

Exhibit #2: FY 2021-22 Fall Supplemental Budget

General Fund Summary

The Fall Supplemental Budget includes a total increase in FY 2021-22 expenses in the General Fund of \$104.9 million.

100 - General Fund				
Revenue				
	2021-22 Adopted Budget	Current Revised Budget	Proposed Adjustments	Total Proposed Revised
Beginning Fund Balance	\$29,097,508	\$29,097,508	\$73,534,962	\$102,632,470
Taxes	\$306,099,807	\$306,099,807	\$0	\$306,099,807
Licenses & Permits	\$226,908,332	\$226,908,332	\$396,000	\$227,304,332
Charges for Services	\$19,520,827	\$19,520,827	(\$3,622,733)	\$15,898,094
Intergovernmental	\$65,926,711	\$65,926,711	(\$38,267)	\$65,888,444
Interagency Revenue	\$64,972,416	\$64,972,416	(\$990,037)	\$63,982,379
Fund Transfers - Revenue	\$51,721,625	\$51,721,625	\$29,676,929	\$81,398,554
Bond & Note Proceeds	\$2,025,000	\$2,025,000	\$386,472	\$2,411,472
Miscellaneous	\$3,991,306	\$3,991,306	(\$398,045)	\$3,593,261
General Fund Discretionary	\$0	\$0	\$5,997,400	\$0
General Fund Overhead	\$0	\$0	\$0	\$0
Total:	\$770,263,532	\$770,263,532	\$104,942,681	\$869,208,813
Expense				
	2021-22 Adopted Budget	Current Revised Budget	Proposed Adjustments	Total Proposed Revised
Personnel	\$470,401,089	\$470,401,089	(\$12,257,109)	\$457,081,970
External Materials and Services	\$141,314,712	\$141,314,712	\$59,870,069	\$195,821,065
Internal Materials and Services	\$70,640,562	\$70,640,562	\$18,951,445	\$89,592,007
Capital Outlay	\$3,242,000	\$3,242,000	\$1,705,952	\$4,947,952
Debt Service	\$13,012,339	\$13,012,339	\$0	\$13,012,339
Fund Transfers - Expense	\$49,557,169	\$49,557,169	\$21,695,707	\$71,283,415
Contingency	\$22,095,661	\$22,095,661	\$14,976,617	\$37,470,065
Total:	\$770,263,532	\$770,263,532	\$104,942,681	\$869,208,813

Discretionary Changes

What follows are details of changes in General Fund discretionary resources. For line item detail, see the table in Exhibit 4.

Waiver of City Financial Policy - Capital Set-Aside

Per City Financial Policy, at least 50 percent of excess beginning balance should be dedicated to major maintenance and infrastructure costs. In the FY 2021-22 Fall Supplemental Budget, this is equivalent to \$31.0 million. This ordinance waives that portion of City Financial Policy to instead make this funding available in unrestricted contingency for current year allocations.

Encumbrance Carryover

The proposed Fall Supplemental Budget includes encumbrance carryovers of \$7.3 million. As prescribed in City Financial Policy 2.04., encumbrance carryovers reflect prescriptive accounting transactions, intended for one-time costs where goods or services were ordered but not received by the end of the fiscal year, and assumes the bureau has sufficient year-end General Fund underspending to pay the requested encumbered amounts. This category includes funding for advances that have been made but the good or service has not yet been delivered. Encumbrance carryovers are not intended to support purchases that are annual and ongoing in nature or which do not have open purchase orders.

New Requests

Funding for new requests totaling \$52.4 million have been included in the Fall Supplemental Budget. This includes \$2.8 million in decision packages requested by bureaus. In addition, the Mayor's Office has added a suite of packages across several priority areas, the details of which are included in Exhibit #4:

- \$6.6 million for livability;
- \$12.8 million for houselessness;
- \$2.3 million for economic development;
- \$6.9 million for public safety; and
- \$13.9 million for other requests.

Technical Adjustments

Bureaus have made a number of net zero changes to better align projected budget and expenditures.

