



# **City of Bend and Bend Urban Renewal Agency (BURA)**

## **2021-2023 Adopted Biennial Budget**

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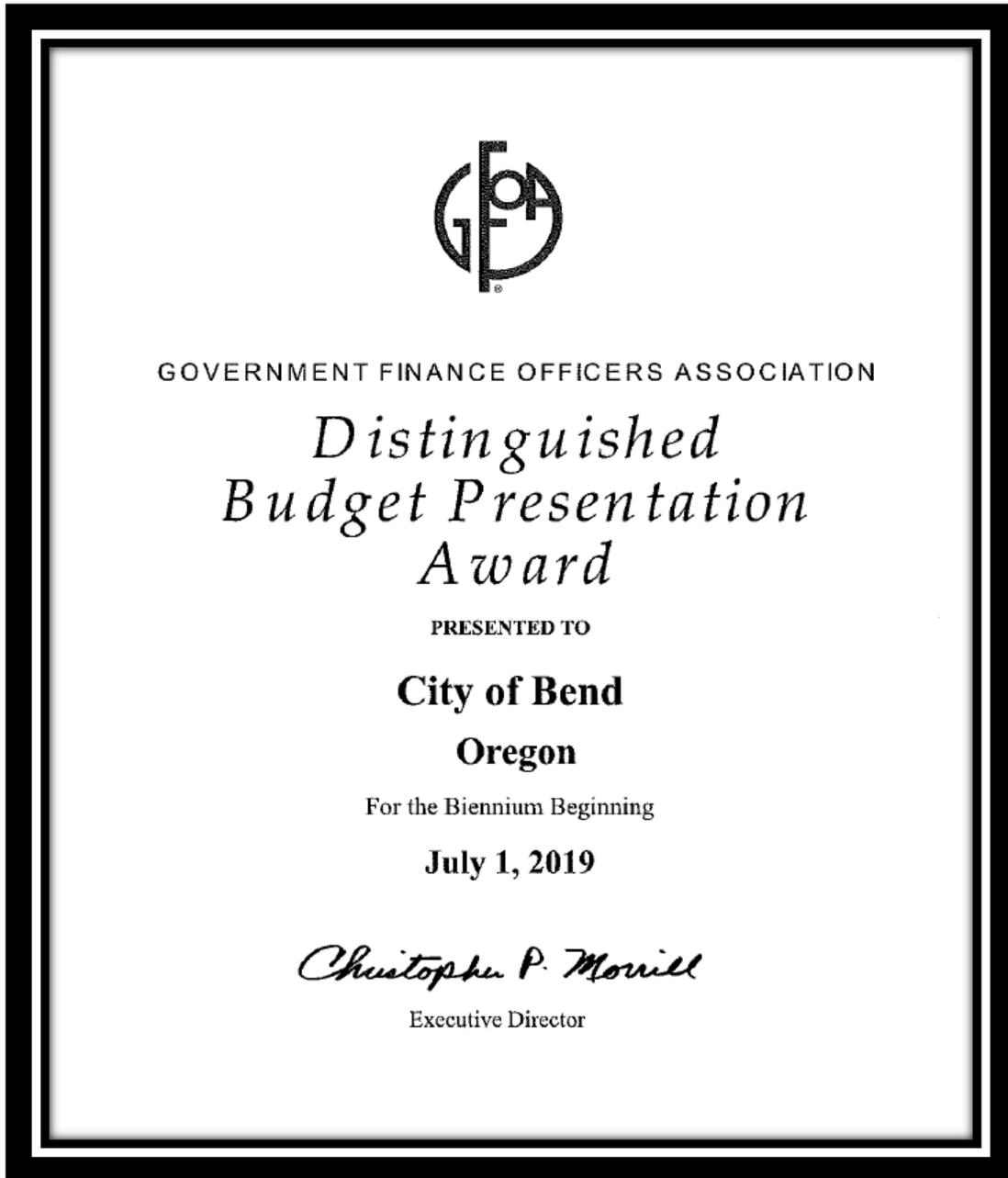
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Additional information and documentation can be found on the City of Bend Finance Department website:

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

GFOA Distinguished Budget Presentation Award



The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the City of Bend, Oregon for its biennial budget for the biennium beginning July 1, 2019. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

The award is valid for a period of two years only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

## Reader's Guide

Budget Document users have a wide variety of backgrounds including City staff, City Councilors, Budget Committee members, community members, and financial market experts. The information in the biennial budget is designed to provide a wide variety of data about the City to many different users. The budget can be grouped into one of four main areas to facilitate an understanding of what services the City plans to provide with its resources for the next biennium period.

1. A Policy Document: The City's biennial budget addresses two primary kinds of policies: policies that are under development (usually stated as goals to be accomplished) that may change how the City operates in the future, and policies that are already in place. The City Manager's Budget Message, found at the beginning of the document, provides the background, sets the stage for the specific work plan that will be accomplished during the coming budget period, and identifies the policy issues that are important in the community as identified by the City Council through their goal setting process. Each budget narrative will discuss how the 2021-2023 budget reflects implementation of Council's goals and policy direction set forth by the City Council.

2. A Financial Plan: The Budget Document is foremost a financial plan, providing a numerical road map that matches resources available with the spending priorities established through policy direction and goals established by the City Council.

- a. The Budget by Service Area: The budget document is organized into 5 Service Areas: General Fund, Public Safety, Infrastructure, Community & Economic Development, and Administration & Central Services. A financial summary by service area can be found at the beginning of the Financial Section. This document provides a brief summary of the more detailed financial data found later in the budget document. The beginning of each Adopted Budgets section also indicates the funds included in each service area.
- b. The Budget by Fund: Summaries of the City's adopted budget by fund can be found in the Adopted Budgets section. Like other government entities, the City uses a fund structure as the primary method of accounting for financial operations. A fund can be thought of as a "business", with all revenues in the fund specifically associated with the expenditures in the fund. In most cases, there is a legal restriction on the use of the revenue in a fund. The General Fund is used as a "catch-all" fund, and is specifically defined as the fund used to account for the discretionary/non-restricted revenues of the City.

Presentation of budgeted expenditures is consistent with Oregon Budget Law and the format in which the City Council will adopt the final biennial budget: The "program" summary includes personnel costs, materials & services, and capital expenditures for the service area associated with each fund; debt service, interfund/interagency transfers, contingency and reserves are presented and adopted separately.

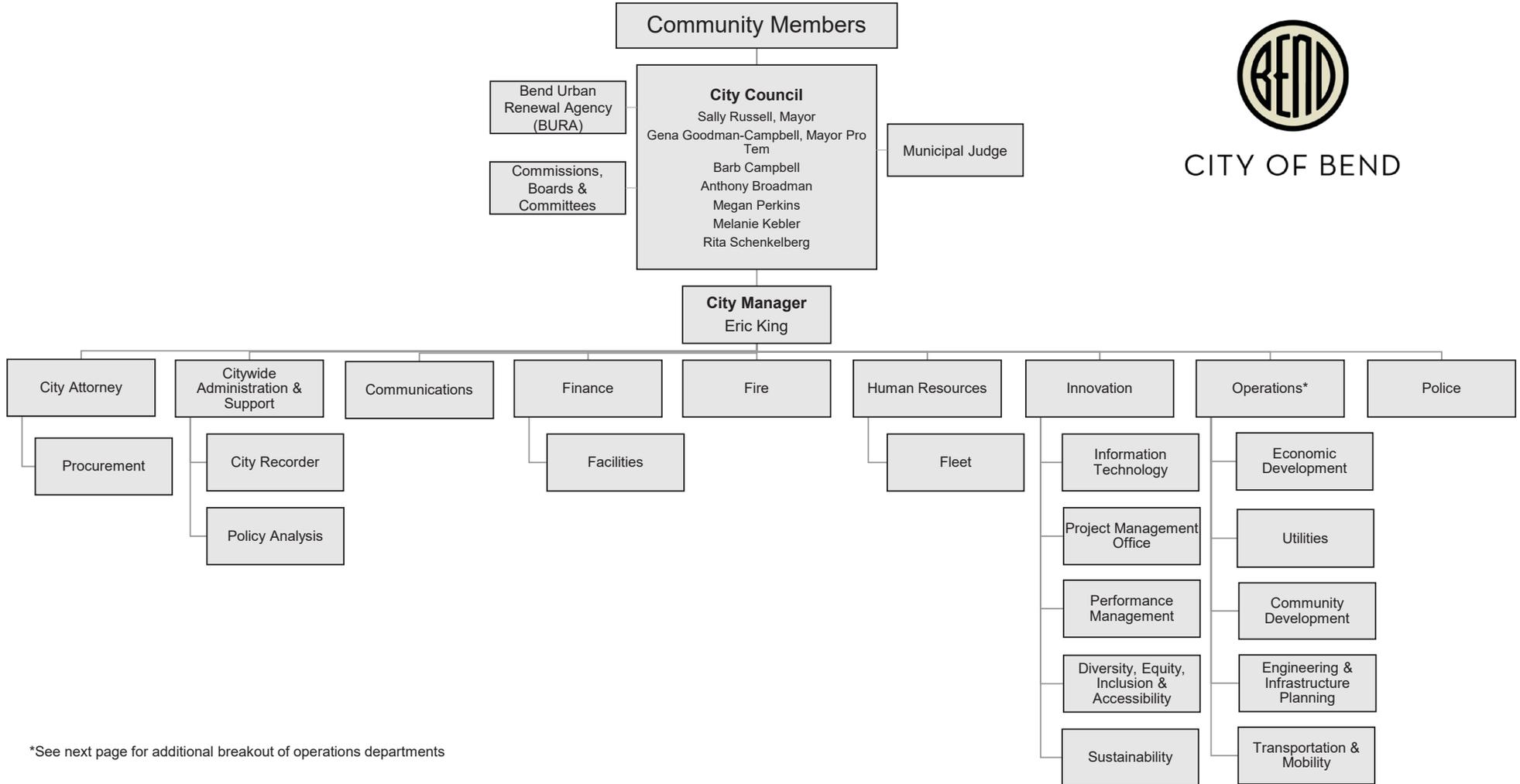
3. An Operations Guide: The City's operations are defined through the budget document in each program's narrative discussions. At the beginning of every service area section is a page showing the organizational structure within that service area. After every budget presentation by fund is a narrative for that program detailing major accomplishments for the prior biennial period, key objectives, goals and any significant changes for the upcoming biennial period. The Budget Message also ties operational services and initiatives back to community member needs and Council goals. The budget document as a whole is used by staff operationally as both a guide for the work plan to be accomplished and as a reference tool, serving as a comprehensive source of historical information and projections based on current assumptions.

4. A Communications Device: The City's biennial budget provides information about the priorities the City Council has set to be accomplished during the next two fiscal years, but it also includes information about the day-to-day activities the City performs. The City Manager's Budget Message provides a concise discussion of the major priorities of the City; the financial and program information included in the Adopted Budgets section of the budget provides more detailed information about the budget for the major priorities, but also provides a considerable amount of information about the day-to-day activities and the resources required to meet service demands.

**City of Bend Organizational Chart**

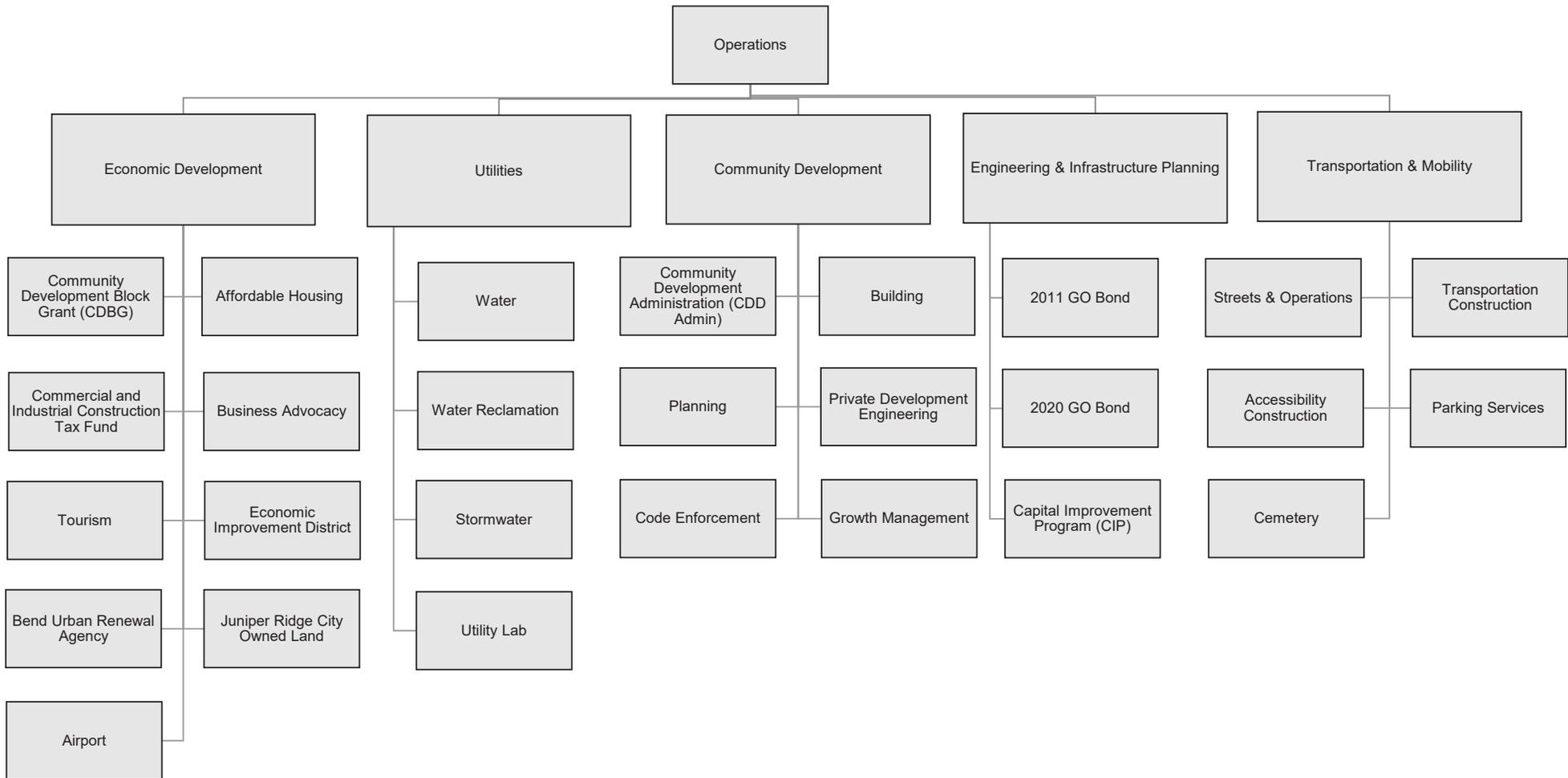


CITY OF BEND



\*See next page for additional breakout of operations departments

**City of Bend Organizational Chart**  
**Operations Departments**





**City Manager's Budget Message**  
**2021-2023 Proposed Biennial Budget**  
**May 5, 2021**

CITY OF BEND

**To the City of Bend and Bend Urban Renewal Agency Budget Committee:**

I am pleased to present the Proposed Biennial Budget for the 2021-2023 biennium. This balanced budget reflects the City's response to the ongoing challenges of the COVID-19 pandemic while maintaining, if not expanding, services offered to the community. It also identifies funding to address City Council's goals for the upcoming biennium. Overall, the proposed biennial budget of \$919.4 million reflects a 3% increase compared to the revised budget for the 2019-2021 biennium.

**Response to the COVID-19 Pandemic**

Balancing the budget was particularly challenging during the 2019-2021 biennium due to impacts of the COVID-19 pandemic. When the pandemic began in Spring 2020, its financial impacts were unknown. The City estimated a revenue shortfall of approximately \$8 million. City-wide, department budgets were reduced by approximately 10%, including 37 vacant positions that were eliminated in an effort to maintain a balanced budget. We anticipated substantial shortfalls from these sources of revenue: highway gas tax allocations, lodging/room taxes, property taxes (due to an anticipated decrease in collection rates), and fine and citation revenues. Overall these revenues are coming in stronger than predicted. The 2021-2023 proposed budget assumes the majority of the COVID-19 impacted revenues return to pre-pandemic levels or higher, beginning in fiscal year 2021-2022, the first year of the biennium. An overview of projected revenues and related spending are discussed below.

