

Motion and Amendments for Approved Budget Hearing – May 17, 2023

Motion to approve technical change to Attachment B: Moved by Rubio and seconded by Ryan.

Mayor Ted Wheeler

1. Budget Note: Update policy on Five-Year Financial Planning timelines and submissions

To ensure a transparent and timely process, the City Budget Office (CBO) will review existing financial policies and create a new schedule and decision-making process for all Bureau multi-year Financial Plans as part of the annual budget process and to be presented to council earlier in the process. In addition, CBO will review the existing policy for the establishment of reserve funds to address emergencies, address temporary fluctuations in revenues and expenditures, and provide stability during economic cycles. The policy shall revise guidelines for the content of the financial plans including alternative forecast scenarios, assumptions used in preparing the plan, schedules for the timing and amount of planned debt issuance, rate increases for all service fees, and the methodology for the development, use and replenishing financial reserves. The policy will also include the timing of work sessions and the approval of the financial plans by the Mayor and Council. CBO will also include in the budget schedule options for Council approval of rates earlier in the budget process. A work group will be convened to allow for input from Bureaus on the policy prior to submission to the Council. Update Attachment D as appropriate.

Moved by Wheeler and seconded by Mapps. (Y-5)

2. Budget Note: Development of policy and process for timing of revenue bonds for utilities

The City Budget Office, in conjunction with the Office of Management and Finance Bureau of Revenue and Finance Services will review and revise City Financial Policy for debt management to include timelines and notification of future revenue bond sales with rate assumptions to Council in conjunction with the annual rate ordinance for utility rates. This review of policy and process should include the timeline for adoption for utility rates prior to the release of the Mayor's Proposed Budget, set expectations for appropriate [levels] approvals from Council Offices for

timing of bond sales and the City's budget process, the inclusion of information on requested rate increases during the authorization of bond issuance, and the policies will ensure transparency in the rate development process for Council Office and the public. Update Attachment D as appropriate.

Moved by Wheeler and seconded by Ryan. (Y-5)

3. Budget Note: Inventory and review of Bureau-specific fees

As part of the review of City Financial Policies, the City policy for revenue recovery (FIN 2.03) shall also be reviewed in FY 2023-24. Bureaus that set fees administratively through the City's annual budget process shall also provide City Council with information on purpose, cost methodology, date of last revision, and frequency of activities supported by these fees in their FY 2023-24 budgets. Bureaus shall submit the inventory of administratively set fee information to The City Budget Office by August 30, 2023. Update Attachment D as appropriate.

Moved by Wheeler and seconded by Rubio. (Y-5)

4. Reduce rate growth for Water Bureau water retail rates to the FY 2022-23 forecast of 7.7% growth

The Portland Water Bureau will reduce its retail growth rate to the prior forecasted growth rate in FY 2023-24 to 7.7% from 8.9%. To enact this reduction in the rate growth, the revenues for water sales in the Water Fund will be reduced by \$2,400,000. To balance, the Water Fund contingency expenses will also be reduced by \$2,400,000 on a one-time basis. The Water Bureau will take cost containment efforts in advance of the Fall BMP, which may include holding positions vacant or delaying projects that have not started. Further, the affordability programs will not be reduced to achieve this reduction. The full impact of holding the growth rate consistent will be incorporated in the FY 2024-25 rate budget. Update Attachments B, C, and D as appropriate.

Moved by Wheeler and seconded by Ryan. (Y-Ryan, Rubio, Wheeler; N-Gonzalez, Mapps)

5. Reduce rate growth for Bureau of Environmental Services sewer rates to the FY 2022-23 forecast of 3.15%.

The Bureau of Environmental Services will reduce its retail growth rate to the prior forecasted growth rate in FY 2023-24 to 3.15% from 5.15%. To enact this reduction in forecast rate growth, the revenues for sewer system in the Sewer Operating Fund

will be reduced by \$8,000,000. To balance, contingency expenses will also be reduced by \$8,000,000 on a one-time basis in the Sewer Operating Fund. The Bureau of Environmental Services will take cost containment efforts in advance of the Fall BMP, which may include holding positions vacant or delaying projects that have not started. Further, the affordability programs will not be reduced to achieve this reduction. The full impact of holding the growth rate consistent will be incorporated in the FY 2024-25 rate budget. Update Attachments B, C, and D as appropriate.

Moved by Wheeler and seconded by Rubio. (Y-Ryan, Rubio, Wheeler; N-Gonzalez, Mapps)

6. Reduce on-street metered parking by \$.40 per hour in the Portland Bureau of Transportation FY 2023-24 Budget Transportation Operating Fund.

