

## Minutes

**City of Bend and Bend Urban Renewal Agency (BURA)  
Budget Committee Deliberations  
May 11-12, 2021  
4:00 pm to 9:00 pm**

**Virtual Meeting via Zoom**

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**CITY OF BEND**

BUILDING ON OUR PAST  
SERVING THE PRESENT  
SHAPING BEND'S FUTURE

**Tuesday May 11, 2021**

### **Welcome, Overview of Agenda and Organization of Meetings**

The City of Bend Budget Committee Meeting was called to order by Chair Peter Skrbek. Present were Budget Committee members Emilie Cortes, Councilor Anthony Broadman, Councilor Barb Campbell, Mayor Pro-Tem Gena Goodman-Campbell, Councilor Melanie Kebler, Kat Mastrangelo, Councilor Megan Perkins, Monica Rimai, Mayor Sally Russell, Robert Savage, Bill Scannell, Councilor Rita Schenkelberg, Heather Simmons, and Peter Skrbek.

Also present were Eric King – City Manager, Sharon Wojda – Chief Financial Officer, and Melissa Hodnett – Budget & Financial Planning Manager.

### **High Level Overview of Proposed 2021-2023 Biennial Budget**

Ms. Wojda introduced the City's budget team and provided an overview of the evening's agenda.

Ms. Hodnett noted line items omitted in error on the following pages of the printed version of the budget: page 244, Community Development Department (CDD) Administration; page 250, Building; page 266, Code Enforcement; page 276, Community Development Block Grant. The revised version is published on City of Bend's Finance webpage.

Chair Skrbek reviewed virtual meeting protocols.

Ms. Wojda provided the following overview of the 2021-2023 budget, as outlined in the presentation:

Total balanced budget resources and requirements for the biennium are \$919.4M. Contingencies and reserves at the end of the biennium are projected to be \$207M, a reduction of reserves by approximately \$52M.

Total operating revenues are projected to be \$395M, of which \$271M is designated for specific purposes. The remainder of \$124M is accounted for in the General Fund.

Property tax revenue is projected to increase by 5.5% for the first year of the biennium and 5% for the second. Page 66 of the budget document indicates details on 10-year trends. Total tax levies for the General Fund are projected to be \$78M. Collection General Obligation Bond (GO Bond) revenues will begin in the second year of the biennium due to ballot language.

Room tax revenues are anticipated to increase by 16% in the first year of the biennium due to anticipation of return to pre-pandemic activity levels. The 5% projected increase in the second year is a standard projection. The City worked with VisitBend on the assumptions.

Franchise fee revenues are generated by fees that utilities pay to work in the City's right of way.

State shared revenues are the City's portion of revenues received from the State of Oregon for cigarette, liquor, marijuana, and gas taxes. The City has an additional 3% local marijuana tax.

System development charges (SDCs) are fees that development pays to cover the impact of development on water, sewer, and transportation systems. They are the primary funding source for infrastructure improvements. SDC revenue projections are based on the Engineering News Record construction cost inflation index.

Development revenue assumptions are based on annual activity increases of 3%, with Planning at 6% due to complexity of work. Utility revenue assumptions are based on rate increases consistent with 30-year forecasting models.

Mayor Pro-Tem Goodman-Campbell inquired how SDC rate increases are linked to methodologies. Ms. Wojda indicated that all SDCs are anticipated to be updated in the 2021-2023 biennium, where baselines will be established and subsequent annual increases will be based on the ENR index.

Member Simmons inquired if the SDC rate increase is related to aggressive housing and infrastructure plans and projects, and if rates would reduce if trends reverse. Ms. Wojda indicated that rates fluctuate per the ENR, and that rates reflect the nationwide increase in construction costs. SDCs are updated and presented to Council annually for review.

Estimated proposed requirements city-wide are \$919.4 million including Contingency and Reserves. Personnel reflects the largest increase driven by backfilling previously eliminated vacant positions at the beginning of the COVID-19 pandemic as part of budget reductions.

The personnel budget is \$223.6M and 717.12 full time equivalents (FTEs). Detail of personnel cost drivers are on page 645 of the budget document. The City participated

in a Public Employees Retirement System (PERS) matching funds program offered by the State of Oregon, resulting in future contributions being reduced by \$24M over a 10-year period.

The materials and services (M&S) budget is \$93.7M and includes expenses other than personnel, capital, principal, interest, and interfund transfers. \$2.0M of the Other category reflects an agreement with Central Oregon Intergovernmental Council (COIC) for operating the transit system. Non-discretionary funding is earmarked in the Other Contractual Services category.

The capital outlay budget is \$153M; the majority is for the Capital Improvement Program (CIP). Details on all capital outlay projects are provided in the budget document.

Debt service is \$67.7M and is comprised of anticipated principal and interest payments. Fiscal policies dictate from where and when funds are collected to cover debt. Page 78 provides an overview of proposed debt. Total debt at the end of the 2021-2023 biennium is anticipated to be \$393.2M.

Interfund transfers are \$174.2M and include overhead costs allocated to departments.

Chair Skrbek inquired if additional PERS matching opportunities exist. Ms. Wojda indicated there are none, though there may be some federal funding available. Chair Skrbek recommended an agenda placeholder to discuss further. Member Simmons inquired about use of potential additional funding. Ms. Wojda will email information received from the US Department of Treasury to the committee regarding eligible uses.