Of note, the City Budget Office and American Rescue Plan Act (ARPA) administration team in the Office of Management & Finance have worked with bureaus to make adjustments to ensure that the City is able to meet federal reporting and audit requirements based on information that became available after the FY 2021-22 budget was adopted. This includes a change in the way that revenue backfill allocations were budgeted for the Portland Bureau of Transportation and Bureau of Development Services; in addition, the City is reallocating General Fund and ARPA grant dollars between City bureaus (Parks, Police, & Fire) and the Joint Office of Homeless Services. These are all net zero adjustments that only change how the source of funding is reflected but do not increase or decrease the allocated total.

Other Adjustments

Bureaus submitted several requests that represent transactions already authorized by Council, internal transfers and realignments, and the carryover of dedicated revenue. Changes include:

A transfer of \$157,000 in Portland Fire & Rescue and \$204,750 from the Portland Police Bureau to the Office of Management & Finance for the realignment of staff resources to the Community Safety Division;

\$93,410 in General Fund resources being transferred to a reserve fund in the Auditor's Office;

\$200,000 in Portland Parks & Recreation for A&D and CIP technical adjustments; PP&R is moving \$200,000 worth of Non-Parks Use Permit (NPUP) fees collected in the General Fund and remitting it to the Parks Capital Improvement Plan Fund to pay for PP&R's CIP staff costs related to capital project delivery;

\$300,000 being transferred from the Office of the Chief Administrative Officer in the Office of Management and Finance to Special Appropriations to support a position focusing on development services permit process coordination improvement;

The recognition of a cash transfer of \$1,114,343 from the General Fund to the Short-Term Rental Fund in the Portland Housing Bureau to true up the estimated FY 2020-21 Short Term Rental Tax revenues to actual amounts received;

\$133,000 in General Fund expenditures requested in the Portland Housing Bureau as a replacement for currently budgeted Recreation Cannabis Tax resources for the Joint Office of Homeless Services (JOHS). This is being done in accordance with Amendment 11 in the City's intergovernmental agreement with JOHS; and

A transfer of \$1.5 million in General Fund resources from Civic Life to Special Appropriations for administration of a grant to the Urban League of Portland for the

Reimagine Oregon project.

Contingency

With the changes included in this ordinance, total General Fund contingency currently stands at \$37.7 million. This ordinance results in the following contingency account balances:

- \$7.8 million in unrestricted contingency
- \$5.2 million in compensation set-aside
- \$19.8 million in policy reserves
- \$972,002 in capital set-aside

Current Appropriation Level (CAL) Changes

The FY 2022-23 Current Appropriation Level targets will include the following adjustments:

- The FY 2021-22 Adopted Budget included one-time resources to fund non-represented employee merit and COLA. For the development of FY 2022-23, the City Budget Office is directed to include ongoing resources to support the continuation of these wage increases.
- Increase ongoing General Fund discretionary resources in the Office of Community and Civic Life by \$32,000 for increased costs of rental space for the East Portland Community Office.
- Increase the Bureau of Revenue and Financial Services' CAL by \$204,767 due to changes in the Integrated Tax System's (ITS) cost sharing model, the latest of which was developed in March 2021 and shows an ongoing deficit in the City General Fund's share of costs. The model is likely to be adjusted annually according to actual revenue collection; to avoid the City having to repeatedly process CAL target adjustment requests for this technical true-up, Council is also granting CBO the authority to adjust the CAL target amount as needed based on the negotiated cost sharing agreement and associated annual true-up.
- Increase ongoing General Fund discretionary resources as a CAL target adjustment in the amount of \$291,313 to support 2.0 permanent communications

positions in the Community Safety Division in the Office of Management and Finance.