**Financial Overview**

*Revenues*

The \$919.4 million biennial budget includes all our operating revenues for the biennium (\$395 million), as well as debt proceeds, interfund transfers, one-time grant funding, and ending reserves from the prior fiscal year. The \$395 million of City-wide operating revenues for the biennium is a 5% increase in projected revenues for the first year of the biennium and a 6% increase for the second year. Of the \$395 million of City-wide operating revenues, \$124 million are in the City's General Fund.

Key drivers for the additional revenues include anticipated increases in tax assessed property value of 5.5% for fiscal year 2021-22 and 5% for fiscal year 2022-23. Property taxes primarily fund police, fire, and street maintenance services. The proposed budget also includes a \$2,249,500 property tax levy for fiscal year 2022-23 specifically related to the voter approved Transportation General Obligation (GO) Bond Measure 9-135. Consistent with the voter approved ballot language, property taxes related to the 2020 GO Bond will not be assessed until the second year of the biennium. Additional revenue drivers include projected room tax increases of 16% in fiscal year 2021-22 and 5% in fiscal year 2022-23, as we anticipate tourism activity to return to pre-pandemic levels.

Rate increases are proposed for water utilities (3% for water, 2.5% for sewer, 7% for stormwater), to keep pace with existing infrastructure deficiencies as well as future needs. Fee increases are also proposed for Building, Planning and Private Development Engineering permits in the Community Development Department, which are needed to support the additional staffing needed to maintain permit turnaround times. Proposed increases to Building and Private Development Engineering fees reflect Consumer Price Index (CPI) level increases of 3% per year. Annual fee increases of 6% per year are projected for Planning services.

### *Expenditures*

Personnel services expenses, which includes salary and benefit costs for City employees, represent the largest category of spending in the proposed budget. The 2021-2023 budget proposes the addition of 30.5 new staff, which will replace some of the vacant positions that were eliminated due to the anticipated revenue impact of the COVID-19 pandemic, as well as support new projects and initiatives. During fiscal year 2020-21, the City Council authorized 14 additional positions, which coupled with the 30.5 new staff proposed in the upcoming budget, will result in staffing levels that slightly exceed pre-pandemic levels.

Proposed investments in infrastructure make up another significant portion of proposed budget expenditures. Many of the projects outlined in the Capital Improvement Program (CIP) are complex, multi-year projects involving improvements to water, water reclamation (sewer), stormwater and transportation infrastructure. Examples of these improvements include the Newport and Murphy Corridor Improvements, among many others. In order to use revenues responsibly, the City of Bend looks for opportunities to align multiple projects to achieve economies of scale and lessen the impacts to the community. As an example, the Newport project includes replacing stormwater, water, sewer and street facilities versus just focusing on one piece of infrastructure. In addition to these large “synergy” projects, the proposed budget also includes the issuance of \$24 million in long term debt for the first series of General Obligation Bond projects, which will be reviewed and prioritized by the Transportation Bond Oversight Committee. The 5-year CIP includes total infrastructure investments of \$306 million with \$126 million programmed in the 2021-2023 biennium.

In order to achieve this level of infrastructure spending, the City will leverage fee and rate increases to issue long-term debt for most of these projects to ensure today’s and future generations equally share in paying for investment and replacement of aging infrastructure, facilities and equipment.

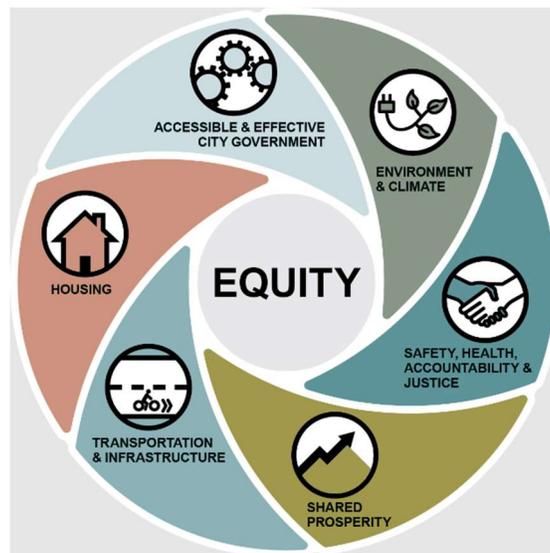
### *Contingency and Reserves*

City-wide, contingency and reserve levels are \$26 million higher than the prior biennial budget. At the end of the 2017-2019 biennium, the City Council approved a reduction in the General Fund reserve target from 17% of operating expenditures to 16% in order to provide additional funding for implementing Council’s goals during the current 2019-2021 biennium, specifically related to transportation improvements. In the upcoming biennium, General Fund reserve levels are projected to be in line with the City Council adopted fiscal policies of 16% of operating expenditures, which includes the General Fund Revenue Stabilization Fund balance. Reserve balances in the Community & Economic Development service area, specifically in the Building and Planning Funds, are proposed to decline to help lessen the impact of necessary fee

increases on the community. An external fee study is planned for the second year of the biennium to ensure development fees are set to cover the costs of permit processing. Infrastructure service area reserves are increasing slightly as the City issues debt for transportation projects that will span multiple years and beyond the 2021-2023 biennium. Administration and Central Services reserves are projected to be fairly consistent with prior years.

### Implementation of the City Council Goal Framework

The foundation of this proposed budget began early this year with a rigorous Council Goal setting process that included input from community member committees, advisory groups, community organizations, individual Councilors, the City’s Leadership Team and supporting data such as a statistically-valid community survey to assess priorities. Using this input to drive the agenda, Council held a retreat and follow-up work sessions to refine the themes and create their goals for the 2021-2023 biennium, which are summarized in the graphic below.



A copy of the Council Goal Framework, that includes detailed strategies and actions that support each goal area, can be found on pages 49-55 in the ‘Introductory Section’ of the budget document.

In early March 2021, the City Council was presented with a budget scenario to allocate approximately \$3 million of General Fund discretionary revenue to support its goals. The City Council approved that option and the budget includes \$3.08 million of General Fund revenues to support implementation of Council Goals. Programs and facilities to address homelessness have been prioritized, with approximately 40% of the General Fund revenues dedicated to Council’s Housing Goal. A summary of the proposed General Fund allocations can be found in the General Fund budget narrative on page 86.

## **Budget Summary and Looking Forward**

The proposed 2021-2023 biennial budget reflects an anticipated rebound in revenues which not only allows the City to continue delivering a high quality of services for our core operations, but also provides funding for support and implementation of Council's Goals.

Moving forward, it is important to note that the \$3.08 million included in the budget for support of Council Goals will serve as "seed money" to kick-start Council's priority programs and projects until long term, sustainable funding is identified. For example, there is limited General Fund support proposed for Council's Transportation and Infrastructure goals. The funding chapter of the Transportation System Plan (TSP) identified new revenues and/or fee increases that are necessary to implement the "near term" projects identified in the TSP which have yet to be created.

Property taxes represent the majority of General Fund revenues. The City's permanent tax rate of \$2.80 per \$1,000 of taxable assessed value is significantly less than that of our peer cities, and Measures 5 and 50 approved by Oregon voters in the 1990's restrict the City's ability to increase the permanent rate. These restrictions, along with limitations on the City's ability to quickly increase other General Fund revenues such as room taxes and franchise fees, have created a structural funding challenge in the General Fund. This structural challenge impacts the Public Safety departments' ability to keep pace with the changing needs of the community as those department rely almost exclusively on funding from the General Fund. Roughly 80% of the General Fund is used to fund the public safety departments. As a result, a renewal and increase to the Fire Department's operating levy will be necessary in future years beyond the upcoming biennium to ensure the City continues to deliver core Fire and Emergency Medical Services.

The City is actively pursuing grant opportunities, partnerships with state and local community partners, and federal funding including the \$12.65 million allocated to Bend through the American Rescue Plan as well as funding opportunities included in the American Jobs Plan, which will provide critical funding for economic recovery and infrastructure investments. These funds will be recognized through a supplemental budget later this summer or early fall. As we begin planning for the allocation of these federal funds, I am looking for feedback from the Budget Committee on proposed uses. We have set aside time during our budget deliberations for this topic.

Bend continues to be a great city in which to live, work and play, and I am proud of the work we have accomplished. This proposed budget incorporates Council's goals and strategies for the 2021-2023 biennium, and makes great strides to serve everyone equitably, create a more connected community and preserve Bend's character as we grow.

Respectfully submitted,



Eric King  
Budget Officer / City Manager

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## The City of Bend, Oregon



Wall Street

### History

What is now Bend, Oregon was known only to Native Americans until the winter of 1824. It was then that Peter Skene Ogden's fur trapping party became the first non-native visitors to the region. John Fremont and other army survey parties followed soon thereafter, as did caravans of pioneers who forded the Deschutes at a bend in the river known as "Farewell Bend". A small community grew up around that historical crossing, and the City of Bend was officially incorporated in 1905, boasting a start-up population of 300.

In 1909, two competitive railroad barons, E.H. Harriman and James J. Hill, entered into a multi-million dollar battle to see who would first lay the track to Bend. In 1911, Hill's Oregon Trunk Railroad was completed, providing a short cut for rail freight from Northern California to the Columbia River. With the stimulus of the railroad, two large Minnesota based lumber companies (Brooks-Scanlon and Shevlin-Hixon) built mills in Bend in 1914, and timber became the mainstay of the local economy.

Bend continued to grow and became increasingly reliant on the timber industry until the mid 1970's when tourism began to change the face of the town. Still, it wasn't until the 1980's that timber as a mainstay in the City's economic diet, became a thing of the past. After the recession of the mid 1980's, Bend was quick to come back and was once again experiencing significant growth by the late 1980's and early 1990's.

Growth was triggered by several factors. First, Mt. Bachelor Ski Resort matured as a ski area achieving national status. This then became the catalyst for the visitor industry, which simultaneously generated industrial and commercial expansion. Coupled with an already popular summer season, a year around tourism industry was developed, which stimulated the development of other major destination resorts. Lumber remanufacturing firms settled in Bend, and wood products continued to be a leading economic factor, along with tourism, and other diversified industries developing. This economic growth, and accompanying population expansion, established Bend as the largest Oregon city east of the Cascade Mountain Range and is the region's principal tourism, professional services, retail, medical and governmental service center.



Bill Healy Memorial Bridge – Deschutes River  
©2008 Dustin Mitsch / Alpen Exposure

<b>2020 Bend Principal Private &amp; Public Employers <sup>(1)</sup></b>	<b>Product or Services</b>	<b>Number of Employees</b>	<b>Percent of Total Employment <sup>(2)</sup></b>
St. Charles Medical Center	Health Care	3,510	3.6%
Bend-La Pine School Dist. No. 1	Education	2,192	2.3%
Deschutes County	Government	1,140	1.2%
Mt. Bachelor Ski Resort	Recreation	1,072	1.1%
City of Bend	Government	706	0.7%
COCC	Education	650	0.7%
Summit Medical Group	Healthcare	574	0.6%
Dept. of Forestry	Government	521	0.5%
Lonza	Pharmaceutical	418	0.4%
Les Schwab Headquarters	Automotive	391	0.4%
	<b>Total</b>	<b>11,174</b>	<b>11.5%</b>

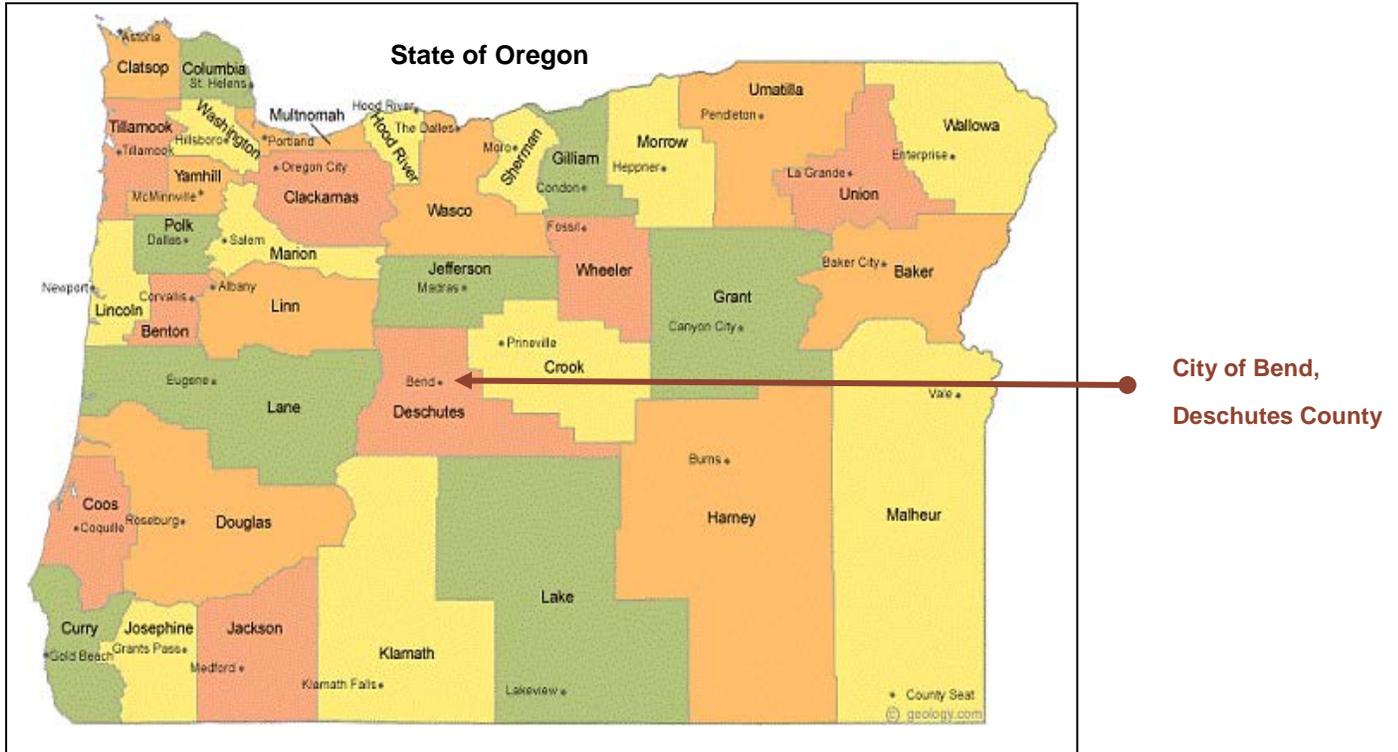
**Notes:**

<sup>(1)</sup> The above listing of principal employers represents major employers in Bend, Oregon. *Source:* Economic Development for Central Oregon

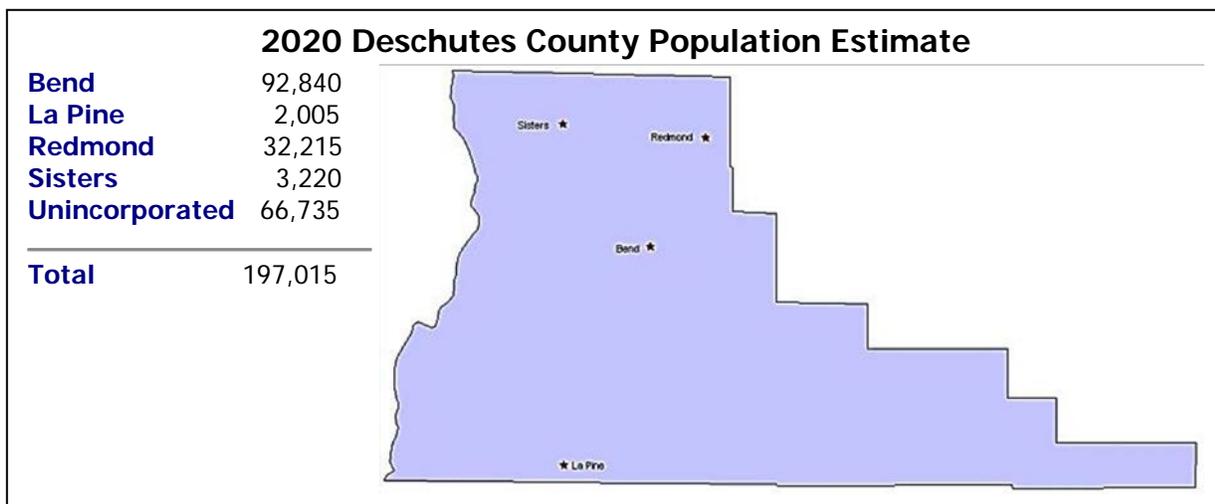
<sup>(2)</sup> Percent of total employment represents percent of employer's employees to total employment for the Bend Metropolitan Statistical Area. Total employment for Bend MSA was 96,800 as of December 2020. *Source:* Bureau of Labor Statistics, Bend, OR Economy at a Glance

**Bend Today**

Bend is nestled on the Eastern side of the Cascade Mountain Range and little of the precipitation that is so often associated with “Oregon” actually makes it across the mountains. In fact, Bend receives an average of less than 12 inches of precipitation per year and enjoys lots of sunny, blue skies which is one reason our city is ranked among the most desirable places to live by national magazines.



