


**FINANCIAL IMPACT STATEMENT**  
**For Council Action Items**  
**(Use this form for Ordinances and Resolutions)**  
(Deliver original to Financial Planning Division. Retain copy.)

1. Name of Initiator Samuel Murray 	2. Telephone Number 503-823-7860	3. Bureau/Office/Dept. Environmental Services
4a. To be filed (date)  May 10, 2011	4b. Calendar (Check One) Regular <input checked="" type="checkbox"/> Consent <input type="checkbox"/> 4/5ths <input type="checkbox"/> [XXX] [ ] [ ]	5. Date Submitted to FPD Budget Analyst:

**1) Legislation Title:**

FY 2011-2012 Rate Ordinance for the Bureau of Environmental Services

**2) Purpose of the Proposed Legislation:**

Revise sewer and drainage rates and charges in accordance with the Fiscal Year 2011-2012 Sewer User Rate Study (Ordinance).

**3) Revenue:**

**Will this legislation generate or reduce current or future revenue coming to the City? If so, by how much? If new revenue is generated identify the source.**

The ordinance establishes rates, charges and fees to generate an estimated \$268.3million in operating revenue for FY 2011-2012. About \$258.1 million of this estimate is comprised of user fees for sanitary, stormwater and Superfund services.

**4) Expense:**

**What are the costs to the City as a result of this legislation? Include costs in the current fiscal year as well as costs in future years. If the action is related to a grant or contract include the local contribution or match required.**

Not Applicable.

**5) Staffing Requirements:**

**a) Will any positions be created, eliminated or re-classified in the current year as a result of this legislation? If new positions are created include whether they will be part-time, full-time, limited term or permanent positions. If the position is limited term, indicate the end of the term.**

This rate ordinance will generate the necessary utility resources to support the Council-approved budget for the Bureau of Environmental Services for FY 2011-2012.

**b) Will positions be created or eliminated in future years as a result of this legislation?**

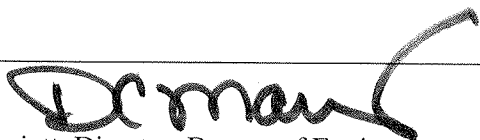
Not Applicable.

**6) Change in Appropriations:** Budget changes for the current year must go through the BMP Process. This section may only be used with prior permission of your OMF analyst for exceptions. Reflect the dollar amount to be appropriated by this legislation. Include the appropriate center codes and accounts to be used by Central Accounting. Indicate "new" in Center Code column if new center needs to be created. Use additional space if needed.

Not Applicable.

Fund	Center Code	Account	Amount	Project Fund	Project No.

get



Dean Marriott, Director, Bureau of Environmental Services

APPROPRIATION UNIT HEAD (Typed name and signature)

BUREAU SUBMITTED CUTS		(Reduction)	Description
Positions	Wastewater Treatment Staffing	(74,784)	Cut funding for painter position - one time. Defers maintenance on facilities at wastewater treatment plants
Positions	Wastewater Treatment Staffing	(101,384)	Eliminate PW Supervisor II position.
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Positions	Accounting	(80,904)	Cut funding for Accountant II position - one time
Positions	Data Management	(109,812)	Cut funding for CAD Analyst position - one time
Positions	Water Resource Program Manager	(126,732)	Cut funding for Portland Harbor position - one time
Positions	Environmental Technician I	(57,052)	Cut funding for Source Control position - one time
M&S	Reduction in forecast expenditures for Clean Water Services	(200,000)	Repaired pressure line now functional
M&S	Windows 7 software replacement/upgrades	(100,000)	Defer some upgrade expenditures for one year
M&S	PTE	(85,000)	One-time reduction in Bureau-wide PTE expenditures
M&S	Travel and Training	(120,000)	One-time reduction
Interagencies	PBOT OM - Sewer cleaning	(200,000)	Reduction in sewer cleaning expenditures (3%) - BOM vacancies
Interagencies	OMF - American Reinvestment and Recovery Act (ARRA)	(61,207)	BES has no past, current, or planned projects requiring ARRA reporting, yet has been assigned this share of the City's costs.
	<b>Subtotal of Tier I cuts to get to 6%</b>	<b>(1,418,259)</b>	
M&S	Odor Control	(50,000)	Operate odor control facilities more conservatively in winter months. Risk not meeting community commitment for odor abatement.
M&S	Security patrol services at WPCL	(12,000)	Security Patrol
M&S	Ecoroof grants	(100,000)	Defer grant expenditures for one year
M&S	Stormwater O&M on green facilities	(250,000)	One-time reduction of \$250,000. 50% of proposed increase in Requested Budget
Interagencies	Office Support Specialist III	(79,692)	Cut funding for position in OHWR - one time / BES has other admin who can support the office as needed
Interagencies	PBOT OM - Sewer cleaning	(50,000)	Reduction in sewer cleaning expenditures (additional 1%) - BOM vacancies
	<b>Subtotal of of Tier II cuts</b>	<b>(541,692)</b>	
<b>Total acceptable Bureau Cuts</b>		<b>(1,959,951)</b>	