Contingencies and reserves by service area total \$207.2M. Fees are set to allow for recovering costs, and six to 30-year models help determine if rates need adjusted.

Reductions in Police reserves are planned, one-time events. The increase in Fire reserves in fiscal year 2020-21 is due to one-time vacancy savings.

The drawdown for Water Reclamation was anticipated due to debt issued this year for the North Interceptor project.

CDD is required to maintain a minimum of six months of reserves. Reserves are decreasing due to conservative revenue estimates, increased costs for staff and programs, and additional staff. The GF no longer provides financial support for Planning and Private Development Engineering (PDED) which is reflected in the drawdown of reserves. A fee study is planned in the second year of the biennium to ensure fees are set to recover costs. Building is projected to end the biennium with 15 months of reserves; Planning is projected at 5.25 months; PDED is projected at 30 months.

There are no significant changes in reserve levels for Administration and Central Services. The General Fund's target level for operating reserves is 16%.

Ms. Wojda reviewed Council goal setting inputs and timeline, as outlined in the

presentation. \$175K has been allocated to a new standalone sustainability program and related projects, and an additional \$69K is reflected in department budgets. All are related to the Environment and Climate goal.

A new Diversity, Equity, Inclusion, and Accessibility (DEIA) program is in the overall budget, with additional funds as part of department budgets. A new director will help coordinate DEIA efforts across the organization and between departments.

Member Cortes inquired for clarity on reserves, and how funds are determined discretionary vs not. Ms. Wojda indicated that the reserve target for the GF is two months or 16%, but differs between departments due to services provided, revenue and expenditure volatility, etc. In cases where the reserve targets is less than 16%, it is generally due to lower volatility and greater stability in revenue sources. Reserves percentages are set relative to expenditures within each fund.

Councilor Campbell inquired about the differences in reserves between Fire and Police. Ms. Wojda indicated that Fire is accounted for in a separate fund with its own source of revenues, while Police is funded in the General Fund through discretionary revenues, allocated by Council.

Member Mastrangelo inquired if reserve allocations are required for the City's bond rating, what the bond rating is, and if SDCs differ between housing types and values. Ms. Wojda indicated there are different bond ratings for different debt issuances. The GF is liable for the Full Faith and Credit debt. There are no legal debt service reserve requirements, except for sewer and some stormwater. SDC fee resolutions are outlined on the City's Finance webpage. Different types of SDCs are based on different criteria for different services, i.e. transportation, water, and sewer. Additional detail is provided on pages 74-76 of the budget document.

Chair Skrbek inquired of the projected \$393M of debt, how much will be exposed to unhedged floating rate of interest, and what contingency plans exist for inflationary trends on CIP costs. Ms. Wojda indicated all debt is fixed rate interest, and all CIP projects have class estimates. Revenue projections are continually monitored, and the CIP budget may be amended and projects reprioritized to stay within budget.

Member Simmons inquired what Council's process is to align budget and its goals. Mr. King indicated it is an iterative process where over the span of several months, City staff aligns Council goals with resource requirements based on forecasts and revenue assumptions.

## **General Fund**

Ms. Hodnett reviewed the GF budget, as outlined in the presentation. Operating revenue is approximately \$124M for the biennium. It excludes prior biennium reserves, debt proceeds, interfund transfers, and one-time revenues. Other revenues include local marijuana tax, court fines and forfeitures, the new commercial and industrial construction

tax, and miscellaneous charges, fees, and licenses. Allocations consist of Police, Fire, Streets, and other expenditures. The reserve requirement for operating expenditures is 16%. It is anticipated the biennium will end at 16.8%. 2021-2023 ending contingency and operating reserves is projected to be \$11.2M.

Councilor Perkins inquired about the purpose of the \$275K transfer to City Council. Mr. King indicated it is earmarked for communication and engagement opportunities related to the Open and Accessible Government goal. Details can be found on page 347 of the budget document.

### **Questions/Comments on Funds Not to be Discussed in Detail**

- General Fund Revenue Stabilization Fund
- Fire Station Debt Service Fund
- Municipal Court
- Helen E. Lorenz Estate Fund
- Engineering, Infrastructure & Planning Department
- System Development Charge (SDC) Fund
- Local Improvement District
- Economic Improvement District (EID) Fund
- Administration & Financial Services
- Information Technology
- Fleet Management
- Facilities
- PERS Debt Service Fund
- Other Post-Employment Benefits
- Energy ARRA Grant Fund
- Cemetery Fund

Councilor Schenkelberg inquired about the Helen E. Lorenz Estate Fund. Ms. Wojda indicated Helen passed away and left \$1M to the City's police and fire departments, with a specific request that it not be used for normal operations. It is managed by Oregon Community Foundation with board review of expenditure requests for approved uses. Councilor Campbell inquired if funds may be used to supplement the purchase of body-worn cameras. Ms. Wojda indicated they may not.

Member Cortes inquired about underfunded pension liabilities. Ms. Wojda indicated there are three groups of employees based on hire dates. The majority of the City's employees are in the newer group so contribution rates are lower. PERS conducts an actuarial study every two years which dictates rates. The contributions and matching funds discussed earlier resulted in an immediate reduced contribution rate.

### **Public Comment**

Mike Satcher shared concerns about police funding and expenditures.

Joanne Mina, Bend resident, spoke about aligning the budget with homelessness

prevention and inequities.