- Increase ongoing General Fund discretionary resources as a CAL target adjustment in the amount of \$300,000 to support the Department of Justice Settlement Agreement related to Body-worn Cameras, technology oversight, and a training dean in the Portland Police Bureau.
- Increase ongoing General Fund discretionary resources as a CAL target adjustment in the amount of \$401,057 to fund 3.00 permanent, regular FTE support staff for the Dead of Education for the Department of Justice Settlement Agreement in the Portland Police Bureau.
- Increase ongoing General Fund discretionary resources as a CAL target adjustment in the amount of \$515,019 for moving 3 FTE – one Manager III from PPB, one Financial Analyst III and one Manager I from PF&R to the Community Safety Division in the Office of Management and Finance. This increase is offset by an ongoing decrease in PF&R by \$165,000 and an ongoing decrease \$350,019 in PPB's CAL target allocation. This action is part of a multi-phase strategy to implement a centralized business operations team for public safety bureaus within the Community Safety Division.
- Increase CAL target by \$112,000 for an ongoing transfer of General Fund discretionary resources to the OMF Facilities Fund to accommodate the removal of two programs from the City's overhead cost pool, currently budgeted within the Office of the Chief Administrator in the Office of Management and Finance. This action will align program resources and expenses in the Office of the Chief Administrator to be consistent with the City's General Fund Overhead Model as prescribed in FIN.2.08.02.
- Increase CAL target by \$89,600 of General Fund discretionary resources in the Office of Management and Finance, Community Safety Division. The FY 2021-22 adopted budget included a transfer of a position previously funding in the overhead cost pool in the Portland Bureau of Emergency Management. This action will align program resources and expenses in the Community Safety Division in OMF to be consistent with the City's General Fund Overhead Model as prescribed in FIN.2.08.02.
- Increase ongoing General Fund discretionary resources as a CAL target adjustment in the amount of \$150,000 to support the Office of Violence Prevention in the Office of Management and Finance-Special Appropriations.

- Increase ongoing General Fund discretionary in the Portland Police Bureau by \$350,000 to support ongoing costs of increased Behavioral Health Unit Officers and Clinicians.

In addition, note that per the terms of the Department of Justice settlement, the City is obligated to fund the ongoing costs of a body worn camera program which is currently estimated at \$2 million annually. This is not being included as a CAL Target adjustment in the Fall Supplemental Budget.

Non-General Fund Changes

Following is a summary of changes for all funds.

Fund	Fund Number Name	Bureau Program Expenses	Interfund Cash Transfers	Debt Service	Contingency	Explanation
200	Transportation Operating Fund	\$20,994,566	\$0	\$0	\$39,602,505	The Transportation Operating Fund recognized \$47,498,043 in beginning fund as a result of prior year operating and capital underspending. The fund also recognized \$6,317,375 in revenue from several sources including \$1,632,536 in American Rescue Plan Resources from the Oregon Department of Transportation (ODOT). This initial transfer is part of a larger agreement with ODOT to transfer 82nd Avenue to the City of Portland and to reimburse the costs for safety improvements to the high crash corridor. To balance, the
202	Emergency Communication Fund	\$3,308,937	\$0	\$0	\$0	Changes in the Emergency Communication fund represent \$2,088,388 carryover of underspent funding for Capital Projects. It also represents a carryover in the amount of \$838,503 in prior year underspending to be used for overtime needed for ProQA training, 2.0 LTE for quality assurance related to incoming calls, and some unanticipated costs related to the bureaus Logging Recorder Capital Project. There is also an increase in the amount of \$267,046 in new General Fund resources for the hiring of 2.0 LTE Training Supervisors to assist in the increase amount of training academies and an increase in the amount of \$115,000 for new call processing software to assist in the answering of low priority calls for service.
203	Development Services Fund	(\$903,046)	\$0	\$0	\$1,483,758	The Bureau of Development Services (BDS) is adjusting how the American Rescue Plan Act funding for non-represented employee merit and cost-of-living increases is budgeted. This adjustment (\$451,523) is technical in nature and reallocates this funding from the Development Services Fund to the bureau's grants fund. BDS is also increasing its contingency for work related to the Portland Clean Energy Community Benefits Fund (PCEF) interagency agreement (IA). This adjustment (\$32,235) is for an IA with BPS for work related to PCEF; the bureau is carrying forward unspent funds from the FY 2020-21 interagency amount to FY 2021-22.
204	Property Management License Fund	\$285,700	\$0	\$0	\$0	Beginning balance is being trued up, along with adjustments in business license revenues to align with projections, with the balancing adjustments made in materials and services.
209	Convention and Tourism Fund	\$0	\$0	\$0	\$0	Technical adjustments are being made moving \$12,241 between various materials and services accounts.
210	General Reserve Fund	\$0	\$150,000	\$0	(\$56,590)	Transfer \$150,000 from the Build Portland sub-fund to Transportation to pay for Line of Credit costs incurred in FY 2020-21
211	Special Finance and Resource Fund	\$0	\$8,650,040	\$0	\$0	Most of the adjustments in Interfund Cash Transfers is for the transferring of bond proceeds to PBOT's Transportation Operating Fund to fund Build Portland projects.
212	Transportation Reserve Fund	\$0	\$0	\$0	\$15,984	The increase in contingency is due to a true-up of beginning balance.
213	Housing Investment Fund	\$3,699,508	\$40,492	\$0	\$1,247,343	This change is primarily a result of budgeting \$3,699,695 in external materials and services and increasing fund contingency by \$1,247,343 due to the re-budgeting of multi-year housing projects.
214	Public Election Fund	\$1,016,516	\$0	\$0	\$0	This increase represents a true-up of beginning fund balance based on prior year underspending in this fund.

