

ORDINANCE NO. 184693

*Update the dedicated portion of the Utility License Fee to fund Portland transportation operations, maintenance and safety needs. (Ordinance)

The City of Portland ordains:

Section 1. The Council Finds:

1. In 1988, City Council adopted Resolution 34423, which adopted the Transportation Funding Policy, directing immediate implementation and inclusion in the City's Comprehensive Financial Policy.
2. In 2008, City Council adopted Ordinance 182094, directing Utility License Fee (ULF) revenue above the March 2008 General Fund five-year forecast to be allocated to the Portland Office of Transportation (PBOT) until the annual total reaches \$4.3 million. After the threshold amount was reached, the \$4.3 million was to be converted to an ongoing General Fund allocation.
3. During the FY 2011-12 budget development process, forecasted ULF revenues were needed to balance other priorities. As a result, PBOT's budgeted allocation of \$2.2 million for FY 2011-12 was frozen for the remainder of the five-year forecast.
4. PBOT has continuing needs to properly maintain and operated streets in order to protect the public health, safety and welfare. Inadequate funding for safety improvements has resulted in avoidable injuries and deaths, with an estimated annual cost of over \$400 million in the City of Portland.

NOW, THEREFORE, the Council directs:

- a. Starting in FY 2011-12, PBOT will receive an annual budgeted allocation of \$2.2 million in Utility License Fee revenue. In addition, all ongoing Utility License Fee (ULF) revenue above the April 2011 General Fund five-year forecast (excess revenue), subject to the cap described below, will be allocated to the Portland Office of Transportation for operations, maintenance, and safety. Ongoing ULF revenues do not include audit recoveries or other one time revenues.
- b. Funds will be allocated annually as one-time resources to Transportation in the subsequent fiscal year, starting with FY 2011-12 revenues, until the annual total of excess ULF revenues reaches \$2.1 million. As part of the normal budget process, the Office of Management and Finance will estimate ULF revenues above the April 2011 General Fund five-year forecast to be included as a resource for the Office of Transportation in the Approved Budget each year and adjust that estimate if required for the Adopted

Budget. Additional budget adjustments will be made during the Fall Budget Monitoring Process (BMP) after final ULF payments have been received by the City.

- c. The excess \$2.1 million will be adjusted annually for inflation. This will ultimately bring PBOT's total ULF allocation to \$4.3 million as per Council's original intent in Ordinance 182094. The \$4.3 million will be adjusted annually for inflation.
- d. This ordinance is the explicit statement of Council's intent to dedicate revenues to fund Portland's transportation operations, maintenance and safety needs. Once the Office of Transportation receives the additional \$2.1 million, adjusted annually for inflation, from ULF revenues above the forecast, revenues from this source will be considered discretionary General Fund revenues and not tied to the ULF.

Section 2. The Council declares that an emergency exists in order for this legislation to take effect for FY 2011-12; therefore, this ordinance shall be in full force and effect from after its passage by Council.

Adopted by the Council: JUN 22 2011

Mayor Sam Adams

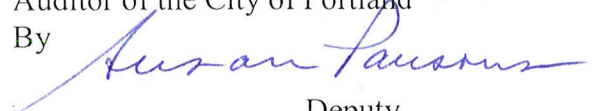
Prepared by: Andrew Scott: lms

Date Prepared: June 15, 2011

LaVonne Griffin-Valade

Auditor of the City of Portland

By



Deputy

Agenda No.
ORDINANCE NO. 184693
 Title

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INTRODUCED BY Commissioner/Auditor: Mayor Sam Adams	CLERK USE: DATE FILED <u>JUN 17 2011</u>
COMMISSIONER APPROVAL Mayor—Finance and Administration - Adams <i>May 16</i> Position 1/Utilities - Fritz Position 2/Works - Fish Position 3/Affairs - Saltzman Position 4/Safety - Leonard	LaVonne Griffin-Valade Auditor of the City of Portland By: <i>Susan Parsons</i> Deputy
BUREAU APPROVAL Bureau: OMF/FPD Bureau Head: Richard Goward, Jr. <i>RD</i>	ACTION TAKEN:
Prepared by: Lisa Shaw Date Prepared: June 16, 2011	
Financial Impact & Public Involvement Statement Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/>	
Portland Policy Document If "Yes" requires City Policy paragraph stated in document. Yes <input type="checkbox"/> No <input type="checkbox"/>	
Council Meeting Date June 22, 2011	
City Attorney Approval	

AGENDA TIME CERTAIN <input type="checkbox"/> Start time: _____ Total amount of time needed: _____ (for presentation, testimony and discussion)
CONSENT <input type="checkbox"/>
REGULAR <input checked="" type="checkbox"/> Total amount of time needed: 5 minutes (for presentation, testimony and discussion)

FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:		
		YEAS	NAYS
1. Fritz	1. Fritz	<input checked="" type="checkbox"/>	
2. Fish	2. Fish	<input checked="" type="checkbox"/>	
3. Saltzman	3. Saltzman	<input checked="" type="checkbox"/>	
4. Leonard	4. Leonard	<input checked="" type="checkbox"/>	
Adams	Adams	<input checked="" type="checkbox"/>	