TARGET 3,154,000  
 Variance 1,194,049

\$2,704,000 reduction for 1% (6.5% to 5.5%) and \$450,000 for Water Bureau bubbler IA reduction

## FPD Suggestions

M&S	Additional Travel / Education / Dues	(100,000)	This reduction, along with the BES suggested cut of \$100,000 in travel and education will leave the bureau with approximately \$257,668 in education, dues, subscriptions and travel.
Interagencies	Printing and postage	(110,000)	This reduction will leave the bureau will approximately \$316,954 in printing and postage
	<b>FPD subtotal non-contracts</b>	<b>(210,000)</b>	
M&S	Additional PTE contracts	(500,000)	This reduction in bureau-wide PTE contracts, along with their original cut of \$85,000 leaves the bureau with \$1.7 million.
M&S	Additional contract reductions	(230,000)	Additional contract cuts
M&S	Miscellaneous / Miscellaneous Services	(255,000)	This cut, along with the bureaus cuts of \$862,000 will leave the bureau with \$6.1 million.
	<b>FPD subtotal contracts</b>	<b>(985,000)</b>	
<b>Total FPD suggestions</b>		<b>(1,195,000)</b>	

Revised Total Cuts to attain 5.5% **(3,154,951)**

# Portland Water and BES Proposed Rate Reductions

	Water \$ Net Rate    Cut (Mil.)		BES \$ Net Rate    Cut (Mil.)		Combined \$ Net Rate    Cut (Mil.)	
Bureau Requested Budget FY2011-12	13.9%	\$ -	6.5%	\$ -	8.8%	\$ -
Mayor's Proposed Budget Rate Cut of 1%	12.9%	\$ 0.6	5.5%	\$ 3.1	7.8%	\$ 3.7
Includes reduction of ~\$450K from <b>Water</b> (lower expense) to <b>BES</b> (lower revenue offset by expense cut) through interagency						
Alternative A	12.9%	\$ 1.0	5.5%	\$ 2.7	7.8%	\$ 3.7
Removes reduction of ~\$450K to Water to BES						
Alternative B	12.9%	\$ 0.8	5.5%	\$ 2.9	7.8%	\$ 3.7
Splits the reduction of ~\$450K between Water and BES in FY2012						

**5-18-11 Motions**

- 465**      **TIME CERTAIN: 10:15 AM** – Revise sewer and drainage rates and charges in accordance with the FY 2011-2012 Sewer User Rate Study (Ordinance introduced by Commissioner Saltzman) 30 minutes for Items 465-467

**Motion #1**

**Motion to take testimony at the morning session but delay vote on amendments following the afternoon session 2:30 Time Certain when illustrative cuts come forward from Bureau of Financial Planning and Bureau of Environmental Services at a 5.5%; Council will vote on amended exhibit A with .5% reduction technically and otherwise if Council so chooses: Moved by Mayor Adams and seconded by Commissioner Fritz. (Y-5)**

**Motion #2**

**Motion that BES, as part of Council item 465, provide Council with a rate increase of 5.5% and Exhibit A be amended to effectuate that change: Moved by Mayor Adams and seconded by Commissioner Leonard. (Y-2; N-3 Fritz, Fish, Saltzman) Motion failed.**