The Portland Bureau of Transportation General Transportation Revenue forecast and the FY 2023-24 Proposed Budget assumes a metered parking rate increase of \$.40 per hour, which was approved by Council in February 2022 (Resolution 37564). The last metered parking rate increase occurred in 2016. This amendment removes the incremental increase of \$.40 per hour in metered parking rate revenue as a resource to support program expenses. To enact this reduction, the parking fee revenues in the Transportation Operating Fund will be reduced by \$8,300,000. To balance, contingency in the Transportation Operating Fund will be reduced by \$8,300,000 in FY 2023-24, adding to ongoing program reductions, including reducing positions, for FY 2024-25. Update Attachments B, C, and D as appropriate.

Moved by Wheeler and seconded by Ryan. (Y- Wheeler; N- Ryan, Gonzalez, Mapps, Rubio) Motion failed to pass.

Commissioner Carmen Rubio

1. FY 2023-24 System Development Charges (SDCs) will remain at FY 2022-23 rates

The System Development Charges (SDCs) for Parks, Bureau of Environmental Services, Water Bureau, and Portland Bureau of Transportation are to remain at the FY 2022-23 rates for FY 2023-24. This represents a one-year freeze of SDCs.

- The SDC revenues to collect in the Parks Capital Fund (Fund 402001) will be reduced by \$1,400,000 and Parks Capital Fund contingency will also be reduced by \$1,400,000.
- The SDC revenues to collect in the Water Fund will be reduced by 1,000,000 and Water fund contingency will also be reduced by \$1,000,000.

- The SDC revenues to collect in the Transportation Operating Fund will be reduced by \$400,000 and Transportation Operating Fund contingency will also be reduced by \$400,000.
- The SDC revenues to collect in the Sewer System Operating Fund will be reduced by \$1,000,000 and Sewer System Operating Fund contingency will also be reduced by \$1,000,000.

Update Attachments B, C and D as appropriate.

Moved by Rubio and seconded by Ryan. (Y-5)

2. Centralized coordination of forecasts FY 2024-25 Budget Development

The City Budget Office and the City Economist will convene a work group to coordinate underlying assumptions for forecasting revenues in advance of the development of the FY 2024-25 Budget. The timeline will be developed and shared with bureaus as the schedule for the FY 2024-25 Budget development process is set over the summer. A work session on economic trends and forecasting assumptions will be held prior to the submission of Requested Budgets. Update Attachment D as appropriate.

Moved by Rubio and seconded by Wheeler. (Y-5)

Commissioner Rene Gonzalez

1. Budget Note: Direction for call response and allocation review for medical response

The Office of the Commissioner of Public Safety is assigned coordination responsibilities for the City Transition Public Safety Service Area group. The Service Area group is charged with submitting recommendations regarding the City's public safety structure within the City's new form of government effective in January 2025. The Service Area group will submit recommendations to the City's Chief Administrative Officer and City Council for approval before October 31, 2023. The City's public safety structure, as approved by City Council, will inform PF&R's staffing requirements and the City's public safety call response protocols. Strategies regarding staffing and call response shall be developed in coordination with Commissioner of Public Safety, the city's public safety bureaus, Multnomah County, and the City Budget Office (CBO). The Commissioner of Public Safety shall assign a Project Manager responsible for the deliverables identified in this budget note.

The Project Manager shall regularly report to the Commissioner of Public Safety and the Mayor's Office on project status, for the duration of the review timeline. A report

shall be presented to City Council by September 15, 2023 to inform both future budget guidance and to allow for any workload necessary for transition and planning to occur. Council shall prioritize additional funding to execute the plan should alternative funds become available during FY 2023-24. It is recognized this may be a multi-year effort to fully execute any transition of programing and identification of ongoing resources. This budget note represents direction to move towards a more sustainable funding and operational deployment model for non-emergent and lower acuity medical call response.

Analysis evaluating alternative response protocols shall consider the rapid response vehicle (RRVs) program, the Community Health Assess and Treat (CHAT) program, and Portland Street Response, as well opportunities to revise ambulance response services with Multnomah County. Update Attachment D as appropriate.

Moved by Gonzalez and seconded by Mapps. (Y-5)

2. Budget Note: Overtime analysis and reporting structure for Portland Fire and Rescue

Portland Fire & Rescue (PF&R) experienced unparalleled overtime spend in 2022-23 and recently engaged an outside analysis how to remedy going forward. PF&R will complete the analysis of overtime spend and provide recommendations on long-term solutions.

The Commissioner of Public Safety shall assign a Project Manager responsible for the deliverables identified in this budget note.

Analysis shall consider [include] the impacts of the following: collective bargaining agreement, future retirements, upcoming 27-pay period lookbacks, potential impacts of Oregon's Paid Family Medical Leave Act on daily staffing models, appropriate size of the traveler's pool, and potential strategies for overtime avoidance.

The Project Manager shall regularly report to the Commissioner of Public Safety and the Mayor's Office on project status, for the duration of the review timeline. A report shall be presented to City Council by September 15, 2023 to inform both future budget guidance and to allow for any workload necessary for transition and planning to occur.