216	Children's Investment Fund	\$3,900,000	\$0	\$0	(\$3,900,000)	This reflects moving \$3.9 million from contingency to external materials and services to shift unspent grant funds from prior year to current year. In FY 2020-21, grants were underspent by \$3.9 million due to pandemic disruption of services. This change makes those funds available in the current year.
217	Grants Fund	\$113,114,600	(\$18,797,213)	\$12,000	\$0	This represents a net change across all bureaus in the Grants Fund, primarily related to truing up grant costs across fiscal years and the allocation of new grant resources. In addition, the Portland Housing Bureau is allocating \$44,037,470 in various federal COVID Recovery resources and Special Appropriations is recognizing \$44,033,268 in the Grants Fund for the FY 2021-22 grant budget for CARES and FEMA for grant
218	Community Development Block Grant Fund	(\$1,182,653)	\$0	\$0	\$0	This change is due to a reduction in the fund's materials and services budget resulting from a true-up of the CDBG-CV budget based on FY 2020-21 actuals.
219	HOME Grant Fund	\$27,135,564	\$0	\$0	\$0	This change results from an increase in the fund's external materials and services budget due to the appropriation of HOME resources allocated as part of the American Recovery Plan.
220	Portland Parks Memorial Fund	\$1,537,467	\$792,916	\$0	\$90,966	PP&R recognized \$2,428,488 in additional beginning fund balance and balanced by allocating \$90,966 to fund contingency while also increasing external materials and services by \$2,878,917 (while reducing personnel
221	Tax Increment Financing Reimbursement Fund	\$4,522,127	\$0	\$0	\$0	This change is primarily a result of budgeting \$4,522,127 in external materials and services due to the re-budgeting of multi-year housing projects.
222	Police Special Revenue Fund	\$2,116,618	\$0	\$0	\$0	This change reflects a true-up of beginning fund balance which is balanced with an increase in external material services for commodities and computer supplies.
223	Arts Education & Access Fund	(\$311)	\$0	\$0	\$37,225	Beginning balance is being trued up, with most of the funds placed in contingency to balance.
225	Inclusionary Housing Fund	\$3,429,035	\$0	\$0	\$0	This change is a result of budgeting \$3,429,035 in external materials and services due primarily to the re-budgeting of multi-year housing projects
227	Recreational Marijuana Tax Fund	\$1,536,435	\$0	\$0	\$2,703,878	These changes reflect true-up of beginning fund balance and one-time carryover for program costs for Social Equity & Educational Development grants in Civic Life and capital project costs in the Portland Bureau of Transportation.
228	Cannabis Licensing Fund	\$305,193	\$0	\$0	\$1,004,708	These changes reflect a true-up of beginning fund balance and account for additional fee waivers for licensees who have been impacted by robbery, wildfire and COVID related challenges.
229	PDX Clean Energy Community Benefits Fund	\$602,212	\$0	\$0	\$72,704,530	This change reflects truing up beginning fund balance by \$72,961,242, of which \$32,235 is budgeted to continue an interagency agreement with BDS, \$226,095 is budgeted in materials and services for encumbrance carryovers, \$245,055 in personnel services and \$100,445 in internal materials and services for an additional 5.0 FTE, and the remaining \$72,702,912 is budgeted in contingency. PCEF contingency is also being increased by \$1,618 due to a decrease in an interagency agreement with OMF for tax collection
230	Affordable Housing Development Fund	(\$15,000)	\$0	\$15,000	\$0	This change reflects a net zero technical adjustment that moves program expenses to debt service related to interfund loan interest on the Portland Housing Bond.

