



**CITY OF PORTLAND**  
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To: Mayor Tom Potter  
Commissioner Sam Adams  
Commissioner Randy Leonard  
Commissioner Erik Sten  
Commissioner Dan Saltzman  
City Auditor Gary Blackmer

From: Casey Short, Interim Manager  
Financial Planning Division

Subject: FY 2006-07 Winter Budget Monitoring Process and Minor Supplemental Budget

In the Winter Budget Monitoring Process (BuMP), City bureaus report on financial and program performance through the first six accounting periods (ending December 13, 2006), request adjustments to the current fiscal year's budget, and project year-end balance. The Financial Planning Division (FPD) has prepared this document to summarize the highlights of bureau submissions for the Winter BuMP and Minor Supplemental Budget. FPD's full analysis of the requests from bureaus and the financial performance of the bureaus is attached to this memorandum.

The winter BuMP Ordinance to adopt amendments to the FY 2006-07 Revised Budget will be considered on February 21, 2007. Exhibits to the ordinance include a revised Schedule of Appropriations (Exhibits 1a and 1b), BuMP and Minor Supplemental Budget adjustments (Exhibit 2), and vehicle and equipment requests (Exhibit 3).

### **Summary of Major Actions**

The BuMP adjusts budgets that show a decrease or no change in total resources and requirements. There are thirteen funds requesting BuMP adjustments, with a net decrease of \$1.4 million. The Minor Supplemental Budget adjusts budgets that increase by less than 10%. The winter Minor Supplemental Budget increases resources and requirements by \$7.4 million, in fourteen funds. The largest of these are the General Fund (\$2.2 million), River District URA Debt Redemption Fund (\$1.5 million), Parks Capital Construction & Maintenance Fund (\$1.1 million), and Federal Grants Fund (\$900,000). See below for discussion of these actions.

### **Review of Significant Budget Adjustment Process (BuMP) Requests**

Thirteen funds request technical changes in the budget adjustment process; the major changes are in the Water Fund and the internal services funds.

### Water Fund

The fund has a net decrease of \$905,591. This is pursuant to the Council's fall BuMP decision to keep the Business Solutions section of Utility Customer Service with the Revenue Bureau. The action includes two positions.

### Internal Service Funds

In the internal service funds, the major change involves the Public Safety Systems Revitalization Project (PSSRP). The action reduces the General Fund transfer of \$1,259,635 to the Technology Services Fund, appropriating those funds in OMF Special Projects (AU 381). The Fleet Services Operating Fund increases \$673,881, for additional vehicles requested by bureaus.

## **Review of significant Minor Supplemental Budget Requests**

### Federal Grants Fund

In the Federal Grants Fund, the City recognizes an additional \$901,153 from various grants. The largest items in this category include the Police Bureau receiving \$219,853, the Fire Bureau receiving \$306,300, and the Bureau of Environmental Services receiving \$300,000.

### Parks Capital Construction & Maintenance Fund

The fund shows an increase in resources and requirements in the amount of \$1,130,000. This is due primarily to projects funded by the Portland Development Commission related to Waterfront Park and Ankeny Plaza improvements. Other changes include a transfer from the Bureau of Environmental Services for a bioswale project and an ODOT grant to complete the Swan Island Waud Bluff trail.

### River District Urban Renewal Debt Redemption Fund

The fund has an increase in beginning balance in the amount of \$1,627,717. This is due to unanticipated assessment value growth of the district; tax increment collections were higher than the debt service in FY 2005-06. This budget adjustment recognizes the unspent tax increment collections from the prior year in the form of beginning fund balance and appropriates it for debt service. The amount of the adjustment is only \$1.5 million, to keep the action within Minor Supplemental Budget limits. If additional funds are required to be recognized for debt service, another action will be taken in the spring BuMP.

### General Fund

The General Fund shows a net increase in resources and requirements of approximately \$2.2 million. The major changes include:

- \$1.7 million from BES and Water to the Revenue Bureau to support the Business Solutions team in the Revenue Bureau, correcting interagency transfers in the fall BuMP that moved Utilities Customer Service to the Water Bureau. There is no net increase in cost for this action.
- \$551,000 in additional grants, for Police and Fire.
- \$457,000 from Risk Management for overhead charges that were underpaid in a prior year. These funds will increase contingency.
- Reduction of \$352,000 in revenue from Multnomah County as a result of the conclusion of the County's I-Tax. This results in elimination of six limited term positions in the Revenue Bureau.
- Reduction of \$600,000 in a transfer from the Fire & Police Disability & Retirement Fund, as staff will be housed in the new F&PD&R Bureau rather than in the Auditor's Office. There is no change in cost for this action.

### General Fund Contingency Requests

In this ordinance, the amount requested from General Fund contingency is \$1,052,298. There are two requests to add to contingency, totaling \$516,943, producing a net contingency request of \$535,355.

Bureaus requesting additional funding include:

- Bureau of Police (Total): \$314,510
  - Background Investigators (10 FTE) \$224,650
  - Internal Affairs Investigators (4 FTE) \$ 89,860
- Special Appropriation – Rose Festival: \$250,000
- Regional Arts Council: \$200,000 (ongoing)
- Bureau of Development Services: \$133,208
  - Measure 37 positions (1 new FTE)
- Bureau of Housing & Community Development \$ 82,000
  - Project Respond
- Bureau of Planning: \$ 72,580
  - Measure 37 positions (3 FTE)
- Risk Management (\$456,943)
  - Correct prior GF Overhead payment
- Special Appropriation – Schools Initiative (\$ 60,000)
  - Carry over to FY 2007-08

If the ordinance is adopted as submitted, General Fund contingency will be reduced to \$770,622.

Positions Requested in the winter BuMP

The attached spreadsheet includes positions approved in the BuMP.