



CITY OF PORTLAND

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Financial Planning Division

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To: Mayor Tom Potter
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From: Casey Short
Financial Planning

Date: June 1, 2006

Subject: **FY 2005-06 Spring Major Supplemental Budget Ordinance**

This ordinance adopts the FY 2005-06 Spring Major Supplemental Budget. The total appropriation being added to City funds is \$700,000.

The list below identifies all involved funds and the amounts appropriated to each. Following is a description of the actions requested within this major supplemental. If you would like additional information, please call Casey Short at 503.823.5707.

	FY 2005-06 Revised	Supplemental Action	Total Budget
BFRES Facilities GO Bond Construction Fund	\$ 9,889,800	\$ 0	\$ 9,889,800
Convention & Tourism Fund	\$ 2,422,160	\$ 700,000	\$ 3,122,160
Parking Facilities Fund	\$ 12,984,500	\$ 0	\$ 12,984,500
Sewer System Rate Stabilization Fund	\$ 32,975,660	\$ 0	\$ 32,975,660
Total		\$ 700,000	

Below is a summary of the actions in each fund.

BFRES Facilities GO Bond Construction Fund, 501

The BFRES Facilities GO Bond Construction Fund is transferring \$1,263,000 from Contingency and reducing Equipment Cash Transfers by \$274,000, to provide an additional \$1,537,000 in Capital Outlay. This is required to pay for fire station construction that was budgeted, but not completed, in the prior fiscal year. This budget adjustment is needed to cover the costs of these projects that weren't included in the FY 2005-06 budget.

Convention & Tourism Fund, 201

The Convention & Tourism Fund receives a 1/6 share of transient lodging tax revenues, which it pays to POVA for marketing under provisions of a contract, pursuant to a Charter requirement that 1% of the 6% transient lodging tax go to an organization to promote conventions and tourism. Transient lodging tax revenues have been higher than budgeted, so the additional revenues and payment to POVA need to be adjusted.

Parking Facilities Fund, 159

This Fund is making an interfund loan of \$2,306,000 to the Insurance & Claims Fund to cover that fund's cash flow needs for year-end. Most of this money (\$1.8 million) is coming from Contingency, with an additional reduction of \$581,000 for major maintenance work that isn't needed. There are small adjustments in External Materials & Services and Capital Outlay. The Insurance & Claims Fund needs the money to cover claims costs, and its reserves are not available for appropriation. They have been appropriated in the FY 2006-07 budget, and payment of the loan will be made on July 1. The BuMP ordinance will include authorization for the interfund loan, as required by local budget law. (The Insurance & Claims Fund is not in the Major Supplemental Budget because local budget law exempts internal service funds from supplemental budget requirements.)

Sewer System Rate Stabilization Fund, 632

This fund is making a \$6 million interfund loan to the Transportation Operating Fund to provide cash to complete projects for which Transportation will be reimbursed in the coming fiscal year. Transportation will repay the loan with reimbursement proceeds. There is also a \$463,000 increase in the transfer to the Sewer System Operating Fund, for expenses associated with the Clean River Rewards Program. The BuMP ordinance will include authorization for the interfund loan, as required by local budget law. (The Transportation Operating Fund is not in the Major Supplemental because the \$6 million increase is less than the 10% threshold in budget law.)