



CITY OF PORTLAND
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From: Andrew Scott, Financial Planning Manager

Date: February 10, 2011

Subject: Winter Budget Monitoring Process (BMP) FY 2010-11

In the Winter Budget Monitoring Process (BMP), City bureaus report on financial and program performance during the current fiscal year and request adjustments to the current fiscal year budget. The Winter BMP was discussed by Council on Tuesday, February 8, 2011 at 9:30am in Council Chambers. The Winter BMP ordinance is scheduled to be heard by Council on February 16, 2011 at 9:30am.

This memo summarizes the highlights the Mayor's proposed supplemental budget. FPD's full analysis of the requests from bureaus and the financial performance of the bureaus was distributed prior to the worksession and is posted online. Bureau submittals are also available online on FPD's website.

General Fund Summary

The BMP as filed includes a total draw on contingencies and set-asides in the General Fund of \$3.7 million in FY 2010-11. This includes the following allocations:

- **\$2,442,369 Capital Set-Aside:** Funding totaling \$2,442,369 was set aside in the Fall BMP for capital maintenance and replacement. This amount is increased by \$162,013 to reflect the refund received by the General Fund from the Campaign Finance Fund (see below for details on this refund). A total of \$4.4 million was requested by bureaus for this set-aside funding. The BMP, as filed, would fund \$2.6 million of those items as detailed in Exhibit #3 of the ordinance.
- **\$800,000 Compensation Set-Aside:** Funding was set aside in the Fall BMP as an additional hiring resource for public safety bureaus to address staffing level gaps associated with expected retirements. Police has requested and FPD has recommended \$800,000 for this purpose.
- **\$222,443 Contingency:** A total of \$1,050,326 in new expenditures was requested from the FY 2010-11 General Fund contingency. There is currently \$1,173,711 budgeted in contingency for the remainder of the fiscal year. The BMP, as filed, includes items totaling \$727,520 as detailed in the Exhibit #3 of the ordinance. Contingency will be replenished from several sources. Council has directed a portion of the Utility License Franchise (ULF) fee to go to Transportation. Transportation (PBOT) is returning \$394,974 to the General Fund to true up the current year's Utility License Fee transfer. In addition to the amount being refunded to the General Fund by the Campaign Finance Fund, the General Fund will also save the current year's budgeted transfer (\$102,610) along with a \$7,493 General Fund Overhead true up. These amounts are moved to contingency. The amount remaining in General Fund Contingency after all of these changes is \$951,268.

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Major Non-General Fund Changes

The following summarizes major changes proposed in non-General Fund bureaus. The total increase in appropriation Citywide is estimated \$25.9 million.

- **Transportation Operating Fund (200):** Appropriation in this fund is increased by \$69,200. This is net of the following transactions – a \$400,000 increase from the Capital set-aside for Streetlight infrastructure replacement, a \$394,974 contingency reduction due to the final Utility License Fee adjustment and a \$64,174 refund due to the closing of the Campaign Finance Fund.
- **Housing Investment Fund (213):** \$4.7 million of unallocated Section 108 loan authority is reduced from the FY 2010-11 budget. This authority will be budgeted during development of the FY 2011-12 budget.
- **Grants Fund (217):** Parks, Police, Transportation, and Emergency Management have a number of changes in the fund that generate a net increase in appropriation of \$541,225.
- **Community Development Block Grant Fund (218):** Transfers of program resources from PDC account for most of the net increase in appropriation of \$447,033.
- **HOME Grant Fund (219):** Fund resources are increased by \$292,669, primarily as the result of recognizing unspent prior year allocation.
- **Portland Parks Memorial Trust Fund (220):** A \$418,592 Beginning Fund Balance true-up to the CAFR is primarily related to how the Trust Fund's sub-funds appropriate restricted funds from private donations. The sub-funds are budgeted at the total amount to avoid hard budget stops in SAP. This results in higher beginning fund balances.
- **Tax Increment Financing Reimbursement Fund (221):** Appropriation in this fund is reduced by \$27.6 million to reflect the timing of actual spending of several major projects. These projects are to be rebudgeted in FY 2011-12.
- **Police Special Revenue Fund (222):** Beginning fund balance is increased in this fund by \$802,795 to cover planned expenditures.
- **Various URA Debt Funds:** Beginning balance is increased by \$7.6 million to true up to the FY 2009-10 CAFR ending fund balance. Expenses associated with these funds are urban renewal debt, both long- and short-term.
- **Portland Parks Capital Construction and Maintenance Fund (402):** A \$2,055,785 Beginning Fund Balance true-up to the CAFR is primarily related to project construction delays due to weather and other causes.
- **Public Safety GO Bond Fund (403):** Funds are appropriated in the amount of \$46.6 million to reflect the recent public safety bond levy.
- **Transportation Parking Facilities Fund (606):** Appropriation in this fund has increased by \$3,902. This is the result of a net zero \$933,197 shift from contingency to bond expenses in order to call the remaining bonds associated with the 2001 Series A Parking System Revenue Refunding Bonds and a \$3,902 refund due to the closing of the Campaign Finance Fund.
- **Facilities Services Operating Fund (701):** A request of \$2 million for General Fund resources to fund the purchase of the Kelly Building is partially recommended at \$831,514. This funding would be transferred to fund 701, increasing the fund's appropriation.
- **Technology Services Fund (706):** The budget for the Radio Replacement Project of the Public Safety Systems Revitalization Project is being removed from the Technology Services Fund and added to the new Public Safety General Obligation Bond Fund. Therefore, \$7.1 million is being reduced in program expenses, with a corresponding increase in contingency.

Position Changes

The following position changes are contained in the Fall FY 2010-11 BMP, as filed:

- **PBOT:** 15.0 permanent FTE:
 - 10.0 FTE within the Street and Traffic subdivisions within the Maintenance Division: 1.0 Automotive Equipment Operator I (AEO); 1.0 AEO II; 6.0 Utility Worker IIs; 1.0 Public Works

- 3.0 FTE Timekeeping Specialists to be funded from bureau contingency.
- 1.0 FTE Transportation Demand Specialist I funded by existing grants.
- 1.0 FTE Utility Worker II position to be funded by a concurrent reduction in the bureau's external materials and services.
- **ONI:** 1.0 FTE limited term volunteer graffiti abatement program coordinator, funded through the end of the fiscal year.
- **Police:** 1.0 FTE limited term position to address graffiti funded through the end of the fiscal year.
- **City Attorney:** One new permanent full-time position and the conversion of a limited term position to permanent full-time for Portland Harbor Superfund legal services. The positions are funded via an interagency agreement with BES.

Campaign Finance Fund Reimbursement

In the November 2010 election, the voters decided to discontinue the City's Campaign Finance system. As a result the City is closing the Campaign Finance Fund in this current fiscal year. The fund has a current balance of \$503,224, after deducting \$20,000 for fund administration costs and \$22,543 for General Fund overhead charges.

According to Oregon Revised Statute 294.475, any resources remaining in a city fund when it is closed are transferred to the General Fund, unless other designations of funds are stipulated in City Charter, relevant law, or provisions established at time of fund creation. This ordinance distributes the funds back to payee bureaus/funds based on the same allocation methodology of payments into the fund. The General Fund portion has been added to the available capital set-aside, as noted in the General Fund section above.

Attachments.

C: Ken Rust
Rich Goward