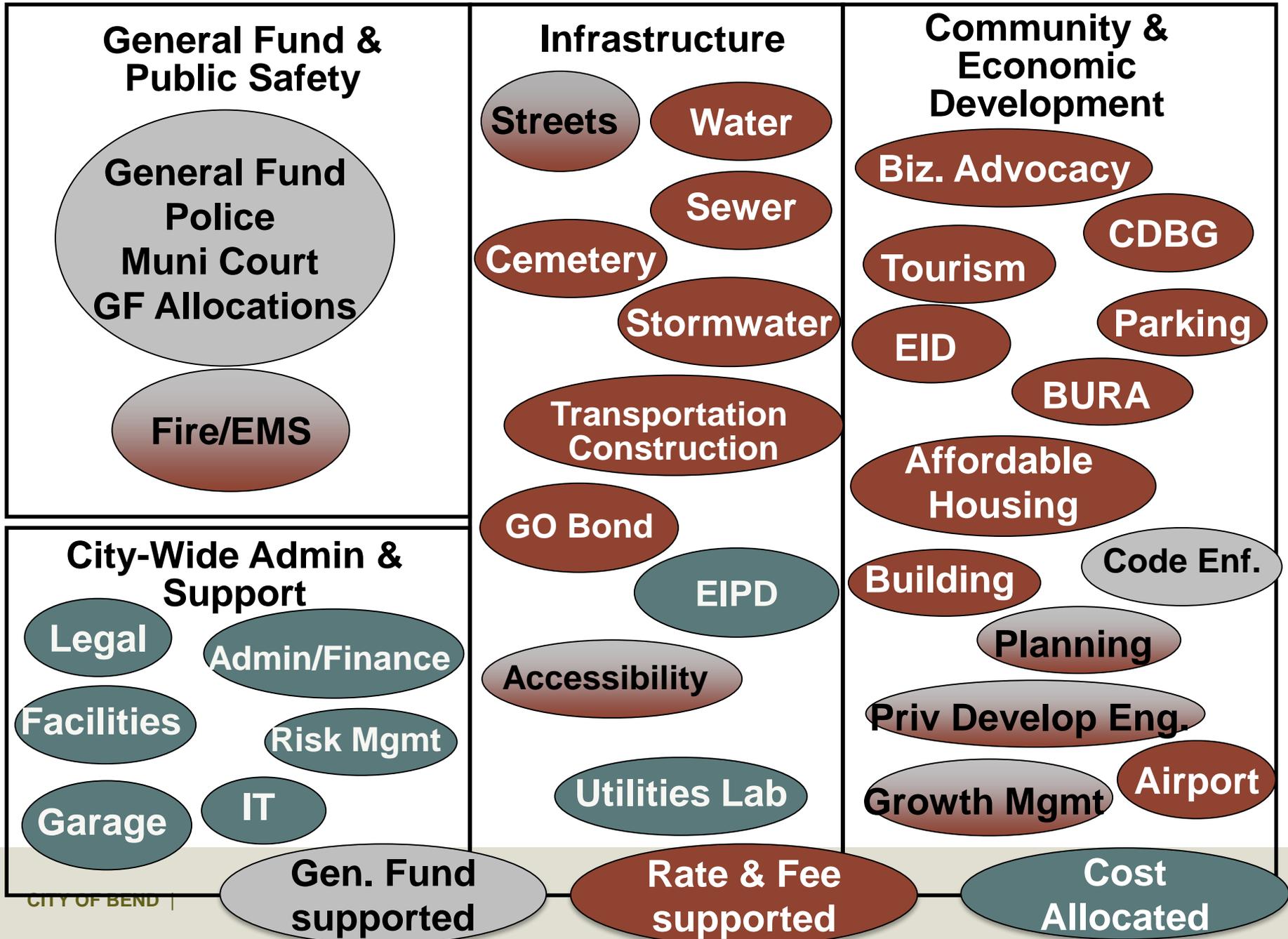
**Includes Consultants and Staff for UGB, Accessibility, Code Enforcement, Current Planning and Private Development Engineers*



Where Our Revenues Come From and How We Spend Them



FUNDING SOURCES FOR PRIMARY PROGRAMS



MAJOR COMPETING NEEDS IN THE GENERAL FUND



1. Police/Fire – staffing, increasing personnel costs
2. Streets – growing deferred maintenance and equipment
3. Transit – contingent upon COIC developing new source of revenue
4. CDD and Growth Management – Development Code administration and growth execution strategies
5. Accessibility – curb ramp and sidewalk programs
6. Code Enforcement – enhanced enforcement of Bend Code and Development Code

