

RESOLUTION NO. 3138

A RESOLUTION APPROVING A SUPPLEMENTAL BUDGET AND BUDGET APPROPRIATION ADJUSTMENTS FOR THE 2017-2019 BIENNIAL BUDGET PERIOD BEGINNING JULY 1, 2017.

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

- 1. In accordance with ORS 294.473, the proposed supplemental budget will provide for appropriation adjustments in the following funds that were not anticipated when the 2017-2019 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 November 30, 2018.**

Affordable Housing Fund

	Increase	Decrease
Resources:		
Affordable Housing Fee Revenue	\$ 220,300	
Loan Repayment Revenue	\$ 158,800	
Requirements:		
Community & Economic Development Program	\$ 1,888,800	
Contingency		\$ 1,509,700

To increase expenditure appropriations in Materials and Services in the Community & Economic Development program for grant and loan recipients for the 2019 Request for Proposals funded by additional Affordable Housing Fee revenue and Loan Repayment revenue and a reduction in contingency.

Parking & Downtown Fund

	Increase	Decrease
Resources:		
Permit & Fine Revenues	\$ 105,000	
Requirements:		
Community & Economic Development Program	\$ 1,060,000	
Reserved for Future Expenditures		\$ 955,000

To increase appropriations in the Community & Economic Development Program in Capital Outlay and reduce Reserves by \$955K, \$800K to reconstruct the Mirror Pond Parking Lot and \$155K for lighting and lighting controls upgrades in the parking garage as recommended by Ameresco, the City's Energy Savings company. Reserves will be replenished when the City issues debt for these projects in the next biennium.

To recognize additional permit and fine revenue that was received but not budgeted in 2018 and increase appropriations in Capital Outlay by \$60K for cleaning & painting the parking garage and \$45K for Handheld License Plate Reading (LPR) software.

<u>Cemetery Permanent Maintenance Fund</u>	Increase	Decrease
Resources:		
Beginning Working Capital	\$ 9,300	
Requirements:		
Interfund Transfers	\$ 9,300	

Recognize additional Beginning Working Capital of \$9.3K and increase Interfund Transfer appropriations to allow for an additional transfer to the Cemetery Fund. In accordance with ORS 97.830, investment income earned and realized in this fund will be transferred to the Cemetery Fund to be used for general care and maintenance of the property.

<u>Cemetery Fund</u>	Increase	Decrease
Resources:		
General Fund Subsidy	\$ 72,900	
Requirements:		
Interfund Transfers	\$ 72,900	

Recognize \$72.9K in additional General Fund Subsidy and increase expenditure appropriations in Interfund Transfers to Utilities for higher than budgeted Utility Bills (\$56.5K), to Garage Services for unanticipated vehicle repairs and parts (\$15K), and for an increase to overhead transfers to Finance, HR, LEAP Program, City Council and the Garage Division to fund expenditures (\$1.4K) that were not anticipated during the 2017-2019 budget development. Details of these expenditures are included in Section 2.

2. **In accordance with ORS 294.471, the following supplemental budget will provide for appropriation adjustments that were not anticipated when the 2017-2019 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 November 30, 2018.**

General Fund

Increase

Decrease

Resources:

Property Tax Revenue	\$	405,000
Local Marijuana Tax Revenue	\$	202,000

Requirements:

Public Safety Program	\$	241,000
Community & Economic Development Program	\$	50,000
Interfund Transfers	\$	316,000

Recognize additional 2018-2019 Property Tax revenue of \$405K to:

- 1) Increase expenditure appropriations in Personnel Services in the Public Safety Program for the Police Department by \$139K for 1.00 Lieutenant FTE that is being requested in a separate 12/5/18 agenda item and \$50K in Capital Outlay for a Lieutenant vehicle; and
- 2) Increase Interfund Transfer expenditure appropriations to the Fire/EMS Fund by \$216K, which is related to the City's required contribution of Property Tax revenue to the Fire/EMS Fund.

Recognize a portion of additional 2018-2019 Local Marijuana Tax revenue of \$202K to:

- 1) Increase Public Safety Program expenditure appropriations by \$52K for temporary Municipal Court staff to provide additional support during the Leading Effective Applications and Processes (LEAP) implementation and assist with increased workload;
- 2) Increase Community & Economic Development expenditure appropriations by \$50K for a Room Tax Audit.
- 3) Increase Interfund Transfer expenditure appropriations by \$100K to allow for an additional transfer to the Streets & Operations Fund to fund 1.00 Street Utility Worker and 1.00 Civil Engineering Associate that will support core maintenance crews and assist in Street Preservation projects, developing and maintaining the Sidewalk Program and Neighborhood Traffic Calming Program, Parking Management, Paving and Striping inspections and ADA design review, respectively.

