

CITY OF PORTLAND

OFFICE OF MANAGEMENT AND FINANCE

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Bureau of Financial Services

February 25, 2008

To: Mayor Tom Potter

Commissioner Sam Adams Commissioner Randy Leonard

Commissioner Erik Sten Commissioner Dan Saltzman City Auditor Gary Blackmer

From: Casey Short, Manager

Financial Planning Division

Subject: FY 2007-08 Winter Budget Adjustments

This memo summarizes the actions requested in a consolidated budget adjustment ordinance to be considered by Council on March 5, 2008. This ordinance replaces the normal winter BuMP, which was cancelled this year to provide time for staff to work on EBS implementation. FPD is coordinating this action in response to notice from some bureaus that they needed to adjust their FY 2008-09 budgets sooner than the spring BuMP.

The winter 2008 Major Supplemental Budget will also be brought to Council on March 5, 2008 through a separate ordinance. This process is required for funds that increase resources and requirements by more than ten percent.

Exhibits to the ordinance include a revised Schedule of Appropriations (Exhibits 1a and 1b) and budget adjustments (Exhibit 2).

Summary of Major Actions

The winter 2008 Budget Adjustment Ordinance includes adjustments in six funds: General, Transportation Operating, Sewer System Operating, General Reserve, Health Insurance Operating, and Printing & Distribution Services Operating funds. (The Solid Waste Management and Spectator Facilities funds are in the Major Supplemental Budget.)

General Fund expenditures increase by \$1,852,689. The largest is an encumbrance carryover request from the Bureau of Housing & Community Development of \$1,677,689, which should have been requested in the fall BuMP but can be requested now. Funds are available in the General Fund contingency, in an account reserved for encumbrances. There is one other request for General Fund contingency, \$55,000 for the Office of Cable and Franchise Management to continue work on the Community Fiber Network project, as directed by Council at its November 20, 2007 work session on the project.

Other General Fund requests are:

- \$105,000 for Purchasing, for services to PDC, which is providing the funds. No net impact to General Fund.
- \$15,000 for BHCD, recognizing a grant and budgeting the grant award. No net General Fund impact.
- Four technical adjustments, with no net impact:
 - ➤ Shift \$63,988 in Office of Human Relations Special Appropriation from Materials & Services to Personal Services, for 2 FTE
 - ➤ Transfer funding for Labor Management Committee support from OMF to the Special Appropriation for the LMC (\$50,000)
 - ➤ Shift \$25,228 in ONI from Materials & Services to Personal Services to extend a limited term position
 - Transfer funding for City Service Initiative from Mayor's Office to OMF (\$22,000)

The Transportation Operating Fund has a net increase of \$1,980,000, in two requests. The larger request is for \$1.7 million for the LED Traffic Signal Replacement Project, funded with bond proceeds backed by revenues that have previously been budgeted in Materials & Services. There is also \$280,000 for Green Streets, funded by the Bureau of Environmental Services through an increase in their interagency agreement. It adds three full-time permanent positions and funding for related materials & services.

The Sewer System Operating Fund is reducing Capital Outlay by \$280,000 to fund the increased IA with PDOT. There is no net fiscal impact to the fund.

The General Reserve Fund has a transfer from fund contingency to the Health Insurance Fund in the amount of \$306,000 to pay for the Blood Screening (\$280,000) and Physical Activity (\$26,000) programs. These funds are available in a dedicated account for the Health Insurance Fund in the General Reserve Fund's contingency; there is no impact on the City's general reserves.

The Health Insurance Fund has a net increase of \$306,000 for the Blood Screening and Physical Activity programs as discussed above.

The Printing & Distribution Services Fund increases \$475,000 for work related to the Residential Outreach Program in OSD's Solid Waste program. Funds are from the Solid Waste Management Fund

Summary of Positions Requested

Bureau of Human Resources: One limited-term Benefits Specialist to implement the new medical benefit plan for the seasonal maintenance workers.

Office of Neighborhood Involvement: One limited-term Program Specialist to perform work related to the performance measures for the bureau.

Office of Transportation: One full-time permanent Construction Equipment Operator I and two full-time permanent Utility Worker II. These positions are for the Green Street Projects.

Office of Human Relations: One permanent full-time Senior Administrative Specialist and one permanent full-time manager. This is in accordance with Resolution 36571 supporting the creation of an Office of Human Relations.

RECOMMENDATION

Financial Planning recommends Council approval of the Winter budget adjustment ordinance.

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