State of Oregon, By County; Source: Geology.com



Deschutes County Source: League of Oregon Cities webpage  
Population Data: <https://www.pdx.edu/population-research/population-estimate-reports>

Bend has experienced exponential growth for most of the past decade. However, the area was hit hard by the impacts of the nationwide recession and the collapse in both the residential and commercial construction markets. Bend has recovered from the economic downturn particularly in the building and tourism industries. Bend offers many amenities for a city of its size. Aside from the sunny climate, the leading reasons people still continue to move to the region include year-round outdoor recreational activities, well established retail, top-rated restaurants, an award winning parks system and a thriving community as listed below.



Skiing  
©2008 Dustin Mitsch / Alpen Exposure

### **Activities**

With over 2.5 million acres of public land and open space, the area offers something for everyone. Opportunities abound for a variety of activities:

- Golf
- White water rafting
- Fishing
- Hunting
- Mountain bike riding
- Boating
- Hiking
- Rock climbing
- Snow skiing
- Snowmobiling
- Water skiing
- Fishing
- Camping
- Horseback riding

### **Local Attractions**

Local attractions in Central Oregon include:

- Mt. Bachelor
- Smith Rock State Park
- Newberry National Volcanic Monument
- Tumalo Falls
- Cascade Lakes
- High Desert Museum
- Tower Theater
- Old Mill District
- Drake Park



Tumalo Falls  
©2006 Dustin Mitsch / Alpen Exposure

**Statistical Information – 2020 Demographic Highlights \***

General Facts		Infrastructure	
Date of incorporation	1905	Street lane miles	865
Form of government	Council/Manager	City owned traffic signals	35
Population	92,840	Number of streetlights	2,540
Area in square miles	36.2	Miles of water mains	464
Number of Full Time Equivalents **	717.12	Water service connections	26,486
		Total Reservoir Capacity (millions of gallons per day “mgd”)	30.5 mgd
Community Development		Maximum daily demand of water system (in millions of gallons)	26.3
Permits issued	10,546	Number of fire hydrants	5,368
Building inspections performed	45,119	Miles of sanitary sewer lines	473
		Sewer service connections	33,917
Public Safety		Daily average treatment	6.1 mgd
Fire Responses	1,840	Maximum daily capacity of treatment plant	8.5 mgd
Ambulance Responses	9,134	Airport runway (in feet)	5,200
Number of physical arrests	3,614		
Number of traffic violations	10,165		
Number of calls for Police service	51,320		

\* These statistics are compiled from the City of Bend 2019-20 Comprehensive Annual Financial Report unless otherwise noted.

\*\* The number of Full Time Equivalents reflects the Council adopted staffing schedule for FY 2021-22

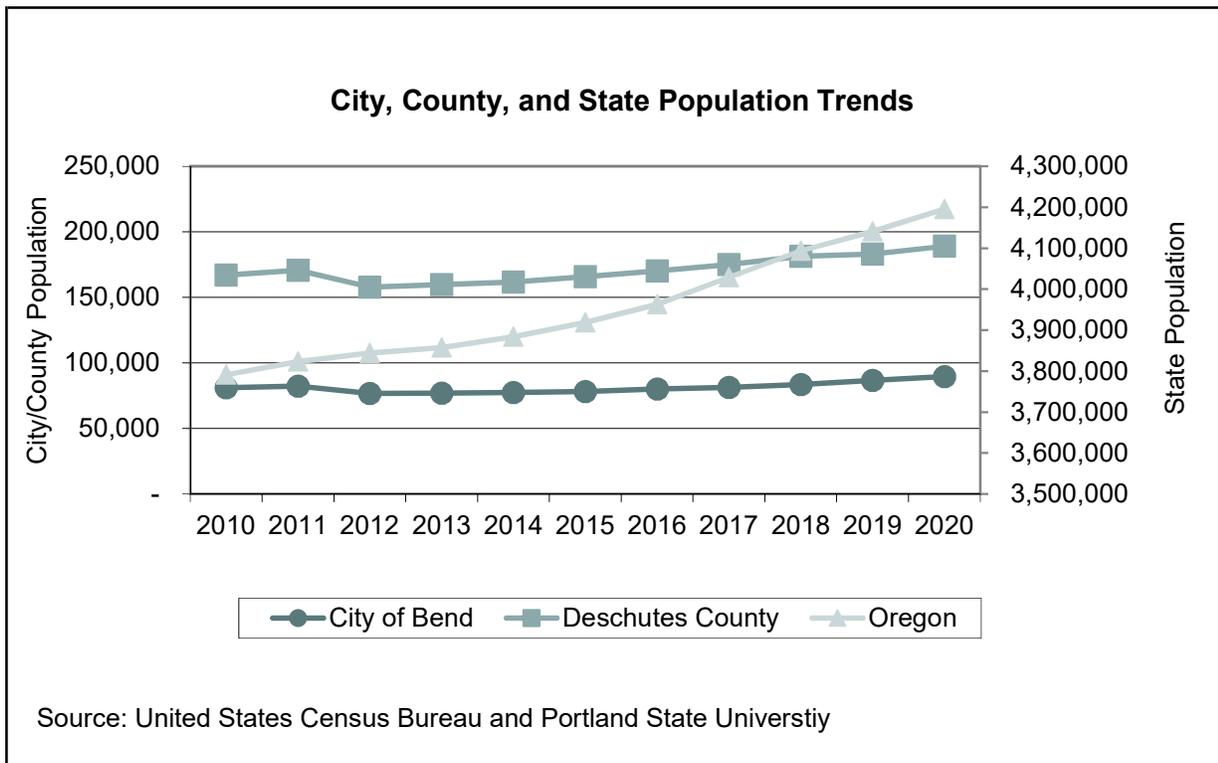
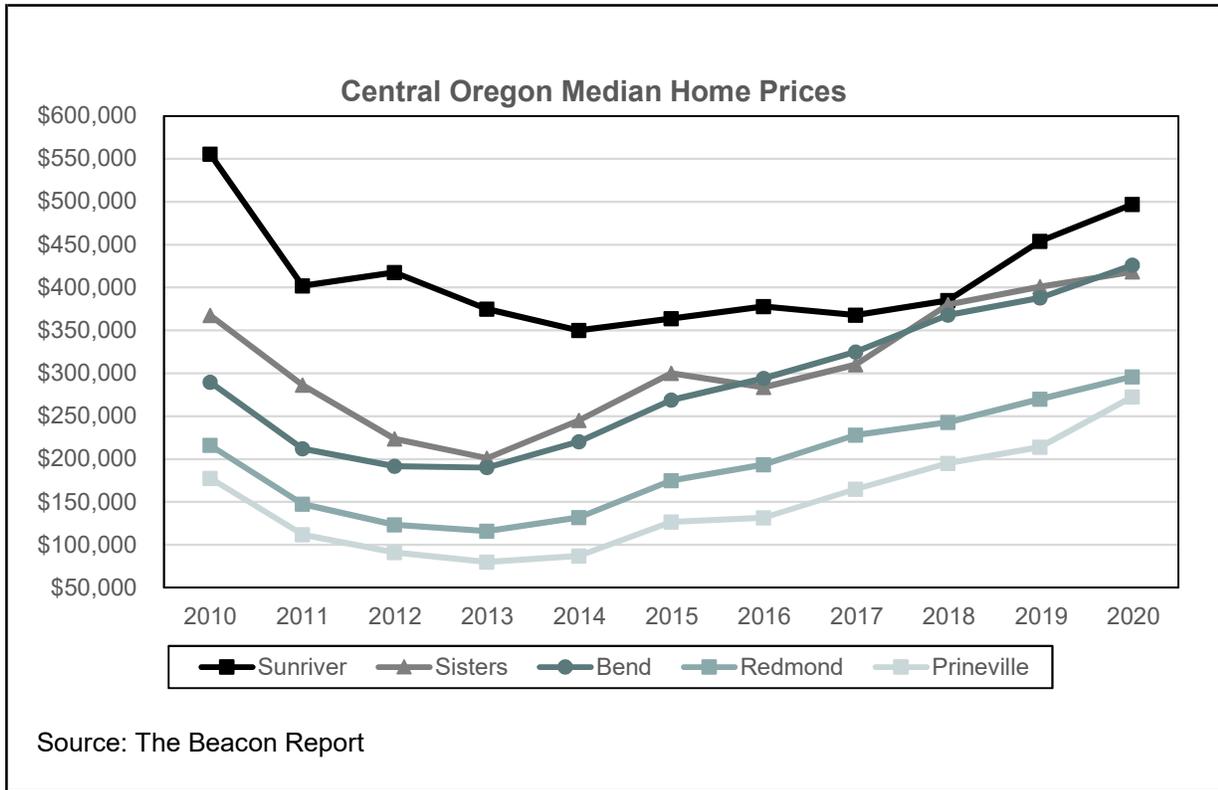
**Statistical Information – 2020-21 Top 10 Taxpayers**

Taxpayer	Type	Taxable Assessed Valuation (in 000's)	Percent of Total Valuation
TDC Baja Broadband LLC	Cable utility	\$ 74,933	0.6%
Pacificorp (PP&L)	Electric Utility	62,750	0.5%
Touchmark at Mount Bachelor Village	Retirement community	51,548	0.4%
Suterra LLC	Biorational products	49,322	0.4%
CVSC LLC	Shopping center	45,755	0.4%
Deschutes Brewery Inc	Microbrew manufacturer	46,507	0.4%
Cascade Natural Gas Corporation	Gas utility	42,892	0.3%
BDC/Bend SPE LLC	Retirement community	31,320	0.2%
CenturyLink Property Tax	Telephone Utility	31,845	0.2%
Forum Holdings LLC	Shopping center	30,525	0.2%
TOTAL		\$467,397	3.6%

Total 2020-21 Taxable Assessed Valuation (Value Used to Compute Rate) for the City of Bend was \$12.9 billion.

Source: Deschutes County Assessor’s Office

**Statistical Information - Housing Comparisons and Population Trends**



## **City Government**

### **Form of Government**

The City of Bend was founded by a ballot measure in November 1904 and incorporated in 1905. Organized under a council/manager form of government, the City is served by the Mayor and six-member City Council, elected to terms of four years. Following a City Charter amendment approved by voters in May 2018, beginning with the November 2018 election, the Mayor is now directly elected rather than being selected amongst the other Councilors. A full-time City Manager administers the affairs of the City for the City Council.

The City Council meets twice a month to conduct City business, exercising legislative, quasi-judicial and administrative powers. They vote on budgets, ordinances and resolutions (legislative), hear various appeals of administrative decisions (quasi-judicial), and provide direction to management staff (administrative).

The Mayor presides over Council meetings but, like the other Councilors, has only one vote on Council matters. In this respect, the council form of government places the duties and responsibilities of directing the City in the hands of a group of elected officials of equal rank and power. City Councilors are elected at large and are accountable to the voting public city-wide.

### **Meetings**

The City Council meets the first and third Wednesday of each month at 7:00 pm. Meetings are typically held in the Council Chambers in City Hall, though since the beginning of the COVID-19 pandemic, they have been conducted remotely via Zoom. If a Council meeting day falls on a legal holiday, the meeting will be held on the next regular business day. All City Council meetings are open to the public, streamed live on the internet, and archived on the City's website [www.bendoregon.gov](http://www.bendoregon.gov) for greater community member access. Additional meetings may be held as necessary and are advertised as to time, place and agenda prior to the meeting. Work sessions are held prior to each Council meeting.

### **Council Agenda**

On the Thursday preceding each regularly scheduled City Council meeting, the City Council agenda is posted on the City's webpage, [www.bendoregon.gov](http://www.bendoregon.gov) providing a listing and summary of all matters to be discussed by the Council at the meeting. Ordinances and resolutions are listed by title and also include a summary.



City Hall  
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## **The Process for Adopting Ordinances and Resolutions**

During Council meetings, legislative business is addressed by passing an Ordinance (law) or Resolution. Reports and miscellaneous documents may also be presented for Council action. An overview of the Council action is summarized in an issue summary, which is written by the department that oversees the issue being addressed and is reviewed by the City Attorney, Finance Department, and other department managers as needed.

A resolution states a policy or directs that an action be taken. It is not a binding legal restriction, rather, it announces to the public what the Council intends to happen.

An ordinance is a binding legislative act.. The City Manager places the ordinance on the Council agenda to be discussed by the entire Council.

Proposed ordinances may be discussed by the Council and the public. After all testimony is heard, the Council may choose to either vote on the issue or table it for further discussion or more information. If an affirmative vote is taken, the ordinance will be placed on the next Council agenda for a second reading. Only if an ordinance is passed a second time, with four or more affirmative votes, will it be considered binding and become law.

## **Becoming a Law: The Final Step**

After an ordinance is passed by the City Council, it goes to the Mayor to be signed. The original ordinance is filed by the City Recorder.

Resolutions, including those that provide appropriations and annual tax levies as well as all emergency ordinances, take effect immediately upon passage or on any date within 30 days as specified in the resolution. All other, non-emergency ordinances take effect 30 days after passage unless a later date is declared.

Minutes are taken of all formal City Council meetings. The minutes are kept in the Recorder's office where they are available for public inspection. They are also available on the City's website [www.bendoregon.gov](http://www.bendoregon.gov).

## **Initiative and Referendum**

There is always opportunity for community members to become involved in the decisions made by the City Council. Oregon was one of the first states to allow registered voters to bring issues to a vote of the people through the initiative process, and Bend community members can offer their opinion on pending Council actions through testimony and communication with decision-makers and by voting on referendums. Community members can also create laws through these processes:

- **Referendum Process:** Before an ordinance becomes a law, it may be referred to a vote of the people through the referendum process. Any registered voter may do this by sponsoring a petition. A certain number of valid signatures must be gathered and verified within thirty days of the passage of the ordinance.
- **Initiative Drive:** If an ordinance has already gone into effect, an initiative drive can be brought before the voters to repeal the ordinance. In this case, more time is allotted to gather signatures. However, more names are required for the petition to be valid.
- **Voter Approval:** The City Council may refer any proposed ordinance to the voters.

## **The Budget Process**

The City of Bend's biennial budget process complies with Local Budget Law established by the State of Oregon. Oregon's Local Budget Law serves the following purposes:

- Establishes standard procedures for preparing, presenting, and administering the budget
- Outlines programs and fiscal policies
- Requires estimates of resources and expenditures
- Encourages community member involvement in the preparation of the budget and public disclosure of the budget before its formal adoption
- Controls expenditure of public funds

To give the public ample opportunity to participate in the biennial budgeting process, Local Budget Law requires that a Budget Officer be appointed and a Budget Committee, consisting of community members and members of the City Council be formed.