Council shall prioritize additional funding to execute the plan should alternative funds become available during FY 2023-24. It is recognized this may be a multi-year effort to fully execute a plan to address overtime pay. Update Attachment D as appropriate.

Moved by Gonzalez and seconded by Mapps. (Y-5)

3. Realign \$400,000 in one-time General Fund discretionary resources allocated to the Community Safety Division in the Office of Management & Finance to the Portland Fire Bureau for onboarding and training new Fire Fighters

The Community Safety Division in the Office of Management & Finance (OMF) shall realign \$400,000 in one-time General Fund Discretionary resources carried over to the FY 2023-24 Proposed Budget for a Community Safety Strategic Plan to the Portland Fire Bureau to support onboarding and training new fire fighters. To effectuate this change to the FY 2023-24 Proposed Budget, the amendment decreases the Community Safety Division's General Fund one-time revenue and associated program expenses by \$400,000 and increases the Fire Bureau's budget by the commensurate amount, resulting in a net neutral budget realignment. The CSD will no longer have a dedicated resource for their strategic plan without their own internal realignment. Update Attachment B and C as appropriate.

Moved by Gonzalez and seconded by Wheeler. (Y-Ryan, Gonzalez, Mapps, Rubio; N-Wheeler)

Commissioner Dan Ryan

1. Budget Note: Assessment [Assignment] of City Arts Program and future agreements

Commissioner Dan Ryan and the City Arts Program have undertaken a comprehensive evaluation of the City's arts-related services, seeking to align arts spending with City goals and policies to enhance support for artists and arts organizations by providing more direct services, resources, and opportunities for growth and development. Recognizing the immense value and impact of investing in the City's artistic community, including artists, arts organizations, cultural events, and the broader creative economy, the City Council has determined the need for a centralized and robust Office of Arts and Culture to oversee and streamline efforts, enhance efficiency, and foster collaboration within the arts community, and provide support for the development, promotion, and preservation of arts and culture throughout Portland. The City Arts Program will begin the process of reallocating staffing and contract investments to establish the Office of Arts and Culture, with a target completion date of June 2024. Update Attachment D as appropriate.

Moved by Ryan and seconded by Rubio. (Y-5)

2. Budget Note: Outgoing City grants policy and process review

The Office of Community and Civic Life, in partnership with the Office of Management & Finance Grants Management Division, will develop a comprehensive process and transparency framework for community grants in the City of Portland. In addition to ensuring equity and inclusivity, the new framework will require clear accounting, measurable goals, robust community engagement, and transparent reporting. We aim to ensure accountability and fiscal responsibility, and mutually desired goals. Update Attachment D as appropriate.

Moved by Ryan and seconded by Rubio. (Y-5)

Commissioner Dan Ryan & Commissioner Carmen Rubio

1. One-time funding for the Diversity and Civic Leadership (DCL) program

The Diversity and Civic Leadership (DCL) program in the Office of Community and Civic Life will receive \$250,000 of General Fund one-time discretionary funds to support the program grants in FY 2023-24. To recognize these resources, increase General Fund beginning fund balance by \$250,000 on one-time basis. The resource supporting this increase is underspending in the intergovernmental agreement with the Joint Office of Homeless Services. Increase program expenses in the DCL program in the Office of Community and Civic Life and General Fund discretionary resources. Update Attachment B and C as appropriate.

Moved by Ryan and seconded by Rubio. (Y-5)

Commissioner Mapps

1. Reduce on-street metered parking by \$0.20 per hour in the Portland Bureau of Transportation FY 2023-24 Budget Transportation Operating Fund.

The Portland Bureau of Transportation General Transportation Revenue forecast and the FY 2023-24 Proposed Budget assumes a metered parking rate increase of \$0.40 per hour, which was approved by Council in February 2022 (Resolution 37564). The last metered parking rate increase occurred in 2016. This amendment reduces the incremental increase of \$0.40 per hour in metered parking to \$0.20 per hour. To enact this reduction, the parking fee revenues in the Transportation Operating Fund will be reduced by \$4,150,000. To balance, contingency in the Transportation Operating Fund will be reduced by \$4,150,000 in FY 2023-24, adding to ongoing program reductions, including reducing positions, for FY 2024-25. Update Exhibits B, C, and D as appropriate

Moved by Mapps and seconded by Gonzalez. (Y-Ryan, Gonzalez, Mapps, Rubio; N-Wheeler)

Motion to approve changes to the Proposed Budget as presented in the Memo and Attachments B, C and D as amended by the individual floor amendments: Moved by Wheeler and seconded by Gonzalez. (Y-5)

Motion to approve the Budget as amended: Moved by Ryan and seconded by Rubio. (Y-Ryan, Gonzalez, Rubio, Wheeler; N-Mapps)

Motion to approve Tax Levies: Moved by Ryan and seconded by Gonzalez. (Y-5)