## **Public Safety**

### Fire Department

Fire Chief Todd Riley reviewed a summary of the Fire budget, as outlined in the presentation. The increase to fleet is due to an increase in call volume, end of equipment service life, or efficiency upgrades. The Pilot Butte station is currently staffed with Emergency Medical Service (EMS) only. Staffing with fire response is dependent upon receiving grant funding applied for earlier this year.

Councilor Broadman inquired if there are plans for additional automated external defibrillators (AEDs) and if they would help with response times and survivability. Chief Riley indicated AEDs are privately funded and grants are available to assist with purchases. Additional units would assist with patient survivability.

Councilor Kebler inquired if smaller apparatuses or electric vehicles are being considered. Chief Riley indicated that much of the fleet is moving toward a hybrid or electric model. Larger equipment is less proven with electric technology given geographics of the response area, idol times, etc.

Member Rimai inquired about metrics that support budget requests. Chief Riley indicated that metrics are related to cardiac survivability, response times, and other objective measures. Mr. King indicated there is a monthly accountability report for Fire that includes several other metrics.

Councilor Campbell inquired about the life span of defibrillators. Chief Riley indicated the lifespan of defibrillators is five to seven years, and that maintenance costs are greater than replacement costs.

Mayor Russell requested further clarity about the budget request for equipment given previous approved requests for funding, what the impacts of not receiving grant funding might be, how maintenance costs compare to costs of new equipment, and turnaround time from approval for purchase to equipment being placed in service. Chief Riley indicated that the most recent levy was for programs and increasing levels of service, not capital purchases. Without grant funding, the Pilot Butte station will remain EMS-staffed only. Requests for equipment replacement is necessitated by increasing maintenance and repair for older equipment, as well as advances in safety technology. The turnaround time for new equipment being placed into service is 10-14 months from approval.

Member Savage inquired if savings might be recognized with the purchase of new vehicles versus maintaining existing. Chief Riley indicated that mechanics will need to be trained on new equipment, and costs will still be incurred to maintain equipment as it continues to age.

Chair Skrbek inquired when information will be available on whether grant funds are awarded and what the amount levy would need to be in order to increase staffing at Pilot Butte. Chief Riley indicated that grant information will become available this summer. Dependent upon results of a community survey, it's likely that 40 cents per thousand would cover requests to staff fire services at Pilot Butte.

Mayor Russell inquired if some funding opportunities exist at the State level for equipment purchases. Chief Riley indicated there are not.

## Police Department

Police Chief Mike Krantz reviewed a summary of the Police budget, as outlined in the presentation. The City currently employs 1.2 officers per 1,000 community members. 72% of officers are trained in crisis intervention, with a goal of 100% trained in the biennium. A subsequent goal of 100% of officers will receive advanced training in the biennium.

Ms. Hodnett reviewed Police expenditures by year, as outlined in the presentation. Personnel services is the largest driver of increases due to the number of personnel, new positions, pay and cost of living increases, and discontinued vacancy savings from the prior biennium.

Councilor Perkins inquired if one staff is assigned to working with the houseless community. Chief Krantz indicated there was an error in reporting by The Bulletin, though the position was added in the 2019-2021 budget.

Member Simmons inquired how performance measures resulting from the 2021 community survey are interpreted. Chief Krantz indicated the survey is statistically valid and was conducted by Portland State University (PSU) and sent to 10,000 households. Marks are compared to national averages.

Member Rimai requested clarity on population comparisons to other cities, and if staffing has been analyzed against the results of the PSU study. Chief Krantz indicated that comparison helps determine if staffing keeping up with population growth. Oregon's average is 1.4 – 1.6 officers per 1,000 community members; Bend's is 1.1 (previously stated as 1.2). Metrics help identify where to focus growth within the department. The PSU study did touch on staffing capacity, though a larger staffing study would be helpful.

Councilor Schenkelberg inquired how funding will be applied to mental health response and DEIA. Mr. King indicated funding for crisis response is part of the \$1.2M that is set aside for Council's Housing goal. Chief Krantz indicated that non-traditional police response training for officers will continue, and DEIA is incorporated into training and policies.

Councilor Campbell inquired if one or two school resource officers are being requested, and if the cost of an associated vehicle is included in the cost of the school resource officer request. Chief Krantz indicated there is one officer being requested, and that the vehicle is not included in funding for the officer.

Mayor Russell inquired how training compares to other communities, if there is cross-training within community partnerships, and if additional budget is necessary in this area. Chief Krantz indicated training is continual; some is mandated, other is optional. The training budget is consistent from biennium to biennium, and existing and developing collaborative approaches are key to responding to mental health crises, with the intent to reduce police response to a supportive role.

Councilor Kebler inquired about the necessity for larger vehicles in the department fleet, specifically community service officers. Chief Krantz indicated police vehicles require upgrades to be put into service, and any that can are being converted hybrids based on service needs. SUVs are better options for transport of people and equipment versus small vehicles. Trucks carry equipment, serve as animal control, and transport road debris. Mr. King suggested a follow up work session with the fleet manager to further discuss Fire and Police equipment.

Councilor Schenkelberg inquired about the communication manager position and breaking down barriers of engagement. Chief Krantz indicated the intent of the position is to provide transparency, proactively engage community members, and share the work of the department.

Member Mastrangelo inquired how utilization of the Deschutes County Stabilization Center is impacting FTE numbers. Chief Krantz indicated mental health calls for service are increasing year over year so recognizing savings is difficult, though the drop-off times have decreased. Mr. King indicated a report from Deschutes County Behavioral Health is available that quantifies the time saved.

