Office of Management & Finance

April Five-Year Forecast

for the City of Portland General Fund

As of....	03-May-2010	Previous Forecast.....	01-Dec-2009

April Financial Forecast Shows General Fund Needs To Reduce Ongoing Requirements To Balance

Item	December Forecast	April Forecast	Difference
Discretionary FY2010-11			
Revenues……..	*$356,158,839*	*$353,829,164*	*($2,329,675)*
Beginning Balance……	*$14,802,725*	*$11,207,626*	*($3,595,099)*
Available FY2010-11….	*$370,961,564*	*$365,036,791*	*($5,924,774)*
Requirements:			
Council Set-Asides.....	*$23,007,513*	*$23,437,037*	*$429,524*
One-Time Budgets.....	*$314,308*	*$289,008*	*($25,300)*
Bureaus & Programs.....	*$345,654,114*	*$344,925,933*	*($728,180)*
CAL Requirements.....	*$368,975,935*	*$368,651,979*	*($323,955)*
Resources Less CAL.....	*$1,985,630*	*($3,615,188)*	*($5,600,818)*
Ongoing FY2010-11.....	*$0*	***($5,303,841)***	*($5,303,841)*
Available One-Time.....	***$1,985,630***	***$1,688,652***	*($296,978)*
Ongoing FY2011-12.....	***$0***	*$0*	***$0***
Available One-Time.....	***$0***	***$1,011,627***	***$1,011,627***

General Fund Must Cut Ongoing CAL Requirements To Balance

- *Forecast discretionary FY2010-11 resources are down $5.9 million compared to last December. The business license revenue forecast has been reduced $5.2 million on very weak FY2009-10 results. This was partially offset by a $2.7 million transfer of General Fund excess reserves. Beginning fund balance is down $3.6 million.*
- *Estimated General Fund requirements are virtually unchanged compared to December and due mostly to technical adjustments to bureau CAL targets that have occurred since last December's forecast.*
- *The April forecast, unlike the December forecast for the FY2010-11, shows that the General Fund cannot balance without ongoing cuts of at least $5.3 million (1.4%). One-time resources available to Council total $1.7 million. Forecast out-years show one-time amounts.*

Current Outlook

Metro-Area's Unemployment Rate In Double Digits

The metro-area's unemployment rate rose to double-digits in February 2009 and has remained at levels above of 10% ever since. The area posted an 11.0% unemployment rate for all of calendar 2009. The State of Oregon fared no better, posting a 2009 unemployment rate of 11.4%. Both economies remain deeply mired in the worst post World War II recession. While there may be some return of employment growth in late 2010, most observers think it will be at least calendar 2011 before any recovery starts to generate employment growth along with a declining unemployment rate.

Economy.com Still Expects "Tepid" Recovery

Economy.com continues to expect job losses through most of calendar 2010 and still sees a slow, for the most part jobless recovery taking hold over the course of the next 12 months. Economy.com does not expect much in the way of a return to "normal" growth until calendar 2011.

Some Key Forecast Assumptions

M50 Assess. Value $1000.....	$45,090,111	***State Cigarette & Liquor Tax Revenues to City.....***	*$12,867,392*
FY2010-11 M50 Tax Base.....	$206,377,436		
M50 Compression Loss.....	*($6,982,954)*	***CPI-W Increase (2nd Half '08 to 2nd Half '09, for COLAs)(*)...***	***0.7%***
Est. Tax Base Imposed.....	$199,394,482		
Delinquency/Discount(%).....	*-6.1%*	***Measure 50 FPD&R Levy.....***	*$118,688,143*
Delinquency/Discount ($).....	*($12,163,063)*	***Beginning General Fund FY2010-11 Balance.....***	*$11,207,626*
FY11 Tax Base Revenues.....	$187,231,418		
County M50 Levy.....	$233,224,901	***Est. Urban Renewal Divide-the-Taxes (11 Districts)(**).....***	*$104,080,352*
Library-Local Option.....	$47,789,787		
Total-County Levies.....	*$281,014,688*	***Current Forecast: FY2010-11 to FY2014-15***	

(*) CPI-W increased 0.7%, the forecast uses a "zero-COLA assumption. (**) Does not include UR Special Levy.