

Attachment 2: Budget Notes FY 2005-06 Budget Adoption Ordinance

Budget Notes Included in the Approved Budget

PUBLIC SAFETY

Bureau of Police

1. The Mayor's Proposed Budget places \$1,800,000 in General Fund contingency from the costs associated with 30 Leave of Service vacancies. These vacancy savings have previously been used to fund overtime expenditures, compensatory overtime payouts, unbudgeted on-call pay requirements, and limited term positions. The Police Bureau will report back to Council on the status of overtime and on-call pay expenditures during the spring 2006 budget monitoring process. At that time the Police Bureau may request additional appropriation from the \$1,800,000 in General Fund contingency for personal services expenditures or external materials and services expenditures, if needed.

2. The Police Bureau, working with the Office of Management and Finance, Multnomah County, the City of Gresham, the City of Wood Village, and the City of Troutdale, will identify service improvements and savings that may result from increased coordination of public safety efforts among the jurisdictions.

3. The FY 2005-06 Budget provides \$1,000,000 in one-time General Fund resources for the Police Bureau to work with community partners in implementing several problem-oriented policing strategies. These strategies will be implemented as one-year pilot projects. Funds will be allocated as follows:
 - 1) Continuation of the existing Downtown-Old Town-China Town (DT-OT-CT) pilot projects - \$200,000
 - 2) Expansion of the DT-OT-CT pilot projects to the inner east side of the City - \$150,000
 - 3) A multi-disciplined initiative to combat methamphetamine use - \$200,000
 - 4) An initiative to combat burglary - \$150,000
 - 5) A youth crime and gang prevention and intervention project - \$100,000
 - 6) Enhanced patrols to reduce street crime - \$100,000
 - 7) Problem-solving support in Weed and Seed Neighborhoods - \$100,000

Each strategy identified above will be assigned to a specific division within the Police Bureau. The assigned division will be responsible for facilitating the formation of a steering committee that includes appropriate community partners. Steering committees will guide strategy implementation and create performance measures for each strategy. The Police Bureau will provide monthly progress updates to the Mayor's Office and written progress reports to Council during the quarterly budget update monitoring processes. In addition, the Police Bureau, together with the steering committees, will provide a public presentation to Council by February 2006 to report on progress made in implementing these strategies.

Bureau of Fire, Rescue, and Emergency Services

1. The Fire Bureau will conduct a study of its delivery system and of adjacent systems for fire, rescue, and emergency medical services and report the results to Council by December 2005. The chair of the study team will be a neutral party. In consideration of the study's possible recommendation for different apparatus, the bureau may not order more than two replacement engines in FY 2005-06 without specific Council approval.
2. The Fire Bureau will develop a plan to fully fund expected retirement payouts within the bureau's FY 2005-06 Adopted Budget. The bureau will explain its plan to Council as part of the fall 2005 budget monitoring process.

PARKS, RECREATION, AND CULTURE

Portland Parks and Recreation

1. The Mayor's Proposed Budget includes only limited term full funding for the following Parks facilities: Hillside Community Center, Fulton Community Center, Sellwood Community Center, Portland Tennis Center, Community Music Center, Pittock Mansion, and Multnomah Arts Center. The goal is to have these facilities begin to participate more in their ongoing sustainability. The Parks Bureau will report quarterly to Council on progress toward self-sufficiency for these centers, as part of the budget monitoring processes.
2. In order to be eligible for \$100,000 in one-time General Fund resources for capital maintenance at Pier Park skateboard park, the Parks Bureau will obtain \$100,000 in matching donations from private sources. The Parks Bureau will report on its progress in raising matching funds during the quarterly budget monitoring processes. Upon completion of Pier Park and Glenhaven skateboard parks, the Parks Bureau will report to Council the ongoing maintenance funding required for the two parks.
3. It is Council's intent to increase Parks maintenance. Toward that end, \$436,484 in ongoing General Fund discretionary resources has been dedicated to reducing the maintenance backlog. The Parks Bureau will prepare an ordinance to impose a \$1 golf fee surcharge and to authorize the revenue generated to be used for general parks maintenance. The Parks Bureau and the Office of Management and Finance will develop a financial plan for the use of this revenue by June 7, 2005, so that Council may reflect changes necessary to implement the plan in the FY 2005-06 Adopted Budget.
4. The Parks Construction Fund (Fund 505) will be renamed the Parks Capital Construction and Maintenance Fund. Expenditures will continue to include construction projects and will be expanded to include other work undertaken to reduce Portland Parks and Recreation's major maintenance backlog. Major maintenance shall be separately budgeted, monitored, accounted for, and reported.