Member Mastrangelo inquired about the impact of implicit bias training and if race-related statistics are collected. Chief Krantz indicated that in response to community sentiment, the current focus of traffic enforcement is on safety. Annual traffic stop data is required to be submitted to the state and the Criminal Justice Commission. The quantity of data available in 2020 was statistically too low to measure or show bias.

Member Mastrangelo inquired about the drone program. Chief Krantz indicated drones are on a two-year replacement plan and are used for traffic reconstruction, tactical assistance, and other operational needs.

Councilor Perkins expressed support for the communications officer to listen to the stories of community members.

Councilor Broadman inquired how the budget may be impacted if police reform legislation

raises costs. Mr. King indicated adjustments would be made in supplemental budgets done twice per year.

## **Community Development Department**

- Administration
- Building
- Planning
- Private Development Engineering
- Code Enforcement
- Growth Management

Mr. Grayson reviewed a summary of the CDD budget, as outlined in the presentation. CDD is generally a fee-based department with 97 staff members. Additional staff requests may be needed dependent upon market conditions. A fee study is needed due to declining reserves which should be maintained at six to 12 months. The study is set to be completed with updated fees in place by the end of June 2022.

Member Cortes inquired if funding may come from sources other than fees to improve service levels. Mr. Grayson indicated CDD is solely fee-based due to policy.

Mayor Russell inquired what is in place to mitigate economic cycles that impact funding long-term planning. Mr. Grayson indicated a long-range planning surcharge of 4% is assessed on certain fees. A goal is to identify long-term and sustainable funding sources to take a programmatic approach to long-term planning. Funding will be identified in the fee study.

Chair Skrbek inquired if reserves should be increased to allow for cyclical economic conditions. Mr. Grayson indicated communicating timelines to the development community will help with workload expectations.

Member Cortes inquired if staffing might be flexible to adjust with demand. Mr. Grayson indicated service levels are dependent upon staffs' level of experience and knowledge. Mr. King indicated the City utilizes a variety of staffing to address needs, and accommodating growth is mandated by state law.

Member Rimai inquired if development may be prioritized in alignment with Council goals and managing growth. Mr. Grayson indicated it is happening through expediting affordable housing, which is the only type of housing allowed to be expedited, per code.

Councilor Broadman expressed support for housing to be expedited through budget support. Mr. Grayson indicated support for staffing will help. Mr. King recommended follow up work in the next couple of months to look at right-sizing the department to meet service demands. The committee expressed general support.

Due to time constraints, the committee agreed to move the Economic Development Department to May 12.

### **Roundtable Comments**

Councilor Perkins inquired about the process following budget committee approval. Ms. Wojda indicated the budget, with revisions suggested by the budget committee and additional adjustments, if any, will be presented to City Council for adoption on June 16. Additional adjustments are identified in a supplemental reconciliation.

Mayor Russell inquired if alternative budgets are prepared for consideration, and expressed support for increased committee discussion around establishing a system for funding long-range planning, and capital and programming expenses for Fire and Police.

Ms. Wojda confirmed she will send a revised agenda for the May 12 meeting, as well as other documents identified earlier in this meeting.

Councilor Kebler expressed support for discussing the American Rescue Plan funds. Mr. King suggested it be added to the May 12 agenda.

Chair Skrbek moved to adjourn the meeting; Councilor Campbell seconded.

## Minutes

### City of Bend and Bend Urban Renewal Agency (BURA) Budget Committee

#### Deliberations

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### Wednesday May 12, 2021

The City of Bend Budget Committee Meeting was called to order by Chair Peter Skrbek. Present were Budget Committee members Emilie Cortes, Councilor Anthony Broadman, Councilor Barb Campbell, Mayor Pro-Tem Gena Goodman-Campbell, Councilor Melanie Kebler, Kat Mastrangelo, Councilor Megan Perkins, Monica Rimai, Mayor Sally Russell, Robert Savage, Bill Scannell, Councilor Rita Schenkelberg, Heather Simmons, and Peter Skrbek.

Also present were Eric King – City Manager, Sharon Wojda – Chief Financial Officer, and Melissa Hodnett – Budget & Financial Planning Manager.

#### **Economic Development Department**

Ms. Eagan reviewed a summary of the Economic Development Department (EDD) budget, as outlined in the presentation. The total department budget is approximately \$37.5M with 9.25 (Full Time Equivalents) FTEs. Many funds within the budget benefited from additional CARES Act funding. The Commercial and Industrial Construction Tax (CICT) will support houseless populations. American Rescue Plan Act (ARPA) funds will be used to boost the Business Advocacy program. The Business Advocacy program also includes \$100K of discretionary General Fund (GF) allocated for childcare. Transient Room Tax (TRT) is approximately \$10M per year in revenue. 70% goes to the GF and 30% to the Tourism fund, which EDD manages. Council recently decided to allow tourism funds to be used on tourism promotion and tourism-related facilities.

Regarding urban renewal and industrial land development, Juniper Ridge is a 500 acre industrial park in NE Bend, of which 60 acres are or will be privately owned. There will be a process of creating saleable land over the next 18 months. The Airport Master Plan is set to finish up this summer, including tower sighting and runway extension projects. The GF no longer subsidizes the airport. The Core area is one of three urban renewal areas and has the greatest focus. Representative Kropf has indicated he will allocate his portion of ARPA funds for securing property for a year-round homeless shelter, and Senator Knopp is interested in allocating his portion toward a crossing in the Core.

