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Adams proposes business-friendly budget

Portland Business Journal - by [Andy Giegerich](#) Staff Writer

Portland Mayor Sam Adams' proposed 2009-10 budget, unveiled Friday, calls for \$8.8 million in cuts but steers more money to small businesses and economic development.

The \$375 million budget includes 159 fewer employees than last year. The employee count includes 115 positions that have gone unfilled since Adams asked bureau heads earlier this year to submit budgets that assume a 5 percent cut.

Overall, the budget calls for a 2.66 percent cut to the city's discretionary spending levels. In comparison, the state could experience cuts in the 20 percent range, or more than \$4.4 billion, while Multnomah County's most recent projections call for a \$42 million cut, or 12 percent.

Adams said by increasing certain human service program allotments by 30 percent, the city can help defray some of the cuts at the state and county level.

The relatively minimal cuts stem from the city's recent strong economic performance.

"We were last into this recession and much of the general fund comes from business licenses," Adams said. "We also get a lot of one-time funds, and have slowed our spending in general."

The city expects to collect \$14 million in one-time funds for human services programs, business support, housing and public safety.

Portland and other Oregon cities also don't get hit as hard when property values drop because state measures limit the amount property tax revenue can rise or fall, said Andrew Scott, the city's financial planning manager. Plus the city offers projected five-year budgets that are updated each year, making it easier to plan conservatively for future spending, he said.

Several city bureaus fared better than others. The city plans to spend an extra \$12 million on transportation packages. Much of that money comes from federal stimulus funds and an hourly 25-cent increase in parking costs.

The Bureau of Environmental Services could also benefit from an extra \$4 million, with \$5 million in stimulus funds and \$2.1 million in new harbor fees helping to offset around \$5.5 million in reductions.

Adams also touted what he called a 27 percent increase in new small business program funds that provide more legal assistance, storefront improvements and mentors for entrepreneurs.

"About 84 percent of our small businesses employ 10 workers or less, and we're offering new programs that increase their exports and improve their storefronts," he said.

The Portland Development Commission could receive about \$2.5 million that it would apply toward job creation and planning goals. For instance, the commission's leaders want to help the city achieve its goal of creating "20-minute neighborhoods" that provide most services within walking distances.

The commission could also receive \$3.2 million in one-time funding.

On the other hand, the Bureau of Development Services could face \$6.6 million in cuts, mainly through reducing vacancies and materials purchasing. The Fire and Rescue division's budget could face \$920,000 in cuts, but Adams said the division won't need to close a fire station next year, as

department officials had suggested.

Adams said of the nearly \$9 million in cuts, about 62 percent will come from administrative costs, rather than cutting programs.

While Scott believes the proposed budget is solid, economic woes could make it far more difficult next year.

“It’s hard to know what’s coming in 2010-11 with the economy the way it is,” he said.

The City Council will consider the budget over the next two months and finalize it before the one-year budget cycle begins on July 1.

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