



CITY OF PORTLAND
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TO: City Elected Officials

CC: Ken Rust

FROM: Andrew Scott, Financial Planning Manager

RE: FY 2008-09 Spring Major Supplemental Budget

DATE: May 13, 2009

The FY 2008-09 spring major supplemental budget increases expenditures by a total of \$15,821,403 and appropriations by a total of \$13,856,200 in eight funds. State law generally requires Council to adopt a major supplemental budget when a fund's expenditures will increase by 10% or more. For the spring BuMP, eight funds meet this criterion.

FY 2008-09 Spring Major Supplemental Budget Summary	FY 2008-09 Revised Budget (AP 10)	Increase in Expenditures	Change in Contingency or Transfers	Total Budget After Major Supplemental
Emergency Communication Fund	\$20,460,853	\$6,728,082	(\$500,000)	\$26,688,935
Portland Parks Memorial Trust Fund	\$2,969,629	\$413,053	(\$156,942)	\$3,225,740
Police Special Revenue Fund	\$0	\$589,560	\$91,739	\$681,299
River District URA Fund	\$26,290,382	\$3,427,438	\$0	\$29,717,820
North Macadam URA Fund	\$6,737,917	\$2,567,122	\$0	\$9,305,039
Gateway URA Fund	\$2,253,300	\$380,945	\$0	\$2,634,245
Willamette Industrial URA Fund	\$397,151	\$315,203	\$0	\$712,354
Fire GO Bond Construction Fund	\$19,469,035	\$1,400,000	(\$1,400,000)	\$19,469,035
Total	\$78,578,267	\$15,821,403	(\$1,965,203)	\$92,434,467

The primary difference between the major supplemental budget and other BuMP actions is the requirement that the Tax Supervising and Conservation Commission (TSCC) hold a public hearing on the major supplemental budget. The TSCC hearing on this major supplemental budget is scheduled for May 27, 9:15 – 9:45 AM, in the TSCC offices. Your attendance is welcome but not required. Council is scheduled to adopt the spring major supplemental budget on May 27 at a 2:00 PM time certain. A summary of the specific actions requested in each fund is below.

Emergency Communication Fund (Fund 202)

The City is preparing to replace the Bureau of Emergency Communications' computer-aided dispatch (CAD) system. Until now, the CAD project has been budgeted in the General Fund as part of the Public Safety Systems Revitalization Project, an umbrella project to replace several critical public safety information technology systems. The City has determined that it is more appropriate to budget the new

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CAD system in the fund that will own the asset, the Emergency Communication Fund. Therefore, the \$6,128,082 budget (comprised of \$4,000,000 in debt proceeds and \$2,128,082 in General Fund discretionary resources) is being transferred from the General Fund to the Emergency Communication Fund. BOEC is also recognizing \$100,000 in new revenue and transferring \$500,000 from fund contingency to cover potential over-expenditures in overtime and external materials and services (M&S).

Portland Parks Memorial Trust Fund (Fund 220)

The Parks Bureau is recognizing \$256,111 in new revenues and withdrawing \$171,942 from contingency in the Parks Trust Fund to budget for a variety of summer projects and programs that may have costs in June, before the close of the fiscal year. The Parks Bureau is budgeting for summer projects more aggressively this year, assuming a significant percentage of costs will be incurred in June, because of new “hard stops” on spending at the individual trust level within the fund. The hard stops are a feature of the City’s new financial system (SAP). Funds will be budgeted for the following summer projects and programs: Sullivan’s Gulch Trail, Nike Play Pass Program, Oregon Environmental Education Program, St. Johns Racquet Club, Adidas Youth Running Program, SUN Community Schools, South Waterfront Boat Dock, Ross Island Revegetation, and Woodstock Building Opera. In addition, the Parks Bureau will move \$418,532 from internal M&S to personal services because SAP treats intra-bureau, inter-fund staff costs as personal services costs. The City previously classified these expenses as internal services costs.

Police Special Revenue Fund (Fund 222)

The Police Bureau regularly receives revenues that are legally restricted or otherwise committed to specific purposes, including federal and state forfeiture proceeds, donations to the Gang Resistance Education and Training program, donations to the WomenStrength and GirlStrength programs, and donations to the Employee Assistance program and the Police Special Contributions fund. In the past these revenues have been received and expended through off budget trustee accounts. With the SAP implementation, the revenues and associated expenditures will now be recorded in the City’s financial system and included in the City’s budget. For legal and fiduciary reasons, the Office of Management & Finance (OMF) and the Police Bureau have determined that the revenues and expenditures should be housed in a new fund. The new fund will have a budget of \$681,299 in FY 2008-09. Council will consider an ordinance to create the new fund on May 27, along with the major supplemental budget and BuMP.

River District URA Debt Redemption Fund (Fund 301), North Macadam URA Debt Redemption Fund (Fund 313), Gateway URA Debt Redemption Fund (Fund 315), Willamette Industrial URA Debt Service Fund (Fund 316)

Tax increment collections and beginning fund balance were higher than expected in these four urban renewal areas. OMF will appropriate the unanticipated resources, as well as some additional interest income, so that the funds will be available for debt service and other project costs. The requested appropriation increases are \$3,427,438 for the River District fund, \$2,567,122 for the North Macadam fund, \$380,945 for the Gateway fund, and \$315,203 for the Willamette Industrial fund.

BFRES Facilities GO Bond Construction Fund (Fund 400)

This fund finances the construction and remodel of fire stations, with most project expenses budgeted in either capital or internal M&S. With the implementation of SAP, some expenses previously charged to internal M&S (via interagency agreement with the Facilities Fund) may instead be charged directly to external M&S in the GO Bond Fund. OMF is therefore transferring \$1,597,000 to external M&S to prevent over-expenditure of a major expense category should this occur. Funds will be transferred from capital (\$247,000) and fund contingency (\$1,350,000). In addition, \$50,000 will transferred from fund contingency to cover bond issuance expenses incurred last fall.