### **Preparing the Budget**

The City Manager is appointed by the City Council as the Budget Officer for the City of Bend. Staff then prepare the biennial budget with the supervision of the City Manager, which ultimately results in a presentation of the Proposed Biennial Budget to the Budget Committee.

### **Budget Committee Approval of Proposed Budget**

Notices are published in accordance with Local Budget Law. Before the Budget Committee meetings begin, the City Manager distributes a copy of the proposed biennial budget document to each member of the Budget Committee. It is at this time that the Proposed Budget is considered a public record and must be made available for public inspection. The Budget Message, which explains the Proposed Biennial Budget and significant changes in the City's financial position, is delivered at the time the budget document is distributed. All Budget Committee meetings are open to the public, and community members are given an opportunity to ask questions about or comment on the Proposed Budget. The Budget Committee may make additions or changes to the Proposed Budget that has been prepared by the Budget Officer, at which time the Committee will approve the document and forward it to the City Council for adoption. The Budget Committee also approves a rate of total ad valorem property taxes to be certified for collection.

### **Advertising and Holding Hearings**

After the budget is approved by the Budget Committee, a Budget Summary and a "Notice of Budget Hearing" are published. A public hearing is then held by the City Council on the date specified in the public notice. The purpose of the hearing is to receive community members' testimony on the biennial budget as approved by the Budget Committee.

### **City Council Adoption of the Budget**

After the City Council considers the testimony given at the public hearing, they then adopt the budget. Resolutions are prepared, approved by the City Council, and signed by the Mayor to (1) formally adopt the budget; (2) make appropriations; (3) levy tax; and (4) categorize tax. The Adopted Budget is then filed and the property tax levies are certified. A notice of levy and certification of tax is submitted to the Deschutes County Assessor's Office.

### **Procedures for Amending the Adopted Budget**

The City Council may approve additional appropriations for unforeseen circumstances and necessary expenditures which could not be reasonably estimated at the time the budget was adopted. Such circumstances include service level policy changes, catastrophic events or redirection of resources. Oregon Local Budget Law sets forth procedures to be followed to amend the budget as events occur after budget adoption. The procedure that must be followed is determined by the set of circumstances surrounding the amendment.

Budgets may be modified during the biennial budget period by the use of appropriation transfers between legal categories or appropriation transfers from one fund to another. Such transfers must be authorized by official resolution of the City Council. The resolution must state the need for the transfer, the purpose of the authorized expenditures and the amount of the appropriation transferred.

Transfers of operating contingency appropriations which in aggregate during a budget period exceed 15% of the total original appropriations of the fund may only be made after adoption of a supplemental budget prepared for that purpose. A supplemental budget less than 10% of the fund's original budget may be adopted at a regular meeting of the governing body. A supplemental budget greater than 10% of the fund's original budget requires a public hearing, publication in the local newspaper and approval by the Council.

Local Budget Law provides for certain exceptions to the supplemental budget requirements. The following are common exceptions where a budget amendment may be made by the City Council after enactment of a resolution or ordinance:

- Award and expenditure of a grant for a specific purpose
- Expenditure of proceeds from sale of certain bonds
- Expenditure to pay debt service on certain bonds

**2021-2023 Budget Development Calendar**

The City's Biennial Budget development cycle begins in November of even-numbered years and concludes in June of odd-numbered years.

<b>NOVEMBER</b>
<ul style="list-style-type: none"> <li>▪ Budget Kick-off – the budget calendar, process, instructions, and manual for the 2021-2023 Biennial Budget are reviewed</li> <li>▪ Estimates for special I.T. and Facility projects and personnel requests are submitted</li> </ul>

<b>MARCH</b>
<ul style="list-style-type: none"> <li>▪ Five-year vehicle &amp; equipment plans and Capital Improvement Programs are submitted to budget office</li> <li>▪ Budget office reviews budget, performs analyses and makes changes in order to balance the budget</li> <li>▪ Budget officer reviews budget</li> </ul>

<b>DECEMBER</b>
<ul style="list-style-type: none"> <li>▪ Budget office reviews revenues, reserve requirements, and personnel expenditures with the departments</li> <li>▪ Preliminary revenue projections are completed (with final projections updated in February)</li> </ul>

<b>APRIL</b>
<ul style="list-style-type: none"> <li>▪ Budget office makes updates based on Budget Officer review</li> <li>▪ Publish Notice of Budget Committee Meeting in the Bend Bulletin and on the City's website</li> </ul>

<b>JANUARY</b>
<ul style="list-style-type: none"> <li>▪ 2021-2023 Personnel Services (salaries and benefits) budgets are completed</li> <li>▪ 2021-2023 Overhead, Cost Allocation, Interfund Transfers, and Debt Service expenditures completed</li> </ul>

<b>MAY</b>
<ul style="list-style-type: none"> <li>▪ 2021-2023 Proposed Budget distributed to Budget Committee and made available for public review</li> <li>▪ Budget Committee deliberates, receives public comments, and approves the 2021-2023 Biennial Budget</li> </ul>

<b>FEBRUARY</b>
<ul style="list-style-type: none"> <li>▪ 2020-2021 materials and services and capital outlay year end expenditure projections submitted by the departments</li> <li>▪ 2021-2023 expenditure requests submitted by the departments</li> </ul>

<b>JUNE</b>
<ul style="list-style-type: none"> <li>▪ Notice of Budget Hearing and Budget Summary is published</li> <li>▪ City Council holds a Public Hearing and adopts the 2021-2023 Biennial Budget</li> <li>▪ The 2021-2023 Biennial Budget goes into effect July 1, 2021</li> </ul>

### **Fiscal Year 2021-22 Fiscal Policies**

The following fiscal policies were originally adopted by the City Council on November 18, 2009 and most recently revised by the City Council on June 16, 2021. The fiscal policies apply to both the City of Bend and the Bend Urban Renewal Agency.

The City of Bend and Bend Urban Renewal Agency (BURA) are committed to responsible fiscal management through financial integrity, prudent stewardship of public assets, planning, accountability and full disclosure. The broad purpose of the Fiscal Policies is to enable the City and BURA to achieve and maintain a long-term stable and positive financial condition. These policies are adopted by Council as the basic framework for overall financial management of the City and BURA. Any references to “the City” in this document shall also apply to BURA. The policies are designed to guide day-to-day and long-range fiscal planning and decision making, and to achieve the following general financial goals:

1. Provide an adequate financial base to sustain a sufficient level of municipal services to maintain the social well-being and physical conditions of the City.
2. Deliver cost effective and efficient services to community members.
3. Provide and maintain essential public facilities, utilities, and capital equipment.
4. Protect and enhance the City's credit rating so as to obtain the lowest cost of borrowing and also to assure taxpayers and the financial community that the City is well managed and financially sound.
5. Provide the financial stability needed to navigate through economic downturns, adjust to changes in the service requirements of the community and respond to other changes as they affect the City's residents.
6. Adhere to the highest standards of financial management and reporting practices as set by the Government Finance Officers Association, the Governmental Accounting Standards Board and other related professional financial standards.
7. Fully comply with finance related legal mandates, laws and regulations.
8. Promote intergenerational equity for the City's taxpayers and ratepayers by spreading the cost of new or upgraded City infrastructure over time so that generations benefitting from such infrastructure contribute to its cost.

To achieve these goals, fiscal policies generally cover areas of revenue management, operating and capital budgeting, financial planning and forecasting, investment and asset management, debt management, accounting and financial reporting, reserves and internal controls. These policies are reviewed and updated every other year as part of the biennial budget preparation process.

### **REVENUE POLICIES**

1. The City will strive for and maintain a diversified and stable revenue system to prevent undue or unbalanced reliance on any one source of funds. This revenue diversity will shelter the City from short-run fluctuations in any one revenue source.

2. When evaluating new revenue sources, the following elements will be taken into consideration: sustainability of the revenues to the programs they are intended to support, administrative costs, operational and maintenance costs, acceptability to the community, and the impact on economic competitiveness relative to other communities.
3. One-time and non-recurring revenues will be used only for one-time expenditures. The City will avoid using temporary revenues to fund mainstream services or for budget balancing purposes.
4. User fees and charges will be established for services provided that benefit specific individuals or organizations. Cost of service analyses will be prepared so that user fees and charges can or will be set at a level sufficient to recover full cost of service whenever practical to minimize subsidization by taxpayers. The City will systematically review user fees and charges to take into account the number of customers served, changes in methods or levels of service delivery as well as changes in cost of living/inflationary increases.
5. Unless prohibited by law, certain fees may be deferred by Council action when it can be demonstrated that a direct public benefit will be obtained. In addition, the Council may direct that certain fees be paid on behalf of applicants and Council's action will include a determination of the source of funds to pay such fees.
6. All fees, charges or assessments that are deferred for later payment will be evidenced by a promissory note or agreement. The City may charge periodic interest, processing fees and additional interest and penalties for delinquencies as appropriate.
7. Water, Water Reclamation (Sewer) and Stormwater funds will be self-supporting through user fees. Fee adjustments will be based on long term financial plans that include a forecast period of no less than five years. The water and water reclamation utility rates should be set to yield a minimum 1.50 debt service coverage ratio or a debt service coverage ratio sufficient to maintain the credit rating of the Water and Water Reclamation systems.
8. To emphasize and facilitate long-range financial planning, the City will maintain current projections of revenues and expenditures in the General Fund and other major funds for the succeeding five years.
9. All potential grants shall be evaluated for matching requirements and on-going resource requirements and balanced with the benefits of the grant before acceptance. Grants may be rejected to avoid commitments beyond available funding.
10. The City will not respond to long-term revenue shortfalls with deficit financing and borrowing to support on-going operations. Expenses will be reduced to conform to the long-term revenue forecasts and/or revenue increases will be considered.
11. Revenues will be estimated realistically and prudently. Revenues of a volatile nature will be estimated conservatively; explanations of the underlying assumptions and risks to the forecast, including both upside and downside risks, will be provided. The City will estimate its revenues by an objective, analytical process using best practices as defined by the Government Finance Officers Association.
12. The cost of revenue collection efforts should not exceed the marginal additional revenue obtained and should not absorb a large percentage of the amount collected.

13. Non-restricted revenues are recorded in the General Fund and are used at the City Council's discretion and unless otherwise noted, discretionary revenues are not earmarked for specific purposes. Exceptions include:
  - a. Grants or other revenues that are legally restricted for specific purposes.
  - b. Water/Sewer Franchise Fees are dedicated to the Transportation Construction Fund and Accessibility Construction Fund.
14. Before the City sells any major asset or relinquishes any operating or capital arrangements that involved fixed revenue, the implications of such a sale or arrangements will be fully determined for impact on current and future year revenue estimates.

### **OPERATING BUDGET POLICIES**

1. The City will prepare a biennial budget with the participation of all Departments.
2. All budgetary procedures will conform to existing state and local regulations. Oregon budget law requires each local government to prepare a balanced budget and Oregon Administrative Rules state: 1) the budget must be constructed in such a manner that the total resources in a fund equal the total of expenditures and requirements for that fund, and 2) the total of all resources of the district must equal the total of all expenditures and all requirements for the district. Budgets for all City funds will be prepared on a modified accrual basis consistent with Generally Accepted Accounting Principles.
3. The budget process will allocate resources to achieve Council goals and city-wide strategic plans. Department goals and objectives will be identified and incorporated into the budget.
4. A cost allocation plan will be developed and incorporated into the City budget. The cost allocation plan will be the basis for distribution of general government and internal service costs to other funds and capital projects to reflect the full cost of providing services. The cost allocation plan will be submitted to the Department of Housing and Urban Development (or other designated agency) for review and approval when required by an outside party, including other government agencies.
5. A budget preparation calendar is crucial for successful budget preparation and execution. Finance department staff will prepare a detailed budget schedule for internal use that ensures the biennial budget is approved by the Budget Committee and adopted by the City Council no later than June 30 of odd numbered years. A summary of primary budget milestones by month will be included in the proposed and adopted budget documents.
6. The biennial budget will be constrained to the total amount approved by the Budget Committee and as adjusted, adopted, and amended by the City Council.
7. The City Council shall adopt the budget for each fund or program as required by budget law.
8. Performance measures will be used and reported in department budgets. The City will prepare trends, comparisons to other cities, and/or other financial management tools to monitor and improve service delivery in City programs.
9. Essential services will receive first priority for funding. The City will attempt to maintain current service levels for all essential services. The quality of existing core services will be maintained

before the City adds new services unless there is an explicit decision to lower the quality of existing services in favor of providing a new service. Essential services for the City are defined as follows (based on ORS 221.760 which determines if a city is eligible to receive state shared revenues):

- a. Police protection
  - b. Fire protection
  - c. Street construction, maintenance, and lighting
  - d. Sewer
  - e. Stormwater
  - f. Water utility
  - g. Planning, zoning, and subdivision control
10. The summary of full time equivalents (FTE), which includes regular and limited term employees (LTE) for each operating fund or department, shall be brought before City Council for adoption with the budget, and any mid-budget cycle increases to the total number of positions must be approved by City Council by resolution. The City Manager may reassign positions among departments, restructure departments, and convert LTEs to FTEs without Council approval, so long as the total number of positions adopted on the FTE schedule is not increased.
  11. All supplemental appropriations for programs requested after the original budget is approved will be analyzed by the City Manager's Office and Finance Department and will only be presented to Council for approval after consideration of availability of revenues.
  12. Oregon budget law provides a means to adjust the budget for emergency expenditures or unforeseen circumstances. All resolutions adjusting the budget will be prepared by the Finance Department, at the direction of the City Manager's Office, for Council approval to ensure compliance with budget laws.
  13. A mid-biennial review process will be conducted by the City Manager in order to make any necessary adjustments to the adopted biennial budget.
  14. The City will submit the Adopted Budget Document to obtain the Award for Distinguished Budget Presentation from the Government Finance Officers Association (GFOA).
  15. Monthly reports comparing actual to budgeted expenditures will be prepared by the Finance Department and distributed to the City Manager and City Council. Significant budget to actual variances will be investigated and explained.

## **EXPENDITURE CONTROL POLICIES**

1. Expenditures will be controlled through appropriate internal controls and procedures. Management must ensure expenditures comply with the legally adopted budget. Each Department or Division Manager or Director will be responsible for the administration of his/her department/division/program budget. This includes accomplishing the goals and objectives incorporated into the budget and monitoring each department/division/program budget for compliance with spending limitations. Internal controls over payment requests include a review by the Finance Department. Payment requests are not considered approved and authorized for payment until the Finance Director or their designee has approved the disbursement.

2. The City Council will adopt the budget by fund at the category or program level. Expenditures anticipated to be in excess of these levels require approval of a Council resolution.
3. All purchases of goods and services must comply with the City's Purchasing Policies, guidelines and procedures and with State and Federal laws and regulations.
4. Before the City purchases any major asset or undertakes any operating or capital arrangements that create fixed costs or ongoing operational expenses, the implications of such purchases or arrangements will be fully determined for current and future years.
5. All compensation planning and collective bargaining will include analyses of total cost of compensation which includes analysis of salary increases, health benefits, pension contributions, fringe benefits and other personnel costs. The City will only propose operating personnel costs which can be supported by on-going operating revenues.
6. The City will make every effort to control expenditures to ensure City services and programs provided to its community members and taxpayers are cost effective and efficient.

