



CITY OF PORTLAND
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TO: City Elected Officials
CC: Ken Rust, Jennifer Sims
FROM: Andrew Scott, Interim Financial Planning Manager
RE: **FY 2008-09 Major Supplemental Budget - Grants Fund**
DATE: February 17, 2009

The attached ordinance will adopt a major supplemental budget for the Grants Fund. State law generally requires Council to adopt a major supplemental budget when a fund's expenditures will increase by 10% or more, after excluding contingency, transfers, and fund balance. This major supplemental budget is entirely technical in nature.

Bureaus typically carry funds over from one fiscal year to the next in the fall BuMP. This year, bureaus were not permitted to carry grant funds over in the fall BuMP because of the SAP implementation. Grant funds from FY 2007-08 must now be carried over in the winter budget action instead. As SAP requires the City to budget all grant expenditures in the central Grants Fund, the increase in appropriation will occur all in one fund. (In the City's previous financial system, IBIS, grant monies were transferred from the Grants Funds to various operating and capital funds throughout the City, where the expenditures were budgeted.) The increase in Grants Fund appropriation is large enough to require a major supplemental budget.

In addition to carrying grant funds over from FY 2007-08, this major supplemental budget will also make technical adjustments related to the SAP implementation. Some appropriation moved from fund transfers to expenditure lines in the fall BuMP will be moved back into fund transfers, based on final information from IBIS.

The following chart shows the changes to the Grants Fund budget.

Major Supplemental Budget Summary	FY 2008-09 Revised Budget	Increase in Expenditures: FY 2007-08 Carryover	Increase in Fund Transfers	Total Budget After Major Supplemental
Grants Fund	\$49,286,375	\$28,748,832	\$890,230	\$78,925,437

The primary procedural difference between a major supplemental budget and other budget adjustments 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 Monday, March 2, 4:00 – 4:30 PM, in the TSCC offices on the 15th floor of the Portland Building. Your attendance is welcome but not required.

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