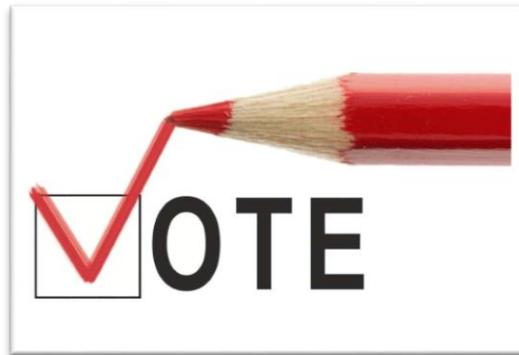
BEND'S FISCAL CHALLENGES



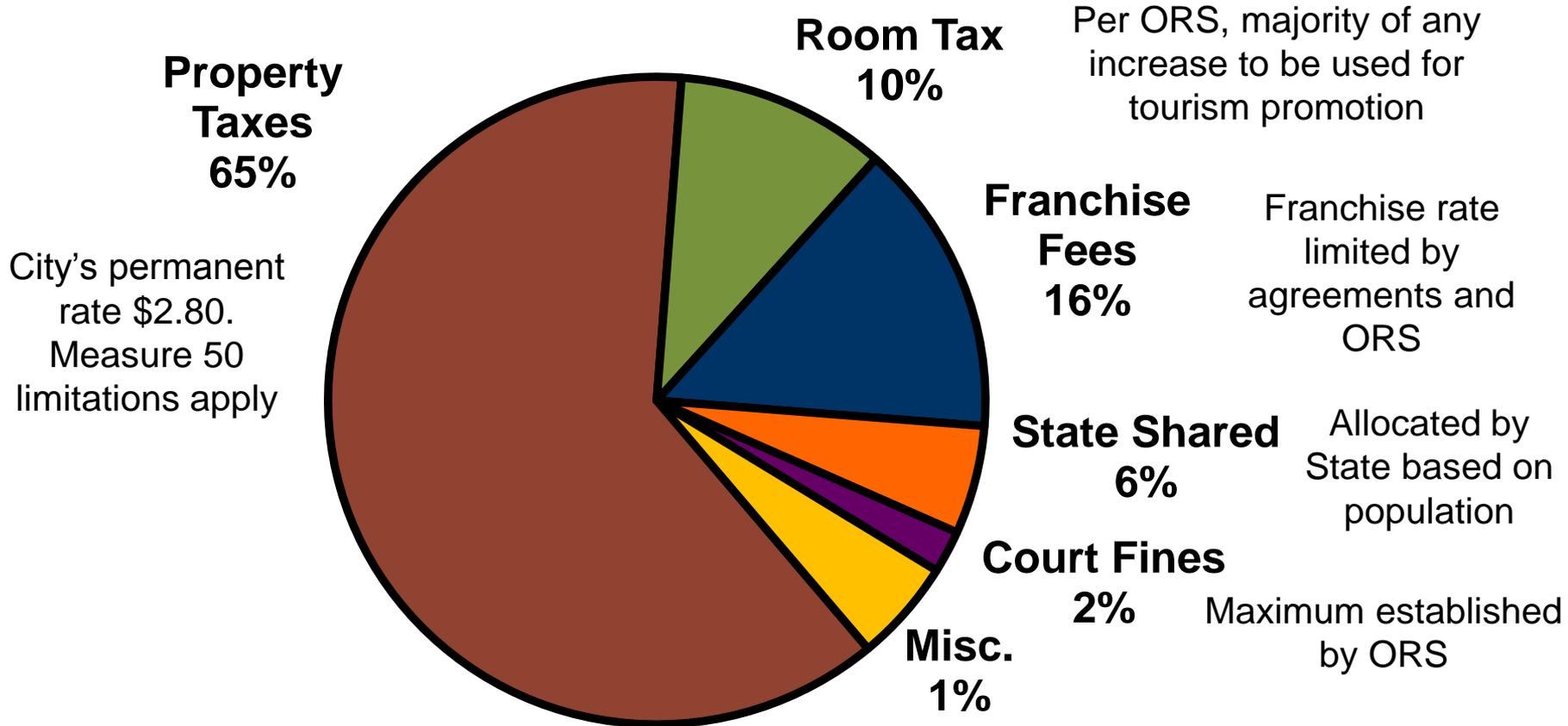
OREGON PROPERTY TAX LIMITATIONS



- Voter Approved in 1997
- Measure 5 Limit
 - - \$5/\$1,000 market value for schools
 - - \$10/ \$1,000 market value for non-schools
- Measure 50 Limit
 - Growth in assessed value (AV) limited to 3% per year
 - Roll back AV for each property to 90% of 95-96 value
 - **Established permanent rate (Bend \$2.80)**



LIMITATIONS ON GENERAL FUND REVENUES



Where Does Your Property Tax Dollar Go?



CITY OF BEND



- Personnel:

- PERS
- Staffing needs
- Health/Dental costs

- Capital:

- Infrastructure investments
- Growth execution strategies
- Facility Planning
- Enterprise Resource Planning replacement project (aka “LEAP”)



WHERE TO FIND MORE INFORMATION?



Financial Documents on the City's Website:

- Current and historical budget documents
- Annual audit reports (i.e. Comprehensive Annual Financial Reports)
- Fiscal Policies



Finance Department Website:

<http://www.bendoregon.gov/government/departments/finance>