Councilor Kebler inquired in what ways the additional position will work on Core, how Tax Increment Financing (TIF) funds are prioritized, and if the budget covers outreach. Ms. Eagan indicated the new position will facilitate and manage public / private partnerships and subsequent projects. TIF funds are projected and become available at future points in time, matching funds with private development, and dependent upon direction from an appointed stakeholder group. Budget does cover outreach.

Councilor Campbell inquired if EDD has sufficient staff to focus on the Bend Central District (BCD). Mr. King indicated he would like to work toward a supplemental budget, including staffing considerations, to be outlined in July and decided upon in August. Ms. Eagan indicated the new position will focus on the Core.

Chair Skrbek inquired if the airport tower will be operated locally or remotely, and if there is a plan for additional hangar development and leases. Ms. Eagan indicated location of the tower is being considered with preference for local operation, though will likely be a Federal Aviation Administration (FAA) decision. The plan calls for additional hangar space, and approximately 65 acres are available for new ground leases.

Councilor Broadman inquired if expediting funding for staff in this budget is possible, and if it would allow EDD to focus on the Core area. Mr. King indicated an amendment could be done to add to the FTE schedule. Ms. Eagan expressed support for adding an FTE.

### **Utility Operations**

Mr. Buettner reviewed a summary of the Utility budget, as outlined in the presentation. Major drivers of budget changes are three new FTE, infrastructure repair and maintenance, and larger upgrade and capital projects.

Councilor Campbell inquired if the Franklin and Greenwood underpass projects should be expedited given interest in the BCD. Mr. King indicated they may be expedited through synergy projects. Ms. Wojda indicated additional detail is provided on page 422 of the budget document, and that the General Obligation Bond (GO Bond) may dictate timing.

Mayor Russell inquired how the City coordinates with private franchises regarding efficiencies and conservation strategies. Mr. Buettner indicated that the City delivers water to 75% of residents; two private utilities deliver water to the remaining 25%. Collaboration is provided through franchise agreements.

### **Capital Improvement Projects**

Mr. Oster reviewed a summary of the Capital Improvement Projects (CIP) budget, as outlined in the presentation. There is a 5-year CIP for each fund in the budget. Total requirements are \$71.8M for FY21-22 with greatest focus on water reclamation projects. Total requirements are \$48.6M for FY22-23, with increased focus on GO Bond projects.

Capital expenditures are reviewed and prioritized annually due to development, industry cost factors, and public safety concerns.

Councilor Broadman inquired if it is possible to move undercrossing and overcrossing projects into the CIP. Mr. Oster indicated they will become synergy projects with the GO Bond CIP. Mr. King indicated prioritizing design work to promote development in the Core could be done with a budget amendment. Councilor Broadman expressed desire for prioritization to be formalized for committee consideration. Mayor Pro-Tem Goodman-Campbell expressed support for prioritization while ensuring a smooth process with the Bond Oversight Committee. Mr. King indicated that priority recommendations may be identified in an amendment June budget approval, or let the Bond Oversight Committee prioritize projects over the next few months. Mayor Pro-Tem Goodman-Campbell expressed support for allowing the Bond Oversight Committee to consider priorities. Mayor Russell inquired about the role of Council vs the role of the Bond Oversight Committee, and if there is a difference in where funding lives. Councilor Campbell expressed support for project urgency and that the Bond Oversight Committee make a recommendation to Council. Councilor Perkins expressed support for project urgency for the benefit of the Core area and reinforcement of public / private partnerships. Member Rimai inquired about the connection between funding and urgency. Ms. Wojda indicated funding sources and project lists were outlined in ballot measure language, though flexibility exists. Mr. King indicated that the \$2M from the State could be put into the CIP for design work.

### **Public Comment**

Eric Garrity expressed support for placing greater significance on research regarding effectiveness of implicit bias training and body cameras.

Jonathon Kessler provided written comment regarding traffic noise on NE 27<sup>th</sup> Street. (attached)

### **General Obligation Bond 2020**

Mr. Oster reviewed a summary of the GO Bond budget, as outlined in the presentation. The GO Bond is an outcome of the Transportation System Plan (TSP). Page 569 contains detail on the GO Bond CIP. It will have a 10-year outline with a five-year CIP.

Councilor Kebler expressed support for prioritizing the crossings, Core area, and the Wilson Corridor project, and to be clear about the decision-making process between the Budget Committee and the Bond Oversight Committee. Mr. King suggested that as part of budget motions, recognize the additional \$2M from State funds in the Transportation Construction Fund (TCF), and provide language regarding design work and amending the CIP. A companion amendment could also be drafted for a low barrier shelter using State funds. Chair Skrbek expressed support. Councilor Perkins inquired if design is expected to cost \$2M. Mr. Oster indicated it could be prioritized, and progress could be made with \$2M.

Mayor Russell requested discussion to clarify on funding and projects as related to the proposed amendments, and support for taking on projects sooner than later. Councilor Broadman expressed support to formalize within the budget to use funds allocated from the State Senator on three midtown crossings.

## **Transportation & Mobility**

Mr. Abbas reviewed a summary of the Transportation & Mobility (T&M) budget, as outlined in the presentation. The department has been reorganized to bring all transportation-related programs together for efficiency and improvements. Operating revenues have decreased. Materials & services in the Streets & Operations fund is budgeted at \$5.2M. Capital outlay and Reserves are decreasing in the Streets & Operations, and Parking funds.