Fire/EMS Fund

Increase

Decrease

Resources:

Grant Revenue	\$	54,906
Intergovernmental Revenue	\$	52,700
Property Tax Revenue	\$	113,000
Interfund Transfer Revenue	\$	216,000

Requirements:

Public Safety Program	\$	436,606
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Recognize Revenue of \$54,906 from FEMA for an Assistance to Firefighters Grant (AFG) to purchase a Patient Simulator in the amount \$60,396. The Fire Department is required to provide a match of 10% of the federal contribution or \$5,490, which will be paid for with Contingency and included in Section 3.

Recognize Intergovernmental revenue of \$52.7K as conflagration reimbursement for the Bend Fire Department's contribution to Oregon fires during the summer of 2018 and increase appropriations in Personnel Services and Materials and Services to offset costs incurred.

Recognize additional 2018-2019 Property Tax revenue of \$113K and Interfund Transfer Revenue from the General Fund of \$216K, which is related to the increase in FY 2018-19 local option levy property tax revenues, Rural District property tax revenues and the City's required contribution of Property Tax revenue to the Fire/EMS Fund, respectively, and increase expenditure appropriations in Personnel Services of \$329K to offset unanticipated overtime expenses.

<u>Streets & Operations Fund</u>	Increase	Decrease
Resources:		
Interfund Transfer Revenue	\$ 216,000	
Requirements:		
Infrastructure Program	\$ 216,000	

Recognize \$96K in additional transfer revenue from the Juniper Ridge Construction Fund and increase expenditure appropriations in the Street & Operations Fund for self-performed work related to fuel reduction activity (\$50K), two clean-ups of rubbish and debris (\$20K each for total of \$40K) and installing an emergency services swing gate (\$6K) at the Juniper Ridge property.

Recognize additional transfer revenue from the General Fund of \$100K and increase Personnel Services expenditure appropriations to fund 1.00 Street Utility Worker and 1.00 Civil Engineering Associate.

Recognize additional transfer revenue of \$20K from the Parking and Downtown Fund and increase expenditures appropriations for the replacement of signage downtown that was performed by Streets & Operations staff.

<u>Internal Service Fund: City Wide Administration</u>	Increase	Decrease
Resources:		
Interfund Transfer Revenue	\$ 368,400	
Requirements:		
Administration & Central Services Program	\$ 558,000	

Debt Service	\$	40,400	
Reserves for Future Expenditures			\$ 230,000

Decrease Reserves and recognize additional Interfund Transfer Revenues to increase Administration and Central Services budgets for the following costs:

1) Increase Capital Outlay appropriations in Facility Management and decrease Reserves for Future Expenditures by \$230K to fund lighting upgrades, water conservation features, HVAC system retro-commissioning and building envelope improvements to the 15th Street Police Facility, as recommended by Ameresco, the City's Energy Savings company.

2) Increase appropriations in Personnel Services by \$19.3K for City Council compensation increases in FY 2018-19 for the last 6 months of the biennium per Ordinance No. 2306, which is funded by an increase in interfund transfers.

3) Increase appropriations in Personnel Services and Materials and Services for the Finance Department by \$216.4K for 1.00 Sr. Budget/Financial Analyst LTE, 1.00 Senior Management Analyst FTE, an Intern, and timekeeping software that has an increased annual charge. Positions include salary, benefits, applicable training and computers. These costs were discussed with Council last month. The LTE position was formally approved by Council in June. The Sr. Management Analyst position is pending Council approval in a separate 12/5/18 agenda item. The expenditures are funded by an increase in Interfund Transfers.

4) Increase appropriations in Personnel Services and Materials and Services for Human Resources by \$92.3K for temporary help and other personnel increases, contract for 1095 forms, additional budget for the Oregon Equity Pay Act Study and the Employee Assistance Program service, all funded by an increase in interfund transfers.

To increase Debt Service appropriations and recognize Interfund Transfer Revenue by \$40.4K in the LEAP program. Estimated debt service was included in the 2017-2019 biennial budget; however, due to the terms of the debt issued in the Spring of 2018 the actual annual debt service payments are more than budget. This increase will be funded by additional Interfund Transfer revenue.

<u>Internal Service Fund: Departmental Administration</u>	Increase	Decrease
Resources:		
Interfund Transfer Revenue	\$ 294,200	
Requirements:		
Administration & Central Services Program	\$ 234,200	
Community & Economic Development Program	\$ 60,000	

Recognize \$234.2K in Interfund Transfer revenue for the Garage division accounted for in the Administration & Central Services program for the following costs. Transfers to the Garage division are only made by the departments that use their services; it is not a city-wide allocation of costs.

