

The meeting of the Bend Budget Committee was called to order at 5:33 P.M. in the City Council Chambers at Bend City Hall, 710 NW Wall, by Mayor Pro Temp Linda Johnson. Present were Budget Committee Members Barbara Doherty, Norm King, Rockland Dunn, Jan Lee and City Councilors Mark Capell, Chris Telfer, Peter Gramlich, and Linda Johnson. Budget Committee Members Tom Pickell and Rich Taylor and Councilors Jim Clinton, Bill Friedman, and Mayor Bruce Abernethy were absent

1. Introduction of Budget Committee Members

Members introduced themselves.

2. Election of Presiding Officer of Budget Committee

Councilor Telfer nominated Rockland Dunn as chairperson of the Budget Committee. Councilor Capell seconded the motion which passed unanimously, 8/0.

3. Public Hearing on the Possible Uses of State Shared Revenues

• **Staff Report**

Finance Director Margaret Echeveste explained that the hearing is one of two required hearings for a City to receive state revenue sharing, liquor and cigarette revenues and state highway apportionment. In the upcoming fiscal year the City expects to receive over \$600,000 from state revenue sharing, over \$900,000 from liquor tax revenue, and over \$100,000 from cigarette tax revenue for a total of \$1.7 million for the General Fund. \$3.6 million is estimated from state highway revenue. Revenue will be used to support general city services.

• **Public Hearing**

Chair Dunn opened the public hearing at 5:37 P.M. Hearing no comments, the public hearing was closed.

4. Delivery of Budget Message; 07/09 Biennial Budget Distributed

Budget Officer and City Manager Andy Anderson delivered the balanced budget to the Bend Budget Committee. Mr. Anderson delivered the budget message as provided in the budget document. The City has gone to a two year budget cycle. Goals and objectives received from Council were addressed in the budget. Mr. Anderson reviewed the goals.

About 50 additional staff are proposed. About 50 percent will be in the Police and Fire departments and about 31 percent will be in Water, Water Reclamation and Stormwater

departments. Four new staff are proposed in the Information Technology department. There will be a reduction in the Community Development department staffing levels of about nine people. This is accomplished through attrition and positions that were not filled. This reduction reflects the decrease in permit levels.

Stress points were addressed in the budget and include stormwater program funding, street system maintenance, and public transit operations and infrastructure for accessibility, transportation system, water reclamation, and facilities. The stormwater utility will be addressed through a utility fee. Accessibility infrastructure improvements are funded by general discretionary revenues.

There is approximately \$11.3 in the budget for the Juniper Ridge project.

The budget proposes utility fee increases. Council set policy directives that building, planning and engineering fees will pay for those services. This budget follows that direction. Council also gave direction to reduce turnaround times for processing permits.

The second year of the biennial budget has no working capital because the figures are not known.

Councilor Johnson asked how the biennial budget will be addressed at the end of the first fiscal year. Mr. Anderson explained that the Budget Committee will come in for an abbreviated process at the end of the first fiscal year.

Member Doherty referred to authorized positions and asked how many actual positions are filled. Staff will provide this information at a future meeting. The City issues about 500 paychecks but this includes temporary employees.

Member King asked for further explanation of the two-year budget process. He had thought that at the end of the first fiscal year the Committee would look at the next two years. He thought the goal of the biennial budget was to provide opportunity to look at the two year horizon. Mr. Anderson explained that the biennial budget was modeled after the state's budget and is a two year budget. A five year financial plan will also be created. Member King is concerned that the second year budget won't be accurate.

Member Doherty suggested that, eight months into the first year, if the projections are too far off, the Committee may want to consider revisiting the budget at the end of the first fiscal year.

Mr. Anderson explained that City Council authorized moving to a biennial budget process. Member King encouraged the Committee to keep open minds. The Committee may want to do a more thorough process at the end of the first fiscal year.

Member Lee asked if the Finance Committee recommendations were incorporated into the budget. Councilor Telfer did not believe much had been incorporated. One of the

Finance Committee members working on the model resigned from the Committee. Member King added that two members were working on the model and there is some data available. He is still working on it. Members King and Pickell are spearheading the effort.

Chair Dunn referred to the inability to predict working capital carry forward and how it affects the budget. Mr. Anderson responded that it only affects contingencies.

Member Lee referred to the state process where the emergency board deals with additional issues. Council will serve in this role.

5. Consider Agenda for Budget Committee Meetings

Councilor Johnson left the meeting at 6:13 P.M.

Ms. Echeveste distributed a copy of the proposed agenda. Presentations will be made on a departmental basis. The committee made no changes to the agenda and decided not to establish a nightly conclusion time.

6. Adjourn

Chair Dunn closed the meeting at 6:18 P.M.

Respectfully submitted,

Patricia Stell
City Recorder

/km