### **CAPITAL IMPROVEMENT POLICIES**

1. A five year Capital Improvement Program (CIP) encompassing all City facilities shall be prepared and updated annually. A public hearing will be held to provide for public input on the CIP. The five year CIP will be incorporated into the City's budget and long range financial planning processes. The CIP will be balanced; estimated resources will be available for capital spending identified in the five year plan.
2. Projects included in the CIP shall have complete information on the need for the project, description and scope of work, total cost estimates, future operating and maintenance costs and how the project will be funded.
3. An objective process for evaluating CIP projects with respect to the overall needs of the City will be established through a ranking of CIP projects. The ranking of projects will be used to allocate resources to ensure priority projects are completed effectively and efficiently. CIP master plans will be created consistent with Oregon Land Use Laws. Twenty year master plans will be prepared for the water, sewer and stormwater utilities as well as the transportation system. The priorities and timelines established in those master plans will guide updates of the five year CIP. Public involvement is encouraged during project prioritization and at a minimum, is required during the master planning process.
4. Changes to the CIP such as addition of new projects, project goals, changes in scope and costs of a project or reprioritization of projects will require City Council or City Manager approval. Furthermore, City staff will provide master plan and CIP updates to Council annually at a minimum with information about new projects that have emerged as well as changes to scope, estimated costs and/or schedule of projects already on the list with estimated impacts on user charges and fees.
5. Every CIP project will have a project manager who will prepare the project proposals, coordinate as necessary with operations and maintenance staff, ensure that required phases are completed on schedule, authorize project expenditures, ensure that all regulations and laws are observed, and periodically report project status.

6. The City will maintain its physical assets at a level adequate to protect the City's capital investment, meet any and all regulatory requirements and minimize future operating maintenance and replacement costs. The City recognizes that deferred maintenance increases future capital costs, thus placing a burden on future residents. Therefore, the budget will provide for adequate maintenance and the orderly replacement of capital plant and equipment from the appropriate combination of current revenues, cash reserves, and debt.
7. If project costs at the time of the bid award for construction are less than the budgeted amount the balance will be unappropriated and returned to reserves for future capital projects or allocated to another project. If project costs at the time of bid award are greater than budgeted amounts, the following options will be considered:
  - a. Re-scope or change the phasing of the project to come within existing budget amounts
  - b. Transfer funding from another, lower priority project
  - c. Decrease reserves for future capital projects to provide for an increase in budget appropriations
  - d. Defer the project to the next biennial budget period
  - e. Eliminate the project
8. The City will determine the least costly funding method for its capital projects and will obtain grants, contributions and low cost state or federal loans whenever possible.
9. The City will establish capital equipment reserves to provide for funding of vehicles and equipment. The City will also establish major repairs and replacement (R&R) reserves to provide for funding of major repairs and replacements. R&R reserves will be used for significant system or facility repairs, replacement or maintenance costs that are unanticipated and exceed ongoing repair and maintenance expenditures in the fund's operating budget. Long term forecasts will be used to determine available capacity to fund repair and replacement of capital assets and infrastructure and avoid a significant unfunded liability from deferred maintenance. If resources are not sufficient to fully fund R&R reserves without program impacts, alternatives will be presented to the City Council during the budget process.
10. The City will utilize "pay-as-you-go" funding for capital improvement expenditures considered recurring, operating or maintenance in nature. The City may also utilize "pay-as-you-go" funding for capital improvements when current revenues and adequate fund balances are available, when issuing debt would unduly affect the City's credit rating, or when market conditions are unstable or suggest difficulties in marketing a debt.
11. The City will consider the use of debt financing for capital projects under the following circumstances:
  - a. When the project's expected useful life is sufficient to warrant long term debt financing and comply with the internal revenue code requirements for tax-exempt financing
  - b. When projected annual revenues are deemed sufficient and reliable to service the long-term debt
  - c. When market conditions present favorable interest rates for City financing
  - d. When the issuance of debt will not unduly affect the City's credit rating and debt service coverage ratios
  - e. When a project is mandated by state or federal government and current revenues or fund balances are insufficient to pay project costs

## **FINANCIAL PLANNING POLICIES**

1. The City will prepare a long term financial plan to promote responsible planning for the use of resources. The long term financial plan will include projected revenues, expenditures and reserve balances for a minimum of the next five years. Financial plans will extend beyond five years when specific issues call for a longer time horizon. Financial challenges and possible solutions will be identified, if not implemented, with structural balance as a goal.
2. The City's financial plan should be strategic, meeting regulatory requirements and reflecting the Council's and the community's priorities for service while providing resources that realistically fund routine operations.

## **ECONOMIC DEVELOPMENT FUNDING POLICIES**

1. The City may employ economic development incentives to encourage value-added development and accrue public benefits to the City of Bend. Public benefits may include but not limited to, the following:
  - a. A benefit that increases the City's employment base or materially enhances the financial position of the City by increasing assessed valuation.
  - b. A contribution to the basic infrastructure of the City that is greater than that which would be required of the development alone
  - c. A benefit that increases access to other public services
2. Economic development incentives may include formation of improvement or redevelopment districts, reimbursement, exemption or deferral of certain fees and charges, use of discount lease rates or other forms of financial incentives. All such incentives will be fully evaluated by the Finance Department and Economic Development Department as to the costs, risks and level of benefit as well as the financial impact of such incentives on the City's operating and capital budgets.
3. The fiscal impact evaluation will be presented to Council along with City Manager's recommendation. The City Council shall make the final decision concerning proposed economic development incentives including any repayment of incentives if performance requirements are not met.
4. Funding for economic development incentives must be identified before approval of all such incentives.
5. A development incentive shall not be provided if the development does not provide sufficient public benefit or if the cost and risks to the City will have a materially adverse impact on the City's finances or operations.

## **PENSION AND RETIREMENT FUNDING POLICIES**

1. The City is an employer-participant in the State of Oregon Public Employees Retirement System (PERS). Actuarial valuations of PERS are performed for the Public Employees Retirement Board (PERB) to evaluate PERS' assets and liabilities and indicate its current and prospective financial

condition. The PERB determines employer-participant contribution rates, which are then used to calculate each employer-participant's annual required contribution. It is the City's policy to make contributions at no less than the rate established by PERB and required by ORS 238.225. All current pension liabilities shall be funded on an annual basis.

2. In addition to providing pension benefits, the City provides certain health and dental care benefits for retired employees. Funding the liability for future retiree benefits will be determined by City Council action.

## **CASH MANAGEMENT AND INVESTMENT POLICIES**

1. The Finance Director or designee shall invest all City funds according to four criteria, in order of their importance: (1) legality, (2) safety, (3) liquidity, and (4) yield.
2. The City shall maintain and comply with a written Investment Policy that has been approved by City Council. The Investment Policy is a standalone document from these fiscal policies.
3. The City will consolidate or pool cash balances from various funds for investment purposes and will allocate investment earnings to each participating fund.
4. The City's investment securities will be held by a third party for custodial safekeeping.
5. Quarterly investment reports summarizing investment holdings and compliance with the City's Investment Policy will be provided to City Council.

## **ACCOUNTING, AUDITING, AND FINANCIAL REPORTING POLICIES**

1. The City will comply with the following accounting and reporting standards:
  - a. Generally Accepted Accounting Principles (GAAP) developed by Governmental Accounting Standards Board,
  - b. Government Accounting, Auditing and Financial Reporting standards prescribed by the Government Finance Officers Association (GFOA),
  - c. Government Accounting Standards, issued by the Comptroller General of the United States,
  - d. Oregon Revised Statutes relating to Municipal finance and
  - e. U.S. Office of Management and Budget (OMB) Circular A-133.
2. The primary responsibility for the City's financial reporting and internal controls rests with senior management as overseen by the City Council. The Council shall appoint three members to serve on an Audit Committee. The purpose of the Audit Committee is to provide oversight of the City's audit functions as well as other investigations. The Audit Committee's authority includes retention of the City's external auditors, investigation of any matter brought to its attention with complete and unrestricted access to all books, records, documents, facilities, and personnel of the City, and retention of outside counsel, auditors, investigators, or other experts in the fulfillment of its responsibilities.
3. Monthly financial reports summarizing financial activity by fund will be presented to the City Manager and City Council.

4. A system of internal controls and procedures will be maintained to provide reasonable assurance of the safeguarding of assets and proper recording of financial transactions and compliance with applicable laws and regulations.
5. In accordance with State law, a comprehensive financial audit including an audit of federal grants will be performed annually by an independent public accounting firm with the objective of expressing an opinion on the City's financial statements and assessing the accounting principles used and evaluating the internal controls in place.
6. The City will prepare its financial statements and maintain its accounting and internal control systems in accordance with applicable standards with the goal of obtaining an unqualified opinion from its auditors.
7. The Finance Department will prepare a Comprehensive Annual Financial Report and submit the report to the GFOA's "Certificate of Achievement for Excellence in Financial Reporting" program.
8. All departments will provide notice of all significant events and financial and related matters to the Finance Director for the City's annual disclosures to the municipal markets as required by SEC Regulation 15-C-2-12. Full disclosure will be provided in the financial statements and bond representations. Significant events include delinquencies and defaults related to the City's bonds, adverse tax opinions or events affecting the tax exempt status of bonds, the release, substitutions or sale of property securing repayment of bonds and other events having a significant impact on the City's finances and outstanding bonds. The Finance Director will notify the Municipal Securities Rulemaking Board's Electronic Municipal Market Access (EMMA) database of these significant events.
9. The City's asset capitalization policy is to capitalize and depreciate assets greater than \$10,000 with a useful life beyond two years. Capital assets costing less than \$10,000 or having a useful life of two years or less will be treated as operating expenditures. The asset capitalization threshold will be applied to individual assets rather than to groups of assets (i.e. office furniture, computer equipment, radio equipment, etc.)

### **DEBT MANAGEMENT POLICIES**

1. The debt management policy sets forth comprehensive guidelines for the financing of capital expenditures. It is the objective of the policies that:
  - a. The City obtain financing only when prudent,
  - b. The process for identifying the timing and amount of debt or other financing be as efficient as possible,
  - c. The most favorable interest rate and other related costs be obtained,
  - d. When appropriate, future financial flexibility be maintained.
2. In conjunction with the City's debt financing team including but not limited to bond counsel and financial advisors, the Finance Director structures and recommends to the City Manager and City Council all debt issuances and oversees the on-going management of all City debt. Debt includes voter approved general obligation bonds, tax increment financing, full faith and credit bonds, lease purchase obligations, revenue bonds, special assessment obligations, promissory notes, lines and letter of credit, interfund borrowings, variable rate debt, equipment financing agreements and any other contractual arrangements that obligate the City to make future principal and interest

payments.

3. No debt shall be issued for which the City is not confident that a sufficient specifically identified revenue source is available for repayment. The Finance Director shall prepare an analysis of the source of repayment prior to issuance of any debt.
4. The City will not use long-term debt to fund current operations, to balance the budget or to fund projects that are more appropriately funded from current resources.
5. The City will issue advance refunding bonds (as defined by federal tax law) when advantageous, legally permissible, prudent and when the net present value savings is a minimum of three percent of the purchase price of the refunding bonds (defined as the par amount of the refunding bonds, plus net original issue premium, or less net original issue discount). The City will issue current refunding bonds (as defined by federal tax law) when advantageous, legally permissible, prudent and when the net present value savings exceed \$100,000. Refundings may also be undertaken for other reasons when legally permissible, prudent and when in the best interests of the City.
6. The City may utilize short-term debt or interfund loans as permitted, to cover temporary shortage due to timing of cash flows which may result from delay in receiving grant proceeds or other revenues and delay in issuance of long term debt.
7. When issuing long-term debt, the City will ensure that the debt is soundly financed by:
  - a. Incurring debt only when necessary for capital improvements not appropriate to be financed from current available resources
  - b. Insuring that capital projects financed through long term debt shall be financed for a period not to exceed the useful life of the project. This precludes future generations of rate payers or taxpayers from paying debt service on an asset that no longer provides benefit and prevents debt capacity from being tied up servicing a defunct asset in the event the asset needs replacing.
  - c. Determining that the benefits of financing exceeds the cost of financing
  - d. Analyzing source of repayment, debt service coverage ratios and the impact of debt service on annual fixed costs prior to issuance of long term debt.
  - e. Amortizing debt on a level payment plan to the extent practical considering the forecasted available pledged revenues and impact on the City's aggregate overall debt payment schedules.
8. The City may issue debt on either a competitive or negotiated basis. Bank placements and other private offerings are authorized under circumstances such as interim financings or to avoid the cost of a public sale for smaller issuances. The Finance Director will recommend the most appropriate method of sale in light of financial, market, transaction specific, and issuer-related conditions. If a negotiated public sale is determined to be in the City's best interest, the underwriter should typically be selected through a request for proposal (RFP) process.
9. All bond issuances and promissory notes will be authorized by resolution of the City Council.
10. The City will comply with all statutory debt limitations imposed by the Oregon Revised Statutes.
11. ORS 287A.050 establishes a limitation on the amount of general obligation bonds the City may issue. This limitation is 3% of the City's Real Market Value as certified by the Deschutes County Assessor. "General obligation bonds" are defined by ORS 287A.010(10) to mean exempt bonded

indebtedness, as defined in ORS 310.140, that is secured by a commitment to levy ad valorem taxes outside the limits of sections 11 and 11b, Article XI, of the Oregon Constitution (i.e., voter approved, unlimited tax general obligation bonds). Additionally, ORS 287A.050(3) excludes certain types of general obligation bonded indebtedness from being included in the limitation, including for example general obligation bonds issued for water supply, treatment or distribution or sanitary or storm sewage collection or treatment. The City is not required to include full faith and credit obligations when computing its statutory general obligation bond debt limit. However the City’s policy is to limit full faith and credit obligations to 3% of Real Market Value as certified by the Deschutes County Assessor.

12. The City will strive to maintain its current credit ratings which are as follows:

	<b>Moody’s Investors Service</b>	<b>S&amp;P Global</b>
Full faith and credit obligation bonds	Aa2	AA+
General obligation bonds <sup>(1)</sup>	Aa2	n/a
Water revenue bonds	Aa2	AA
Sewer revenue bonds	n/a	AA

<sup>(1)</sup> As of June 2021, the only General Obligation (GO) Bonds outstanding are related to the Transportation GO Bond approved by voters in 2011. No bonds have been issued for the GO Bond approved by voters in November 2020.

13. The City will strive to maintain debt service coverage ratios and percentages that uphold the City’s credit rating. Water and Water Reclamation (Sewer) debt coverage ratios should be maintained at a minimum of 1.50 or at a level sufficient to protect the credit rating of the Water and Water Reclamation systems.

14. The City will comply with all bond covenants, arbitrage requirements, disclosure and other requirements specified by law.

a. Post Debt Issuance Tax Compliance

i. External Advisors and Documentation-The City shall consult with bond counsel and other legal counsel and advisors, as needed, throughout the Bond issuance process to identify requirements and to establish procedures necessary or appropriate so that the Bonds will continue to qualify for tax-exempt status. Those requirements and procedures shall be documented in the tax certificate and agreement (“Tax Certificate”) and/or other documents finalized at or before issuance of the Bonds. Those requirements and procedures shall include future compliance with applicable arbitrage rebate requirements and certain other applicable post-issuance requirements of federal tax law throughout (and in some cases beyond) the term of the Bonds. This shall include, without limitation, consultation in connection with any potential changes in use of Bond-financed or refinanced assets.

The City shall engage expert advisors (each a “Rebate Service Provider”) to assist in the calculation of arbitrage rebate payable in respect of the investment of Bond proceeds, unless the Tax Certificate documents that arbitrage rebate will not be applicable to an issue of Bonds.

Unless otherwise provided by the transaction documentation relating to the Bonds, unexpended Bond proceeds shall be segregated from other funds of the City, and the investment of Bond proceeds shall be managed by the City. The City shall prepare (or cause to be prepared) regular, periodic statements regarding the investments and transactions involving Bond proceeds.

- ii. Arbitrage Rebate and Yield—Unless the Tax Certificate documents that arbitrage rebate will not be applicable to an issue of Bonds, the Finance Director, or persons reporting to the Finance Director shall be responsible for:
  - either (a) engaging the services of a Rebate Service Provider and, prior to each rebate calculation date, causing the trustee or other financial institution to deliver periodic statements concerning the investment of Bond proceeds to the Rebate Service Provider, or (b) undertaking rebate calculations itself and retaining or obtaining periodic statements concerning the investment of Bond proceeds;
  - providing to the Rebate Service Provider additional documents and information reasonably requested by the Rebate Service Provider;
  - monitoring efforts of the Rebate Service Provider;
  - assuring payment of required rebate amounts, if any, no later than 60 days after each 5-year anniversary of the issue date of the Bonds, and no later than 60 days after the last Bond of each issue is redeemed;
  - during the construction period of each capital project financed in whole or in part by Bonds, monitoring the investment and expenditure of Bond proceeds and consulting with the Rebate Service Provider to determine compliance with any applicable exceptions from the arbitrage rebate requirements during each 6-month spending period up to 6 months or 18 months, as applicable, following the issue date of the Bonds; and
  - retaining copies of all arbitrage reports, investment records and trustee statements.
  