1) Increase Capital Outlay expenditure appropriations by \$42.2K for the purchase of a mobile lift. Garage staffs four heavy equipment mechanics and has one mobile lift; however, two mobile lift systems are required to increase mechanic productivity and quickly return vehicles to internal customers.

2) Increase Materials and Services by \$192K for parts for the Police Department and Cemetery Fund that were not anticipated. Both departments are estimated to spend more on parts and repairs than budgeted due to unanticipated repairs and replacements.

Recognize \$60K in Interfund Transfer revenue from Building, Planning and Private Development Engineering to fund an Executive Assistant position that is being requested in a separate 12/5/18 agenda item. The additional appropriations will fund the position through the end of fiscal year 2019.

3. The following proposed budget adjustments are authorized by ORS 294.463(2) to transfers budget from Contingency to appropriation categories or programs within the same fund.

<u>General Fund</u>	Increase	Decrease
Requirements:		
Community & Economic Development Program	\$ 150,000	
Interfund Transfers	\$ 322,900	
Contingency		\$ 472,900

To reduce Contingency for the following items that were not anticipated during the 2017-2019 budget development:

- 1) Increase appropriations in Materials and Services in the Community Projects by \$150K for payments to the Central Oregon Intergovernmental Council (COIC) for the transit services agreement;
- 2) Increase appropriations in Interfund Transfers by \$73K from Code Enforcement (\$2.1K), Growth Management (\$5.5K), Accessibility Program (\$900), Municipal Court (\$2.2K) and Police (\$62.3K) to Finance, HR, LEAP Program, City Council and the Garage Division;
- 3) Increase appropriations in Interfund Transfers to Garage Services by \$177K for Police vehicle repairs and parts as previously outlined in Section 2 of the issue summary;
- 4) Increase appropriations in Interfund Transfers by \$72.9K for an additional subsidy to the Cemetery Fund as outlined previously in Section 2 of the issue summary.

<u>Fire/EMS Fund</u>	Increase	Decrease
Requirements:		
Public Safety Program	\$ 325,490	
Interfund Transfers	\$ 71,300	
Contingency		\$ 396,790

To reduce Contingency for the following items that were not anticipated during the 2017-2019 budget development:

- 1) \$5,490 for the Fire departments 10% match for the AFG grant outlined in Section 2;
- 2) \$320K for lighting upgrades, water conservation features, HVAC control improvements and building envelope improvements to several Fire Stations, as recommended by Ameresco, the City's Energy Savings company;
- 3) \$71.3K for a transfer to Finance, HR, LEAP Program, City Council and the Garage Division to fund expenditures discussed earlier in Section 2.

<u>Streets & Operations Fund</u>	Increase	Decrease
Requirements:		
Infrastructure Program	\$ 365,000	
Contingency		\$ 365,000

Reduce Contingency by \$365K and increase expenditure appropriations in Capital Outlay by the same amount for upgrades to city-wide street lighting from HID to LED as recommended by Ameresco, the City's Energy Savings company. Estimated spending in FY 2018-2019 for the project is \$805K; however, \$440K of this spending can be absorbed by budget savings. The City will issue debt for this project in the next biennium and reimburse expenditures incurred.

Affordable Housing Fund

	Increase	Decrease
Requirements:		
Interfund Transfers	\$ 900	
Contingency		\$ 900

To reduce Contingency by \$900 and increase Interfund Transfer appropriations by the same amount to allow for a transfer to Finance, HR, and City Council to fund expenditures that were not anticipated during the 2017-2019 budget development. Details of these expenditures are included in Section 2.

Business Advocacy Fund

	Increase	Decrease
Requirements:		
Interfund Transfers	\$ 1,000	
Contingency		\$ 1,000

To reduce Contingency by \$1K and increase Interfund Transfer appropriations by the same amount to allow for a transfer to Finance, HR, and City Council to fund expenditures that were not anticipated during the 2017-2019 budget development. Details of these expenditures are included in Section 2.

Building Fund

	Increase	Decrease
Requirements:		
Interfund Transfers	\$ 69,000	
Contingency		\$ 69,000

To reduce Contingency for the following items that were not anticipated during the 2017-2019 budget development:

1) Increase Interfund Transfer appropriations by \$33K to allow for a transfer to Finance, HR, LEAP Program, City Council and the Garage Division. Details of these expenditures are included in Section 2.

2) Increase Interfund Transfer appropriations to CDD Development Services by \$36K for Building's 60% share of an Executive Assistant position being requested in a separate 12/5/18 agenda item. The additional appropriations will fund the position through the end of fiscal year 2019.