Councilor Kebler inquired how many FTEs are currently focused on multi-modal, and bike and pedestrian projects, and if staff is being added. Mr. Abbas indicated additional staffing would increase capacity and that existing staff contribute to some of that work.

Mayor Russell inquired about the strategy for keeping up with Americans with Disabilities Act (ADA) work. Mr. Abbas indicated that most ADA ramp work has been tied to street preservation work, and improvements will continue to be prioritized with the Pedestrian Master Plan, and with infill and maintenance.

Councilor Schenkelberg inquired about the equity mapping tool, and if there is staff with a focus on the human aspect. Mr. Abbas indicated the equity mapping tool will fall under the new Diversity, Equity, Inclusion, and Accessibility (DEIA) director. The tool will be used by multiple departments, and will guide T&M department projects. Mr. King indicated that the Equity fund, and work within the Office of Performance Management (OPM), will support the project. It will be a shared organization and partner tool, and the City is currently advocating for additional resources and development assistance from partner agencies.

Councilor Campbell inquired about the status of a new Accessibility manager and its funding. Mr. King indicated funds are remaining whole. Recruiting a DEIA director will be the first step, followed by recruiting for an Accessibility manager who will report to the DEIA director. Ms. Wojda indicated the Accessibility program is part of the DEIA program outlined on page 367 of the budget document.

Member Simmons inquired about resourcing for the Complete Streets Design Guide. Mr. Abbas indicated the new FTE will create capacity and existing engineers and Growth Management Division (GMD) staff will contribute. Some Council discretionary funds will be used. There is high confidence it can be accomplished, and will sync with the Standards and Specifications update being done by the Engineering and Infrastructure Planning Department (EIPD). Mr. King indicated that it will build on work done in the TSP. Mr. Abbas indicated the Bike Design Guide is 70-75% complete. Councilor Broadman

inquired if the guides will provide sufficient design for the BCD, what is needed from the budget team to ensure alignment with Council goals, and how design will be paid for. Mr. Abbas indicated the guide provides options and criteria to meet the intent for each area of the city. Mr. King indicated that \$2M should be sufficient for the crossings and 2<sup>nd</sup> Street, and will build on the framework identified in Core Area plan.

Councilor Broadman inquired if any projects or budgets are proposed for the new library. Mr. Abbas indicated work is identified in Oregon Department of Transportation's (ODOT) North Corridor project, not the City's T&M budget.

### **Proposed Uses of American Rescue Plan Act Funding**

Ms. Wojda provided an overview of ARPA funding, as outlined in the presentation. \$14.08M has been allocated directly to the City of Bend from the State of Oregon. In addition, our local delegation has allocated \$2M for a low barrier shelter and \$2M for midtown crossings. Use of funds must be related to the response and recovery from the COVID-19 pandemic. Eligible uses of funds include equity-focused services, public health response, negative economic impacts, public sector revenue loss (with the exception of Utility revenues), premium pay for essential workers, and infrastructure (water, sewer & broadband). Funds may not be used for pension funds, debt service, reserves, or federal match requirements. Funds have been applied for though timing of receiving the first payment of \$7.04M is unknown; the second payment of \$7.04M is anticipated one year from now. Funds must be spent by 2024. Mr. King indicated there is programming coordination at the regional and state levels.

Member Simmons inquired if ARPA funds may be used for water and infrastructure projects, and what type of housing investments may be considered. Ms. Stabler indicated that water and infrastructure projects must be eligible under specific funds. Cost of debt service is a consideration when choosing how to spend funds. Regarding equity, eligibility rules should be established by the State before deciding how to spend funds.

Councilor Broadman indicated that Deschutes County received \$40M in ARPA funds and expressed support for the City to begin budget conversations with the County early on, and inquired if homeless facilities are eligible for funds. Ms. Stabler suggested funds may be eligible for homeless facilities based on how the City's populations have changed due to the pandemic.

Councilor Campbell inquired about assisting vulnerable populations with past due utility bills. Ms. Stabler indicated it may be allowed to negate negative economic impacts resulting from the pandemic. Ms. Wojda indicated there are legal restrictions that will need to be considered while helping customers.

Chair Skrbek inquired about how much direction is desired from the committee on allocation of ARPA funds given currently vague regulations. Mr. King indicated an alignment between funds, Council priorities, and community perspective would be helpful.

Councilor Kebler expressed support for a focus on the most negatively impacted.

Councilor Perkins inquired about flexibility for mortgage and rental relief. Ms. Stabler indicated the intent of funding is to be prospective, though there are other funds available for mortgage and rent assistance. Mr. King indicated that assistance funds have funneled through NeighborImpact.

Member Simmons inquired if funds are expected to be spent in all areas. Ms. Stabler indicated spending is up to the City of Bend.

Member Mastrangelo inquired if school districts will receive funding, specifically regarding broadband expansion. Ms. Stabler indicated that school districts will receive some funding and will be notified within the next few days when and how much will be released. Chair Skrbek expressed caution to not duplicate existing federal or state efforts, and support for deploying funds toward long-term payback opportunities for as many community members as possible.

Member Rimai expressed support for using funds to subsidize fee-based, underfunded internal operations to facilitate maintaining services and completing projects.

Member Savage expressed support for funding homelessness programs, programs to train and return employees back to work, and to support affordable housing efforts. Chair Skrbek suggested using funds to assist the tourism and hospitality sectors to recover, and disclosed his employment with Deschutes Brewery. Member Simmons expressed support for assisting small businesses.