- iii. Use of Bond Proceeds and Bond-Financed or Refinanced Assets—The City's Finance Director, or persons under the supervision of the Finance Director, shall be responsible for:
  - monitoring the use of Bond proceeds (including investment earnings and including reimbursement of expenditures made before bond issuance) and the use of the financed asset throughout the term of the Bonds to ensure compliance with covenants and restrictions set forth in the Tax Certificate relating to the Bonds;
  - maintaining records identifying the assets or portion of assets that are financed or refinanced with proceeds of each issue of Bonds (including investment earnings and including reimbursement of expenditures made before bond issuance), including a final allocation of Bond;
  - consulting with bond counsel, City's counsel and other legal counsel and advisers in the review of any change in use or transfer of Bond-financed or refinanced assets to ensure compliance with all covenants and restrictions set forth in the Tax Certificate relating to the Bonds;
  - to the extent that the City discovers that any applicable tax restrictions regarding use of Bond proceeds and Bond-financed or refinanced assets will or may be violated, consulting promptly with bond counsel and other legal

counsel and advisers to determine a course of action to preserve the tax-exempt status of the bonds.

- b. Continuing Disclosure Policies
  - i. The Finance Director, or persons under the supervision of the Finance Director, shall have a clear understanding of the continuing disclosure requirements for each bond transaction.
  - ii. Internal procedures shall be developed that identify the information that is obligated to be submitted in an annual filing, disclose the dates on which filings are to be made, list the material events as stated by the Securities and Exchange Commission (SEC) and the continuing disclosure agreement, and identify the person responsible for making the filings.
  - iii. The Comprehensive Annual Financial Report may fulfill annual financial information obligations. The information provided in the annual financial report does not have to be replicated when filing with Electronic Municipal Market Access (EMMA) portal. If the City agrees to furnish information that is outside the scope of its annual financial report, that information may be included as a supplement to the annual financial report when filing with EMMA.
  - iv. As recommended in the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting program, the City should complete its audited annual financial information within 180 days of the end of its fiscal year. Upon its completion, the annual financial report should immediately be submitted to EMMA.
  - v. Material event notices will be filed within 10 business days of the event.

## **RESERVE POLICIES**

1. The City will maintain sufficient contingency and reserves in each fund for the ability to:
  - a. Mitigate short-term volatility in revenues and makeup the temporary shortfall in revenue
  - b. Mitigate short-term economic downturns (2 years or less)
  - c. Absorb unanticipated operating needs that arise during the fiscal year but were not anticipated during the budget process
  - d. Sustain city services in the event of an emergency
  - e. Meet operating cash flow requirements before the collection of property taxes, grant proceeds and other operating revenues
  - f. Absorb minor claim or litigation settlements
  - g. Purchase vehicle and equipment without the need to finance such purchases
  - h. Meet routine facility and equipment repair needs
  - i. Meet requirements for debt service reserves
  - j. Maintain good standing with rating agencies
2. General Fund Reserves – the City will maintain General Fund unassigned reserves of at least 16% of the operating budget of the General Fund for the 2019-2021 biennium. Reserve balances in the General Fund Stabilization Fund will be considered when evaluating total General Fund reserve levels. Funding of General Fund reserves will generally come from excess revenues over

expenditures or one-time revenues. Ending reserve levels will be evaluated annually.

3. Development Funds – The City will maintain undesignated reserves of at least 50% (or 6 months) of the operating budget for development related funds.
4. Insurance Fund – The City will maintain reserves in its Insurance Fund for self-insurance and major accidents, disasters and catastrophic events. Use of such reserves will be limited to significant expenditures not covered by the City’s insurance and that are too large to be absorbed in the department or fund’s operating budget or reserves.
5. Water, Water Reclamation and Stormwater Funds – The City will maintain undesignated reserves of at least 25% (or 3 months) of the operating budget for its utility funds. The Water and Water Reclamation Funds will also have rate stabilization reserves no less than \$1.5 million and \$1 million respectively to protect against volatility of revenues. Ending fund balance and reserves in the Water and Water Reclamation utility funds will be prioritized as follows:
  - a. Required debt service reserves
  - b. Operating reserves
  - c. Rate stabilization reserves
  - d. Repair & replacement (R&R) reserves which have been identified as a minimum of \$5 million for both the Water and Water Reclamation funds. Refer to the Capital Improvement Policies section for more information on R&R reserves.
6. All Other Operating Funds – The City will maintain undesignated reserves of at least 16% (or 2 months) of the operating budget in all other operating funds unless it can be demonstrated that less than 16% is adequate to meet the needs of the operation.
7. The City will use reserves on a one-time or temporary basis for purposes described above. In the event that reserve funds decrease to levels below the levels established by this policy, the City will develop a plan to restore reserves to the required levels. If feasible, minimum reserve balances shall be replenished in the following year of use and no longer than within five years.

### **GENERAL FUND STABILIZATION FUND POLICY**

1. The City will maintain and manage a General Fund Stabilization Fund in accordance with this policy.
2. The purpose of the General Fund Stabilization Fund will be to provide for severe economic downturns or major unforeseen events (as determined by Council action) where a significant portion of revenues supporting critical basic operations are projected to decline for more than 2 years or permanently, and such decline cannot be absorbed by the department or fund. In these events, the City will need time to affect reductions, consolidate operations, reprioritize critical programs or implement an alternate revenue source. The General Fund Stabilization Fund will provide temporary support to minimize the impacts to community members who rely on these critical operations.
3. The General Fund Stabilization Fund will also be maintained to protect and enhance the City’s credit rating. In the event that the City’s General Fund Reserves temporarily fall below desired levels, the General Fund Stabilization Fund will serve to ensure that the City’s credit rating is not adversely affected.

4. The General Fund Stabilization Fund will be funded annually as follows:
  - a. 50% of investment earnings of the General Fund
  - b. 50% of investment earnings of all other funds except as prohibited by law or by internal policy
  - c. Excess revenues and/or additional allocations from the General Fund as recommended by the Finance Director and/or City Manager and approved by City Council. Examples of excess revenues include one-time payments from franchisees as a result of an audit, refunds or other one-time discretionary payments not anticipated to be needed for current operations.
5. The General Fund Stabilization Fund will only be used to provide temporary support for critical basic services and operations meeting the criteria established by this policy. In no event will the General Fund Stabilization Fund be used to fund new programs or to fund expenditures that should otherwise be funded with operating revenues, contingencies and reserves.
6. All request for use of the General Fund Stabilization Fund will include the following:
  - a. Projection of revenues indicating decline for more than 2 years or permanent decline as a result of economic downturn or unforeseen event
  - b. Analysis that revenue decline is so significant that it cannot be absorbed in the department or fund's operating budget through increases in other revenues or reduction of current expenditures
  - c. Determination that critical basic services and operations will be affected and community members will be negatively impacted
  - d. Determination that request meets any other criteria determined by Council
  - e. Plan of action and long term financial solution to address the revenue shortfall
7. All requests for use of the General Fund Stabilization Fund will be presented to Council along with City Manager's recommendation. The City Council shall make the final decisions concerning appropriation of funds from the General Fund Stabilization Fund.

## **Fund Accounting**

For accounting purposes, a state or local government is not treated as a single, integral entity. Rather, a government is viewed as a collection of smaller, separate businesses known as ‘funds’. A fund is a fiscal and accounting entity with self-balancing accounts to record cash and other financial resources, related liabilities and expenditures, which are segregated for specific activities and objectives. All of the governmental and proprietary funds listed below require budget appropriations. The Agency Fund, a fiduciary fund, is the only City of Bend fund that does not require budget appropriations.

All of the funds used by a government must be classified into three types of activities, and further delineated into one of seven fund types:

### *Governmental Funds (Governmental Activities)*

1. General Fund
2. Special Revenue
3. Debt Service
4. Capital Projects
5. Permanent Fund

### *Proprietary Funds (Business-Type Activities)*

6. Enterprise
7. Internal Service

### *Fiduciary Funds (Fiduciary Activities)*

8. Agency

The fund descriptions in this section only include those funds with a 2021-2023 biennial budget. Funds that are no longer active are not included in this section.

## ***Governmental Funds - Governmental Activities***

Many government services are funded through taxes and intergovernmental revenues, which are often called non-exchange revenues because there is not normally a direct relationship between the cost of the service provided and the amounts being paid by the individual taxpayer. When a service is largely funded through non-exchange revenues it is called a governmental activity. The accounting for governmental activities focuses on current available resources and the near-term demands upon them rather than on net income.

### **General Fund**

The City of Bend’s General Fund primarily accounts for police and municipal court operations and the allocation of general discretionary revenues such as taxes and intergovernmental revenues to other funds that rely on those discretionary revenues. The General Fund also accounts for other general services not accounted for within another fund, including accessibility, growth management and code enforcement. The principal sources of revenue include property taxes, franchise fees, intergovernmental revenues, room taxes and fines.

### **Special Revenue Funds**

The Special Revenue fund type is used when certain revenues have been earmarked or are legally restricted for specific purposes.

#### **General Fund Revenue Stabilization Fund**

This revenue stabilization fund is established and maintained to ensure the continued delivery of City services. Funds will be available for emergency situations, temporary revenue shortfalls, or to provide stability during economic cycles. This is considered the City's "Rainy Day" Fund.

#### **Police Reserve Fund**

This fund is used to set aside operating reserves for the Police Department. Funds may be utilized for sustaining services in the event of an emergency and absorb unanticipated operating needs that arise during the year but were not anticipated during the budget process.

#### **Fire/EMS Fund**

Activities within this fund include fire suppression, fire prevention and education, fire investigation services and emergency medical services. Revenues earmarked for Fire/EMS operations include allocation of General Fund discretionary revenues and property taxes from the Deschutes County Rural Fire Protection District #2 as the City partners with the district to provide fire protection in the district's boundaries, and the Fire Operating Levy approved by voters in 2014 and renewed in 2018. Revenues also include billings for ambulance and emergency medical services.

#### **Streets & Operations Fund**

This fund accounts for the Street Operations of the City. The funding sources include state highway apportionment revenues, internal billings, garbage franchise fees, grants and allocation of general discretionary revenues from the General Fund.

#### **System Development Charge (SDC) Fund**

The SDC Fund provides the accounting for system development charges restricted for transportation, water, and water reclamation capital projects. The use of the SDCs is shown as a transfer out to the Transportation Construction, Water and Water Reclamation Funds respectively.

#### **Helen Lorenz Estate Fund**

The Helen Lorenz Estate Fund accounts for earnings received from the Helen Lorenz estate and expenditures to fund Public Safety purposes.

#### **Building Fund**

Activities within the Building Fund include inspection, building and code compliance. The principal sources of revenue for this fund are permit fees and charges for services.

#### **Planning Fund**

This fund is used to account for the expenditures of the City's Planning Department which provides current and long-range planning services. Funding for this department is provided through planning fees and an allocation of General Fund discretionary revenues.

**Private Development Engineering Fund**

This fund accounts for resources and costs related to ensuring that public improvements made in conjunction with community development are constructed to development standards so they can be accepted into the inventory of public assets for perpetuity. The program also coordinates with the Growth Management and Legal departments to assure infrastructure planning is coordinated with the projected long term demand of future development.

**Community Development Block Grant (CDBG) Fund**

CDBG funds are allocated annually to the City from the US Department of Housing and Urban Development (HUD). This fund is used to account for the receipt and distribution of those grant funds in accordance with an action plan approved by HUD.

**Affordable Housing Fund**

This fund accounts for the City's Affordable Housing Program, which is funded by an affordable housing fee assessed on building permit valuation. The affordable housing fee was adopted through City ordinance and earmarked for promotion of and assistance with affordable housing developments.

**Commercial and Industrial Construction Tax Fund**

This fund was created in fiscal year 2020-21. In accordance with Bend Code Chapter 9.45, tax revenues will initially be recorded in the City's General Fund and then transferred in to this Tax Fund. State law requires that 50% of the tax revenue to be used to fund programs of the City related to housing. The other 50% of revenue is unrestricted, and can be allocated and spent on a discretionary basis as defined by ordinance and code. At the direction of City Council, the unrestricted revenue will be dedicated to support, services, and programs for people making up to 30% of Area Median Income.

**Business Advocacy Fund**

This fund is used to account for the expenditures of the City's Business Advocacy Program which is responsible for implementing the Bend Economic Development Advisory Board's Strategic Plan. Funding for this department is mainly provided through business license fees.

**Tourism Fund**

Oregon Revised Statutes requires a portion of room taxes to be dedicated to tourism promotion. This fund accounts for the collection and use of that portion of transient room taxes. The City partners with Visit Bend for tourism promotion efforts.

**Economic Improvement District (EID) Fund**

An EID was created at the request of the Downtown Bend Business Association to provide a funding program for the maintenance and beautification of downtown Bend. Assessments are collected from properties within the EID and passed through to the association for program expenditures.

**Debt Service Funds**

This fund type accounts for the accumulation of resources for the payment of debt principal and interest. The use of Debt Service Funds is necessary only if required by law or governmental accounting standards. The City maintains the following debt service funds which are determined to be required or necessary for fiscal management.

**Fire Station Debt Service Fund**

This fund accounts for the debt service associated with debt issued in partnership with the

Deschutes County Rural Fire Protection District #2 to finance construction of four fire stations and the fire administration facility. The principal source of revenue is payment from the District.

**2011 General Obligation Bond Debt Service Fund**

This fund accounts for the debt service associated with the General Obligation (GO) Bonds issued for transportation construction projects included in the GO Bond approved by voters in May 2011. The principal source of revenue to pay the debt comes from property taxes.

**2020 General Obligation Bond Debt Service Fund**

This fund accounts for the debt service associated with the General Obligation (GO) Bonds issued for transportation construction projects included in the GO Bond approved by voters in November 2020. The principal source of revenue to pay the debt comes from property taxes.

**Bend Urban Renewal Agency (BURA) – Juniper Ridge Debt Service Fund**

This fund accounts for the principal and interest debt service associated with debt to be issued for the Juniper Ridge urban renewal area construction projects. The principal source of revenue to pay the debt comes from property taxes on new growth or assessed value increment within the Juniper Ridge urban renewal area.

**Bend Urban Renewal Agency (BURA) - Murphy Crossing Debt Service Fund**

This fund accounts for the principal and interest debt service associated with debt issued for the Murphy Crossing urban renewal area construction projects. The principal source of revenue to pay the debt comes from property taxes on new growth or assessed value increment within the Murphy Crossing urban renewal area.

**Bend Urban Renewal Agency (BURA) – Core Area Debt Service Fund**

This fund accounts for the principal and interest debt service associated with debt issued for projects in the Core Area tax increment financing (TIF) district. The principal source of revenue to pay the debt comes from property taxes on new growth or assessed value increment within the Core Area TIF district.

**PERS Debt Service Fund**

This fund accounts for the debt service on bonds issued to pay off a portion of the City's unfunded pension liability with the Oregon Public Employees Retirement System.

**Capital Project Funds**

This fund type accounts for the construction of major capital facilities. The use of Capital Project Funds is necessary only if required by law or governmental accounting standards to provide for proper management of resources. The City maintains the following capital project funds which are determined to be required or necessary for fiscal management.

**Transportation Construction Fund**

This fund accounts for the construction of transportation improvements in the City's Capital Improvement Program. Funding comes from Transportation SDCs, water and water reclamation franchise fees, grants and contributions.