231	Citywide Obligations Reserve Fund	(\$2,068,662)	\$3,022,821	\$0	\$1,962,119	The change in program expenses has several components: 1) a reduction of \$1,314,525 in materials and services for Integrated Tax System (ITS) adjustments related to the latest cost allocation model and project development in FY 2021-22, 2) a \$204,747 increase to true-up the City General Fund's share of ITS costs, and 3) a reduction of \$958,904 in miscellaneous services to appropriate beginning fund balance in the subfund for the Community Opportunities and Enhancement Program (COEP) and corresponding transfers to General Fund appropriations. Most of the change in cash transfers are to the General Fund for the COEP program, truing up beginning fund balance for the Water Bureau's and the Bureau of Environmental Services' shares. The almost \$2.0 million increase in contingency is related to the true-up in the ITS allocation model, placing funds in the replacement reserve. In addition, there is a technical adjustment correcting a transfer related to the Columbia River Levee project.
232	2020 Parks Local Option Levy Fund	(\$20,261,271)	\$42,011,001	(\$10,451,675)	(\$21,749,730)	In the FY 2021-22 Adopted, PP&R budgeted \$44.7M in Local Option Levy Tax revenue in this fund (Fund 232). To balance, the bureau allocated \$20.2M in bureau program expenses, \$23.9M in fund contingency, and \$10.5M in debt service to repay an interfund loan within the 2020 Parks Local Option Levy Fund. After budget adoption, the bureau determined the optimal way to expend levy resources was out of the General Fund. \$6,450 is being transferred from the Special Finance and Resource Fund, moving extra bond proceeds from the GO Emergency Facilities 2018A subfund to close the subfund and placing the funds in ending balance to be held until FY 2022-23.
302	Bonded Debt Interest and Sinking Fund	\$0	\$0	\$0	\$0	\$3,032,592 in excess proceeds from the 2010 Lents Bonds is being transferred to bonded debt retirement to call the bonds or reduce Line of Credit balance.
309	Lents Town Center URA Debt Redemption Fund	(\$3,032,592)	\$0	\$3,032,592	\$0	Beginning fund balance is trued up, and the debt service reserve is also adjusted, so that \$2,334,450 can be transferred to the General Fund, reappropriating unspent funds for the Integrated Tax System (ITS) project from last year into this year.
311	Bancroft Bond Interest and Sinking Fund	\$0	\$2,334,450	\$0	\$0	Beginning balance and miscellaneous services are being reduced by \$1,949,810 due to the transfer of a portion of the 2010 North Macadam bond reserve in FY 2020-21.
313	North Macadam URA Debt Redemption Fund	(\$1,949,810)	\$0	\$0	\$0	Debt financing costs for the Integrated Tax System (ITS) project are adjusted to conform to the revised project expenditure schedule due to the project progressing slower than expected and actual draws on the line of credit last year were lower than planned.
317	Governmental Bond Redemption Fund	\$0	\$0	\$470,000	\$0	Revenues are being adjusted for the LID program - mostly bond, bond premium, and interest - but also beginning balance and other revenues, with most of the balancing entries made in debt service and contingency.
401	Local Improvement District Fund	\$0	\$992,000	\$8,683,000	\$2,002,325	The Fund recognized \$17.6M in beginning fund balance as a result of increased SDC revenue over budget (\$10.9M) and prior year project underspending (\$6.7M). It also recognized \$1.9M in revenue from its own General Fund, Memorial Fund, and Levy Fund allocations. To balance, the bureau allocated \$4.6 million in planned capital project expenditures and allocated the remaining amount \$14.9M to fund contingency.
402	Parks Capital Improvement Program Fund	\$8,815,916	\$0	\$0	\$14,946,444	This change is a result of interfund cash transfers including moving bond proceeds to the correct fund and the transfer of excess bond proceeds to debt service funds.
404	Housing Capital Fund	\$0	\$402,890	\$0	\$0	