Mr. King indicated a Council subcommittee will be meeting on May 24 to develop a plan to ensure funding is deployed efficiently to support organizational and community needs. Member Cortes expressed support for listing unmet priorities and aligning with what ARPA can fund. Member Scannell expressed support for prioritizing homelessness. Councilor Schenkelberg expressed support for focusing on assisting historically underserved with mortgage and rent relief, and supporting small businesses and employment efforts. Councilor Simmons expressed support for taking advantage of one-time funding opportunities that will allow for innovation and infrastructure. Member Mastrangelo indicated support for working with other jurisdictions, funds used for resiliency planning, and providing funds for small businesses to provide benefits to employees.

## **Final Deliberations**

Mr. King identified the following themes resulting from conversation during the presentation period: a potential work session / policy follow-up, Public Safety vehicle purchases, potential for a supplemental budget, department and project staffing, and ARPA funding.

Mayor Russell inquired about the trade-offs of spending the funds allocated by local delegates, and how decisions now impact the work of the Bond Oversight Committee. Councilor Perkins requested clarification that funds allocated by local delegates can be used for design of under and overcrossings. Mr. King confirmed it can. Councilor Broadman expressed concern about the budget committee taking authority over the Bond Oversight Committee, and support for budget money that has been allocated for mid-town crossings, formalizing it for purposes of the budget into the CIP. Ms. Wojda confirmed that funds from the local delegation will free up funds to put towards other projects. Chair Skrbek inquired if funding will expedite development processes in the Core. Ms. Wojda indicated it likely will not. Mr. King indicated the timing of receiving funds is unknown. Councilor Campbell requested clarification if the \$2M is specifically for a midtown crossing or generally for east-west crossings, potentially the Wilson Avenue project. Mr. King indicated that language is specific for midtown crossings.

Councilor Kebler expressed support for increasing FTEs in EDD for implementation of work in the Core area, with funding in this budget rather than a supplemental budget. Councilor Broadman agreed, and inquired where funds would come from. Mr. King indicated funding may come from the Juniper Ridge land sale.

Member Simmons requested follow-up on increasing FTEs for the Community Development Department (CDD). Mr. King indicated it is a top priority for the supplemental budget. Mr. Grayson indicated options are being discussed internally. Member Cortes expressed support for a supplemental budget, and inquired about timing, and if interim solutions are available. Mr. King indicated that an outline can be presented at a Council work session in July, followed immediately by recruiting and Council action in August. Mayor Russell shared support for sufficient staffing to support houselessness and housing. Mr. King indicated one new FTE could be added now to support code work, with additional staff reflected in a supplemental budget. Member Scannell inquired if the need is considered short-term or long-term. Mr. Grayson indicated the need is both short and long-term, and a planner can cross between code work, applications, and long-range planning work.

Chair Skrbek requested a straw poll for a supplemental budget with additional FTEs. General consensus was received from the committee to add a new Senior Planner in this budget, with support for a future supplement budget. Mr. King indicated funding for a new FTE would come from the GF.

Chair Skrbek requested a straw poll to proceed to approval of the proposed budget. Unanimous consensus was received by the committee to proceed.

Ms. Wojda confirmed motions to be drafted are for \$2M for midtown crossings, \$2M for a low barrier shelter, a new staff person for the Core Area, and a new Senior Planner in CDD funded by the GF.

## Approval of Proposed Budget

Ms. Hodnett reviewed the following proposed changes to the budget, also outlined in the presentation:

- Recognize intergovernmental revenue and increase expenditures to support the design of midtown crossings in the BCD.
- Recognize intergovernmental revenue and increase expenditures to support the purchase of a low barrier shelter.
- Addition of (1) new Senior Planner in the Planning fund.
- Addition of (1) new Senior Planner in the Bend Urban Renewal Agency (BURA) Core Area Construction fund.

## Approval of the City of Bend 2021-2023 Biennial Budget

Chair Skrbek moved to approve the City of Bend 2021-2023 Biennial Budget as presented with the following amendments:

- Increase the Infrastructure Program budget in the Transportation Construction Fund by \$2,000,000 to fund the design of midtown crossings and increase intergovernmental revenue by \$2,000,000 to recognize an allocation of American Rescue Plan Act funding from the State of Oregon. The Capital Improvement Program for the Transportation Construction Fund will also be amended to include this project.
- Increase the Community & Economic Development Program budget in the General Fund to support the purchase of a low barrier shelter, and increase intergovernmental revenue by \$2,000,000 to recognize an allocation of American Rescue Plan Act funding from the State of Oregon.
- Increase the Community & Economic Development Program budget by \$305,000 in the Planning Fund to support an additional Senior Planner funded by a \$305,000 General Fund Subsidy.

Member Simmons seconded.

Member Cortes inquired about the Senior Planner for the Core Area. Ms. Wojda indicated that position will be included in the motions voted on by BURA.

Votes are recorded as follows: Member Cortes, yes; Councilor Perkins, yes; Member Simmons, yes; Councilor Kebler, yes; Member Mastrangelo, yes; Member Savage, yes; Member Scannell, yes; Councilor Campbell, yes; Mayor Russell, yes; Councilor Schenkelberg, yes; Councilor Broadman, yes; Mayor Pro-Tem Goodman-Campbell, yes; Member Rimai, yes; Chair Skrbek, yes. Yes – 14, No – 0.