**2020 General Obligation Bond Construction Fund**

This fund accounts for construction projects related to the Transportation Bond measure that passed in November 2020 for traffic flow, east-west connections, and neighborhood safety improvements.

**Accessibility Construction Fund**

This fund accounts for accessibility related improvements to mainly sidewalks and curb ramps. General Fund discretionary revenues, grants, and water and water reclamation franchise fees are used to fund these improvements.

**Local Improvement District (LID) Construction Fund**

This fund accounts for the cost of infrastructure constructed through the LID process. There are currently no active LID projects; the reserve balance in this fund will be used for future LIDs.

**BURA - Juniper Ridge Construction Fund**

This fund accounts for construction projects related to development of the Juniper Ridge Urban Renewal Area. Funding for this activity is derived through debt financing and property sales.

**BURA – Murphy Crossing Construction Fund**

This fund accounts for projects in the Murphy Crossing urban renewal area. Funding for this activity is derived through debt financing.

**BURA – Core Area Construction Fund**

This fund accounts for projects in the Core Area tax increment financing district. Funding for this activity is derived through debt financing.

**Permanent Fund**

Permanent Funds are generally used to report resources that are legally restricted so that only earnings, and not principal, may be used for purposes that support the program. The City maintains the following permanent fund:

**Cemetery Permanent Maintenance Fund**

This fund accounts for the perpetual care endowment of the City's cemetery. As provided by Oregon Revised Statutes, funding for this activity is derived through the permanent maintenance fees received from the sale of plots.

### ***Proprietary Funds – Business-Type Activities***

Certain government services are operated like for-profit businesses and are funded through user charges for which the cost to the user is proportionate to the benefit received by the user. There are two types of proprietary funds, Enterprise Funds and Internal Service Funds.

#### **Enterprise Funds**

Enterprise funds are used to account for operations that provide services to the community members of Bend and are funded and operated in a manner similar to private enterprises.

#### **Water Fund**

This fund accounts for the operation of the City's water utility. The principal source of revenue is water rates charged to users. Expenditures are for the administration, maintenance, improvement and expansion of the water system. Capital expenditures are funded by rates, long-term debt, and Water System Development Charges.

#### **Water Reclamation Fund**

This fund accounts for the operation of the City's wastewater utility. The principal source of revenue is Water Reclamation rates charged to users. Expenditures are for administration, maintenance, improvement and expansion of the water reclamation system. Capital expenditures are funded by rates, long term debt and Water Reclamation System Development Charges.

#### **Stormwater Fund**

This fund accounts for the operation of the stormwater utility. The principal source of revenue is stormwater rates. Expenditures are for administration of the stormwater program and improvements to stormwater facilities.

#### **Airport Fund**

This fund accounts for the operation of the Bend municipal airport. The principal sources of operating revenue are hangar and ground leases. Expenditures are for the administration, maintenance and improvement of the airport facilities. Capital expenditures are funded from grants received from the Federal Aviation Administration and State and Local match.

#### **Parking Services Fund**

The Parking Services Fund supports on-street downtown parking, the Bend Centennial Parking Plaza (Parking Structure), and the Downtown coordination efforts.

#### **Cemetery Fund**

This fund accounts for the operation of the Pilot Butte cemetery, which is City owned and operated. The principal sources of revenue are burial and lot sales and support from the City's General Fund. Expenditures are for the operation of the cemetery.

### **Internal Service Funds**

Internal Service Funds are generally used to account for the goods and services provided by one City department to other departments or agencies of the City. Goods and services are provided on a cost-reimbursement basis. The City maintains two Internal Service Funds with the following divisions:

#### **Internal Service Fund – City Wide Administration**

##### **Administrative and Financial Services Division**

This division accounts for the operations of the City Council, City Manager's Office, City Attorney's Office, Volunteer Program, Communications, Human Resources, Office of Performance Management and Finance department. Revenues are generated from overhead allocation through the City's Cost Allocation Plan to the departments or funds receiving service.

##### **Diversity, Equity, Inclusion and Accessibility (DEIA) Division**

This division accounts for the operations of the City's DEIA department, which is responsible for embedding a commitment to diversity, equity, inclusion and accessibility within the City of Bend through internal and external initiatives guided by the work of the City Council's new Human Rights and Equity Commission (HREC) and the internal Diversity, Equity, Inclusion and Accessibility (DEIA) Task Force. Revenues are generated from overhead allocation through the City's Cost Allocation Plan to operating departments or funds.

##### **Sustainability Division**

This division accounts for the operations of the City's Sustainability department, which is responsible for carrying out the City's energy and climate related initiatives, including developing, updating, and implementing the City's Community Climate Action Plan (CCAP) and the City's Strategic Energy Management Plan (SEM Plan). Revenues are generated from overhead allocation through the City's Cost Allocation Plan to operating departments or funds.

##### **Information Technology Division**

This division accounts for the operation of the City's Information Technology department, which oversees the City's computer hardware and software and phone systems. Revenues are generated from overhead allocation through the City's Cost Allocation Plan to the departments or funds receiving service.

##### **Facilities Management Division**

This division accounts for the facilities personnel and the operation and maintenance of the following City owned or leased buildings: City Hall campus, Wall Street, Bond and Franklin Annexes, 15<sup>th</sup> Street Campus, Utilities Campus at Boyd Acres, the Police facility, and other city owned buildings. Revenues are generated from rent charges developed through the City's Cost Allocation Plan to the departments occupying the buildings.

##### **Insurance & Risk Management Division**

This division accounts for the City's commercial liability insurance, workers compensation insurance, and risk management functions. Revenues are generated from overhead allocation through the City's Cost Allocation Plan to all funds of the City.

##### **Other Post-employment Benefits (OPEB)**

The city participates in three separate Other Post-employment Benefits (OPEB) plans. This fund accounts for resources that the City is required to set aside by generally accepted accounting principles (GAAP). Funding comes from monthly charges to user departments based on the departments' number of employees.

## **Internal Service Fund – Departmental Administration**

### **Fleet Management Division**

This division accounts for the maintenance and service of all City vehicles and heavy equipment. Revenue is generated by charges to the departments receiving service.

### **Utility Laboratory Division**

This division accounts for laboratory services provided to the City's water, water reclamation and stormwater utilities. Revenue is generated from overhead allocation through the City's Cost Allocation Plan to the departments or funds receiving service.

### **Engineering & Infrastructure Planning Division**

The Engineering & Infrastructure Planning Division accounts for the City's Engineering department which provides infrastructure and planning services. Revenue is mainly generated by user charges to other funds.

### **Community Development Department Administration Division**

This division, also known as Development Services, was created to provide support services to the operational divisions within the Community Development Department (CDD). Through this consolidated support model, the Development Services Division enables CDD to work as one coordinated department, while allowing each division to focus on its specific regulatory areas of authority and expertise.

## ***Fiduciary Funds – Fiduciary Activities***

Assets held in a trustee capacity for others and not used to support the City's programs qualify as fiduciary assets. The City has only one fiduciary fund, described below, which does not require budget appropriations and therefore is not included in the budget document.

### **Agency Fund**

The Agency Fund accounts for various monies received on behalf of third parties. Agency activity is custodial in nature and does not involve the measurement of results of operations.

## **Basis of Budgeting**

The City maintains accounting records on a budget basis as well as on a Generally Accepted Accounting Principles (GAAP) basis. For financial reporting purposes, governmental funds use the modified accrual basis of accounting where revenues are recognized when they are both measurable and available and expenditures are recognized when incurred. Proprietary funds use the full accrual basis of accounting where revenues are recorded when earned and expenses are recorded when incurred.

The City makes adjustments at year-end for financial reporting to reflect GAAP basis as needed. Examples of GAAP basis adjustments include:

- Acquisition of capital assets or construction costs which are considered current expenditures under Oregon Local Budget Law but are reported as capital assets and depreciated over the life of the assets under GAAP;
- Proceeds from debt issues are considered budgetary resources while under GAAP, debt issued

is recorded as a liability. Likewise, debt principal payments are a reduction in the liability under GAAP reporting but show as expenditures for budget purposes.

- Amortization and non-cash transactions are other examples of transactions that are not reported under the budget basis but are reported in GAAP-basis financial reporting.

**Budgets for all City funds are prepared on a modified accrual basis consistent with GAAP.**

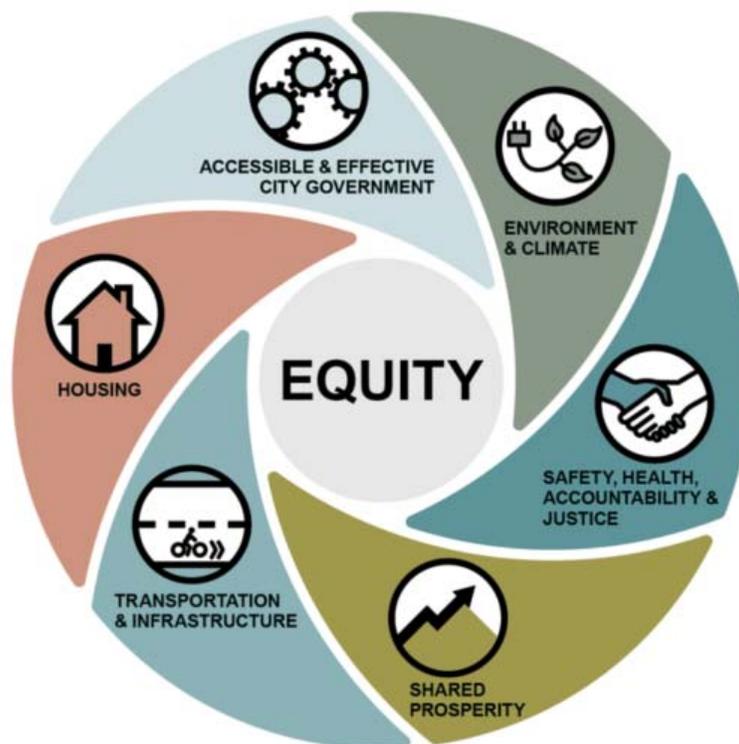
## Council Goal Setting and Framework

### 2021-2023

The City Council met at the beginning of 2021 to set goals and to prioritize objectives/projects to serve as a guide to achieve the higher priority goals for the upcoming biennium. The resulting document is the Bend City Council 2021-2023 Goals that can be found on subsequent pages.

In this document, the City Council goals are divided into the following focus areas:

1. Accessible & Effective City Government
2. Environment & Climate
3. Safety, Health, Accountability & Justice
4. Shared Prosperity
5. Transportation & Infrastructure
6. Housing



The document on the following pages includes detailed strategies and actions for each goal area. The 2021-2023 biennial budget and the long-range financial plans supporting the budgets were developed in alignment with these goals and objectives.

The City Council Goals were developed with input from community member committee and advisory groups, City Council and City staff. The City Council Goals can be revised as new challenges or opportunities arise. The City Council will also review progress of these goals during the biennium and make adjustments to timelines and citywide project priorities as necessary.

## 2021-23 Council Goal Framework

Adopted: March 17, 2021

### Preamble:

*We believe Bend can be a city for everyone. We can all share in the prosperity and promise of this unique and beautiful place. We honor the people that came before us on these lands and acknowledge that the health of our community relies on the health of our environment. As stewards of the city, we are accountable to the people of Bend and are responsible for delivering excellent city services. We are committed to serving everyone equitably, creating a more connected community, and preserving Bend's spirit as we grow. We will strive to achieve equity and justice for everyone in Bend.*

### Goal: Accessible & Effective City Government

*Meet the diverse and changing needs of the community and build connection between community members and City government by providing services in ways that work for everyone, build public trust, and promote civic engagement.*

- **Strategy: Apply an equity lens across all City services, goals, strategies and budgets**
  - Use Equity Mapping and other tools to assess the gaps in equitable access to City services
  - Expand opportunities for community members to connect with the city
  - Lower barriers to engagement and improve access
  - Ensure core services are keeping pace with a growing City and adjust staffing resources to match service demands
- **Strategy: Expand outreach and public engagement with all community members, so that everyone feels welcome and that their voice will be heard**
  - Conduct an assessment that will inform an outreach and communication strategy and structure
  - Use art and creativity to provoke thought, challenge assumptions and shape how we define our narrative as a city
  - Assess the neighborhood association system as a conduit of information and representation and create opportunities to engage under-served communities
  - Connect with local regional partners, including Warm Springs on issues of shared interest
- **Strategy: Increase efficiency and transparency of City operations through use of technology, data and long-term planning**
  - Increase transparency through open data, publicly available dashboards, and reporting
  - Use a human centered design approach to improve City web site and customer service

- Advance facilities planning to include a new City Hall and a shared public works campus
- **Strategy: Increase the opportunity for Council and Committees to effectively serve all of the community**
  - Remove barriers to participation on City Boards and Committees and provide equitable access to Council meetings
  - Increase opportunities for community members to engage with City Council including young people and renters
  - Increase Council support and constituent engagement through staffing and technology
  - Provide translation or interpretation services for City communications and City meetings as requested

## **Goal: Environment & Climate**

*Improve quality of life for more people in Bend by increasing equitable access to clear air, water and to a healthy environment. Implement solutions that fulfill the City's commitment to being good stewards of our natural environment, decreasing carbon emissions and mitigating the effects of climate change.*

- **Strategy: Implement the Community Climate Action Plan (goal of reducing fossil fuel use by 40 % by 2030 and 70% by 2050)**
  - Review and consider implementing recommendations from the Environment & Climate Committee (ECC)
  - Explore opportunities for statewide programs that reduce greenhouse gas emissions
  - Plan for electric vehicles community-wide
  - Prioritize implementing equity actions in the Community Climate Action Plan
- **Strategy: Implement the City's internal Strategic Energy Management Plan**
  - Reduce carbon emissions within the City's fleet
  - Pursue opportunities for renewable energy generation and sustainable design and resiliency on City properties and facilities
  - Purchase renewable energy for all City facilities where feasible
- **Strategy: Preserve Bend's natural environment, including clean air and water, wildlife and trees, through partnerships and policy**
  - Promote water conservation through programs, incentives, partnership and agreements, with a focus on the Deschutes River Basin
  - Revise development code and other relevant standards to protect trees while balancing housing affordability and natural resource preservation

- Protect critical water resources and other essential city facilities with a focus on sustainability and resiliency
- Reduce pollution of Bend's air and water, with a focus on impacts to vulnerable populations
- Increase use of native plants in the public right of way to conserve water and benefit wildlife
- **Strategy: Create wildfire and emergency resiliency plans that acknowledge our changing climate**
  - Adopt a wildfire resiliency plan that includes hazard zone mapping and building and development code standards that acknowledge Bend's climate, fuel types and topography
  - Partner with state and regional efforts to reduce wildfire risk and provide relief for those who have been impacted and experienced losses
  - Create a more robust emergency management plan that is connected to regional efforts
  - Develop plans to address the risk and impact of fires on critical infrastructure

### **Goal: Safety, Health, Accountability & Justice**

*Work to create an environment where all community members feel safe accessing the services they need and confident the right service will be provided. Deliver public safety services in ways that build community resiliency and trust.*

- **Strategy: Create equitable community engagement around policing that promotes accountability and justice**
  - Advocate for improvements to the criminal justice system by leveraging national, state and regional efforts
  - Revise Police Chief's Advisory Council with a focus on community representation, transparency, public oversight and accountability
  - Build organizational capacity and connections with neighborhood associations and other community groups focusing on equitable inclusion of marginalized community members
  - Create a taskforce combining non-profit, City, County and public stakeholders to identify how a mobile crisis intervention program could be established in our community
- **Strategy: Invest in delivery of City public safety services that align with broader community values, plans and vision**
  - Invest in a community-based public safety response system for crises that don't require a traditional law enforcement approach
  - Recruit and retain a diverse workforce that reflects the community

- Ensure core services are keeping pace with a growing City and adjust staffing resources to match service demands
- Maintain response times and cardiac survivability rates for Fire/EMS services
- Protect quality of life with attention to issues such as noise and illegal fireworks