500	Parks Endowment Fund	(\$2,680)	\$0	\$0	\$0	Reducing Interest Revenue by \$2,795 and increasing beginning fund balance by \$115. Reducing operating expenses by \$2,680 to balance.
600	Sewer System Operating Fund	\$6,005,152	\$0	\$0	(\$9,006,271)	\$4.1 million of the increase in program expenses is for the carryover of funding for projects or items not completed last year, and \$687,765 is for the addition of seven new positions, with the rest of the increase for urgent and unforeseen items. \$3.0 million of the decrease in contingency results from a true-up of beginning balance, with the rest being draws from contingency for the above mentioned increases in program expenses.
602	Water Fund	(\$15,624,650)	\$1,824,558	\$0	\$14,927,473	In what is a typical Fall BMP adjustment, the Water Bureau increased unrestricted contingency to balance reduced Capital Outlay and External Materials and Services costs based on updated construction schedules and cash flow estimates. The remaining \$1.8 million was remitted to the Water Construction Fund to true-up capital revenue received in the operating fund but transferred to the construction fund to be used for capitalizable expenses.
603	Golf Fund	(\$34,253)	\$0	\$0	\$1,821,497	Increased beginning fund balance by \$1.8M to account for revenues received above budget. Increasing fund contingency to balance. A reduction of \$34,253 in personnel expenses to accurately reflect planned personnel expenses.
604	Portland International Raceway Fund	\$0	\$0	\$0	\$219,022	Recognizing \$219,022 in beginning fund balance to capture prior year revenues above budget, allocating to fund contingency to balance.
605	Solid Waste Management Fund	\$84,339	\$0	\$0	\$118,180	This change reflects truing up beginning fund balance by \$202,519, of which \$84,339 is being budgeted in materials and services to fund encumbrance carryovers and the remaining \$118,180 is being budgeted in contingency.
606	Parking Facilities Fund	\$720,810	\$0	\$0	\$424,616	The fund is recognizing \$1,145,426 in beginning fund balance from underspending and allocating \$720,810 in program expenses for major maintenance projects, increased costs for security services, and tenant improvements at three retail spaces in the 3rd & Alder Garage. The remaining balance is allocated to contingency to balance.
607	Spectator Venues & Visitor Activities Fund	\$0	\$0	\$29	\$1,993,995	The fund is recognizing \$1,994,024 in beginning fund balance due to higher than anticipated revenue from parking and user fees from late season Blazer basketball games and interest earnings. The fund is balanced with a \$29 increase for debt service costs with the remaining balance allocated to contingency. The fund also received \$150,000 in cash transfer revenue from the General Fund (one-time) for the initial phase of a sewer repair at the Arlene Schnitzer Hall. This was balanced with a \$150,000 increase in program expenses.
608	Environmental Remediation Fund	\$101,562	\$0	\$0	\$1,336,246	The increase in program expenses is for a new position to support the City's Portland Harbor Superfund project requirements. Most of the change in contingency is due to a true-up of beginning fund balance.
609	Sewer System Debt Redemption Fund	\$0	\$0	\$0	\$0	\$777 in remaining 2019 bond proceeds are being transferred from the Sewer System Construction Fund. The funds are placed in debt service reserves and must go towards debt service expense.
614	Sewer System Construction Fund	\$0	\$777	\$0	\$39,461,619	The \$777 increase in cash transfers consists of the remaining 2019 bond proceeds that are being transferred to the Sewer System Debt Redemption Fund and must go towards debt service expense. The great majority of the increase in contingency results from a true-up of beginning balance.