Planning Fund

Requirements:

Interfund Transfers
Contingency

	Increase	Decrease
	\$ 28,100	
		\$ 28,100

To reduce Contingency for the following items that were not anticipated during the 2017-2019 budget development:

- 1) Increase Interfund Transfer appropriations by \$13.1K to allow for a transfer to Finance, HR, LEAP Program, and City Council. Details of these expenditures are included in Section 2.
- 2) Increase Interfund Transfer appropriations to CDD Development Services by \$15K for Planning's 25% share of an Executive Assistant position being requested in a separate 12/5/18 agenda item. The additional appropriations will fund the position through the end of fiscal year 2019.

Private Development Engineering Fund

Requirements:

Interfund Transfers
Contingency

	Increase	Decrease
	\$ 17,600	
		\$ 17,600

To reduce Contingency for the following items that were not anticipated during the 2017-2019 budget development:

- 1) Increase Interfund Transfer appropriations by \$8.6K to allow for a transfer to Finance, HR, LEAP Program, and City Council. Details of these expenditures are included in Section 2.
- 2) Increase Interfund Transfer appropriations to CDD Development Services by \$9K for Private Development's 15% share of an Executive Assistant position being requested in a separate 12/5/18 agenda item. The additional appropriations will fund the position through the end of fiscal year 2019.

Airport Fund

Requirements:

Interfund Transfers
Contingency

	Increase	Decrease
	\$ 3,600	
		\$ 3,600

To reduce Contingency by \$3.6K and increase Interfund Transfer appropriations by the same amount to allow for a transfer to Finance, HR, LEAP Program, City Council and the Garage Division to fund expenditures that were not anticipated during the 2017-2019 budget development. Details of these expenditures are included in Section 2.

<u>Water Fund</u>	Increase	Decrease
Requirements:		
Infrastructure Program	\$ 265,000	
Interfund Transfers	\$ 69,200	
Contingency		\$ 334,200

To reduce Contingency for the following items that were not anticipated during the 2017-2019 budget development:

- 1) Increase appropriations in Capital Outlay in the Infrastructure Program by \$265K for energy efficiency projects at the Water Filtration Facility including solar projects and electric resistance to heat on a heat pump, as recommended by Ameresco, the City's Energy Savings company. Contingency will be replenished when the City issues debt for these projects in the next biennium.

- 2) Increase Interfund Transfer appropriations by \$69.2K to allow for a transfer to Finance, HR, LEAP Program, City Council and the Garage Division. Details of these expenditures are included in Section 2.

<u>Water Reclamation Fund</u>	Increase	Decrease
Requirements:		
Interfund Transfers	\$ 76,200	
Contingency		\$ 76,200

To reduce Contingency by \$76.2K and increase Interfund Transfer appropriations by the same amount to allow for a transfer to Finance, HR, LEAP Program, City Council and the Garage Division to fund expenditures that were not anticipated during the 2017-2019 budget development. Details of these expenditures are included in Section 2.

<u>Stormwater Fund</u>	Increase	Decrease
Requirements:		
Interfund Transfers	\$ 8,500	
Contingency		\$ 8,500

To reduce Contingency by \$8.5K and increase Interfund Transfer appropriations by the same amount to allow for a transfer to Finance, HR, LEAP Program, City Council and the Garage Division to fund expenditures that were not anticipated during the 2017-2019 budget development. Details of these expenditures are included in Section 2.

Parking & Downtown Fund

Increase

Decrease

Requirements:

Community & Economic Development Program	\$	110,000	
Interfund Transfers	\$	22,100	
Contingency			\$ 132,100

To reduce Contingency for the following items that were not anticipated during the 2017-2019 budget development:

1) Increase expenditure appropriations in Materials & Services in the Community & Economic Development program by \$110K for a customer segmentation analysis (\$30K), cleaning and maintenance of garbage enclosures in the Mirror Pond Parking Lot (\$15K), branding and wayfinding (\$60K), and marketing & outreach (\$5K) and to increase Interfund Transfers to the Streets department for the replacement of signage downtown (\$20K).

2) Increase Interfund Transfer appropriations by \$2.1K to allow for a transfer to Finance, HR, and City Council. Details of these expenditures are included in Section 2.

Adopted by a vote of the Bend City Council on December 5, 2018.

YES: Casey Roats, Mayor
Sally Russell
Bruce Abernethy
Bill Moseley
Justin Livingston
Barb Campbell

NO: none



Casey Roats, Mayor

ATTEST:



Robyn Christie, City Recorder

Approved as to form:



Mary Winters, City Attorney