## **Goal: Shared Prosperity**

*Cultivate tomorrow's economy to assure that we are creating opportunity for all community members to equitably share in Bend's prosperity.*

- **Strategy: Optimize planning and infrastructure investments to create employment opportunities**
  - Develop land use and infrastructure plans for the Core Area (including Downtown), the Southeast, Juniper Ridge and the Bend Airport,
  - Update the City's Economic Opportunity Analysis to ensure an adequate supply of employment land
  - Use Equity Mapping to inform Bond implementation, capital project investments, and maintenance activities
  - Advocate and prepare for State and Federal resources, particularly potential COVID-19 Relief Funding
- **Strategy: Increase economic opportunity, advancement and resiliency**
  - Provide direct assistance to businesses that have been most severely impacted by COVID-19
  - Partner with key organizations to increase internet (broadband) access
  - Modernize the Utility Assistance Program through community partnerships
  - Leverage City contracting and employment opportunities to incentivize higher wages and opportunities for Black, Indigenous, and people of color (BIPOC) and women-owned businesses
- **Strategy: Align with and promote the Bend Economic Development Advisory Board Strategic Plan in attracting and retaining targeted sectors**
  - Increase affordable childcare options
  - Increase and attract green jobs
  - Promote and support public/private partnerships to create an Innovation District that provides opportunities for a learning lab
  - Invest in workforce development activities

## **Goal: Transportation & Infrastructure**

*Design, build and maintain a connected multimodal transportation system that allows people to move around safely, equitably, and efficiently. Invest in Bend's infrastructure systems to meet community expectations.*

- **Strategy: Implement policies and actions identified in the Transportation System Plan**
  - Implement the programs identified in the Recommended Near-term Programs in the Transportation System Plan and develop and track progress, including travel time predictability
  - Implement Bond and Capital Improvement Program projects and programs that address community mobility demands using Equity Mapping tools
  - Develop and adopt vision zero action plan, code changes, and design standards to eliminate traffic deaths and serious injuries
  - Advocate for and track strategies to reduce Vehicle Miles Traveled (VMT) consistent with the Transportation System Plan
  - Update Transportation System Development Charges (SDCs) and other revenue sources as identified in TSP Funding Plan
  - Prioritize the right user for the right road keeping heavy traffic out of neighborhoods
- **Strategy: Provide robust transit and mobility services with a focus on safe options in neighborhoods**
  - Track and aggressively pursue federal, state and local funding sources that provide sustainable funding for needed infrastructure
  - Partner with agencies, stakeholders, and Central Oregon Intergovernmental Council (COIC) to increase transportation options
  - Expand partnerships with Bend-La Pine Schools and the Bend Park and Recreation District with a focus on equity while funding the Neighborhood Street Safety and other programs that provide safe, connected and accessible routes
  - Construct at least one complete north/south and one east/west key route that creates a connected bike and pedestrian network
  - Implement a sidewalk program to maintain and expand the City's sidewalk network
- **Strategy: Prioritize water utility investments and programs on water conservation, resource re-use and resource recovery**
  - Adopt an Integrated Water System Master Plan with a focus on conservation
  - Implement resource recovery and reuse and conservation strategies throughout the community, including franchisees
  - Develop facility plans for the Water Reclamation and Water Filtration Facilities based on operational needs and environmental and financial stewardship

- Develop a Stormwater Master Plan that is adaptable to Bend’s continued urbanization and protects the Deschutes River

## **Goal: Housing**

*Take meaningful action to make this statement a reality: People who live and work in Bend can afford housing in Bend.*

- **Strategy: Invest in programs and partnerships that result in collaborative, concrete actions toward ending homelessness in Bend**
  - Partner with Deschutes County to create an Emergency Homelessness Task Force that results in a 5- year Community Action Plan aimed at eliminating homelessness
  - Modify City codes to allow for managed camps, shelters and other facilities to address homelessness
  - Explore and increase funding sources to obtain housing/facilities and related supportive services to serve community members who are housing insecure or experiencing homelessness
  - Create housing or facilities to house 500 homeless individuals on a temporary or permanent basis
- **Strategy: Align infrastructure investments to create buildable land for needed housing**
  - Leverage projects in the GO Bond and Capital Improvement Project plans to provide housing opportunities
  - Develop housing specific strategies and targets in the Core and Southeast Area Plans
- **Strategy: Pursue policy actions to increase the supply of housing as a platform for equity**
  - Leverage legislative opportunities to obtain housing for those most in need and provide additional opportunities for first time home ownership
  - Plan for future growth and update the City’s Housing Needs Analysis so we can match demand with supply and prepare for a revised Urban Growth Boundary
  - Remove and reduce regulatory barriers for development of housing, with an emphasis on incentivizing rent and price restricted affordable housing, middle income housing, and housing that serves vulnerable community members
  - Review existing land use designations to find more housing opportunities including the Juniper Ridge property and other publically-owned land
  - Work to ensure housing opportunities occur in all areas of the City are near schools, parks, services and employment opportunities
  - Create 1,000 units of rent and price restricted housing that’s accessible and affordable to all

### Performance Measures

Performance measures are included in the Adopted Budget to provide information on how efficient and effective the City is with resources in pursuit of meeting Council goals and management objectives.

	2017-18 Actuals	2018-19 Actuals	2019-20 Actuals	2020-21 Estimate	2021-22 Estimate	2022-23 Estimate
<b>Public Safety</b>						
<b>Police</b>						
Number of incidents dispatched calls for service	50,295	51,643	51,320	51,663	51,748	52,754
Number of officer-initiated calls for service	39,392	38,881	35,784	40,161	47,415	37,600
<i>Total calls for service</i>	<i>89,687</i>	<i>90,524</i>	<i>87,104</i>	<i>91,824</i>	<i>99,163</i>	<i>90,354</i>
Number of total calls for service per sworn staff	977	1,055	856	763	911	911
Number of mental health and suicidal subject calls	1,121	1,422	1,825	1,737	1,909	1,895
Number of citizen online reports	1,712	1,703	1,475	1,450	1,629	1,691
Number of crimes against persons per 1,000 residents	9	11	9	9	10	10
Number of crimes against property per 1,000 residents	37	38	35	33	35	35
Number of crimes against society per 1,000 residents	24	27	23	19	20	20
Number of vehicle collisions per 1,000 residents	21	22	18	18	22	24
Number of force incidents	68	93	76	60	73	73
Percentage of residents who have confidence in the Bend Police Department <sup>1</sup>	85.0%		76.0%		80.5%	
<b>Fire</b>						
Incident Count <sup>2</sup>	10,829	11,197	11,018	11,549	11,895	12,252
Average Response Time: City Limits	0:05:53	0:05:56	0:05:54	0:06:03	< 0:06:00	< 0:06:00
Average Response Time: Rural Fire Protection District	0:09:25	0:09:10	0:09:19	0:09:29	< 0:09:00	< 0:09:00
Cardiac Survivability Rate	55%	33%	64%	50%	50%	50%
Public Education Events	42	29	16	10	30	30
<b>Municipal Court</b>						
Number of cases closed (dismissed, paid in full or written off as uncollectable) per new case filed	0.73	1.20	0.96	1.43	1.06	1.06
Total Cases	16,651	14,192	8,818	3,545	8,000	8,500
Cases filed per court clerk	3,700	2,580	2,205	886	2,000	2,125
<b>Infrastructure</b>						
<b>Utilities</b>						
<b>Water</b>						
Surface/groundwater produced (million gallons/annually)	4,752	4,749	4,475	4,500	4,600	4,700
Peak day usage (million gallons per day)	28.0	26.3	26.3	27.0	28.0	29.0
Percent of annual water produced from Surface Water	52%	65%	65%	65%	65%	65%
Number of breaks/leaks per hundred miles pipe	3.1	3.3	1.3	3.5	3.5	3.5
Sprinkler Inspection Program - Number of inspections	204	167	162	185	185	185
Operating cost of Potable Water Services (cost per million gallons)	\$ 2,099	\$ 2,412	\$ 2,455	\$ 2,488	\$ 3,433	\$ 3,087
<b>Water Reclamation</b>						
Average daily flow (million gallons per day)	6.0	6.1	6.1	6.3	6.4	6.5
Annual dry tons of biosolids produced	1,488	1,577	1,597	1,645	1,694	1,745
Number of odor complaints	48	32	28	30	25	20
Number of sanitary sewer overflows (SSOs) per year	9	2	5	5	3	3
Operating cost of Wastewater Treatment Services (cost per million gallons)	\$ 1,755	\$ 1,695	\$ 1,691	\$ 1,794	\$ 1,925	\$ 2,156

<sup>1</sup> Portland State University, *Community Attitudes Regarding Public Safety in Bend, Oregon* (2021)

<sup>2</sup> An 'incident' is any call received that results in a dispatch to assist the public including fire, EMS, rescue, hazardous materials, or other calls for assistance.

**Performance Measures**

	2017-18 Actuals	2018-19 Actuals	2019-20 Actuals	2020-21 Estimate	2021-22 Estimate	2022-23 Estimate
<b>Infrastructure (continued)</b>						
<b>Utilities (continued)</b>						
<b>Stormwater</b>						
Yards of debris removed from catch basins	276	376	302	300	300	300
Storm drains cleaned/inspected <sup>1</sup>	11,295	8,458	11,870	5,600	5,600	5,600
Underground Injection Control wells (UIC) cleaned/inspected <sup>1</sup>	6,652	4,879	5,739	2,755	2,755	2,755
Number of swales maintained	1,081	1,238	762	600	600	600
<b>Utility Laboratory</b>						
Number of Drinking Water Tests	11,202	13,801	17,105	18,500	17,500	17,000
Number of Wastewater Tests	126	464	467	400	450	425
Number of Stormwater Tests	997	1,232	1,354	1,300	1,325	1,300
NELAC Accreditation	Yes	Yes	Yes	Yes	Yes	Yes
Total Tests per year	16,535	18,026	23,033	23,950	23,375	21,475
<b>Engineering &amp; Infrastructure Planning<sup>2</sup></b>						
Total number of EIPD-managed Capital Improvement Plan (CIP) Projects Budgeted	34	34	45	34	46	28
Total amount budgeted for EIPD-managed CIP Projects (millions)	\$ 37.8	\$ 59.8	\$ 83.8	\$ 81.3	\$ 72.8	\$ 49.7
Total amount spent on EIPD-managed CIP Projects (millions)	\$ 28.8	\$ 32.4	\$ 68.9	\$ 67.5	\$ 60.4	\$ 41.2
<b>Transportation &amp; Mobility</b>						
<b>Streets &amp; Operations</b>						
Miles of street cleaned / sweeping	17,986	19,811	27,607	28,492	30,000	30,000
Number of self-performed curb ramps constructed	250	306	179	287	200	200
Number of Community Service Requests (CSR) received	4,203	2,270	4,018	1,887	2,000	2,000
Overall Pavement Condition Index (PCI)	72	73	74	75	75	75
<b>Parking Services</b>						
Parking permits issued	10,645	11,648	10,477	13,383	16,696	17,000
Parking transactions	29,668	29,930	54,233	75,862	100,000	120,000
Parking utilization	not available		88%	63%	85%	85%
Operating cost of parking system	38%	43%	51%	68%	50%	40%
<b>Cemetery</b>						
Number of total burials	109	60	54	39	38	39
Years of cemetery capacity available at full build out	26	25	24	23	22	21
<b>Community &amp; Economic Development</b>						
<b>Community Development Department</b>						
<b>Building</b>						
Building permit average review times (in days)						
Commercial building	55	62	65	56	< 60 days	< 60 days
Single family	46	54	66	66	< 60 days	< 60 days
Permits Issued						
Single Family New Construction	693	620	458	494	500	500
Multi Family New Construction (Duplex and up)	101	93	224	231	200	200
Commercial New Construction	73	93	85	78	80	80
New Commercial with Residences	1	0	4	1	1	1
Average number of Inspections per day	190	174	159	194	175	175

<sup>1</sup> The reduction in cleanings and inspections beginning in 2020-21 reflects a realignment with regulatory requirements.

<sup>2</sup> Engineering & Infrastructure Planning focus on Capital Improvement Plan projects in the Water, Water Reclamation, Stormwater, Transportation Construction, 2011 General Obligation Bond Construction, 2020 General Obligation Bond Construction, Parking, and the Accessibility Construction Funds.

**Performance Measures**

	2017-18 Actuals	2018-19 Actuals	2019-20 Actuals	2020-21 Estimate	2021-22 Estimate	2022-23 Estimate
<b>Community &amp; Economic Development (continued)</b>						
<b>Community Development Department (continued)</b>						
<b>Planning</b>						
Number of applications received	813	823	874	877	850	850
Number of sign permits issued (Includes temporary signs)	352	312	330	198	200	200
<b>Private Development Engineering</b>						
Number of applications received	679	570	687	1,267	1,000	1,000
Number of inspections	4,189	3,623	3,382	9,371	7,000	7,000
Engineering - Tier 3 Infrastructure Plans average review times	68	66	58	57	< 90 days	< 90 days
<b>Code Enforcement</b>						
Number of Cases	3,315	1,530	1,592	1,794	1,500	1,500
<b>Development Services Administration</b>						
Short Term Rental Land Use Approvals	86	110	118	134	140	150
<b>Economic Development Department</b>						
Affordable housing units developed	58	44	94	55	300	100
Number of households that benefitted from Affordable Housing Program Funds to attain home ownership	3	6	10	4	10	8
Number of persons experiencing houselessness assisted	1,255	2,288	1,609	854	500	500
Active Business Licenses	6,890	7,001	6,682	6,911	7,000	7,000
<b>Airport</b>						
Square footage of new airport hangers	not available		12,000	12,000	12,000	12,000
Number of annual airport operations (takeoffs & landings)	122,045	135,196	148,347	161,498	174,649	187,800
<b>Administration &amp; Central Services</b>						
<b>Administration &amp; Financial Services</b>						
<b>Communications</b>						
Average City of Bend website visits per month	57,029	63,080	68,575	73,200	87,840	87,840
Average social media engagements per month	data not available			9,018	10,822	10,822
Percent of survey respondents that felt engaged with their Neighborhood Association	data not available			43%	50%	50%
<b>Human Resources</b>						
One-year turnover count	not available	7.3%	8.8%	12.1%	9.4%	9.4%
Number of voluntary resignations	32	33	37	66	45	45
Number of involuntary resignations	5	4	7	6	6	6
Number of retirements	40	6	11	8	8	8
<b>Financial Services</b>						
Receive the Distinguished Budget Presentation Award from the Government Finance Officers Association	Yes		Yes		Yes	
Receive the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association	Yes	Yes	Yes	Yes	Yes	Yes
<b>Performance Management</b>						
Data sets prepared and published for public use, download, and redistribution	data not available				3	3
<b>Information Technology</b>						
Wireless network uptime (outside of maintenance windows, planned downtime)	99.99%	99.99%	99.99%	99.99%	99.99%	99.99%
Percent of support request survey response rated 'satisfied'	99%	99%	99%	99%	99%	99%
Percent of support request survey responses rated 'resolved' and 'timely'	97%	98%	98%	98%	99%	99%
Percent of support requests resolved on the first customer call (15 minutes)	12%	18%	15%	14%	19%	20%

**Performance Measures**

	2017-18 Actuals	2018-19 Actuals	2019-20 Actuals	2020-21 Estimate	2021-22 Estimate	2022-23 Estimate
<b>Administration &amp; Central Services (continued)</b>						
<b>Facilities</b>						
Operating cost per square foot of facility maintained	\$ 17.13	\$ 12.66	\$ 15.62	\$ 13.27	\$ 22.22	\$ 21.63
<b>Fleet Management</b>						
Overdue preventative maintenance rate <sup>1</sup>	data not available		12%	11%	5%	5%
Fleet age for passenger and non-specialty vehicles (years)	data not available		11	11	10	10

<sup>1</sup> Each fleet vehicle or piece of equipment has a schedule for periodic preventative maintenance (PM) based on mileage and hours (utilization based) or by timing (frequency based). The overdue PM rate shows the amount of vehicle/equipment services that are completed based on the schedule.