5. Council will appoint an oversight committee for the Interstate Firehouse Cultural Center (IFCC). In order to be eligible for \$80,000 in one-time General Fund resources for the IFCC, the IFCC Board will obtain \$80,000 in matching donations from private sources and the approval of the oversight committee to disburse funds.

PUBLIC UTILITIES

Bureau of Environmental Services

The Bureau of Environmental Services will work with the Office of Transportation (PDOT), Office of Sustainable Development, Bureau of Planning, and Bureau of Development Services (BDS) to prepare a Green Streets Development Opportunity Strategy. The effort will include partnerships with neighborhoods, business groups, and other interested parties. The goal is to develop a list of opportunities where the creation of green streets would fit with the character of the neighborhood, improve storm water management, and serve transportation needs. The list should include green street opportunities in higher profile areas, where visibility can assist in spreading the word about this approach to urban development. PDOT and BDS will identify and resolve permitting issues that might dampen the interest of private developers in participating in these innovative projects.

Bureau of Environmental Services / Bureau of Water Works

The Bureau of Environmental Services and the Bureau of Water Works will conduct an analysis of the feasibility, costs, and potential savings of combining their finance and administrative functions. The bureaus will submit a joint report on their findings to Council by December 2005.

COMMUNITY DEVELOPMENT

Bureau of Planning

1. The Planning Bureau will submit an implementation plan for the reorganization of long-range planning functions in the City, as well as a fiscal impact analysis of the reorganization, to Council by December 2005.
2. The Planning Bureau will submit a report to Council by December 2005 on the status of the River Renaissance program, to include an assessment of the ongoing need for positions that support this program. The positions are funded with one-time monies in FY 2005-06 and will be reevaluated for FY 2006-08 funding based on Council priorities.
3. Partial General Fund support is provided for a limited term position to work on developing a public market in the city. The balance required for full funding will be pursued and secured by the person hired into that position. Possible funding sources include grants, partnership, sponsorship, and private donations.

LEGISLATIVE, ADMINISTRATIVE, AND SUPPORT SERVICES

Office of the City Auditor

Council requests that the Auditor's Office assess whether the Managing for Results management auditor position is needed primarily for implementation of improved performance measures or for ongoing performance measures audits. Council requests a report from the Auditor's Office on this issue by December 2005. The position is funded with one-time monies in FY 2005-06 and will be reevaluated for FY 2006-08 funding based on Council priorities.

Bureau of Licenses

The Bureau of Licenses will implement a check-off system that will allow businesses to donate a portion of business license fee refunds to the Regional Arts and Culture Council (RACC) beginning in tax year 2005. The bureau will also amend Administrative Rule 610.93-4 to eliminate the project-by-project apportionment option. Increased revenue resulting from this amendment, estimated at \$200,000 per year, will begin to be collected in FY 2006-07. These increased revenues will be earmarked for matching the donations received through the check-off system for distribution to RACC. The bureau will bring all legal or regulatory amendments required to implement these changes before Council in time for the adjustments to be effective for tax years beginning on or after January 1, 2006.

Office of Management and Finance

1. The Office of Management and Finance will develop financial plans for the replacement of the 800 MHz Communications System and the Computer Aided Dispatch System. These plans will be submitted to Council by December 2005 and include details of any participation of entities outside the City with respect to acquisition, major maintenance, and/or future replacement.
2. The Bureau of Technology Services will develop and implement a plan to increase bureau involvement in its budget development, rate setting, and associated financial issues. The bureau will also create a Citywide information technology strategic plan and assist other bureaus with the development of bureau-level information technology strategic plans. The bureau will report to Council on its progress with these issues by December 2005.
3. The Office of Management and Finance will complete a focused review of the business practices of its Business Operations unit, and report findings and recommendations to Council by December 2005.
4. The Office of Management and Finance will lead a study of the feasibility of consolidating some or all maintenance functions among City bureaus, Portland Public Schools, and Multnomah County. City bureaus to be included in the study are OMF; Bureau of Environmental Services; Portland Parks and Recreation; Bureau of Water Works; Bureau of Fire, Rescue, and Emergency Services; and Bureau of Maintenance.

The study will include an assessment of the feasibility of merging maintenance staff and activities, establishing common maintenance sites, and creating neighborhood maintenance facilities focused on activity in geographic regions of the city. A report will be presented to Council by April 1, 2006.

5. New license revenues collected through enhanced efforts by the City Attorney's Office and various bureaus will be programmed and tracked separately in the BLIS system. Quarterly reports on the results of the enhanced collection efforts will be submitted as part of the budget monitoring processes.

