

**IMPACT STATEMENT**

**Legislation title:** \*Amend the Portland Parks & Recreation FY 2020-21 Budget to allow expenditures related to the Parks Local Option Levy (Ordinance)

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**Presenter name:** Adena Long, Director Portland Parks and Recreation  
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**Purpose of proposed legislation and background information:**

The purpose of this legislation is to provide budget authority to begin spending Interfund Loan proceeds supported by the 2020 Parks Local Option Levy Fund.

At the November 3, 2020 general election, Portland voters approved Ballot Measure 26-213, to impose a local option levy for Parks operations over five fiscal years beginning in fiscal year 2021-22. The local option levy will be imposed at a rate of \$0.80 per \$1,000 of assessed value and accounted for in the 2020 Parks Local Option Levy Fund to be overseen by Portland Parks and Recreation (“PP&R”).

The initial tax receipts are not expected to begin until November 2021. This change in budget will allow PP&R to move ahead in the current Fiscal Year with staffing and material acquisition to prepare for service delivery in FY 2021-22. Resources are made available by providing temporary funding via an interfund loan in the current fiscal year.

PP&R has identified its System Development Charge Fund has a viable source of interim funding and has worked with City Debt to initiate an interfund loan (see companion ordinance on the February 17 Council Agenda) to the 2020 Parks Local Option Levy Fund. The loan would be repaid by January 31, 2022.

**Financial and budgetary impacts:**

- *Financial Impact:* The interfund loan to the 2020 Parks Local Option Levy Fund will accrue interest at the City’s Investment Fund earnings rate, compounded monthly and payable at maturity to the System Development Charge Fund, resulting in a neutral economic impact to the System Development Charge Fund. Draws on the interfund loan will be made on an as-needed basis. It’s anticipated that approximately \$9 million and \$13 million of draws will be made during fiscal years 2020-21 and 2021-22, respectively.

- **Budgetary Impact:** This ordinance provides budget authority to begin expenditures out of the levy fund using interfund loan proceeds. The bureau's FY 2021-22 budget request also assumes interfund loan proceeds to be available. Property tax proceeds are assumed to be collected starting in November 2021.

**Community impacts and community involvement:**

PP&R is currently developing a process for appropriating additional levy funds in the fall of 2021. The bureau is in the process of forming a levy oversight committee to assist in developing a plan for future expenditures.

**100% Renewable Goal:**

Not applicable.

**Budgetary Impact Worksheet**

**Does this action change appropriations?**

- ☒ **YES:** Please complete the information below.  
☐ **NO:** Skip this section

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount
232000	PKDI000013	511100	PRSPBSBS000				\$4,600,000
232000	PKDI000013	549000	PRSPBSBS000				\$4,400,000
232000	PKDI000013	451500	PRSPBSBS000				\$9,000,000
402001	PKSB000013	571000	PRSPBSBS000				(\$9,000,000)
4020	PKSB0000	580100	PRSPBSBS0				\$9,000,00

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*Claudio Campuzano*

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Portland Parks & Recreation