615	Water Construction Fund	\$0	\$627,381	\$0	\$0	Recognizing \$627,381 in cash transfer expenses to the Water Operating Fund to recognize capital expenditures incurred in the prior year that will be transferred.
617	Sewer System Rate Stabilization Fund	\$0	\$0	\$0	\$14,075,900	The increase in contingency is due to a true-up of beginning fund balance.
700	Health Insurance Operating Fund	\$138,996	\$0	\$0	\$4,988,943	The fund is recognizing \$5,127,939 in beginning fund balance due to moving \$5.1 million in appropriations from contingency to external materials and services in the Spring BMP in the event of a surge in medical claims from COVID-19 that did not materialize. In FY 2020-21, the fund also experienced lower than anticipated health care flexible spending account expenditures and higher-than anticipated WageWorks rebates, and the carryover of unspent funds for the American with Disabilities Act (ADA) Title I Accommodation Fund. The fund is balanced with a \$138,996 increase in professional services for purchasing ADA work-related products to support employees and an \$4,988,943 increase in contingency.
701	Facilities Services Operating Fund	\$14,837,269	\$0	\$0	\$476,359	The fund recognizes \$8,604,435 in beginning fund balance and \$709,193 in interagency revenue for Citywide security and project management services. The revenue is balanced with \$7,601,785 in program expenses for the final PDX Building reconstruction post-project costs, implementation of the Genetec security system, and improvements to the 7th floor of the 1900 building. The remaining balance is budgeted in contingency.
702	CityFleet Operating Fund	\$12,363,951	\$0	\$0	\$834,727	The fund recognizes \$4,612,008 in beginning fund balance due primarily from vehicle and equipment delays and \$8,586,670 in interagency revenue from the Parks Bureau for the purchase of new vehicle. The increase in revenue is offset with an \$12,363,951 increase in program expenses for \$11,869,173 in capital outlay expenses for new vehicle and equipment orders, \$300,093 in personnel expenses for 2.0 FTE, and a \$231,376 net increase in external materials and services for equipment rentals and maintenance services. The fund also reduces internal material and service costs by (\$36,691) to cover a portion of the new FTE costs. The remaining \$834,727 is allocated to contingency to balance.
703	Printing & Distribution Services Operating Fund	\$28,209	\$0	\$0	\$571,972	Most of the increase in program expenses is for the allocation of salary adjustments due to inflation but also include a small amount for an IA increase with the Bureau of Planning & Sustainability. Most of the change in contingency is due to a true-up of beginning fund balance.
704	Insurance and Claims Operating Fund	\$162,845	\$0	\$0	(\$2,030,670)	Most of the increase in program expenses is due to the addition of a limited term Claims Analyst position to handle an increase in liability claims, while most of the change in contingency is due to a true-up of beginning balance.
705	Workers' Comp. Self Insurance Operating Fund	\$24,286	\$0	\$0	\$583,351	The increase in program expenses is due to a reclassification of two positions, while the increase in contingency is mostly due to a true-up of beginning balance.
706	Technology Services Fund	\$9,629,661	\$0	\$0	(\$477,593)	\$7.9 million of the increase in program expenses is for the carryover of funding for projects not completed in the prior year, with the rest for new projects or items not included in the Adopted budget and allocation of salary contingency to home cost centers. The change in contingency is the net of the draws from contingency for the above-mentioned items and a true-up of beginning fund balance.
707	Portland Police Assoc Health Insurance Fund	\$0	\$0	\$0	(\$639,481)	This fund reduces beginning fund balance and contingency as a result of lower than anticipated charges for service revenue in FY 2020-21.