6. The Multnomah County Income Tax (ITAX) is scheduled to sunset after the 2006 tax year. The County provides 100% of the funding needed to collect the tax, including funding for some City administrative staff involved in the collection efforts. A financial plan will be submitted during the fall 2005 budget monitoring process that addresses the upcoming loss of these funds. The plan will include an inventory of the ongoing positions currently supported by the County. The plan will also explain how limited term staff assigned to ITAX collection will be phased out.

7. A report will be submitted to Council by December 2005 describing the staffing level changes to occur in Customer Services once the Cayenta system is fully implemented.

8. The Office of Management and Finance, Bureau of Human Resources will increase the participation level for the Summer Youth Employment Program from 35 students to 70 students for the summer of 2005.

9. Utilities Customer Services in the Office of Management and Finance will work with the Bureau of Environmental Services (BES) and the Bureau of Water Works (Water) to develop a pilot project to expand the low-income utility assistance program to residents of nonprofit multi-family rental properties. The pilot project will be implemented in FY 2005-06. In consultation with BES and Water, OMF shall make a recommendation to Council by December 2005 regarding expansion of the pilot project to other multi-family rental properties in FY 2006-07.

10. Council has expressed general support for the creation of a Revenue Bureau but has deferred a final decision pending further review. The Chief Administrative Officer will convene an internal working group comprised of the directors of the affected bureaus, AFSCME, the City Auditor, and representatives from the Mayor and Commissioners' offices to resolve the following issues:

- The overall vision for the new organization, including long-term work plan assumptions and the potential use of one-time funds to speed technology improvements;
- The organizational location of the new bureau, specifically whether the bureau will be located in OMF or will be a stand-alone bureau;
- The inclusion of various functions in the new bureau, such as purchasing, LID, and foreclosure work;
- The extent and timing of position elimination; and

- Timing and responsibility for implementation.

The internal working group will submit a report to the Mayor by June 22, 2005. The report will include recommendations for the critical issues outlined above, a recommended interim management team, a summary of FY 2005-06 budget impact, and a summary of forecast out-year efficiencies.

In addition, a second report will be submitted to Council by December 2005 on the possible inclusion of the Police Alarms program in Phase II of Revenue Bureau implementation. The report will include any efficiencies expected from the merger, as well as any costs associated with moving the program.

Office of the Mayor

1. Council requests that the Office of the Mayor submit an implementation plan for the consolidation of functions assigned to provide public information in City bureaus, as well as a fiscal impact analysis of the consolidation, to Council by December 2005.

2. The 20 recommendations of the Bureau Innovation Project, the Mayor's initiative to create needed Citywide change, will be further developed by work teams and implemented during FY 2005-06. The progress of the work teams and implementation will be collaboratively discussed at monthly joint City Council/Bureau Directors' meetings and overseen by the Mayor's Office.

Recommended Modifications to Budget Notes for the Adopted Budget

Add the following budget note:

Office of Neighborhood Involvement

The Mayor and the Commissioner of Public Utilities will lead an effort to raise private donations for graffiti abatement on large commercial properties. Council has appropriated \$80,000 in one-time General Fund resources that will be used to match, on a dollar-for-dollar basis, any donations obtained for graffiti abatement from private sources. ONI will bring an amendment to the graffiti abatement contract before Council authorizing an increase in the contract for the amount of any private donations received, plus the matching City funds. Any unused portion of the \$80,000 in General Fund resources will be returned to General Fund contingency during one of the FY 2005-06 budget update and monitoring processes.

Change the following budget notes as indicated:

Portland Parks and Recreation

It is Council's intent to increase Parks maintenance. Toward that end, \$436,484 in ongoing General Fund discretionary resources has been dedicated to reducing the

maintenance backlog. The Parks Bureau will prepare an ordinance to impose a \$1 golf fee surcharge and to authorize the revenue generated to be used for general parks maintenance. The Parks Bureau and the Office of Management and Finance will develop a financial plan for the use of this revenue ~~by June 7, 2005~~, so that Council may reflect changes necessary to implement the plan in the ~~FY 2005-06 Adopted Budget~~ **fall 2005 major supplemental budget**.

Note: The required increase in the Governmental Bond Redemption Fund would exceed 10% if this plan were fully implemented for the Adopted Budget. Since local budget law prohibits fund increases of more than 10% from the Approved to the Adopted Budget, the budget note should be changed to allow full implementation in the fall 2005 major supplemental budget.

Office of Management and Finance

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- Timing and responsibility for implementation.

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