City of Bend Property Taxes (Motion #1)

Chair Skrbek moved to approve City of Bend property taxes to be imposed at a rate of \$2.8035 per \$1,000 of Taxable Assessed Value. Councilor Campbell seconded.

2011 General Obligation Bond (Motion #2)

Chair Skrbek moved to approve the City of Bend general obligation bond property tax levy in the amount of \$1,978,500 for bonded indebtedness related to transportation bonds approved by voters on May 17, 2011. Councilor Campbell seconded.

Fire Local Option Levy (Motion #3)

Chair Skrbek moved to approve the City of Bend local option operating tax levy for Fire and Emergency Services at the rate of \$0.20 per \$1,000 of Taxable Assessed Value as approved by voters on May 15, 2018. Councilor Schenkelberg seconded.

Chair Skrbek requested a show of hands from members voting yes on Motion #1, #2, and #3. Votes are recorded as follows: Member Cortes, yes; Councilor Perkins, yes; Member Simmons, yes; Councilor Kebler, yes; Member Mastrangelo, yes; Member Scannell, yes; Councilor Campbell, yes; Mayor Russell, yes; Councilor Schenkelberg, yes; Councilor Broadman, yes; Mayor Pro-Tem Goodman-Campbell, yes; Member Rimai, yes; Chair Skrbek, yes. Yes – 13, No – 0.

Member Savage reported his votes as follows: Motion #1, abstain; Motion #2, yes; Motion #3, yes.

Ms. Wojda indicated there was not a property tax levy for the 2020 GO Bond.

Chair Skrbek moved to adjourn the 2021 Budget Committee Deliberations meeting; Councilor Schenkelberg seconded. Committee voted unanimously in favor to adjourn.

### **Approval of City and BURA Property Tax Levies**

Chair Skrbek motioned to reconvene BURA Budget Committee; Member Simmons seconded.

### **Approval of the BURA 2021-2023 Biennial Budget**

Chair Skrbek moved to approve the BURA 2021-2023 Biennial Budget as presented with the following amendments:

- Increase the Community & Economic Development Program budget in the BURA Core Area Construction Fund by \$305,000 to add additional staff and increase short-term loan proceeds from City General Fund by \$305,000.

Mayor Russell seconded.

Votes are recorded as follows: Member Cortes, yes; Councilor Perkins, yes; Member Simmons, yes; Councilor Kebler, yes; Member Mastrangelo, yes; Member Savage, yes; Member Scannell, yes; Councilor Campbell, yes; Mayor Russell, yes; Councilor Schenkelberg, yes; Councilor Broadman, yes; Mayor Pro-Tem Goodman-Campbell, yes; Member Rimai, yes; Chair Skrbek, yes. Yes – 14, No – 0.

Juniper Ridge, Murphy Crossing and Core Area Property Taxes

Chair Skrbek moved to approve property taxes for the Juniper Ridge Urban Renewal Area, Murphy Crossing Urban Renewal Area, and the Core Area Tax Increment Financing District to be derived through the division of tax. Councilor Campbell seconded.

Votes are recorded as follows: Member Cortes, yes; Councilor Perkins, yes; Member Simmons, yes; Councilor Kebler, yes; Member Mastrangelo, yes; Member Savage, yes; Member Scannell, yes; Councilor Campbell, yes; Mayor Russell, yes; Councilor Schenkelberg, yes; Councilor Broadman, yes; Mayor Pro-Tem Goodman-Campbell, yes; Member Rimai, yes; Chair Skrbek, yes. Yes – 14, No – 0.

Chair Skrbek moved to adjourn the BURA Budget Committee meeting; Member Simmons seconded. Committee voted unanimously in favor to adjourn.

Respectfully submitted,

Jenny Umbarger

HOLIDAY  
RETIREMENT

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**Stone Lodge**  
Independent Retirement Living

05/09/2021

Melanie Kebler  
Bend City Council  
710 NW Wall St.  
Bend, OR 97701

RECEIVED  
MAY 12 2021  
CITY OF BEND  
ADMINISTRATION

Dear Ms. Kebler,

My name is Jonathan, and I am the General Manager of Stone Lodge retirement community. We are located at 1460 NE 27<sup>th</sup> St., just south of Neff.

I am writing to you on behalf of many of my residents, particularly those whose apartments face 27<sup>th</sup> St.

As you might imagine, the traffic noise on 27<sup>th</sup> St. has grown immensely over the last 2 years. Specifically, the loud backfiring of car and motorcycle engines has become problematic for my residents. The extent to which these noises could be mitigated would help my residents a great deal as they try to enjoy a peaceful life.

One such resident took it upon herself to call Bend police and inquire as to whether they could increase patrol in our area. The police officer was very kind but informed her that he only has 5 traffic patrol officers on his entire force, for the entire city of Bend. He said that was all he was budgeted for. He recommended that we reach out to you to show our support for a larger budget to accommodate more officers.

I recognize this is an unusual request from an unlikely source, however I promised my residents I would work on their behalf and do whatever I can. Please consider this letter a request from roughly 25 people who are close enough to the road to be disturbed.

Thank you for an open ear. Please feel free to reach out to me at any time.

Respectfully,

Jonathan Kessler 

General Manager  
Stone Lodge  
1460 NE 27<sup>th</sup> Street  
Bend, OR 97701  
Phone: 541-318-0450  
Fax: 541-317-9119